2019 SENATE APPROPRIATIONS

SB 2015

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 1/9/2019 Job # 30624

Subcommittee

□ Conference Committee

Committee Clerk: Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget;

Minutes:

Testimony Attached # 1 - 7

Legislative Council: Adam Mathiak OMB: Becky Deichert

Chairman Holmberg called to order the hearing on SB 2015 concerning the Office of Budget and Management. The subcommittee will be: **Senators Holmberg, Bekkedahl** and **Robinson**.

Joe Morrissette, Director, Office of Management and Budget (OMB)

Testimony Attached # 1 – Office of Management and Budget Testimony on SB 2015.

I'll talk first about each division and then some of the accomplishments from this current biennium, and then the budget as well as some of the sections that were included in the OMB draft that was submitted. Speaking from Attached # 1.

(8:28) **Senator Robinson**: The risk management/cyber security – Does that include Higher Education?

Joe Morrissette: That includes all of Higher Ed, and it includes everything except of Bank of North Dakota which has their own policy.

Senator Robinson: We're part of our education in terms of our foundation. Legally, would we fall in or outside that coverage?

Tag Anderson, Risk Management Division, OMB: Yes, the Foundation is part of Valley City State University. It's not a separate legal entity like NDSU or UND's foundations.

Continuing on page 12 -

(24:13) Section 3 – transfer from SIIF to the Budget Stabilization Fund \$315M. This would be based on the existing balance in the fund, the executive forecast for revenues for the

remainder of this biennium. This would be the remaining amount that would be needed to maximize that fund or bring it to its maximum balance of 15% of appropriations.

(24:50) **Chairman Holmberg**: Would the proposal be to take one billion out of oil income and put it into the general fund. That would increase the requirement then for the budget stabilization, I'm guessing....

Joe Morrissette: It's based on the appropriations, not the revenues. Since they have to be in balance, it would have an impact. If there were less general fund appropriations, the 15% threshold would be less. It's based on what was proposed in the executive budget.

(28:11) **Chairman Holmberg**: Was there any discussion of having that as a pool in the Attorney General's office or was that not part of the discussion?

Joe Morrissette: We did not discuss that with the Attorney General. I would see no reason why that wouldn't be workable. I know in the past there have been a variety of different funding pools for different purposes that have been included in OMB, so we would be able to administer it, but it would work fine to be administered that way too. The idea that that there could be some efficiencies by having a central pool.

Senator Wanzek: That \$4M fund – does that stay in the SIIF fund until it's possibly needed – or is it transferred into your budget?

Joe Morrissette: It would be an appropriation. It's not transferring SIIF monies into a separate fund, so it would be an appropriation directly from SIIF if needed. As I think about it on the fly, the monies would just stay in SIIF until needed.

Continuing on Section 11.

(30:28) **Chairman Holmberg**: There are a couple bills circulating, one in the Senate and one in the House, having to do with directions – alternative plans.

Chairman Holmberg: At the present time, we just spent \$110,000 more out, so what are we ending up with now in the contingency? About \$300 and something?

Joe Morrissette: I think we had spent about 60 before that, so a little over 200 maybe..

(39:34) Joe Morrissette: closing and asking the committee for their support.

Chairman Holmberg: There are a number of items that are of interest and we'll have legislative opportunities for discussion. Most of them are clearly in the purview of the budget, but I'm wondering if you had any consideration or discussion about section 18 which is the whole area of the health plan. Wouldn't that be a section that should be put in a separate bill to go through policy committee first? We have policy committees that work on that particular issue. Had you considered that it was something that should be in an agency bill, or shifting it out and putting it in as a bill so that it goes through the policy committee?

Joe Morrissette: I don't object at all, but we ran out of time in our bill drafting. I wouldn't object to having that pulled out and put into a policy bill.

Senator Mathern: Related to section 2 & section 19 – Section 2 has the health savings account incentive of \$800,000 and section 19 is evidently the method. At this point, how do you anticipate comparison? If we're giving incentive in one plan, how do we compare the cost of that plan to the cost of a grandfathered plan?

Joe Morrissette: Section 19 deals with the monthly contribution the state would make to that health savings account. That would be based on the difference in premium between the high deductible plan and the new proposed non-grandfathered plan offering. That's the difference. That section just relates to how that difference should be calculated. The appropriation that is referenced in Section 2 in Section 1 of the bill, the total of \$1.5M, would be the proposed \$500/year/employee incentive. It's hard to quantify exactly what the long term savings would be to the state by having additional participants in that high deductible plan but we think that it could help change the curve somewhat by having people in a plan where there are higher deductibles, higher co-pays and more engagement in what their health care costs are, but the actual difference in premium is what determines the monthly contribution that would also be made.

Senator Mathern: My question is more related to making sure that we keep track of the incentive so when we compare plan A, plan B, plan C in terms of the state costs, that that incentive is in there too. All of the insurance data that we have in the past is, when you have a health savings account, you drive well people to that account because they get a benefit. Then the other plans eventually go bankrupt because only the sick people stay in the fully benefitted plan. If we actually create this new plan and bankrupt the old one, somebody has to pay that difference. Is that demonstrated here in the comparisons of the plans?

Joe Morrissette: We'd have to wait and see and look at what participation there was. At this point, with only a little over 300 participants, even though the plans been in place for eight years, there's been no actuarial impact that could be quantified, in terms of impact to the main plan. Those would be questions that we would have to work through with PERS and their actuary. It would probably take a significant movement of people before there would be an impact that you could quantify.

Senator Grabinger: I'm struggling with increasing the amount in the employee bonus program and eliminating the other one. Because as a former state employee, I had bosses that would have never given me a raise or bonus no matter what I did. So I look at that and I'm wondering how many times this is just going to become a pad for department heads to treat the friends and things like that. I've seen it before, whereas in the plan we have, with the suggestion incentive program, that's being quantified. If they come up with an idea or did something good, it's asked to be quantified so they can make a determination of that. Here, you're getting away from that and I'm afraid we're opening up something that could be a lot bigger.

Joe Morrissette: That's a good point. The measure of performance is more subjective with a performance bonus program. It would still be limited to \$2500 so it's not like it would be totally open ended. I could certainly get you statistics on the suggestion incentive program.

If you look at it by and large, there's a lot of work that goes into measuring and quantifying those things that really don't add up to much in the end. That's really the reason, not because there isn't some value in theory in that program but in practice, it really hasn't come through.

Senator Grabinger: In the state employee performance bonus program – is there documentation of why they are getting this bonus? Is somebody overseeing this other than just one person saying I'm going to give my department heads this.

Joe Morrissette: It does require documented performance and it is reported to legislative committees as well so there is oversight in that way.

Chairman Holmberg: I think that section needs to be pulled out because we'd probably get some flack from the Employee Benefits committee.

Senator Dever: I'd suggest that as well as well as the high deductible because I think there are some implications that Senator Mathern is correct with adverse selection. I'd be happy to be a primary sponsor and introduce that by Monday because next Tuesday there is an Employee Benefits committee and I know the director of PERS is prepared to discuss the implications of all this. One of the implications is that if we lose our grandfathered status, there's a 3.5% ACA fee.

Joe Morrissette: This executive proposal would continue the grandfathered plan. That's the plan that if state employees wanted to continue in, they would pay \$28/month which is only about 2% of premiums. It's well below the 5% limit to continue as that grandfathered status.

Senator Dever: I'm not quite clear. It says under the executive recommendation for state employee health insurance, the plan with the premium fully paid by the state would become a new non-grandfathered plan and employees continuing in enrollment in the current grandfathered plan would pay the difference of \$28/month. So we're going to have two plans? Or two offshoots of the same plan?

Joe Morrissette: It would be two separate plans. Maybe I misunderstood your question.

Chairman Holmberg: So there would be high deductible, grandfathered and non-grandfathered – three total?

Joe Morrissette: Yes. Two plans in addition to the high deductible plan, so three total.

Senator Mathern: There are also ACA requirements about how many plans you can have and how different they can be. That also is a policy issue. You can actually lose your grandfatherness if you have other plans put together that create some other deficiencies.

Chairman Holmberg: That's why I think you'd support sending this to a policy committee first. We can't throw all this on Joe because there were some changes in how these bills were going to be put together. We can introduce the bill and Senator Dever said he would prime the bill. Then we can get it in so it can be part of the discussion in Employee Benefits which meets next Tuesday afternoon.

Senator Dever: The PERS board decided to renew the contract last October, but they don't sign the contract. That establishes what the premium is until the legislature has had an opportunity to decide how to pay for that. One of the ways we pay for it is by covering the cost of the premiums. Another way is we may take it out of the Reserve Fund which we did last time. Another way is adjusting the plan design which we did last time in which this basically is considering what we do, so the decision ends up being the legislature's.

(53:50) John Harris, President & CEO of Prairie Public Broadcasting

Testimony Attached # 2 – written testimony. Testimony Attached # 3 – Prairie Public Broadcasting, Inc. Annual Report 2017 Testimony Attached # 4 – Prairie Public Cue – Winter 2018

Chairman Holmberg: Within the last year, there has been some publicity about concerns about your connectivity to the world because of various buildings being built. Did you get it all worked out?

John Harris: We met with the developers of the Block 9 project, which you're referring to, yesterday afternoon. They are coming with us in the next couple of days with their final offer of support, but we feel like we are in a good place with the developers of that project.

(58:56) **Aaron Birst, Legal Counsel, ND Association of Counties (NDACo)** Testimony Attached # 5 – OMB Budget/Public Guardianship Funding Testimony Attached # 6 – Funding of Public Guardianships Supporting SB 2015 (the guardianship service part of the bill)

Senator Grabinger: You show a projected rate – In Jamestown, the Human Service Department is going to close. We're going to put more people into this guardianship program and out into the community. Is that just going to be dumped on top of this? They're already in a situation where the money is not there.

Aaron Birst: In particular, that is why we've advocated for state funding as opposed to county based funding for these services because in large part, counties like Stutsman County that have the state hospital, get stuck with the largest costs. When you look at the number of people that we have, EKK is one of the largest providers because the state hospital is there. They're way above what caseloads should be to do the job adequately. But again, you triage and try to get through.

Senator Dever: I'm asking about the public administrators and I'm curious about county indigent burial fees and the time frame that public administrators have go through the process to establish that.

Aaron Birst: Yes, that is a problem. Not only do the public guardians help people make decisions, they also get tasked with helping to find burial plots for them and fix the end of their life kind of issues. What we've decided is just randomly come up with a three day or 5-day and pay them for those services – which is a couple dollars a day to do those. It's all part of the same package whether we're talking indigent burial or guardianships. It's all working with a clientele that has no one there or no capability to help them through so that's when we ask for those private service providers.

Senator Dever: So each county establishes the amount of the burial fees – in Burleigh County it's \$2100, but there's a process that it has to be reported in 30 days and financial information has to be obtained in an additional 10 days. If you don't meet the deadline, you lose the \$2100.

Aaron Birst: Yes, that's correct. The counties are still picking up the tab for the burials which is the \$2100. The guardianship program that this group has funded pays for the services for those folks to do the paperwork. And yes, it is a quick turnaround.

Senator Dever: The concern expressed to me is that Burleigh County will deny the \$2100 if it's not in that timeframe. It's difficult because somebody dies and has no relatives and the public administrator has trouble getting the information from the banks because they're not the relative.

Aaron Birst: I will look into that. I'm not aware of the counties denying because of the turnaround, but it might be possible. It's a difficult business. We're talking about the folks that have nothing.

Senator Dever: So if the burial fee is established differently in each county, is that timeframe established differently?

Aaron Birst: I thought we established last session the rate for the indigent burial, but I'll have to look to make sure. I am not aware of specific county based policies. I'll find out.

(1:09:50) **Audrey Uhrich, Program Director, Guardian and Protective Service (GaPS)** Testimony Attached # 7

Senator Grabinger: Last session we set aside money in the supreme court to oversee the guardianship program and provide guidelines for the providers. Have you received any training or guidelines from the judiciary dept. or supreme court?

Audrey Uhrich: Yes. The money that was set aside for state court, there has now been online training set up for any guardians, public and family guardians. There's also been new requirements and new background checks for any guardian and then for public guardians, those serving more than three individuals, we have to do a national certification requirement or our business has to do an accreditation. Those requirements are very important and has actually put a burden on our already tight budget because there's no money going to the providers to take care of us getting our requirements.

Sally Holewa, State Court Administrator, North Dakota State Supreme Court

No written testimony.

I want to reiterate the court support for the PASS program and to urge that you consider the funding increase that Aaron Birst has requested.

Chairman Holmberg: Closed the hearing on SB 2015.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 1/22/2019 Job # 31232

□ Subcommittee □ Conference Committee

Committee Clerk: Rose Laning / Marne Johnson

Explanation or reason for introduction of bill/resolution:

A bill 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; relating to the recognition of legacy fund earnings; relating to the capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program, and state employee performance bonuses; relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide for a report to the legislative assembly; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to provide an effective date.

Minutes:

No Attachments

Legislative Council: Alex Cronquist OMB: Larry Martin

The Senate Appropriations Committee met to discuss the agency bills and others that have been presented thus far and wanted to get input from the whole committee on what should be the focus of each sub-committee.

Chairman Holmberg said that we're not going thru salaries at this time.

SB 2001 – Governor (sub-committee: Hogue, Lee, Mathern)

- The 10% movement of moving money between line items. Have a standard response for them.
- Discuss the governor's salary this reduces salary just short of \$200,000 & what happens to the rest of it. They took their 5% cut. (Language needs to be revisited)
- Council said by putting it in a line item, then it couldn't get spent in other areas.
- Transfer language limited it to 10% before going to emergency commission

SB 2002 – Secretary of State (sub-committee: Hogue, Oehlke, Grabinger)

- Voting equipment replacing voting machines (matching requirement by state)
- Emergency clause should be there.
- 10% line item transfers

Senate Appropriations Committee SB 2015 1/22/19 Page 2

SB 2003 – Attorney General (sub-committee: Sorvaag, Bekkedahl, Mathern)

- Litigation authority
- Amount of money for Litigation
- Joining in with other states suing the federal government
- New line in OMB to tap into litigation pool
- Human trafficking grants added to AG bill

SB 2004 – State Auditor (sub-committee: Oehlke, Dever, Mathern)

- Looking at number of FTE requests
- FTEs between University system and Auditor's office
- ITD FTEs.

SB 2005 – State Treasurer (sub-committee: Bekkedahl, Dever, Robinson)

- Investments of the Veterans Post War Trust Fund (low interest)
- Treasurer's salary

SB 2006 – Tax Commissioner (sub-committee: Wanzek, Bekkedahl, Mathern)

- Discovery of compliance of businesses with no physical sales tax.
- Concern about staffing many retirees and loss of senior staff.
- Authority for line item transfers between the Homestead Tax Credit and Disabled Veteran's Credit programs.
- Litigation funds or funds in litigation pool.

SB 2007 – Labor & Human Rights (sub-committee: Poolman, Sorvaag, Robinson)

• Salary of Commissioner as she will be in charge of Dept of Labor and Human Rights as well as the Dept. of Commerce.

SB 2008 – Public Service Commissioner (sub-committee: Lee, Wanzek, Grabinger)

- Wanting additional staff for indemnity issues
- Additional staff
- \$100,000 increase in budget

JOB # 31232 -

SB 2009 – Agriculture Commissioner (sub-committee: Wanzek, Erbele, Grabinger)

- Want to move APUC and Trade Office to his office.
- 2 less FTEs
- Ag bio-science program an appropriation bill. Should it be added to the budget or let it a stand-alone bill.

Senate Appropriations Committee SB 2015 1/22/19 Page 3

SB 2010 – Insurance Commissioner (sub-committee: Oehlke, Erbele, Grabinger)

- Moving the Fire & Tornado fund over to the ND Insurance Reserve Fund
- Boiler inspection program
- Fire Departments & Sheriff's tax on insurance

SB 2011 – Securities Commission (sub-committee: Krebsbach)

- Money for a FINTECH position
- Section 3 appropriation of any income from federal funds (14:17)

Larry Martin: Like the transfer language, we added a lot of the language to spend additional federal or other funds to the cabinet agencies. Again, some of them receive money from outside sources, so we wanted them to have the ability to pay out. Job Service has similar language currently because they do get additional federal money so they have to be able to spend it out. We added that language to all the cabinet bills.

SB 2012 – Human Services (sub-committee: Dever, Erbele, Mathern)

- Provider rates. Governor 1-1. They want 3-3-3.
- Medicaid reauthorization of the expansion. Do we reimburse?
- Behavioral Health
- State Hospital support the move from New England for the women? Justification for the state hospital a study?
- Policy and how its structured for whole department. \$182M
- Nursing Homes
- Study the 36 Critical Access Hospitals Commercial rates vs. traditional rates
- Study resolution of medical care in the future for the state
- 1915(i) needs support.
- Commercial vs. traditional rates

SB 2013 – Public Instruction; Library, Blind & Deaf (sub-committee: Holmberg, Poolman, Robinson)

- Will have some meetings but need to wait for Education Committee to complete policy. Governor's school information is confusing.
- 1 FTE reinstated.
- Adult education.
- FTEs at school at Devils' Lake
- Governor moved pre-school money from Commerce to DPI (where is the money?)
- Transportation grants

SB 2014 – Protection & Advocacy (sub-committee: Sorvaag, Krebsbach, Grabinger)

• Adding of one employee

Senate Appropriations Committee SB 2015 1/22/19 Page 4

- Additional operating expenses
- Transferring guardianship programs to P & A.

SB 2015 – Office of Management & Budget (sub-committee: Holmberg, Bekkedahl, Robinson)

- Transferring money \$1B of oil revenue to general funds. If we put \$1B in and oil prices go down and we have less money in the general fund, we might have a risk with allotments. Do we want to expose ourselves more in the general fund by putting \$1B in the general fund from direct oil revenue?
- Fees or dues for several organizations. Last session we reduced dues by 10%.
- WICHE (Western Interstate Commission for Higher Ed) dues were in OMB and Commission was placed under Higher Ed. Did the \$15,000 get transferred?

SB 2016 – Office of Adjutant General (sub-committee: Hogue, Holmberg, Grabinger)

- Land Acquisition Proposed 6,000 acres of land in south Camp Grafton. Want to ask the adjutant, you have \$15M set aside to acquire 6000 continuous acres and will not exercise the power of eminent domain. How much will they pay an acre? How did they come up with \$15M?
- \$15M set aside to gain land long term leases. Be wary of setting precedent for cost/acre.
- Locals are not on board?

SB 2017 – Game & Fish (sub-committee: Oehlke, Wanzek, Grabinger)

- Section 5 on green sheet additional amounts appropriated to Game & Fish Dept. There is appropriated additional income from the feds from other funds to that agency. Would the federal funds go to their agency first?
- If they're receiving monies from federal, they can spend them out.
- Section 6 Require them to hang onto \$15M unless we have a budget section meeting and have an exception for some emergency. They have to invest it and its not making money where its being invested. They'd like it to be invested by the state investment board.
- Sportsman's clubs raise the fishing licenses; boat tax/gas tax.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 2/1/2019 Job # 32021

Subcommittee

Committee Clerk Signature : Rose Laning/ Mary Jo Wocken

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; and to provide an exemption.

Minutes:

Testimony Attached # 1.

Legislative Council: Adam Mathiak OMB: Becky Deichert

Chairman Holmberg called the sub-committee to order on SB 2015. Senator Bekkedahl and Senator Grabinger were also present. Senator Grabinger is filling in for Senator Robinson.

Chairman Holmberg: when you deal with direct cabinet office, they usually like the budget. PSC had "asks", so position of OMB is probably that this is a good budget.

Adam Mathiak handed out long sheets – Testimony Attached # 1 - Base Level Funding Changes

Joe Morrissette:

Transfer to Budget Stabilization Fund. Also based on appropriation level. Those factors together. Variables based on legislative forecast.

Chairman Holmberg: That's a moving target.

Senator Bekkedahl: Discussion amongst legislators. The SIIF (Strategic Investment and Improvements Fund) and Legacy Fund are both technically oil dollars at their origination. The SIIF has always been the place we've done historically capital projects, large one time expenditures out of. The Legacy Fund is new to us because this first session we can access the interest off of that. By its nature the Legacy Fund monies come dump into the general fund by statute on the last day of the biennium. Then they would technically go any monies left in the general fund over \$65Million in our current statute, would then dump automatically into the Budget Stabilization Fund, is that correct? Joe replied correct. So that transfer could just occur automatically. So I heard some people say as long as the Strategic Investment and Improvement Fund is the vehicle we've always used for these types of projects, and

there's a method for the Legacy Fund to do this already automatically, instead of taking the monies for these types of things from Strategic Investment Fund to go into the Budget Stabilization why don't we just let that continue to fill in and use them for the one time projects? I know it's philosophical but I would be interested in hearing what you think about that.

Joe Morrissette: That would be case in current biennium because the forecast assumed \$200 M of Legacy earnings would come in and whatever that amount ends up being, it was \$300 or \$350 based on how the market plays out for the rest of the biennium. That excess amount would be part of the overage in general fund revenues that would automatically go but in the next biennium, if we're assuming a \$300M transfer will take place and that's part of the legislative revenue forecast for the biennium, then it would take something over, it would take actual earnings over that \$300M for that to actually take place at the end of the next biennium. Because it depends on the legislative forecast and spending would result in what kind of ending balance. But assuming that's less than \$65M there would have to be an excess of revenues some of which could come from the Legacy earnings if they exceeded the estimate before that kind of a transfer would take place again. Does that make sense?

(6.29) Senator Bekkedahl: Anything that is being proposed for next biennium that has a large capital expenditure to it, any of them before you take money and put it in the Budget Stabilization Fund, that could happen in the Legacy Fund, then the other projects that we're going to be spending out of the Legacy Fund, could move into the SIIF because its moving one dollar from one to the other and I understand that this is \$315 and the projection is for only \$300 M, but we also within the next biennium and my guess will add probably \$1.2 to \$1.2 B dollars to the Legacy fund in new monies which will translate into higher interest earnings so if we're comfortable with \$300 M at the projection we had for biennium maybe \$315 is doable.

Joe Morrissette: We worked with Dave Hunter on that and that number came from him. I think it is conservative. But I think it was based on the assumption that the market returns were higher than their normal expectations in the current biennium. He factored in the expected increase in principle but with a little bit more conservative estimate. It was more consistent with their long term expectation to come up with that \$300M. There could be some legislative change that would force that money from the Legacy earnings to go into the Budget Stabilization Fund. But my point was I guess unless there was an overage. If we just met, if the legislative budget just ended with a \$60M ending balance, and we just met that forecast all through the biennium, those Legacy earnings unless there was some direction to go otherwise they would just be part of the general fund pot of money, they would be spent along with the general monies and they wouldn't be any legacy earnings that would automatically go to the Budget Stabilization Fund at the end of the next biennium.

Joe Morrissette: continued with his explanation of the long sheets. Transfer of \$15M to National Guard Trust Fund for Camp Grafton expansion.

Becky Deichert: I believe it's a continuing appropriation authority but I will double check it.

Chairman Holmberg: Setting aside \$15M. It has to do with how much land do they really have to own, how much land could be leased on a long term lease for certain parts of the

year because of the risk of someone getting injured etc. Senator Bekkedahl talked about what happens when land owners and I am not casting a shadow on them sees that the agency has x amount of dollars and they start buying this parcel, this parcel of land and then they really need parcel. How the market can get skewed and you can tell your story.

Senator Bekkedahl: Told of story in Minot. DOT decided to pay \$25,000/acre rather than eminent domain. Now it's a year delay in acquiring the property because of that.

Joe Morrissette: The statute – could go to Adjutant General as well.

Chairman Holmberg: Adj. General will be done before we handle this budget.

Senator Bekkedahl: Is this the one that legacy fund then to the general fund then to the facility fund. At least it goes to general fund, but was the initial funding from the legacy fund in the general fund?

Joe Morrissette: Yes. It was Legacy earnings. Next transfer is just the continuation of the transfer in current law that would take the monies that accumulate in the tax relief fund and transfer those to Human Services for their social services finance fund and be appropriated from there.

Chairman Holmberg: Is that still in a state of flux too as far as the costs of that. It would be out of Human Services.

Joe Morrissette: The next transfer is the \$265M to SIIF, and that of course pulled out now into a separate bill SB2227 which was heard yesterday in Senate GVA.

Chairman Holmberg: You folks didn't have any problem with us pulling these policy things out.

Joe Morrissette: The next transfer is again an existing fund, that has been in law for a long time. The Preliminary Planning Revolving Fund you probably remember when there was money in there, and there was occasionally requests to spend the money. People would come to the budget section and asked for approval and the intent is to front up money for proposed projects so that there is a better opportunity to bring more detailed more comprehensive plans to the legislature for those projects. Then once an appropriation is made for the project, the money is repaid into the fund. So that is what makes it revolving. So this would be away to restore some money to that fund and have it be used again because we did I think the Executive Branch and the Legislative Branch did as well but it would be not creating a new fund just making use of an existing fund that only has about a miniscule amount in it, \$50-60,000 right now and kind of sits there and isn't really enough to do anything.

Joe Morrissette: The next section would allow only to transfer money from and ask in our budget of \$250,000 to reimburse agencies for student internships. So it's been in place for I think three of the last four biennia's and it's been successful and the appropriation has typically been spent here almost all of it so there is participation from agencies and agencies are asking for this again, so we did include that as a request. It just encourages those

agencies to hire student interns and in a lot of cases it does lead to longer term employment with the state.

Joe Morrissette: Section 8 is just a continuing carry over that you allowed us in the past for as long as I can remember that lets any unspent money just from our fiscal division to be carried over and then we can only use that to maintain support and up-grade the state financial accounting systems.

Section 9 – intent for certain grants in our budget. Been in there in the past.

Chairman Holmberg: That's the section that talks about the dues and membership (1524), correct?

Joe Morrissette: It just picks out a few grants from our budget and says that it's intent.

Becky Deichert: It is just the grant. It hasn't nothing to do with the dues. I believe it is the Boys and Girls club and community service.

Chairman Holmberg: But this said statewide memberships and dues. The dues in most instances were reduced last time to the National Regional organizations and I'm hoping we look at fully funding those organizations. We covered NCSL – we fully funded the dues. I think the House is looking at that. We have the money here. We expect to pay our full dues this particular upcoming biennium.

Joe Morrissette: They were cut 10% into the current biennium and the amounts we have in the budget for next biennium are just a continuation of the current level, not an additional cut. Can get you info on what organization charge us or what we paid in the prior biennium, because there are cases where they bill us one amount, and then we have to say this is all we have and we pay them that lower amount. If you would like that information we can certainly get that.

Chairman Holmberg: Yes, and the House in Higher Education is looking at the MCHE membership and we didn't pay. Was MCHE membership over here or was that always in Higher Ed?

Joe Morrissette: That was in Higher Ed. We did have a small amount that went to but that was not current or in the last biennium, it was in before that. Right? I laid that stuff out. But I didn't bring that with me. So, no I don't think that was ever been in our budget.

Chairman Holmberg: WICHE was and wasn't because there is the Health Unit that was \$15,000 and that was at one point in Human Services, and then it was in OMB, and now it's not there so I am assuming that has to be in Higher Ed because it is a Higher Ed function. Those dues, but we will make sure that we have that before us at the right time.

Senator Bekkedahl: Section 8 – Last session, there's a community restitution program that was shortly funded to about \$500,000 a biennium, we tried to put that into the Attorney General's budget and he didn't want it, we tried to put it in the Department of Corrections budget they didn't want it, so last session. This is a program where the courts use it a lot, for municipal courts for minor infractions involving youth where they have to work off some hours

in a community restitution program. The program subsidizes with the local communities the cost of supervision. Anyway, last session Senator Wardner put in stand-alone bill for half a million dollars for that program. I was on the conference committee and we worked with the House and got \$350,000. I talked to Senator Wardner and he said he forgot about it but I supposed to bring it up as a possible OMB issue. Is this the area of OMB where that would come in or is this going to be the end of the session type of OMB discussion?

Joe Morrissette: I believe that is the \$350,000 in our budget – the community service line.

Senator Bekkedahl: I think Wardner would like it at half million.

Joe Morrissette: So we left it at the \$350,000 that it is in the current biennium. We didn't make any changes to that.

Senator Bekkedahl: Was in there just because of last session then or how did that work?

Joe Morrissette: I think it has been a few biennium's hasn't it? Unless we are talking about two different programs.

Senator Bekkedahl: I guess I have to find out I know the number was \$350,000 and I know it was a stand-alone bill with Senator Wardner last session.

Joe Morrissette: The way you described it I think that is what this goes for.

Becky Deichert There was some language change where we had in our grant line, so there was a separate. It was in a separate bill. So they asked us to pull it out and put it into its own line, so we've done that.

Senator Bekkedahl: So I can tell Senator Wardner that it's here, but it might not be the full \$500,000.

Joe Morrissette: It's \$350,000.

Joe Morrissette: Section 10 Authority to allow OMB to pool litigation funds where they could be allocated out to agencies based on need. This would be authority to allow us to make those allocations if you don't authorize that pool then we don't need that authority.

Section 11. Pulled out and would allow us to transfer monies between agencies if you authorize the incentive pool for the heath savings accounts.

Section 12. Would follow the executive recommendation for compensation increases

Section 13 and 15. That would relate to the proposal that instead of the \$600,000 that we've had, or \$700,000 in some bienniums' as an appropriation for the State Contingency appropriation that we would have lesser amount of \$500,000 and then that we have some borrowing authorities to give to the Emergency Commission some flexibility, so this would relate to that borrowing authority. We worked with Bank on that and that was a workable solution for them to provide kind of a line of credit like that if you chose to go down that route.

Section 14. Would just be a new statute that I hope you consider that would allow agencies to create a shared service fund to allow agencies to cooperate better. Right now there is not really much of an incentive like if one agency buys a copier, and another agency wants to pay them to use it, if they don't have some specific special fund authority, they just have to put that into the general fund. So they don't really get any benefit. They can't offset their costs or anything so it kind of prohibits that in a lot of cases and we didn't draft it with a sunset because that would be a deterrent if agencies didn't think they had this authority long time like for the life of a machine or something. They probably wouldn't want to do it. But certainly it would be open to any kind of reporting, if that would make that more palpable you know. Annual reports I would be happy to provide on what agencies make use of that funds and what the activity is or anything like that, if that would help get support for that. It doesn't cost anybody anything. I think they would be potential for long term savings by facilitating agency sharing equipment or even a temporant position or something like that. We don't have that kind of flexibility now.

Section 17. Allow transfer between the lines of OMB up to 10% of the appropriation there. Anything over that would still go to Emergency Commission. I think there are cases where that would be useful just because it would allow agencies to be more responsive. We talked about this, a little bit and had an example from OMB where we had the opportunity to not fill some positions and contract for those services which was way more cost effective and saves us money in the long run. But we could only do it just because of the the timing. It worked out where it was last few months of the biennium and we're in that period now where we are able to contract for some mechanical services in the Capital Building filling two positions that took fees. But if it would have happened earlier in the biennium, we would have had to fill those positions because I just don't know if the systems mechanically that we have to have that service and either contract it or in place with positions and I don't know if the timing of the budget section approval and things would've worked out to facilitate that. So agencies would be more responsive like that. I think there would be some cost savings.

Section 18.- Would allow transfer between cabinet agencies of one percent of the general fund appropriations.

Senator Grabinger: Are we going to take that up separately?

Chairman Holmberg: I think we will take, you're talking about the 10%, no we will take that up we won't, the appropriation committee will decide what we're going to do, so we don't have to talk about it in each budget. There are some budgets that historically have had some transferability.

Senator Grabinger: When do you have a time frame for that? **Chairman Holmberg**: First part of next week.

Joe Morrissette: Section 19 would repeal the existing state employee suggestion incentive program which proposals and approvals. We just felt like it goes along with Section 21, which would be an increase in the performance bonus program which is always funded from existing appropriations. Agencies have to find that savings. They can only provide those

bonuses if they have savings in their salary line. So there is never an additional appropriation for that. Increasing that from \$1000 to \$2500 we thought would make that more meaningful and allow for some additional flexibility for agencies to provide that. It doesn't mean that they rise to that level and still be subject to whatever level they could afford in their budget. We felt like the administrative issues of the employees' suggestion incentive program where you have to quantify the savings sometimes it is cumbersome.

Senator Bekkedahl: That doesn't remove employees making suggestions for improvements does it?

Joe Morrissette: No. We would hope to have this part of everybody's job. If you would decide to go down this route, it was brought up to me two days, that there are still some that are kind of in the hopper, that have been or might be approved yet this biennium so we would probably need to look at that repeal and make that repeal probably effective on June 30, 2021. Maybe provide some intent that we're not going accept any new ones but he authority for the program continues for those people that have gone through the effort of submitting a proposal and it's been approved through the process that they can still get paid for it.

Last sections are part of bill that have Senator Dever's name on it that are in front of GVA.

Chairman Holmberg: Any questions? Or any directions to Adam for anything that we need to have? OMB will send to Adam Mathiak the actual dues that are being requested by the various organizations.

Senator Grabinger: Would like info with the employee suggestions reward program.

Joe Morrissette: Those were retention bonuses that did not have a time limit and these performance bonuses are currently limited to \$1000 and this would be proposing they go to \$2500 per employee per year. We'll get that information on the suggestions to you.

Senator Grabinger: Do you have information on how many of them \$1000 bonuses were given out and to what grade employees received them? Because I would be interested in that information too.

Chairman Holmberg: Closed the hearing on SB

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 2/11/2019 Job # 32519

Subcommittee

Committee Clerk Signature Rose Laning / Pam Dever

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; and to provide an exemption.

Minutes:

Testimony attached # 1 - 5.

Legislative Council: Adam Mathiak OMB: Becky Deichert

Chairman Holmberg called the sub-committee to order on SB 2015. Senator Bekkedahl and Senator Robinson were also present.

Chairman Holmberg: There have not been any changes on the longs sheets, since the last one? (Department 110 – Office of Management & Budget – attached # 1) Go to page 2. We have already had some discussion on the transfer of \$315 million. It is not in the list of things that the majority has agreed to do. We want to make sure all issues on the sheets are addressed. There is ongoing discussion about the national guard facility development trust fund. Adjutant General's office is looking for an appropriation of \$500,000 for leasing with options to buy. There is only 600 acres that they really have to own. The rest is buffers. Give the Adjutant General a couple years to put together a package on what can be done. The \$15 million in here, we would not be doing. The section 5 transfer, is the \$182 million the right number?

Joe Morrissette, Director, Office of Management and Budget: The \$200M that is in that bucket that goes in but \$17 million has already been spent based on the 2017 appropriation. So that is the amount available and included in the DHS budget.

Chairman Holmberg: We'd transfer that as per section 5?

Joe Morrissette: Correct, and that is consistent with what was in the 2017 language.

Chairman Holmberg: Section 6 is a SIIF funding to employee's retirement fund. There are discussions going on regarding that. The employees benefit is meeting soon. PERS board is meeting. (4.20) Revolving fund for prepayment, can you remind the committee?

Joe Morrissette: That is a fund that has existed in law for 20 years. It used to have money, but now it has \$50-60,000. Not enough to do anything with. The intent of the fund was to advance monies on proposed projects so they would have better information when they came to the legislature. They would be able to flush out and have better cost estimates. Agency can apply and approved by the budget section. If approved they would get monies for the development of drawings and architectural work. They would be repaid into the fund to make revolving. The fund has kind of diminished. We are just taking Infusion of monies to get it working again. (5.51)

Chairman Holmberg: If there was a finite amount of money available, how high on your priority list is this?

Joe Morrissette: A low priority.

Senator Bekkedahl: Do you see the number being a million or another number?

Joe Morrissette: \$500,000 would be enough to advance several projects. A lower amount would be helpful for whatever agencies apply.

Chairman Holmberg: The next one is state student internship program.

Joe Morrissette: This is the language that would allow only to make transfers out to agencies. If you provide an appropriation, the request is \$250,000. That is the same amount that was appropriated for 3-4 previous biennium's. Those monies go to agencies to pay for student internships (attached # 2). Agencies utilize that and it was all spent in previous biennium's. This encourages agencies to hire student interns and do it no cost. It can open the door for state employment.

Senator Robinson: This is above and beyond the commerce department intern N.D. program? This is specifically for state employment. (8.18)

Joe Morrissette: Correct. For state agencies that hire interns. It's been popular.

Chairman Holmberg: Let's look at section 8. We have had that before.

Joe Morrissette: That's been in the bill a long time. That allows for any unspent money in the fiscal management division that allows it to be carried forward. It can be used for upgrading and maintaining state finance and accounting systems.

Chair Holmerg: Look at #9 is the funding for?

Joe Morrissette: That is the legislative intent section. It would not really need to be in there as far as we are concerned. Legislative history shows where it would be spent. It lists those specific grants on the green sheet.

Chairman Holmberg: Dues and membership is listed on page 2.

Senator Bekkedahl: Boys and Girls Clubs work was \$53,000 appropriation, State memberships was \$531,450, and unemployment insurance was \$2 million, and state capitol grounds was \$25,000. That is the breakdown I have.

Chairman Holmberg: The biennium executive budget numbers for various statewide dues and memberships needs tweaking. Did you send that just to me?

Joe Morrissette: I emailed to all the subcommittee. Don't know if Adam got it. It showed what those organizations are requesting and billing. We can send that to Adam as well.

Chairman Holmberg: I need to take one more look at that \$15,000 that dealt with WICHE. (Attached # 3)

Joe Morrissette: It's in Higher Ed. At this point. It is not in DHS. (11.24)

Chairman Holmberg: I want to make sure it's in there. It is supposed to be in OMB budget. There is some DHS in there, and higher ed. stuff, too. We put them all in one place rather than sending WICHE a check from higher ed.

Joe Morrissette: We did some digging into the dues. I think I sent you an e-mail.

Chairman Holmberg: Going back to sections on litigation pool. It's a \$4 million pool. We will have to decide if we want to include it or not.

Joe Morrissette: The actually asks is \$2.8 million.

Chairman Holmberg: The health savings account.

Joe Morrissette: That would only be if you want to authorize that proposal that would give incentive payment to be made for people who wanted the high deductible plan.

Senator Bekkedal: How do you answer the criticism that you are incentivizing the healthy people that are healthy to move out of the pool? Wouldn't that increase the costs for those that stay in the pool? (14.35)

Joe Morrissette: It is rated at one group. There are only 340 people in there, and are rated as one group. If the group would be larger, it would be different. I had several legislators talk to me, and say it was a good plan and people seem to like the idea. I don't think it's the demographic that you'd think. Other things are covered because it is not a grandfathered plan. The idea that it's portable with a health savings plan and can take it with you.

Senator Robinson: Do we have any history from other states who have gone down this road?

Joe Morrissette: No, I don't have info. We've worked with Sanford and their actuaries. They might have information.

Chairman Holmberg: The next item is #12. That is still a work in progress. The majority were going to go with \$33.8 million or something like that in general fund. The counsel is putting together a sheet that would indicate if we put a minimum in, what would that minimum be. Would it be \$50 or \$60 minimum, before we'd do section 12. Do we as a committee want to have a minimum? The lower paid folks are getting \$30/month, which is not a very big bump. We disposed of Sen. Grabinger's bill on Friday. It was a little early and it should be with OMB, like in the past.

Senator Robinson: We have talked about that in caucus. Can we incorporate a minimum statement in this package?

Chairman Holmberg: We need to have more information. Now we have 13 & 15. 13 gives authority to borrow funds on contingencies for up to \$5 million. Look at section 15, under the emergency commission, under the advice of OMB, may order borrowing from BND. It is under that section. The challenge on floor to carry that is there is a lot of flak on the power of Emergency Commission. To ask the body to say and you can borrow up to \$5 million for emergencies. We've had \$600,000 of contingency, but haven't spent that amount. A couple of sessions ago, didn't we spend it before the end of the biennium?

Senator Robinson: I recall a time and the dollars were consumed in a very short time.

Joe Morrissette: To provide history. There were a couple of biennium's that the full appropriation was spent. So far we have spent \$160,000.

Chairman Holmberg: We did the national guard, the ROTC issue that came to forefront.

Senator Bekkedahl: On section 13, you said the past appropriations of \$600,000 and \$700,000 are rarely used fully. If you rarely used that in the past, are the larger amounts covered with cash on hand. The deficiency request replenishes the general fund or what fund it comes out of?

Joe Morrissette: In a lot of cases, the items are postponed and not addressed thru the contingency appropriation., because it is so small. There is a judgement against the state now, and it is an appropriation for OMB to pay this remaining \$415,000. We're accruing interest, but the emergency commission wouldn't want to entertain a motion to pay this amount.

Senator Bekkedahl: Either way, you're going to have an interest expense. Is this easier? Why would it work?

Joe Morrissette: It has worked. There's a lot of times that is addressed by legislature instead.

Becky Deichert: One time when it came up was last biennium with the hay emergency, if this would be in place, it would have allowed us to borrow the funds. We called the emergency commission to get the ball rolling. (24.12)

Chairman Holmberg: There's always the option of the legislature.

Senator Bekkedahl: If there is something that dire, the governor has the option to call back the legislature into session.

Joe Morrissette: The thought was we could tie up less general fund money through the appropriation, if there was flexibility.

Senator Bekkedahl: Speaking with other legislatures, they would rather come back and address it, then to give the authority to do it and address it later. That is a separation of powers issue.

Chairman Holmberg: It would face criticism. There are ways to handle those kinds of emergencies. We don't want to have lots of money stranded here and there. We have had some discussion on section 14.

Joe Morrissette: We hope you could support this. It would not cost anything. It would [provide some flexibility for agencies that does not currently exist. If two agencies share space, they could share copiers. We'd allow a mechanism in the state accounting system so two agencies could have shared services account. I don't have a case in mind. There could be savings down the road.

Senator Bekkedahl: We co-locate equipment in the city (Williston) with all our departments. I would be in favor of something like this. I have a question about section 13. Talking about the \$600,000 and \$700,000. Do those dollars stay in contingency and flip into the next biennium? So there is no accrual to the next biennium?

Joe Morrissette: It does not accrue. It gets turned back to general.

Senator Bekkedahl: Has that ever been thought of to carry over balance, if the \$600,000 wasn't adequate?

Joe Morrissette: That would be a good idea. It has never been talked about as far as I know.

Chairman Holmberg: A challenge is how legislators view pots of money. If we had \$400,00 left this time, and next time we added say \$400,000, so now it is \$800,000. Legislators would say, they have \$1.5 million sitting there. What is left is turned back to general fund and be re-appropriated.

Senator Bekkedahl: You could put a cap on it.

Joe Morrissette: I don't think it would have any impact on the general fund turn back. We might need that yet. We didn't build anything in on unspent money. There would be no impact on the budget. (29.27)

Senator Robinson: I am assuming in this discussion of turn back and stranded assets, that between L.C. and your office, going through exhaustive budget preparation process, we should not have stranded dollars. We don't have millions of dollars sitting out there. Would there by anything in state government that falls under that umbrella?

Chairman Holmberg: There is a history in water of stranding assets.

Becky Deichert: After going through 2 allotments in the 15-17 biennium, we looked at special funds and tried to fund anything that could be appropriated. We do look at that.

Chairman Holmberg: Look at section 16, which is revolving funds.

Joe Morrissette: That is the \$1M transferring into preplanning fund for capital projects.

Chairman Holmberg: We have already resolved the line item issue. The House and Senate have taken out that language. There are some agencies that have that and will continue to have it. Transfer authority between some agencies, and there is concern about that. Governor talks about more flexibility and less silos. The legislature is not eager to give up the power of the purse. # 19 is the repeal.

Joe Morrissette: That would repeal the existing state employee incentive in which the employee gets a percentage of the savings. Savings have been pretty minimal. Kind of cumbersome to quantify the savings and analyze that. and provide a payment back to the employee. For the administrative time and effort, it has not amounted to much. (33.13) It has been combined with section 21 I believe.

Chairman Holmberg: Right. (Attached # 4)

Senator Bekkedahl: I would be in favor, and there is a lot of savings there. People got minimal dollars back for it and you had to calculate it. I think if you're doing something like that, the bonuses make more sense logistically.

Joe Morrissette: Could I clarify on the bonuses. The increase from a \$1000 to \$2500 are always funded from within an agencies appropriation for the salary line. There is no additional money for that. Not always funded to maximum number of employees.

Senator Robinson: Sen. Grabinger had some questions on this issue. He thought there was discrepancy in the application of the program. He noted WSI was almost \$50,000. The concern was the distribution of classified employees and higher paid employees were getting a larger percentage of the bonuses.

Joe Morrissette: Sen. Grabinger brought that up to me. I have information I could e-mail you. He wanted to see bonuses by grade. You take distribution of bonuses by grade and then all positions in the systems by grade. They almost correspond the same.

Senator Robinson: Please forward that to me. Any explanation of WSI being so high?

Joe Morrissette: Agencies have the flexibility to provide up to 25% of their employees and not more than that. It has to be based on documented performance. Some agencies, their salary budget is tight., and have low turnover, so don't have the capacity to provide those bonuses. WSI may have had enough to provide it. I don't know if that was the 25% of their employees. It was 18.6%, which is not the maximum. They were using it, but not maximizing to the full extent.

Senator Robinson: We don't want to penalize WSI, but by allowing them the flexibility, the question of equity with the rest of state employees, is an issue. Is it right? Senator Grabinger passed this on from initial hearing.

Chairman Holmberg: Any more info from Joe?

Senator Robinson: The issue of contracting work out. I have struggles with that in 20 plus years working with similar programs at my work place. I don't want to stereotype it. Often we found that we were paying more for contracted services rather than our state employees. We did not have the money to pay state employees, but we had money to contract out at a higher cost. (38.48) Can it work in special circumstances? It takes a tremendous amount of supervision monitoring what they are and what they are not doing. You don't have the issue of ownership or skin in the game. In area of maintenance, they left and there was a tremendous amount of catchup.

Joe Morrissette: Were not suggesting that we want to move to contract out all custodial or maintenance jobs. It is a tight labor market right now. In custodial area, it's difficult to hire those positions and retain them. There was some moving of people around after retirement so we considered a for the water commission building. There was considerable cost savings, but the water building is not in the tower. We've done it again with the state library building. There should be core staff and supervisor who have the pride in the work. We had two mechanics that retired and we wanted to try the same thing there. We do have one systems mechanic in place. Hard to fill three positions. (41.39)

Senator Robinson: We found that at Johnson Control we contracted. We found that the state employees have low salaries. The contracted ones are paid above state employees. We should give it time to assess if it is successful or not in the long-term. There should be a clause in the contract that if the contract is not renegotiated or if they pull out, there is an assessment of quality of work. Is there work that was not done. We have to be very cautious. It can get away from you. We can't pay our own employees, but we can hire a contractor. What are really the savings? Or are we shuffling money within the budget to make the picture look more attractive.

Joe Morrissette: We'll monitor it and if there is not cost savings, we would come back to you.

Senator Bekkedahl: I think you have a good balance there. Our history in the city,was we had several buildings with separate maintenance staff. We found inconsistencies in how they were taking care of the facilities. When vacation and sick time hit, you are shuffling people to cover. We feel we got better service because they can shuffle better then we can when we have private staff. When staff was contracted, they can shuffle during vacations. As people retired we went in this system. (45.17)

Chairman Holmberg: On page 3 of green sheets, we have made some decisions. Some we have already taken off. As a recap for Adam Mathiak. Adam, do we start with our list of things we want to consider?

Adam Mathiak : It's up to you. I can start putting the list together for you.

Chairman Holmberg: Let's recap:

SIIF – no
 national guard training – yes
 tax relief fund – yes and be added
 Section 6 – no putting money into PERS system. This is questionable.

Chairman Holmberg: planning revolving fund – low priority

Senator Bekkedahl: We can get rid of that as well.

Chairman Holmberg:

Student internship program – keep alive or kill it.

Senator Bekkedahl: Joe, is there direct appropriation?

Joe Morrissette: Yes, \$250,000 is the asking. It is a line item in the budget.

Senator Robinson: How many interns have found their way into state government?

Joe Morrissette: I have that information and can e-mail that to you.

Senator Robinson: Section 7 (\$250,000 – for internships) keep it.

Chairman Holmberg: Fiscal management exemption will remain. Boys and Girls Clubs we'll check and get numbers on membership and dues. NCSL dues will be fully funded in a bill from House. Litigation funding and the pool.

Senator Robinson: I like the concept, but it's a little rich.

Chairman Holmberg: Do you want to drop a million from it, because they were at \$4.8M? Put it down to \$3M.

Health savings account funding pool.

State employee's compensation and we to have it in there. We need more info. Emergency commission borrowing authority – I don't think we need to have space there. Shared services was one with some interest.

Senator Robinson: In High Ed we are doing things between institutions. We are always looking for more way of sharing services. If it is within the law, even between political subdivisions.

Senator Bekkedahl: I agree we need to keep it in there.

Chairman Holmberg: Planning fees for capital fees for improvements (section 16).

Joe Morrissette: That goes along with to add \$1 M to the pre-planning fund potential projects.

Chairman Holmberg: Should we keep it in but reduce the dollar amount?

Senator Bekkedahl: That would be my suggestion.

Joe Morrissette: There was a section that went along with that you may want to look at. It dealt with how the authority would be approved. Under current law, it requires budget section approval. Not sure how that fits in with the budget section authority bill. You may not need a state change depending what you do with the budget section bill.

Senator Robinson: Joe, did you mention in this fund we could get lots done with \$.5 M?

Joe Morrissette: That would be possible. It would be a good trial basis. If not used, then the fund should go away, and go to the general fund.

Senator Bekkedahl: We have green sheet numbers and white sheet numbers so confused. The section numbers don't match up.

Joe Morrissette: I am looking on page 9, section 16 of that proposal. It would be a law change on how those funds are dispersed. The proposal here is that it is approved executively, but reports to the budget section. You'd want to address it.

Chairman Holmberg: We will leave it in.

Senator Bekkedahl: I agree, but note that 16&17 on the white sheets should be tied together.

Chairman Holmberg: OK. The 10% between agencies appropriations does not need to be moved over.

General fund appropriation does not need to be moved over.

The incentive program we take out but add in state employee performance bonus changes. 22 & 23 – the legislature has already approved budgets.

Chairman Holmberg: Any other issues? FTEs are at our next meeting. Do you have any other amendments that Adam can put on the list? I have one. On the Prairie public was reduced to \$1.2M last session, but I am not asking that we increase that. I would like us to have a section that provides one-time funding of \$200,000. This must be matched by Prairie Public for utilization of equipment. Then they could turn \$200,000 into \$400,000. They do a good job in raising money. They have bigger donors. (57.31)

Senator Bekkedahl: MN does that a lot.

Chairman Holmberg: Is there anything else for Adam Mathiak to work on? With these changes, we have the base budget.

Senator Bekkedahl: We have talked before about community service grants and they are ion the budget for \$350,000/. Sen. Wardner requested \$400,000 there. Do we need an amendment?

Chairman Holmberg: Look at guardianship. They are continued at current level.

Joe Morrissette: There was an additional ask and the association of counties testified.

Terry Traynor: It was \$1.3 M for six years. The additional ask was \$1,740,000. It was discussed as an OAR in the DHS budget and moving it over.

Senator Bekkedahl: I see the testimony from Aaron BIrst from Assoc. of Counties legal. He has \$1.3286 M and further \$1.3216 and then third number is \$2.33 M. Can we have that prepared?

Chairman Holmberg: That is a little rich.

Senator Bekkedahl: I don't care about the number, but I remember the testimony. It is a real burden for those people to continue to provide these services at these rates. I'd like to see it on there.

Joe Morrissette: When we looked at the budget changes on the green sheet, there were only two items that you did not talk about at all. One was the \$50,000 for the electronic procurement studies. That is under one-time items. We are move in line with Higher Ed and state government in procurement then we ever have been. There is interest on High Ed. Side to create a unified system that could make the whole bidding and RFP process electronic. Buy through state contracts. We have talked to ITD and they think for \$50,000 they could do a complete needs assessment of Higher Ed. and state government. We would have to come back to legislature with a proposal, but this would give us the funding to flush out what we need.

Senator Bekkedahl: I think it is small enough for us to consider. Did we do state lands?

Joe Morrissette: You talked about it but made no decision. You did not talk about the \$170,000 for the risk management technology project. That is to replace the system that is used to report incidents. It does not work very well and needs to be updated. It's special fund money within the risk management division. That is what ITD would charge. (1.03.49) It is the Risk Management Fund.

Chairman Holmberg: We can put on the list. Adam Mathiak, are there other things we haven't looked at?

Adam Mathiak: Maybe the shared services pool. The language just says an appropriation and does use the standard continuing appropriation language. I assumed it would be a shared service. I need some clarification on that.

Chairman Holmberg: Yes, there should be a report. The chairman of the budget section decides if they want it as part of presentation, or part of a hand out. We are closed.

(A few senators discussed office supply stores and lack of them in Williston and Valley City)

(See Attachment #5 for testimony from Joseph Morrissette after the committee meeting.)

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 2/13/2019 Job # 32697

Subcommittee

Committee Clerk: Rose Laning / Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget.

Minutes:

Testimony attached # 1.

Legislative Council: Adam Mathiak OMB: Becky Deichert

Chairman Holmberg: Called the sub-committee to order on SB 2015. **Senator Bekkedahl** and **Senator Robinson** were also present.

Adam Mathiak handed out the Base Level Funding Changes – Attachment #1. I have updated the worksheet, the areas shaded in grey reflect the items that I was not aware of a final decision yet. So, in kind of the bottom section of the ongoing funding changes are specifically the items added that we had talked about at the last meeting for your consideration. The other items, I left them in white to distinguish, so that, in some cases there were decisions specifically not to move something across. So in order to avoid confusion about whether it was still under consideration or had already been decided, I highlighted in grey the items that are still being considered. And he walked thru the worksheet. Most sections have been decided one way or another.

Chairman Holmberg: SB 2055 we have kind of put that to bed. We made the amendments, took out that section, 19. So I don't know if we already have it in there and that's started down the path, why we would put it here.

Joe Morrissette, Director, Office of Management and Budget (OMB): There would be no need for it here.

Chairman Holmberg: Section 16 would not be moved over because it's in SB 2055. In order to have a \$40 minimum and \$60 minimum, are we doing no more than bragging that we're taking care of the low hanging fruit? The people making the lowest amount of money, but this is what they'd probably get without us blowing our horns. Is that not true?

Adam Mathiak: Yes, this essentially just identifies the increase for the lowest levels, but does include the dollar amount for it. But it's documented in the testimony and other places so that there is some clarity about what those minimums are or if the legislative assembly wants to more clearly identify even for future reference what those minimums were, I guess it would be possible to include it. But you're correct, it's more just identifying where those lowest level ones are at.

Chairman Holmberg: Are we playing games to look good, or are we not looking good?

Senator Robinson: We are in agreement on 2 & 3. I know the House is still at 2 & 2. I know our folks feel strongly about those folks at the bottom, that that's not a lot of money, that's the issue. If we have to revisit this; second half, conference committee, maybe that's all we can do for now. I don't think this accomplishes anything.

Chairman Holmberg: So what you're saying is better to leave it blank. Because this bill will come back after the 2nd half.

Senator Bekkedahl: I agree with Senator Robinson that language doesn't need to be here at this point.

Senator Robinson: It doesn't help anything and maybe it makes it worse.

Chairman Holmberg: So what we would do is move section 12 over with the 2 & 3 without the reference to a minimum salary.

Senator Robinson: I know to impact salaries even another 1%, Adam you probably know what we're talking about, but It's a lot of money. Even if the March forecast is robust. So let's update section 12 with 2 & 3 and move it over.

Chairman Holmberg: How about section 10, the Litigation funding pool? The \$3 million it was at \$4 million and we put it down to \$3 million.

Senator Bekkedahl: I think the discussion was that the minimum had to be about \$2.8 million and we agreed to \$3 million.

Joe Morrissette: The \$2.8 million was the was the total request, so I guess I would say there is some uncertainty regarding that \$2.8 million. I wouldn't say it has to be at \$2.8 million, like that's a known number and we need that to meet some obligations. Whatever number you would decide I think would be fine. The concept of pooling it and providing some flexibility could maybe justify a lower number because there would be that opportunity to direct it where there is an issue rather than appropriating it in each individual agency.

Senator Bekkedahl: Hearing that, why don't we plug the number in and move it over at \$2.5 million.

Senator Robinson: I'm okay with that.

Chairman Holmberg: I'm okay.

Adam Mathiak: Just to clarify you want to keep it as SIIF. (yes) and identify it as one-time funding?

Chairman Holmberg: Right.

Let's go to the front side.

Senator Bekkedahl: I see one that pops out at me right now. Under one-time funding Adds Funding for special assessments on Capitol grounds, \$320,000 is shown in General Funds. We had talked about using Capitol Grounds fund not General fund for that it is a special fund correct? Can we make that move?

Chairman Holmberg: Yeah, because we had looked at that. So that would just move over to Other Funds.

Of course Litigation funding pool, here's where that \$2.5 million would go. We still are going to have a question of the Ethics Commission. This puts \$100,000 but in the Ethics bill they have a dollar amount do they not?

Senator Bekkedahl: I believe it's \$450,000 or \$455,000. The original bill's fiscal note was over \$900,000.

Chairman Holmberg: There will be discussion in committee, because there are some that think that number that is being talked about in that bill is a little low.

Senator Bekkedahl: Can we direct Adam to put the number in there when we have the Ethics Commission bill before us and identify a number within the bill?

Chairman Holmberg: Well, I haven't seen the bill. Does the bill appropriate the money?

Adam Mathiak: I'll just say that the \$100,000 was not arrived at through any calculations it was just kind of a place holder that was put in our bill. So if that would come out we would have no objection to that.

Chairman Holmberg: We need to talk about guardianship.

Senator Bekkedahl: Yeah, that's actually on here. It's on here Increasing guardianship grants we had a little over \$1M. I think, that was the number that was arrived at in discussion.

Chairman Holmberg: We'll remove it.

Senator Bekkedahl: I'm looking at the section of Additional Ongoing Funding Items Under Consideration, and going back to my notes from the prior meeting I think those numbers all match up. Do you see anything different there?

Chairman Holmberg: We added the guardianship grants, we added the supervision, the Prairie Public.

Senator Bekkedahl: Supervision was going from \$350,000 to \$400,000, correct?

Chairman Holmberg: The matching grants, there's language that would be in the bill actually. Where does the language go? It might already be there.

Adam Mathiak: I didn't add a specific section, there would be a section added. As I understood it last time those were still items that you were going to consider, not that you had necessarily made a decision on at this point.

Senator Bekkedahl: The numbers match mine from our discussion.

Senator Robinson: Mine as well.

Chairman Holmberg: The top part we should just go right down that and do it. Removing the FTE remember we had that discussion about the removing the FTES temporary employees. We are continuing to do the IT unification, even though the House has a different idea on how that should proceed.

Senator Bekkedahl: I have a question for Joe, because somebody in the chamber asked me this question. Removing the 5 FTEs is a \$560,000, the Underfunds salaries and wages is \$210,000 and \$600,000 for \$811,000. Is that \$811,246 number savings the number you compare back to the adding funding of \$640,000 for the contracting? The question was raised to me, are we actually saving money by removing some FTEs and expenses and then still spending \$640,000. I said you'd walked us through that. Am I using the right numbers or should the number I be using be the \$835,944 just above the \$640,000?

Joe Morrissette: I would say that the number to use is probably not really apparent on here, because it's combination of the five positions that were removed and then two other positions that we were proposing to reclassify for other uses. So they're kind of embedded in that \$560,000 positive number. I don't have that email in front of me that I sent, but I know I have those amounts laid out in there. I think the total was somewhere around that \$800,000 I think it was like \$840,000 wasn't it? That was the salary savings from not filling those positions and then that \$640,000 includes some potential additional services. Kind of a place holder in case we need it for snow removal, it includes some inflationary increases in the existing contracts, like for grounds keeping services. Then it included about \$490,000 I think for contracting services that would relate directly to the positions that weren't being filled, which was I think around \$800,000.

Senator Bekkedahl: I do have Joe's email here, which is why I was looking for the easy answer; because it's two-pages long. Towards the bottom of the second page it's finalized by saying, "so the \$560,678 listed for these positions is a combination of existing budget authority and some additional salaries request, but is somewhat confusing because of the reduction made to get to the base budget – overall our salary line is expected to decrease by over \$300,000 considering all requested changes." Is that as simple as we can get it?

Joe Morrissette: Yeah, if it's just about the contracting I can try to boil that down.

Senator Bekkedahl: If I could, if you get a chance, if you see her in the chamber, could you go to Senator Oban with that? Because she had specific questions that someone had portrayed to her, that she came to me for and I did my best, but obviously I don't think it was good enough.

Joe Morrissette: Okay, I'll touch base with her, and I can certainly send a clarifying email of fewer words to you all.

Chairman Holmberg: Reclassifying positions, the temporary employees, the unification, all of these things we are doing. Reduce funding for operating expenses, no heartburn. Contracted custodians you add \$640,000 if what your email says is that your salaries and wages goes down \$300,000 but then you're turning around and adding contracting at \$600,000. People are going to say what kind of a savings is that? I mean you're talking about different people, but you know how those numbers make people look and ask questions.

Senator Bekkedahl: In reading that email, I assumed that \$640,000 was in that calculation of still a savings of \$300,000.

Joe Morrissette: That's true.

Chairman Holmberg: Utility costs, that makes sense. The IT project costs, Microsoft Office 365 and I don't have a problem with reducing the contingency, even though we didn't get our \$5M. So those can be moved. Memberships and dues, we talked about that and we wanted to go to the actual dues, rather than the reductions. WICHE should not be here. WICHE is in higher ed.

Joe Morrissette: Our last discussion had talked about including WICHE, so I had added that into here at \$315,000. So it would be \$315,000 less for that \$408,000. You would be looking at \$93,614.

Chairman Holmberg: Both WICHE and MHEC are in the Higher Ed budget. This would have been \$15,000 rather than \$30,000 because this is part of WICHE but we're putting them all together, it's silly to have them in two different budgets. Continuing down, the assessment of state lands and facilities, that's the other big one and extraordinary repairs. I thought we had decided on extraordinary repairs. This was the parking lot, capitol door refurbishment, but what happened was we got into that discussion about; how are we going to make the entrances etc. better? You don't want to put a bunch of money into a repair someplace that you're going to within a year or so, totally redo.

Senator Bekkedahl: It's listed on other funds, because use of the capitol building fund and the \$1.9M number was for doors and entrances as the chairman said, but that was also about the amount of new money that comes into the fund in a biennium, that's been appropriated. That's why I thought we were good with it, to use that amount.

Chairman Holmberg: Now, there's nothing here that I can see when I look at the break down that would be wasted money if in two years you decided to redo an entrance. We're not spending \$300,000 on something that won't be usefully I two years, as far as you understand.

Joe Morrissette: No, not as far as I understand. Some of the things that John talked about were just improving the functionality of the doors and replacing some components that you really can't get parts for anymore, things like that. We wouldn't totally redo something that could be redone again in the subsequent biennium or anything.

Senator Bekkedahl: The other thing impacted in that was the discussion about handicap parking closer to entrances and how that was going to impact your decision for better permanent entrances.

Chairman Holmberg: Okay, so that's moved over. Got that. Then the only other one is the assessment of state lands and facilities.

Senator Robinson: Joe, how did we arrive at that number?

Joe Morrissette: Some research was done with other states and the metric that was used was 10 cents / sq. foot. for all state owned buildings. If you have support for this and if you agree that there's some potential for savings, although that 10¢ a sq. ft. had some logic behind it and it was based on what some other states have incurred for costs, if you were supportive of this whatever amount you provided we go for an RFP and get the most services that we could for that amount. The intention here was to do a comprehensive look at all facilities, all state owned buildings and look at not only the condition; but the operating cost and the maintenance program and that type of thing.

Senator Robinson: If we do that, if we say 1.6 or something, do we end up with a product that's less than complete?

Joe Morrissette: I cringed a little bit to put such a huge number in the budget, but we had that discussion also. We don't want to put a number in that's not reasonable and that we couldn't get the product that we want when we're done.

Chairman Holmberg: Well, what is the desire of the committee? Do we want to do it and secondly to we think that \$2.43 is an appropriate number or should we make a reduction?

Senator Bekkedahl: I assume this will be an RFQ (qualified) process? So you won't actually get formal bids on the services you'll go through an RFQ, select the most qualified and then you will have to negotiate. Is that how that works?

Joe Morrissette: I guess I'm going to have to say I'm not sure. It seems like it could be either, but I'm not the expert on that. If it would be an RFQ process or not.

Senator Bekkedahl: The reason I bring that up is that if you go through that process and nobody comes in at the number we give you then we have a number to go off the next biennium if we have to do that. It's probably not preferred, but we at least would have a

number of what it was the first time we went about this. I'm not in this field, so I don't know what these people do.

Chairman Holmberg: So what should we do? We want to give Adam some direction, so the next sheet doesn't have any grey on it.

Senator Bekkedahl: I would recommend that we just put \$2M dollars in there. But I do think we move forward with it.

Chairman Holmberg: Okay let's move that over, \$2M. Adam, is there anything as far as you're concerned is there anything that we have not touched upon and decided so you could start putting this all together.

Adam Mathiak: I think we've covered it all.

Joe Morrissette: On the last item, the realty assessment, was that to continue funding from SIIF? (Answer – yes)

Chairman Holmberg: Adam can work on the amendment and let him know.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 2/18/2019 Job # 32883

☐ Subcommittee □ Conference Committee

Committee Clerk: Rose Laning

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:

Grabinger email
 Amendment 19.0228.01003

Legislative Council: Adam Mathiak OMB: Becky Deichert

Chairman Holmberg called the sub-committee to order on SB 2015. **Senator Bekkedahl** and **Senator Robinson** were also present.

Chairman Holmberg: On reflection – the suggestion that **Senator Grabinger** (Grabinger email – attached # 1) had regarding a minimum salary of \$80/month as run thru the computer system by Adam, indicated an increase of about \$1.1M from the general fund and about \$2.8M from special funds. Every one of the budgets having to do with salaries has to be adjusted before we get done anyway. I visited with our leader and he had no problem with saying that let's start with this minimum. It helps the people at the bottom. A person could go from \$60 to \$80/month but a person who comes out as \$81 won't get any additional increase, but it is particularly helpful for those who are at the lower end of the scale. If you, as a subcommittee, feel that it is important..... Adam has already done the amendments in case you think it's important enough to put in the bill.

Senator Bekkedahl: I think we should put it in.

Senator Robinson: Yes, put it in.

Chairman Holmberg handed out 19.0228.01003 and asked Adam to describe how it is folded in because we're not changing the dollars in the budget. Some budgets would have very little, if any impact.

Adam Mathiak: On page 3 of the amendment, section 13, under subsection 1 of that section, starting in the second line, there's just a short phrase that was added to provide that minimum. It reads "are to average 2% with a minimum of \$80/month per eligible employee

Senate Appropriations Committee SB 2015 February 18, 2019 Page 2

for the first year". Just adding that phrase in there 'with a minimum of \$80/month' covers that change.

Senator Bekkedahl: Moved to accept amendment 19.0228.01003. Senator Robinson: Seconded the motion.

Voice vote carried.

Chairman Holmberg: Closed the sub-committee hearing on SB 2015.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 2/18/2019 Job # 32884

□ Subcommittee □ Conference Committee

Committee Clerk: Rose Laning

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; and to provide an exemption.

Minutes:

1. Base Level Funding Changes 2. Amendment 19.0228.01003.

Legislative Council: Adam Mathiak OMB: Becky Deichert

Chairman Holmberg called the committee to order on SB 2015.

Adam Mathiak handed out the Base Level Funding Changes – Attached # 1.

Chairman Holmberg explained changes to the budget by going over the base level funding changes. He handed out amendment 19.0228.01003 – Attached # 2.

Senator Robinson: Moved amendment 19.0228.01003. Senator Bekkedahl: Seconded the motion. Voice Vote carried.

Senator Robinson: Moved a Do Pass on SB 2015 as Amended. Senator Bekkedahl: Seconded the motion.

A Roll Call Vote Was Taken: 14 yeas, 0 nays, 0 absent.

Senator Holmberg will carry the bill.

Chairman Holmberg: Closed the hearing on SB 2015.

19.0228.01003 Title.02000 Fiscal No. 2 Prepared by the Legislative Council staff for the Senate Appropriations Committee February 18, 2019 1.957

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 1, line 2, replace the second "and" with "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a shared services fund; to amend and reenact section 54-06-30 of the North Dakota Century Code, relating to the state employee performance bonuses; to repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide for a report to the legislative assembly; to provide for a transfer;"

Page 1, line 3, after "exemption" insert "; and to provide an effective date"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 through 2 with:

11		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
Operating expenses	14,051,438	4,076,010	18,127,448
Emergency commission contingency fu	nd 600,000	(100,000)	500,000
Capital assets	973,477	1,863,648	2,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	1,001,400	2,330,000
Prairie public broadcasting	1,200,000	200,000	1,400,000
Community service supervision grants	350,000	50,000	400,000
Litigation funding pool	0	2,500,000	2,500,000
State student internship program	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
Less estimated income	<u>9,434,087</u>	<u>6,188,799</u>	15,622,886
Total general fund	\$30,720,260	\$3,064,204	\$33,784,464
Full-time equivalent positions	117.00	(9.00)	108.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 11 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	50,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	2,500,000
Assessments of state lands and facilities	<u>0</u>	<u>2,000,000</u>
Total all funds	\$2,300,000	\$7,190,000

Total special funds	<u>1,800,000</u>	6,890,000
Total general fund	\$500,000	\$300,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of \$182,300,000 from the tax relief fund to the human service finance fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PRELIMINARY PLANNING REVOLVING FUND. The office of management and budget shall transfer the sum of \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of management and budget shall transfer funds from the litigation funding pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may only be used for the following grants and special items:

Boys and girls club work\$53,000Unemployment insurance\$2,000,000Capitol grounds planning commission\$25,000Statewide memberships and related expenses\$625,064

SECTION 8. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING FUND. The estimated income line item in section 1 of this Act includes \$2,220,000 of one-time funding from the capitol building fund. Of the \$2,220,000, \$1,900,000 in the capital assets line item is for extraordinary repairs, and \$320,000 in the operating expenses line item is for special assessments associated with the capitol grounds.

SECTION 9. ESTIMATED INCOME - ONE-TIME FUNDING - RISK MANAGEMENT FUND. The capital assets line item and the estimated income line item in section 1 of this Act includes \$170,000 of one-time funding from the risk management fund for an information technology project.

SECTION 10. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes \$4,500,000 of one-time funding from the strategic

3.51

investment and improvements fund. Of the \$4,500,000, \$2,000,000 in the operating expenses line item is for an assessment of state lands and facilities, and \$2,500,000 in the litigation funding pool line item is for a litigation funding pool.

SECTION 11. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING

FUNDS. The prairie public broadcasting line item and the general fund appropriation in section 1 of this Act includes \$200,000 for a grant of up to \$200,000 to prairie public broadcasting for essential equipment needs. The \$200,000 may be awarded only to the extent prairie public broadcasting provides one dollar of matching funds from nonstate sources for each dollar provided by the office of management and budget."

Page 2, replace lines 18 through 23 with:

"SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

- The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$80 per month per eligible employee for the first year of the biennium and are to average 3 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
- 2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
- 3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 14. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations.

State agencies may provide monetary performance bonuses to their employees under this section.

- 1. State agencies may pay bonuses under this section if:
 - a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;

- b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and
- c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.
- 2. State employees are eligible to receive a bonus under this section only if:
 - a. The employee has held a position in state government for at least one year before a bonus is paid;
 - The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and
 - c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.
- An employee may not receive more than one performance bonus per fiscal year and may not receive more than <u>one-thousandtwo thousand five</u> <u>hundred</u> dollars in bonuses per fiscal year.
- 4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.
- 5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.
- 6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 15. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund - Continuing appropriation.

There is created in the state treasury the shared services fund. The fund consists of all payments made from one state agency or institution to another state agency or institution related to a shared services agreement. State agencies and institutions must deposit any payments resulting from the shared services agreement into the fund. All moneys in the fund are appropriated on a continuing basis to the state agencies receiving a payment resulting from the shared services agreement. The state agency receiving the payment shall use the money to defray the costs related to the

5.67

shared services. Shared services include the equipment costs, operating expenses, and salaries and wages.

SECTION 16. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 17. EFFECTIVE DATE. Section 16 of this Act becomes effective July 1, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
Operating expenses	14,051,438	4,076,010	18,127,448
Capital assets	973,477	1,863,648	2,837,125
Grants	54,000		54,000
Emergency commission contingency fund	600,000	(100,000)	500,000
Guardianship grants	1,328,600	1,001,400	2,330,000
Prairie Public Broadcasting	1,200,000	200,000	1,400,000
Community service supervision grants	350,000	50,000	400,000
Litigation pool		2,500,000	2,500,000
State student internship		250,000	250,000
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
Less estimated income	9,434,087	6 188 799	15,622,886
General fund	\$30,720,260	\$3,064,204	\$33,784,464
FTE	117.00	(9.00)	108.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

Salaries and wages Operating expenses Capital assets	Adjusts Funding for Base Payroll Changes ¹ (\$40,219)	Adds Funding for Salary and Benefit Increases ² \$1,000,061	Removes FTE Positions and Adjusts Funding ³ (\$754,350)	Adjusts Funding and FTE Positions for IT Unification ⁴ (\$793,547) 820,022	Adjusts Funding for Operating Expenses [§] \$885,988	Reduces Funding for Contingency Fund [§]
Grants Emergency commission contingency fund Guardianship grants Prairie Public Broadcasting Community service supervision grants Litigation pool State student internship						(\$100,000)
Total all funds Less estimated income General fund	(\$40,219) <u>(50,000)</u> \$9,781	\$1,000,061 <u>175,530</u> \$824,531	(\$754,350) (600,994) (\$153,356)	\$26,475 0 \$26,475	\$885,988 (225,737) \$1,111,725	(\$100,000) 0 (\$100,000)
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

. .. .

Increases Funding for Grants ^a	Adds One- Time Funding for Projects and a Funding Pool ⁹	Total Senate Changes
		(\$588,055)
	\$2,370,000	4,076,010
	2,070,000	1,863,648
		(100,000)
\$1,001,400		1.001.400

Capital assets	(\$206,352)		2,070,000	1,863,648
Grants				
Emergency commission contingency fund				(100,000)
Guardianship grants		\$1,001,400		1,001,400
Prairie Public Broadcasting		200,000		200,000
Community service supervision grants		50,000		50,000
Litigation pool			2,500,000	2,500,000
State student internship			250,000	250,000
Total all funds	(\$206,352)	\$1,251,400	\$7,190,000	\$9,253,003
Less estimated income	0	0	6,890,000	6,188,799
General fund	(\$206,352)	\$1,251,400	\$300,000	\$3,064,204
FTE	0.00	0.00	0.00	(9.00)

Reduces Funding For

Bond

Payments¹

¹ Funding is adjusted for base payroll changes.

Salaries and wages Operating expenses

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$441,684	\$94,320	\$536,004
Health insurance increase	<u>382,847</u>	<u>81,210</u>	464,057
Total	\$824,531	\$175,530	\$1,000,061

³ FTE positions and funding for salaries and wages is adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
Removes FTE positions	(5.00)	(\$560,182)	\$0	(\$560,182)
Underfunds salaries and wages	0.00	(210,252)	(600,994)	(811,246)
Adds funding to reclassify positions	0.00	560,678	0	560,678
Adds funding for temporary employees	<u>0.00</u>	<u>56,400</u>	<u>0</u>	<u>56,400</u>
Total	(5.00)	(\$153,356)	(\$600,994)	(\$754,350)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$793,547)	\$0	(\$793,547)
Adds funding for operating expenses	<u>0.00</u>	<u>820,022</u>	<u>0</u>	820,022
Total	(4.00)	\$26,475	\$0	\$26,475

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for information technology and maintenance costs	(\$588,483)	(\$247,461)	(\$835,944)
Adds funding for contracted custodians	640,000	0	640,000
Increases funding for utility costs	427,650	0	427,650
Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	483,360	0	483,360
Adds funding for Microsoft Office 365 licensing	55,584	21,724	77,308
Increases funding for statewide memberships and dues Total	<u>93,614</u> \$1,111,725	<u>0</u> (\$225,737)	<u>93,614</u> \$885,988

⁶ Funding is reduced for the Emergency Commission contingency fund by \$100,000, from \$600,000 to \$500,000.

⁷ Funding is reduced for bond payments to provide total funding of \$567,125.

⁸ Funding from the general fund is increased for grants as follows:

- \$1,001,400 for guardianship grants to provide total funding of \$2,330,000.
- \$50,000 for community service supervision grants to provide total funding of \$400,000.
- \$200,000 for matching grants for Prairie Public Broadcasting to provide total funding of \$1,400,000.

⁹ Funding is added for the following one-time items:

	General Fund	Other Funds	Total
Extraordinary repairs (Capitol building fund)	\$0	\$1,900,000	\$1,900,000
Risk management technology project (risk management fund)	0	170,000	170,000
State student internship program	250,000	0	250,000
Electronic procurement study	50,000	0	50,000
Special assessments on Capitol grounds (Capitol building fund)	0	320,000	320,000
Litigation funding pool (strategic investment and improvements fund)	0	2,500,000	2,500,000
Assessment of state lands and facilities (strategic investment and improvements fund)	<u>0</u>	2,000,000	<u>2,000,000</u>
Total	\$300,000	\$6,890,000	\$7,190,000

This amendment also:

Transfers \$182.3 million from the tax relief fund to the human service finance fund.

- Transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
- Authorizes the Office of Management and Budget (OMB) to transfer student internship funding and litigation funding to other state agencies.
- Identifies the funding designated for certain grants and expenses, including statewide memberships and dues.

Identifies one-time funding of \$2.22 million from the Capitol building fund for extraordinary repairs (\$1.9 million) and special assessments (\$320,000).

Identifies one-time funding of \$170,000 from the risk management fund for an information technology project.

Identifies one-time funding of \$4.5 million from the strategic investment and improvements fund for a litigation funding pool (\$2.5 million) and a state facility assessment (\$2 million).

- Authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting and requires dollar-fordollar matching funds.
- Includes an exemption allowing 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
- Provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.
- Creates a new shared services fund allowing state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.
- Repeals the state employee suggestion incentive program at the end of the 2019-21 biennium.

Date: <u>2 - 1</u>	8.2019
Roll Call Vote #:	1

		ALL V			
Senate Appropriations				Com	nittee
	Sul	ocomm	ittee		
Amendment LC# or Description:	19.0	22	8.01003		
Recommendation: Adopt Amendr □ Do Pass □ □ Do Pass □ □ As Amended □ □ Place on Cons □ Other Actions: □ Reconsider	Do Not	endar	Without Committee F Rerefer to Appropriat C C C C C C C C C C C C C C C C C C C	tions	lation
Senators	Yes	No	Senators	Yes	No
Senator Holmberg	100	ne	Senator Mathern	100	
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke				_	
Senator Hogue					
	-				
	-			-	-
Total (Yes)		No	۵ 		

Absent

Floor Assignment

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

Voice Vote Carried

	Date: <u>2 - 18 - 1</u> 9 Roll Call Vote #:
2019 SENATE STANDING ROLL CALL VO BILL/RESOLUTION NO.	
Senate Appropriations	Committee
□ Subcommit	tee
Amendment LC# or Description: 12.027	8. 01003
Recommendation: Adopt Amendment Do Pass Do Not Pass As Amended Place on Consent Calendar	 Without Committee Recommendation Rerefer to Appropriations
Other Actions:	
Motion Made By <u>Robinson</u> , Sec	conded By Bikkedahl

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		3
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					8
Senator G. Lee					
Senator Dever					
Senator Sorvaag					1
Senator Oehlke					
Senator Hogue					
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Total	(Yes)	No
Absent		

Floor Assignment

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

Voice Vote Carried

204					
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enate Appropriations				Com	mitte
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mendment LC# or Description:					
- Do Pass As Ame Delace of	n Consent Cal				latior
Other Actions: L Recons					
lotion Made By	uson	Se	econded By <u>Bck</u>	Redah	L_
Notion Made By <u>Koloc</u> Senators	Yes	Se	econded By <u>Bck</u> Senators	<u>Kedah</u> Yes	
Senators					
Senators Senator Holmberg			Senators		
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REPORT OF STANDING COMMITTEE

- SB 2015: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2015 was placed on the Sixth order on the calendar.
- Page 1, line 2, replace the second "and" with "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a shared services fund; to amend and reenact section 54-06-30 of the North Dakota Century Code, relating to the state employee performance bonuses; to repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide for a report to the legislative assembly; to provide for a transfer;"
- Page 1, line 3, after "exemption" insert "; and to provide an effective date"
- Page 1, remove lines 10 through 24

Page 2, replace lines 1 through 2 with:

W (Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
Operating expenses	14,051,438	4,076,010	18,127,448
Emergency commission contingency fu	und 600,000	(100,000)	500,000
Capital assets	973,477	1,863,648	2,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	1,001,400	2,330,000
Prairie public broadcasting	1,200,000	200,000	1,400,000
Community service supervision grants	350,000	50,000	400,000
Litigation funding pool	0	2,500,000	2,500,000
State student internship program	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
Less estimated income	<u>9,4</u> 34,087	<u>6,188,799</u>	<u>15,622,886</u>
Total general fund	\$30,720,260	\$3,064,204	\$33,784,464
Full-time equivalent positions	117.00	(9.00)	108.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 11 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	50,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	2,500,000
Assessments of state lands and facilities	<u>0</u>	2,000,000
Total all funds	\$2,300,000	\$7,190,000
Total special funds	1,800,000	<u>6,890,000</u>
Total general fund	\$500,000	\$300,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of \$182,300,000 from the tax relief fund to the human service finance fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PRELIMINARY PLANNING REVOLVING FUND. The office of management and budget shall transfer the sum of \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of management and budget shall transfer funds from the litigation funding pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may only be used for the following grants and special items:

Boys and girls club work	\$53,000
Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$625,064

SECTION 8. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING FUND. The estimated income line item in section 1 of this Act includes \$2,220,000 of one-time funding from the capitol building fund. Of the \$2,220,000, \$1,900,000 in the capital assets line item is for extraordinary repairs, and \$320,000 in the operating expenses line item is for special assessments associated with the capitol grounds.

SECTION 9. ESTIMATED INCOME - ONE-TIME FUNDING - RISK MANAGEMENT FUND. The capital assets line item and the estimated income line item in section 1 of this Act includes \$170,000 of one-time funding from the risk management fund for an information technology project.

SECTION 10. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes \$4,500,000 of one-time funding from the strategic investment and improvements fund. Of the \$4,500,000, \$2,000,000 in the operating expenses line item is for an assessment of state lands and facilities, and \$2,500,000 in the litigation funding pool line item is for a litigation funding pool.

SECTION 11. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING FUNDS. The prairie public broadcasting line item and the general fund appropriation in section 1 of this Act includes \$200,000 for a grant of up to \$200,000 to prairie public broadcasting for essential equipment needs. The \$200,000 may be awarded only to the extent prairie public broadcasting provides one dollar of matching funds

from nonstate sources for each dollar provided by the office of management and budget."

Page 2, replace lines 18 through 23 with:

"SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

- 1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$80 per month per eligible employee for the first year of the biennium and are to average 3 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
- 2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
- 3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 14. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations.

State agencies may provide monetary performance bonuses to their employees under this section.

- 1. State agencies may pay bonuses under this section if:
 - a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;
 - b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and
 - c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.
- 2. State employees are eligible to receive a bonus under this section only if:
 - a. The employee has held a position in state government for at least one year before a bonus is paid;

- b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and
- c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.
- 3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than one thousand two thousand five hundred dollars in bonuses per fiscal year.
- 4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.
- 5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.
- 6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 15. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund - Continuing appropriation.

There is created in the state treasury the shared services fund. The fund consists of all payments made from one state agency or institution to another state agency or institution related to a shared services agreement. State agencies and institutions must deposit any payments resulting from the shared services agreement into the fund. All moneys in the fund are appropriated on a continuing basis to the state agencies receiving a payment resulting from the shared services agreement. The state agency receiving the payment shall use the money to defray the costs related to the shared services. Shared services include the equipment costs, operating expenses, and salaries and wages.

SECTION 16. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 17. EFFECTIVE DATE. Section 16 of this Act becomes effective July 1, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
Operating expenses	14,051,438	4,076,010	18,127,448
Capital assets	973,477	1,863,648	2,837,125
Grants	54,000		54,000
Emergency commission contingency fund	600,000	(100,000)	500,000

Com Standing Committee Report February 19, 2019 7:33AM

Module ID: s_stcomrep_32_001 Carrier: Holmberg Insert LC: 19.0228.01003 Title: 02000

Guardianship grants	1,328,600	1,001,400	2,330,000
Prairie Public Broadcasting	1,200,000	200,000	1,400,000
Community service supervision grants	350,000	50,000	400,000
Litigation pool		2,500,000	2,500,000
State student internship		250,000	250,000
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
Less estimated income	9 434 087	6 188 799	15 622 886
General fund	\$30,720,260	\$3,064,204	\$33,784,464
FTE	117.00	(9.00)	108.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

Salaries and wages	Adjusts Funding for Base Payroll Changes ¹ (\$40,219)	Adds Funding for Salary and Benefit Increases ² \$1,000,061	Removes FTE Positions and Adjusts Funding ³ (\$754,350)	Adjusts Funding and FTE Positions for IT Unification ⁴ (\$793,547)	Adjusts Funding for Operating Expenses [§]	Reduces Funding for Contingency Fund ⁶
Operating expenses	(\$40,217)	\$1,000,001	(\$754,550)	820,022	\$885,988	
Capital assets				-	-	
Grants Emergency commission						(\$100,000)
contingency fund Guardianship grants						
Prairie Public Broadcasting						
Community service supervision grants						
Litigation pool						
State student internship						
Total all funds	(\$40,219)	\$1,000,061	(\$754,350)	\$26,475	\$885,988	(\$100,000)
Less estimated income	<u>(</u> 50,000 <u>)</u>	175 530	(600,994)	0	(225,737)	0
General fund	\$9,781	\$824,531	(\$153,356)	\$26,475	\$1,111,725	(\$100,000)
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00
				Adds On	e-Time	
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		For Bond Payments ²	Increases Fundin for Grants ⁸	g Projects Funding		Total Senate Changes
Salaries and wages	I	ayments	for Grants-	runainş	g F 00F	(\$588,055)
Operating expenses				\$2	2,370,000	4,076,010
Capital assets		(\$206,352)			2,070,000	1,863,648
Grants		, ,			· ·	
Emergency commission continge fund	ency					(100,000)
Guardianship grants			\$1,001,40			1,001,400
Prairie Public Broadcasting			200,00			200,000
Community service supervision	grants		50,00			50,000
Litigation pool State student internship				2	2,500,000	2,500,000
state student internsnip			(a)		250 000	250 000
Total all funds		(\$206,352)	\$1,251,40	0 ¢*	,190,000	\$9,253,003
		(\$200,552)	\$1,251,40	i0 \$1	,170,000	Ψ,200,000 [
Less estimated income		(\$206,352)		0 6	\$ 890 000 \$ 300,000	6 188 799 \$3,064,204

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

0.00

0.00

	General Fund	Other Funds	Total
Salary increase	\$441,684	\$94,320	\$536,004
Health insurance increase	382 847	<u>81 210</u>	464 057
Total	\$824,531	\$175,530	\$1,000,061

³ FTE positions and funding for salaries and wages is adjusted as follows:

FTE

(9.00)

0.00

Com Standing Committee Report February 19, 2019 7:33AM

	FTE Positions	General Fund	Other Funds	Total
Removes FTE positions	(5.00)	(\$560,182)	\$0	(\$560,182)
Underfunds salaries and wages	0.00	(210,252)	(600,994)	(811,246)
Adds funding to reclassify positions	0.00	560,678	0	560,678
Adds funding for temporary employees	0.00	<u>56 400</u>	<u>0</u>	56 400
Total	(5.00)	(\$153,356)	(\$600,994)	(\$754,350)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$793,547)	\$0	(\$793,547)
Adds funding for operating expenses	0.00	820 022	<u>0</u>	820 022
Total	(4.00)	\$26,475	\$0	\$26,475

⁵ Funding for operating expenses is adjusted as follows:

Reduces funding for information technology and maintenance costs	<u>General Fund</u> (\$588,483)	<u>Other Funds</u> (\$247,461)	<u>Total</u> (\$835,944)
Adds funding for contracted custodians	640,000	0	640,000
Increases funding for utility costs	427,650	0	427,650
Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	483,360	0	483,360
Adds funding for Microsoft Office 365 licensing	55,584	21,724	77,308
Increases funding for statewide memberships and dues	93,614	0	93,614
Total	\$1,111,725	(\$225,737)	\$885,988

⁶ Funding is reduced for the Emergency Commission contingency fund by \$100,000, from \$600,000 to \$500,000.

⁷ Funding is reduced for bond payments to provide total funding of \$567,125.

⁸ Funding from the general fund is increased for grants as follows:

- \$1,001,400 for guardianship grants to provide total funding of \$2,330,000.
- \$50,000 for community service supervision grants to provide total funding of \$400,000.
- \$200,000 for matching grants for Prairie Public Broadcasting to provide total funding of \$1,400,000.

⁹ Funding is added for the following one-time items:

	General Fund	Other Funds	Total
Extraordinary repairs (Capitol building fund)	\$0	\$1,900,000	\$1,900,000
Risk management technology project (risk management fund)	0	170,000	170,000
State student internship program	250,000	0	250,000
Electronic procurement study	50,000	0	50,000
Special assessments on Capitol grounds (Capitol building fund)	0	320,000	320,000
Litigation funding pool (strategic investment and improvements fund)	0	2,500,000	2,500,000
Assessment of state lands and facilities (strategic investment and improvements fund)	<u>0</u>	2 000 000	2 000,000
Total	\$300,000	\$6,890,000	\$7,190,000

This amendment also:

- Transfers \$182.3 million from the tax relief fund to the human service finance fund.
- Transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
- Authorizes the Office of Management and Budget (OMB) to transfer student internship funding and litigation funding to other state agencies.
- Identifies the funding designated for certain grants and expenses, including statewide memberships and dues.
- Identifies one-time funding of \$2.22 million from the Capitol building fund for extraordinary repairs (\$1.9 million) and special assessments (\$320,000).

- Identifies one-time funding of \$170,000 from the risk management fund for an information technology project.
- Identifies one-time funding of \$4.5 million from the strategic investment and improvements fund for a litigation funding pool (\$2.5 million) and a state facility assessment (\$2 million).
- Authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting and requires dollar-for-dollar matching funds.
- Includes an exemption allowing 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
- Provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.
- Creates a new shared services fund allowing state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.
- Repeals the state employee suggestion incentive program at the end of the 2019-21 biennium.

2019 HOUSE APPROPRIATIONS

SB 2015

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/4/2019 Recording Job# 33118

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachments A through G

Chairman Vigesaa: Opened the hearing on SB2015.

Roll Call taken.

Joe Morrissette, Director, ND Office of Management and Budget: See testimony attachment A.

Vice Chairman Brandenburg: Just looking at the elimination of the FTE's, you have about \$600,000.00 of savings. There must be some sort of expense there to contract out to fill these positions. I'm just curious how that plays out.

Joe Morrissette: There is definitely an increase of our operating line due to that change. Right now there are 7 FTE's that are not filled right now and would be contracted for. Overall the salaries for those positions is about \$840,000.00 per biennium; and then the contracting is about \$490,000.00 to \$500,000.00.

Joe Morrissette continued with his testimony.

Representative Bellew: What does VSIP mean?

Joe Morrissette: That was the Voluntary Separation Incentive Program.

Joe Morrissette continued with his testimony.

Vice Chairman Brandenburg: With this unification, are we really saving money or are we not?

Joe Morrissette: It's not a cost savings, it would be an equal transfer from our salaries to our operating line.

Vice Chairman Brandenburg: We have to answer to the people about that and the question is if we're really ready.

Joe Morrissette continued with his testimony.

Representative Bellew: I would like a breakdown of that.

Joe Morrissette: I will get that to you.

Joe Morrissette continued with his testimony

Representative Bellew: What do the Boy's and Girl's Club do with that money? Is that general fund money?

Joe Morrissette: It is general fund money. I will have to get back to you on how they utilize that.

Joe Morrissette continued with his testimony.

Representative Bellew: Will the counties give us a breakdown of why they need that much money?

Joe Morrissette: That can be provided.

Joe Morrissette continued with his testimony.

Vice Chairman Brandenburg: About \$1 million was turned back into this pool.

Joe Morrissette: Out of those three agencies that had made a request in the budget process, the Ag department was not one of those; so we did not take that into consideration here.

Joe Morrissette continued with his testimony.

Representative Bellew: Does that amount equate to what's in the human services budget? These are more or less identical figures?

Joe Morrissette: Yes.

Joe Morrissette continued with his testimony.

Vice Chairman Brandenburg: I know we had some discussion about the waiting area out here and closing the tunnel off. It would be nice if there was a reception area.

Joe Morrissette: There are plans that are available that we could share with you.

Joe Morrissette continued with his testimony.

Aaron Birst, Legal Counsel, NDACo: See testimony attachments B and C.

Representative Bellew: The \$2.3 million, would the counties match that?

Aaron Birst: Under the current proposal, the \$2.3 million would get us through without any county match.

Aaron Birst continued with his testimony.

Representative Bellew: The counties do not put in any money into this program now?

Aaron Birst: That's correct; other than Ward county that has their own FTE.

Chairman Vigesaa: The \$8.33 per day, is that legislatively set?

Aaron Birst: That comes out of the Dr. Windsor Schmidt Study; that said \$8.33 was the minimum; but Windsor Schmidt also said \$11.00 is what you need to run the program.

Vice Chairman Brandenburg: Going back to the county and making a determination of the categories that these people fall into. How does a person end up with this assistance?

Aaron Birst: The county has no determination on that.

Aaron Birst continued with his testimony.

Representative Mock: I would like to learn why the guardian program became part of the OMB budget.

Aaron Birst: A study in 2010 said that we need to improve the system. That was pushed by the supreme court. In 2013 OMB gave it to the Association of Counties as the state did not want it.

Vice Chairman Brandenburg: Weren't there some cases where people were making a living out of taking care of people and getting robbed blind?

Aaron Birst: That's one of the largest reasons why the county got rid of the FTE and the employee and moving to the private service provider.

Audrey Uhrich, Program Director, Guardian and Protective Services: See testimony attachment D.

Chairman Vigesaa: How many people are you serving now?

Audrey Uhrich: We are doing services other than guardianship also. We have over 200 clients and we would be close to around 70 guardianships.

Chairman Vigesaa: How long is your wait list right now?

Audrey Uhrich: We have about 30 people on our wait list.

John Harris, President and CEO, Prairie Public Broadcasting: See testimony attachments E through G.

Chairman Vigesaa: How many members do you have now?

John Harris: We have about 15,000 who are active members and we have about another 6,000 members that are in the cycle of renewing.

Chairman Vigesaa: How much do you raise through membership?

John Harris: We raise about \$2 million. Our budget is \$8.8 million to \$9 million per year; about \$2 million of that is raised by individuals. About \$1.5 comes from the appropriation from public broadcasting.

Representative Bellew: The corporation for public broadcasting is that federal?

John Harris: Those are the federal tax dollars that are appropriated to CPB and distributed out to qualified public broadcasting entities.

Representative Mock: How are the CPB funds allocated? Is it on a population basis?

John Harris: The appropriation for the last 10 years has been \$445 million from Congress. They take 6% out for administration and another 10% out for national issues; the rest is distributed 75% to qualified television stations and 25% to qualified public radio stations.

Representative Mock: Has our amount fluctuated?

John Harris: It fluctuates. It is also based on 9 federal financial supports; it's pennies per dollar.

Chairman Vigesaa: How has the membership been trending? Are you seeing any membership trends from the younger people in our state?

John Harris: We are seeing a trend slightly down.

Chairman Vigesaa: Closed the hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/7/2019 Recording Job# 33394

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachments A through F

Chairman Vigesaa: Opened the discussion on SB2015.

Joe Morrissette, Director, ND Office of Management and Budget: See testimony attachment A.

Chairman Vigesaa: Does it have something to do with 4H?

Joe Morrissette: I think it does have something to do with 4H.

Chairman Vigesaa: Which county doesn't participate?

Joe Morrissette: We can find that out.

Representative Bellew: Does that include FFA also? It goes through the county extension agent right?

Joe Morrissette: Yes.

Representative Bellew: What can they spend it on?

Joe Morrissette: It says boys and girls achievement days.

Chairman Vigesaa: I'm wondering if FFA isn't through the school system.

Joe Morrissette: See testimony attachment B.

Chairman Vigesaa: How often are those rates negotiated for the contracted services? Is that an annual contract or biennial?

Joe Morrissette: We entered into a couple new contracts for custodial services and one that we just entered into for a systems mechanic services.

John Boyle, Director, Facility Management, ND Office of Management and Budget: Those are biennium contracts with the right to renew with an inflationary increase of 2% to 3%. If the contractor is doing a good job, we can just keep renewing for two biennium or up to six years.

Chairman Vigesaa: I would imagine that generally speaking the increased cost for the employees would probably outpace the increased cost of the contracted services.

John Boyle: That would be true.

Joe Morrissette continued with his testimony.

John Boyle: See testimony attachments C and D.

Chairman Vigesaa: So they'll open at the same pace?

John Boyle: That will take care of that.

John Boyle continued with his testimony.

Chairman Vigesaa: These east and west entrances, those are where the tunnel opening is now?

John Boyle: That's correct.

Representative Mock: Is there a reason why there aren't any of those finishings on the east side?

John Boyle: That's correct. It's because of the size, I guess we could put those grills on the outer sides and still have those three sets of doors.

Representative Mock: You talk about security remaining where it's at. Are you planning to put in any additional security infrastructure or anything that would be costly to do on their own because they would have to go into stone or concrete; but you can do it with this renovation project at very little additional cost?

John Boyle: None of that has been thought out. If this would get approved, we would work with the highway patrol to see if we could fit in some of those things.

Representative Mock: Would that require additional appropriations or authority from us now in order for that to move forward? If there are additional security related costs that you would

later learn from highway patrol, how could we appropriate or approve that without knowing what those estimates would be before the end of the session?

John Boyle: That's a good question. The highway patrol would like us to do this project. They haven't mentioned anything like enhanced security measures.

Representative Mock: Have the estimates been updated?

John Boyle: Yes.

Chairman Vigesaa: I would hope that part of the new drawing would be that those security entrances could be a little more integrated into the architecture.

Representative Mock: Would there be any changing of the exterior doors underneath the tunnel that goes into the south entrance? Would those be replaced or reconfigured?

John Boyle: Right now they are scheduled to stay the way they are for historical purposes. There's really no need for them there; so they would probably be removed. There would then be some savings from the door project. You'd probably still want to keep the revolving door for historical purposes.

Representative Mock: Was there any concern if we have this vestibule and the tunnel is converted into a waiting area, that there would be public employees on the capitol grounds that would be on the other side of security?

John Boyle: They would probably move security into this vestibule area.

Representative Mock: They would probably want to have security on the other side of the entrance; especially during the session.

John Boyle: Yes.

Representative Mock: There has been no additional work proposed on the interior side of the south entrance?

John Boyle: No.

Chairman Vigesaa: Because we've added some more rooms up in the judicial wing, do you imagine there would be some conversation about eliminating a meeting room and just having it as a grand entrance?

John Boyle: Yes.

Chairman Vigesaa: What balance is in the capitol improvement trust fund? What gets deposited in that fund every biennium?

John Boyle: The estimated ending balance at the end of this biennium is \$5.4 million. It grows at approximately \$2 million per biennium. When the bill came over from the Senate,

the \$1.9 million is all coming out of that fund, \$320,000.00 to pay a special assessment is coming out of that fund; that leaves \$2.22 million. In the legislative council budget there's \$140,000.00 to do the monitors in the rooms. Every biennium the capitol grounds planning commission can spend up to \$175,000.00 out of the fund; and we ask in our budget for \$25,000.00 to pay for the administrative costs of the meetings we have. Right now there is \$2.6 million coming out right now in the 2019-2021 biennium.

Chairman Vigesaa: Is there a cap as to how much can be in that fund?

John Boyle: There is not.

Representative Mock: We don't have any other obligations from the governor's mansion? All of those expenses have been paid and there's nothing else coming out of this fund for that?

John Boyle: That's correct.

Representative Mock: What's the reason for the additional revenue for the current biennium?

John Boyle: This goes back to the governor's residence. The money that was raised by the friends of the residents was deposited, so we show that as revenue.

Representative Mock: Was that about \$1.5 million?

John Boyle: It was \$887,000.00 that they raised.

Representative Mock: The roughly other \$700,000.00?

John Boyle: I don't know what that extra \$700,000.00 is; but I do know that the trust lands department is very conservative in their estimates.

Chairman Vigesaa: Did this project come up in the Senate side at all?

John Boyle: No.

Joe Morrissette: Went through the green sheet.

Chairman Vigesaa: Those are FTE's that will remain in place but no funding?

Joe Morissette: Yes.

Becky Gullickson, Budget Analyst, ND Office of Management and Budget: See attachment E.

Representative Bellew: Number 4 on the green sheets says you're adding funding to reclassify FTE positions of \$560,000.00 and on your sheet it's \$695,000.00 from general funds.

Becky Gullickson: What makes up number 4 would be the first two positions in the blue section.

Representative Bellew: Where's the public information officer?

Becky Gullickson: The public information officer is part of number 3.

Joe Morrissette continued with the green sheet.

Representative Kempenich: That doesn't include the \$500,000.00 in the deficiency? That's already a spent number?

Joe Morrissette: That's correct. That's for the current biennium and that relates to spending that will take place before June 30. This would be all for the next biennium.

Representative Kempenich: There's legislation that's going on that's probably going to have some impacts on this.

Joe Morrissette: The deputy attorney general suggested some language change to the section in our bill that govern how that's distributed; to clarify that it is for payment invoices approved by the attorney general's office.

Joe Morrissette continued with the green sheet.

Chairman Vigesaa: On the reduction for operating expenses. Were you subject to having to come up with a 90% budget? Is that part of what resides in that line?

Joe Morrissette: Yes. We did submit a 90% budget and some of those things were restored.

Chairman Vigesaa: The funding for the IT project cost, the \$483,360.00 was that a specific project?

Joe Morrissette: I think it was a combination of reductions for things we pay ITD for.

Chairman Vigesaa: Your IT people are moving over to ITD so you would have some costs from IT to do your work that you used to do in house. Would that be part of it as well?

Joe Morrissette: No.

Chairman Vigesaa: It's in operating?

Joe Morrissette: There's an operating increase for the 4 positions that we have that would be part of IT unification.

Representative Bellew: Can you have John give us an updated cost on that entrance? Can the improvements to the tunnel be done in the upcoming biennium?

John Boyle: It is \$2 million. We can get it accomplished as most of the drawing is already done. It's basically the construction and bidding.

Chairman Vigesaa: Would the committee have to give the final approval of the plans? How does that work?

John Boyle: The capitol grounds planning commission already approved the look of it. The next meeting will be in May and there's four legislators on that committee. Senator Diane Larson is the only legislator right now; so three new ones have to be appointed. On July 1 we could start bidding. We would like to get it enclosed before December 2019 and that gives us the winter to do all the interior work. It would probably be a 14 month project.

Chairman Vigesaa: Could you lay out exactly how the fund will progress from this point?

John Boyle: Yes.

Representative Mock: Would you be able to touch base with the highway patrol?

John Boyle: Yes.

Representative Mock: We just completed the elevator project. Is the system more efficient and doing as it was intended? Do they operate more efficiently than the old elevators?

John Boyle: We have gotten a lot of very good complaints. The elevators group people; so people are supposed to get to their floor 50% faster. I think everyone likes them.

Representative Mock: Are there discussions or plans to put floor directories on all the floors or at least the ground, first and maybe second floors?

John Boyle: We haven't thought of that.

Representative Mock: I've noticed that we don't have the water fountains with the option to refill water bottles on the ground or first floors. Do we have plans to update those?

John Boyle: We do have a plan. We have them on most of the floors now. We are planning to put one by the governor's private door on the ground floor.

Chairman Vigesaa: Are the signs to the Coteau room and Sheyenne River room being addressed?

John Boyle: Yes, that's being addressed. That's part of a sign project that we have going on right now.

Vice Chairman Brandenburg: See attachment F.

Joe Morrissette: I was only involved because there needed to be a repayment and there is a section of law that states the state would withhold all other state monies that would go to that county because of this issue.

Vice Chairman Brandenburg: We are working on the amendment to do this.

Representative Bellew: How much are you asking for?

Vice Chairman Brandenburg: We're asking for \$231,000.00.

Chairman Vigesaa: Did we find out which county wasn't involved with the boys and girls?

Joe Morrisette: It was Sioux county.

Representative Kempenich: I would like to see the policies for procurement.

Joe Morrisette: They're kind of lumped together and it's based on dollar amount. We can have Sherry Nies give you an overview.

Representative Mock: Can you have Sherry cite those areas of code so we know where some of those stop logs may be; and if there are things we need to address. Also if there are any processes for extenuating circumstances or to expedite certain requests?

Joe Morrisette: We can do that.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/14/2019 Recording Job# 33712

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachments A through G

Chairman Vigesaa: Opened the discussion on SB2015

Roll Call taken.

Joe Morrissette, Director, ND Office of Management and Budget: See attachment A.

Chairman Vigesaa: Will the winter that we've had affect the heating costs in the capitol?

John Boyle, Director, Facilities Management, ND Office of Management and Budget: Yes, it will. We use a lot more natural gas when it's cold like it is in February. We did do a lot of energy savings projects; so the amount of natural gas we use will be less than if we had not done those projects.

Chairman Vigesaa: What would be some of those basic energy saving projects that you did?

John Boyle: We did LED lighting throughout the campus. For natural gas we replaced every mechanical unit. They're not heat pumps in the judicial wing, they're VAV boxes; those were from 1981 so we did energy efficient new ones in there. We did new mechanical units at the Heritage Center. The judicial wing and the Heritage Center were built in 1981 and there were a lot of deferred projects that we're not going to have to ask money for. In 1991 for electrical we averaged more than 1 million kilowatt hours per month. Today, because of all the energy savings we're less than 12 million kilowatt hours.

Vice Chairman Brandenburg: With all of these energy savings do you do that to all the state owned buildings?

John Boyle: Right now, it's all decentralized. We do work with other agencies. We have a company that comes in and they do a preliminary study of a building and come up with energy savings.

Vice Chairman Brandenburg: Who is in charge of all the buildings? How does that process work?

John Boyle: By statute we're only responsible for the capitol complex. Every state agency takes care of the properties they use. People that are assigned to maintain those buildings will contact us and ask for our assistance. We're always willing to help other agencies.

Vice Chairman Brandenburg: If someone does something that they probably shouldn't have done, how do you find out about that?

John Boyle: We probably wouldn't find out.

Vice Chairman Brandenburg: Each agency is one their own and do as they wish?

John Boyle: Yes, that's correct.

Representative Bellew: Does each agency in the capitol building pay their own expenses here?

John Boyle: We bill back agencies. If you're a federally or special funded agency, then we calculate what the rent is for each of the buildings. Human services pays about 60% of the rent; because it's a 60/40 split. Anybody that's not general fund, we bill rent to. We collect about \$1 million and \$2 million per biennium.

Chairman Vigesaa: That would be within the tower as well?

John Boyle: Anywhere on the campus. The utilities cost is in the rent calculation.

Joe Morrissette: See testimony attachments B and C

Chairman Vigesaa: Is it because of the way the residence was funded initially is why it's all private donations for this continuation?

John Boyle: That's exactly what happened. The original bill was for \$5 million; \$4 million coming out of the capitol building trust fund and \$1 million to be raised. They felt that the state through the capitol building trust fund had already made a substantial contribution. They thought the best way to do it would be through private funds to be raised.

Chairman Vigesaa: Has the full \$4 million been spent?

John Boyle: Yes. The project closed out in October and we spent \$4,887,000.00; so they raised \$887,000.00 and we spent the \$4 million out of the fund.

Representative Bellew: You're not going to allow dogs on there are you?

John Boyle: It's up to the first family. The Hoeven's had multiple pets and the Burgum's have a cat.

John Boyle: See attachment B.

Representative Bellew: How big is the new residence?

John Boyle: It's about 13,700 square feet.

Representative Bellew: How big is the garage?

John Boyle: The three garages are about 700 square feet.

John Boyle continued with his testimony.

Representative Bellew: Last session the governor wanted to put floor heat in the garages and it was vetoed by our majority leader at that time. Is that in or out?

John Boyle: After many conversations with the former majority leader, he agreed that if we put it in it had to come from something else. We made some changes in other areas of the house and we had enough change orders that we could get it done; special funds paid for it.

Representative Bellew: So he didn't pay for it? It was my understanding that the governor was going to pay for it if he was allowed to do it.

John Boyle: That was never my understanding.

John Boyle continued with his testimony,

Representative Beadle: Would it use that existing curb cut or would you be looking at getting another one?

John Boyle: We would use the existing curb cut.

Representative Beadle: The city of Bismarck would probably have issues with putting another one so close to a light intersection.

John Boyle: Yes.

John Boyle continued with his testimony.

Representative Bellew: I see the American flag; but are we going to have the state flag?

John Boyle: Yes, we would definitely have a state flag.

John Boyle continued with his testimony.

Chairman Vigesaa: Are there private funds that are sitting in an account someplace?

John Boyle: Yes, the 501C is called Friends of the Residence. The first lady picks members of that group and it started with Mrs. Schaefer. They wanted to do some remodeling; so in the former house the public space was remodeled and the master bedroom was remodeled; that project was \$600,000.00 and was half and half; general fund paid half and they had to raise half. To raise half, they had to establish this 501C that people could donate to and get a tax write off.

John Boyle continued with his testimony.

Chairman Vigesaa: They're totally responsible for raising funds?

John Boyle: Yes, 100% responsible.

Chairman Vigesaa: So the state employees don't get involved with that at all?

John Boyle: No, not at all. One of the stipulations in the bill to build the house was that whoever was doing the fund raising couldn't be compensated.

Chairman Vigesaa: This needs approval? It seems like they're on their own, so why would we have to do anything?

John Boyle: I think what they would like is just spending authority so that they can do it.

Vice Chairman Brandenburg: As long as they don't do anything wrong, we won't care.

John Boyle: There are four legislators on the capitol grounds planning commission. The two representatives and one Senator aren't with us this session.

Chairman Vigesaa: Who appoints the legislators?

John Boyle: The speaker of the House usually appoints the two.

Representative Beadle: One of the things I've noticed when we've been in the event space, is the noise level. Has there been any conversation in terms of looking at getting some noise diffusers or something to catch or absorb the noise?

John Boyle: There have been conversations. The intent was that that room would mimic the hard surfaces in memorial hall. It's come to our attention that when you fill it with 50 or 60 people talking you can't make out the conversations. We're going to hire a sound engineer to come in and make recommendations on how we can take care of that.

Representative Beadle: We've seen people get these artistic looking wall pieces that look like pieces of art but are air and noise diffusers.

John Boyle: Yes.

Representative Beadle: Would they be able to utilize the fund raising sources for that?

John Boyle: It would either be that or it could come out of the ongoing appropriations. Whoever designs it, the capitol grounds planning commission would have to approve the look.

Chairman Vigesaa: What is in the capitol building fund?

John Boyle: Joe has that.

Joe Morrissette: See attachment D.

Representative Mock: My understanding is that some of those systems could eliminate the need of having the visible magnetometers.

Joe Morrissette: That's our understanding also.

Representative Mock: Is that cost the cost of the equipment or is that the cost of any additional infrastructure that could be imbedded into the stone or concrete during the renovation?

Joe Morrissette: I think that's the cost to embed that in during the construction.

Representative Mock: Are there any additional equipment costs that would need to be tied into this budget?

Joe Morrissette: No.

Joe Morrissette continued with his testimony.

Representative Bellew: Can you explain the administrative expenses?

Joe Morrissette: Those are expenses that are deducted by the land department for administering the fund. They take a percentage of all the funds that they manage and deduct from each of those funds for their administration.

Representative Bellew: Income payments to counties, what is that?

Joe Morrissette: That may be in lieu of tax payments that go to the counties; it's a combination of surface acreage and mineral acreage that's managed for this fund.

Representative Beadle: With regards to the south entrance project, was there any conversation about rather than putting a separate conference room; being able to shift the wall for the existing Missouri River room?

John Boyle: It wasn't discussed. The thought was that we didn't want to mess with the exterior of the building. I would have to say it was looked at that to make it one very large room to make two entrances; but there are only so many load bearing structural walls and they're at the perimeter of the capitol.

Representative Beadle: That was why I was trying to get the best of two worlds. If we were able to expand that room four or five feet, we'd be able to reclaim a room and still give 15 or 20 feet for a grand entrance.

Vice Chairman Brandenburg: Has the Senate done anything with this at all or are we the first ones to bring it to light?

Joe Morrissette: The Senate asked about it but then did not pursue it. They asked the status of it and why it had not moved forward; but they did not pursue it.

Vice Chairman Brandenburg: It's a wind tunnel out there and it's cold out there.

Chairman Vigesaa: I think this winter really brought it to light when we had 50 or 60 days in a row where it never got above freezing. It doesn't do us any visual benefit there the way it sits.

Joe Morrissette: It has lengthened the distance for handicap accessibility as well because those spaces were closer to the north and west than they are to the main public entrance to the south.

Chairman Vigesaa: If we do make this entrance more of a focal point, are there some plans to help with handicap parking?

Joe Morrissette: There are no plans at this time; but that could certainly be incorporated into this.

Vice Chairman Brandenburg: Why can't there be some sort of a driveway and a turnabout so that you can have some handicap parking out there on the edge? Why can't there be some handicap parking where those poles are?

Representative Bellew: Do you have any plans to do anything with that North entrance?

Joe Morrissette: I think it's only an issue during session any other time, the main visitor lot is right to the south. In other cases where it's not filled up during session, access is better.

Joe Morrissette: See testimony attachment E.

Joe Morrissette: See testimony attachment F.

Vice Chairman Brandenburg: We're going to have to look at the language.

Chairman Vigesaa: It was originally \$4 million, the Senate took it to \$2.5 million. Do you have any observation from past history on requests for litigation or is this the first time we have pooled it under OMB?

Joe Morrissette: This would be the first time it has been pooled. There's been appropriations in the past for individual agencies. For the current biennium, the industrial commission has an appropriation and they currently have a \$500,000.00 deficiency. They

have a deficiency bill in SB2024. We had several agencies that asked, the industrial commission, PSC, tax department, the tax department has never had an appropriation like that before; but they know they have some pending issues out there that could result in litigation.

Vice Chairman Brandenburg: If one of those agencies needs money for litigation issues, but the attorney general says no, what do they do then?

Joe Morrissette: Is that possible? I would think that the attorney general would still have to be approving in defense of the state. This wasn't intended to create an issue; it was just intended to put a check on the system. The attorney general came to us because they thought without any language it was lose enough without some change that if there was a judgement against the state, this whole pooled appropriation could be used to pay that judgement.

Vice Chairman Brandenburg: We just need to look at the language and understand it.

Joe Morrissette: It was drafted by the attorney general's office.

Representative Bellew: Can you explain section 48-10-02 to me and the \$175,000.00 for the continuing appropriation?

Joe Morrissette: We have to look at the beginning balance to ensure that the fund couldn't be spent down too far.

Representative Bellew: Below 50% of that?

Joe Morrissette: That check is in place to make sure that the expenditures of the commission couldn't exceed that amount. That would only come into play if we had an incredibly low balance on the fund. Where now they can spend \$175,000.00 or under this proposal \$215,000.00, that would only come into play if the balance was so low that the continuing appropriation would otherwise exceed that.

Chairman Vigesaa: When was the last time this amount was adjusted? How long has the \$175,000.00 been in existence?

John Boyle: I'll get that to you.

Representative Bellew: The land board, do you know how they charge or why this amount is an additional percentage of what's in the fund?

Joe Morrissette: I'm not sure.

Representative Mock: That should show up as revenue in the land department under special funds. So this is an expenditure that exists in every budget that has funds managed by the land department. Is that correct?

Joe Morrissette: Yes.

Joe Morrissette: See testimony attachment G.

Chairman Vigesaa: In the council budget we continued with the 90% level for NCSL.

Joe Morrissette continued with the worksheet.

Vice Chairman Brandenburg: Representative Boehning was very supportive of the guardian program in the past.

Joe Morrissette: We'd be happy to work with the Association of Counties to get somebody back here to speak about it better than we can. We're not really engaged in the program, we're just the fiscal agent that passes the money through.

Representative Bellew: The \$560,000.00 was to reclassify a couple of positions; what are they again?

Joe Morrissette: We had given up several positions where the services are being contracted for now. We had given up some other positions that we had wanted to reallocate to a different use within the agency. There are a couple within HRMS that would add to some capacity there; where we don't really have anyone there now that handles recruiting for the state. The other area was somebody to direct the training development programs that go on. Right now, that's kind of decentralized also.

Joe Morrissette continued with his testimony.

Chairman Vigesaa: Have the agencies asked for that centralization or is that just coming from OMB?

Joe Morrissette: Through this last interim, we found out that each agency had their own policies on HR things that wasn't standardized; there were a lot of improvements that were made among cabinet agencies creating standardized HR policies and standardized processes for performance evaluations, etc.

Joe Morrissette continued with his testimony.

Chairman Vigesaa: That was for equipment?

Joe Morrissette: Yes.

Joe Morrissette continued with his testimony.

Vice Chairman Brandenburg: Looking at the state lands and facilities you had \$2.4 million and the Senate put in \$2 million. This is generally a concern that we need to get our arms wrapped around so that things are done right.

Chairman Vigesaa: If you were allocated the \$2 million, how would you proceed? Would this be more than a biennium project?

Joe Morrissette: I didn't envision that it would be. We would have to go out for an RFP and find a company that would be able to tackle a project of that scope. That would be the first step.

John Boyle: The universities have a pretty good handle on it; they've done some of their buildings already. It's really these state agencies that own buildings. This would give us a report and over the next 20 years it would tell you what kind of projects and prioritize projects that these buildings need.

Vice Chairman Brandenburg: Is that where you're going with this?

John Boyle: Yes.

Chairman Vigesaa: It's primarily maintenance; physical appearance and structure?

John Boyle: Yes, but it also will outline in the next five or ten biennium of what projects we will need to get accomplished.

Vice Chairman Brandenburg: Do the agencies have the authority to sell state property or they may be looking for money in their budget so they go out and sell some of the property to bring money in?

John Boyle: I don't know the answer to that. I do know that you have to get legislative approval to purchase property.

Chairman Vigesaa: Is this assessment something that we have periodically done or is this a new venture?

John Boyle: The more sophisticated campuses have done these. We know what each building condition is here on the capitol grounds; but there are people that don't have the expertise that we have at the capitol grounds.

Chairman Vigesaa: We saw a video from Harris Hall and a lot of comments were how did it get to this point?

John Boyle: That's a very good question.

Chairman Vigesaa: You haven't had any involvement in that?

John Boyle: No, we stay out of the universities.

Chairman Vigesaa: Was there anything that you had to do your 10% reduction on that you felt put this particular department in a bind? Did the governor add a lot back in for your agency?

Joe Morrissette: That was the case with some of those reductions; but there were some reallocations. Across all divisions we reduced travel and didn't really restore that. We reduced some IT charges. It was a reprioritization of some of those reductions.

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/14/2019 Recording Job# 33723

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachment G

Chairman Vigesaa: Brought the discussion to order.

Joe Morrissette continued with attachment G.

Vice Chairman Brandenburg: Didn't they put \$600,000.00 in their budget for that land leasing?

Joe Morrissette: Yes.

Joe Morrissette continued with his testimony.

Chairman Vigesaa: Is that the total amount that's in the bill or is there a fiscal note to the bill itself?

Joe Morrissette: The use of the money would be in the DHS appropriation bill. It's part of the appropriation that's in SB2012.

Joe Morrissette continued with his testimony.

Chairman Vigesaa: Could you explain what that's for?

Joe Morrissette: When it was created, there was some legislative frustration that agencies were coming forward with building projects where the plans weren't fully vetted and developed. So this was a way to address that and give agencies a funding mechanism to get some money on the front end to develop a better cost estimate. The idea is that they would request money and it would have to be approved by budget section. If it's approved, it doesn't indicate that the legislature is going to approve the project. When they bring a plan

back to the legislature and the legislature approves a project, a portion of the money appropriated would go back to repay the fund to keep it revolving.

Chairman Vigesaa: When was the last time that was used?

John Boyle: A couple of years ago. Whenever we put the budget together in June or July, it's usually the November before that the director of OMB will send out an email to agencies and universities stating that if they have a project in mind that we have this fund where then can get money. They submit projects and we determine how much comes out of that fund for that project.

Joe Morrissette continued with his testimony.

Representative Bellew: Where does that show up in your bill?

Joe Morrissette: At the top of page 2.

Joe Morrissette continued with his testimony.

Representative Bellew: How much is in that fund and where does the money come from?

Joe Morrissette: It comes from agencies that are assessed a risk management premium and a portion of that goes to pay the administrative costs of that division; which includes four FTE's.

Representative Bellew: Do you have a balance on that fund?

Joe Morrissette: We can get one for you.

Representative Beadle: The state risk management fund at the end of the 2017-2019 biennium was predicted for an ending fund of \$28,200.00. They had \$2.1 million; almost \$2.2 million of revenue coming in from the government from varies agencies. The expenditure is about \$2.3 million. They're predicted to have \$2.9 million of revenue this next time with similar expenditures.

Joe Morrissette continued with his testimony.

Chairman Vigesaa: If we authorize the south entrance, would that affect the numbers in section 8?

Joe Morrissette: It would.

Chairman Vigesaa: Did that amendment address that?

Joe Morrissette: It did not. I did not address the dollar changes in section 1 or the fact that it would change that section.

Vice Chairman Brandenburg: If we would add another \$500,000.00 in the litigation fund, that would change section 10 to \$5 million.

Joe Morrissette: Yes.

Joe Morrissette continued with his testimony.

Representative Bellew: Why did the Senate go to June 30, 2021 instead of just repealing it this biennium?

Joe Morrissette: That was a suggestion that came from us; there are some suggestions that are in the hopper and have been approved but the savings need to be quantified next biennium so the employees can get their bonus to get that paid out to them.

Chairman Vigesaa: Those you did propose?

Joe Morrissette: I did.

Joe Morrissette continued with his testimony.

Chairman Vigesaa: In section 14 the bonus program has been in effect; but those dollars that are listed there from \$1,000.00 to \$2,500.00, is that new language?

Joe Morrissette: That would be the language.

Chairman Vigesaa: The actual amount is now in the section where before it was not?

Joe Morrissette: The amount is limited by law right now to \$1,000.00. This would increase it to \$2,500.00. Not all agencies do \$1,000.00, they do what they can.

Representative Bellew: Do the agencies have to give you or the legislature a report on how many they gave it to and the amounts?

Joe Morrissette: I believe that there is a report that's presented each interim to the employee benefits committee.

Chairman Vigesaa: Were they limited to a certain percent of an agency's staff previously?

Joe Morrissette: Currently it's limited to 25%. We have proposed striking that out; but that would be less important to me than the dollar increase.

Representative Bellew: The county social services fund, does that amount come to you from human services? How would we make that permanent instead of requesting it every biennium?

Joe Morrissette: The monies that are being transferred are oil tax monies. It goes into the tax relief fund and then it gets transferred. We could set up a change there.

Representative Bellew: I think it's a permanent thing now.

Chairman Vigesaa: Is this similar to how we did our tax relief previously? Was it similarly stated in the OMB budget?

Joe Morrissette: I think in that case it was appropriated to the treasurer.

Chairman Vigesaa: Since we started tax relief we've had something in the OMB budget that designates the transfer.

Joe Morrissette: I'm not sure.

Joe Larshus, Director, Fiscal Management: Last biennium SB2206 had section 20 that took tax relief fund money to the social services finance fund of \$134.7 million.

Vice Chairman Brandenburg: That went directly to the counties then?

Joe Morrissette: It would have been a transfer just like we're proposing here that would put the money in the social services finance fund.

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/15/2019 Recording Job# 33802

□ Subcommittee

□ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Chairman Vigesaa: Opened the discussion on SB2015.

Representative Beadle: I think we should allow them to fund raise for the landscaping around the residence. The only other thing I think we need to make sure of with regards to the capitol planning around here is that most of our parking is on the northern side of the building; and our entrance is on the south side. Unless you can find a spot in the oval, it's really not the best situation for that. I would encourage them to look for ways to improve the parking situation; in particular, for handicap parking.

Representative Howe: Did Representative Bellew want to bring an amendment about the dogs?

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/20/2019 Recording Job# 34014

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachments A through E

Chairman Vigesaa: Opened the discussion on SB2015.

Roll Call taken.

Adam Mathiak, Fiscal Analyst, ND Legislative Council: See testimony attachment A.

Representative Kempenich: What is their ability to pull money out of SIIF without legislative authorization? That's one question that I had. Supposedly there's \$400,000.00 that was paid in lawyer fees this biennium on that lawsuit; but it's indicated that there's \$750,000.00 left of legal fees.

Chairman Vigesaa: Did we have something in the trust lands department for that?

Adam Mathiak: There may be a couple of components in that. Last session as part of SB2134, there was \$800,000.00 appropriated to the industrial commission for the engineering and surveying firm to review the tracks; and they've asked for carry over authority for the \$800,000.00. They spent about half of it; so they have about half left. They asked for that carry over for presenting an expert witness if their engineering firm gets called into any of the court cases to interpret, explain or justify their findings and their review. I don't recall what the department of trust lands was provided appropriation authority for in SB2134. I believe the bulk of it was the repayments that they were authorized for; I don't recall anything being specifically appropriated to them for the legal costs.

Vice Chairman Brandenburg: What are their real profits coming off of their investments and how is it being tracked? What are the true profits off of the investments and the costs of the people doing the investing?

Chairman Vigesaa: That's over in the Senate now. But as far as that bill we had yesterday with that \$750,000.00.

Vice Chairman Brandenburg: When you look at the profits they're claiming and a lot of it's coming from the mineral royalties; the projects are skewed.

Adam Mathiak: See testimony attachment B.

Representative Beadle: Do facilities count as grounds?

Adam Mathiak: I think so.

Representative Beadle: If it has to be a structure, doing landscaping may not qualify in terms of how that language is.

Adam Mathiak: Maybe in that first part of that sentence where it says to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds. It's being placed on the capitol grounds and it would be any type of property.

Representative Beadle: It wouldn't count as property as it's dirt.

Adam Mathiak: We could have our legal staff do some looking at it or clarify if it shouldn't be allowed.

John Boyle, Director, Facility Management, ND Office of Management and Budget: I don't have any comment.

Becky Deichert, Budget Analyst, ND Office of Management and Budget: See testimony attachment C.

Joe Morrissette, Director, ND Office of Management and Budget: It was a \$500,000.00 transfer from SIIF.

Sherry Neas, Chief Procurement Officer, Central Services, ND Office of Management and Budget: See testimony attachment D.

Representative Kempenich: How deep do you get into a conversation with another agency with these type of purchases?

Sherry Neas: We have a training program so each agency must have one person that's in charge of procurement for their agency. Then the agency decides how many trained procurement officers they have. If they are trained through all four levels of training, they are empowered to do the procurement themselves. We get involved if it's an alternate procurement because we approve those. If the agency wants us to be involved we will, however, IT is a different story.

Sherry Neas continued with her testimony.

Representative Kempenich: We've heard criticisms about time frames for IT work.

Sherry Neas: Those old thresholds were so low that it was starting to get problematic.

Representative Mock: What happens in those situations where you're not able to get three bids or proposals?

Sherry Neas: The requirement is for a level two that they solicit at least three. If you solicit three and only get two or one, you document.

Representative Mock: What's the time line on how long you need to leave a posting open? How long do you allow the process to work before you can say you only received one or two; and you can then move on?

Sherry Neas: The guidelines are very flexible with that. If you solicit three and get three, you're done. The templates do allow you to give a deadline but that deadline is specified by the agency.

Sherry Neas continued with her testimony.

Representative Mock: What role does Roughrider Industries play?

Sherry Neas: In the department of corrections law, there is a law that establishes Roughrider Industries. It allows government agencies to directly purchase from Roughrider Industries. There's a similar carve out in state procurement law. There is nothing that's mandated. We do have some contracts with Roughrider Industries. Agencies have the choice of going to Roughrider or going out and getting bids.

Representative Mock: That includes furniture? I would assume that the chairs in this room are Roughrider Industry chairs; they had to win that bid?

Sherry Neas: The agency could go straight to Roughrider or do a competition. There's a rule that lets government entities also bid on projects.

Representative Mock: How do we handle online vendors? A level 2 is at least \$10,000.00 but less than \$50,000.00; is that total purchase or per unit?

Sherry Neas: It's the total purchase. If it's goods, it's the total of what you're going to buy right now. If it's services, we take into consideration the total contract; what the vendor would win over the life of the contract. If an agency is getting online bids or quotes, that would qualify as an acceptable bidder quote.

Representative Mock: If we're replacing office furniture, we can just get one fair and reasonable quote if it's less than \$10,000.00. So I can replace 10 office chairs for less than \$10,000.00. So I find my vendor, purchase 10 now and then come back in a month or two months and replace the next 10. Does having multiple reorders raise that total purchase into a higher threshold?

Sherry Neas: In administrative rules, there's a rule that says rotate vendors listed on an equitable basis. So in that scenario, I couldn't use the same vendor.

Sherry Neas continued with her testimony.

Sherry Neas: See testimony attachment E.

Representative Kempenich: I'm trying to understand that it seems like there are a lot of voices involved in that process. I'm trying to understand how to make this process work better; because you appropriate money, and two years later the project's still sitting there and they're asking for a continuing appropriation and they're still not any closer than they were.

Chairman Vigesaa: Is ITD required to complete their review in a certain amount of time?

Sherry Neas: ITD does have performance standards as to how long it should take to review something.

Sherry Neas continued with her testimony.

Representative Kempenich: It feels like procurement becomes a filter between the vendor and the customer; because each project is different.

Chairman Vigesaa: Sometimes the agency doesn't particularly like what they hear from the people that have evaluated the project and it's coming back to them in a little different fashion than what they had hoped.

Representative Kempenich: Does an agency contact a vendor first to start the process to get an idea of what it's going to cost and then start the process?

Sherry Neas: Some projects are like clockwork and some projects struggle with group dynamics. The procurement officers we have working on our large IT projects are very good communicators, problem solvers and they can tell when things aren't going well. The other factor is the vendor.

Sherry Neas continued with her testimony.

Chairman Vigesaa: When we have a large IT project, how long does the vendor have to respond?

Sherry Neas: We always give them at least 21 days. We might give them days or weeks for a best and final offer depending on how much more information that we're giving them. If we want a demo, we give them adequate time to plan for the demo.

Representative Kempenich: I think we should have follow up on the green sheets if there has been some problem during the interim.

Sherry Neas: A lot of the lessons learned are built into the procurement process.

Representative Kempenich: Does council talk to OMB about these large projects; about where we're at with any of that?

Adam Mathiak: On these large IT projects they would receive updates through the information technology committee during the interim. They would provide quarterly reports with the status on these large IT projects. A lot of it is relying on ITD to bring forward whether it's on time and on budget or whether it's falling behind.

Representative Kempenich: When does the vendor get involved in this process? When do you procure the project? Until it gets completed it's not really procured?

Sherry Neas: OMB, ITD and the AG's office stay involved with the agency through the procurement, implementation and ongoing contract administration.

Representative Kempenich: You're in the project until it's signed off on?

Sherry Neas: Yes.

Chairman Vigesaa: With the interim IT committee, who makes the request to have certain projects before the committee?

Adam Mathiak: The quarterly updates would identify any projects that are over \$5 million and they would be part of that quarterly update. The extent to which any of those projects specifically reports to the committee; it's the chairman and the committee at their discretion.

Representative Mock: We receive updates on all major IT projects quarterly. We also receive start up and close out reports of all large IT projects. We don't approve the projects, they just come in and present and explain the process of what that project will be doing, the timeline, the budget, etc. We are a statutory committee and we do meet quarterly regardless of the status of projects.

Representative Kempenich: We should have updates on the green sheets of any continuing projects.

Representative Mock: We have two Senators on appropriations this current biennium and Representative Boehning was the House Appropriations designee.

Representative Kempenich: A lot of information comes through during the interim but it might not be relevant.

Chairman Vigesaa: What is the process if departments want to move?

John Boyle: In the capitol tower, every floor except for the 4th floor and the 15th floor is statewide elected officials; and on the 2nd floor is legislative council. The state auditor came to us and we let him know that we tried it two years ago and the treasurer didn't want to move

and we really don't get involved in asking statewide elected officials to give up space for others. The process is that they ask and we say yes or no.

Representative Mock: Are there any logistical reasons for either the treasurer or auditor's office to be located on any of the floors that they are currently located on?

John Boyle: There really is no reason why they need to be on that floor.

Representative Mock: In the treasurer's office there is quite a hefty safe. Is that still used?

John Boyle: It is not anymore. These folks were placed in these spaces decades ago. She occupies 2,665 square feet for seven people; for others it's a lot less.

Representative Mock: Are there other locations in the tower that could accommodate the auditor employees that are currently located downtown and theoretical FTE's if there are some at the end of session?

John Boyle: We do have space on certain floors where there are one or two or three offices that might be vacant just because agencies are efficient. We could look around and see if there was a way to find a space on the grounds; it may not be in tower, it could be in the judicial wing or the Liberty Memorial building or the state office building.

Chairman Vigesaa: Do you think those conversations will be had about moving it back to the capitol grounds?

John Boyle: We've already had conversations with the auditor. What he would like to do is have everyone in the same location. When you start to look for space for 12 to 15 people, that we really can't accommodate.

Representative Howe: I don't know if the legislature wants to get involved with re-arranging, when does the legislative get involved when agencies cut 8% of their FTE's? I think the conversation needs to continue to happen; and I don't know if legislation needs to happen, but an encouragement to get everyone under one roof would be adequate.

Chairman Vigesaa: I think the facility division of OMB should continue to manage the facilities.

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/25/2019 Recording Job# 34191

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Chairman Vigesaa: Opened the discussion on SB2015.

Roll Call taken.

Chairman Vigesaa: Discussed the green sheet.

Vice Chairman Brandenburg: That would take the total to \$2.3 million?

Chairman Vigesaa: That's correct.

Chairman Vigesaa continued to discuss the green sheet.

Levi Kinnischtzke, Fiscal Analyst, ND Legislative Council: The guardianship grants in the 2017-2019 biennium and 2015-2017 were both well over \$1.3 million.

Chairman Vigesaa: The amount that they're adding is kind of an unusual number; it's \$1,001,400.00.

Levi Kinnischtzke: It appears that the thought on that was to make it a nice rounded number.

Vice Chairman Brandenburg: I can't speak much to it. It sounds like a good program. Maybe we should make it \$500,000.00 instead of \$1 million.

Chairman Vigesaa: Could you look up what we've contributed to Prairie Public for the last two or three biennium?

Adam Mathiak, Fiscal Analyst, ND Legislative Council: In 2013 session it was at \$1.34 million and then it was increased to \$1.7 million during the 2015 session. With the allotments it was reduced by \$100,000.00 during the 2015-2017 biennium to \$1.6 million and due to the budget situation in the 2017 session it was reduced by \$400,000.00 to bring it to \$1.2 million.

Representative Beadle: One thing to keep in mind with Prairie Public, with the construction development taking place in Fargo they have been in the process of renegotiating and moving the primary antenna tower from Prairie Public's residence.

Chairman Vigesaa: That was part of the need for the funding?

Representative Beadle: It wasn't in the testimony, I just know from talking to some individuals.

Chairman Vigesaa: The time line on having to relocate the tower, will it be adjusted this year?

Representative Beadle: It will be moved this year.

Chairman Vigesaa: The development on the Block 9 project; what's the timeline on that? When is that slated for completion?

Representative Beadle: The vertical construction should be spring 2020; possibly before. Total completion of the project is slated for some time during 2021.

Vice Chairman Brandenburg: This just brings it up to \$1.4 million.

Representative Howe: We're not limiting their ability to still being able to raise funds for this. I wouldn't be opposed to slashing this in half and they still could raise \$300,000.00.

Chairman Vigesaa: We did ask those questions about how much they raised and how many members they have.

Chairman Vigesaa continued with the green sheet.

Adam Mathiak: I don't have any other specific information. The one thing to consider is the exemption for the fiscal management division that's included in the bill is specifically for information technology costs related to the state's accounting software.

Vice Chairman Brandenburg: Is OMB going to be chosen for the IT? What's going to happen with the agencies?

Representative Mock: I don't have any information on it.

Chairman Vigesaa continued with the green sheet.

Vice Chairman Brandenburg: Looking at those two funds, I kind of think that the litigation pool needs to go to \$3 million. I think that \$1 million is enough for the assessment of state land.

Becky Deichert, Budget Analyst, ND Office of Management and Budget: How we came up with that calculation was \$.10 per every square foot; so that was \$2.4 million and the Senate put in \$2 million. I don't know if we can do it with \$1 million.

Chairman Vigesaa: Representative Beadle would you have any experience with that type of thing?

Representative Beadle: Without knowing the full scope of what they're doing, it's hard to say.

Chairman Vigesaa: Probably with that size and scope of a project it's probably not out of line.

Vice Chairman Brandenburg: Maybe instead of doing all of this project in one biennium; maybe do half of it.

Chairman Vigesaa: That litigation pool is still up for discussion.

Vice Chairman Brandenburg: It's first come first serve.

Chairman Vigesaa: That \$483,000.00 for IT projects; that's several projects?

Becky Deichert: That \$483,000.00 would cover costs for developers at ITD.

Chairman Vigesaa: Why wouldn't that be in the ITD budget?

Becky Deichert: We have to pay for them to do development on the accounting system.

Representative Mock: Is that a project that's in ITD's budget as special funds? Do they receive these general funds in their special funds?

Becky Deichert: It would cover the salary portion of their developers; so it would show up in their special funds.

Representative Mock: If we made any adjustments to this there would need to be some adjustments done to the ITD budget?

Becky Deichert: I think they have it taken care of.

Vice Chairman Brandenburg: What are they doing with extraordinary repairs?

Chairman Vigesaa: There was a list of a number of things in their testimony.

Vice Chairman Brandenburg: That's all in the building?

Chairman Vigesaa: Correct. It comes out of the building fund.

Chairman Vigesaa: We had an amendment for the landscaping.

Adam Mathiak: Yes, I did have one for the appropriation for the governor's residence landscaping and grounds. It would authorize them to use funding from private donations.

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 3/28/2019 Recording Job# 34335

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachment A.

Chairman Vigesaa: Opened the discussion on SB2015.

Roll Call taken.

Chairman Vigesaa: Discussed the proposed changes.

Representative Beadle: See attachment A.

Adam Mathiak, Fiscal Analyst, ND Legal Council: I think you could use either one of them, I don't think you would necessarily have to do both. If you're doing the one where you're amending the century code, it would provide the authority for them to spend that or you could just do the section that would be in session law that would only allow for the upcoming biennium. If you amend the century code, that would go on in perpetuity and allow them to do that going forward beyond the biennium.

Chairman Vigesaa: If we do the one that's been handed out by Representative Beadle that would give them the authority to go ahead and accept the gifts from the friends of the residence and move forward?

Adam Mathiak: Yes. We would look at the language and make sure it states continuing appropriation authority.

Becky Deichert, Budget Analyst, ND Office of Management and Budget: We'd be fine with going forward with this amendment.

Chairman Vigesaa continued with the proposed changes.

Chairman Vigesaa: This would be a separate amendment as proposed by OMB?

Adam Mathiak: Yes. Although they are separate, they could be seen as going hand in hand. Increasing that amount up to the \$250,000.00 would be from the capitol building fund; where the other one is separate monies.

Chairman Vigesaa continued with the changes.

Representative Mock: Regarding the south entrance, if they are looking at security enhancements or inclusion of new security measures, they're able to do that without needing explicit approval from us. Correct?

Chairman Vigesaa: I would believe so.

Chairman Vigesaa continued with his explanation.

Vice Chairman Brandenburg: You have the capitol planning committee that has legislators on it and they will be informed of what they're going to do in the plans.

Representative Mock: The capitol planning committee does that committee need to approve any of the final plans?

Becky Deichert: The capitol grounds planning commission would approve any changes that were made.

Chairman Vigesaa: How many legislative members serve on that committee?

Becky Deichert: I don't know who the remaining legislator is.

Chairman Vigesaa: But it is four?

Becky Deichert: Yes.

Adam Mathiak: It's the President of the Senate that appoints two Senators and the Speaker of the House that appoints two Representatives.

Chairman Vigesaa: It might not be a bad idea for someone from this committee that had the discussion to seek an appointment to that committee. I'd like to have someone from here.

Chairman Vigesaa continued with the proposed changes.

Chairman Vigesaa: That needed to be adjusted from what the Senate did?

Becky Deichert: Correct.

Chairman Vigesaa: Discussed testimony attachment A page 20 from March 4, 2019.

Chairman Vigesaa: Discussed the green sheet.

Vice Chairman Brandenburg: You're saying just add the \$1.2 million?

Chairman Vigesaa: It would be adding \$221,400.00.

Vice Chairman Brandenburg: Last time it was \$1.2 million.

Chairman Vigesaa: It will bring it up to \$1.55 million.

Chairman Vigesaa continued with the green sheet.

Vice Chairman Brandenburg: We could take \$200,000.00 off the base.

Chairman Vigesaa: It would be a \$1 million then.

Representative Mock: I understand that this will be negotiated. I just want to make sure that I understand the consideration. We have it as \$1.2 million, there was \$200,000.00 so it's at \$1.4 million; and we're looking at bringing it back down to the \$1.2 million?

Chairman Vigesaa: That's correct.

Adam Mathiak: The dollar amounts would end up at \$1.2 million and then there would still be that section declaring that \$200,000.00 of that \$1.2 million to be matched. You wouldn't be adding any funding; but you'd be requiring a match.

Representative Mock: What was the actual request for Prairie Public Broadcasting?

Chairman Vigesaa: The governor had no increase to the base.

Representative Mock: Is that new money that they would have to generate or can they use any existing donation? They receive private donations so could they apply that? Do we change anything by having the match?

Chairman Vigesaa: They could just say that they matched it automatically because they do.

Chairman Vigesaa continued with the green sheet.

Vice Chairman Brandenburg: Out of that \$2.5 million I believe the tax department was looking at \$1 million, the industrial commission was looking at \$1.5 million and the PSC wanted \$100,000.00. I think we should get that up to \$3 million.

Chairman Vigesaa: Of the \$2.5 million it would have already been spoken for.

Representative Howe: There was a discussion the other day about some groups wanting to utilize this. They're taking a different avenue and they're going to try and work theirs in the industrial commission budget.

Chairman Vigesaa: Was that the energy?

Representative Howe: Yes.

Representative Mock: I've heard that there's speculation that the state of Minnesota is considering additional power initiatives that could result in North Dakota challenging their law. I'd like to see if \$3 million is sufficient.

Representative Howe: We're speaking about the same situation.

Representative Mock: You mentioned going through the industrial commission. The purposes of this section is to have all of our litigation funds in one pool. If they do go through the industrial commission, would they add that funding to this litigation pool or would we need to reconcile those two in conference committee?

Vice Chairman Brandenburg: There's a carve out with the lignite research fund where they have the ability there to use some of that money for litigation.

Chairman Vigesaa continued with the green sheet.

Representative Mock: What was the reason for the reduction?

Chairman Vigesaa: My understanding is that it was a closer calculation of what was necessary.

Adam Mathiak: There was an amendment to the policy bill that sets up the takeover of social services. There were some reductions in numbers of contingent FTE positions.

Chairman Vigesaa: There are dollars sitting in the property tax relief fund that are going to be used for this project. Depending on what's in that fund, there will be money in there. Is that correct?

Adam Mathiak: That's correct. In the tax relief fund there's \$182.3 million. There would be \$10 million available for other purposes.

Representative Mock: That doesn't have to be returned to the general fund if it's an unexpended balance, correct? That fund can maintain and carry over a balance from biennium to biennium if not otherwise appropriated?

Adam Mathiak: That money would sit there and could be used in the future as well. The \$172 million that would get transferred to the human service finance fund; that's subject to appropriation. If they didn't need all of it, it would sit in that fund and be re-appropriated in the future.

Chairman Vigesaa continued with the green sheet.

Representative Mock: Do we have a list of the projects that would be drawing out of that fund?

Chairman Vigesaa: They didn't indicate that they had any right now.

Chairman Vigesaa continued with the green sheet.

Vice Chairman Brandenburg: I think we should take that down to \$1 million.

Chairman Vigesaa: My thought was to take it down to zero.

Representative Beadle: We're looking at about \$.10 per square foot. If they want to do a full comprehensive assessment, appraisal and cataloging of all the property across the state, I don't know if they can do it for that.

Chairman Vigesaa: This would be a really large project.

Representative Beadle: We've already done space utilization plans at various college campuses. Some of the work has already been done for some agencies.

Chairman Vigesaa: If the whole amount was authorized, I would think it would be difficult for them to perform the entire system in a year.

Representative Beadle: It depends if they're trying to do it internally or get private contracted out.

Vice Chairman Brandenburg: I was thinking \$1 million and you were thinking zero. Let's just go to \$500,000.00.

Vice Chairman Brandenburg: Made a motion to reduce the state property assessment to \$500,000.00.

Representative Beadle: Seconded the motion.

Voice Vote made.

Motion Carried.

Chairman Vigesaa continued with the green sheet.

Vice Chairman Brandenburg: Made a motion to remove section 15.

Representative Howe: Seconded the motion.

Voice Vote made.

Motion Carried.

Appropriations Committee

Roughrider Room, State Capitol

SB 2015 3/29/2019 34370

□ Subcommittee □ Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Relating to a shared services fund; Relating to the state employee performance bonuses; Relating to the state employee suggestion incentive program

Minutes:

Chairman Delzer: Called the meeting to order for SB 2015. When we started we planned for 2 and 2 with inflators, K-12 will have to stay with 2 and 2 because of all the other changes in the bill. We are supporting a 2 and 2 ½ for the second year with the exception of K-12, again they will stay at 2 because of the on time funding and the rebasing to the 2018/2019 school year. We want to make sure that state employees get a minimum of 2% with a 100 dollar minimum and a 200 dollars max. If you look at the state employees it's a compensation package so it is a 6% raise the first year and 2 ½ the second. We want to make sure there is 100 dollars in their pocket to take home so we went to 120 dollars to cover state and federal taxes. This is being done to make sure that the money is going to those that need it most. We also want to recognize there are always roll up dollars for vacancies, retirements or changes in jobs, so we want to put in there that they can used these dollars to address compression and merit pay. Amendment 19.0228.02005 is just to make sure that we are helping those that are needing this the most.

Representative Mock: We are appropriating the amount that equals these limitations, does this also provide the insurance that every employee would get the minimum of 120 per month?

Chairman Delzer: Probationary employees are not entitled but may be eligible, everyone else would get it.

Representative Mock: A permanent employee will get the 100? A supervisor can't say I am only giving you 60?

House Appropriations Committee SB 2015 March 29th 2019 Page 2

Chairman Delzer: This is going to be a little bit more of a cost then what we had talked about. It sets the inflators at 2 and 2.5.

Representative Vigesaa: This proposal would give the employees a little more compensation then what the senate was looking for.

Representative Schatz: K-12 will be getting 2 and 2 1/2?

Chairman Delzer: The per pupil payment is going to be 2 and 2, but when you add in the cost for going on time and the rebasing it'll be a larger number then that too but we are going to use the numbers 2 and 2 in the formula.

Representative Schatz: Why aren't we doing dollars for K-12 like we are for the state employees?

Chairman Delzer: I think before we do the K-12 we'll be talking further but the way it came over there's 173-million-dollar increase but that covers everything.

Representative Schatz: But when you are salaried at 180 thousand dollars a year, you are going to get 100 more and 200 more if you are a state employee.

Chairman Delzer: But if you are 180 thousand dollars' employee you aren't getting the 2%.

Representative Schatz: I disagree with this and I think we should be going with dollars for school employees as well.

Representative Nathe: The money per month is just for the first year? Would there be any problems going 2.5 the first year and 2 the second year?

Chairman Delzer: We are doing better for them this way and you still have to think that this is a pay package, there is more in here than just the raise.

Representative J. Nelson: We are going to have two different packages coming from the house and the senate? What is the senate position?

Chairman Delzer: I believe the senate has passed 2% the first year and 3% the second year with a 80 dollar minimum the first year.

Representative J. Nelson: And what about K12?

Chairman Delzer: We talked about 2 and 2.

Representative J. Nelson: It's a school by school comparison, if you aren't in a school that has new enrollments then the things you are talking about has no relevance to those schools.

Representative Monson: This is only state employees this has nothing to do with school employees.

House Appropriations Committee SB 2015 March 29th 2019 Page 3

Chairman Delzer: Yes, but it is also setting the inflators for everything else.

Representative Nathe: What is the total dollar amount for this package?

Chairman Delzer: We don't have it; I understand it's an increase of 1.5 million just going form the 100 to 120 dollars.

Representative Nathe: How about the dollars on the senate 2 and 3?

Chairman Delzer: We will be a little bit higher than what they are but this better directs the pay to the lower wage employees.

Representative Brandenburg: We are taking care of many more of the employees at the bottom of the scale.

Chairman Delzer: 65% of the employees are below the average which is 56 thousand and 80% are blow 70 thousand.

Representative Meier: I will move the amendment

Representative Brandenburg: Second

Chairman Delzer: We have a motion to adopt amendment 19.0228.02005, do we have any further discussion? This will tell legislative council that they can draft all the other budgets with this compensation package. Further discussion? **Voice vote all in favor motion carries.** With that we will close this meeting.

Appropriations Committee

Roughrider Room, State Capitol

SB 2015 4/4/2019

□ Subcommittee □ Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Relating to a shared services fund; Relating to the state employee performance bonuses; Relating to the state employee suggestion incentive program

Minutes:

Chairman Delzer: Called the meeting to order for SB 2015. This is an amendment we will want to adopt to SB 2015, which is the OMB bill. We did adopt basically the same amendment before, the only difference is that we reworded the language in section 2. When we said that they could use the roll up dollars for compression and merit there was some concern that some agencies may possible have quite a bit of roll up and we are afraid that it would get to the point that it could increase the base level. The last two sentences are what's add; *the biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-2023 biennium to continue the additional salary increases. Everything else is the same with the maximum and minimums. Any discussion on this amendment?*

Representative Vigesaa: Move the amendment

Representative Howe: Second

Chairman Delzer: We have a motion to further amend 2015 with 19.0228.02007. Any further discussion? Seeing none, **Voice vote, All in Favor, Motion carries.**

Closes meeting.

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 4/5/2019 Recording Job# 34571

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachment A.

Chairman Vigesaa: Opened the discussion on SB2015.

Lynn Helms, Director, ND Mineral Resources: See attachment A.

Chairman Vigesaa: You have those listed as people opposed.

Lynn Helms: Two of the Democrat House members on this committee have refineries in their districts. The job loss numbers ran somewhere between 200 and 300 refining jobs.

Lynn Helms continued with his explanation.

Chairman Vigesaa: When would the case be brought? How long does the process generally take until there's a decision?

Lynn Helms: We anticipate filing this court case around the middle of this year. Based on our activities with the BLM venting and flaring rule, it's going to take between three and seven years to prosecute this to the end.

Representative Kempenich: They're looking at importing oil just so they don't have to get something that's produced 1,000 miles away?

Lynn Helms: That's right. The Democrats on their House environment and energy committee that looked at this said they would vote for it because North Dakota has promised to litigate it and they believe that the courts will overturn it.

Representative Kempenich: Did they bring up that there was human error on that one?

Lynn Helms: That was talked about in great detail. There was misrepresentation by the bill sponsor that the railroads were neutral on this; and an individual from BNSF and stated that they were not neutral.

Lynn Helms continued with his explanation.

Representative Kempenich: When you have money, people like to sue.

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 4/8/2019 Recording Job# 34586

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Attachment A

Chairman Vigesaa: Opened the discussion on SB2015.

Adam Mathiak, Fiscal Analyst, ND Legislative Council: See attachment A.

Chairman Vigesaa: Let's go back to Prairie Public. The Senate's \$200,000.00 that shows up on here was the matching funds? The section with regard to that is still in the bill?

Adam Mathiak: Correct. The way the section was always worded is that it just said \$200,000.00 of the total line item at a matching grant. We didn't really have to change anything with that. You're essentially removing new money that they added.

Chairman Vigesaa: If it went back to the way the Senate had it, we're starting from \$1 million; and if they raise \$200,000.00, it will raise their general fund to \$1.2 million. We basically reduced them by \$200,000.00.

Adam Mathiak: As I understood it, you removed the \$200,000.00 increase so that takes it back to the \$1.2 million; the same as the base level. Theoretically, under your proposal, they would have \$1 million granted out, \$200,000.00 that they would get if they raised an additional \$200,000.00; so hypothetically, it would be \$1.4 million going to them with \$200,000.00 that they would raise on their own.

Chairman Vigesaa: The \$200,000.00 match that the state is going to provide is within the \$1.2 million?

Adam Mathiak: Correct.

Adam Mathiak continued with his explanation.

Chairman Vigesaa: That was a part of Mr. Morrissette's testimony?

Adam Mathiak: Correct.

Adam Mathiak continued with his explanation.

Chairman Vigesaa: Section 19. If I recall we discussed lowering that to \$1,500.00.

Vice Chairman Brandenburg: It kind of ties on to our pay package.

Vice Chairman Brandenburg: Made a motion to lower the performance bonus limit from \$2,500.00 to \$1,500.00.

Representative Howe: Seconded the motion

Voice Vote made.

Motion Carried.

Chairman Vigesaa: Let's go to the litigation.

Vice Chairman Brandenburg: Made a motion to increase the litigation from \$3 million to \$3.5 million.

Representative Beadle: Seconded the motion.

Voice Vote made.

Motion Carried.

Chairman Vigesaa: You indicated that OMB is not on the list for IT unification; so we'll leave it like it was in the House version.

Adam Mathiak: Yes.

Chairman Vigesaa: The section with regard to the preliminary planning fund; that would be section 5. I have in my notes that we were going to go to \$100,000.00.

Adam Mathiak: That could have been my misunderstanding. I can make that adjustment.

Appropriations Committee – Government Operations Division

Medora Room, State Capitol

SB2015 4/9/2019 Recording Job# 34640

□ Subcommittee □ Conference Committee

Committee Clerk: Sheri Lewis

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; and to provide an exemption.

Minutes:

Chairman Vigesaa: Opened the discussion on SB2015.

Adam Mathiak, Fiscal Analyst, ND Legislative Council: Discussed the proposed amendment.

Vice Chairman Brandenburg: Made a motion to adopt the amendments.

Representative Howe: Seconded the motion.

Voice Vote made.

Motion Carried.

Vice Chairman Brandenburg: Made a motion for a "Do Pass as Amended."

Representative Howe: Seconded the motion.

Roll Call taken: 6 Yeas 1 Nay 0 Absent

Motion Carried.

Appropriations Committee

Roughrider Room, State Capitol

SB 2015 4/10/2019 34656

□ Subcommittee □ Conference Committee

Committee Clerk: Risa Bergquist

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:

Chairman Delzer: Called the meeting to order for SB 2015, we will be working off amendment .02008

1:20 Representative Vigesaa: Before you are the amendment 19.0228.02008, I think the first thing would be to go through the statement of purpose. There's a removal of 5 FTEs from the base budget, of course we included the included the increase in the salary package. There were 4 FTEs to be removed in the governor's budget for IT Unification and we restored those, this department would not be one that will be part of the unification package. We reduced several lines, we reduced the guardianship grants by 780 thousand dollars from the senate version. It's still an increase from last time the total funding will be 1.55 million. We removed 50 thousand that the senate had added for the community service supervision grants, it still provides 350 thousand, that's grants to individuals that run community service projects. We reduced Prairie Public broadcasting grants by 200 thousand, still provides 1.2 million funding and we did keep it in there that they could gain another 200 thousand through matching grants.

We are allowing facility management to proceed on a 2-million-dollar project that is needed on our campus. Since we went to security entrances we only have one entrance for the public and that is the south entrance. The committee thought this is not a good entrance to our beautiful building, there was a reject approved by the building commission several years ago and they have the money available in the capital building fund to do the project. It would enclose that entire area; it would integrate security in the plans. It would be a warm welcoming entrance to our building and it's time to do it.

We also increase the funding for litigation pool, the executive budget had 4 million, senate reduced it to 2.5 and we thought we should go back to at least 3 and then last week we were instructed that we are going to be in a lawsuit with the state of Washington because they

House Appropriations Committee SB 2015 April 10, 2019 Page 2

don't want our oil railed through their state. They are estimating the cost of that case would be another 500 thousand, and that won't allow our crude oil to go through the city of Spokane. So we added another 500 so that's a total of 3.5 million in that pool. Senate had included 2 million dollars funding for a state lands and building assessment to go around and asses all the state property to gain some efficacies. We felt with all the demands on SIIF we would reduce that to 500 thousand so they can get started during the biennium.

Revised the number that is going from the tax relief fund to the human services fund. The new number we received is 173.7 million so that adjusts that. There was a transfer from SIIF of 500 thousand from the senate to the preliminary planning revolving fund, we looked back and the most they have ever needed to begin a biennium was 200 thousand there's currently 94 thousand so we reduced that to 100 thousand. We did add language in there that funding from the litigation pool may not be used to repay court ordered judgments against the state on North Dakota.

Chairman Delzer: Wasn't there also some discussion about landscaping?

Representative Vigesaa: Yes, that is in this bill. There is a section in here that will recognize Legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue for the biennium in which the transfer is made.

Chairman Delzer: That's just for budgeting purposes.

Representative Nathe: At the end of June say there is 100 million in Legacy that we're not using would that go to next or would that go to the stabilizing fund?

Chairman Delzer: For budgeting purposes none of the will be recognized until the next biennium for the budget status. As far as it going it doesn't change where it goes if it can fit in the general fund it sits in the general fund, if it would flow into the stabilization fund it would flow into that fund.

Representative Nathe: If there is any money left over in Legacy fund earnings that we're not using at the end of this June that is automatically go into the stabilization fund?

Chairman Delzer: Until the stabilization fund get up to 15% and the interest will go into that fund until it hits 15% and then the interest as well would go into the general fund. For right now we have a bucket in the bucket list of 75 million going into the budget stabilization fund, that bucket will probably stay there but it would not be used if the budget stabilization fund is full. The law says if it comes in over forecast of 65 million, either from the Legacy fund or the general fund, if there's room that would go into that fund. This is talking about what is forecasted to come in the next budget, not what is forecasted to come in now.

Representative Vigesaa: Then we have 2 sections with the capital grounds planning commission. Governor's landscaping is not complete, the fence is really tight to the building and that is because when it was put up the previous residence was still there. They will be adding some landscaping and some outdoor entertainment areas. We will make some changes so this authorizes for some fund raising, it won't involve any state money. There was an employee suggestion program, if employees made a suggestion to improve the

House Appropriations Committee SB 2015 April 10, 2019 Page 3

process within their agency they could receive rewards. It gets difficult to determine who should get rewards, so that is going to be repealed. The performance bonus in code since 2001 and that has been 1 thousand dollars, senate raised that up to 25 hundred we thought that was too much so we changed that to 1500 for that bonus. Finally, the senate kept a section in there that would allow departments could pay each other for services we though that would be impossible to budget next time so we removed that section. I would make a **Motion to adopt 2015 with 19.0228.02008**

Representative Beadle: Second

Chairman Delzer: Shared service fund, to me that would be the same as the legislature giving all of its appropriation authority over to the executive branch.

Representative Boe: Private donation for the governor's residence how close did they come to the million dollars?

Representative Vigesaa: I don't' think they met the 1 million.

Representative Boe: Its around 850 thousand.

Representative Monson: You mentioned a survey of all the state owned property that wouldn't include higher ed?

Representative Vigesaa: I think it would, everything that is state owned. It doesn't say that higher ed would be excluded.

Representative Monson: I think most of the buildings in the campuses should already have that done.

Representative Sanford: Couple of sessions ago we had higher ed go out and do a facility study and we asked them to actually go out and survey used space usage. So they have a detailed utilization for each of the facilities.

Representative Vigesaa: This would include use, condition, operating cost, maintenance needs, staffing and best long term use. We left it would be difficult to cover that kind of property in a biennium would be difficult so we thought we could give them ¹/₄ of the funding so they could at least get started.

Representative Nathe: Guardianship grants is getting to be a big problem; I ask that during conference we take a hard look at this. I work with this in town and there are people that were in this field that had to get out because we froze them at the numbers and it wasn't covering their cost.

Chairman Delzer: This used to be done by the social services and the churches and groups like that the more we do the less they do.

Representative Nathe: In my experience we run into someone that has no guarding social services says we don't do it.

House Appropriations Committee SB 2015 April 10, 2019 Page 4

Representative Beadle: The association of counties testified in support of guardianship as well, they said that they partner up with the counties. The senate fully funded it with 2.33 million and 600 thousand from the counties.

Chairman Delzer: Further discussion? Seeing none Voice vote, All in Favor, Motion Carries Any further amendments?

Representative Vigesaa: Just to point out a couple more things, if you look at the amendment the operating expenses are significantly raised. That does include a lot of things. One thing they did with the removal of 5 FTEs they're going to replace those with some service maintenance contracts instead and they can gain a lot of efficacies by contracting for some of those services. The FTEs that are not going to be continuing is 3 custodians and 2 system maintenance people. And then there is also an increase in utilities of 427 thousand dollars and that contract was for 645 thousand so that is the reason for that large increase.

Chairman Delzer: Did you ask how much is in this budget for MOODY's? And is it separated out? I know last time we gave them 60 and they charged 160.

Representative Vigesaa: We did have that discussion; it's not separated out though. Again, I have drawings for the residence landscaping and the south entrance. We think this is really important because the public has to use that south entrance because of security; in the judicial budget the house had taken out the 960 thousand dollars for the law library remodel the senate restored that using capital building fund dollars, that will be a problem, there isn't quite the money to do that. We are going to start the biennium with 5.7 million in that fund and by the time we take out this south entrance project and the other repairs that need to be done it's going to leave us with a balance of 3 million. Taking another full million for that law library is going to put this pretty low I just want to make sure that those that are on conference committee take a good look at that.

Chairman Delzer: What does it show for income?

Representative Vigesaa: Next biennium it will be 2 million dollars. I will move 2015 at a **Do Pass as Amended**

Representative Beadle: Second

Chairman Delzer: We have a motion for a Do Pass as Amended, in history this one will go to conference. Further discussion? Seeing none we will call the roll.

A Roll Call vote was taken. Yea: 17 Nay: 4 Absent: 0

Motion Carries, Representative Vigesaa will carry the bill.

Chairman Delzer: We will close this meeting.

19.0228.02005 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 4, remove lines 20 through 31

Page 5, replace lines 1 through 5 with:

- "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
- 2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit based increases for employees essential to the effective operations of the agency.
- 3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
- 4. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase."

Renumber accordingly

19.0228.02007 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 4, remove lines 20 through 31

Page 5, replace lines 1 through 5 with:

- "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
- 2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.
- 3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
- 4. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase."

Renumber accordingly

19.0228.02008 Title.03000

Fiscal No. 1

Prepared by the Legislative Council staff for the House Appropriations - Government Operations Division Committee April 9, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, replace "54-27" with "21-10"

- Page 1, line 3, remove "a shared"
- Page 1, line 4, replace "services fund" with "the recognition of legacy fund earnings"
- Page 1, line 4, replace "section" with "sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, and section"
- Page 1, line 5, after the first "the" insert "capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program, and"
- Page 1, line 7, after the second semicolon insert "to provide a continuing appropriation;"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages Operating expenses Emergency commission contingency fun Capital assets Grants Guardianship grants Prairie public broadcasting Community service supervision grants Litigation funding pool State student internship program Total all funds Less estimated income Total general fund Full-time equivalent positions	\$21,596,832 14,051,438 d 600,000 973,477 54,000 1,328,600 1,200,000 350,000 0 <u>0</u> \$40,154,347 <u>9,434,087</u> \$30,720,260 117.00	\$306,984 1,755,988 (100,000) 3,863,648 0 221,400 0 221,400 0 3,500,000 <u>250,000</u> \$9,798,020 <u>7,702,428</u> \$2,095,592 (5.00)	\$21,903,816 15,807,426 500,000 4,837,125 54,000 1,550,000 1,200,000 350,000 3,500,000 <u>250,000</u> \$49,952,367 <u>17,136,515</u> \$32,815,852 112.00"
Page 2, replace lines 12 through 24 with:			
"Surplus property building Theodore Roosevelt center grant Cybersecurity remediation pool Extraordinary repairs Capitol south entrance project Special assessments on capitol grounds Litigation funding pool Assessments of state lands and facilities Risk management technology project State student internship program Electronic procurement study Total all funds Total special funds Total general fund		\$800,000 500,000 1,000,000 0 0 0 0 0 0 0 0 0 0 0 0	\$0 0 1,900,000 2,000,000 3,500,000 3,500,000 500,000 170,000 250,000 <u>50,000</u> \$8,690,000 <u>8,390,000</u>

DP 4/10/19 2.Fb

Page 2, line 30, replace "\$182,300,000" with "\$173,700,000"

- Page 3, line 5, replace "\$500,000" with "\$100,000"
- Page 3, line 15, after the period insert "The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04."
- Page 3, line 23, replace "\$2,220,000" with "\$4,220,000"
- Page 3, line 24, replace "\$2,220,000" with "\$4,220,000"
- Page 3, line 24, after the comma insert "\$2,000,000 in the capital assets line item is for a capitol building south entrance project,"
- Page 3, line 26, after the period insert "The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes."
- Page 4, line 3, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$2,000,000" with "\$500,000"
- Page 4, line 5, replace "\$2,500,000" with "\$3,500,000"
- Page 4, remove lines 20 through 31
- Page 5, replace lines 1 through 5 with:
 - "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
 - 2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.
 - 3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.

De 9/10/1 3 of 6

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

SECTION 14. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Recognition of legacy fund earnings for budget purposes.

For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.

SECTION 15. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed one hundred seventy five thousand two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

DP 1/10/19 4086

SECTION 16. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts <u>-</u> <u>Continuing appropriation.</u>

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

SECTION 17. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. <u>APrior to July 1, 2019, a</u> state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed."

De 4/10/14 5 of 6

Page 5, line 27, remove the overstrike over "one thousand"

Page 5, line 27, remove "two thousand"

Page 6, remove lines 10 through 20

Page 6, line 22, replace "16" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426
Capital assets	973,477	2,837,125	2,000,000	4,837,125
Grants	54,000	54,000		54,000
Emergency commission contingency fund	600,000	500,000		500,000
Guardianship grants	1,328,600	2,330,000	(780,000)	1,550,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000
Community service supervision grants	350,000	400,000	(50,000)	350,000
Litigation pool		2,500,000	1,000,000	3,500,000
State student internship		250,000		250,000
Total all funds	\$40,154,347	\$49,407,350	\$545.017	\$49.952.367
Less estimated income	9,434,087	15,622,886	1 513 629	17,136,515
General fund	\$30,720,260	\$33,784,464	(\$968,612)	\$32,815,852
FTE	117.00	108.00	4.00	112.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding and FTE Positions for IT Unification ²	Reduces Funding for Grants ³	Adjusts One- Time Funding Items ⁴	Total House Changes
Salaries and wages	\$101,492	\$793,547			\$895,039
Operating expenses Capital assets		(820,022)		(\$1,500,000) 2,000,000	(2,320,022) 2,000,000
Grants					1 1
Emergency commission contingency fund					
Guardianshipgrants			(\$780,000)		(780,000)
Prairie Public Broadcasting			(200,000)		(200,000)
Community service supervision grants			(50,000)		(50,000)
Litigation pool				1,000,000	1,000,000
State student internship					
Total all funds	\$101,492	(\$26,475)	(\$1,030,000)	\$1,500,000	\$545,017
Less estimated income	13 629	0	0	1,500,000	1 513 629
General fund	\$87,863	(\$26,475)	(\$1,030,000)	\$0	(\$968,612)
FTE	0.00	4.00	0.00	0.00	4.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

² Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing operating expenses by \$820,022. The Senate

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included the information technology unification project.

³ Funding is reduced for grants as follows:

- \$780,000 for guardianship grants to provide a total of \$1.55 million. The Senate provided \$2.33 million.
- \$50,000 for community service supervision grants to provide a total of \$350,000. The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding. The Senate added \$200,000 of matching grants to provide \$1.4 million.

⁴ Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of \$500,000. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay court-ordered judgments against the state.
- Identifies \$4.22 million from the Capitol building fund for various projects. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation funding pool. The Senate identified \$4.5 million for the assessment and funding pool.
- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The Senate did not include this provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500. The Senate increased the performance bonus limit to \$2,500.
- Removes a section added by the Senate related to the creation of a shared services fund.

House Appropr	ouse Appropriations - Government Operations Division				
	🗆 Subcomr	nittee			
Amendment LC# or	Description:				
Recommendation:	⊠ Adopt Amendment □ Do Pass □ Do Not Pass □ As Amended	□ Without Committee Reco □ Rerefer to Appropriations			
Other Actions:	 Place on Consent Calendar Reconsider 		•		
Motion Made By	Vice Chairman Brandenburg S	econded By Representative	Beadle		



Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa		1.3	Representative Mock		
Vice Chairman Brandenburg		h.			
Representative Beadle	1	K			
Representative Bellew					
Representative Howe		•			
Representative Kempenich	- •				
				-	
	N				
				-	
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Total (Yes) _____ No _____

Absent

Floor Assignment

•

If the vote is on an amendment, briefly indicate intent: A motion to reduce the state property assessment to \$500,000.00 Motion Carried.

House Appr	Appropriations - Government Operations Division				
	□ Subcomm	ittee			
Amendment LC#	or Description:				
Recommendatio	n: ⊠ Adopt Amendment □ Do Pass □ Do Not Pass □ As Amended	 Without Committee Recommendation Rerefer to Appropriations 			
Other Actions:	 Place on Consent Calendar Reconsider 				
Motion Made B	Vice Chairman y Brandenburg Se	conded By <u>Representative Howe</u>			



Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa			Representative Mock		
Vice Chairman Brandenburg	1				
Representative Beadle		~			
Representative Bellew		1			
Representative Howe		2		- 2	
Representative Kempenich					
otal (Yes)		N			

Absent

Floor Assignment



If the vote is on an amendment, briefly indicate intent: A motion to remove section 15. Motion Carried

House Appropria	ations	Committee
	🗆 Subcommit	tee
Amendment LC# or I	Description: 19.0228.02005	
Recommendation:	 ☑ Adopt Amendment ☑ Do Pass ☑ Do Not Pass ☑ As Amended ☑ Place on Consent Calendar 	 Without Committee Recommendation Rerefer to Appropriations
Other Actions:	Reconsider	
Motion Made By	Representative Meier	Seconded By Representative Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson	-		Representative Schobinger	-	
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson				-	
Representative Sanford					
Representative Schatz					
Representative Schmidt					
	_				
otal (Yes)		N	10		
bsent					

Floor Assignment

Voice Vote/Motion Carries

Date: 4/4/2019 Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. SB 2015

House Appropr	iations	Committee
	🗆 Subcommit	tee
Amendment LC# or	Description: 19.0228.02007	
Recommendation:	 ☑ Adopt Amendment ☑ Do Pass ☑ Do Not Pass ☑ As Amended ☑ Place on Consent Calendar 	 Without Committee Recommendation Rerefer to Appropriations
Other Actions:	□ Reconsider	

Motion Made By Representative Vigesaa Seconded By Representative Howe

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa	· · ·	
Representative Bellew		2		5	
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) No No Floor Assignment

Voice Vote/Motion Carries

2019 HOUSE STANDING COMMITTEE **ROLL CALL VOTES BILL/RESOLUTION NO. SB2015** House Appropriations - Government Operations Division Committee □ Subcommittee Amendment LC# or Description: Recommendation: ⊠ Adopt Amendment □ Do Pass □ Do Not Pass □ Without Committee Recommendation □ As Amended □ Rerefer to Appropriations □ Place on Consent Calendar □ Reconsider Other Actions: Vice Chairman Motion Made By Brandenburg Seconded By Representative Howe



Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa			Representative Mock		· · · · ·
Vice Chairman Brandenburg					
Representative Beadle		0			
Representative Bellew	N				
Representative Howe		S			
Representative Kempenich	· . Y				-
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		9		-	-
		_			-
				_	
		9		-	
					-
	- 1	1		1.2	

Total (Yes) _____ No _____

Absent

Floor Assignment



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

A motion to reduce the performance bonus limit from \$2,500.00 to \$1,500.00.

Motion Carried.

2019 HOUSE STANDING COMMITTEE **ROLL CALL VOTES BILL/RESOLUTION NO. SB2015** House Appropriations - Government Operations Division Committee □ Subcommittee Amendment LC# or Description: Recommendation: ⊠ Adopt Amendment □ Do Pass □ Do Not Pass □ Without Committee Recommendation □ As Amended □ Rerefer to Appropriations □ Place on Consent Calendar □ Reconsider Other Actions: Vice Chairman Motion Made By Brandenburg Seconded By Representative Beadle Yes No Representatives Yes Representatives No Representative Mock Chairman Vigesaa Vice Chairman Brandenburg **Representative Beadle Representative Bellew Representative Howe** Representative Kempenich

 Total
 (Yes)

 Absent

 Floor Assignment



If the vote is on an amendment, briefly indicate intent: A motion to increase the litigation pool from \$3 million to \$3.5 million Motion Carried.

2

House Appropr	riations - Government Operations	Committee	
	□ Subcomm	ittee	
Amendment LC# or	r Description:		
Recommendation:	⊠ Adopt Amendment □ Do Pass □ Do Not Pass □ As Amended	 Without Committee Recon Rerefer to Appropriations 	nmendation
Other Actions:	 Place on Consent Calendar Reconsider 		
Motion Made By	Vice Chairman Brandenburg Se	conded By <u>Representative H</u>	owe



Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa			Representative Mock		
Vice Chairman Brandenburg					
Representative Beadle					
Representative Bellew					
Representative Howe					
Representative Kempenich					
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	0				
	in all				
	0				
	1 2				
	1				
	-				

Total (Yes) _____ No _____

Absent

Floor Assignment



If the vote is on an amendment, briefly indicate intent: Motion to adopt the amendments Motion Carried.

House Approp	riations - Government Operation	s Division	Committee
	□ Subcom	mittee	
Amendment LC# or	r Description:		
Recommendation:	 □ Adopt Amendment □ Do Pass □ Do Not Pas □ As Amended □ Place on Consent Calenda 	□ Rerefer to Appropriations	
Other Actions:			
Motion Made By	Vice Chairman Brandenburg	Seconded By Representative	Howe



Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa	Х	2	Representative Mock	Х	N
Vice Chairman Brandenburg	Х				
Representative Beadle	Х				
Representative Bellew		Х			
Representative Howe	Х				
Representative Kempenich	X				
	_			_	
	_			-	
					-

Total (Yes) <u>6</u> No <u>1</u>

Absent 0

Floor Assignment Chairman Vigesaa

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



Motion Carried.

Date: 4/10/2019 Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. SB 2015

House Appropr	iations	Committee
	Subcommit	itee
Amendment LC# or	Description: 19.0228.02008	
Recommendation:	 ☑ Adopt Amendment ☑ Do Pass ☑ Do Not Pass ☑ As Amended ☑ Place on Consent Calendar 	 Without Committee Recommendation Rerefer to Appropriations
Other Actions:	□ Reconsider	

Motion Made By Representative Vigesaa Seconded By Representative Beadle

Representatives	Yes No Representatives		Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew				-	
Representative Brandenburg		_			-
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		· · · ·
Representative Meier					-
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt	1 3				

Total	(Yes)	No	
Absent			
Floor Ass	signment		

Voice Vote/Motion Carries

House Appropr	iations	Committee
	□ Subcommi	tee
Amendment LC# or	Description:	
Recommendation:	 □ Adopt Amendment ⊠ Do Pass □ Do Not Pass ⊠ As Amended □ Place on Consent Calendar 	 Without Committee Recommendation Rerefer to Appropriations
Other Actions:	□ Reconsider	

Motion Made By

Representative Vigesaa

Seconded By Representative Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		Х			
Representative Kempenich	X		·		-
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew		Х			
Representative Brandenburg	Х				
Representative Howe	Х		Representative Boe		Х
Representative Kreidt	X		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Sanford	X				
Representative Schatz		Х			
Representative Schmidt	Х				

Absent

0

Representative Vigesaa Floor Assignment

Motion Carries

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, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2015 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "54-27" with "21-10"

- Page 1, line 3, remove "a shared"
- Page 1, line 4, replace "services fund" with "the recognition of legacy fund earnings"
- Page 1, line 4, replace "section" with "sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, and section"
- Page 1, line 5, after the first "the" insert "capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program, and"
- Page 1, line 7, after the second semicolon insert "to provide a continuing appropriation;"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$21,596,832	\$306,984	\$21,903,816
Operating expenses	14,051,438	1,755,988	15,807,426
Emergency commission contingency f	und 600,000	(100,000)	500,000
Capital assets	973,477	3,863,648	4,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	221,400	1,550,000
Prairie public broadcasting	1,200,000	0	1,200,000
Community service supervision grants	350,000	0	350,000
Litigation funding pool	0	3,500,000	3,500,000
State student internship program	<u>0</u>	250,000	250,000
Total all funds	\$40,154,347	\$9,798,020	\$49,952,367
Less estimated income	9,434,087	7,702,428	17,136,515
Total general fund	\$30,720,260	\$2,095,592	\$32,815,852
Full-time equivalent positions	117.00	(5.00)	112.00"

Page 2, replace lines 12 through 24 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Capitol south entrance project	0	2,000,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	3,500,000
Assessments of state lands and facilities	0	500,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	<u>0</u>	<u>50,000</u>
Total all funds	\$2,300,000	\$8,690,000
Total special funds	<u>1,800,000</u>	<u>8,390,000</u>
Total general fund	\$500,000	\$300,000"

Page 2, line 30, replace "\$182,300,000" with "\$173,700,000"

Page 3, line 5, replace "\$500,000" with "\$100,000"

Page 3, line 15, after the period insert "The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04."

Page 3, line 23, replace "\$2,220,000" with "\$4,220,000"

- Page 3, line 24, replace "\$2,220,000" with "\$4,220,000"
- Page 3, line 24, after the comma insert "\$2,000,000 in the capital assets line item is for a capitol building south entrance project,"
- Page 3, line 26, after the period insert "The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes."
- Page 4, line 3, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$2,000,000" with "\$500,000"
- Page 4, line 5, replace "\$2,500,000" with "\$3,500,000"
- Page 4, remove lines 20 through 31
- Page 5, replace lines 1 through 5 with:
 - "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
 - 2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.
 - 3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
 - 4. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 14. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Recognition of legacy fund earnings for budget purposes.

For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.

SECTION 15. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed one hundred seventy five thousandtwo hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

SECTION 16. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts <u>- Continuing appropriation</u>.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

SECTION 17. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. <u>APrior to July 1, 2019, a</u> state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed."

Page 5, line 27, remove the overstrike over "one thousand"

Page 5, line 27, remove "two thousand"

Page 6, remove lines 10 through 20

Page 6, line 22, replace "16" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base	Senate	House	House
	Budget	Version	Changes	Version
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426
Capital assets	973,477	2,837,125	2,000,000	4,837,125
Grants	54,000	54,000		54,000

Com Standing Committee Report April 10, 2019 3:38PM

Emergency commission contingency fund	600,000	500,000	1	500,000
Guardianship grants	1,328,600	2,330,000	(780,000)	1,550,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000
Community service supervision grants	350,000	400.000	(50,000)	350,000
Litigation pool		2.500.000	1,000,000	3,500,000
State student internship		250 000		250,000
Total all funds	\$40,154,347	\$49,407,350	\$545,017	\$49,952,367
Less estimated income	9,434,087	15,622,886	1,513 629	17,136,515
General fund	\$30,720,260	\$33,784,464	(\$968,612)	\$32,815,852
FTE	117.00	108.00	4.00	112.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding and FTE Positions for IT Unification ²	Reduces Funding for Grants ³	Adjusts One- Time Funding Items ⁴	Total House Changes
Salaries and wages	\$101,492	\$793,547			\$895,039
Operating expenses Capital assets		(820,022)		(\$1,500,000) 2,000,000	(2,320,022) 2,000,000
Grants Emergency commission contingency fund					
Guardianship grants			(\$780,000)		(780,000)
Prairie Public Broadcasting Community service supervision grants			(200,000) (50,000)		(200,000) (50,000)
Litigation pool State student internship				1,000,000	1,000,000
Total all funds Less estimated income	\$101,492 13,629	(\$26,475) 0	(\$1,030,000) 0	\$1,500,000 1,500,000	\$545,017 1,513,629
General fund	\$87,863	(\$26,475)	(\$1,030,000)	\$0	(\$968,612)
FTE	0.00	4.00	0.00	0.00	4.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

² Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing operating expenses by \$820,022. The Senate included the information technology unification project.

³ Funding is reduced for grants as follows:

- \$780,000 for guardianship grants to provide a total of \$1.55 million. The Senate provided \$2.33 million.
- \$50,000 for community service supervision grants to provide a total of \$350,000.
 The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding. The Senate added \$200,000 of matching grants to provide \$1.4 million.

⁴ Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of

\$500,000. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay courtordered judgments against the state.
- Identifies \$4.22 million from the Capitol building fund for various projects. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation funding pool. The Senate identified \$4.5 million for the assessment and funding pool.
- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The Senate did not include this provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500. The Senate increased the performance bonus limit to \$2,500.
- Removes a section added by the Senate related to the creation of a shared services fund.

2019 CONFERENCE COMMITTEE

SB 2015

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 4/25/2019 Job # 35001

□ Subcommittee ⊠ Conference Committee

Committee Clerk: Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget.

Minutes:

Testimony #1 - 11

Legislative Council: Adam Mathiak OMB: Becky Deichert

Conferees: Senator Holmberg, Senator Wardner, Senator Heckaman Representative Pollert, Representative Delzer, Representative Boschee

Adam Mathiak handed out Statement of purpose of amendment – attached # 1. Base Level Funding Changes – attached # 2.

Senator Holmberg called the conference committee to order on SB 2015. The House had SB 2015 and made a few changes. Please walk thru the differences to the senate version. You can skip over the salaries and wages section because that's pretty common.

Representative Delzer: Going through the bill by section using 19.0228.03000 (attached # 3)

Section 3 – Transfer – Tax Relief Fund to Human Service Finance Fund. We made some changes that were done in SB 2124. Changed from \$182,300,000 to \$173,700,000 which is the same as in DHS now.

Section 4 - Transfer of SIIF funds to Preliminary Planning Revolving Fund **(attached # 4).** There is carryover of \$100,000 instead of \$500,000 that came from the senate. The most that was spent was \$200,000 back in '97-99.

Section 5 – transfer of State Student Internship Program to state agencies – that stayed the same.

Section 6 – Transfer – Litigation Pool to state agencies. We added \$500,000 to the litigation pool and that deals with the fact that there may be more litigation on voter ID. Section 7 – Grants and Special Items – Insurances, statewide memberships. We left them as the senate sent them over. It's at the 100% on NCSL (National Conference of State Legislatures).

Senator Holmberg: That would be CSG, I believe.

Representative Delzer: This is CSG and NCSL – would be in Legislative Council. I don't believe we made any changes there.

Section 8 – One-time Funding – Capitol Building Fund. \$2M was added to the capitol fund to take care of the entrance on the south side. The issue there was the ground floor was cool during the winter and rather uncomfortable. They would like to finish that up so it would be a nice entrance for the public coming into the capitol.

Section 9 – Risk Management Fund – we didn't change that.

Section 10 – Strategic Investment and Improvements Fund – we added \$500,000 for the litigation pool.

Section 12 – Fiscal Management – that's carryover of the fiscal management money.

Section 13 – State Employee Compensation Adjustments - compensation guidelines – everyone has a chance to see that its 2 and 2.5% with a \$120/month minimum and \$200/month maximum. There is language in here that they can use some of the carryover money if they have roll-up dollars but it can't add up to the agency funding level.

Section 14 – is a new section – With the Legacy Fund, it comes in the last day of the biennium and it causes some consternation of how we do the budgeting. This doesn't change when it comes in, or the fact that it goes to the general fund. It just says for the Council's budgeting purposes; we'd recognize it next year. If the legislature decides it wants to spend \$100M of Legacy earnings, you would put \$100M and add it to the revenue as compared to now you have to make a guess of what your revenue is going to be. We think this would be much simpler for budgeting purposes. It doesn't make any difference on what's available to anybody, the governor or anything else. The legislature did pass this type of language two sessions ago, but we also had something in there about not wanting to use it for budgeting purposes. It was vetoed by the governor at that time.

Section 15 – I think this was at the request of OMB to increase the amount that is available to the capitol building project committee from \$175,000 to \$250,000. We do have a list of the makeup of the capital building fund. With the \$4M that this bill takes out, judiciary also takes \$900,000 out. The balance before the judiciary was going to be \$3M. Representative Vigesaa thought they heard they were going to get another oil well to fit into this fund so I think there is plenty of money to do the items that have been requested for that.

Section 16 - Powers and duties of the new governor's mansion committee – to allow them to collect gifts and money to do landscaping and improvements. I'm not sure there is anything in there about using any of the capitol building fund, I think it all has to be gifts the way it's worded.

Section 17 – That is a situation of closing out the item that allows state employees to make a recommendation to try to save money and get paid something for it. It's always been a question of whether or not that's been their job and they're getting extra for their job. The discussion was that they could go ahead and close that out at the end of this biennium and the start of the next one. There is a repealer that actually does that same thing when this would become law on July 1, 2019.

Section 18 – State employee performance bonus program - Criteria – Limitations. You guys had put up to \$2500. The House thought that might be a little on the generous side, so they changed it from \$1500 instead of the \$2500 you guys had in there. I think we, as a conference committee, should have a discussion about section 4 being taken out. That was limiting it to the 25% of the employees by an agency. I'm not sure why that's being asked to be taken out.

That's pretty much the changes that the House did. There are some monetary changes. Prairie Public Broadcasting was put at \$1.2M. There's language to allow them to raise to match \$200,000 on that.

The extraordinary repairs coming out of the Capitol Building fund **(Attached # 5).** (Reading the list) This adds up to \$1.9M and the House added the \$2M for the south entrance.

Senator Holmberg: So we have a program for the west doors which are really in bad shape and then the south doors. Are we doing anything with the entrance in the back?

Representative Delzer: I'm not aware of anything. It's never been mentioned in any of the discussions we had.

Senator Holmberg: Are there any questions? Is there anything else in this bill that committee members want to discuss. There might be some red envelopes that will come forth before we're done. Anything right now that you want to discuss or broach the subject of additions to this bill as it stands?

Representative Delzer: We do need to have a discussion about the emergency clause for a number of bills. I think the council was preparing that.

Representative Pollert: I have one but it's on my desk.

Senator Wardner: Handed out amendment # 19.0228.02038 (attached # 6) This is a legislative management study on charitable gaming laws. It's important that we take a good look at our charitable gaming laws. We've got a lot of legislation coming in to expand gaming – in the name of charity. I'm not so sure it's charity all the time. We need to take a good look at this. In the gaming department in the Attorney General's office, they don't have the people they need for enforcement and supervision. If we're going to expand the gaming in the State of North Dakota, I think we need to know what's going on. (reading amendment)

Senator Wardner: Moved amendment 19.0228.02038. Senator Heckaman: Seconded the motion.

Representative Delzer: Wasn't this part of HB 1533 that the Senate defeated?

Senator Wardner: Yes it was, but there's a lot more with it. It wasn't just a study. It was a study plus.

> Senator Holmberg - Y Senator Wardner – Y Senator Heckaman – Y

Representative Pollert – Y Representative Delzer – N Representative Boschee – Y

A Roll Call Vote Was Taken: 5 yeas, 1 nays, 0 absent Motion carried.

Senator Wardner: Handed out 19.0228.02038 (attached # 7) which is a study on the legacy earnings.

Representative Delzer: It would be kind of nice to think about these before we deal with them.

Senator Wardner: I have no problem waiting until tomorrow to present this amendment.

Representative Delzer: I haven't studied this enough, but it came from Government Ops. He's been working on the land bill and the issue to him is that procurement is having a hard time, especially on some of these large IT software projects of getting the work done as quick as they could. He's talked to OMB to see if they would have FTEs available. I think they've got vacant FTEs, but not necessarily any money to pay them. I'm working on something to bring forward. They wanted to visit with the director of OMB and haven't had a chance to do that. Then we can have a discussion about it.

Senator Holmberg: A very valid point. Are there other issues?

Representative Boschee: Handed out packets for members to review **(attached # 8).** This would be a repealer of Section 15.1-27-04.2. This is related to the school funding formula. We just passed it out of the House this afternoon. Representative Nelson (Dist. 9) has brought this up. It impacts 6 schools specifically and they are property poor schools; some adjacent to reservation communities. There is also a worksheet that he put together that shows how those schools work out in the formula, but also how they're significantly discounted based on what is "phantom land". We can discuss more tomorrow. I don't have a total on the 5th column, but it's \$1.261 M that would be of an impact. These schools don't have property valuation and so they are discounted for it and is taken out of their weighted factor and we're trying to make them whole.

Senator Heckaman: Handed out an Olmstead Commission study (19.0228.02028 – **attached # 9).** There is some activity going on with the Olmstead Commission and the Dept. of Justice. Several people have visited with me about the importance of maybe putting this in as a legislative management study and it's a "shall consider".

Also handed out 19.0228.02020 (attached # 10). This is looking at other uses for the veteran's home facilities, given the fact that they have a large unoccupied space in the basic care facility with their basic care beds. I'm not sure if this one should be written into a study. The committee can talk about that, but this language would give the administrator and the ACOVA committee, with review by the budget section, to look at some other ways to generate revenue, given that the facility has a large area open. There are a lot of ideas and we can talk about that.

Senator Holmberg: Were any of these presented to a policy committee during this session?

Senator Heckaman: The first one was not. The second was, but I think the 2nd one should be turned into a legislative management study.

Also handed out 19.0228.02014 (attached # 11). This one has two parts to it. It came in late and wasn't put on any of the agency budgets. It's a request from the Jamestown Fire Dept. to work through the Dept. of Corrections to purchase a new ladder truck. Right now the Jamestown Fire District runs the fire protection services at the State Hospital. One of the buildings is a six story building and it requires a ladder truck. You can see in the letter from the Jamestown Fire Dept. that that ladder truck is pretty old and in poor condition. This would be an appropriation of \$875,000 through DOCR to go to the Jamestown Fire Dept. to purchase a new truck.

Senator Holmberg: Do you know if that building is sprinkled?

Senator Heckaman: I don't know if it's sprinkled, but I do know that it's occupied.

Senator Holmberg: We had that issue with the capital a number of years ago and we spent a gazillion dollars because we found that the Bismarck Fire Dept. would have had issues rescuing someone from the 16th floor.

We need to stop and will be scheduled again tomorrow.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee

Harvest Room, State Capitol

SB 2015 4/26/2019 Job # 35007

☐ Subcommittee ☑ Conference Committee

Committee Clerk: Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget.

Minutes:

Testimony # 1 - 11

Legislative Council: Adam Mathiak OMB: Becky Deichert

Conferees: Senator Holmberg, Senator Wardner, Senator Heckaman Representative Pollert, Representative Delzer, Representative Boschee

Senator Holmberg: Several amendments were handed out to committee members. We have people walking around with red envelopes. There was an error in the salary for the SOS in the date on the measure, so this is a correction (19.0228.02017 – **attached #1**). Instead of 2019, it should be 2020.

Representative Pollert: Handed out two amendments; one for SB 2020, the water bill. This would go for the emergency clause (19.0228.02030 – **attached #2**). Another is an amendment to SB 2015 – infrastructure revolving loan fund (19.0228.02039– **attached # 3**). Quite a few people will be applying for those dollars, including conservancy districts and water supply authorities.

Representative Boschee: This is not a new conversation to the committee. This involves PERS. We all know there's work that needs to be done to get that fund back to solvency. There's a number of ideas proposed and a number of things that weren't successful this session, so this is one last effort. This amendment (19.0228.02029 – **attached #4**) would put 1% paid by the employer so the state, in the second year of the biennium, to match the 1-1 that we discussed earlier in this session. The Senate passed that and the House turned it into a study and the Senate defeated the study. The idea here is the 1% paid by the employer with the idea that the changes we made to the credits would compensate for the employee paid the 1% in the second year. The director of PERS appreciated being able to provide insight and thought it looked fine.

The next two have to do with workforce development. We have had several conversations over the last several bienniums related to meeting our diverse workforce needs. A lot of times those conversations focus on the employers, which is certainly important and I think we've done a lot of things when it comes to tax credits making sure we're helping reimburse. We want to make sure they help with employee reimbursements so they can recruit qualified workforce and help with education. They are study resolutions for the interim. The first being a study for us to look at what a family leave program would look like for the state of North Dakota (9.0228.02018 – **attached #5**).

That will be important as we try to fill 30,000 positions throughout the state. We know we're competing with other parts of the country. Many private employers already provide this program, so I think the study is worthy for us to look at as we have the conversation about workforce development.

The second one has to do with non-discrimination in workforce development. We've had this conversation for the last 10 years in the state and while we haven't been successful in that conversation, I think an honest conversation for a year and a half looking at how this impacts our workforce (19.0228.02013 – **attached #6**).

Senator Wardner: This is a study (19.0228.02042 – **attached #7**) on the placement of individuals in institutions for mental disease and have a report to legislative management. During the biennium, we're going to "the DHS shall adopt a statewide plan to address acute psychiatric and residential care needs in the State of North Dakota." From my experience, this is something we need to do and know where we're going.

Senator Heckaman: One of the important issues on here is the date on the bottom. The original study had a reporting date of prior to October 2020. This moves it up to July 1, so that if there's any legislation that's needed that that could be prepared. If we don't get a report until October, then the interim committees are all done so we wouldn't be able to get a study.

Senator Holmberg: Let's go through and some of the ones that are without need of discussion, let's resolve them. We passed one proposed amendment the other day that had to do with charitable gaming laws. We approved that. All other amendments were introduced.

Vote 1 -

Senator Wardner: I'd like to look at 19.0228.02037 (**attached # 8**) and has to do with the Legacy Fund earnings. This would study the Legacy Fund earnings and how we're going to go forward.

As we go forward, we need to have a plan in how we are going to use the earnings of the Legacy Fund. Otherwise it will be a free for all. We need to make sure that we have a plan going forward so it is not derailed. We want it for all the people of North Dakota. If you have initiated measures, it's usually for a special interest or somebody's self-gratitude.

Senator Wardner: Moved 19.0228.02037. Representative Boschee: Seconded the motion.

Senator Heckaman: I will support this, but maybe it's going to give us an opportunity to look at other trust funds that are out there right now. If we're looking at making more

buckets for the Legacy Fund earnings, maybe we should see what's out there right now and what those funds have in them and how are they being used.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 2 - **Senator Holmberg**: The next one is from Representative Boschee – 19.0228.02024 – **attached # 9**.

Representative Boschee: This is a repealer for section 15.1-27-04.2 of the Century Code and has to do with state aid minimum and part of the formula. There are 6 districts in the state who because of phantom land are discounted in their per pupil payment and that has a negative impact on the payment that is made to them. They are some of the poorest school districts in the state. Because they don't have taxable value, most of them are adjacent to reservation land and impacts evaluation so they get discounted.

Representative Delzer: It seems this has been in the formula for quite awhile. We've also done a lot in SB 2265 this session. I do not plan to support it because it's something that should have been vetted through the legislative process and obviously didn't go through that process.

Representative Boschee: While it may not have been vetted through the process, it was raised on the house floor as well as in both committees that heard 2265. As far as what the committee did afterwards, I'm not aware of, but Representative Nelson has tried to make this a concern to adjust this funding formula especially as we look at 2265 going forward.

Senator Wardner: It was discussed and considered in the committees. That would be my concern.

Representative Boschee: Yes, Representative Nelson raised this in full committees on both the Senate and the House side.

Representative Pollert: When those folks go thru that much vetting as 2265, I have a little consternation approving that amendment, so my vote will show accordingly.

Senator Heckaman: This has been an issue for a number of bienniums. It's an old friend that has been out there since we went to the per pupil payment. These schools have always received a lot less per pupil than the other schools and it's something that all of us should be aware of because it's been here every session. I'm going to support it.

Representative Boschee moved amendment 19.0228.02024. Senator Heckaman seconded the motion.

Senator Holmberg – Y	Representative Pollert – N
Senator Wardner – N	Representative Delzer – N
Senator Heckaman – Y	Representative Boschee - Y

A Roll Call Vote Was Taken: 3 yeas, 3 nays, 0 absent. Motion failed.

Vote 3

Senator Holmberg: The next one is Senator Heckaman's – the legislative management's study of the Olmstead commission -19.0228.02028 (attached # 10)

Senator Heckaman: Moved 19.0228.02028. Currently there is a lawsuit filed against the State of North Dakota regarding the Olmstead Commission. There are some issues that we need to iron out as this suit goes forward. Are we providing enough home and community based services for individuals with disabilities on Medicaid? Do they have options out there? Are we negligent of our duties to these individuals, so I think this is an important study as we move forward. We will not be able to get into the issues that the Dept. of Justice is investigating as far as names, places and different kinds of suits that have been filed there, but I think we need to look at our home and community based options and see what we need to be compliant with some of those issues. Home and community based services are some places where a lot of our individuals who are in high cost long term care facilities want to come back to their communities. It would be a money saving issue, but also comfort and care to those individuals.

Senator Wardner seconded the motion. With this lawsuit, we need to take it seriously and make sure we're on top of it.

Representative Delzer: A study is just a study, but we've been looking at this issue and this is an ongoing issue every time we talk about the Human Services budget. It's looked at all the time, during the interim and the committees. I don't know how many other studies are out there, but certainly covers all these issues. I don't think we need to put it on.

Senator Heckaman: Whether it's been studied or not in the past, North Dakota is in a Dept. of Justice investigation right now. We need to see how we can be more proactive in this area than we have been in the past. I would guess that suit won't be solved for several years at best, maybe the timeline is 10 years, so that means we need to be proactive and looking forward to what we should be doing in North Dakota on this issue.

Representative Pollert: I suspect the study is going to be working thru DHS. You're also talking about the effect on long term care, as well as workforce and what that would take for home and community based services because there's a big question as far as – are there enough folks available for that?

Senator Heckaman: Whether it's been studied in the past, we haven't come up with a solution. We need to come up with a solution to make sure home and community based services are available and I would agree on the workforce issues too.

Senator Wardner: The bottom line is they feel North Dakota needs to start moving people into the communities. There's a problem with that. We don't have the workforce to do it. We need to look at ways that we can move them out of nursing homes and into the community and cut costs.

Representative Delzer: It's not that I think this is a bad study, but we already have the language out there to do this. I don't think we need to add another study that needs to be looked at and talked about by management.

Senator Holmberg – YRepresentative Pollert – YSenator Wardner – YRepresentative Delzer – NSenator Heckaman – YRepresentative Boschee - Y

A Roll Call Vote Was Taken: 5 yeas, 1 nays, 0 absent. Motion carried.

Senator Heckaman: I have one about the veteran's facilities, but may possibly look at changing this into a study. A study would be a more effective way to get some action on this. We have the veterans home with a large amount of space unoccupied right now and working on a study over the next interim would give us some possible pieces of legislation going forward on what some options would be for that facility. The reason I don't want to leave it the way it is right now because there may be some implications on how this affects the veterans funding that they receive.

Senator Holmberg: The will be towards end of our pile. Are you ready to discuss the fire truck?

Senator Heckaman: Not ready. I'm looking at some information that came from the Jamestown Fire Chief and I will bring that to our next meeting.

Vote 4 -

Senator Holmberg: Amendment 19.0228.02017 (**attached #1**). This changes and corrects an incorrect date in the budget bill 2002.

Representative Boschee moved amendment 19.0228.02017. Senator Wardner seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 5 -

Senator Holmberg: The next one has to do with the emergency clause for SB 2020. 19.0228.02030 (**attached #2**). This just says that SB 2020 is declared to be an emergency measure.

Representative Pollert: Moved amendment 19.0228.02030. Representative Boschee seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Senator Holmberg: Asked Representative.Boschee if they could mull over his amendment on PERS participation (19.0228.02029 – **attached #4).**

Representative Pollert also requested to mull over 19.0228.02039 (attached #3) dealing with the diversion conservancy district.

Vote 6 -

Senator Holmberg: We have 19.0228.02042 **(attached # 7)** which is placement of individuals in institutions for mental disease – report to legislative management.

Representative Wardner: It's about placement for individuals in institutions for mental disease. We need to do a study on this so we have a statewide plan and then we'd work with the Department of Human Services. I move to adopt the amendment.

Senator Heckaman seconded the motion.

Representative Delzer: Is this currently in code anywhere and we're just changing the date? Or is this entirely new and you're changing the date and was not adopted by one house or the other?

Brady Larson: This study was included in SB 2012 and it's just adjusting the language that is included that bill.

Senator Heckaman: The change on the date is if we wait until October to get a report, then we don't have opportunity to visit at an interim committee and get any kind of language ready that we need.

Representative Delzer: Why do we need to visit at an interim committee? This is supposed to be a report to the next legislative assembly.

Senator Heckaman: If a report is presented, we would have an opportunity to do anything we needed before that. If we wait until October, we're right up against session if we feel there's something in that report that we need to identify.

Representative Delzer: It's the legislative assembly that's supposed to make this decision, not an interim committee. There's no need for an interim committee, it belongs to the legislature.

Senator Wardner: We're trying to get the information out to a committee that can start planning and bring it before any legislative assembly. I don't think they're going to do anything, but they would come forward with some information and some proposed legislation.

Representative Delzer: We've had this discussion many times about legislature, interim committees, whether it's budget section or any other ones. This is something that has to come to the whole legislative assembly. I don't see what vetting there would be done by an interim committee. I don't really see the reason for it. It's not set up to report to an interim committee.

Senator Heckaman: The report is to go to legislative management and the legislative management are our interim committees. It says, "prior to – the department shall report to legislative management" and that's where your interim committees reside.

Representative Pollert: During the DHS deliberations, wouldn't they have not talked about this? And wouldn't they have talked about case load and utilization. Would they not have talked about whether the state hospital should be looked at in this way? During the last three and a half months, wouldn't that have happened?

Senator Wardner: That's already in the bill. We're just moving the date up so that legislative management can take a look at it and start making plans for the session. We're not going to make any decisions, but we're going to look at what are some of the avenues and solutions. You have a head start in planning.

Representative Delzer: Why isn't the interim committee dealing with the department instead of just turning this over to the department?

Senator Wardner: This was already in the bill. It's just changing the date. As far as all the things which I agree with that need to be done, it's just instead of doing this in October, we'll do it in July.

Representative Delzer: Almost all the other studies that come in are being dealt with by an "assigned" by management to a particular committee. Now if management assigned this, but it's not a management study.

Representative Pollert: I'm thinking about the DHS budget and something can be put in there, but there are a lot of other sections in there that people vote for because it's vitally important. I kind of question this myself because the DHS - Could you not have an interim committee that is studying issues related to this and that would be done through the legislative interim process.

Representative Delzer: If you want to do this, you should have management name whichever committee this should be delivered to because I don't think management is going to be meeting between July and October.

Senator Holmberg: What typically happens is if a report comes in, it is sent by legislative management chair to the appropriate interim committee and there has always been an interim committee that deals in this particular area.

Senator Wardner: I have no problem if we want to change it to a Human Service committee instead of management.

Representative Delzer: If what you said is right, that the chair can decide where it goes, then I don't care.

Senator Holmberg – YRepresentative Pollert – YSenator Wardner – YRepresentative Delzer – NSenator Heckaman – YRepresentative Boschee - Y

A Roll Call Vote Was Taken: 5 yeas, 1 nays, 0 absent. Motion carried.

Vote 7 -

Senator Holmberg: Amendment 19.0228.02013 - **attached #6**. Legislative Management Study – Discrimination Impact on Workforce Development

Representative Boschee: We've had several conversations around specific policy as it relates to non-discrimination since 2009 in this state. While unsuccessful, a lot of those conversations have been driven by emotion. They've been driven by perception. So my thought was as we continue to look at ways to expand workforce to make sure ND is a place that people want to move to with their families regardless of what their family looks like. This is an opportunity for us to have an honest conversation for a year and a half to allow employers, municipalities and economic development groups to come forward that are talking about these issues. It would also be for us to look at these conversation as it relates to religious liberties, and religious protections, but also to hear from the workforce themselves in terms of this is really something that impacts whether people decide to stay in North Dakota or move to North Dakota. Members of committees have voted pretty consistently in our own ways on the policies that have been presented, but even this session there were proposals that were brought forward to try to nuance this. This specifically only at housing and employment. It looks at what we can do, if anything and explores the question of what other jurisdictions have done - the challenges and opportunities they've faced as part of implementing such a policy if they've chosen too. I would ask that we adopt this study so that as we talk about workforce development, this would be part of the conversation. The conversation is about by not having a policy in place, that impacts all North Dakotans and may impact our ability to retain and recruit workforce. I would move the amendment.

Senator Heckaman seconded the motion.

Representative Delzer: Has this been offered to the full body?

Representative Boschee: No, it has not because at this point it's only been specific policy that has been proposed. We're trying to figure out if there's a policy that works for ND – or not.

Representative Delzer: Did you offer this to any committee where it could have been put on where the whole body could have had an opportunity to vote on this by itself?

Representative Boschee; Senator Robinson did try to vet it through the Dept. of Commerce budget but it was in the Senate and at that time, it was decided it was more appropriate to have the conversation here.

Representative Delzer: When we do conference committee reports, they can't be divided on the floor. So you're voting on the whole package and there may be a number of things you don't like. I'd hate to see people have to vote against the bill because there's one or

two things they don't like. To me, this should be an issue that is discussed by whole body, not just 6 people, but they're voting on the whole package.

Senator Holmberg: Do you see that this is somewhat analogous to a measure that I had last session on immigration into the state? I got the hell beaten out of me because I was on that particular bill because that issue had been before the legislature on numerous occasions whether Lutheran Social Services had a halo or a devil's pitchfork. But at the end of that study, they were able to put together data in a dispassionate way and the issue has not raised its head in this session because the information got out and they found maybe a little halo and maybe a little devil, but the bottom line was that the committee was satisfied that they had explored that issue and come to the conclusion that particular study?

Representative Boschee: I think that's a perfect analogy. Often times, these conversations are emotionally driven. While we're trying to discuss the black and white of policy during our four months here, I agree that this would allow us to see if there is data, whether it's the Department of Commerce, Job Service or Labor & Human Rights can provide some data on some of this. Let the data speak for itself versus some of the emotionally driven testimony that often comes up in conversations such as this.

Senator Heckaman: We need to look at this. It says that legislative management SHALL CONSIDER studying. I think we need to move as many of these study opportunities as we can forward to legislative management because there are a lot of issues out there that we don't have time to look at during the session. Given the fact that we may be able to come up with some data that would be important for the next legislative session, we'd have that data then rather than just bringing another bill again talking about discrimination in the workforce and we don't have data available. Giving legislative management the opportunity to consider this doesn't mean it will get picked, but if we don't put it out there, there's no opportunity to study it.

Senator Holmberg – Y Senator Wardner – N Senator Heckaman – Y Representative Pollert – N Representative Delzer – N Representative Boschee - Y

A Roll Call Vote Was Taken: 3 yeas, 3 nays, 0 absent. Motion failed.

Vote 8 - **Senator Holmberg**: We still have family leave - 19.0228.02018 **(attached # 5)**

Representative Boschee: Along a similar vein, as we look at workforce development and how North Dakota can be competitive to other state, this is an important study. We have some unique mechanisms in our state as far as having a monopolistic workforce safety and insurance program that has low premiums. Is that an opportunity for us to provide family leave? Are there other mechanisms out there, whether it's working with private sector? This study is really looking at what's out there. What can we do as the State of North

Dakota to promote it? Maybe it's not a policy, but an incentive to the private and public sector when we look at local and county government as well as the state. We've had conversations policy wise over the last couple legislative sessions, we don't have data to look at. Is this feasible for North Dakota and if so, how would we make it work? As we try to recruit workforce, we know that all our families who have personal experiences of whether we have to take off time for our own healthcare for starting a family or taking care of our parents or grandparents who are aging in place. This study would be beneficial for us to have our private sector employers, chamber of commerce, industry groups and well as the workforce come forward and talk about what we can do in North Dakota.

Representative Pollert: Did we have any bills or discussions or did any committee have any discussions as far as this with other bills?

Representative Boschee: I think there was policy conversation on Senate side that Senator Oban had introduced. On the House side, we had it incorporated in a larger package of a bill so it wasn't isolated. If I recall correctly, it was the Senate had the study, the House had the policy.

Representative Delzer: They were both defeated by each House? (Correct)

Representative Boschee moved amendment 19.0228.02018. Senator Heckaman seconded the motion.

Senator Holmberg – N	Representative Pollert – N
Senator Wardner – N	Representative Delzer – N
Senator Heckaman – Y	Representative Boschee - Y

A Roll Call Vote Was Taken: 2 yeas, 4 nays, 0 absent. Motion failed.

Senator Holmberg: We have the infrastructure revolving loan fund put in by Representative Pollert that we will need to visit about. We have the one on temporary employees and PERS put in by Representative Boschee. We have Senator Heckaman's use of the veteran's home that we're holding for a possible amendment. We have an appropriation of \$875,000 from SIIF for a grant for a firetruck for Jamestown.

Was this one passed out, Representative Mock or did you just throw me a copy? This one has to do with legislative intent on the presidential library – 19.022802023 (attached # 11). Make sure everyone has a copy.

We will meet again later today.

2019 SENATE STANDING COMMITTEE MINUTES

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Harvest Room, State Capitol

SB 2015 4/26/2019 Job # 35009

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A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget.

Minutes:

Testimony # 1 - 15

Legislative Council: Adam Mathiak OMB: Becky Deichert

Conferees: Senator Holmberg, Senator Wardner, Senator Heckaman Representative Pollert, Representative Delzer, Representative Boschee

Senator Holmberg: We have several amendments coming down. The House hasn't taken HB 1018 – Commerce on the floor. There is an error in it that follow what we wanted to do. It's easy to see why there was a problem. There were so many worksheets that we worked on. Amendment 19.0228.02048 (attached # 1). The only change is on page 3, on section 17 when we negotiated, we agreed that the grants line which was originally \$800,000 should be \$500,000. I'd like someone to make a motion so we can correct the bill.

Vote # 1

Representative Delzer moved 19.0228.02048 - to correct the error in HB 1018. Senator Wardner second the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote # 2

Senator Holmberg: - Amendment # 19.0228.02014 (attached # 2) This if for the firetruck and would appropriate \$875,000 from the SIIF fund and Senator Heckaman has additional information.

Senator Heckaman: I contacted the Jamestown Fire Dept. last night and they are in charge of the fire truck that handles the 6 story building at the state hospital and they provide services to DOCR. The question yesterday was - Are there other sprinkler systems

in the building? Mr. Reuther replied back (attached #3). They have sprinklers but are intended only for small fires and allow occupants to self-rescue.

Senator Heckaman moved amendment 19.0228.02014 Representative Boschee seconded the motion.

Senator Holmberg – N	Representative Pollert – N
Senator Wardner – N	Representative Delzer – N
Senator Heckaman – Y	Representative Boschee – Y

A Roll Call Vote Was Taken: 2 yeas, 4 nays, 0 absent. Motion failed.

Vote # 3 -

Senator Holmberg: This amendment is in lieu of the amendment given earlier today for the veteran's home. (19.0228.02047 – attached #4)

Senator Heckaman: This is changing it to a study. Yesterday, the one I presented was allowing the veterans' home to look for other sources of use and revenue. This is changing it into a legislative management study. It would include the analysis of the potential revenue activities, the effect on any federal requirements.

Senator Heckaman: I move the amendment 19.0228.02047. Representative Bosche seconded the motion.

Representative Pollert: Would this study find out if its lawful to do those things as well, especially with the inclusion of federal dollars that are involved in the veteran's home.

Senator Heckaman: That's why the line is included which says there will be a review of the effect on any federal requirements and that includes funding. If they wanted to do something else, we have to address all those issues.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote # 4 -

Representative Boschee: 19.0228.02029 (attached # 5) This amendment is about the fact that we need to make PERS whole. The PERS board made some changes that also will impact solvency and that's based on the rate of return on the fund. The Senate passed similar language that senate passed. It came over to the House and we turned it into a study. Sent it back to the Senate and they defeated the study. This would require the 1% paid by the employer. The retirement credit would be the employee paid part over the biennium. The employer paid 1% on the 2nd year of the biennium.

Senator Holmberg: It's the full second year? It's not starting January 1, 2021 - that's what the senate had passed. Allen, the fiscal note on that?

Allen Knudson: \$1.3M general fund.

Representative Boschee moved amendment 19.0228.02029. Senator Heckaman seconded the motion.

Representative Delzer: We looked hard at that in appropriations. The senate never put any money into it. We also sent over a study that I thought was pretty comprehensive. We're looking at the whole package. We need to look at it, but adding money isn't the right answer. We need to look at some changes in the whole system so I can't support this.

Senator Wardner: Since then we've worked on budget, the salary compensation and that was all considered so it's kind of hard to change direction at this time.

Senator Holmberg – N Senator Wardner – N Senator Heckaman – Y Representative Pollert – N Representative Delzer – N Representative Boschee – Y

A Roll Call Vote Was Taken: 2 yeas, 4 nays, 0 absent. Motion failed.

Vote 5 -

Representative Pollert: 19.0228.02049 (attached #6). This involves the infrastructure revolving loan fund and it basically says that as of now the Garrison Diversion Conservancy District would not even be able to try for a loan. This would allow them to partake in that process if there are any dollars available.

Representative Pollert moved 19.0228.02049. Representative Delzer seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carries.

Vote 6 -

Senator Wardner: 19.0228.02044 (attached # 7) This has to do with the higher ed budget. We bring this before you, but this is for veterinary medicine, dentistry and optometry. We do not have a school in the state so we pay and help pay for the tuition difference between the our state and the other school. Over the years, veterinary medicine hasn't been a part of this. The students have to come back and work in the state for 3 years. It isn't working the way it should in veterinary medicine. They need more large animal vets. Most of them coming back are in the small animal vets. If they don't come back to the state, they have to pay it back. This amendment excludes veterinary medicine but leaves dentistry and optometry in the program. **I'll move the amendment**.

Senator Heckaman seconded the motion.

Representative Boschee: So we're saying that if you participate in this program, you don't have to come back and serve time to repay that loan? (yes)

Senator Holmberg: that could've been said more artfully. (laughter)

Representative Delzer: There has been lengthy debate on the senate and this has been answered on the floor on both sides.

Representative Pollert: I happen to be on that selection committee but I think it's vitally important that those folks come back to ND. That success rate is barely over a third. If we have dollars for that, it should be coming to ND. It also needs to be concentrated on large animal vets. That's a Senator Bowman pitch.

Senator Holmberg: That's what he told the students – to make sure you talk large animal, but in their eyes, you could see dogs and cats.

Senator Holmberg – N Senator Wardner – Y Senator Heckaman – Y Representative Pollert – N Representative Delzer – N Representative Boschee – N

A Roll Call Vote Was Taken: 2 yeas, 4 nays, 0 absent. Motion fails.

Vote 7 -

Senator Wardner handed out 19.0228.02041 (attached # 8) This has to do with the Attorney General's position in working with the voter identification. The AG would like to request a funding transfer from the litigation funding pool line item in section 1 of this amendment for salaries, wages and the cost of the position. The individual that is there, they want to put him on fulltime to work on the vote identification issue because of the lawsuit and then hire another person to pick up the rest of that individual's workload. **I move the amendment.**

Representative Delzer seconded the motion.

Representative Delzer: Do we have any idea what kind of money are we talking about?

Senator Wardner: I'm not sure, but this position would be done the end of the biennium.

Representative Delzer: We do have \$3M in the litigation pool.

Senator Holmberg – Y	Representative Pollert – Y
Senator Wardner – Y	Representative Delzer – Y
Senator Heckaman – Y	Representative Boschee – N

A Roll Call Vote Was Taken: 5 yeas, 1 nays, 0 absent. Motion carried.

Vote 8 -

Senator Wardner handed out 19.0228.02040 (attached # 9) This is a sized down version of SB 2275 which was a low interest infrastructure fund. Instead of \$450M to capitalize the fund, it would use \$250M to pay the bonds would use to pay bonds. The first biennium it would come out of the ending fund balance, this biennium 17-19, it would be about \$14M.

There has been a lot of interest in the low interest loan funds. When they borrow the money and pay it back at a low interest rate, they have skin in the game, it's not like a grant.

I move the amendment.

Representative Boschee seconded the motion.

Representative Delzer: We do have legacy money coming in the future. When we get the budget stabilization fund full which will probably take one or two sessions, the prairie dog bill passed so there's money going out. The issue is that if we can be a little patient, we can fill that revolving loan fund with cash.

Senator Wardner: It's on the back page, on page 10 where it has the \$250M.

Representative Boschee: Once we have cash, we could readjust a program with that to pay off any obligation and restart something new to meet the needs so this could be a holdover until then.

Representative Delzer: You certainly can, but we are obligating future legislators if we would pass this.

Senator Wardner: Right now is when they need it. We've come to a point in history where there are many of these communities that have a lot of infrastructure work to do. Yes, prairie dog is going to help, but they need more. It seems like right now is the time and it will save them money if they can get it done now.

Representative Pollert: We've discussed this many times during this session. It failed in the house with twice as much money. When we look at what we've adopted and if that passes on the floor, we'll have a study. We need to address those legacy fund earnings. I know the needs are great, but if we can just hold off a couple years rather than spending money into the future until we have it, the state would be in a better position.

Representative Boschee: I agree that if we can be patient for the next 1-2 years that would be nice, but for any of us who run a business, we use the assets we have now to invest in the future. With knowing the Legacy fund will continue to grow, there will be significant resources coming back. We can use this to invest in North Dakota communities versus some of the strength going out of state. I think we can start a bridge program to meet needs we have today and as that cash comes in, hopefully in the next biennium or two, we can answer those questions and adjust as needed.

Senator Holmberg – Y Senator Wardner – Y Senator Heckaman – Y Representative Pollert – N Representative Delzer – N Representative Boschee – Y

A Roll Call Vote Was Taken: 4 yeas, 2 nays, 0 absent. Motion failed.

Vote 9 -

Senator Wardner: 19.0228.02046 (attached #10) This amendment has to do with ontime funding and it would be the second year of the biennium and it would cost us about \$17M.

On page 4, it talks about doing the ontime funding during 2nd year of biennium. We have rebasing which has helped those schools that are going down in enrollment. It has kept their revenue that they get from the state, their per pupil payments are up but the schools that have the biggest increase are actually being penalized per student with that rebasing and this would correct it. I know we have a plan in place and are doing half of that in our current legislation in the 2nd year. Then over a 5 year period, we will move towards ontime funding. **I move the amendment.**

Representative Boschee seconded the motion.

Representative Pollert: This is the second one I'm going to oppose. I look at what's in SB 2265 and there is rebasing in there. There is also about half of that dollars of the ontime funding that is put into SB 2065 and they've got a 5-step program. We know there will be dollars and legacy fund is continuing to grow, so maybe you can step that program up faster. When I look at a bubble with K-12 education, it just seems like, if you put something here, something in the bottom is going to pop out which is the 60 mills. It seems everything you do affects something else. We're trying to do a good thing here and I understand that, but we're not addressing the bad part or the more negative part. If you're going to do one, you almost have to do the other. In 2265, there is a committee that has been ongoing and looking at these education issues and how to fix the K-12 funding ever since it's been revamped in 2009 and I see this as a continual evolving process

Senator Holmberg – Y Senator Wardner – Y Senator Heckaman – Y Representative Pollert – N Representative Delzer – N Representative Boschee – Y

A Roll Call Vote Was Taken: 4 yeas, 2 nays, 0 absent. Motion failed.

Vote 10 -

Senator Holmberg: There is an amendment that has to do with changes and fixes in 2265. It was found on the Senate floor that it did not accurately reflect what the committee had done. We put an amendment on SB 2013 and that passed but there was still angst about the language that was in 2013. The bill deals with who can teach in noncore areas. This comes from policy committee, not from appropriations, but it said you had to have a high school diploma and then there were a couple criteria. You had to have 4000 hours of experience in a particular area or a certificate and then in the bill that caused the consternation, it had said OR pass the praxis exam. It's not the most difficult test in the world. That is what was removed in 2013 earlier today. The amendment that is on its way down says that the teacher who is hired to teach in this noncore area – fine arts or shop, would also have to sign up for the teacher mentoring program which is a state program that we helped fund. I visited with education leaders from the education committees in both the House and Senate and they liked the amendment, but that's what the amendment is.

Representative Delzer: We're still dealing with 2297 on the floor. 2297 has an emergency clause on the floor. If we put the emergency clause on this bill as well and if either one of them carried, it would cover that. If they both carried, would it cause any problems?

Allen Knudson: I don't believe it would.

Representative Delzer: We've had lengthy discussions in the House and I'm not a friend of bonding, but I will guess that bill will pass. I'm not sure if it will carry the emergency clause. I would move the emergency clause on SB 2297.

Senator Wardner seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 11 -

Senator Holmberg: amendment 19.0228.02051 (attached # 11).

Representative Boschee: explained 19.0228.02051. Folks who were working on the IT budget and as we're trying to allocate resources to the SIRN program, there was some language that created some problems in terms of how the money was accessed. In order for them to access the other funds available to them, the \$100M would have to be exhausted first, so this language would make it so there would be some flexibility and interchangeability as that fund is growing. That line of credit is collected based on the 50 cent user fee and that's not expected to fill up in enough time, so this will allow flexibility for that program to advance and use the resources we intended. This was vetted with the Bank of North Dakota. Representative Mock identified on this amendment, I'd defer any questions to him.

Senator Wardner: It slows down the project and could slow it down by a year. We'd like to get this SIRN done. This is a good responsible amendment because the \$80M will not fill in one biennium – in the loan part. I will move the amendment.

Representative Boschee seconded the motion.

Representative Delzer: I just want to understand what we're doing here. You're saying the first thing used is the \$20M from SIIF? (Correct) And then \$25M from the line of credit before they could access any of the \$20? What if you don't have the 25 in the....

Senator Wardner: think they figure \$46M would come in of the \$80 in a biennium. I think they used \$25 as a pretty good number to get there.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 12 –

Senator Holmberg: This is an error found in HB 1003. To make it work the way it was intended, this is an amendment (19.0228.02052 - attached #12). If you ask a lot of questions, I won't answer, but a lot of people from higher ed and the people who worked on the bill say this is unnecessary.

Senator Heckaman: Any way to get a copy of subdivision? **Senator Holmberg:** looking for it.

Adam Mathiak: Subdivision 2 through 14 in section one of HB 1003 would be the appropriation for the campuses.

Representative Delzer: What is this doing?

Allen Knudson: In the past, they had authority to transfer from operations to capital assets. This is saying that they can also transfer from capital assets to their operations line, but they can only do that after they've used 75% for their extraordinary repairs. The campuses can transfer from their operations line to their capital assets line, but this would also allow them to do the opposite – to transfer from their capital assets line to their operations line, but only after they've used 75% of their capital assets for extraordinary repairs.

Representative Delzer: Is this Tier 1? (Answer – yes)

Representative Boschee moved amendment 19.0228.02052. Senator Wardner seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 13 -

Senator Holmberg: At some point we will look at motion to accept house changes to the bill. I'd like someone to say that the Senate accede to the House amendments with the exception of Prairie Public.

Senator Wardner: I move to accept everything except Prairie Public. Representative Delzer: Seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 14 -

Senator Holmberg: The senate passed \$1.2M of base funding and then an additional \$200,000 that Prairie Public would have to match for equipment. The House removed \$200,000 from the base budget and there is \$1M of base funding and then \$200,000 that they would have to match in order to receive. Two sessions ago, they were at \$1.7M on base and now they're at \$1.2M which was the executive recommendation this time.

Senator Heckaman moved that we add the \$200,000 to the base. Senator Wardner: Seconded the motion.

Senator Holmberg – Y	Representative Pollert – N
Senator Wardner – Y	Representative Delzer – N
Senator Heckaman – Y	Representative Boschee – Y

A Roll Call Vote Was Taken: 4 yeas, 2 nays, 0 absent. Motion Failed

Vote 15 -

Senator Holmberg: Handed out 19.0228.02053 – attached # 13. This would be the 3rd bill that the corpus of this has been attached over the last 24 hours. The language comes from the policy committee. An individual may teach in any subject except elementary education, special ed, math, science, language arts and social studies if the individual has a permit issued by the board and has a high school diploma or has 4000 hours over 5 years of relevant experience in the subject area to be taught. Or if he has a certificate, permit or degree in the subject area to be taught and enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district.

Senator Wardner moved amendment 19.0228.02053 Senator Heckaman seconded the motion.

Representative Delzer: It allows them to teach as long as they have the certificate or whatever but they also have to enroll in mentor program? (Correct) Is in SB 2013, the passing of the test taken out? (Yes – it was taken out) What bill number was this originally in?

Representative Boschee: HB 1531 - policy bills.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 16 -

Senator Holmberg: Does anyone have anything else because then we have a report from Allen, I believe. This is the transfers to balance the books.

Senator Holmberg: Allen Knudson is handing out amendment 19.0228.02032 (attached #14).

Allen Knudson: The number to put in the blank line is \$764,400,000 that would be transferred from SIIF to general fund. That would use up all the cash balance in the SIIF fund leaving about \$71,000 as of July 1, 2019.

(Also handing out 19.0228.02033 - **attached #15).** This is a transfer from the tax relief fund. It was \$182.3M in that fund as of the end of this biennium. We used \$173.7M for the county social services financing project in Human Services, so that leaves \$8.6M that will be transferred to the general fund. The general fund balance is about \$44.8M.

Representative Delzer moved to approve both 19.0228.02032 and 19.0228.02033. Representative Pollet seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Vote 17 -

Senator Wardner: We need to discuss guardianships. The House has a different level than the Senate. We'd like to go back to the Senate level which is adding \$780,000 to the bottom line.

Allen Knudson: It would be adding \$780,000 to the House level and then the ending balance would be \$44M.

Senator Wardner: I move the guardianship program to the Senate level. I'd like to make this comment. We don't like it that we have to put money into these programs, but the bottom line is – these people are out there. It's unbelievable how some of them live, and then they get to their later years and they can't take care of themselves. We still are humane. We still take care of our fellow man and we have to do something to make sure they don't become more of a liability on society. They really can become more of a liability so by investing this, we are actually saving money in the long run. That's the bottom line. We're saving money on this guardianship than if we were just to forget about it and let them go. Sooner or later, we'd pick them up and be dealing with them in nursing homes, long term care of some type, and costing us a lot more than what this is. As you know, when they're in a nursing home, it can be a \$10,000/month and that comes out of Medicaid and we do have state dollars in Medicaid. To me, this is an investment in mankind and it does save the state money.

Senator Heckaman seconded the motion.

Senator Holmberg: There's also the utilization of emergency rooms for example, when they get desperate. Remember, it's limited to individuals that have been found to be incapacitated. They do not have the capability, according to the court, to take care of themselves – and they are not receiving DD services. They have been determined to be indigent so these are poor people that can't take care of themselves.

Representative Delzer: There might be a number somewhere in between there that I could maybe live with, but I'm going to support the House's position on this. I was here when we started this whole thing at \$40,000 not that many years ago. It seems like whenever we, as the government, take over something, then society expects more and more and less from themselves. I understand there is some challenges with these individuals. I also think that part of this was raising the fee up that goes with this. I'd be attainable to some number in between there, but not the full \$2.3M.

Senator Wardner: When it comes to these people, they don't care about government. They don't even know it. I don't know why our society has become this way that people want to go out and kind of let their lives go when they're younger. Then they get older and get dementia and they're homeless and out on the streets. We've got more and more of that. It's very disappointing. This isn't about them trying to take advantage of a government program. That's just the way it is. They live like that, they end up in the emergency rooms, they end up going into long term care, they end up costing us a lot more. With this guardianship program, they go out there and keep them halfways civil.

Representative Delzer: I wasn't saying anything about the individuals taking advantage of this. This is simply a case of where churches and society used to take care of these individuals and now we're transferring that over to government.

Senator Wardner: I agree with you. I think the churches dropped the ball on this, however, we don't tell the churches what to do.

Representative Pollert: I've had to work with the funding for the guardianship programs for five or six biennium in the DHS budget and I'm sitting here wanting to support the House's version, but also realizing that the Senate has an issue here. I'm wondering if I should offer a substitute motion of the \$780,000 – or if we vote on this and then I provide another amendment to come forward.

Senator Holmberg: It's cleaner if we vote on the motion that is in front of us.

Senator Heckaman: I just want to point out that this is a minimum raise. Right now, the rate is \$8.33/day. This would bring it up to \$9/day. I don't think that's too much to ask of us in North Dakota here.

Senator Holmberg: Call the roll on the motion to add to add \$780,000 to the bill for guardianships.

Senator Holmberg – Y	Representative Pollert – N
Senator Wardner – Y	Representative Delzer – N
Senator Heckaman – Y	Representative Boschee – Y

A Roll Call Vote Was Taken: 4 yeas, 2 nays, 0 absent. Motion failed.

Vote 18 –

Representative Pollert: I'm looking down the middle and instead of \$780,000 for guardianships, I would offer \$400,000.

Representative Boschee: Seconded the motion.

Senator Holmberg – Y	Representative Pollert – Y
Senator Wardner – Y	Representative Delzer – N
Senator Heckaman – Y	Representative Boschee – Y

A Roll Call Vote Was Taken: 5 yeas, 1 nays, 0 absent. Motion carried.

Vote 19 -

Senator Holmberg: Asked Legislative Council if this information is enough to balance the budget and we can go home.

Allen Knudson: Yes, it is.

Representative Pollert: I move the House recede and amend with everything talked about.

Senator Wardner seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carried.

Senator Holmberg: Thanked everyone.

19.0228.02038 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after the first semicolon insert "to provide for a legislative management study;"

Page 6, after line 20, insert:

"SECTION 16. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS. During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

- 1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;
- 2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;
- 3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and
- 4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Page 6, line 22, replace "16" with "17"



PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after the first semicolon insert "to provide for a legislative management legacy fund earnings committee;"

Page 6, after line 20, insert:

"SECTION 16. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.

- 1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:
 - a. The majority and minority leaders of the house of representatives and the senate, or their designees;
 - b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;
 - c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;
 - d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and
 - e. The chairman of the legislative management, or the chairman's designee.
- 2. The legislative management shall designate the chairman of the committee.
- 3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.
- 4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.
- 5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management."

Page 6, line 22, replace "16" with "17"

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 5, replace "section" with "sections 15.1-27-04.2 and"

Page 1, line 6, after the first "to" insert "state aid minimum local effort and"

Page 6, after line 20, insert:

"SECTION 16. REPEAL. Section 15.1-27-04.2 of the North Dakota Century Code is repealed."

Page 6, line 22, replace "16" with "17"

19.0228.02028 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 8, after the first semicolon insert "to provide for a study;"

Page 6, after line 21, insert:

"SECTION 17. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD

COMMISSION. During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must include consideration of the implementation of the new Olmstead commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a Legislative Management study regarding the Olmstead Commission.

19.0228.02017 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "54-06-30" insert ", section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly,"

Page 6, after line 9, insert:

"SECTION 15. AMENDMENT. Section 54-09-05 of the North Dakota Century Code, as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is one hundred seven thousand eight hundred eighty-five dollars through June 30, <u>20192020</u>, and one hundred ten thousand five hundred eighty-two dollars thereafter."



19.0228.02030 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Senate Bill No. 2015 be amended as follows:

Page 1, line 8, remove "and"

Page 1, line 8, after "date" insert "; and to declare an emergency"

Page 6, after line 22, insert:

"**SECTION 18. EMERGENCY.** Senate Bill No. 2020, as approved by the sixty-sixth legislative assembly, is declared to be an emergency measure."



19.0228.02042 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "Code" insert "and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly"
- Page 1, line 5, after "bonuses" insert "and a study of institutions for mental disease"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, is amended as follows:

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

- 1. The size and use of the state hospital;
- 2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;
- 3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative assembly affects the balance of inpatient, residential, and community-based services;
- 4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and
- 5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to OctoberJuly 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan."

19.0228.02013 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1633 of the Senate Journal and pages 1838-1841 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 6, after the semicolon insert "to provide for a legislative management study;"

Page 6, after line 21, insert:

"SECTION 17. LEGISLATIVE MANAGEMENT STUDY - DISCRIMINATION IMPACT ON WORKFORCE DEVELOPMENT. During the 2019-20 interim, the legislative management shall consider studying the impact on workforce development of the state's lack of statutory protection against discrimination based on sexual orientation and gender identity in housing and employment. The study must include consideration of the impact the lack of statutory protection has had and may have on workforce recruitment and retention by employers and communities, the perspectives of individuals entering the workforce from both in and out of state, how to balance religious freedoms and nondiscrimination protections, and a review of the opportunities and challenges other jurisdictions have experienced in implementing nondiscrimination laws. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtyseventh legislative assembly."



19.0228.02018 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 6, after the semicolon insert "to provide for a legislative management study;"

Page 6, after line 20, insert:

"SECTION 16. LEGISLATIVE MANAGEMENT STUDY - FAMILY LEAVE

PROGRAM. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of implementing a paid family leave program structured to be beneficial to both families and businesses. The study must include an analysis of how to make the program financially sound while being affordable for families and businesses and a review of the data on usage rates from other states that have programs, which state agency would be best suited to administer the program, and policies required to ensure program success. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Page 6, line 22, replace "16" with "17"

19.0228.02048 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after the comma insert "and sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly;"
- Page 1, line 5, after "bonuses" insert "and a department of commerce nonresident nurse employment recruitment program"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 1 of House Bill No. 1018, as approved by the sixty-sixth 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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$12,995,788	\$221,498	\$13,217,286
Operating expenses	15,477,622	2,620,58 1	18,098,203
Grants	48,910,416	8,928,111	57,838,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,152,915	(3,152,915)	θ
commission			
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1, 939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	<u>0</u>	1,300,000	1,300,000
Total all funds	\$88,626,586	\$10,088,428	\$98,715,01 4
Less estimated income	58,283,906	139,387	<u>58,423,293</u>
Total general fund	\$30,342,680	\$9,949,041	\$40,291,721
Full time equivalent positions	66.40	(4.60)	61.80

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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:



		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	<u>\$12,995,788</u>	<u>\$221,498</u>	\$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,628,111	57,538,527
Discretionary funds	2,200,000	<u>(50,000)</u>	2,150,000
Agricultural products utilization	3,152,915	<u>(3,152,915)</u>	<u>0</u>
commission			
North Dakota trade office	2,000,000	<u>(400,000)</u>	1,600,000
Partner programs	1,939,845	<u>(377,314)</u>	1,562,531
Entrepreneurship grants and vouchers	1,950,000	<u>998,467</u>	2,948 <u>,4</u> 67
Intermodal container shipping fees	<u>0</u>	1,300,000	1,300,000
Total all funds	<u>\$88,626,586</u>	<u>\$9,788,4</u> 28	<u>\$98,415,014</u>
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	<u>\$</u> 30,342,680	<u>\$9,649,041</u>	<u>\$39,991,721</u>
Full-time equivalent positions	66.40	<u>(4.60)</u>	<u>61.80</u>

SECTION 17. AMENDMENT. Section 2 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 2. ONE TIME FUNDING EFFECT ON BASE BUDGET REPORT TO SIXTY SEVENTH LEGISLATIVE ASSEMBLY. The

Adjustmente el

following amounts reflect the one time funding items approved by the sixty fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One Time Funding Description	2017-19	2019 21
Flood impact grants/loans	\$5,201,752	\$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	θ
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	θ	1,000,000
Workforce safety grant	θ	1,000,000
Entrepreneurship grants and vouchers	θ	2,000,000
Sculpture maintenance grants	θ	75,000
Nonresident nurse employment recruitment	θ	800,000
Intermodal container transportation shipping fees	θ	1,300,000
Job development and economic growth grant	<u>0</u>	<u>25,000</u>
Total all funds	\$11,301,752	\$11,925,000
Less estimated income	10,301,752	4,300,000
Total general fund	\$1,000,000	\$7,625,000

The 2019-21 biennium one time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The

following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Flood impact grants/loans	\$5,201,752	<u>\$0</u>
Unmanned aircraft system	<u>2,000,000</u>	<u>2,225,000</u>
Base retention grants	<u>600,000</u>	<u>0</u>
Enhanced use lease grant	3,000,000	<u>3,000,000</u>
Workforce grants to tribally controlled community colleges	<u>500,000</u>	<u>500,000</u>
Census 2020 program	<u>0</u>	<u>1,000,000</u>
Workforce safety grant	<u>0</u>	<u>1,000,000</u>
Entrepreneurship grants and vouchers	<u>0</u>	<u>2,000,000</u>
Sculpture maintenance grants	<u>0</u>	75,000
Nonresident nurse employment recruitment	<u>0</u>	<u>500,000</u>
Intermodal container transportation shipping fees	<u>0</u>	<u>1,300,000</u>
Job development and economic growth grant	<u>0</u>	<u>25,000</u>
Total all funds	<u>\$11,301,752</u>	<u>\$11,625,000</u>
Less estimated income	<u>10,301,752</u>	4,300,000
Total general fund	\$1,000,000	<u>\$7,325,000</u>

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 18. AMENDMENT. Section 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes <u>\$800,000</u>\$500,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to \$4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the one-time appropriation for the nonresident nurse employment recruitment program in the Department of Commerce as approved in House Bill No.1018 by \$300,000, from \$800,000 to \$500,000 from the general fund.



19.0228.02014 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 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 department of corrections and rehabilitation"

Page 2, after line 28, insert:

"SECTION 3. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of providing a grant to a fire department serving the state hospital related to the purchase of a new fire truck, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment includes a one-time appropriation of \$875,000 from the strategic investment and improvements fund to the Department of Corrections and Rehabilitation for a grant to the Jamestown Fire Department for a new fire truck. PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 8, after the second semicolon insert "to provide for a legislative management study;"
- Page 5, after line 5, insert:

"SECTION 14. LEGISLATIVE MANAGEMENT STUDY - OTHER USES OF VETERANS' HOME FACILITIES. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing other allowable revenue generating uses of the veterans' home facilities and grounds in addition to the purposes identified in section 37-15-02. The study must include an analysis of potential revenue generating activities for the veterans' home facilities and grounds, including a review of the effect on any federal requirements. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a Legislative Management study of additional uses of the Veterans' Home facilities and grounds.



19.0228.02029 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, replace "section" with "sections"

- Page 1, line 4, after "54-06-30" insert ", 54-52-02.9, and 54-52-06, subsection 6 of section 54-52.6-02, and section 54-52.6-09"
- Page 1, line 5, after "bonuses" insert "and public employer retirement contributions"

Page 1, line 7, after the second semicolon insert "to provide a penalty;"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

A temporary employee may elect, within Within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system and receive credit for service after enrollment. TheMonthly, the temporary employee shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by athe temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January 2012, and; with an additional two percent increase, beginning with the reporting period of January 2013, and: with an additional increase of two percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. TheIn addition, the temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. AThe temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. AThe temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 17. AMENDMENT. Section 54-52-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06. Employer's contribution to retirement plan <u>- Report to legislative</u> <u>assembly</u>.

<u>1.</u> Each governmental unit shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Governmental unit contributions increase by one percent of the

monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and; with an additional increase of one percent, beginning with the reporting period of January 2013, and; with an additional increase of one percent, beginning with the monthly reporting period of January <u>2014</u>; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021.

- 2. For those members who elect to exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its the governmental unit's funds appropriated for payroll and salary or any other funds available for these purposes. Any governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof of a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date they the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.
- 3. An employer is required to submit contributions for any past eligible employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05.
- <u>4.</u> The board shall report to each session of the legislative assembly the contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.

SECTION 18. AMENDMENT. Subsection 6 of section 54-52.6-02 of the North Dakota Century Code is amended and reenacted as follows:

6. A participating member who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee. The temporary employee electing to participate in the defined contribution retirement plan shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by <u>athe</u> temporary employee's present monthly salary beginning with the monthly reporting period of

January 2012, and; with an additional increase of two percent, beginning with the monthly reporting period of January 2013, and; with an additional increase of two percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. The naddition, the temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. AThe temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.

SECTION 19. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

- 1. Each participating member shall contribute monthly four percent of the monthly salary or wage paid to the participant, and this assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter. Participating member contributions increase by one percent of the monthly salary or wage paid to the participant beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014.
- The employer shall contribute an amount equal to four and 2. twelve-hundredths percent of the monthly salary or wage of a participating member. Employer contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and; with an additional increase of one percent, beginning with the monthly reporting period of January 2013, and; with an additional increase of one percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, the employer is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.

Each employer, at its the option of the employer, may pay the employee 3. contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they the contributions must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they the contributions are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its the employer's option under this subsection by reporting its the employer's choice to the board in writing."

Page 6, line 22, replace "16" with "20"

19.0228.02049 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, replace "section" with "sections 6-09-49 and"
- Page 1, line 5, after the first "the" insert "infrastructure revolving loan fund and"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
- 2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. The Red River valley water supply project;
 - b. New or replacement of existing water treatment plants;
 - b.c. New or replacement of existing wastewater treatment plants;
 - e.d. New or replacement of existing sewer lines and water lines; and
 - d.e. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
- 3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
- 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest

upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions."

Page 6, line 22, replace "16" with "17"

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "reenact" insert "the new section to chapter 15-10 of the North Dakota Century Code, as created by section 12 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly,"
- Page 1, line 5, after the first "the" insert "professional student exchange program and"
- Page 1, line 7, after "guidelines" insert ", and section 35 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. A new section to chapter 15-10 of the North Dakota Century Code, as created by section 12 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

Professional student exchange programs - Bank of North Dakota - Agreements - Repayment.

- The state board of higher education may not make a payment to an out-of-state institution on behalf of an individual participating in a professional student exchange program in veterinary medicine, dentistry, or optometry unless that individual signed a legally binding agreement with the state board of higher education which identifies the amount of the award under the professional student exchange program.
- 2. If the individual who signed the agreement under subsection 1 is not practicing veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation or of leaving the education program, the individual shall repay the amount of the agreement in full at that time.
- 3. If the individual who signed the agreement under subsection 1 practices veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation, the state board of higher education shall reduce the amount of the agreement by one-third, for each full year the individual continues practicing in the state. If the individual stops practicing in this state before the amount of the agreement is waived in its entirety, the individual shall repay the remaining portion of the agreement in full from the date the individual stopped practicing in the state.
- 4. If the individual who signed the agreement under subsection 1 departs before graduation from a program in dentistry or optometry, at the time of departure that individual shall repay the amount of the agreement in full.
- 5. The Bank of North Dakota shall allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the Bank's student loan programs as an option for repayment, up to the

amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the Bank.

- 6. The state board of higher education shall defer any repayment of an agreement otherwise due under this section for the period of time the individual who signed the agreement is pursuing full-time graduate or postdoctoral studies or is called to active duty as a member of the armed forces. The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled.
- 7. The state board of higher education shall adopt policies and procedures implementing this section. The state board of higher education shall confirm eligibility, to the Bank, of any individual who uses the Bank's student loan program to repay any outstanding agreement amounts in full."

Page 6, after line 20, insert:

"SECTION 17. AMENDMENT. Section 35 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 35. APPLICATION. Section 12 of this Act applies to individuals initially entering a professional student exchange program in veterinary medicine, dentistry, or optometry after June 30, 2020."

Page 6, line 22, replace "16" with "18"

19.0228.02041 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Senate Bill No. 2015 be amended as follows:

Page 1, line 6, after the semicolon insert "to authorize a full-time equivalent position for the attorney general;"

Page 6, after line 20, insert:

"SECTION 16. FULL-TIME EQUIVALENT POSITION AUTHORIZATION -ATTORNEY GENERAL. The attorney general is authorized one assistant attorney general full-time equivalent position to assist in litigation relating to voter identification, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall request funding transfers from the litigation funding pool line item in section 1 of this Act for salaries and wages costs of the position."



19.0228.02040 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 3, after "enact" insert "section 6-09.4-28 and"
- Page 1, line 3, after the second "to" insert "infrastructure revolving loan fund debt repayments and"
- Page 1, line 4, replace "section" with "sections 6-09-49, 6-09.4-06, and 6-09.4-10, subsection 6 of section 21-03-07, sections 21-03-19,"
- Page 1, line 4, after "54-06-30" insert ", 57-15-06.6, and 57-47-02"
- Page 1, line 5, after the first "to" insert "the infrastructure revolving loan fund, borrowing and lending authority, reserve funds,"
- Page 1, line 5, after "bonuses" insert ", and expanded bonding authority for counties"
- Page 1, line 5, replace "section" with "sections"
- Page 1, line 5, after "54-06-24" insert "and 61-02-78"
- Page 1, line 6, after "program" insert "and a revolving loan fund for water projects"
- Page 1, line 7, after the second semicolon insert "to provide a continuing appropriation;"
- Page 1, line 8, after the first semicolon insert "to provide a bond issuance limitation;"
- Page 1, line 8, remove "and"
- Page 1, line 8, after "date" insert "; and to declare an emergency"
- Page 2, after line 28, insert:

"SECTION 3. APPROPRIATION - 2017-19 BIENNIUM - PUBLIC FINANCE

AUTHORITY - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$14,000,000, or so much of the sum as may be necessary, to the public finance authority for the purpose of debt service repayments associated with bonds issued to support the infrastructure revolving loan fund and resources trust fund, for the period beginning with the effective date of this Act and ending June 30, 2019. The funding provided in this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION - BANK OF NORTH DAKOTA - LINE OF

CREDIT. The Bank of North Dakota may extend a line of credit, not to exceed \$100,000,000, to the infrastructure revolving loan fund established under section 6-09-49. The Bank may access the line of credit, to the extent necessary, the sum of which is appropriated, for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance by the public finance authority, for the biennium beginning July 1, 2019, and ending June 30, 2021. The interest rate

associated with the line of credit must be the same as the prevailing interest rate charged by the Bank to North Dakota governmental entities. If a line of credit is extended pursuant to this section, the Bank shall repay the line of credit from bond proceeds associated with the bonds issued by the public finance authority to support the infrastructure revolving loan fund.

SECTION 5. TRANSFER - INFRASTRUCTURE REVOLVING LOAN FUND FOR WATER PROJECTS TO INFRASTRUCTURE REVOLVING LOAN FUND. The state water commission shall transfer any outstanding loans from the infrastructure revolving loan fund under section 61-02-78 to the infrastructure revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 5, after line 5, insert:

"SECTION 17. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
- 2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. New or replacement of existing water treatment plants;
 - b. New or replacement of existing wastewater treatment plants;
 - e. New or replacement of existing sewer lines and water lines; and
 - d. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
- 3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
- 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

Infrastructure revolving loan fund - Bank of North Dakota - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury administered by the Bank of North Dakota. The Bank shall use moneys in the fund to provide loans to political subdivisions for eligible infrastructure projects pursuant to subsections 6 and 7 and to provide loans to institutions of higher education for eligible infrastructure projects pursuant to subsection 8.
- 2. The Bank may adopt policies and establish guidelines to administer the loan program in accordance with this section, including policies to supplement and leverage the moneys in the fund and policies to allow participation by local financial institutions. A loan made from the fund must have an interest rate that does not exceed two percent per year. The maximum term of a loan for an infrastructure project under subsections 6 and 8 is thirty years, and the maximum term of a loan for an infrastructure project under subsection 7 is forty years.
- 3. All principal and interest payments received on loans made from the infrastructure revolving loan fund must be deposited into the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay administrative costs, which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement under this section.
- <u>4.</u> An applicant shall issue an evidence of indebtedness as authorized by law. An institution of higher eduction shall identify at least one funding source for the debt repayment, including:
 - a. Tuition or fee revenue collected by the institution of higher education;
 - b. Distributions of state aid received by the institution of higher education under chapter 15-18.2; or
 - c. Other sources of revenue.
- 5. In processing loan applications under this section, the Bank shall calculate the maximum loan amount available to a qualified applicant. Each applicant may have no more than twenty-five million dollars of outstanding loans from the fund for infrastructure projects under subsections 6 and 8. The Bank shall consider the ability of the applicant to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan. If an infrastructure project qualifies for funding through the state revolving fund established pursuant to chapters 61-28.1 and 61-28.2, the Bank shall

verify the loan application is for the portion of the project that is ineligible to receive funding from the state revolving fund.

- 6. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
 - a. Water treatment plants;
 - b. <u>Wastewater treatment plants;</u>
 - c. Sewer lines and water lines, including lift stations and pumping systems;
 - <u>d.</u> Water storage systems, including dams, water tanks, and water towers;
 - e. Storm water infrastructure, including curb and gutter construction;
 - <u>f.</u> Road and bridge infrastructure, including paved and unpaved roads and bridges;
 - g. <u>Airport infrastructure;</u>
 - h. Electricity transmission infrastructure;
 - i. Natural gas transmission infrastructure; and
 - j. Communications infrastructure, excluding fiber optic infrastructure.
- 7. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in the best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
 - a. Flood control;
 - b. Water supply; and
 - c. Water management.
- 8. Eligible infrastructure projects for institutions of higher education are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of the institution and are in the best interest of the public. Except for routine maintenance and repair projects, capital construction projects include:
 - a. Sewer lines and water lines;
 - b. Storm water infrastructure, including curb and gutter construction; and
 - c. Road infrastructure.

SECTION 18. AMENDMENT. Section 6-09.4-06 of the North Dakota Century Code is amended and reenacted as follows:



- 1. The public finance authority may lend money to political subdivisions or other contracting parties through the purchase or holding of municipal securities which, in the opinion of the attorney general, are properly eligible for purchase or holding by the public finance authority under this chapter or chapter 40-57 and for purposes of the public finance authority's capital financing program the principal amount of any one issue does not exceed five hundred thousand dollars. However, the public finance authority may lend money to political subdivisions through the purchase of securities issued by the political subdivisions through the capital financing program without regard to the principal amount of the bonds issued, if the industrial commission approves a resolution that authorizes the public finance authority to purchase the securities. The capital financing program authorizing resolution must state that the industrial commission has determined that private bond markets will not be responsive to the needs of the issuing political subdivision concerning the securities or, if it appears that the securities can be sold through private bond markets without the involvement of the public finance authority, the authorizing resolution must state reasons for the public finance authority's involvement in the bond issue. The public finance authority may hold such municipal securities for any length of time it finds to be necessary. The public finance authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds payable solely from the revenues available to the public finance authority which are authorized or pledged for payment of public finance authority obligations, and to otherwise assist political subdivisions or other contracting parties as provided in this chapter or chapter 40-57.
- The public finance authority may lend <u>or transfer</u> money to the Bank of North Dakota <u>underas follows:</u>
 - a. Under terms and conditions requiring the Bank to use the proceeds to make loans for agricultural improvements that qualify for assistance under the revolving loan fund program established by chapter 61-28.2; and
 - Under terms and conditions requiring the Bank to use the transferred b. proceeds to make loans for infrastructure projects that qualify for assistance under the infrastructure revolving loan fund established under section 6-09-49 and to use the transferred proceeds to support the resources trust fund. Bonds issued for this purpose are payable in each biennium solely from amounts the legislative assembly may appropriate for debt service for any biennium or from a reserve fund established for the bonds. This section does not require the state to appropriate funds sufficient to make debt service payments with respect to the bonds or replenish a related reserve fund. The bonds are not a debt of the Bank or the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the bonds. The obligation of the public finance authority with respect to the bonds must terminate and the bonds are no longer outstanding as of the date appropriated funds and reserves are insufficient to pay debt service on the bonds. In addition to providing funds for transfers to the Bank, the public finance authority may use the bond proceeds

to pay the costs of issuance of the bonds and establish a reserve fund for the bonds.

- 3. Bonds of the public finance authority issued under this chapter or chapter 40-57 are not in any way a debt or liability of the state and do not constitute a loan of the credit of the state or create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the faith and credit of the state, but all such bonds are payable solely from revenues pledged or available for their payment as authorized in this chapter. Each bond must contain on its face a statement to the effect that the public finance authority is obligated to pay such principal or interest, and redemption premium, if any, and that neither the faith and credit nor the interest on such bonds. Specific funds pledged to fulfill the public finance authority's obligations are obligations of the public finance authority.
- 4. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are payable solely from revenues or funds provided or to be provided under this chapter or chapter 40-57 and nothing in this chapter may be construed to authorize the public finance authority to incur any indebtedness or liability on behalf of or payable by the state.

SECTION 19. AMENDMENT. Section 6-09.4-10 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-10. Reserve fund.

1. The public finance authority shall establish and maintain a reserve fund in which there must be deposited all moneys appropriated by the state for the purpose of the fund, all proceeds of bonds required to be deposited therein by terms of any contract between the public finance authority and its bondholders or any resolution of the public finance authority with respect to the proceeds of bonds, any other moneys or funds of the public finance authority which it determines to deposit therein, any contractual right to the receipt of moneys by the public finance authority for the purpose of the fund, including a letter of credit or similar instrument, and any other moneys made available to the public finance authority only for the purposes of the fund from any other source or sources. Moneys in the reserve fund must be held and applied solely to the payment of the interest on and the principal of bonds and sinking fund payments as the same become due and payable and for the retirement of bonds, including payment of any redemption premium required to be paid when any bonds are redeemed or retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if the withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve, except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and sinking fund payments and for the retirement of bonds in accordance with the terms of any contract between the public finance authority and its bondholders and for the payments on account of which interest or principal or sinking fund payments or retirement of bonds, other moneys of the public finance authority are not then available in accordance with the terms of the contract. The required debt service reserve must be an aggregate amount

equal to at least the largest amount of money required by the terms of all contracts between the public finance authority and its bondholders to be raised in the then current or any succeeding calendar year for the payment of interest on and maturing principal of outstanding bonds, and sinking fund payments required by the terms of any contracts to sinking funds established for the payment or redemption of the bonds.

- 2. If the establishment of the reserve fund for an issue or the maintenance of an existing reserve fund at a required level under this section would necessitate the investment of all or any portion of a new reserve fund or all or any portion of an existing reserve fund at a restricted yield, because to not restrict the yield may cause the bonds to be taxable under the Internal Revenue Code, then at the discretion of the public finance authority no reserve fund need be established prior to the issuance of bonds or the reserve fund need not be funded to the levels required by other subsections of this section or an existing reserve fund may be reduced.
- 3. No bonds may be issued by the public finance authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and the bonds to be issued. Nothing in this chapter prevents or precludes the public finance authority from satisfying the foregoing requirement by depositing so much of the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve the required debt service reserve. The public finance authority may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the required debt service reserve, or to meet such higher or additional reserve as may be fixed by the public finance authority with respect to such fund.
- 4. In order to assure the maintenance of the required debt service reserve, there shall be appropriated by the legislative assembly and paid to the public finance authority for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve. However, the commission may approve a resolution for the issuance of bonds, as provided by section 6-09.4-06, which states in substance that this subsection is not applicable to the required debt service reserve for bonds issued under that resolution.
- 5. If the maturity of a series of bonds of the public finance authority is three years or less from the date of issuance of the bonds, the public finance authority may determine that no reserve fund need be established for that respective series of bonds. If such a determination is made, holders of that respective series of bonds may have no interest in or claim on existing reserve funds established for the security of the holders of previously issued public finance authority bonds, and may have no interest in or claim on claim on reserve funds established for the holders of subsequent issues of bonds of the public finance authority.
- 6. The industrial commission may determine that this section is inapplicable in whole or in part for bonds issued under sectionas follows:
 - a. Under section 6-09.4-06 and as authorized by the sixty-sixth legislative assembly;

b. Under section 6-09.4-24; or under

c. Under the public finance authority's state revolving fund program.

SECTION 20. Section 6-09.4-28 of the North Dakota Century Code is created and enacted as follows:

<u>6-09.4-28. Debt service requirements - Infrastructure revolving loan fund -</u> <u>Resources trust fund.</u>

Each biennium, the public finance authority shall request from the legislative assembly an appropriation from the general fund to meet the debt service requirements for evidences of indebtedness issued by the authority to support the infrastructure revolving loan fund and the resources trust fund.

SECTION 21. AMENDMENT. Subsection 6 of section 21-03-07 of the North Dakota Century Code is amended and reenacted as follows:

The governing body of any county may also by resolution adopted by a 6. two-thirds vote dedicate the tax levy authorized by section 57-15-06.6 and subsection 5 of section 57-15-06.7 and may authorize and issue general obligation bonds to be paid by the dedicated levy for the purpose of providing funds for the purchase, construction, reconstruction, or repair of regional or county correction centers, or parks and recreational facilitiespurposes identified under section 57-15-06.6 and subsection 5 of section 57-15-06.7; provided, that the initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper, and any owner of taxable property within the county may, within sixty days after publication, file with the county auditor a protest against the adoption of the resolution. Protests must be in writing and must describe the property which is the subject of the protest. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the county, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.

SECTION 22. AMENDMENT. Section 21-03-19 of the North Dakota Century Code is amended and reenacted as follows:

21-03-19. Bonds - Terms.

Bonds issued under this chapter must be authorized by resolution, bear such date or dates, be in such denomination or denominations, be in such form, be subject to redemption with or without premium, and be subject to such other terms or conditions as in the judgment of the municipality are in the public interest of the municipality, and must provide that the last installment of principal falls due not more than twenty years from the date of the bonds or not more than thirty years for bonds sold to the entities under section 21-03-30. The requirements of this section apply to each new issue of bonds, or if so determined by the governing body, to the bonds of a new issue combined with all of the outstanding bonds of one or more designated issues of bonds previously issued and similarly payable from taxes or other sources of revenues, or both, as the case may be."

Page 6, after line 20, insert:

"SECTION 25. AMENDMENT. Section 57-15-06.6 of the North Dakota Century Code is amended and reenacted as follows:

57-15-06.6. County capital projects levy.

- <u>1.</u> The board of county commissioners of each county may levy an annual tax not exceeding ten mills plus any voter-approved additional levy as provided in subsection 8 of section 57-15-06.7 for the purpose of the following capital projects:
- 1. <u>a.</u> Constructing and equipping and maintaining structural and mechanical components of regional or county corrections centers or for the purpose of contracting for corrections center space capacity from another public or private entity.
- 2. <u>b.</u> Acquiring real estate as a site for public parks and construction and equipping and maintaining structural and mechanical components of recreational facilities under section 11-28-06.
- 3. <u>c.</u> Acquiring real estate as a site for county buildings and operations and constructing and equipping and maintaining structural and mechanical components of county buildings and property.
- 4. d. Acquiring real estate as a site for county fair buildings and operations and constructing and equipping and maintaining structural and mechanical components of county fair buildings and property as provided in section 4-02-26.
- 5. <u>e.</u> Acquiring and developing real estate, capital improvements, buildings, pavement, equipment, and debt service associated with financing for county supported airports or airport authorities.
- 6. <u>f.</u> Expenditures for the cost of leasing as an alternative means of financing for any of the purposes for which expenditures are authorized under <u>subsections 1subdivisions a</u> through <u>5e</u>.
 - g. Improvement of the county road system, including the acquisition of land, construction of new paved and unpaved roads and bridges, replacement of existing paved and unpaved roads and bridges, and maintenance and repair of existing paved and unpaved roads and bridges.
- 2. Any voter-approved levy for the purposes specified in this section approved by the electors before January 1, 2015, remains effective through 2024 or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years.

SECTION 26. AMENDMENT. Section 57-47-02 of the North Dakota Century Code is amended and reenacted as follows:

57-47-02. County authorized to borrow - Term - Interest rate.

Whenever in the judgment of the board of county commissioners all taxes authorized to be levied in any one year for general or special county purposes are insufficient to carry on the primary governmental functions, or to pay the mandatory obligations imposed by law upon a county, then such a county may borrow money in such an amount as the board shall determine to be necessary to meet the deficiencies existing in its general or special funds, or to carry on primary governmental functions, and to pay mandatory obligations. For the purpose of borrowing, a county may issue evidences of indebtedness, which must consist of an agreement by the county to pay a stated sum on a specified date, or on or before a specified date, not more than fivetwenty years in the future, together with interest thereon at a rate or rates resulting in an average annual net interest cost not to exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at a public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public sale must comply with the procedures set out in chapter 21-03. There is no requirement for an advertisement for bids if an evidence of indebtedness is sold privately or to the state of North Dakota or any of its agencies or instrumentalities."

Page 6, line 21, replace "Section" with "Sections"

Page 6, line 21, after "54-06-24" insert "and 61-02-78"

Page 6, line 21, replace "is" with "are"

Page 6, after line 21, insert:

"SECTION 29. PUBLIC FINANCE AUTHORITY - BOND ISSUANCE

LIMITATION. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority may issue up to \$250,000,000 of evidences of indebtedness, but not in an amount that would cause the repayments to exceed \$35,000,000 per biennium, for the purpose of supporting the infrastructure revolving loan fund and the resources trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Of the total evidences of indebtedness issued by the public finance authority, an amount equal to the outstanding principal balance of loans transferred under section 5 of this Act must be used to support the resources trust fund, and the remaining amount must be used to support the infrastructure revolving loan fund. The term of any evidences of indebtedness issued under this section may not exceed thirty years. The public finance authority may issue bond anticipation notes for the purpose of financing loans under the infrastructure revolving loan fund issuance."

Page 6, line 22, replace "16" with "27"

Page 6, after line 22, insert:

"SECTION 30. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds provisions authorizing the Public Finance Authority to issue up to \$250 million of bonds to support the infrastructure revolving loan fund and the resources trust fund and appropriates \$14 million during the 2017-19 biennium with authority to continue into the 2019-21 biennium for bond repayments.

Page No. 10

19.0228.02040

19.0228.02046 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "section" insert "15.1-27-03.1 as amended by sections 8 and 9 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, section"
- Page 1, line 5, after "the" insert "determination of weighted average daily membership for state school aid calculation,"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code as amended in section 8 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-27-03.1. Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - b. 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;
 - c. 0.40 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - d. 0.28 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - e. 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;

- f. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- g. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- h. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- i. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- j. 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- k. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
- n. 0.501.00 the number of students by which the district's September tenth enrollment report exceeds the number of students in the prior year's average daily membership.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 15. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code as amended in section 9 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-27-03.1. Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - b. 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;
 - c. 0.40 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - d. 0.28 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - e. 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;
 - f. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - g. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
 - h. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
 - i. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students

in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

- j. 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- k. 0.07 the number of full-time equivalent students who:
 - On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- I. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1;
- n. 0.601.00 the number of students by which the district's September tenth enrollment report exceeds the number of students in the prior year's average daily membership increasing the factor annually by 0.10, not to exceed 1.00; and
- o. For districts paid based on September tenth enrollment in the prior year, 0.501.00 the number of students determined by deducting the number of students in the prior year's September tenth enrollment from the prior year's average daily membership, increasing the factor annually by 0.10, not to exceed 1.00. If the prior year's September tenth enrollment exceeds the prior year's average daily membership, then a deduction of 0.501.00 the number of excees students, increasing the factor annually by 0.10, not to exceed 1.00.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership."

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "Code" insert "and section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly"
- Page 1, line 5, after "bonuses" insert "and a transfer to the statewide interoperable radio network fund"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. AMENDMENT. Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND. After other moneys in the statewide interoperable radio network fund, the transfer of \$20,000,000 from the strategic investment and improvements fund, and the \$80,000,000 line of credit have been used, the The industrial commission shall transfer the sum of \$20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021. Before the industrial commission transfers any current earnings and accumulated undivided profits from the Bank of North Dakota to the statewide interoperable radio network fund, \$25,000,000 of the line of credit must be used."

19.0228.02052 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 5, after "bonuses" insert ", and section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly"
- Page 1, line 7, replace "a report to the legislative assembly" with "reports"

Page 6, after line 21, insert:

"**SECTION 17. AMENDMENT.** Section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. During the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education may transfer appropriation authority from the capital assets to the operations line item within subdivisions 2 through 14 of section 1 of this Act after an institution has matched and used seventy-five percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management."

19.0228.02053 Title.

April 26, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "reenact" insert "section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly, and"

Page 1, line 5, after the first "to" insert "specialty area teacher qualifications and"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly is amended and reenacted as follows:

> **SECTION 18. AMENDMENT.** Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

- 1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
 - a. Is licensed to teach by the education standards and practices board;
 - b. Is approved to teach in that area by the education standards and practices board; and
 - c. Meets all requirements set forth in rule by the superintendent of public instruction.
- 2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.
- 3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.
- 4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:

- a. Has a permit issued by the board and has a high school diploma;
- b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or
 - (2) Possesses a certificate, permit, or degree in the subject area to be <u>taught; and</u>
- c. Enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district."

Page 6, line 22, replace "16" with "17"

Renumber accordingly

t. 1

19.0228.02032 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 2, after line 28, insert:

"SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND

IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of _______ from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 6, line 22, replace "16" with "17"

19.0228.02033 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 2, after line 28, insert:

"SECTION 3. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$8,600,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 6, line 22, replace "16" with "17"



19.0228.02019 Title.04000 Fiscal No. 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 2, after "budget" insert "; to provide a continuing appropriation; to authorize a full-time equivalent position; to provide for a transfer"
- Page 1, line 3, replace "54-27" with "21-10"
- Page 1, line 3, remove "a shared"
- Page 1, line 4, replace "services fund" with "the recognition of legacy fund earnings"
- Page 1, line 4, after "section" insert "6-09-49, section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, as approved by the sixty-sixth legislative assembly, sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, section"
- Page 1, line 4, after "54-06-30" insert ", and section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly,"
- Page 1, line 4, after "Code" insert ", section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly"
- Page 1, line 5, after the first "the" insert "infrastructure revolving loan fund, specialty area teacher qualifications, capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program,"
- Page 1, line 5, after "bonuses" insert ", the salary of the secretary of state, higher education line item transfer authority, and a department of commerce nonresident nurse employment recruitment program"
- Page 1, line 7, after the first semicolon insert "to provide a statement of legislative intent; to provide for a legislative management legacy fund earnings committee; to provide for a legislative management study;"
- Page 1, line 7, remove "to the legislative assembly"
- Page 1, line 7, remove "to provide for a"
- Page 1, line 8, remove "transfer"
- Page 1, line 8, remove "and"
- Page 1, line 8, after "date" insert "; and declare an emergency"
- Page 1, remove lines 17 through 24
- Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$21,596,832	\$306,984	\$21,903,816
Operating expenses	14,051,438	1,755,988	15,807,426
Emergency commission contingency fund	•	(100,000)	500,000
Capital assets	973,477	3,863,648	4,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	621,400	1,950,000
Prairie public broadcasting	1,200,000	0	1,200,000
Community service supervision grants	350,000	0	350,000
Litigation funding pool	0	3,500,000	3,500,000
State student internship program	<u>0</u>	<u>250,000</u>	250,000
Total all funds	\$40,154,347	\$10,198,020	\$50,352,367
Less estimated income	<u>9,434,087</u>	7,702,428	<u>17,136,515</u>
Total general fund	\$30,720,260	\$2,495,592	\$33,215,852
Full-time equivalent positions	117.00	(5.00)	112.00"
Page 2, replace lines 12 through 24 with:			
"Surplus property building		\$800,000	\$0
Theodore Roosevelt center grant		500,000	0
Cybersecurity remediation pool		1,000,000	0
Extraordinary repairs		0	1,900,000
Capitol south entrance project		0	2,000,000
Special assessments on capitol grounds		0	320,000
Litigation funding pool		0	3,500,000
Assessments of state lands and facilities		0	500,000
Risk management technology project		0	170,000
State student internship program		0	250,000
Electronic procurement study		0	50,000
Total all funds		\$2,300,000	\$8,690,000
Total special funds		1,800,000	8,390,000
Total general fund		\$500,000	\$300,000"

Page 2, after line 28, insert:

"SECTION 3. FULL-TIME EQUIVALENT POSITION AUTHORIZATION -ATTORNEY GENERAL. The attorney general is authorized one assistant attorney general full-time equivalent position to assist in litigation relating to voter identification, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall request funding transfers from the litigation funding pool line item in section 1 of this Act for salaries and wages costs of the position.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$764,400,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$8,600,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 30, replace "\$182,300,000" with "\$173,700,000"

Page 3, line 5, replace "\$500,000" with "\$100,000"



- Page 3, line 15, after the period insert "The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04."
- Page 3, line 23, replace "\$2,220,000" with "\$4,220,000"
- Page 3, line 24, replace "\$2,220,000" with "\$4,220,000"
- Page 3, line 24, after the comma insert "\$2,000,000 in the capital assets line item is for a capitol building south entrance project,"
- Page 3, line 26, after the period insert "The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes."
- Page 4, line 3, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$2,000,000" with "\$500,000"
- Page 4, line 5, replace "\$2,500,000" with "\$3,500,000"
- Page 4, remove lines 20 through 31
- Page 5, replace lines 1 though 5 with:
 - "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the biennium are to be given beginning with the month of July 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
 - 2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.
 - 3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
 - 4. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented

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performance level does not meet standards are not eligible for any salary increase.

SECTION 17. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
- 2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. The Red River valley water supply project;
 - b. New or replacement of existing water treatment plants;
 - b.c. New or replacement of existing wastewater treatment plants;
 - e.d. New or replacement of existing sewer lines and water lines; and
 - d.<u>e.</u> New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
- 3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
- 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
- 5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

- 1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
 - a. Is licensed to teach by the education standards and practices board;
 - b. Is approved to teach in that area by the education standards and practices board; and
 - c. Meets all requirements set forth in rule by the superintendent of public instruction.
- 2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.
- 3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.
- 4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:
 - a. Has a permit issued by the board and has a high school diploma; and
 - b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or
 - (2) Possesses a certificate, permit, or degree in the subject area to be <u>taught; and</u>
 - c. Enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district.

SECTION 19. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Recognition of legacy fund earnings for budget purposes.

For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota



as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.

SECTION 20. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed one hundred seventy five thousand two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

SECTION 21. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts - <u>Continuing appropriation</u>.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

SECTION 22. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. <u>ABefore July 1, 2019, a</u> state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed."

Page 5, line 27, remove the overstrike over "one thousand"

Page 5, line 27, remove "two thousand"

Page 6, replace lines 10 through 20 with:

"SECTION 24. AMENDMENT. Section 54-09-05 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is one hundred seven thousand eight hundred eighty-five dollars through June 30, 20192020, and one hundred ten thousand five hundred eighty-two dollars thereafter.



SECTION 25. AMENDMENT. Section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. During the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education may transfer appropriation authority from the capital assets to the operations line item within subdivisions 2 through 14 of section 1 of this Act after an institution has matched and used seventy-five percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

SECTION 26. AMENDMENT. Section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. AMENDMENT. Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND. After other moneys in the statewide interoperable radio network fund, the transfer of \$20,000,000 from the strategic investment and improvements fund, and the \$80,000,000 line of credit have been used, the The industrial commission shall transfer the sum of \$20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021. Before the industrial commission transfers any current earnings and accumulated undivided profits from the Bank of North Dakota to the statewide interoperable radio network fund, \$25,000,000 of the line of credit must be used.

SECTION 27. AMENDMENT. Section 1 of House Bill No. 1018, as approved by the sixty-sixth 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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Adjustments or	
 Base Level	Enhancements	<u>Appropriation</u>

Salaries and wages	\$12,995,788	\$221,498	\$13,217,28 6
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,928,111	57,838,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,152,915	(3,152,915)	0
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	<u> </u>	1,300,000	1,300,000
Total all funds	\$88,626,586	\$10,088,428	\$98,715,014
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	\$30,342,680	\$9,949,041	\$40,291,721
Full time equivalent positions	66.40	(4.60)	61.80

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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$12,995,788	<u>\$221,498</u>	\$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	<u>48,910,416</u>	8,628,111	57,538,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,152,915	<u>(3,152,915)</u>	<u>0</u>
commission			
North Dakota trade office	2,000,000	(400,000)	<u>1,600,000</u>
Partner programs	<u>1,939,845</u>	<u>(377,314)</u>	<u>1,562,531</u>
Entrepreneurship grants and vouchers	1,950,000	<u>998,467</u>	<u>2,948,467</u>
Intermodal container shipping fees	<u>0</u>	1,300,000	<u>1,300,000</u>
Total all funds	<u>\$88,626,586</u>	<u>\$9,788,428</u>	<u>\$98,415,014</u>
Less estimated income	58,283,906	<u>139,387</u>	<u>58,423,293</u>
Total general fund	\$30,342,680	<u>\$9,649,041</u>	\$39,991,721
Full-time equivalent positions	66.40	<u>(4.60)</u>	<u>61.80</u>

SECTION 28. AMENDMENT. Section 2 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 2. ONE TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY SEVENTH LEGISLATIVE ASSEMBLY. The

following amounts reflect the one time funding items approved by the sixty fifth legislative assembly for the 2017-19 biennium and the one time funding items included in the appropriation in section 1 of this Act:

2017-19	2019-21
\$5 201 752	\$0
	2,225,000
	0
	2017-19 \$5,201,752 2,000,000 600,000

Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	0	1,000,000
Workforce safety grant	0	1,000,000
Entrepreneurship grants and vouchers	0	2,000,000
Sculpture maintenance grants	0	75 ,000
Nonresident nurse employment recruitment	0	800,000
Intermodal container transportation shipping fees	0	1,300,000
Job development and economic growth grant	0	<u>25,000</u>
Total all funds	\$11,301,752	\$11, 925,000
Less estimated income	<u>10,301,752</u>	4,300,000
Total general fund	\$1,000,000	\$7,625,000

The 2019 21 biennium one time funding amounts are not a part of the entity's base budget for the 2021 23 biennium. The department of commerce shall report to the appropriations committees of the sixty seventh legislative assembly on the use of this one time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description Flood impact grants/loans	<u>2017-19</u> \$5,201,752	<u>2019-21</u> \$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	<u>0</u>
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	<u>0</u>	<u>1,000,000</u>
Workforce safety grant	<u>0</u>	<u>1,000,000</u>
Entrepreneurship grants and vouchers	<u>0</u>	2,000,000
Sculpture maintenance grants	<u>0</u>	75,000
Nonresident nurse employment recruitment	<u>0</u>	<u>500,000</u>
Intermodal container transportation shipping fees	<u>0</u>	<u>1,300,000</u>
Job development and economic growth grant	<u>0</u>	25,000
Total all funds	<u>\$11,301,752</u>	<u>\$11,625,000</u>
Less estimated income	10,301,752	4,300,000
Total general fund	\$1,000,000	\$7,325,000

<u>The 2019-21 biennium one-time funding amounts are not a part of</u> the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 29. AMENDMENT. Section 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING. The grants line item

100

in section 1 of this Act includes <u>\$800,000</u> from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to \$4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item.

SECTION 30. AMENDMENT. Section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

- 1. The size and use of the state hospital;
- 2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;
- 3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative assembly affects the balance of inpatient, residential, and community-based services;
- 4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and
- 5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to OctoberJuly 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan."

Page 6, after line 21, insert:

"SECTION 32. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.

- 1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:
 - a. The majority and minority leaders of the house of representatives and the senate, or their designees;
 - b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;



- c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;
- d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and
- e. The chairman of the legislative management, or the chairman's designee.
- 2. The legislative management shall designate the chairman of the committee.
- 3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.
- 4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.
- 5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD COMMISSION. During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must include consideration of the implementation of the new Olmstead commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS. During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

- 1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;
- 2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;
- 3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and
- 4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - OTHER USES OF VETERANS' HOME FACILITIES. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing other allowable revenue generating uses of the veterans' home facilities and grounds in addition to the purposes identified in section 37-15-02. The study must include an analysis of potential revenue generating activities for the veterans' home facilities and grounds, including a review of the effect on any federal requirements. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Page 6, line 22, replace "16" with "31"

Page 6, after line 22, insert:

"SECTION 37. EMERGENCY. Senate Bill Nos. 2020 and 2297, as approved by the sixty-sixth legislative assembly, are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816	\$21,903,816	
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426	15,807,426	
Capital assets	973,477	2,837,125	2,000,000	4,837,125	4,837,125	
Grants	54,000	54,000		54,000	54,000	
Emergency commission contingency fund	600,000	500,000		500,000	500,000	
Guardianship grants	1,328,600	2,330,000	(380,000)	1,950,000	1,550,000	\$400,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000	1,200,000	
Community service supervision grants	350,000	400,000	(50,000)	350,000	350,000	
Litigation pool		2,500,000	1,000,000	3,500,000	3,500,000	
State student internship		250,000		250,000	250,000	
Total all funds	\$40,154,347	\$49,407,350	\$945,017	\$50,352,367	\$49,952,367	\$400,000
Less estimated income	9,434,087	15,622,886	1 513 629	17,136,515	17,136,515	0
General fund	\$30,720,260	\$33,784,464	(\$568,612)	\$33,215,852	\$32,815,852	\$400,000
FTE	117.00	108.00	4.00	112.00	112.00	0.00



Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

Salaries and wages	Adjusts Funding for Salary and Benefit Increases ¹ \$101,492	Adjusts Funding and FTE Positions for IT Unification ² \$793,547	Reduces Funding for Grants ³	Adjusts One- Time Funding Items ⁴	Total Conference Committee Changes \$895,039
Operating expenses		(820,022)		(\$1,500,000)	(2,320,022)
Capital assets Grants				2,000,000	2,000,000
Emergency commission contingency fund Guardianship grants Prairie Public Broadcasting Community service supervision			(\$380,000) (200,000) (50,000)		(380,000) (200,000) (50,000)
grants				4 000 000	4 000 000
Litigation pool State student internship				1,000,000	1,000,000
Total all funds	\$101,492	(\$26,475)	(\$630,000)	\$1,500,000	\$945,017
Less estimated income	13,629	<u>0</u>	<u> </u>	1,500,000	1,513,629
General fund	\$87,863	(\$26,475)	(\$630,000)	\$0	(\$568,612)
FTE	0.00	4.00	0.00	0.00	4.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020, the same as the House. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

² Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing operating expenses by \$820,022, the same as the House. The Senate included the information technology unification project.

³ Funding is reduced for grants as follows:

- \$380,000 for guardianship grants to provide a total of \$1.95 million. The Senate provided \$2.33 million and the House provided \$1.55 million.
- \$50,000 for community service supervision grants to provide a total of \$350,000, the same as the House. The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding, the same as the House. The Senate added \$200,000 of matching grants to provide \$1.4 million.

⁴ Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project, the same as the House. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million, the same as the House. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of \$500,000, the same as the House. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million, the same as the House. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000, the same as the House. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay court-ordered judgments against the state. The House also added this section.
- Identifies \$4.22 million from the Capitol building fund for various projects, the same as the House. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation

funding pool, the same as the House. The Senate identified \$4.5 million for the assessment and funding pool.

- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium, the same as the House. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The House included this provision but the Senate did not include the provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects, the same as the House. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019, the same as the House. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500, the same as the House. The Senate increased the performance bonus limit to \$2,500.
- Removes a section added by the Senate related to the creation of a shared services fund. The House also removed this section.

This amendment also provides for the following which were not in the Senate or House versions:

- Transfers \$764.4 million from the strategic investment and improvements fund to the general fund during the 2019-21 biennium.
- Transfers \$8.6 million from the tax relief fund to the general fund during the 2019-21 biennium.
- Authorizes 1 assistant attorney general FTE position in the Attorney General's office for litigation relating to voter identification.
- Amends House Bill No. 1018 to reduce funding in the Department of Commerce for the nonresident nurse employment recruitment program from \$800,000 to \$500,000.
- Amends Section 23 of House Bill No. 1014 which amended a section relating to the use of funding for the statewide interoperable radio network project.
- Amends Section 23 of House Bill No. 1003 relating to line item transfers for North Dakota University System institutions.
- Amends Section 6-09-49 relating to uses of the infrastructure revolving loan fund.
- Amends Section 15.1-18-10 as amended by Senate Bill Nos. 2013 and 2265 relating to specialty area teacher qualifications.
- Amends Section 54-09-05 as amended by Senate Bill No. 2002 to adjust the effective date of the salary increase for the Secretary of State.
- Amends Section 18 of Senate Bill No. 2012 which directs the Department of Human Services to conduct a study of the placement of individuals in institutions for mental disease.
- Provides for a Legislative Management study of the Olmstead Commission.
- Provides for a Legislative Management study of charitable gaming laws.
- Provides for a Legislative Management study of other potential uses of Veterans' Home facilities.
- Creates a Legislative Management Legacy Fund Earnings Committee and directs a study.
- Declares Senate Bill Nos. 2020 and 2297 to be an emergency measure.

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	X		Representative Pollert	X	
Senator Wardner	X		Representative Delzer		X
Senator Heckaman	X		Representative Boschee	X	
Total Senate Vote	3	0	Total Rep. Vote	2	1
Senate Carrier			House Carrier		4
LC Number			of a	amendment	

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

 \square Adopt Amendment 19.0228.02037

Motion Made by: Senator Wardner	Seconded by: Rep	Boschee
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	Yes	No	Representatives		Yes	No
			Representative Pollert		~	
	V		Representative Delzer		V	-
	V		Representative Boschee		V	-
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			House Carrier			
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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

Adopt Amendment 19.0228.02024

Senators	Yes	No	Representatives		Yes	No
Senator Holmberg	V	-	Representative Pollert			V
Senator Wardner		V	Representative Delzer			~
Senator Heckaman	V		Representative Boschee		V	
Total Senate Vote	2		T I I D I VI			
	s:		No: Abser	nt: _ 🔿		1
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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

X Adopt Amendment 19.0228.02028

Motion Made by: Senator Heck	Man Seconded by:	Senator L	ardner
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Senators		Yes	No	Representatives	Yes	No
Senator Holmberg				Representative Pollert	1 L	
Senator Wardner		L		Representative Delzer		~
Senator Heckaman		~		Representative Boschee	V	1
Total Senate Vote		.3	0	Total Rep. Vote	2	1
Vote Count	Yes:	5		No: <u>/</u> Absent:	<u>C</u>	
Vote Count Senate Carrier _	Yes:	5		No:/ Absent: House Carrier		2
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Senate Carrier _	Yes:	5		House Carrier		nent

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

Adopt Amendment 19.0228.02017

Senators		Yes	No	Representatives	Yes	s No
Senator Holmberg		~		Representative Pollert	L	
Senator Wardner		~		Representative Delzer	1	-
Senator Heckaman		r		Representative Boschee		1
Total Senate Vote Vote Count	Yes:	6	D	Total Rep. Vote No: O Absent:	0	D
	Yes:	6				-
Vote Count	Yes:	6		No: Absent: House Carrier		D

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

X Adopt Amendment 19.0228.02030

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	V		Representative Pollert	1	
Senator Wardner	V		Representative Delzer	V	
Senator Heckaman	L L		Representative Boschee		
Total Senate Vote	.3	Ð	Total Rep. Vote	3	0
Vote Count Ye	es:	10-1	No: Absent:	~	
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	,	N. (14	No: <u>O</u> Absent: House Carrier	~	

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

🕅 Adopt Amendment

19.0228.02042

	Motion Made by:	Senator	. Wa	rdner	S	econded by:	Senator (the	cki	eme	m	/
ſ	Senators			Yes	No	Repre	sentatives				Yes	No

		Yes	No	Representatives		Yes	No
Senator Holmberg		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		Representative Pollert		L	-
Senator Wardner		V		Representative Delzer		10000	-
Senator Heckaman		V		Representative Boschee		~	
Total Senate Vote		3	0	Total Rep. Vote		2	1
Vote Count	Yes:	5		No: Ab	osent:		
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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken X Adopt Amendment 19.0228.02013

Senators	Yes	No	Representatives		Yes	No
Senator Holmberg	L	1	Representative Pollert			L
Senator Wardner		V	Representative Delzer			V
Senator Heckaman	L	-	Representative Boschee		V	-
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Total Senate Vote Vote Count Y	es: <u>3</u>	1	No: <u>3</u> Absen	t:		2
Vote Count Y	2		No: <u>3</u> Absen	t:		2
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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

💢 Adopt Amendment

19.0228.02018

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg		V	Representative Pollert		V
Senator Wardner		V	Representative Delzer		L
Senator Heckaman	L		Representative Boschee	V	+
Total Senate Vote		2	Total Rep. Vote	1	2
Vote Count	es:				
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Senate Carrier			No: <u>4</u> Absent: House Carrier		

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

✓ Adopt Amendment 19.0228.02048

Senators	Yes	No	Representatives	Ye	es I	No
Senator Holmberg	V		Representative Pollert	-	1	
Senator Wardner	~ ~		Representative Delzer	4	/	
Senator Heckaman		-	Representative Boschee	L	\leq	_
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Total Senate Vote Vote Count Yes		0	Total Rep. Vote No: O Absent:		3	t
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Vote Count Yes Senate Carrier	2		No: Absent: House Carrier		_	t

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

₩ Adopt Amendment 19.0228.02014

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg		V	Representative Pollert		12
Senator Wardner		V	Representative Delzer		K
Senator Heckaman	V		Representative Boschee	~	
Total Senate Vote	1	34	Total Rep. Vote		2
Vote Count Yes	s: <u>2</u>		No: Absent:		
Senate Carrier			House Carrier		
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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

Ø Adopt Amendment 19.0228.02047

Motion Made by: Jen. Heckanian_ Seconded by: Rep Boschee_

Senators		Yes	No	Representatives	Yes	No
Senator Holmberg				Representative Pollert	~ ~	1
Senator Wardner		V		Representative Delzer	V	-
Senator Heckaman		V		Representative Boschee	~ ~	1
Total Senate Vote		3	0	Total Rep. Vote	3	Ð
Vote Count	Yes:	1-		No: O Absent		
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Senate Carrier		e		House Carrier		
		¢	_	House Carrier		

Date: 4/26/2019 Roll Call Vote #: ____

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

 \cancel{A} Adopt Amendment 19.0228.02029

Senators		Yes	No	Representatives	Yes	No
Senator Holmberg			V	Representative Pollert		V
Senator Wardner			V	Representative Delzer		L
Senator Heckaman				Representative Boschee	V	7
Total Senate Vote			1	Total Rep. Vote		2
Vote Count	Yes:	2		No: <u> </u>		-0
				No: <u> </u>		-
	Yes:			House Carrier	amendment	

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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

Adopt Amendment
19.0228.02049

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	V		Representative Pollert	V	
Senator Wardner	r		Representative Delzer	V	-
Senator Heckaman			Representative Boschee	V	1
					-
Total Senate Vote Vote Count Ye	s:	0	Total Rep. Vote No:	0	D
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Vote Count Ye Senate Carrier			No: <u> </u>	<u> </u>	D

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2019 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken Adopt Amendment 19,0228.02044

Motion Made by: Senston Wardner Seconded by: Senston Heckanon

Senators		Yes	No	Representatives		Yes	No
Senator Holmberg			V	Representative Pollert			V
Senator Wardner				Representative Delzer			V
Senator Heckaman		V		Representative Boschee	_		V
Total Senate Vote		2	1	Total Rep. Vote		0	3
Vote Count	Yes:	2		No: <u>4</u> Abse	ent:	0	
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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

Adopt Amendment 19,0228.02041

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	V		Representative Pollert	V	1
Senator Wardner			Representative Delzer	L	-
Senator Heckaman			Representative Boschee		L
Tatal Canada Mata					
Total Senate Vote Vote Count Yes	:	0	Total Rep. Vote No: Absent:	0	1
Vote Count Yes		0		D	
Vote Count Yes Senate Carrier	:5		No: /Absent: House Carrier	D	

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

🛿 Adopt Amendment 19,0228,02040

Motion Made by:	Senator Wardner	Seconded by:	Reo. L	Baches	
1					

Yes	No
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BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

X Adopt Amendment

19.0228.02046

Senators		Y	es	No	Representatives	Yes	No
Senator Holmberg		L	~		Representative Pollert		V
Senator Wardner		4			Representative Delzer		V
Senator Heckaman					Representative Boschee	V	
Total Senate Vote			3	D	Total Rep. Vote	1	2
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Senate Carrier					House Carrier		ş
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Emergency clause added or deleted

Jailed

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

💆 Adopt Amendment

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	~ ~		Representative Pollert	L	1
Senator Wardner	V		Representative Delzer	V	1
Senator Heckaman	K		Representative Boschee	V	
Total Senate Vote Vote Count Yes	6	D	Total Rep. Vote No: O Absent:	0	0
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Vote Count Yes	, ,		No: Absent		0

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

♥ Adopt Amendment 19.0228.02051

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	L		Representative Pollert	V	-
Senator Wardner	V		Representative Delzer	5	-
Senator Heckaman	V		Representative Boschee	L	-
Total Senate Vote	3	0	Total Rep. Vote	3	0
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Senate Carrier					
Senate Carrier			of a	mendment	

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken X Adopt Amendment 19.0228.02052

Motion Made by: Rep Boschee Seconded by: Senator Wardner

Senators		Yes	No	Representatives	Yes	No
Senator Holmberg		V		Representative Pollert	E	-
Senator Wardner		L		Representative Delzer	-	-
Senator Heckaman		V		Representative Boschee	L	-
Total Senate Vote		3	D	Total Rep. Vote	3	0
Vote Count	Yes:	<u> </u>		No: Absent:	0	2
Vote Count Senate Carrier	Yes:	e		No: Absent: House Carrier	0	-22 -13
	Yes:	e		House Carrier		2 1
Senate Carrier	Yes:	e	_,	House Carrier		nent

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken	🛱 Adopt Amendr	nent	t	o accept everythin	a discu	issed	[
			-1	oday with exception	in of f	rairie	Pa
Motion Made by:	Senator 4)a	Idne		Seconded by Rep De			5
Senators		Yes	No	Representatives		Yes	No
enator Holmberg		V		Representative Pollert		L	Č
Senator Wardner		V		Representative Delzer		1	
Senator Heckaman		-		Representative Boschee			
otal Senate Vote		3	0	Total Rep. Vote		3	0
Vote Count	Yes: 6			No: Abse	ent:		
Senate Carrier				House Carrier			
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LC Number	3				of en	grossm	ent
Emergency clau	se added or deleted						
	pose of amendmen						

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

X Adopt Amendment 7

to	add	\$200,000	to	the	base
		Prairie 1			

Motion Made by: Senator Heckonson Seconded by: Senator Wardner

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	V		Representative Pollert		12
Senator Wardner	V		Representative Delzer		V
Senator Heckaman	V		Representative Boschee	V	
Total Senate Vote	E	0	Total Rep. Vote		2
Vote Count Yes:	4		No: 2 Absent	0	

Senate Carrier	House Carrier	
LC Number	·	of amendment
LC Number	2. • 1	of engrossment

Emergency clause added or deleted

failed

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken Adopt Amendment 19,0228,02053



Senators			Yes	No	Representatives			Yes	No
Senator Holmberg			~		Representative Pollert		-	~	
Senator Wardner			V		Representative Delzer			V	
Senator Heckaman	_		L	-	Representative Boschee			-	-
Total Senate Vote			3	Ð	Total Rep. Vote			3	0
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Vote Count Senate Carrier	Yes:	6			No: <u> </u>		0)	
	Yes:	6					endme	ent	
Senate Carrier						of am			ient

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

Adopt Amendments 19.0228.02032 and 19.0228.02033

Senators	Yes	No	Representatives		Yes	No
Senator Holmberg	~ ~		Representative Pollert		L	-
Senator Wardner		-	Representative Delzer		1/	1
Senator Heckaman	L		Representative Boschee		V	
			S		-	
Total Senate Vote Vote Count Ye	es:	D	Total Rep. Vote No: O Absent		3	D
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BILL/RESOLUTION NO. 2015 as (re) engrossed

	ations Committe						
				add 780,000 for guardian. Seconded by: <u>Senator</u>	,	10	.ve
Senators		Yes	No	Representatives		Yes	No
Senator Holmberg Senator Wardner			-	Representative Pollert Representative Delzer			V
Senator Heckaman		V		Representative Boschee		V	
Total Senate Vote		3	0	Total Rep. Vote		1	2
Vote Count	Yes:	4		No: 2 Abs	sent: 🔎		
Senate Carrier				House Carrier			
LC Number				<u></u>	of amendm	ent	
LC Number	3 <u></u>				of eng	grossm	ient
Emergency claus	se added or delete	ed					
Statement of pur	pose of amendme	ent					

failed

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

Action Taken

Adopt Amendment

400,000 for guardianships

Senators		Yes	No	Representatives	Yes	No
Senator Holmberg		V		Representative Pollert	1	
Senator Wardner		~		Representative Delzer		V
Senator Heckaman				Representative Boschee	Ľ	
Total Senate Vote		.3	0	Total Rep. Vote	2	1
Vote Count	Yes: 🕹	5		No: / Absent:	0	
Vote Count Senate Carrier	Yes:	5		No:/Absent: House Carrier		
	Yes:	<u>5</u>		House Carrier		

BILL/RESOLUTION NO. 2015 as (re) engrossed

Senate Appropriations Committee

- □ SENATE accede to House Amendments and further amend
- □ HOUSE recede from House amendments
- \boxtimes HOUSE recede from House amendments and amend as follows
- □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by:	Representa	ative Polle	rt	s	econded by: Senator V	Vardner		
Senators			Yes	No	Representatives		Yes	No
Senator Holmberg			Х		Representative Pollert		X	
Senator Wardner			Х		Representative Delzer		X	
Senator Heckaman			Х		Representative Boschee	_	X	-
Total Senate Vote	_		3	0	Total Rep. Vote		3	0
Vote Count	Yes:				No: 0	Absent:	0	
Senate Carrier	Senator H	lolmberg	_		House Carrier Repre	sentative P	ollert	
LC Number	19.0228			<u>28</u> .	02019	of am	endment	
LC Number	<u> 19.0228 04000 </u>							

Emergency clause added or deleted

REPORT OF CONFERENCE COMMITTEE

SB 2015, as engrossed: Your conference committee (Sens. Holmberg, Wardner, Heckaman and Reps. Pollert, Delzer, Boschee) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1629-1635, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 2, after "budget" insert "; to provide a continuing appropriation; to authorize a full-time equivalent position; to provide for a transfer"
- Page 1, line 3, replace "54-27" with "21-10"
- Page 1, line 3, remove "a shared"
- Page 1, line 4, replace "services fund" with "the recognition of legacy fund earnings"
- Page 1, line 4, after "section" insert "6-09-49, section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, as approved by the sixty-sixth legislative assembly, sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, section"
- Page 1, line 4, after "54-06-30" insert ", and section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly,"
- Page 1, line 4, after "Code" insert ", section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly.
- Page 1, line 5, after the first "the" insert "infrastructure revolving loan fund, specialty area teacher qualifications, capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program,"
- Page 1, line 5, after "bonuses" insert ", the salary of the secretary of state, higher education line item transfer authority, and a department of commerce nonresident nurse employment recruitment program"
- Page 1, line 7, after the first semicolon insert "to provide a statement of legislative intent; to provide for a legislative management legacy fund earnings committee; to provide for a legislative management study;"
- Page 1, line 7, remove "to the legislative assembly"
- Page 1, line 7, remove "to provide for a"
- Page 1, line 8, remove "transfer"
- Page 1, line 8, remove "and"
- Page 1, line 8, after "date" insert "; and declare an emergency"
- Page 1, remove lines 17 through 24
- Page 2, replace lines 1 through 6 with:

	004 500 000	* ****	
"Salaries and wages	\$21,596,832	\$306,984	\$21,903,816
Operating expenses	14,051,438	1,755,988	15,807,426
Emergency commission contingency f	und 600,000	(100,000)	500,000
Capital assets	973,477	3,863,648	4,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	621,400	1,950,000
Prairie public broadcasting	1,200,000	0	1,200,000
Community service supervision grants	350,000	0	350,000
Litigation funding pool	0	3,500,000	3,500,000
State student internship program	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total all funds	\$40,154,347	\$10,198,020	\$50,352,367
Less estimated income	9,434,087	7,702,428	17,136,515
Total general fund	\$30,720,260	\$2,495,592	\$33,215,852
Full-time equivalent positions	117.00	(5.00)	112.00"

Page 2, replace lines 12 through 24 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Capitol south entrance project	0	2,000,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	3,500,000
Assessments of state lands and facilities	0	500,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	<u>0</u>	50,000
Total all funds	\$2,300,000	\$8,690,000
Total special funds	1,800,000	8,390,000
Total general fund	\$500,000	\$300,000"

Page 2, after line 28, insert:

"SECTION 3. FULL-TIME EQUIVALENT POSITION AUTHORIZATION -

ATTORNEY GENERAL. The attorney general is authorized one assistant attorney general full-time equivalent position to assist in litigation relating to voter identification, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall request funding transfers from the litigation funding pool line item in section 1 of this Act for salaries and wages costs of the position.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND

IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$764,400,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$8,600,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 30, replace "\$182,300,000" with "\$173,700,000"

Page 3, line 5, replace "\$500,000" with "\$100,000"

Page 3, line 15, after the period insert "The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04."

- Page 3, line 23, replace "\$2,220,000" with "\$4,220,000"
- Page 3, line 24, replace "\$2,220,000" with "\$4,220,000"
- Page 3, line 24, after the comma insert "\$2,000,000 in the capital assets line item is for a capitol building south entrance project,"
- Page 3, line 26, after the period insert "The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes."
- Page 4, line 3, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$4,500,000" with "\$4,000,000"
- Page 4, line 4, replace "\$2,000,000" with "\$500,000"
- Page 4, line 5, replace "\$2,500,000" with "\$3,500,000"
- Page 4, remove lines 20 through 31
- Page 5, replace lines 1 though 5 with:
 - "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
 - 2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.
 - 3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
 - 4. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 17. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

- The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political <u>subdivisions</u>, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
- 2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. <u>The Red River valley water supply project;</u>
 - b. New or replacement of existing water treatment plants;
 - b.c. New or replacement of existing wastewater treatment plants;
 - e.d. New or replacement of existing sewer lines and water lines; and
 - d.e. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
- 3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
- 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
- 5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

- 1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
 - a. Is licensed to teach by the education standards and practices board;
 - b. Is approved to teach in that area by the education standards and practices board; and
 - c. Meets all requirements set forth in rule by the superintendent of public instruction.
- 2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.
- 3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.
- 4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:
 - a. Has a permit issued by the board and has a high school diploma; and
 - b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or
 - (2) Possesses a certificate, permit, or degree in the subject area to be taught; and
 - c. Enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district.

SECTION 19. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Recognition of legacy fund earnings for budget purposes.

For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.

SECTION 20. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed one hundred seventy five thousand two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

SECTION 21. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts <u>- Continuing appropriation.</u>

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building. facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the

site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

SECTION 22. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. <u>ABefore July 1, 2019, a</u> state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed."

Page 5, line 27, remove the overstrike over "one thousand"

Page 5, line 27, remove "two thousand"

Page 6, replace lines 10 through 20 with:

"SECTION 24. AMENDMENT. Section 54-09-05 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is one hundred seven thousand eight hundred eighty-five dollars through June 30, 20192020, and one hundred ten thousand five hundred eighty-two dollars thereafter.

SECTION 25. AMENDMENT. Section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. <u>During the</u> biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education may transfer appropriation authority from the

capital assets to the operations line item within subdivisions 2 through 14 of section 1 of this Act after an institution has matched and used seventy-five percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

SECTION 26. AMENDMENT. Section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. AMENDMENT. Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND. After other moneys in the statewide interoperable radio network fund, the transfer of \$20,000,000 from the strategic investment and improvements fund, and the \$80,000,000 line of credit have been used, the The industrial commission shall transfer the sum of \$20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021. Before the industrial commission transfers any current earnings and accumulated undivided profits from the Bank of North Dakota to the statewide interoperable radio network fund, \$25,000,000 of the line of credit must be used.

SECTION 27. AMENDMENT. Section 1 of House Bill No. 1018, as approved by the sixty-sixth 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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$12,995,788	\$221,498	\$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,928,111	57,838,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,1 52,9 15	(3 ,1 52,915)	0
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	<u> </u>	1,300,000	1,300,000
Total all funds	\$88,626,586	\$10,088,428	\$98,715,014
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	\$30,342,680	\$9,949,041	\$40,291,721
Full time equivalent positions	66.40	(4.60)	61.80

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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	<u>\$12,995,788</u>	<u>\$221,498</u>	\$13,217,286
Operating expenses	15,477,622	2,620,581	<u>18,098,203</u>
Grants	48,910,416	8,628,111	57,538,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,152,915	<u>(3,152,915)</u>	<u>0</u>
<u>commission</u>			
North Dakota trade office	2,000,000	<u>(400,000)</u>	<u>1,600,000</u>
Partner programs	1,939,845	<u>(377,314)</u>	<u>1,562,531</u>
Entrepreneurship grants and vouchers	1,950,000	<u>998,4</u> 67	2,948,467
Intermodal container shipping fees	<u>0</u>	<u>1,300,000</u>	1,300,000
Total all funds	<u>\$88,626,586</u>	<u>\$9,788,428</u>	\$98,415,014
Less estimated income	58,283,906	<u>139,387</u>	<u>58,423,293</u>
Total general fund	\$30,342,680	<u>\$9,649,041</u>	<u>\$39,991,721</u>
Full-time equivalent positions	66.40	<u>(4.60)</u>	<u>61.80</u>

SECTION 28. AMENDMENT. Section 2 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 2. ONE TIME FUNDING - EFFECT ON BASE BUDGET REPORT TO SIXTY SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one time funding items approved by the sixty fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One Time Funding Description	2017-19	2019-21
Flood impact grants/loans	\$5,201,752	\$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	θ
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community col	leges 500,000	500,000
Census 2020 program		1,000,000
Workforce safety grant	θ	1,000,000
Entrepreneurship grants and vouchers	0	2,000,000
Sculpture maintenance grants	0	75,000
Nonresident nurse employment recruitment	0	800,000
Intermodal container transportation shipping fees	0	1,300,000
Job development and economic growth grant	θ	25,000
Total all funds	\$11,301,752	\$11,925,000
Less estimated income	10,301,752	4,300,000
Total general fund	\$1,000,000	\$7,625,000

The 2019-21 biennium one time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	<u>2019-21</u>
Flood impact grants/loans	<u>\$5,2</u> 01,752	<u>\$0</u>
Unmanned aircraft system	2,000,000	<u>2,225,000</u>
Base retention grants	<u>600,000</u>	<u>0</u>
Enhanced use lease grant	3,000,000	<u>3,000,000</u>
Workforce grants to tribally controlled community of	colleges 500,000	500,000
Census 2020 program	<u>0</u>	<u>1,000,000</u>
Workforce safety grant	<u>0</u>	<u>1,000,000</u>
Entrepreneurship grants and vouchers	<u>0</u>	<u>2,000,000</u>
Sculpture maintenance grants	<u>0</u>	<u>75,000</u>
Nonresident nurse employment recruitment	<u>0</u>	<u>500,000</u>
Intermodal container transportation shipping fees	<u>0</u>	<u>1,300,000</u>
Job development and economic growth grant	<u>0</u>	<u>25,000</u>
Total all funds	<u>\$11,301,752</u>	<u>\$11,625,000</u>
Less estimated income	<u>10,301,752</u>	<u>4,300,000</u>
Total general fund	<u>\$1,000,000</u>	\$7,325,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 29. AMENDMENT. Section 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes <u>\$800,000</u>\$500,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to \$4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item.

SECTION 30. AMENDMENT. Section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

1. The size and use of the state hospital;

- 2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;
- The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixtysixth legislative assembly affects the balance of inpatient, residential, and community-based services;
- 4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and
- 5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to OctoberJuly 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan."

Page 6, after line 21, insert:

"SECTION 32. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.

- 1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:
 - a. The majority and minority leaders of the house of representatives and the senate, or their designees;
 - b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;
 - c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;
 - d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and
 - e. The chairman of the legislative management, or the chairman's designee.
- 2. The legislative management shall designate the chairman of the committee.
- 3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.
- 4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.
- 5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD

COMMISSION. During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must include consideration of the implementation of the new Olmstead commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS. During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

- 1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;
- 2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;
- 3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and
- 4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - OTHER USES OF VETERANS' HOME FACILITIES. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing other allowable revenue generating uses of the veterans' home facilities and grounds in addition to the purposes identified in section 37-15-02. The study must include an analysis of potential revenue generating activities for the veterans' home facilities and grounds, including a review of the effect on any federal requirements. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Page 6, line 22, replace "16" with "31"

Page 6, after line 22, insert:

"SECTION 37. EMERGENCY. Senate Bill Nos. 2020 and 2297, as approved by the sixty-sixth legislative assembly, are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816	\$21,903,816	
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426	15,807,426	
Capital assets	973,477	2,837,125	2,000,000	4,837,125	4,837,125	
Grants	54.000	54.000		54.000	54.000	
Emergency commission contingency fund	600,000	500,000		500,000	500,000	
Guardianship grants	1,328,600	2,330,000	(380,000)	1,950,000	1,550,000	\$400,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000	1,200,000	
Community service supervision grants	350,000	400,000	(50,000)	350,000	350,000	
Litigation pool		2,500,000	1,000,000	3,500,000	3,500,000	
State student internship		250,000		250 000	250,000	
Total all funds	\$40,154,347	\$49,407,350	\$945,017	\$50,352,367	\$49,952,367	\$400,000
Less estimated income	9,434,087	15,622,886	1,513,629	17,136,515	17,136,515	0
General fund	\$30,720,260	\$33,784,464	(\$568,612)	\$33,215,852	\$32,815,852	\$400,000
FTE	117.00	108.00	4.00	112.00	112.00	0.00

Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding and FTE Positions for IT Unification ²	Reduces Funding for Grants ³	Adjusts One- Time Funding Items ⁴	Total Conference Committee Changes
Salaries and wages Operating expenses Capital assets Grants Emergency commission	\$101,492	\$793,547 (820,022)		(\$1,500,000) 2,000,000	\$895,039 (2,320,022) 2,000,000
contingency fund Guardianship grants Prairie Public Broadcasting Community service supervision grants			(\$380,000) (200,000) (50,000)		(380,000) (200,000) (50,000)
Litigation pool State student internship				1,000,000	1,000,000
Total all funds Less estimated income General fund	\$101,492 13 629 \$87,863	(\$26,475) 0 (\$26,475)	(\$630,000) 0 (\$630,000)	\$1,500,000 1,500,000 \$0	\$945,017 1,513,629 (\$568,612)
FTE	0.00	4.00	0.00	0.00	4.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020, the same as the House. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

² Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing operating expenses by \$820,022, the same as the House. The Senate included the information technology unification project.

³ Funding is reduced for grants as follows:

 \$380,000 for guardianship grants to provide a total of \$1.95 million. The Senate provided \$2.33 million and the House provided \$1.55 million.

- \$50,000 for community service supervision grants to provide a total of \$350,000, the same as the House. The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding, the same as the House. The Senate added \$200,000 of matching grants to provide \$1.4 million.

⁴ Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project, the same as the House. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million, the same as the House. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of \$500,000, the same as the House. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million, the same as the House. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000, the same as the House. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay courtordered judgments against the state. The House also added this section.
- Identifies \$4.22 million from the Capitol building fund for various projects, the same as the House. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation funding pool, the same as the House. The Senate identified \$4.5 million for the assessment and funding pool.
- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium, the same as the House. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The House included this provision but the Senate did not include the provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects, the same as the House. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019, the same as the House. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500, the same as the House. The Senate increased the performance bonus limit to \$2,500.

Removes a section added by the Senate related to the creation of a shared services fund. The House also removed this section.

This amendment also provides for the following which were not in the Senate or House versions:

- Transfers \$764.4 million from the strategic investment and improvements fund to the general fund during the 2019-21 biennium.
- Transfers \$8.6 million from the tax relief fund to the general fund during the 2019-21 biennium.
- Authorizes 1 assistant attorney general FTE position in the Attorney General's office for litigation relating to voter identification.
- Amends House Bill No. 1018 to reduce funding in the Department of Commerce for the nonresident nurse employment recruitment program from \$800,000 to \$500,000.
- Amends Section 23 of House Bill No. 1014 which amended a section relating to the use of funding for the statewide interoperable radio network project.
- Amends Section 23 of House Bill No. 1003 relating to line item transfers for North Dakota University System institutions.
- Amends Section 6-09-49 relating to uses of the infrastructure revolving loan fund.
- Amends Section 15.1-18-10 as amended by Senate Bill Nos. 2013 and 2265 relating to specialty area teacher qualifications.
- Amends Section 54-09-05 as amended by Senate Bill No. 2002 to adjust the effective date of the salary increase for the Secretary of State.
- Amends Section 18 of Senate Bill No. 2012 which directs the Department of Human Services to conduct a study of the placement of individuals in institutions for mental disease.
- Provides for a Legislative Management study of the Olmstead Commission.
- Provides for a Legislative Management study of charitable gaming laws.
- Provides for a Legislative Management study of other potential uses of Veterans' Home facilities.
- Creates a Legislative Management Legacy Fund Earnings Committee and directs a study.
- Declares Senate Bill Nos. 2020 and 2297 to be an emergency measure.

Reengrossed SB 2015 was placed on the Seventh order of business on the calendar.

2019 TESTIMONY

SB 2015

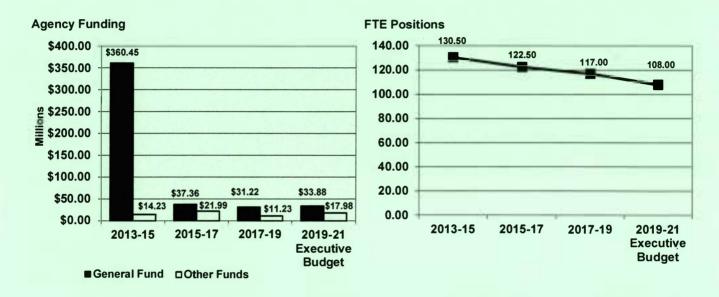
Department 110 - Office of Management and Budget Senate Bill No. 2015

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	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	108.00	\$33,884,743	\$17,976,445	\$51,861,188
2017-19 Legislative Appropriations	117.00	31,220,260	11,234,087	42,454,347
Increase (Decrease)	(9.00)	\$2,664,483	\$6,742,358	\$9,406,841

Executive Budget Comparison to Prior Biennium Appropriations

Ongoing and One-Time General Fund Appropriations							
Ongoing General Fund One-Time General Total General Fund Appropriation Fund Appropriation Appropriation							
2019-21 Executive Budget	\$32,364,743	\$1,520,000	\$33,884,743				
2017-19 Legislative Appropriations	30,720,260	500,000	31,220,260				
Increase (Decrease)	\$1,644,483	\$1,020,000	\$2,664,483				



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$33,884,743	\$17,976,445	\$51,861,188
2019-21 Base Level	30,720,260	9,434,087	40,154,347
Increase (Decrease)	\$3,164,483	\$8,542,358	\$11,706,841

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

		General Fund	Other Funds	Total
1	. Provides funding for state employee salary and benefit increases of which \$765,262 is for salary increases, \$393,022 is for health insurance increases, and \$96,792 is for retirement increases	\$1,035,987	\$219,089	\$1,255,076
2	 Removes 5 FTE positions, including 3 custodians and 2 system mechanics 	(\$560,182)	\$0	(\$560,182)
3	 Underfunds salaries and wages 	(\$210,252)	(\$600,984)	(\$811,246)
4	 Adds funding to reclassify FTE positions, including a director of recruiting, a director of leadership and learning, a training officer, and a public information officer 	\$560,678	\$0	\$560,678
5	 Adds funding for temporary employees 	\$56,400	\$0	\$56,400

6.	Transfers 4 FTE positions, including 1 information technology program administrator, 2 computer networking specialists, and 1 business analyst position, to the Information Technology Department for an information technology unification project resulting in an increase in operating expenses for the agency	\$40,312	\$0	\$40,312
7.	Reduces funding for operating expenses primarily related to information technology costs, maintenance, and equipment and supplies	(\$588,483)	(\$247,461)	(\$835,944)
8.	Adds funding to contract for custodial and maintenance services	\$640,000	\$0	\$640,000
9.	Increases funding for utility costs	\$427,650	\$0	\$427,650
10.	Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	\$483,360	\$0	\$483,360
11.	Adds funding for Microsoft Office 365 licensing	\$55,584	\$21,724	\$77,308
12.	Reduces funding for the Emergency Commission contingency fund to provide a total of \$500,000	(\$100,000)	\$0	(\$100,000)
13.	Reduces funding for bond payments	(\$206,352)	\$0	(\$206,352)
14.	Adds one-time funding from the strategic investment and improvements fund for a litigation funding pool	\$0	\$4,000,000	\$4,000,000
15.	Adds one-time funding from the strategic investment and improvements fund for a comprehensive assessment of state lands and facilities	\$0	\$2,430,000	\$2,430,000
16.	Adds one-time funding from the Capitol building fund for extraordinary repairs, including parking lot repairs (\$600,000), electrical transformer replacement (\$400,000), capitol door refurbishment (\$200,000), cooling equipment replacement (\$200,000), and other unspecified projects (\$500,000)	\$0	\$1,900,000	\$1,900,000
17.	Adds one-time funding for a health savings account incentive funding pool	\$800,000	\$700,000	\$1,500,000
18.	Adds one-time funding from the risk management fund for an information technology project	\$0	\$170,000	\$170,000
19.	Adds one-time funding for special assessments associated with road work on Fourth Street adjacent to the Capitol grounds	\$320,000	\$0	\$320,000
20.	Adds one-time funding for the state student internship program	\$250,000	\$0	\$250,000
21.	Adds one-time funding to implement the ethics commission established through voter approval of Constitutional Measure No. 1 in November 2018	\$100,000	\$0	\$100,000
22.	Adds one-time funding for an electronic procurement study	\$50,000	\$0	\$50,000

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Membe	rships	
	2017-19 Biennium Legislative Budget	2019-21 Biennium Executive Budget
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$117,450	\$122,130
Council of State Governments	169,200	163,940
Governmental Accounting Standards Board	0	0
Western Governors' Association	66,870	72,000
National Governors Association	73,350	75,800
National Lieutenant Governors Association	1,080	2,000
Education Commission of the States	103,500	95,580
Western Interstate Commission for Higher Education ¹	0	0
Total dues and memberships	\$531,450	\$531,450
¹ Funding for the Western Intrastate Commission for Higher Education is inc biennium budget included \$230,000, and the 2019-21 biennium executive		

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

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Strategic investment and improvements fund transfer to budget stabilization fund - Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.

General fund transfer to National Guard training area and facility development trust fund - Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.

Tax relief fund to social services finance fund - Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.

Strategic investment and improvements fund transfer to public employees retirement fund - Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.

Strategic investment and improvements fund transfer to preliminary planning revolving fund - Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.

State student internship program - Section 7 (Second) would authorize the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.

Fiscal management exemption - Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.

Grant and expense designations - Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.

Litigation funding pool - Section 10 would authorize OMB to transfer litigation funding to other state agencies.

Health savings account funding pool - Section 11 would authorize OMB to transfer health savings account funding to other state agencies.

State employee compensation adjustments - Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in 1st year and a 2 percent salary increase in the 2nd year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the 2nd year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.

Emergency Commission borrowing authority - Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.

Shared services fund - Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.

Planning fees for capital improvements - Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.

Line item transfers - Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.

Transfers between agencies - Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.

State employee suggestion incentive program - Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.

State employee performance bonus program - Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.

Health insurance premiums - Sections 22 and 23 would adjust provisions related to health insurance premiums to require state employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.

Deficiency Appropriation

Senate Bill No. 2024 provides a deficiency appropriation of \$408,000 from the general fund for costs related to the Heritage Center lawsuit.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees.

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund.

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the 1st day of the biennium subject to a maximum amount of \$175,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects.

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals.

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies.

Significant Audit Findings

The operational audit for OMB conducted by the State Auditor's office during the 2017-18 interim identified a significant audit finding regarding noncompliance with the distribution of community service supervision grants. (A similar recommendation was also identified in the operational audit during the 2015-16 interim.)

Major Related Legislation

House Bill No. 1057 - Provides guidelines for state employee salary increases of \$300 per month for the 1st year of the 2019-21 biennium and an average increase of 1 percent effective July 2020.

Senate Bill No. 2128 - Provides guidelines for state employee salary increases of \$300 per month for the 1st year of the 2019-21 biennium and an average increase of 3 percent effective July 2020.

Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

Base Lever r analig on anges	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	117.00	\$30,720,260	\$9,434,087	\$40,154,347
2019-21 Ongoing Funding Changes				
Base payroll changes		\$9,781	(\$50,000)	(\$40,219)
Salary increase		631,676	133,586	765,262
Health insurance increase		324,415	68,607	393,022
Retirement contribution increase		79,896	16,896	96,792
Removes FTE positions	(5.00)	(560,182)		(560,182)
Underfunds salaries and wages		(210,252)	(600,994)	(811,246)
Adds funding to reclassify positions		560,678		560,678
Adds funding for temporary employees		56,400		56,400
Adjusts funding and FTE positions for IT unification	(4.00)	40,312		40,312
Reduces funding for operating expenses		(588,483)	(247,461)	(835,944)
Adds funding for contracted custodians		640,000		640,000
Increases funding for utility costs		427,650		427,650
Adds funding for information technology project costs		483,360		483,360
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308
Reduces funding for contingency fund		(100,000)		(100,000)
Reduces funding for bond payments	8	(206,352)	(S	(206,352)
Total ongoing funding changes	(9.00)	\$1,644,483	(\$657,642)	\$986,841
One-time funding items				
Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000
Adds funding for risk management technology project			170,000	170,000
Adds funding for state student internship program		\$250,000		250,000
Adds funding for electronic procurement study		50,000		50,000
Adds funding for special assessments on Capitol grounds		320,000		320,000
Adds funding for a litigation funding pool			4,000,000	4,000,000
Adds funding for a health savings account funding pool		800,000	700,000	1,500,000
Adds funding for an assessment of state lands and facilities			2,430,000	2,430,000
Adds funding to implement the ethics commission		100,000		100,000
Total one-time funding changes	0.00	\$1,520,000	\$9,200,000	\$10,720,000
Total Changes to Base Level Funding	(9.00)	\$3,164,483	\$8,542,358	\$11,706,841
2019-21 Total Funding	108.00	\$33,884,743	\$17,976,445	\$51,861,188

Other Sections for Office of Management and Budget - Budget No. 110

	Executive Budget Recommendation
Strategic investment and improvements fund transfer	Section 3 would transfer \$315 million from the strategic
to budget stabilization fund	investment and improvements fund to the budget stabilization fund during the 2017-19 biennium, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.
General fund transfer to National Guard training area and facility development trust fund	Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.

Other Sections for Office of Management and Budget - Budget No. 110

	Executive Budget Recommendation
Tax relief fund to social services finance fund	Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.
Strategic investment and improvements fund transfer to public employees retirement fund	Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.
State student internship program	Section 7 (Second) would authorize the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.
Fiscal management exemption	Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
Grant and expense designations	Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Litigation funding pool	Section 10 would authorize OMB to transfer litigation funding to other state agencies.
Health savings account funding pool	Section 11 would authorize OMB to transfer health savings account funding to other state agencies.
State employee compensation adjustments	Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in the first year and a 2 percent salary increase in the second year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the second year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Emergency Commission borrowing authority	Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to

Shared services fund

Planning fees for capital improvements

Line item transfers

address a state contingency.

Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.

Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.

Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.

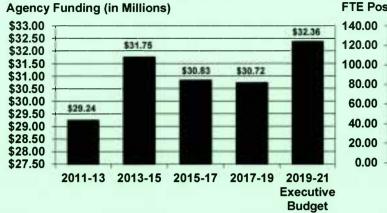
Other Sections for Office of Management and Budget - Budget No. 110

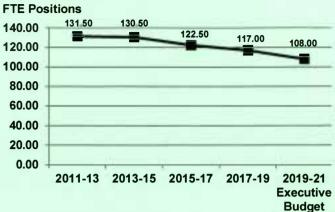
Transfers between agencies	Executive Budget Recommendation Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.		
State employee suggestion incentive program	Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.		
State employee performance bonus program	Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.		
Health insurance premiums	Sections 22 and 23 would adjust provisions related to health insurance premiums to require employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.		

Department 110 - Office of Management and Budget

Historical Appropriations Information







Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$29,238,699	\$31,746,688	\$30,826,724	\$30,720,260	\$32,364,743
Increase (decrease) from previous biennium	N/A	\$2,507,989	(\$919,964)	(\$106,464)	\$1,644,483
Percentage increase (decrease) from previous biennium	N/A	8.6%	(2.9%)	(0.3%)	5.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	8.6%	5.4%	5.1%	10.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. Added funding for Prairie Public Broadcasting	\$337,138
2. Added funding for contracts with external auditors for certain audits	\$300,000
3. Added funding for ConnectND human resources modules	\$171,348
4. Added funding for guardianship grants	\$828,600
2015-17 Biennium	
1. Decreased funding for operating expenses	(\$150,003)
2. Added funding for community supervision grants	\$125,000
 Reduced funding for salaries and wages (\$230,000), operating expenses (\$351,525), the Emergency Commission contingency fund (\$200,000), and Prairie Public Broadcasting (\$100,000) related to the August 2016 budget reductions 	(\$881,525)
2017-19 Biennium	
 Adjusted funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, 1 FTE computer and networking specialist position, 1 FTE facility construction engineer, and 1 FTE human resource officer position 	(\$862,713)
2. Adjusted funding for operating expenses	\$171,178
3. Increased funding for the Emergency Commission contingency fund	\$100,000
4. Added funding for extraordinary repairs and bond payments	\$773,477
 Removed funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) 	(\$501,000)
6. Reduced funding for Prairie Public Broadcasting from \$1,600,000 to \$1,200,000	(\$400,000)
7. Removed funding for the state internship program	(\$200,000)
8. Added funding for community service supervision grants	\$350,000

2019-21 Biennium (Executive Budget Recommendations)

19-21 Diennium (Executive Budget Recommendations)	
 Provides funding for state employee salary and benefit increases of which \$765,262 is for salary increases, \$393,022 is for health insurance increases, and \$96,792 is for retirement increases 	\$1,035,987
2. Removes 5 FTE positions, including 3 custodians and 2 system mechanics	(\$560,182)
3. Underfunds salaries and wages	(\$210,252)
 Adds funding to reclassify FTE positions, including a director of recruiting, a director of leadership and learning, a training officer, and a public information officer 	\$560,678
5. Adds funding for temporary employees	\$56,400
6. Transfers 4 FTE positions, including 1 information technology program administrator, 2 computer networking specialists, and 1 business analyst position, to the Information Technology Department for an information technology unification project resulting in an increase in operating expenses for the agency	<mark>\$40,312</mark>
 Reduces funding for operating expenses primarily related to information technology costs, maintenance, and equipment and supplies 	(\$588,483)
8. Adds funding to contract for custodial and maintenance services	\$640,000
9. Increases funding for utility costs	\$427,650
 Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project 	\$483,360
11. Adds funding for Microsoft Office 365 licensing	\$55,584
12. Reduces funding for the Emergency Commission contingency fund	(\$100,000)
13. Reduces funding for bond payments	(\$206,352)

GOVERNOR'S RECOMMENDATION FOR THE OFFICE OF MANAGEMENT AND BUDGET AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

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 office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, asfollows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	21,596,832	(333,040)	21,263,792
Operating Expenses	14,051,438	4,426,233	18,477,671
Contingency Fund	600,000	(100,000)	500,000
Capital Assets	973,477	1,863,648	2,837,125
Grants	54,000	100,000	154,000
Guardianship Grants	1,328,600	52 - E	1,328,600
Community service grants		350,000	350,000
Prairie Public Broadcasting	1,200,000	20	1,200,000
Litigation Pool	*	4,000,000	4,000,000
State Student Internship	2	250,000	250,000
Health Savings Account	*	1,500,000	1,500,000
Cybersecurity remediation pool	<u> </u>		
Total all funds	39,804,347	12,056,841	51,861,188
Less estimated income	11,234,087	6,742,358	17,976,445
Total general fund	28,570,260	5,314,483	33,884,743
Full-time equivalent positions	117.00	-9.00	108.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items induded in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Surplus Property Building	800,000	

Governor's recommendation as submitted by the Office of Management and Budget

Cybersecurity remediation pool	1,000,000	
Theodore Roosevelt center grant	500,000	3
Extraordinary repairs		1,900,000
IT risk project		170,000
Central services study	•	50,000
Student internship	ā.	250,000
Special assessments	18	320,000
Litigation pool	•	4,000,000
Ethics commission	2	100,000
Real estate plan	2	2,430,000
Health savings account	<u>. </u>	1,500,000
Total All Funds	\$2,300,000	\$10,720,000
Total Special Funds	1,800,000	9,200,000
Total General Funds	\$500,000	\$1,520,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3 TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENT FUND TO BUDGET STABILIZATION FUND. The office of management and budget shall transfer the sum of \$315,039,140, or so much of the sum as may be necessary, to the budget stabilization fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 4 - TRANSFER - GENERAL FUND TO NATIONAL GUARD TRAINING AREA AND FACILITY DEVELOPMENT TRUST FUND. The office of management and budget shall transfer the sum of \$15,000,000 to the national guard training area and facility development trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - TAX RELIEF FUND TO SOCIAL SERVICES FINANCE FUND. The office of management and budget shall transfer the sum of \$182,300,000, or so much of the sum as may be necessary, from the tax relief fund to the social services financing fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO THE PENSION FUND. The office of management and budget shall transfer the sum of \$265,000,000 from the strategic investment and improvements fund to the public employees retirement fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER - REVOLVING FUND FOR PREPAYMENT OF CONSULTING AND

PLANNING FEES. The office of management and budget shall transfer the sum of \$1,000,000 from the strategic investment and improvement fund to the revolving fund, established pursuant to section 54-27-22, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency appropriated general fund spending authority from the state student internship program line item contained in section 1 of this Act.

SECTION 8. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 49 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems including accounting, management, and payroll, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork State memberships and related expenses Unemployment insurance Capitol grounds planning commission

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET – LITIGATION POOL. The office of management and budget may transfer to each eligible agency appropriation authority from the litigation pool line item contained in section 1 of this Act. Transfers may be made for the purpose of providing litigation services for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET – HEALTH SAVINGS ACCOUNT. The office of management and budget may transfer to each eligible agency appropriation authority from the health savings account line item contained in section 1 of this Act. Transfers may be made for the purpose of providing a \$500 contribution to eligible employee's health savings account in January, 2020 and January, 2021.

SECTION 12. STATE EMPLOYEE COMPENSATION ADJUSTMENT - GUIDELINES. The 2019-21 biennium compensation adjustment for classified state employees is to be based on documented performance with up to a 4 percent increase for the first year of the biennium and 2 percent for the second year. If savings resulting from employee reductions can be identified an additional 2 percent is authorized for the second year.

Probationary employees are not entitled to the salary increase. However, probationary employees may be given all or a portion of the increase effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow NDCC 54-44.2-01.2.

An employee whose overall documented performance level does not meet standards is not eligible for any salary increase.

SECTION 13. Section 54-16-04.4 of the North Dakota Century Code is created and enacted as follows:

54-16-04.4. Authority to borrow funds.

The emergency commission, upon the advice of the office of management and budget, may authorize the office of management and budget to borrow moneys from the Bank of North Dakota for state contingencies as provided in this chapter. Moneys borrowed from the Bank of North Dakota pursuant to this section may not exceed five million dollars during any state biennial period. Moneys borrowed pursuant to this section may be transferred by the office of management and budget to the appropriation of the state agency, board, commission or officer who requested the funding to address a state contingency as approved by the emergency commission. Any state agency, board, commission, or officer receiving moneys pursuant to this section must return any unspent moneys within the biennium in which it was authorized. The office of management and budget shall request from the legislative assembly a deficiency appropriation sufficient for the repayment of the amount borrowed plus interest.

SECTION 14. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund – Creation – Appropriation. There is created in the state treasury a state shared services fund. Any payment to a state agency or institution received from another state agency or institution as a result of a shared services agreement must be deposited in the state shared services fund. Any moneys deposited by a state agency or institution in the state shared services fund are hereby appropriated to that agency or institution for the purposes of defraying the costs of equipment, operating expenses, or salaries relating to the shared services agreement.

SECTION 15. AMENDMENT. Section 54-16-04 of the North Dakota Century Code is amended and reenacted as follows:

54-16-04. May order transfer of moneys between funds - Line item transfers - Order may draw from state treasury.

The emergency commission, upon the advice of the office of management and budget, may order money or spending authority transferred from one fund or line item to another fund or line item belonging to or appropriated for the same institution or board or the same state enterprise, may order a transfer of spending authority from the state contingencies appropriation, <u>may order borrowing from the Bank of North Dakota pursuant to section 54-16-04.4</u>, or, in an extremity, may authorize money to be drawn from the state treasury to meet the emergency until the legislative assembly can make an appropriation available. The following transfers, if authorized by the emergency commission, require the approval of the budget section of the legislative management:

- 1. A transfer of moneys or spending authority which would eliminate or make impossible the accomplishment of a program or objective funded by the legislative assembly.
- 2. A transfer exceeding fifty thousand dollars from one fund or line item to another fund or line item, unless the transfer is necessary to comply with a court order or to avoid:
 - a. An imminent threat to the safety of people or property due to a natural disaster or war crisis; or
 - b. An imminent financial loss to the state.

SECTION 16. AMENDMENT. Section 54-27-22 of the North Dakota Century Code is amended and reenacted as follows:

54-27-22. Revolving fund for prepayment of consulting and planning fees for capital

improvements.

Funds must be made available to all state agencies, institutions, and departments from a preliminary planning revolving fund in the state treasury under the control of the director of the office of management and budget for studies, planning, architectural programming, schematic designs, and cost estimates relating to proposed new capital improvements and major remodeling of existing facilities. State agencies, institutions, and departments interested in obtaining planning moneys shall submit a written request detailing the scope and purpose of such project to the director of the office of management and budget. The director shall file such request with, and shall present the director's recommendations regarding the proposed project and necessary planning moneys report to the budget section of the legislative management, at least once each year, regarding expenditures from the fund. Funds may be advanced only in the event that an authorization has first been received from the budget section. Such funds advanced must be repaid to the preliminary planning revolving fund as moneys become available through legislative appropriation or other sources for the commencement of the project.

SECTION 17. LINE ITEM TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 18. TRANSFER AUTHORITY BETWEEN AGENCIES. Notwithstanding any other sections of the law, the governor may direct the office of management and budget to transfer up to one percent of the legislatively approved general fund appropriation for the following agencies to implement and promote efficient practices in state government: the office of the governor, office of management and budget, information technology department, department of health, department of environmental quality, Indian affairs commission, job service North Dakota, department to labor and human rights, securities department, highway patrol, department of corrections and rehabilitation, office of the adjutant general, department of commerce, water commission, and department of transportation. Transfers may occur for the period beginning July 1, 2019, and ending June 30, 2021 under the following provisions:

- The governor has transferred duties between executive branch agencies when an agency has demonstrated they are able to perform the specific duty more efficiently, thereby creating a savings to the state equal to at least ten percent of the amount transferred.
- 2. The govemor has identified projects or initiatives which will generate efficiency and cost savings for the state, equal to at least ten percent of the amount transferred.
- 3. Any general fund savings amount will be turned back to the general fund at the end of the biennium.
- 4. The office of management and budget shall report to the budget section regarding the purposes of the transfers and documented efficiencies and savings that occurred from such transfers.
- 5. The transfers are to be considered a reduction in the base budget for the agency from whom the transfer is made and an increase in the base budget for the agency which received the transfer.

SECTION 19. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 20. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

SECTION 21. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations. State agencies may provide monetary performance bonuses to their employees under this section.

1. State agencies may pay bonuses under this section if:

a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;

b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and

c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.

2. State employees are eligible to receive a bonus under this section only if:

a. The employee has held a position in state government for at least one year before a bonus is paid;

b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and

c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.

3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than <u>one thousand two thousand five hundred</u> dollars in bonuses per fiscal year.

4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.

5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.

6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 22. AMENDMENT. Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-06. State contribution.

Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract for the full blended single and alternate family contract rate monthly premium for each of its eligible employees enrolled in the non-grandfathered uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. Employees who elect to remain in the grandfathered uniform group insurance program, if it is still offered to employees, shall pay the blended single and family rate difference in monthly premium between the grandfathered and non-grandfathered uniform group insurance programs. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such

payment at the time the right arises.

SECTION 23. AMENDMENT. Section 54-52.1-18 of the North Dakota Century Code is amended and reenacted as follows:

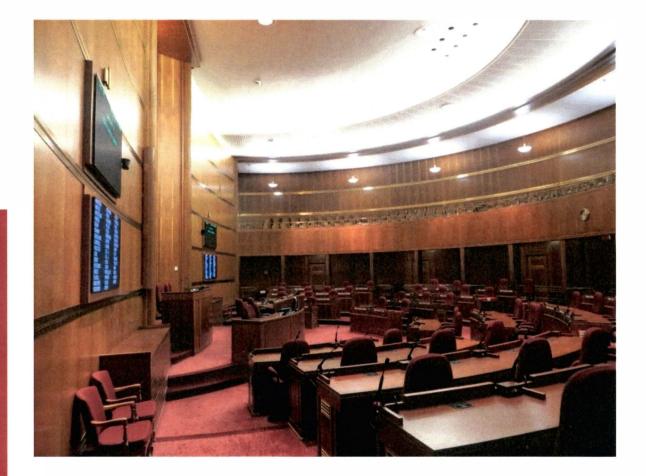
54-52.1-18. High-deductible health plan alternative with health savings account option.

- 1. The board shall develop and implement a high-deductible health plan as an alternative to the plan under section 54-52.1-02. The high-deductible health plan alternative with a health savings account must be made available to state employees by January 1, 2012. After June 30, 2015, at the board's discretion, the high-deductible health plan alternative may be offered to political subdivisions for coverage of political subdivision employees. If a political subdivision elects this high-deductible option, the political subdivision may not offer the plan under section 54-52.1-02.
- 2. Health savings account fees for participating state employees must be paid by the employer.
 - a. Except as provided in subdivision b, subject to the limits of section 223(b) of the Internal Revenue Code [26 U.S.C. 223(b)], the difference between the cost of the <u>respective non-grandfathered</u> single and family premium for eligible state employees under section 54-52.1-06 and the premium for those employees electing to participate under the high-deductible health plan under this section must be deposited in a health savings account for the benefit of each participating employee.
 - b. If the public employees retirement system is unable to establish a health savings account due to the employee's ineligibility under federal or state law or due to failure of the employee to provide necessary information in order to establish the account, the system is not responsible for depositing the health savings account contribution. The member will remain a participant in the high-deductible health plan regardless of whether a health savings account is established.
 - c. If a member closes the health savings account established for that member under this section, the system is not responsible for depositing the health savings account contribution after that closure.

3. Each new state employee must be provided the opportunity to elect the high-deductible health plan alternative. At least once each biennium, the board shall provide an open enrollment period allowing existing state employees or a political subdivision to change their coverage.

58 2015 1-9-2019 **Office of Management** (Cover) **and Budget** Testimony on Senate Bill 2015

#1



Senate Appropriations Committee January 9, 2019

Testimony in Support of SB 2015 Joe Morrissette, Director **Office of Management and Budget** January 9, 2019

Good afternoon Chairman Holmberg and members of the Senate Appropriations Committee. I am Joe Morrissette, the Director of the Office of Management and Budget.

The Office of Management and Budget consists of five separate divisions, each with a unique mission and function. In many ways, because our divisions are so distinct and different from each other, we have operated as five separate agencies. We have taken steps this biennium to work more cohesively as a single agency and find efficiencies and savings by working together. The one thing that unites us is the fact that we are a service agency and each division serves the people and agencies of state government. A common goal among all our divisions is to provide outstanding customer service. Once each biennium, we reach out to our customers to get feedback and gauge our success through a customer survey. We conducted this survey most recently in September 2018. Hopefully some of you responded to the survey. Our results were very positive with over 93 percent of respondents indicating satisfaction with the services provided across all divisions of OMB. However, we review all responses and comments to take a critical look at what we do and determine how we can be better – we are always seeking to improve.

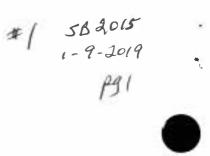
Agency Divisions

With me today are the directors of all divisions. I will introduce them as I discuss each division. They are available to answer any specific questions you have. Attached to my testimony are organizational charts for OMB and for each division.

Fiscal Management – This division includes Administration and State Financial Services. Administration has 7 FTE including me, an administrative assistant and 5 budget analysts. State Financial Services has 14 FTE and provides the following services for state government:

- Performs accounting, payroll, and financial reporting functions.
- Establishes fiscal and administrative policies to provide uniformity, consistency and best practices for state agencies.
- Manages the state purchasing card program which returns millions of dollars to the state government, higher education, and participating state political subdivisions through purchasing rebates. A total of \$10.1 million, \$3.4 million for the state general fund, has been received over the past six years alone.
- Prepares our state comprehensive annual financial report.
- Manages our state financial transparency site to provided public access to state finances.
- The Director of State Financial Services is Jeff Larshus.





Central Services – This division has 25 FTE and performs the following services: 1-9-20

- State Procurement, which provides purchasing assistance, guidelines, and training to state agencies.
- Central Supply, which provides office products for state agencies.
- Vendor Registry, which assists entities doing business with the state.
- Central Duplicating, which provides printing, design, and mailing services for state agencies.
- Surplus Property, which manages the distribution and disposition of state and federal property.
- Central Mailroom Services for the state capitol. Central Mailroom Services were previously operated by the Facility Management Division but have been realigned under Central Services to provide efficiency and cross-training opportunities. (The reallocation of this FTE has not been reflected in the budget documents.)
- The Director of Central Services is Sherry Neas.

Facility Management – This division has 46 FTE's and performs the following services:

- Maintains the state capitol complex, including buildings and grounds through a dedicated team of skilled trades workers, maintenance workers, and custodians.
- Provides lease negotiation and administration services to state agencies.
- Provides tours of the capitol.
- The Director of Facility Management is John Boyle.

Human Resource Management – This division has 11 FTE's in the executive budget recommendation and performs the following services:

- Provides human resource guidance, assistance, training, and mediation services for state agencies.
- Promotes consistent HR practices among state agencies.
- Maintains the state classification system.
- Develops and supports processes and systems for learning management, performance management, recruitment and human resource recordkeeping.
- Coordinates statewide recruiting efforts in a comprehensive and efficient manner for all state agencies and institutions through the <u>proposed</u> Director of Recruiting.
- Coordinates and delivers statewide professional development and leadership training to all state team members through the <u>proposed</u> Director of Leadership and Learning.
- The Director of HRMS and the state Chief People Officer is Lisa Kudelka.

Risk Management – This division has 5 FTE's and performs the following services:

- Provides an online reporting system for agencies to report incidents.
- Oversees claims against the state and state employees through the Risk Management Fund.





• Administers the single workers compensation account for state agencies, which results in significant savings in Workers Compensation Insurance premiums for state government.

SB 2015 1-9-2019

- Provides loss control services.
- Facilitates criminal background checks for individuals accessing sensitive information on the PeopleSoft system.
- Purchases insurance covering state workers traveling abroad on official business.
- The Director of Risk Management is Tag Anderson.

Major Accomplishments from 2017-19

- Conducted analysis of lease vs. own options for Surplus Property facility. Determined it was not cost effective to utilize the \$800,000 special fund appropriation authority provided by the 2017 Legislative Assembly for purchase or construction of a new facility. Instead renegotiated lease for nearly 40 percent annual savings compared to prior lease.
- Worked collaboratively with higher education to synchronize purchasing thresholds for all state agencies and higher education institutions, creating efficiencies in training and administration and creating a simplified system for entities doing business with the state.
- Conducted analysis of contracting vs. FTE for certain custodial services and mechanical services. Eliminated the need for two custodial positions and two systems mechanic positions by utilizing contracted services for a biennial general fund savings of approximately \$200,000.
- Facilitated the purchase of a cyber liability insurance policy that covers all state entities except the Bank of North Dakota, which has its own coverage.
- Enhanced and upgraded the state transparency website to provide enhanced functionality and user experience at no additional cost to state.
- Enhanced and upgraded PeopleSoft systems.
- Assumed responsibility for Bank of North Dakota payroll operations with no additional OMB payroll staff, creating efficiency for BND operations.
- Assumed complete payroll functions for additional small agencies, to bring total to 13 agencies for which OMB performs all payroll actions. For nearly all other state agencies, the agency performs limited payroll administrative functions while OMB processes payroll centrally.
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the state Comprehensive Annual Financial Report (CAFR).
- Received the GFOA Distinguished Budget Presentation Award for the state budget documents.
- Conducted biennial customer service survey and received over 90% favorable rating from customers.



- Made progress aligning HR operations across cabinet agencies through the
 Made progress aligning HR operations across cabinet agencies through the
 - Universal employment policies to reduce duplication and create consistency.
 - A uniform performance evaluation process to provide consistency in evaluation methods.
- Conducted custom salary survey using existing staff resources and expertise, avoiding the need to contract for this service while providing policy makers objective information to compare ND state government salaries to the private sector.
- Created HR dashboard to provide increased transparency of HR data for agency managers.
- Updated training offerings and standardized leadership training to provide development opportunities for state employees.
- Conducted analysis of all agency positions that became open through attrition or the voluntary separation incentive program (VSIP) to find opportunities for efficiency, combining of job duties, and reorganization. Found opportunities to eliminate 5 FTE positions at significant long-term savings for the state.

<u>Budget</u>



The attached schedule shows the current biennium spending in fiscal year 2018, remaining appropriation authority available for the rest of the 2017-19 biennium, and the 2019-21 biennium recommended appropriation for ongoing and one-time spending. **Significant Budget Items and Changes - 2019-21 Budget Recommendation**

- Salaries and Wages The salaries and wages line is decreased by \$333,040 due to the following:
 - Elimination of 2 FTE systems mechanics due to more cost-effective contracting for these services (positions became vacant through VSIP participation).
 - Elimination of 2 FTE custodial positions due to more cost-effective contracting for these services (positions became vacant through normal attrition).
 - Elimination of 1 FTE custodian position which became vacant.
 - Transfer of 4 FTE to ITD as part of IT unification process.
 - Reprioritization of two vacant facility management positions (grounds maintenance and custodian) to the HRMS Division to create two new positions (Director of Recruiting and Director of Leadership and Learning). These two new positions will add to our ability to attract talent and to fully develop and train our state employees. In the past, no single person has been responsible for recruiting for all of state government. Recruiting has been handled individually be each state agency working independently. Although HRMS has had a training function since the position was first filled by our current Interim Chief People Officer, HRMS has not had the resources to



coordinate various training programs provided individually by various agencies or to provide a full range of leadership development programs.

SB 2015 1-9-2019

- Reprioritization of 1 FTE account budget specialist to a public information officer to develop and implement marketing plans for our business operations in Central Duplicating and Surplus Property, to coordinate and manage the content of a state intranet site to facilitate communication with all state team members, and to manage all agency communications.
- Addition of \$1,255,076 for the executive compensation package.
- **Operating Expenses** The operating expenses line is increased by \$4,426,233 due to the following:
 - Facility Management Division increases of:
 - \$427,650 for anticipated utility increases for electricity, gas and water service for the capitol complex.
 - \$640,000 for additional contracted services for custodial work, systems mechanical services, snow removal, and grounds keeping (which result in a net savings compared to FTE costs).
 - Special assessment installment charges of \$320,000 from the city of Bismarck for street improvements around the capitol building.
 - Fiscal Management Division increase of \$23,577 related to additional IT costs for:
 - Additional services from ITD to reduce backlog of outstanding work items relating to PeopleSoft.
 - Continued enhancements and maintenance of Peoplesoft finance and payroll systems.
 - Central Services Division request for \$50,000 to conduct analysis of state agency and higher education needs and opportunities for creating a combined electronic procurement system and development of proposal for consideration by the 2021 Legislative Assembly.
 - Anticipated increase of \$833,859 for ITD charges to support positions transferred from OMB to ITD as part of unification.
 - Anticipated increase of \$77,308 for ITD charges to support Office 365.
 - Request for \$2.4 million appropriation from the Strategic Investment and Improvements Fund (SIIF) to contract for a comprehensive statewide real estate study. This request is based on \$.10 per square foot for the 24.3 million square feet included in the nearly 1,600 state-owned buildings. Each agency manages their own real estate using their own maintenance standards and differing levels of staff resources and expertise. A comprehensive assessment of all buildings, including their use, condition, operating costs, maintenance needs, staffing, and best long-term use has never been completed. We believe although this is a significant investment, it is a small amount in relation to the benefits and potential cost savings it will yield. State owned buildings have a current value of approximately \$3.5 billion. The requested cost of this assessment represents only .07 percent of current value.



Included in the operating line is the appropriation of \$531,450 for statewide dues, which is continued at the 2017-19 biennium level for the following:

#1 SB 2015

- Commission on Uniform State Laws \$122,130
- Council of State Governments \$163,940
- Western Governor's Association \$72,000
- National Governor's Association \$75,800
- National Lieutenant Governor's Association \$2,000
- Education Commission of the States \$95,580
- **Contingency Fund** The contingency fund line is reduced by \$100,000, to a total of \$500,000 to reflect a reduced need for this appropriation if the borrowing authority proposed in Section 13 of the OMB bill draft is approved. Section 13 proposes authority for the Emergency Commission to authorize OMB to borrow up to \$5 million from the Bank of North Dakota as a line of credit to respond to state contingencies. The past appropriations of \$600,000 to \$700,000 are rarely used in their entirety but would be inadequate to respond to a significant event. Any funds borrowed under this proposed authority would be repaid with a deficiency appropriation requested from the subsequent Legislative Assembly.
- Capital Assets The capital assets line is increased for the following:
 - \$1.9 million from the Capitol Building Fund for extraordinary repair projects for the capitol building and other buildings on the capitol grounds campus.
 - \$170,000 from Risk Management Division special funds for replacement or upgrade of the Risk Information Management IT system.
- **Grants** The grants line is increased by \$100,000 from the general fund for potential expenses of the Ethics Commission. Grants are continued at the 2017-19 biennium level of \$54,000 for the following:
 - o Boys and Girls Clubs \$53,000
 - COSE \$1,000
- **Guardianship Grants** Guardianship grants are continued at the current level of \$1,328,600. Representatives of the North Dakota Association of Counties and guardianship programs are here to speak to this request.
- **Community Service Grants** Grants to community service programs are continued at the current biennium level of \$350,000.
- **Prairie Public Broadcasting** The grant to Prairie Public Broadcasting is continued at the current level of \$1,200,000. John Harris, President and CEO of Prairie Public Broadcasting is here and will offer testimony in support of this grant.
- Litigation Pool The executive recommendation includes \$4 million from SIIF for establishment of a litigation pool. Several agencies requested appropriation authority for potential litigation costs that could be incurred during the 2019-21 biennium, such as the Tax Department, Department of Mineral Resources, and Public Service Commission. Rather than provide separate appropriations to each of these agencies for unknown costs, the most efficient approach is a central pool that can be allocated by OMB if needed or returned to SIIF at the end of the biennium if unused.



• State Student Internship – The executive recommendation includes \$250,000 from the general fund to re-establish the state internship program. This program has been in place in the four bienniums preceding the current biennium and has been utilized by state agencies to offset the costs of student internships. It is a successful and proven program that supports internships across state government, provides valuable training opportunities to students and, in many cases, opens the door to long-term state employment for those interns.

| 5B 2015 1-9-2019

- Health Savings Incentive The executive recommendation includes \$1.5 million, including \$800,000 from the general fund and \$700,000 special fund authority, to provide incentive contributions to employee Health Savings Accounts (HSAs) for employees who elect to enroll in the state's existing high deductible health insurance plan. Although the plan has been offered for several years and enrollment has grown, it has only around 340 participants. Although this plan offers additional coverages not available under the main grandfathered plan, it comes with higher out of pocket costs for coinsurance and deductibles. We believe there will be a long-term benefit for the state if additional employees participate in this plan and take a more active role in managing their health care costs. This is a pilot proposal to incentivize participation in the plan through an annual \$500 contribution into a participating employee's HSA in January 2020 and 2021.
- **Cybersecurity Remediation Pool** The one-time special fund appropriation of \$1 million for the cyber security remediation pool is removed.

Requested Sections to Be Added to SB2015

Section 3 – Transfer from SIIF to Budget Stabilization Fund – This section authorizes the transfer of \$315 million from SIIF to the Budget Stabilization Fund, the estimated amount required to bring the fund to its maximum balance of 15% of recommended general fund appropriations for the 2019-21 biennium. A key component of the executive budget is restoration of the Budget Stabilization Fund balance and this transfer is necessary to bring the fund to its maximum balance. With a state budget heavily influenced by swings in volatile commodity prices, restoration of the Budget Stabilization Fund should be a priority to mitigate the risks to the state and its constituents.

Section 4 – Transfer from general fund Legacy earnings to National Guard Training Area and Facility Development Trust Fund – This section provides for a transfer of \$15 million from the general fund, available from Legacy Fund earnings transferred into the general fund, to the National Guard Training Area and Facility Development Trust Fund. This is an existing state fund with no balance. Once transferred into the fund, moneys will be available for the National Guard to purchase or lease land necessary to expand Camp Grafton training areas.

Section 5 – Transfer from Tax Relief Fund to Social Services Finance Fund – This section provides for the transfer of \$182.3 million from the Tax Relief Fund to the Social Services Finance Fund for costs associated with the redesign of regional social services



and continuation of the transfer of social services administration from counties to the $\frac{1-9-2019}{M_2 8}$

Section 6 – Transfer from SIIF to ND PERS Pension Fund – This section provides for the transfer of \$265 million from SIIF to the ND PERS Pension Fund which, along with various policy proposals and an additional 1% payroll contribution from the state and employees, will eliminate the current \$1.1 billion unfunded liability by 2036.

Section 7 – Transfer from SIIF to Capital Planning Revolving Fund – This section provides for the transfer of \$1 million from SIIF to the Capital Planning Revolving Fund. The Capital Planning Revolving Fund is an existing state fund with a minimal balance. The purpose of the fund is to advance funding for development of architectural plans and cost estimates for proposed projects to be considered by the legislature. The fund has been inactive for several bienniums, but it is a valuable tool for state agency capital planning purposes.

Section 7.1 – Authority to allocate funding appropriated for state internship program – This section provides authority for the Human Resource Management Services division to transfer funds from the state internship line to any participating state agency.



Section 8 – Turnback exemption for Fiscal Management Division – This section continues authority that has been provided by previous Legislative Assemblies for any unspent funds in the Fiscal Management division to be carried forward for use in the development and operation of state financial systems.

Section 9 – Intent for grants – This section, which has been included in the OMB bill in the past, provides direction for certain grants and other items included in Section 1 of the bill. Amounts that should be included in this section are:

•	Boys and Girls Clubwork	\$53,000
•	State memberships	\$531,450

- Unemployment insurance \$2,000,000
- Capital Grounds Planning Commission \$25,000

Section 10 – Litigation pool – The executive recommendation includes \$4 million from SIIF for establishment of a litigation pool. This section provides authority for OMB to transfer funds from this pool to state agencies as needed to address litigation costs.

Section 11 – Health savings account incentive pool – The executive recommendation includes \$1.5 million for establishment of an HSA incentive pool. This section provides authority for OMB to transfer funds from this appropriation to state employee HSAs.



Section 12 – State employee compensation adjustment guidelines – This section provides direction for distribution of state employee salary increases. Funding

adjustments for all state agencies and institutions were 4% the first year and 2% the second year. Authority is provided for an additional 2% the second year if state agencies and institutions can identify long-term salary savings. Compensation increases are to be distributed based on performance.

| SB 2015 1-9-2019

Section 13 – Emergency Commission borrowing authority – This section proposes authority for the Emergency Commission to authorize OMB to borrow up to \$5 million from the Bank of North Dakota, as a line of credit to respond to state contingencies. The current and past appropriations of \$600,000 to \$700,000 are rarely used in their entirety but would be inadequate to respond to a significant event. Any funds borrowed under this proposed authority would be repaid with a deficiency appropriation requested from the subsequent Legislative Assembly.

Section 14 – Shared service fund – This section creates a new state fund, called the Shared Services Fund. Creation of this fund would facilitate sharing between state agencies and has the potential to create long-term savings for the state. Without the creation of this fund, agencies have no incentive to create efficiency through shared service agreements. For example, if two agencies are collocated and could find cost savings through sharing costs for a copier, this fund could create a needed incentive to encourage purchase of one shared copier. Without this fund, if Agency A purchases the copier and Agency B wants to share the costs, any payments made to Agency A typically must be deposited into the general fund and the agency receives no benefit and is unable to offset any costs. Creation of this fund would allow Agency A to accept payments from Agency B, deposit those moneys in the Shared Services Fund, then use those moneys to offset costs associated with the copier.

Section 15 – State contingency borrowing authority – This section proposes a statutory change related to the state contingency borrowing authority in Section 13.

Section 16 – Statutory change relating to Capital Planning Revolving Fund – This section proposes a statutory change relating to the Capital Planning Revolving Fund, replacing Budget Section authorization with reports to the Budget Section.

Section 17 – State employee performance bonus program – This section proposes a statutory change relating to the state employee performance bonus program. Under current law, bonuses are limited to \$1,000 per employee and limited to no more than 25% of employees in the agency. The program was first authorized in 2001 and the maximum amount has never been increased. Increases in state employee compensation and inflation have eroded the value of this incentive over the past 18 years. Increasing the maximum thresholds will make the program more meaningful and increase its impact. There is no fiscal impact because any bonuses distributed must be funded from an agency's existing appropriation.



Section 18 – State employee contribution to existing health plan – This section proposes statutory changes which require a monthly contribution towards the health insurance premium for employees continuing enrollment in the current grandfathered health plan. Under the executive recommendation for state employee health insurance, the plan with the premium fully paid by the state would become a new non-grandfathered plan and employees continuing enrollment in the current grandfathered plan would pay a premium contribution of approximately \$28 per month, which is the difference in premium between the two plans.

#1 SB 2015

Section 19 – State contribution to health savings accounts – This section proposes statutory changes that clarify the state contribution to an HSA for an employee participating in the high deductible health plan is the difference in premium between the high deductible health plan and the non-grandfathered plan.

Section 20 – Line item transfers – This section proposes authority to allow limited transfers between the line items contained in Section 1 of the bill. This language has been proposed for all cabinet agencies and is similar, but more limited to what the legislature has authorized in the past for administrative discretion for the legislative and judicial budgets. Although in the case of the legislative and judicial budgets there is no limitation regarding the transfers, this section proposes limited transfer authority of up to 10% of the total appropriation. Any transfer in excess of that amount would require Emergency Commission approval. Current authority to transfer with Budget Section and Emergency Commission approval is often ineffective to address issues that arise during the last 8 to 10 months of each biennium due to a lack of meetings of those committees during legislative session. This administrative flexibility would allow agencies to be more responsive to unforeseen changes, operate more efficiently, and still provide legislative oversight through required reports to the Legislative Council or a designated committee.

Section 21 – Governor's authority to transfer between cabinet agencies – This section proposes authority for the Governor to transfer appropriation authority between cabinet agencies up to 1% of the legislatively approved general fund appropriation to all cabinet agencies. Transfers must create efficiency and cost savings. *If utilized, this transfer authority requires identified savings and turnback to the general fund of at least 10% of the amount transferred.* This very limited administrative flexibility could yield significant gains in efficiency and cost savings and allow the executive branch to be more responsive to circumstances that develop during the interim. Legislative oversight is provided through required reports to the Budget Section regarding any transfers made pursuant to this authority.

Section 22 – Repeal of existing State Employee Suggestion Incentive Program – This section repeals North Dakota Century Code Section 54-06-24 relating to the State Employee Suggestion Incentive Program. The current program has had very limited success in creating cost savings for the state. Identifying and quantifying cost savings is often administratively difficult and time consuming. Expansion of the State Employee



Performance Bonus program, as proposed in Section 17, will allow expanded use of bonuses and eliminate the need for the State Employee Suggestion Incentive Program.

Section 23 – Emergency clause – This section provides an emergency effective date for transfer to the Budget Stabilization Fund, as proposed in Section 3.

Mr. Chairman and members of the Senate Appropriations Committee, I ask your support for the recommended OMB budget, as well as the various transfers, statutory changes, and other sections included in the OMB submitted bill draft attached to my testimony. I would be happy to answer any questions you have.



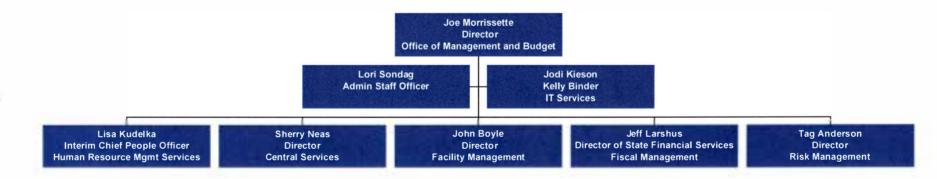


Office of Management and Budget 2017-19 and 2019-21 Biennium Budget

	Actual Expenditures FY 2018	Remaining Appropriation FY 2019	2017-19 Appropriation	Change from 17-19 to 19-21	2019-21 Budget Recommendation	On-going	One-time
Salaries and Wages	10,063,807	11,533,025	21,596,832	(333,040)	21,263,792	21,263,792	0
Operating Expenses	5,427,366	8,624,072	14,051,438	4,426,233	18,477,671	15,677,671	2,800,000
Contingency Fund	0	600,000	600,000	(100,000)	500,000	500,000	0
Capital Assets	466,261	1,307,216	1,773,477	1,063,648	2,837,125	767,125	2,070,000
Grants	201,000	703,000	904,000	(750,000)	154,000	54,000	100,000
Guardianship Grants	664,300	664,300	1,328,600	0	1,328,600	1,328,600	0
Community Service Grants	0	0	0	350,000	350,000	350,000	0
Prairie Public Broadcasting	600,000	600,000	1,200,000	0	1,200,000	1,200,000	0
Litigation Pool	0	0	0	4,000,000	4,000,000	0	4,000,000
State Student Internship	0	0	0	250,000	250,000	0	250,000
Health Savings Account	0	0	0	1,500,000	1,500,000	0	1,500,000
Cybersecurity Remediation Pool	0	1,000,000	1,000,000	(1,000,000)	0	0	0
Total Funding	17,422,734	25,031,613	42,454,347	9,406,841	51,861,188	41,141,188	10,720,000
General Fund	13,605,524	17,614,736	31,220,260	2,664,483	33,884,743	32,364,743	1,520,000
Other Funds	3,817,210	7,416,877	11,234,087	6,742,358	17,976,445	8,776,445	9,200,000
FTE			117.00	(9.00)	108.00		

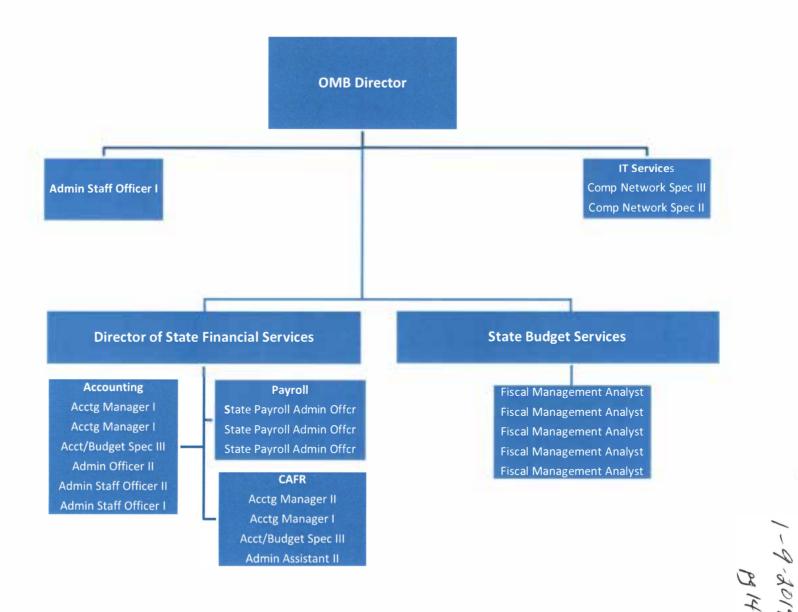
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Office of Management and Budget Organizational Chart





Fiscal Management Division Rev. 12/18

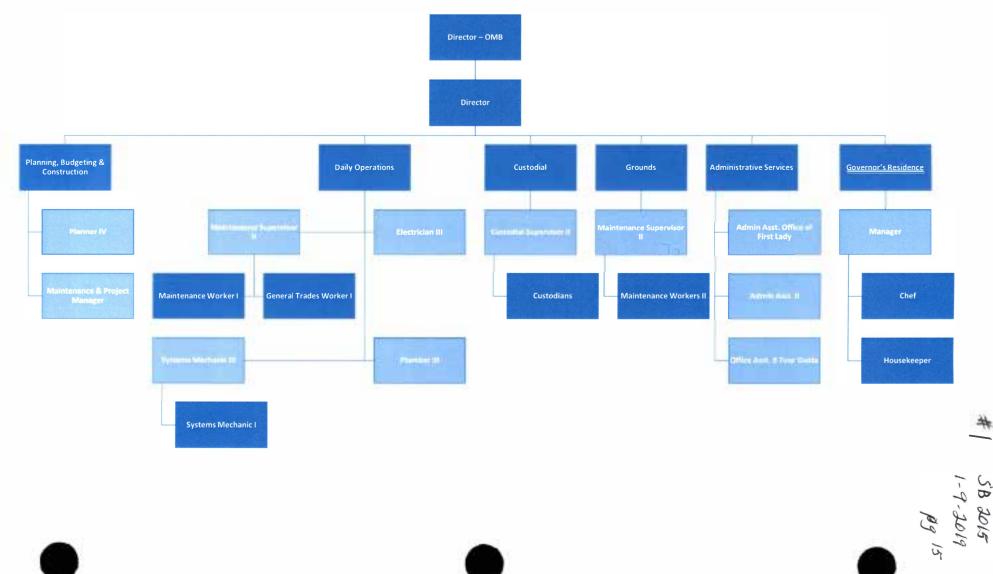


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Office of Management and Budget

Facility Management Division Rev. 1/19



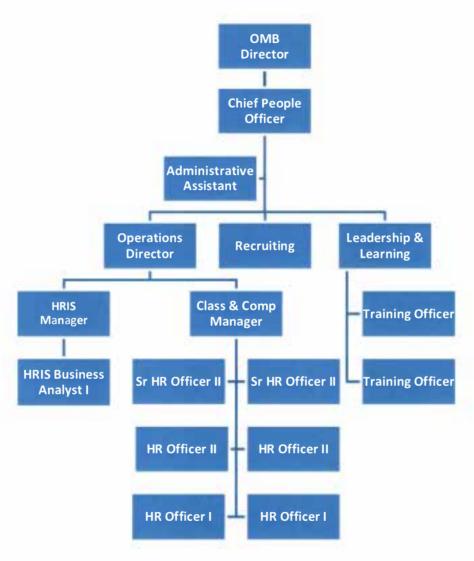
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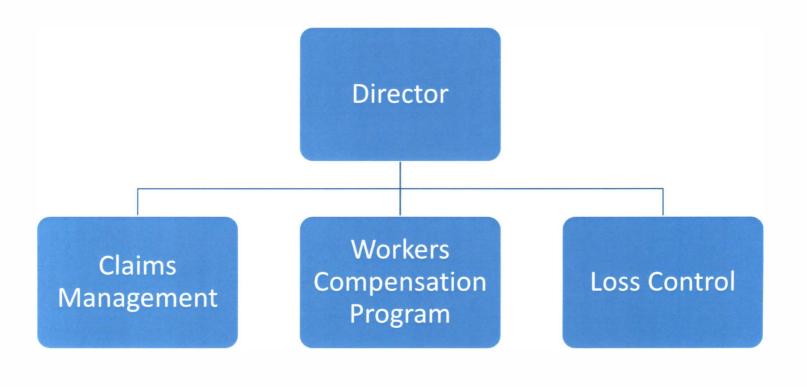


Proposed Human Resource Management Services



0 9-2015 19-2019 14

OMB – Risk Management Division January 2019



SB 201

Sixty-sixth Legislative Assembly of North Dakota

1 SB 2015 1-9-2019 Mg 18

SENATE BILL NO. 2015 (Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 54-16-04 of the North Dakota Century Code, relating to transfer of moneys between funds; to amend section 54-27-22 of the North Dakota Century Code, relating to the revolving fund; to add section 54-16-04.4 to North Dakota Century Code, relating to borrow funds; to provide an exemption; to provide for various transfers; to repeal section 54-06-24 of the North Dakota Century Code; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

. . .

		Base Level	Adjustments or Enhancements	Appropriation
	Salaries and Wages	21,596,832	(333,040)	21,263,792
	Operating Expenses	14,051,438	4,426,233	18,477,671
	Contingency Fund	600,000	(100,000)	500,000
	Capital Assets	973,477	1,863,648	2,837,125
	Grants	54,000	100,000	154,000
	Guardianship Grants	1,328,600	-	1,328,600
	Community Service Grants		350,000	350,000
	Prairie Public Broadcasting	1,200,000		1,200,000
	Litigation Pool		4,000,000	4,000,000
	State Student Internship	5.53	250,000	250,000
	Health Savings Account	120	1,500,000	1,500,000
	Cybersecurity Remediation Pool		<u> </u>	
	Total All Funds	39,804,347	12,056,841	51,861,188
	Less Estimated Income	11,234,087	6,742,358	17,976,445
	Total General Fund Full-time Equivalent Positions	28,570,260 117 ₁ 80	5,314,483 -9.00	33,884,743 108.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixtyfourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Surplus Property Building	800,000	
Cybersecurity Remediation Pool	1,000,000	×.
Theodore Roosevelt Center Grant	500,000	
Extraordinary Repairs		1,900,000
IT Risk Project		170,000
Central Services Study	79	50,000
Student Internship	2	250,000
Special Assessments	22	320,000
Litigation Pool	16	4,000,000
Ethics Commission	÷2	100,000
Real Estate Plan	-	2,430,000
Health Savings Account	<u> </u>	1,500,000
Total All Funds	\$2,300,000	\$10,720,000
Total Special Funds	1,800,000	9,200,000
Total General Fund	\$500,000	\$1,520,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3 TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENT FUND TO BUDGET STABILIZATION FUND. The office of management and budget shall transfer the sum of \$315,039,140, or so much of the sum as may be necessary, to the budget stabilization fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 4 - TRANSFER - GENERAL FUND TO NATIONAL GUARD TRAINING AREA AND FACILITY DEVELOPMENT TRUST FUND. The office of management and budget shall transfer the sum of \$15,000,000 to the national guard training area and facility development trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.



5B 2015

1-9-2019

pg 19

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EXAMPLE 1 SB 2015 1-9-2019 **SECTION 5. TRANSFER - TAX RELIEF FUND TO SOCIAL SERVICES FINANCE FUND.** The office of management and budget shall transfer the sum of \$182,300,000, or so much of the sum as may be necessary, from the tax relief fund to the social services financing fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO THE PENSION FUND. The office of management and budget shall transfer the sum of \$265,000,000 from the strategic investment and improvements fund to the public employees retirement fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER – REVOLVING FUND FOR PREPAYMENT OF CONSULTING AND PLANNING FEES. The office of management and budget shall transfer the sum of \$1,000,000 from the strategic investment and improvement fund to the revolving fund, established pursuant to section 54-27-22, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency appropriated general fund spending authority from the state student internship program line item contained in section 1 of this Act.

SECTION 8. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 49 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems including accounting, management, and payroll, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:



Boys and girls clubwork State memberships and related expenses Unemployment insurance Capitol grounds planning commission

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET – LITIGATION POOL. The office of management and budget may transfer to each eligible agency appropriation authority from the litigation pool line item contained in section 1 of this Act. Transfers may be made for the purpose of providing litigation services for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET – HEALTH SAVINGS ACCOUNT. The office of management and budget may transfer to each eligible agency appropriation authority from the health savings account line item contained in section 1 of this Act. Transfers may be made for the purpose of providing a \$500 contribution to eligible employee's health savings account in January, 2020 and January, 2021.

SECTION 12. STATE EMPLOYEE COMPENSATION ADJUSTMENT - GUIDELINES. The 2019-21 biennium compensation adjustment for classified state employees is to be based on documented performance with up to a 4 percent increase for the first year of the biennium and 2 percent for the second year. If savings resulting from employee reductions can be identified an additional 2 percent is authorized for the second year.

Probationary employees are not entitled to the salary increase. However, probationary employees may be given all or a portion of the increase effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow NDCC 54-44.2-01.2.

An employee whose overall documented performance level does not meet standards is not eligible for any salary increase.

SB 2015 1-9-2019

SECTION 13. Section 54-16-04.4 of the North Dakota Century Code is created and enacted as follows: **54-16-04.4**. Authority to borrow funds.

The emergency commission, upon the advice of the office of management and budget, may authorize the office of management and budget to borrow moneys from the Bank of North Dakota for state contingencies as provided in this chapter. Moneys borrowed from the Bank of North Dakota pursuant to this section may not exceed five million dollars during any state biennial period. Moneys borrowed pursuant to this section may be transferred by the office of management and budget to the appropriation of the state agency, board, commission or officer who requested the funding to address a state contingency as approved by the emergency commission. Any state agency, board, commission, or officer receiving moneys pursuant to this section must return any unspent moneys within the biennium in which it was authorized. The office of management and budget shall request from the legislative assembly a deficiency appropriation sufficient for the repayment of the amount borrowed plus interest.

SECTION 14. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund – Creation – Appropriation. There is created in the state treasury a state shared services fund. Any payment to a state agency or institution received from another state agency or institution as a result of a shared services agreement must be deposited in the state shared services fund. Any moneys deposited by a state agency or institution in the state shared services fund are hereby appropriated to that agency or institution for the purposes of defraying the costs of equipment, operating expenses, or salaries relating to the shared services agreement.

SECTION 15. AMENDMENT. Section 54-16-04 of the North Dakota Century Code is amended and reenacted as follows:

54-16-04. May order transfer of moneys between funds - Line item transfers - Order may draw from state treasury.

The emergency commission, upon the advice of the office of management and budget, may order money or spending authority transferred from one fund or line item to another fund or line item belonging to or appropriated for the same institution or board or the same state enterprise, may order a transfer of spending authority from the state contingencies appropriation, <u>may order borrowing from the Bank of North Dakota pursuant to section 54-16-04.4</u>, or, in an extremity, may authorize money to be drawn from the state treasury to meet the emergency until the legislative assembly can make an appropriation available. The following transfers, if authorized by the emergency commission, require the approval of the budget section of the legislative management:

- 1. A transfer of moneys or spending authority which would eliminate or make impossible the accomplishment of a program or objective funded by the legislative assembly.
- 2. A transfer exceeding fifty thousand dollars from one fund or line item to another fund or line item, unless the transfer is necessary to comply with a court order or to avoid:
 - a. An imminent threat to the safety of people or property due to a natural disaster or war crisis; or
 - b. An imminent financial loss to the state.

SECTION 16. AMENDMENT. Section 54-27-22 of the North Dakota Century Code is amended and reenacted as follows:

54-27-22. Revolving fund for prepayment of consulting and planning fees for capital improvements.

Funds must be made available to all state agencies, institutions, and departments from a preliminary planning revolving fund in the state treasury under the control of the director of the office of management and budget for studies, planning, architectural programming, schematic designs, and cost estimates relating to proposed new capital improvements and major remodeling of existing facilities. State agencies, institutions, and departments interested in obtaining planning moneys shall submit a written request detailing the scope and purpose of such project to the director of the office of management and budget. The director shall file such request with, and shall present the director's recommendations regarding the proposed project and necessary planning moneys report to the budget section of the legislative management, at least once each year, regarding expenditures from the fund. Funds may be advanced only in the event that an authorization has first been received from the budget section. Such funds advanced must be repaid to the preliminary planning revolving fund as moneys become available through legislative appropriation or other sources for the commencement of the project.

SECTION 17. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

#1 5B 2015

54-06-30. State employee performance bonus program - Criteria - Limitations. State agencies may provide monetary performance bonuses to their employees under this section.

- 1. State agencies may pay bonuses under this section if:
 - a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;
 - b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and
 - c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.
- 2. State employees are eligible to receive a bonus under this section only if:
 - a. The employee has held a position in state government for at least one year before a bonus is paid;
 - b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and
 - c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.
- 3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than <u>one thousand two thousand five hundred</u> dollars in bonuses per fiscal year.
- 4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.
- 5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.
- 6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 18. AMENDMENT. Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-06. State contribution.

Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract for the full <u>blended</u> single <u>and alternate family contract</u> rate monthly premium for each of its eligible employees enrolled in the non-grandfathered uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. Employees who elect to remain in the grandfathered uniform group insurance program, if it is still offered to employees, shall pay the blended single and family rate difference in monthly premium between the grandfathered and nongrandfathered uniform group insurance programs. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such payment at the time the right arises.



SECTION 19. AMENDMENT. Section 54-52.1-18 of the North Dakota Century Code is amended and reenacted as follows:

58 2015

54-52.1-18. High-deductible health plan alternative with health savings account option.

- 1. The board shall develop and implement a high-deductible health plan as an alternative to the plan under section 54-52.1-02. The high-deductible health plan alternative with a health savings account must be made available to state employees by January 1, 2012. After June 30, 2015, at the board's discretion, the high-deductible health plan alternative may be offered to political subdivisions for coverage of political subdivision employees. If a political subdivision elects this high-deductible option, the political subdivision may not offer the plan under section 54-52.1-02.
- 2. Health savings account fees for participating state employees must be paid by the employer.
 - a. Except as provided in subdivision b, subject to the limits of section 223(b) of the Internal Revenue Code [26 U.S.C. 223(b)], the difference between the cost of the <u>respective non-grandfathered</u> single and family premium for eligible state employees under section 54-52.1-06 and the premium for those employees electing to participate under the high-deductible health plan under this section must be deposited in a health savings account for the benefit of each participating employee.
 - b. If the public employees retirement system is unable to establish a health savings account due to the employee's ineligibility under federal or state law or due to failure of the employee to provide necessary information in order to establish the account, the system is not responsible for depositing the health savings account contribution. The member will remain a participant in the high-deductible health plan regardless of whether a health savings account is established.
 - c. If a member closes the health savings account established for that member under this section, the system is not responsible for depositing the health savings account contribution after that closure.
- 3. Each new state employee must be provided the opportunity to elect the high-deductible health plan alternative. At least once each biennium, the board shall provide an open enrollment period allowing existing state employees or a political subdivision to change their coverage.

SECTION 20. LINE ITEM TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 21. TRANSFER AUTHORITY BETWEEN AGENCIES. Notwithstanding any other sections of the law, the governor may direct the office of management and budget to transfer up to one percent of the legislatively approved general fund appropriation for the following agencies to implement and promote efficient practices in state government: the office of the governor, office of management and budget, information technology department, department of health, department of environmental quality, Indian affairs commission, job service North Dakota, department to labor and human rights, securities department, highway patrol, department of corrections and rehabilitation, office of the adjutant general, department of commerce, water commission, and department of transportation. Transfers may occur for the period beginning July 1, 2019, and ending June 30, 2021 under the following provisions:

- 1. The governor has transferred duties between executive branch agencies when an agency has demonstrated they are able to perform the specific duty more efficiently, thereby creating a savings to the state equal to at least ten percent of the amount transferred.
- 2. The governor has identified projects or initiatives which will generate efficiency and cost savings for the state, equal to at least ten percent of the amount transferred.
- 3. Any general fund savings amount will be turned back to the general fund at the end of the biennium.
- 4. The office of management and budget shall report to the budget section regarding the purposes of the transfers and documented efficiencies and savings that occurred from such transfers.
- 5. The transfers are to be considered a reduction in the base budget for the agency from whom the transfer is made and an increase in the base budget for the agency which received the transfer.

SECTION 22. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 23. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

#2 5B2015 1-9-2019 PSI

Testimony on SB 2015 Senate Appropriations John Harris, President & CEO Prairie Public Broadcasting January 9th, 2019

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 broadcasting network.

For the record, I am John Harris, President & CEO of Prairie Public Broadcasting.

Prairie Public began service to the citizens of North Dakota in 1964 with a single broadcast tower and since then has grown to provide public media services that impact the citizens of our entire state—from childhood through all phases of life.

Prairie Public provides public media services that educate, involve, and inspire the people of the prairie region. Public media strengthens communities and helps them to prosper. The citizens of North Dakota know the importance of a strong and viable public broadcasting entity for our community.

We are committed to respect for our audience, civil discourse, and lifelong learning.

Education is the cornerstone of Prairie Public's mission. We provide researched, highquality digital resources and learning materials to educators, parents, counselors, librarians, and tech coordinators, and we conduct professional training opportunities to help them use those tools in our region's classrooms.

We bring our hands-on mobile learning lab, free learning games, and free books to children's events at schools, libraries, and in targeted neighborhoods—because we believe in helping all kids succeed in school and in life.

We're combining public media's greatest assets with outreach to make a positive impact on the lives of our children. No one provides a more valued, educational experience for children than Prairie Public.

In addition, Prairie Public has embraced our public safety mission to maximize our spectrum for the public good. Public television stations are the backbone of the WARN system of presidential alerts in times of national emergency. Prairie Public is vital to our state as a locally owned and operated media organization that can serve in times of crisis.

Even as public distrust of national institutions and media is at an all-time high, studies show that public broadcasters retain the trust of the American people as an essential resource for well-informed citizens.



Prairie Public is a reliable source for international, regional, and local news from the worlds of politics, business, science, and the arts. In fact, our network of television, radio, and online services was one of the most comprehensive and trusted sources for statewide election coverage and debates during the 2018 election—vital for thoughtful citizens and healthy societies. Our coverage of the North Dakota legislature helps you to serve your constituents and communicate the good work you accomplish.

In addition to broadcasting national PBS and NPR programs such as *Nature*, *NOVA*, *Masterpiece*, *Morning Edition*, and *All Things Considered*, Prairie Public produces an extraordinary amount of quality programming that reflects North Dakota's culture and concerns.

Our local productions cover topics ranging from community events to rural health care issues to legislative news. We partner with many local agencies to help inform our citizens of critical issues that affect each and every one of us.

The Opioid Epidemic: Seeking Solutions in North Dakota addresses an important issue in every community. We celebrate local artists with our series *Prairie Musicians*. We look at the history and examine the future of agriculture with *Built on Agriculture*. We interview newsmakers every weekday on *Main Street* and weekly on *Prairie Pulse*.

The state of North Dakota has, for years, played a vital supporting role in the operation of our public media services. While the appropriation from the state does not cover all the expenses, many of the services would not be possible without state funding, which provides a foundation for support from many other sources. It is important that North Dakota sustain its public broadcasting system.

I cannot express enough the thanks Prairie Public and its members extend to you for your past support. In the 50-plus years Prairie Public has been broadcasting, technology has changed, but our mission to provide services that educate, involve, and inspire has not.

Below you will see a breakdown of our revenue sources and expenditures from our 2017 Annual Report, and we want to make certain that you know that Prairie Public is continually seeking revenue from other sources, in order to maximize the investment from the state of North Dakota.

Members & Businesses	28%
СРВ	19%
Production/Federal Grants	7%
State of North Dakota	9%
State of Minnesota	7%
Fees, Rents & Other	13%
Charitable Gaming	8%
Planned Giving / Endowment	9%

Prairie Public Broadcasting Revenue Sources





#2 5B 2015 1-9-2019 Pg 2

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Prairie Public Broadcasting Expenses

Programs	47%
Engineering	18%
G & A	16%
Fund Raising	6%
System Upgrade & Other	13%

Our most recent Annual Report and a sample of our quarterly newsletter are included in your handout.

In Senate Bill 2015 of this biennium's budget, we ask that you support the recommended amount in the Governor's budget at \$1.2 million for Prairie Public, as it enables us to continue to operate the infrastructure required to maintain services. Prairie Public provides a vast array of public media services to homes, schools, and workplaces throughout the state.

In closing, let me remind you that Prairie Public belongs to the citizens of our region, and with your support Prairie Public will continue to be a community leader and assist the state in achieving its goals of economic strength, educational quality, and pride in our rich heritage.

Mr. Chairman and Members of the Committee, thank you for your time and consideration.







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Quality public television, radio, and media services that educate, involve, and inspire the people of the prairie region.



Prairie Public Broadcasting, Inc. Annual Report 2017

Fiscal Year 2017 began October 1, 2016, and ended September 30, 2017





Prairie Public is committed to respect for the individual and our audience, to lifelong learning, civil discourse, and our regional identity. Those who work at Prairie Public take pride in our programming and our service, expressing it through honesty and accuracy, a strong work ethic, teamwork, workplace diversity, effective stewardship of gifts and talents, and good humor. Prairie Public 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.

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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 highquality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.





Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.





You depend on public media, and we depend on you

I hear enthusiasm whenever I travel in our broadcast region and talk with our neighbors who are served by Prairie Public. They trust and depend on Prairie Public.

Why are people so passionate about public radio? Because NPR and their member stations, Prairie Public included, are consistently rated quite high in terms of the complex analysis and minimal partisan bias in our reporting. We pursue the truth, we are diligent with verification, and scrupulous about fairness.

Our radio programming is widely acknowledged for excellence by folks where the easureable assessments, and the Public and NPR journalists have a multitude of awards including Eric Sevareid Awards, Associated Press Awards, Alfred I. duPont-Columbia University Awards, and George Foster Peabody Awards, to name a few.

Why are people so passionate about public television? National studies show that PBS is #1 in public trust—a trust twice as strong as for commercial broadcast television and nearly three times stronger than for newspaper publications.

Viewers appreciate public television's strong commitment to the arts, to science programming, and to news and public affairs. Teachers know we are dedicated to their needs—especially teachers in rural communities who often feel isolated and have limited access to peer-to-peer professional development opportunities.

And, of course, public television is especially appreciated for its children's programming. Decades of research confirms that the television programs and educational services that Prairie Public offers help children to build critical literacy, math, and social-emotional skills, enabling them to muccess in school and life.





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Prairie Public's mission is straightforward: to provide quality radio, television, and public media services that educate, involve, and inspire. It's no easy task.

In 2017, cuts in funding from the state of North Dakota significantly impacted Prairie Public. Many agencies and organizations in North Dakota faced similar budget cuts. We tightened our already-restrained budget and economized across all departments.

We won't let these budget cuts slow us down. In our multi-media culture, people value our services more than ever before. And we will continue to protect and preserve a strong, healthy public media presence.

As we are creating the public media system of the future, we are re-imagining how we fulfill our mission. We are harnessing every single resource, both local and national, and every single platform, to serve the public with quality content.

We are innovators. No one else has decades of experience creating our distinctive content, and we know that public media holds a special place in the hearts and minds of the people we serve.

We're dreaming big. Just as our founders did more than 50 years ago.

Thank you for making it all possible,

John Harris Prairie Public President & CEO

The prairie region's storyteller

#3

and unparalleled access to television's best music, theatre, history, science, how-to, and children's programs from PBS and independent producers.

5B 2015



2017 Television Productions

The Bell Creek Story: CO₂ in Action Face to Face: ND U.S. Congressional Debate

Face to Face: ND Insurance Commissioner Debate

Face to Face: ND Governor Debate

- Face to Face: ND Public Service Commissioner Debate
- Face to Face: ND U.S. Senate Debate

Face to Face: MN 7th District U.S. Congressional Debate

- Fargo Film Festival Preview Show 2017
- Flowers of the Church: Minnesota's Stained Glass Heritage
- Gutes Essen: Good Eating in German Russian Country

Malcolm Frager: American Pianist

- North Dakota Governor Doug Burgum's State of the State Address and Democratic Response
- North Dakota Legislative Review

Painting with Paulson: Back to the Canvas Prairie Memories: The Vietnam War Years

Ongoing Original Series

Painting with Paulson, Season 18 Prairie Mosaic, Season 8 Prairie Musicians, Season 7 Prairie Pulse, Season 15

2017 Regional Emmy Nominations

- Program, Musical Performance **Prairie Musicians** *Reina del Cid*
- Segment, Art Prairie Mosaic Amber Fletschock, Collage Artist

Segment, Art **Prairie Mosaic** Jeffrey Zachmann, Kinetic Sculptor

Segment, History/Nostalgia Prairie Mosaic Land of 10,000 Brews

Segment, History/Nostalgia Prairie Mosaic Lowell National Historical Park

Segment, History/Nostalgia Prairie Mosaic The Massachusetts Mill Workers

Segment, History/Nostalgia **Prairie Mosaic** Wet vs. Dry

Documentary, History Built On Agriculture The Selkirk Settlers

Documentary, Topical Built On Agriculture The Farmers

Documentary, History Built To Last: The Legacy of the CCC In Minnesota

Documentary, History Flowers of the Church: Minnesota's Stained Glass Heritage

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3 SB 2015 1-9-2019

For eighteen seasons, Prairie Public has recorded the **Painting with Paulson** series, distributed them to stations across the nation, offered DVDs of the series to novice and experienced painters, and created excerpts for classroom use. In 2017, viewers learned to paint like pros with **Painting with Paulson: Back to the Canvas.**

Viewers across the nation cheered for Gutes Essen: Good Eating in German Russian Country—the ninth

documentary in Prairie Public's award-winning series that explores the food, culture, art, and music of this distinctive ethnic group. Clips from the documentary broke all records for popularity on Prairie Public's social media accounts.

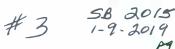
Prairie Memories: The

Vietoan War Years stepped out the broadcast counter the broadcast bistones for a series of television documentaries, radio shorts, and The Story Wall—a region-wide initiative aimed at inspiring Minnesotans and North Dakotans to foster understanding of the lasting impact of war.

Prairie Musicians returned for a seventh season this year to fill Prairie Public's downtown Fargo studio, and viewers' homes, with music from ragtime to rock from Erik Koskinen, Mike Munson, December's Children, Gina Powers Band, David Stoddard, Connie Gjermundson, Max Johnk Group, and the Concordia College Marimba Choir.

Viewers value Prairie Public for its support of local talent and cultural centers. In 2017, **Prairie Mosaic** introduced us to talented artisans and toured the region, **Flowers** of the Church: Minnesota's Glass Heritage to Church: Minnesota's Glass Heritage to Church: Minnesota's Chass Heritage to Church: Minnesota's Church: Minnesota'





Journalistic excellence

with news, music, and entertainment from the prairie region, and from around the world with NPR and independent producers.

Main Street and Main Street Weekend go live with the newsmakers of our region with Doug Hamilton and Ashley Thornberg hosting and Skip Wood producing discussions that entertain and inform.



2017 Radio Special Productions and Projects

Election Coverage

Dakota Datebook Stories: The Great War

Face to Face: ND U.S. Congressional Debate

Face to Face: ND Insurance Commissioner Debate

Face to Face: ND Governor Debate

- Face to Face: ND Public Service Commissioner Debate
- Face to Face: ND U.S. Senate Debate

Face to Face: MN 7th District U.S. Congressional Debate

Journeys Through Justice

Project Unpack

Ongoing Original Series

Daily Newscasts and Reports Dakota Datebook Friday Night Swing Into the Music with Mike Olson The Jazz Junket A Little Night Music with Ted Quanrud Main Street Main Street Weekend Mike Olson's Blues Cruise Natural North Dakota Notas Latinas Plains Folk Prairie Public Presents Prebys on Classics Prebys on Jazz The Red River Ramble

Why? Philosophical Discussions About Everyday Life The reporting team of news director Dave Thompson, Todd McDonald, and Danielle Webster (winner of a 2017 1st place Eric Sevareid Award) is a trusted primary information source for people who listen on their radios, download podcasts from Prairie Public and NPR, and stream through mobile apps and NPR One.

Inside Energy has covered energy issues critical to Colorado, Wyoming, and North Dakota. Prairie Public and our dedicated **Inside Energy** reporter Amy Sisk partnered with reporters and editors from those states in a collaborative journalism initiative.

Prairie Public helped to establish a space to "unpack" military life, experiences of war, the return home, and readjusting to life as a civilian. **Project Unpack** one-year partnership n Prairie Public and New that collected veteran narratives and hosted memoir workshops.

Journeys through Justice, a radio series produced in partnership with Meg Luther Lindholm, looked at how the criminal justice system works and how it might work better.

Listeners appreciate the diversity of Prairie Public's extensive music library with knowledgeable anchors Scott Prebys hosting jazz and classical shows; Mike Olson hosting roots, rock, alt, and blues; and other local hosts adding bluegrass, swing, and Latino music to the schedule.

Millions served in World War I and many at home provided support, suffered scarcities, and grieved for loved ones lost. The United States entered the Great War 100 years ago on , 2017, and **Dakota cook** commemorated nniversary with stories from North Dakota, thanks to

from North Dakota, thanks to historian Jim Davis and other **Dakota Datebook** writers.



5B 2015

9.2019 pg 7

WIN THE NEXT WAR NOW

For free book on HOME CANNING AND HOME DRYING write to NATIONAL WAR GARDEN COMMISSION WASHINGTON, D. C.

> Charles Lathrop Pack President P. S. Ridsdale Secretary

#3 583015 I 9-2019 Prairie Public Broadcasting's educational services and outreach

provides learning opportunities that break down the barriers of distance and assures that all our neighborhoods have high quality learning resources.





Children's programming, digital classroom resources, professional development, and distance learning have made public broadcasting a leader in lifelong learning. Every month, 170 million people, young and old, connect through 368 public television stations, 934 public radio stations, hundreds of online services, and events and activities.

Prairie Public's education services staff traveled 732 miles and reached 439 children during the **Week of the Young Child** in April 2017. Curious George visited six cities, and he stopped at the Department of Public Instruction and the ND Capitol building where lawmakers excitedly queued to get their photos taken with him.

Hundreds of children wrote and illustrated their own stories for the **PBS KIDS Writers Contest** an initiative to advance children's literacy skills through hands-on, active learning. Every child received a personalized feedback from airie Public.

PBS selected Prairie Public as one of five PBS member stations to receive a three-year grant to participate in the **PBS Teacher Community Program** pilot—strengthening training opportunities, resources, and support for teachers in remote districts and creating models for teachers in rural communities across America.

People who appreciate public media know that stations like Prairie Public are among the last locally-owned, locally-controlled media in America. They love free, noncommercial, educational programming, and they showed their advocacy at **Nerd Walks** in Fargo and in Bismarck.

Educators from across the region attended Prairie Public's summer conference titled **Integrate**, **Innovate**, **Motivate 2017: Creative Tech for Teaching**.

PBS, amplifying students using background technology.





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Prairie Public Broadcasting Boards 2016-2017

The Prairie Public Broadcasting family is fortunate to have dedicated. hardworking, and enthusiastic people to guide the organization and serve on its boards and advisory councils.

Prairie Public Broadcasting Board of Directors

The Board of Directors is the governing body of the organization, and members are appointed to serve two three-year terms.

Ken Bull, Winnipeg, MB Greg Dandewich (Treasurer), Winnipeg, MB Heidi Demars, Bismarck, ND Paul Ebeltoft (Chair), Dickinson, ND John E. Harris III (President & CEO), Fargo, ND Britt Jacobson (Secretary), Park River, ND Phyllis Johnson, Grand Forks, ND Dick Kloubec, Fargo, ND Karen Kreil, Bismarck, ND Lisa Kudelka, Bismarck, ND Andy Maragos (Past Chair), Minot, ND Jerry Nagel (Vice Chair), Lake Park, MN Paul Nyren, Garrison, ND John Petrik, Minot, ND Devan Towers, Winnipeg, MB Connie Triplett, Grand Forks, ND Sarah Smith Warren, Warwick, ND Ken Zealand (President of Prairie Public Manitoba), Winnipeg, MB

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.

Stephanie Blumhagen, Bottineau, ND Rodney Haug (Chair), Hawley, MN James Kotowich, Winnipeg, MB Molly McLain, Bismarck, ND Carol Stevens, Fargo, ND Craig Whippo, Dickinson, ND

Radio Council

3 58 2015

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.

Barry Brode (UND), Grand Forks, ND Jeff Dick, Minot, ND John E. Harris III (President & CEO), Fargo, ND Muriel Lippert, Williston, ND Chuck Lura, Bottineau, ND Joe Mocnik (NDSU), Fargo, ND Peter Morowski, Dickinson, ND Paul Nyren (Chair), Streeter, ND Fred Remer, Grand Forks, ND Albert Samuelson, Bismarck, ND Kent Sandstrom (NDSU), Fargo, ND



North Central Council for Educational Media Services

NCCEMS 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.

Nancy Bollingberg (Chair), Fessenden-Bowdon 25 Richard Diegel, Kidder County School District Dr. Brian Duchscherer, Carrington Public Schools Dr. David Flowers, West Fargo Public Schools Dr. Robert Grosz, Fargo Public Schools Dr. Sherlock Hirning, Divide County Schools Rick Jacobson, Wahpeton Public Schools Dr. Bruce Jensen, Northwest Service Cooperative Jeremy Kovash, Lakes County Service Cooperative

Rep. David Monson, Edinburg Public Schools Dr. Larry Nybladh, Grand Forks Public Schools Dr. Alan Peterson (Vice Chair), ND Center for Distance Education

Dr. Jeff Schatz, Fargo Public Schools Tamara Uselman, Bismarck Public Schools Dr. Mark Vollmer, Minot Public Schools Gary Wilz, Killdeer 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. $\beta^{\prime \prime \prime}$ Annual Financial Report for the Year Ending 9/30/17

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58 2015 1-9-2019

	Television	n Radio			
	Amount	%	Amount	%	Total
Sources					
Membership	\$1,449,120	23%	\$545,270	30%	\$1,994,390
Underwriting	\$145,294	3%	\$154,640	9%	\$299,934
Corporation for Public Broadcasting	\$1,337,648	21%	\$187,279	10%	\$1,524,927
Local Production Funding	\$144,201	2%	\$115,011	6%	\$259,212
State of North Dakota	\$505,871	8%	\$206,621	11%	\$712,492
State of Minnesota	\$561,228	9%	\$0	0%	\$561,228
Grants	\$313,047	5%	\$0	0%	\$313,047
Fees, Rents	\$684,644	11%	\$260,042	14%	\$944,686
Charitable Gaming	\$457,748	7%	\$186,967	10%	\$644,715
Planned Giving ¹	\$601,439	10%	\$155,752	9%	\$757,191
Other	\$75,607	1%	\$22,467	1%	\$98,074
TURCES	\$6,275,847	100%	\$1,834,049	100%	\$8,109,896
Uses					
Programming & Production	\$2,767,396	46%	\$1,193,064	51%	\$3,960,460
Engineering	\$1,169,820	19%	\$308,591	13%	\$1,478,411
Administration	\$977,785	16%	\$399,378	17%	\$1,377,163
Fundraising	\$372,576	6%	\$95,617	4%	\$468,193
System Upgrade & Other	\$112,449	2%	\$102,981	4%	\$215,430
Change in Prairie Public Endowment	\$657,500	11%	\$268,557	11%	\$926,057
TOTAL USES	\$6,057,526	100%	\$2,368,188	100%	\$8,425,714
EXCESS (DEFICIT) SOURCES OVER USES	\$218,321		(\$534,139)		(\$315,818)

Note 1. Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.

¹ Planned giving includes contributions to Endowment Funds, Interest Earnings, and Realized and Unrealized Gains firom Endowment Funds.

11



Investors Circle Support

2 ESTORS Prairie Public Broadcasting gratefully thanks its Investors Circle members, a dedicated group of donors who have made annual gifts of \$1,000 or more. CIRCN

Platinum Investors • \$10,000 Corwin Wilson LLC, Fargo, ND

Gold Investors • \$5,000 to \$9,999

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If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

* Deceased

Visionary Circle Support

Visionary Circle honors those with cumulative lifetime annual giving of \$25,000 or more in support of Prairie Public's services

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T. L. Donat Legacy Circle



Prairie Public extends special appreciation to members of the T. L. Donat Legacy Circle. Named for Prairie Public's founder, the Legacy Circle provides an opportunity for donors to leave a thoughtful legacy to Prairie Public in their estate plans.

Gloria Y. Anderson,* Sun City, AZ Geoff Chambers, Winnipeg, MB Apryl Davenport, Deering, ND Marcus Fiechtner, Bismarck, ND Margaret Fiechtner, Bismarck, ND Carolyn Y. Frank, Bismarck, ND Margaret Garr, East Grand Forks, MN Margaret Garr, East Grand Forks, MN Rev. Carl Hansen, Thief River Falls, MN Paul Hunter, Winnipeg, MB Joanna Koulouriotis, Winnipeg, MB Carol Jean Larsen, Bismarck, ND R. Douglas and Sally Larsen, Fargo, ND Mary Catherine Miller, Henning, MN Dr. Douglas C. Munski, Grand Forks, ND Jr. Laura Munski, Grand Forks, ND Jacqueline Nelson Winnipee MB Jacqueline Nelson, Winnipeg, MB Barbara Owens, Minneapolis, MN Richard Owens, Minneapolis, MN Richard Owens, Minineapoils, Min Robin Reynolds, Hebron, ND Bruce Schwartz, Bismarck, ND Julie Schwartz, Bismarck, ND Neil Souther, Mandan, ND All Control Phyllis Ann Thoren Fund through The Control Poundation, Winnipeg, MB

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If you have provided for Prairie Public Broadcasting in your will or other estate plans, please let us know

AB.

Bequests

With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of Dorothy May Hayward Estate of Adelaide Brakke MacMillan Estate of Violet Mortenson Estate of Barbara Schaffer

Endowment: Funding the Future

Through endowed gifts from many donors, Prairie Public has established an Endowment Fund, a North Dakota tax-qualified endowment at Bremer Trust. Other endowment funds held on Prairie Public's behalf reside at Fargo-Moorhead Area Foundation, North Dakota Community Foundation, and The Winnipeg Foundation.

These professionally managed funds provide annual interest income that helps to ensure the future of Prairie Public and enhances the quality service Prairie Public provides to those in our region.

Endowment gifts of \$5,000 or more are listed below.

\$100,000+

Lucien C. Barnes and Edna Barnes Fund, a component of the Fargo-Moorhead Area Foundation, Fargo, ND

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Paul and Gail Ebeltoft, Dickinson, ND Anonymous,* Winnipeg, MB

\$25,000 to \$49,999 Ruth Landfield,* Fargo, ND Lloyd and Margaret Thilmony, Valley City, ND John and Kathleen Risch, Bismarck, NE

\$10,000 to \$24,999

Arnold L. Johnson, Garrison, ND Duane Slovarp,* in memory of Alfred E. Slovarp, Bismarck, ND Gus and Mary Staahl, Fargo, ND Anonymous, Fargo, ND Anonymous, Minot, ND

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Board-Directed Endowment Fund

This fund, established in fiscal year 2007, is comprised of unrestricted assets allocated to the fund in accordance with policies adopted by Prairie Public's board of directors. The fund provides long-term general support to meet the financial needs of Prairie Public, and is managed by Bremer Trust based upon the investment policies approved by Prairie Public's board of directors

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

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AARP North Dakota Abalon Construction Alzheimer Society of Manitoba Amazing Grains Arts Center Ascension Events Avant Hair & Skin Care Studio Badger-Tanabe Dental Group Balmoral Hall **Basin Electric Power** Cooperative Bethany Retirement Living Bismarck Mandan Unitarian Universalist Congregation Bismarck-Mandan Symphony Blue Moose Bar and Grill **BNC National Bank** Brave the Shave Bremer Bank Bryant Clinic of Chiropractic & Acupuncture **Bush Foundation** CMoore Live Capitol Shakespeare Carellan Sewing Centre Cass County Electric Cooperative Cinema 100 Classic 107 Winnipeg Cottonwood Productions Country Inn & Suites Fargo Creative Kitchen Cross Ranch State Park Dakota Prairie Regional Center for the Arts Dakota Resource Council Dakota Stage Ltd. Delta by Marriott Fargo **DFC Consultants Dickinson State University Dry Cold Productions** Eide Bailly **Empire Arts Center** Erickson Motors Eventide **Exceptional Artists** Fargo Blues Fest Fargo Brewing Company Fargo Moorhead Community Theatre Fargo Moorhead Visual Artists-Studio Crawl Fargo Theatre Fargo-Moorhead Convention & Visitors Bureau Fargo-Moorhead Opera Fargo-Moorhead Redhawks First Presbyterian Fine Arts Festival Folklorama Fort Union Trading Post

Prairie Public thanks the following for investing in underwriting support for television and radio program services in fiscal year 2017.

#3

5B 2015 1-9-2019

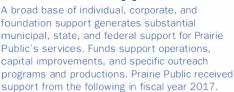
North Dakota Horizons

Pg14

Freedom Resource Center Gate City Bank Great River Energy Greater Grand Forks Community Theatre Greencrest Pharmacy Hartz Foundation Henning Landmark Center HFRO High Plains Reader Historical & Cultural Society of Clay County Home of Economy Hornbacher's Hotel Donaldson Independent Living Resource Centre International Artists Series of Minot International Music Camp Jade Presents JAQ's Garage Jazz Winnipeg Joshua Boschee-Hatch Realty Josie's Corner Cafe & Bake Shop JR Construction Lundeen Foundation/Victor Lundeen Company Manitoba Chamber Orchestra Manitoba Children's Museum Manitoba Opera Manitoba Theatre for Young People McPhillips Hearing & Audiology Centre Inc. Midcontinent Communications Mike's Pizza & Pub Minot Chamber Chorale Minot Prairie Quilters Minot State University Theatre Dept Minot Symphony Orchestra Missouri Valley Chamber Orchestra Mohr Family-Dacotah Paper Moore Engineering MSUM College of Arts, Media and Communication National Geographic Live Grinnell Mutual Insurance US Bank—Small Business NDSU Division of Performing Arts Nodak Insurance Co. Nordic Culture Clubs North Dakota Academy of Nutrition and Dietetics North Dakota Association of **Rural Electric Cooperatives**

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Additional Support



AARP

Altrusa International of Fargo American Public Media Anonymous (3) **Benevity** Berdie and Irvin Cohen Memorial Fund through the Jewish Foundation of Manitoba Big Stone Giving Fund through the Renaissance Charitable Foundation Corporation for Public Broadcasting Julie Burgum Paul and Gail Ebeltoft Energy and Environmental Research Center-U.S. Department of Energy NETL Program Fargo, Moorhead, and West Fargo through an Arts Partnership grant HIT US, Inc./Mattel Jewish Foundation of Manitoba Arnold L. Johnson fuffy's) KIM M ndation FI Harriet Miller Endowment Fund through West Central Initiative Michael M. Miller The Minnesota Arts and Cultural Heritage Fund North Dakota Community Foundation North Dakota Council on the Arts North Dakota Humanities Council North Dakota State University PCOR Partnership Public Broadcasting Service Richardson Foundation State of Minnesota State of North Dakota Dr. Ken and Lorna Thorlakson Thrivent Choice through Thrivent Financial for Lutherans Town Hall Series Tri-County Tourism Alliance United Sugars Corporation Unitarian Universalist Church University of North Dakota WNET

5B 2015 1-9-2019

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The Winnipeg Foundation The Winnipeg Foundation— Alan D. and Phyllis Ann Thoren Fund The Winnipeg Foundation— Dr. Ken and Lorna Thorlakson Fund The Winnipeg Foundation—Lampe Family Fund The Winnipeg Foundation— Oliver, Adeline and Allan Denton The Winnipeg Foundation— Peggy and Alex Colonello Fund The Winnipeg Foundation— R. A. Sam and Marie Fabro Family Fund

Matching Gifts

Many businesses encourage their employees to be philanthropic by offering matching gift programs. We salute the companies listed below that matched their employees' contributions to Prairie Public.

Advanced Engineering and Environmental Services, Inc. AETNA Foundation Caterpillar Foundation ExxonMobil Foundation Genworth Foundation IBM Corporation John Deere Microsoft Ottertail Corporation Pfizer Foundation Tesoro Foundation Inc. Thrivent Financial U.S. Bancorp

Matching Grants

Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you make a contribution to Prairie Public, it is often matched dollar-for-dollar by these grants.

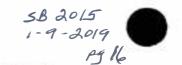






Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!



		-		Winnbeg
Williston KWSE-DT		finot SRE-DT	Devils Lake KMDE-DT	Grand Forks KGFE-DT Crookston/ Grand Forks KCGE-DT
	kinson DSE-DT	Bismarck KBME-DT	Ellendale KJRE-DT	Fargo KFME-DT

Brandon

Winnines

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Television

Bismarck	KBME-DT
Crookston/Grand Forks	KCGE-DT
Devils Lake	KMDE-DT
Dickinson	KDSE-DT
Ellendale	KJRE-DT
Fargo	KFME-DT
Grand Forks	KGFE-DT
Minot	KSRE-DT
Williston	
Manitoba, Canada	Via cable

Prairie Public broadcasts four television program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and one or more additional program streams.

> Prairie Public Prairie Public's high-definition schedule.

World/Lifelong Learning Channel

Nonfiction, science, nature, news, and public affairs programs on World (6pm-6am); and how-to, travel, cooking, and K-12 classroom programs on Lifelong Learning (6am-6pm).

The MN Channel Programs produced in and about North Dakota, Manitoba, Minnesota, and the region.

PBS Kids The number one educational media brand for kids offers opportunities to explore new ideas and new worlds through television.



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Radio

Beach 91.9	fm
Bismarck 90.5	fm
Bowman 91.9	fm
Crosby 91.9	fm
Devils Lake	fm
Dickinson 89.9	fm
Fargo* 91.9	fm
Grand Forks 89.3	fm
Grand Forks* 90.7	fm
Hettinger 91.9	fm
Jamestown 91.5	fm
Minot	fm
Thief River Falls 88.3	fm
Williston	fm 🖉
Williston*	fn
Plentywood MT 91.9	fm
*Poots rock and	1277

*Roots, rock and jazz

Listeners can choose from three radio formats and can access them all with an HD radio, online at *prairiepublic.org*, or with the Prairie Public app.

FM1 Classical music featuring **Prebys on Classics** plus public radio's signature news and entertainment programs.

FM2 Roots, rock, and jazz featuring Into the Music with Mike Olson and World Café, plus two hours of Morning Edition on weekdays and Sounds Eclectic, Mountain Stage, and Acoustic Cafe on the weekends.

FM3 Roots, rock and jazz with Morning Edition and All Things Considered, Marketplace, and interviews and discussion on Main Street.



Prairie Public Broadcasting, Inc.

Television Radio Education Services Enterprises

Corporate Offices 207 North 5th Street Fargo ND 58102 701-241-6900 800-359-6900

Bismarck Office 1814 North 15th Street Bismarck ND 5 701-224-1700

Prairie Public (Manitoba), Inc.

Winnipeg MB R3C 4B3

www.prairiepublic.org info@prairiepublic.org Prairie Public CUC WInter 2018

* Season of Giving

As the end of 2018 approaches, you might e considering what and how to give before ember 31.

ve a gift of cash The easiest way to increase ur charitable deduction is through a gift of cash. Make sure your envelope is postmarked by December 31 or donate online at prairie public.org.

Give a gift of stock A gift of stock is sometimes more tax-wise than one of cash, depending on how long you've owned it and the tax laws where you live.

Give a gift of a charitable IRA If you are age 70¹/₂ or older, you may contribute directly from your IRA to Prairie Public by using your mandatory IRA withdrawal (up to \$100,000 per year), completely free of federal income tax. To qualify, your contribution must be transferred directly from your IRA administrator to Prairie Public.

Give a gift of an endowment The state of North Dakota allows a 40% state income tax credit for individual contributions of \$5,000 or more to the endowments of nonprofits like Prairie Public. The maximum credit is \$10,000 per year per taxpayer, or \$20,000 per year per couple filing jointly. Businesses. too, receive a 40% state income tax credit with a maximum credit of \$10,000.

Give a legacy gift While you're considering your income tax savings, we hope you will consider including Prairie Pubic Broadcasting in your will or other estate plans. You will leave a legacy that will ensure the continuation of Prairie Public's programs. allowing future generations to have access to a world eas, enrichment, and education.

Residents irie Public Broadcasting, Inc

Federal Tax ID: 45-0276899

Canadian Residents

Prairie Public Television (Manitoba), Inc Charitable Registration Number: 119097913 RR0001

U.S. and Canadian tax laws differ, so consult your tax advisor to clarify any questions you may have.

For questions about year-end giving, or to request our free estate planning organizer, Personal Estate Planning Guide, contact Troy Davis, director of development, at 800-359-6900, ext. 510, or at tdavis@prairiepublic.org.

We value your membership in Prairie Public and strive to provide you with excellent service. Switchboard hours at Prairie Public are Monday-Friday, 8 am to 5 pm 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 prairie public.org

Many Prairie Public productions are funded in part by the following:

nnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!

∆Board of Directors to meet The Prairie Public Board of Directors will meet on January 25, 2019. All meetings are open to Prairie Public members and to the public. For further information, please contact Tina Young at 800-359-6900.



Gift your four wheels this holiday season **Donate Your Vehicle** 844-440-6900

SP NS R SP THGHT

BUSH FOUNDATION

Support for Prairie Public is provided the the Bush Foundation—investing in great ideas and the people who power them in Minnesota, North Dakota, and South Dakota. Learn more at BushFoundation.org.

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



HUMANITIES

NPR, a network owned by its member stations.



impacting the world. Weekdays at 10 pm



Nightly Business Report with Bill Griffeth and Sue Herera is television's longest-running evening business-news broadcast, featuring in-depth reporting and analysis of the day's leading financial stories Weekdays at 6:30 pm



Martin, and Steve Inskeep along with news from the Prairie Public broadcast region. Weekdays 4-9 am

Prairie Public CUC Winter 2018

Keeping You Informed

ON RADIO





All Things Considered and Weekend All Things Considered with Audi Cornish and local and national reporters combine news, analysis, commentary, interviews, and special features, including the latest news from the Prairie Public Newsroom, Daily 4-6 pm



ONLI

Visit news.prairiepublic org for an online river of news from NPR and from Prairie Public's newsroom reporters Dave Thompson, Danielle Webster, and Todd McDonald.





Prairie Public Breadcasting 207 North Fifth Street P O. Box 3240 F rgo ND 56108-240

Morning Edition wakes you with the latest news from NPR's David Greene, Rachel



ON TELEVISION





ANTIOUES ROADSHOW.

PBS's most-watched primetime series, will roll in to Bonanzaville on June 1, 2019 to tape a show and appraise our region's antiques!

$2019 \equiv TOUR$ ANTIQUES ROADSHOW

FARGO, NORTH DAKOTA

BONANZAVILLE

• JUNE 1 •

APPLY NOW FOR TICKETS! pbs.org/roadshowtickets

and a superior and a

Tickets are required and must be obtained in advance. Register to win a pair of tickets, and find complete ticketing and furniture

submission rules, at pbs.org/antiques. Ticket applications must be received by Monday, February 11, 2019.

Prairie Public CUC Winter 2018

Concerts on your television in December

From Great Performances

From the magnificent Majestic Theater in downtown San Antonio, Texas, superstar singer-songwriter k.d. lang celebrates the 25th anniversary of her critically acclaimed album, Ingénue. Friday, December 14, at 8 pm

Country music superstar Brad Paisley returns to his roots in the beautiful Appalachian Mountains for a special outdoor concert before an audience of 35,000 from the Mountainlaire at West Virginia University. Friday, December 7, at 9 pm

Tony Bennett and Lady Gaga team up for a special concert from the stage of Jazz at Lincoln Center's Rose Theater in New

York City, performing selections from their collaborative classic jazz recording, Cheek to Cheek. Friday December 14, at 9:30 pm

The Bernstein Centennial Celebration at Tanglewood

spotlights Bernstein's wide-ranging talents as a composer and

features a kaleidoscopic array of artists and ensembles from the worlds of classical music, film, and Broadway. Friday, December 28, at 8 pn







ick back with some modern roots rock rom Band of Horses and Parker Millsap. Saturday. **December 8.** at 9 pm

Tune in for some sweet R&B from quadruple platinum performer Khalid, then some a la soft rock from a Canadian singer-songwriter, multi-instrumentalist, and producer Mac DeMarco. Saturday, December 15, at 9 pm

Tom Waits performs with veins of blues, jazz, and folk in this classic episode from 1979. Saturday, December 22, at 9 pm

> Rock'n'Roll legend blasts through and cuts from his Post Pop Depression. Saturday, December 29, at 9 pm

NEW IN PRAIRIE PUBLIC'S PODCAST LIBRARY



marketer, fabric artist, self-described bread head, and now—regular guest on Main Street to talk with Doug and Ashley about community, family, and food. For cool! We're pretty sure you'll like **Main Street Eats** with Root Seller Sue.

Sue Balcom—

blogger, author of four books, farmer's



Plains Folk





More podcasts from Prairie Public: Search and subscribe to Prairie Public podcasts on iTunes, Google Play, or your favorite podcast app.



ntinuing public radio's Saturday evening tradition

Have you heard? The radio show "formerly known as A Prairie Home Companion" welcomed new talent!

Public radio's Live from Here has taken another step away from its roots, with actors Tim Russell and Fred Newman and keyboardist/music director Richard Dworsky retiring from the show as it prepared for the 2018-19 season.

"I stand in awe and will be forever grateful to these extraordinary gentlemen," said host Chris Thile. "As we stay curious about what's next, we're mindful of and thankful for all the brilliant people that have helped make this show what it is today."

Thile made his first musical appearance on A Prairie Home **Companion** in 1996 when he was just 15 years old. Since that early booking,







Chris has been honored with Grammys and a 2012 MacArthur Genius grant.

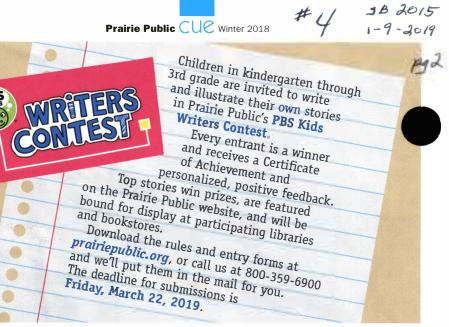
Thile has been called "the great bluegrass performer of our time and a beautiful jazz player. There just isn't anything he can't do."

Live from Here's new musical director is celebrated musician and producer Mike Elizondo. New actors on the show are comedians Mike Yard, Greg Hess, and Holly Laurent. Serena Brook, who has been acting on the show for two years, has been assigned announcer duty.

"I'm beyond excited about the team we have this year,"Thile said. "The new mix of talent further energizes our celebration of hearable beauty and hilarity."

Tune in for Thile's hearable beauty and hilarity on Saturday evenings at 5 pm on Prairie Public's FM1 and FM3 stations or listen anywhere at *prairiepublic.org* or with the Prairie Public app.





MISTE COGERS' NEIGHBORHOOD SWEATER

"All of us, at some time or other, need help. In our own ways, each of us is a giver and a receiver." Fred Rogers



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Testimony Prepared for the **Senate Appropriations Committee** January 9, 2019 By: Aaron Birst, NDACo Legal Council

#5 5B 2015 1-9-2019 pgl

RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Thank you, Mr. Chairman, for the opportunity to briefly state our Association's support for the public guardianship funding in the OMB budget, and to urge the inclusion of the optional request to fully fund the actual guardianship need.

Since 2013, the legislature has appropriated General Funds in the OMB budget for distribution to the private agencies and private individuals that serve as Public Guardians for indigent adults. (This does not include individuals served under the Developmental Disabilities program as their guardian is Catholic Charities and they are funded by DHS).

These wards are individuals that the District Court has determined are incapacitated and cannot adequately look after their own affairs due to age/dementia, physical disability, mental illness, addiction, etc. Many have multiple reasons on the court order. An advisory group (Courts, OMB, DHS, 1 Provider, & NDACo) directs the reimbursement of the Public Guardians for (non-DD) wards whose resources total less than 100% of poverty and/or are receiving Medicaid-funded services.

As the number of elderly and disabled individuals has grown, the number of those that lack resources have grown as well. This has increased the need for public guardians, although the state appropriation has remained flat for three biennia. As the attached report indicates, the advisory group was forced after the last session to reduce and freeze the number of wards for which a stipend was paid in order to stay within the appropriation. This obviously has made it much more difficult to find guardians and left vulnerable individuals without this support.

- The current biennial funding level (\$1,328,600) is insufficient to continue program in the next biennium without maintaining the freeze in paid guardianships at 210 indigent wards.
- The Executive Budget recommends flat funding, when in reality the need is estimated to be \$2.16 million at the current reimbursement rate of \$8.33 PER DAY.
- The advisory group is recommending that individual guardians be capped at 20 cases, but that an increase in the rate be incorporated into the appropriation as the daily rate has been constant since the statewide program began in 2013.
- An appropriation of \$2.33 million would fund the estimated 360 cases that would be eligible at a \$9.00 PER DAY reimbursement rate.

Thank you, Mr. Chairman and committee members, for your consideration of this request.

5B 2015

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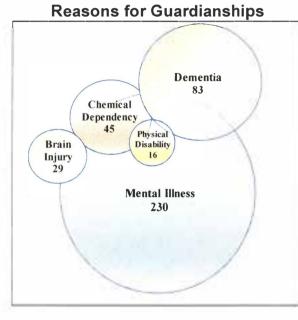
1-9-2019

FUNDING OF PUBLIC GUARDIANSHIPS

BACKGROUND

6.1

In response to a previous interim study of guardianship issues by the Legislature's consultant, Dr. Winsor Schmidt, the 2013 Legislature began a process of reforming the Public Administrator "system." The haphazard and unequally funded public guardianships throughout the State were set on a course for greater uniformity, better training, and limited, but consistent, funding. This initiative was supported by a broad cross-section of medical and social service entities, recognizing the personal and financial impact caused by the existing system's deficits.



With a goal of 100% state funding to support those guardianships appointed for indigent individuals (that were not the developmentally disabled and eligible to receive guardianship services through DHS), the Legislature approved a two-year cost share model where counties would pay onehalf the cost of public guardianships that were established prior to the 13-15 biennium, and the state would fund the other half of those existing cases and 100% of all newly established public guardianships. The conference committee discussed this funding plan as a necessary transitional step toward full state funding in the 2015-2017

biennium.

OMB requested, and the Legislature approved, 100% – but level – funding (1,328,600) for the 2015-2017 biennium. While honoring the previous commitment to "full funding," the appropriation did not recognize the actual growth in the number of public wards. The number of indigent, incapacitated individuals for which the court sought 14public guardians continued to rise (roughly two cases/month), and the state appropriation was quickly determined to be insufficient. The reimbursement program's oversight committee, consisting of OMB, DHS, the State Court Administrator, NDACo, and a representative of the public guardians, reduced the payments for the largest guardianship organizations. In 2017, the Legislature again appropriated \$1,328,600 for

public guardianships, and the program's oversight committee was faced with an even larger deficit. Reimbursements were limited to a maximum of 50 wards per organization, and the number of wards each provider could submit for reimbursement were

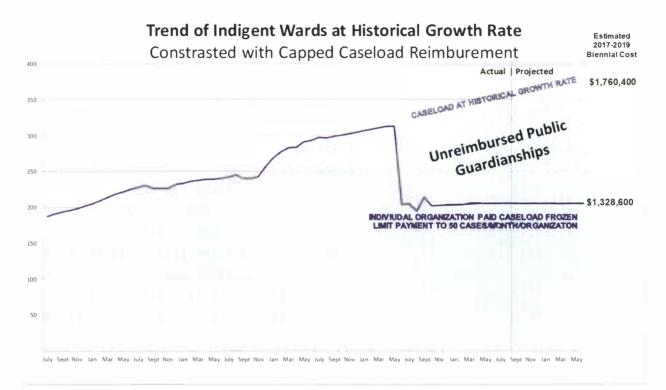
Public Wards - Sept. 2018 Avg. Age					
Female 44% 63					
Male	56%	58			
Age Range - 21 to 101					

frozen. The number of reimbursed wards was dropped from slightly over 300 to 205. These measures are projected to keep reimbursements within budget; but with the continued growth in wards, it is projected that only about 55% of the need is being supported. The result is more guardianships being refused by existing guardians, and no new guardians willing to serve.

#6 5B 2015 1-9-2019

THE CHALLENGE

Looking ahead to the 2019-2021 biennium, the need for guardians will continue to grow. Additionally, guardians are currently reimbursed at the same daily rate



(\$8.33/day) that was established in 2013, even though the Legislature's consultant recommended, at that time, a rate of \$11/day. Without change, this limited funding, coupled with enhanced training requirements, will continue to make it increasingly challenging to secure guardianships for this difficult population. This population is composed (as illustrated on the chart on the first page) of many of the same individuals that our state is trying to serve in its justice reinvestment and recovery initiatives.

The chart illustrates the reasons cited in the court orders for the assignment of public guardians. These needs overlap, as many have several reasons cited in the court order. The data is taken from the 337 public guardianships known to the PASS system on September 1, 2018. 130 of these are receiving no PASS reimbursement due to the funding limitations.

5B 2015 1-9-2019

Court Order	DKK	GaPS	LSS of MN	Tracie Retterath	Guardian Angels	Schweitzer Consulting	Opportunity Foundation	Lighthouse Associates	Veronica Miller	Steve Forde	Kathy Downs	Grand Total
Barnes		1000			1	2						3
Benson				1								1
Burleigh		21			1	3						25
Cass	3		21		4	5			5			38
Cavalier					1			1		1	1	3
Dickey					1					1.00		1
Eddy	1											1
Emmons		1										1
Foster	1											1
Grand Forks	9		4	1	1			2				17
Hettinger		2										2
Kidder					1							1
LaMoure	1											1
Logan					1							1
McIntosh	1											1
McKenzie				-		1						1
McLean	1	2										3
Mercer		2										2
Morton		8										8
Nelson	3									1		4
Ramsey				18								18
Ransom					1	1						2
Richland			1			1						2
Rolette		1						1				2
Stark		5		1								6
Stutsman	30	3		1	7	2	1					44
Towner				2								2
Traill					1							1
Walsh			1					1				2
Ward				1		1						2
Williams		-					12					12
Grand Total	50	45	27	25	20	16	13	5	5	1	1	208

Public Guardianships Receiving PASS Reimbursement for August 2018

The table above illustrates the guardianships eligible for reimbursement from the PASS program by guardian responsible. It should be noted that about half of all public guardianships are initiated in Stutsman County and are associated with individuals that are, or have been, receiving treatment at the State Hospital. Due to the 50-case limitation at this time, only 44 of these are reimbursed. Court activity in 38 counties indicate fewer than three wards are currently assigned public guardians. As hospitalizations can often trigger a guardianship petition, those communities with major hospitals see the largest number of guardianship petitions.

The estimate below has been prepared to project the funding needs for public guardianships in the 2019-2021 Biennium, if the freeze would be removed, and if a "caseload limitation" per certified worker was put in place. The necessary appropriation at the current daily rate (which has been in effect since 2013) is contrasted with the amount needed to also increase the rate to \$9/day.

Likely 2019-2021 Biennial Funding Need

	Likely	Current Rate	Adj. Rate
Caseload Policy	Caseload	\$8.33/day	\$9.00/day
Remove Freeze - Staff Cap 20 cases/person	360	\$2,160,000	\$2,332,800

*6 5B 2015 1-9-2019 pg 4

Note: As there are various funding allocations within the overall state budget that relate to the PASS program and/or are confused with the PASS program, a listing of those in the 2017-19 state budget has been shown below to highlight and contrast these for clarity.

VARIOUS "GUARDIANSHIP-RELATED" APPRORIATIONS – 2017-2019 BIENNIUM

Adult Protective Services (APS) DHS - Regional Centers/Counties (Investigate Reports of Neglect/Abuse) \$1,249,087 (State Office Only)

Training/Monitoring of ALL Guardians ND Court Administrator's Office \$316,204

Guardianship Establishment DHS Budget - Private Attorneys/Consultants Non-Developmentally Disabled Developmentally Disabled \$352,500 \$89,555

Public Guardianships

(Non-DD) - PASS OMB/NDACo - Various \$1,328,600 Developmentally Disabled DHS - Catholic Charities \$2,736,075 - 469 Wards Testimony prepared for the5B 2015Senate Appropriations Committee1 - 9 - 2019January 9, 2019By: Audrey Uhrich, Program Director, Guardian and Protective Services (GaPS) Mg^{1}

RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Thank you for the opportunity to address this committee. GaPS is a non-profit agency that can be appointed by the court to serve as a public guardian for vulnerable adults.

As a public guardian our responsibility is to:

- Address the financial, medical, care, and housing needs
- Apply for appropriate benefits and access available resources
- Be available 24/7 for all emergent needs.

Why is a public guardian appointed for a vulnerable adult?

- ND has mandatory reporting laws for vulnerable adults.
 - Adult Protective Services (APS) receives reports on adults who may be abused, neglected or victims of exploitation.
 - APS investigates to determine if individuals are safe, need services or are not able to make safe decisions for themselves.
 - If no family or friends can assist, and the individual lacks decision-making capacity, a public guardian may be needed.
 - APS requests guardianship services from public guardians but many guardians are not taking these cases for indigent individuals because there is not a payment source for the services provided.

At this time, our state is NOT meeting the need of public guardianship for our vulnerable adults because of insufficient funding for the PASS program.

• Vulnerable adults who are unsafe or being financially exploited are remaining in terrible situations because they have no decision maker or guardian to advocate for them, stop exploitation, manage bills, set up needed services or find a safe setting for them.

Public guardians are an essential piece in the continuum of care for vulnerable adults in our state. We ask your support to ensure that public guardianship services are available for vulnerable adults in North Dakota by approving the public guardianship funding in the OMB budget and the optional request to appropriately fund the actual guardianship need.

Thank you for your time and consideration of this request.

#/ 5B 2015 2-1-2019 Pg/

Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

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000		Executive Budg	et Recommenda	tion	Senate Version		Senate Changes to Executive Budget					
		<u> </u>							In	crease (Decrease		
	FTE	General	Other	Tetal	FTE	General	Other Funds	Tadal	FTE	General Fund	Other Funds	Total
2019-21 Biennium Base Level	Positions 117.00	Fund \$30,720,260	Funds \$9,434,087	Total \$40,154,347	Positions 117.00	Fund \$30,720,260	\$9,434,087	Total \$40,154,347	Positions 0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		\$9,781	(\$50,000)	(\$40,219)		\$9,781	(\$50,000)	(\$40,219)				\$0
Salary increase		631,676	133.586	765,262		441,684	94,320	536.004		(189,992)	(39,266)	(229,258)
Health insurance increase		324,415	68.607	393,022		382,847	81,210	464,057		58,432	12,603	71,035
Retirement contribution increase		79,896	16,896	96,792		002,011	01,210	0		(79,896)	(16,896)	(96,792)
Removes FTE positions	(5.00)	(560,182)	10,000	(560,182)				0	5.00	560,182	(10,000)	560,182
Underfunds salaries and wages	(0.00)	(210,252)	(600,994)	(811,246)				0	0.00	210.252	600,994	811,246
Adds funding to reclassify positions		560,678	(000,004)	560,678				0		(560,678)	000,004	(560,678)
Adds funding for temporary employees		56,400		56,400				0		(56,400)		(56,400)
Adjusts funding and FTE positions for IT unification	(4.00)	40,312		40,312				0	4.00	(40,312)		(40,312)
Reduces funding for operating expenses	(4.00)	(588,483)	(247,461)	(835,944)				0	4.00	588,483	247.461	835,944
Adds funding for contracted custodians		640,000	(247,401)	640,000				0		(640,000)	247,401	(640,000)
Increases funding for utility costs		427,650		427,650				0		(427,650)		(427,650)
Adds funding for information technology project costs		483,360		483,360				0		(483,360)		(483,360)
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308				0		(55,584)	(21,724)	(77,308)
Reduces funding for contingency fund		(100,000)	21,724	(100,000)				0		100.000	(21,724)	100.000
Reduces funding for bond payments		(206,352)		(206,352)				0		206 352		206,352
Total ongoing funding changes	(9.00)	\$1,644,483	(\$657,642)	\$986,841	0.00	\$834,312	\$125,530	\$959,842	9.00	(\$810,171)	\$783,172	(\$26,999)
	(9.00)	\$1,044,403	(\$037,042)	\$900,041	0.00	φ03 4 ,312	φ123,330	\$555,0 4 2	9.00	(\$610,171)	\$703,172	(\$20,333)
One-time funding items Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000	1			0			(1,900,000)	(1,900,000)
Adds funding for risk management technology project			\$1,900,000 170,000	170,000				0			(1,900,000)	(1,900,000)
		¢250.000	170,000	250,000				0		(250,000)	(170,000)	
Adds funding for state student internship program		\$250,000						0		,		(250,000)
Adds funding for electronic procurement study		50,000		50,000				0		(50,000)		(50,000)
Adds funding for special assessments on Capitol grounds		320,000	4 000 000	320,000				•		(320,000)	(4,000,000)	(320,000)
Adds funding for a litigation funding pool			4,000,000	4,000,000				0		(000,000)	(4,000,000)	(4,000,000)
Adds funding for a health savings account funding pool		800,000	700,000	1,500,000				0		(800,000)	(700,000)	(1,500,000)
Adds funding for an assessment of state lands and facilities			2,430,000	2,430,000				0			(2,430,000)	(2,430,000)
Adds funding to implement the ethics commission		100,000		100,000				0		(100,000)	(00.000.000)	(100,000)
Total one-time funding changes	0.00	\$1,520,000	\$9,200,000	\$10,720,000	0.00	\$0	\$0	\$0	0.00	(\$1,520,000)	(\$9,200,000)	(\$10,720,000)
Total Changes to Base Level Funding	(9.00)	\$3,164,483	\$8,542,358	\$11,706,841	0.00	\$834,312	\$125,530	\$959,842	9.00	(\$2,330,171)	(\$8,416,828)	(\$10,746,999)
2019-21 Total Funding	108.00	\$33,884,743	\$17,976,445	\$51,861,188	117.00	\$31,554,572	\$9,559,617	\$41,114,189	9.00	(\$2,330,171)	(\$8,416,828)	(\$10,746,999)

			#	5B 2015 sub 2-1-2019 pg 2
Other Sections for Office of Management and Budget	- Budget No. 110			
Strategic investment and improvements fund transfer to budget stabilization fund	Executive Budget Recommendation Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.	Senate Version		pa a
General fund transfer to National Guard training area and facility development trust fund	Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.			
Tax relief fund to social services finance fund	Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.			
Strategic investment and improvements fund transfer to public employees retirement fund	Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.			
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.			
State student internship program	Section 7 (Second) would authorize the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.			
Fiscal management exemption	Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.			
Grant and expense designations	Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.			
Litigation funding pool	Section 10 would authorize OMB to transfer litigation funding to other state agencies.			
Health savings account funding pool	Section 11 would authorize OMB to transfer health savings account funding to other state agencies.			
State employee compensation adjustments	Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in the first year and a 2 percent salary increase in the second year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the second year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.			

Other Sections for Office of Management and Budget - Budget No. 110

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			# SA 2015 2-1-2019
Other Sections for Office of Management and Budg	get - Budget No. 110		~ 2
Emergency Commission borrowing authority	Executive Budget Recommendation Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.	Senate Version	
Shared services fund	Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.		
Planning fees for capital improvements	Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.		
Line item transfers	Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.		
Transfers between agencies	Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.		
State employee suggestion incentive program	Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.		
State employee performance bonus program	Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.		
Health insurance premiums	Sections 22 and 23 would adjust provisions related to health insurance premiums to require employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.		

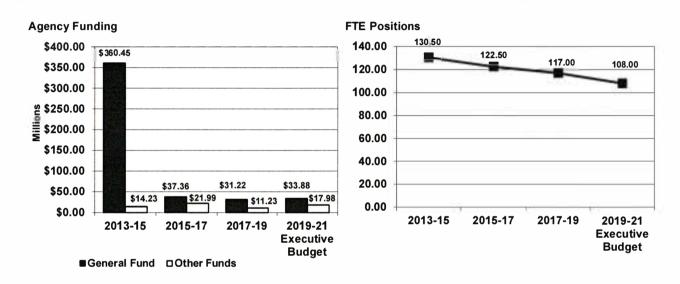
3B 2015 Sub 2-11-19 pg1 Prepared for the Senate Appropriations Committee

Department 110 - Office of Management and Budget Senate Bill No. 2015

Executive Budget Comparison to Prior Biennium Appropriations						
	Total					
2019-21 Executive Budget	108.00	\$33,884,743	\$17,976,445	\$51,861,188		
2017-19 Legislative Appropriations	117.00	31,220,260	11,234,087	42,454,347		
Increase (Decrease)	(9.00)	\$2,664,483	\$6,742,358	\$9,406,841		

Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$32,364,743	\$1,520,000	\$33,884,743
2017-19 Legislative Appropriations	30,720,260	500,000	31,220,260
Increase (Decrease)	\$1,644,483	\$1,020,000	\$2,664,483



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$33,884,743	\$17,976,445	\$51,861,188
2019-21 Base Level	30,720,260	9,434,087	40,154,347
Increase (Decrease)	\$3,164,483	\$8,542,358	\$11,706,841

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Hig	phlights		
	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$765,262 is for salary increases, \$393,022 is for health insurance increases, and \$96,792 is for retirement increases	\$1,035,987	\$219,089	\$1,255,076
2. Removes 5 FTE positions, including 3 custodians and 2 system mechanics	(\$560,182)	\$0	(\$560,182)
3. Underfunds salaries and wages	(\$210,252)	(\$600,984)	(\$811,246)
 Adds funding to reclassify FTE positions, including a director of recruiting, a director of leadership and learning, a training officer, and a public information officer 	\$560,678	\$0	\$560,678
5. Adds funding for temporary employees	\$56,400	\$0	\$56,400

		#1	SB 2.	2015 sub 2019 Mg 2)
6.	Transfers 4 FTE positions, including 1 information technology program administrator, 2 computer networking specialists, and 1 business analyst position, to the Information Technology Department for an information technology unification project resulting in an increase in operating expenses for the agency	\$40,312	\$0	\$40,312	
7.	Reduces funding for operating expenses primarily related to information technology costs, maintenance, and equipment and supplies	(\$588,483)	(\$247,461)	(\$835,944)	
8.	Adds funding to contract for custodial and maintenance services	\$640,000	\$0	\$640,000	
9.	Increases funding for utility costs	\$427,650	\$0	\$427,650	
10.	Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	\$483,360	\$0	\$483,360	
11.	Adds funding for Microsoft Office 365 licensing	\$55,584	\$21,724	\$77,308	
12.	Reduces funding for the Emergency Commission contingency fund to provide a total of \$500,000	(\$100,000)	\$0	(\$100,000)	
13.	Reduces funding for bond payments	(\$206,352)	\$0	(\$206,352)	
14.	Adds one-time funding from the strategic investment and improvements fund for a litigation funding pool	\$0	\$4,000,000	\$4,000,000	
15.	Adds one-time funding from the strategic investment and improvements fund for a comprehensive assessment of state lands and facilities	\$0	\$2,430,000	\$2,430,000	
16.	Adds one-time funding from the Capitol building fund for extraordinary repairs, including parking lot repairs (\$600,000), electrical transformer replacement (\$400,000), capitol door refurbishment (\$200,000), cooling equipment replacement (\$200,000), and other unspecified projects (\$500,000)	\$0	\$1,900,000	\$1,900,000	
17.	Adds one-time funding for a health savings account incentive funding pool	\$800,000	\$700,000	\$1,500,000	
18.	Adds one-time funding from the risk management fund for an information technology project	\$0	\$170,000	\$170,000	
19.	Adds one-time funding for special assessments associated with road work on Fourth Street adjacent to the Capitol grounds	\$320,000	\$0	\$320,000	
20.	Adds one-time funding for the state student internship program	\$250,000	\$0	\$250,000	
21.	Adds one-time funding to implement the ethics commission established through voter approval of Constitutional Measure No. 1 in November 2018	\$100,000	\$0	\$100,000	
22.	Adds one-time funding for an electronic procurement study	\$50,000	\$0	\$50,000	

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships					
	2017-19 Biennium Legislative Budget	2019-21 Biennium Executive Budget			
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$117,450	\$122,130			
Council of State Governments	169,200	163,940			
Governmental Accounting Standards Board	0	0			
Western Governors' Association	66,870	72,000			
National Governors Association	73,350	75,800			
National Lieutenant Governors Association	1,080	2,000			
Education Commission of the States	103,500	95,580			
Western Interstate Commission for Higher Education ¹	0	0			
Total dues and memberships	\$531,450	\$531,450			
¹ Funding for the Western Intrastate Commission for Higher Education is inc biennium budget included \$230,000, and the 2019-21 biennium executive					

SB 2015 2-11-2019

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Strategic investment and improvements fund transfer to budget stabilization fund - Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.

General fund transfer to National Guard training area and facility development trust fund - Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.

Tax relief fund to social services finance fund - Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.

Strategic investment and improvements fund transfer to public employees retirement fund - Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.

Strategic investment and improvements fund transfer to preliminary planning revolving fund - Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.

State student internship program - Section 7 (Second) would authorize the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.

Fiscal management exemption - Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.

Grant and expense designations - Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.

Litigation funding pool - Section 10 would authorize OMB to transfer litigation funding to other state agencies.

Health savings account funding pool - Section 11 would authorize OMB to transfer health savings account funding to other state agencies.

State employee compensation adjustments - Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in 1st year and a 2 percent salary increase in the 2nd year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the 2nd year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.

Emergency Commission borrowing authority - Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.

Shared services fund - Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.

Planning fees for capital improvements - Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.

Line item transfers - Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.

Transfers between agencies - Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.

State employee suggestion incentive program - Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.

State employee performance bonus program - Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.

Health insurance premiums - Sections 22 and 23 would adjust provisions related to health insurance premiums to require state employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.

Deficiency Appropriation

Senate Bill No. 2024 provides a deficiency appropriation of \$408,000 from the general fund for costs related to the Heritage Center lawsuit.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees.

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund.

1 SA 2015 Sub 2-11-2019 pg4

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the 1st day of the biennium subject to a maximum amount of \$175,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects.

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals.

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies.

Significant Audit Findings

The operational audit for OMB conducted by the State Auditor's office during the 2017-18 interim identified a significant audit finding regarding noncompliance with the distribution of community service supervision grants. (A similar recommendation was also identified in the operational audit during the 2015-16 interim.)

Major Related Legislation

House Bill No. 1057 - Provides guidelines for state employee salary increases of \$300 per month for the 1st year of the 2019-21 biennium and an average increase of 1 percent effective July 2020.

Senate Bill No. 2128 - Provides guidelines for state employee salary increases of \$300 per month for the 1st year of the 2019-21 biennium and an average increase of 3 percent effective July 2020.

| SB 2015 sub 2-11-2019 Pg 5

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Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

Executive Budget Recommendation					
	FTE Position	General Fund	Other Funds	Total	
2019-21 Biennium Base Level	117.00	\$30,720,260	\$9,434,087	\$40,154,347	
2019-21 Ongoing Funding Changes					
Base payroll changes		\$9,781	(\$50,000)	(\$40,219)	
Salary increase		631,676	133,586	765,262	
Health insurance increase		324,415	68,607	393,022	
Retirement contribution increase		79,896	16,896	96,792	
Removes FTE positions	(5.00)	(560,182)		(560,182)	
Underfunds salaries and wages	((210,252)	(600,994)	(811,246)	
Adds funding to reclassify positions		560,678	(000,000)	560,678	
Adds funding for temporary employees		56,400		56,400	
Adjusts funding and FTE positions for IT unification	(4.00)	40,312		40,312	
Reduces funding for operating expenses	((588,483)	(247,461)	(835,944)	
Adds funding for contracted custodians		640,000		640,000	
Increases funding for utility costs		427,650		427,650	
Adds funding for information technology project costs		483,360		483,360	
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308	
Reduces funding for contingency fund		(100,000)		(100,000)	
Reduces funding for bond payments		(206,352)		(206,352)	
Total ongoing funding changes	(9.00)	\$1,644,483	(\$657,642)	\$986,841	
One-time funding items					
Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000	
Adds funding for risk management technology project			170,000	170,000	
Adds funding for state student internship program		\$250,000		250,000	
Adds funding for electronic procurement study		50,000		50,000	
Adds funding for special assessments on Capitol grounds		320,000		320,000	
Adds funding for a litigation funding pool			4,000,000	4,000,000	
Adds funding for a health savings account funding pool		800,000	700,000	1,500,000	
Adds funding for an assessment of state lands and facilities	5		2,430,000	2,430,000	
Adds funding to implement the ethics commission		100,000		100,000	
Total one-time funding changes	0.00	\$1,520,000	\$9,200,000	\$10,720,000	
Total Changes to Base Level Funding	(9.00)	\$3,164,483	\$8,542,358	\$11,706,841	
2019-21 Total Funding	108.00	\$33,884,743	\$17,976,445	\$51,861,188	

	Executive Budget Recommendation			
Strategic investment and improvements fund transfer to budget stabilization fund	Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.			
General fund transfer to National Guard training area and facility development trust fund	Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.			

| SB 2015 546 2-11-2019 pg 6

Tax relief fund to social services finance fund	Executive Budget Recommendation Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.
Strategic investment and improvements fund transfer to public employees retirement fund	Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.
State student internship program	Section 7 (Second) would authorize the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.
Fiscal management exemption	Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
Grant and expense designations	Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Litigation funding pool	Section 10 would authorize OMB to transfer litigation funding to other state agencies.
Health savings account funding pool	Section 11 would authorize OMB to transfer health savings account funding to other state agencies.
State employee compensation adjustments	Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in the first year and a 2 percent salary increase in the second year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the second year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Emergency Commission borrowing authority	Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.
Shared services fund	Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.
Planning fees for capital improvements	Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.
Line item transfers	Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.

1 SB 2015 5mb 2-11-2019 Pg 7

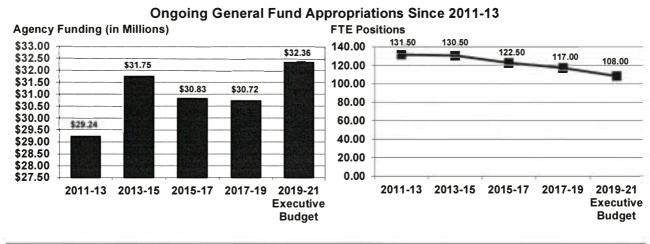
	Executive Budget Recommendation
Transfers between agencies	Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.
State employee suggestion incentive program	Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.
State employee performance bonus program	Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.
Health insurance premiums	Sections 22 and 23 would adjust provisions related to health insurance premiums to require employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.

Prepared by the Legislative Council staff

世 1

Department 110 - Office of Management and Budget

Historical Appropriations Information



Ongoing General Fund Appropriations							
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget		
Ongoing general fund appropriations	\$29,238,699	\$31,746,688	\$30,826,724	\$30,720,260	\$32,364,743		
Increase (decrease) from previous biennium	N/A	\$2,507,989	(\$919,964)	(\$106,464)	\$1,644,483		
Percentage increase (decrease) from previous biennium	N/A	8.6%	(2.9%)	(0.3%)	5.4%		
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	8.6%	5.4%	5.1%	10.7%		

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. Added funding for Prairie Public Broadcasting	\$337,138
2. Added funding for contracts with external auditors for certain audits	\$300,000
3. Added funding for ConnectND human resources modules	\$171,348
4. Added funding for guardianship grants	\$828,600
2015-17 Biennium	
1. Decreased funding for operating expenses	(\$150,003)
2. Added funding for community supervision grants	\$125,000
 Reduced funding for salaries and wages (\$230,000), operating expenses (\$351,525), the Emergency Commission contingency fund (\$200,000), and Prairie Public Broadcasting (\$100,000) related to the August 2016 budget reductions 	(\$881,525)
2017-19 Biennium	
 Adjusted funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, 1 FTE computer and networking specialist position, 1 FTE facility construction engineer, and 1 FTE human resource officer position 	(\$862,713)
2. Adjusted funding for operating expenses	\$171,178
3. Increased funding for the Emergency Commission contingency fund	\$100,000
4. Added funding for extraordinary repairs and bond payments	\$773,477
 Removed funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) 	(\$501,000)
6. Reduced funding for Prairie Public Broadcasting from \$1,600,000 to \$1,200,000	(\$400,000)
7. Removed funding for the state internship program	(\$200,000)
8. Added funding for community service supervision grants	\$350,000

5B 2015 Sub 2-11-2019 Council staff Pg 8

5B 2015 2-11-2019 pg 9

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2019-21 Biennium (Executive Budget Recommendations) 1. Provides funding for state employee salary and benefit increases of which \$765,262 is for salary \$1,035,987 increases, \$393,022 is for health insurance increases, and \$96,792 is for retirement increases 2. Removes 5 FTE positions, including 3 custodians and 2 system mechanics (\$560,182) 3. Underfunds salaries and wages (\$210,252) 4. Adds funding to reclassify FTE positions, including a director of recruiting, a director of leadership and \$560,678 learning, a training officer, and a public information officer 5. Adds funding for temporary employees \$56,400 6. Transfers 4 FTE positions, including 1 information technology program administrator, 2 computer \$40,312 networking specialists, and 1 business analyst position, to the Information Technology Department for an information technology unification project resulting in an increase in operating expenses for the agency 7. Reduces funding for operating expenses primarily related to information technology costs, (\$588,483) maintenance, and equipment and supplies 8. Adds funding to contract for custodial and maintenance services \$640,000 9. Increases funding for utility costs \$427,650 10. Adds funding for information technology costs associated with the state's accounting software and an \$483,360 employee onboarding project 11. Adds funding for Microsoft Office 365 licensing \$55.584 12. Reduces funding for the Emergency Commission contingency fund (\$100,000) 13. Reduces funding for bond payments (\$206,352)

5B 2015 Sub 2-11-2019 Pg 10 #1

GOVERNOR'S RECOMMENDATION FOR THE OFFICE OF MANAGEMENT AND BUDGET AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

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 office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	21,596,832	(333,040)	21,263,792
Operating Expenses	14,051,438	4,426,233	18,477,671
Contingency Fund	600,000	(100,000)	500,000
Capital Assets	973,477	1,863,648	2,837,125
Grants	54,000	100,000	154,000
Guardianship Grants	1,328,600		1,328,600
Community service grants	•	350,000	350,000
Prairie Public Broadcasting	1,200,000	*	1,200,000
Litigation Pool		4,000,000	4,000,000
State Student Internship	÷	250,000	250,000
Health Savings Account	2	1,500,000	1,500,000
Cybersecurity remediation pool		<u></u>	<u> </u>
Total all funds	39,804,347	12,056,841	51,861,188
Less estimated income	11,234,087	6,742,358	17,976,445
Total general fund Full-time equivalent positions	28,570,260 117.00	5,314,483 -9.00	33,884,743 108.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Surplus Property Building	800,000	*

Governor's recommendation as submitted by the Office of Management and Budget

JB 2015 Sub 2-11-2019 pg 11

Cybersecurity remediation pool	1,000,000	1.11
Theodore Roosevelt center grant	500,000	
Extraordinary repairs		1,900,000
IT risk project	(*)	170,000
Central services study	*	50,000
Student internship	1901	250,000
Special assessments	-	320,000
Litigation pool	·	4,000,000
Ethics commission	540	100,000
Real estate plan	545	2,430,000
Health savings account		1,500,000
Total All Funds	\$2,300,000	\$10,720,000
Total Special Funds Total General Funds	1,800,000 \$500,000	9,200,000 \$1,520,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3 TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENT FUND TO BUDGET STABILIZATION FUND. The office of management and budget shall transfer the sum of \$315,039,140, or so much of the sum as may be necessary, to the budget stabilization fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 4 - TRANSFER - GENERAL FUND TO NATIONAL GUARD TRAINING AREA AND FACILITY DEVELOPMENT TRUST FUND. The office of management and budget shall transfer the sum of \$15,000,000 to the national guard training area and facility development trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - TAX RELIEF FUND TO SOCIAL SERVICES FINANCE FUND. The office of management and budget shall transfer the sum of \$182,300,000, or so much of the sum as may be necessary, from the tax relief fund to the social services financing fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO THE PENSION FUND. The office of management and budget shall transfer the sum of \$265,000,000 from the strategic investment and improvements fund to the public employees retirement fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER - REVOLVING FUND FOR PREPAYMENT OF CONSULTING AND

PLANNING FEES. The office of management and budget shall transfer the sum of \$1,000,000 from the strategic investment and improvement fund to the revolving fund, established pursuant to section 54-27-22, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency appropriated general fund spending authority from the state student internship program line item contained in section 1 of this Act.

SECTION 8. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 49 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems including accounting, management, and payroll, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork State memberships and related expenses Unemployment insurance Capitol grounds planning commission

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET – LITIGATION POOL. The office of management and budget may transfer to each eligible agency appropriation authority from the litigation pool line item contained in section 1 of this Act. Transfers may be made for the purpose of providing litigation services for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET – HEALTH SAVINGS ACCOUNT. The office of management and budget may transfer to each eligible agency appropriation authority from the health savings account line item contained in section 1 of this Act. Transfers may be made for the purpose of providing a \$500 contribution to eligible employee's health savings account in January, 2020 and January, 2021.

SECTION 12. STATE EMPLOYEE COMPENSATION ADJUSTMENT - GUIDELINES. The 2019-21 biennium compensation adjustment for classified state employees is to be based on documented performance with up to a 4 percent increase for the first year of the biennium and 2 percent for the second year. If savings resulting from employee reductions can be identified an additional 2 percent is authorized for the second year.

Probationary employees are not entitled to the salary increase. However, probationary employees may be given all or a portion of the increase effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow NDCC 54-44.2-01.2.

An employee whose overall documented performance level does not meet standards is not eligible for any salary increase.

SECTION 13. Section 54-16-04.4 of the North Dakota Century Code is created and enacted as follows:

54-16-04.4. Authority to borrow funds.

The emergency commission, upon the advice of the office of management and budget, may authorize the office of management and budget to borrow moneys from the Bank of North Dakota for state contingencies as provided in this chapter. Moneys borrowed from the Bank of North Dakota pursuant to this section may not exceed five million dollars during any state biennial period. Moneys borrowed pursuant to this section may be transferred by the office of management and budget to the appropriation of the state agency, board, commission or officer who reguested the funding to address a state

| 5B 2015 sub 2-11-2019 29 13

contingency as approved by the emergency commission. Any state agency, board, commission, or officer receiving moneys pursuant to this section must return any unspent moneys within the biennium in which it was authorized. The office of management and budget shall reguest from the legislative assembly a deficiency appropriation sufficient for the repayment of the amount borrowed plus interest.

SECTION 14. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund – Creation – Appropriation. There is created in the state treasury a state shared services fund. Any payment to a state agency or institution received from another state agency or institution as a result of a shared services agreement must be deposited in the state shared services fund. Any moneys deposited by a state agency or institution in the state shared services fund are hereby appropriated to that agency or institution for the purposes of defraying the costs of equipment, operating expenses, or salaries relating to the shared services agreement.

SECTION 15. AMENDMENT. Section 54-16-04 of the North Dakota Century Code is amended and reenacted as follows:

54-16-04. May order transfer of moneys between funds - Line item transfers - Order may draw from state treasury.

The emergency commission, upon the advice of the office of management and budget, may order money or spending authority transferred from one fund or line item to another fund or line item belonging to or appropriated for the same institution or board or the same state enterprise, may order a transfer of spending authority from the state contingencies appropriation, <u>may order borrowing from the Bank of</u>. <u>North Dakota pursuant to section 54-16-04.4</u>, or, in an extremity, may authorize money to be drawn from the state treasury to meet the emergency until the legislative assembly can make an appropriation available. The following transfers, if authorized by the emergency commission, require the approval of the budget section of the legislative management:

- 1. A transfer of moneys or spending authority which would eliminate or make impossible the accomplishment of a program or objective funded by the legislative assembly.
- 2. A transfer exceeding fifty thousand dollars from one fund or line item to another fund or line item, unless the transfer is necessary to comply with a court order or to avoid:
 - a. An imminent threat to the safety of people or property due to a natural disaster or war crisis; or
 - b. An imminent financial loss to the state.

SECTION 16. AMENDMENT. Section 54-27-22 of the North Dakota Century Code is amended and reenacted as follows:

54-27-22. Revolving fund for prepayment of consulting and planning fees for capital

improvements.

Funds must be made available to all state agencies, institutions, and departments from a preliminary planning revolving fund in the state treasury under the control of the director of the office of management and budget for studies, planning, architectural programming, schematic designs, and cost estimates relating to proposed new capital improvements and major remodeling of existing facilities. State agencies, institutions, and departments interested in obtaining planning moneys shall submit a written request detailing the scope and purpose of such project to the director of the office of management and budget. The director shall file such request with, and shall present the director's recommendations regarding the proposed project and necessary planning moneys report to the budget section of the legislative management, at least once each year, regarding expenditures from the fund. Funds may be advanced only in the event that an authorization has first been received from the budget section. Such funds advanced must be repaid to the preliminary planning revolving fund as moneys become available through legislative appropriation or other sources for the commencement of the project.

1 SB 2015 Sub 2-11-2019 B14

SECTION 17. LINE ITEM TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 18. TRANSFER AUTHORITY BETWEEN AGENCIES. Notwithstanding any other sections of the law, the governor may direct the office of management and budget to transfer up to one percent of the legislatively approved general fund appropriation for the following agencies to implement and promote efficient practices in state government: the office of the governor, office of management and budget, information technology department, department of health, department of environmental quality, Indian affairs commission, job service North Dakota, department to labor and human rights, securities department, highway patrol, department of corrections and rehabilitation, office of the adjutant general. department of commerce, water commission, and department of transportation. Transfers may occur for the period beginning July 1, 2019, and ending June 30, 2021 under the following provisions:

- 1. The governor has transferred duties between executive branch agencies when an agency has demonstrated they are able to perform the specific duty more efficiently, thereby creating a savings to the state equal to at least ten percent of the amount transferred.
- 2. The governor has identified projects or initiatives which will generate efficiency and cost savings for the state, equal to at least ten percent of the amount transferred.
- 3. Any general fund savings amount will be turned back to the general fund at the end of the biennium.
- 4. The office of management and budget shall report to the budget section regarding the purposes of the transfers and documented efficiencies and savings that occurred from such transfers.
- 5. The transfers are to be considered a reduction in the base budget for the agency from whom the transfer is made and an increase in the base budget for the agency which received the transfer.

SECTION 19. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 20. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

SECTION 21. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations. State agencies may provide monetary performance bonuses to their employees under this section.

1. State agencies may pay bonuses under this section if:

a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;

b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and

c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.

2. State employees are eligible to receive a bonus under this section only if:

a. The employee has held a position in state government for at least one year before a bonus is paid;

b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and

c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.

3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than one thousand two thousand five hundred dollars in bonuses per fiscal year.

5B 2015 500 2-11-2019 pg 15 4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscalyear to not more than the number of employees equal to twenty five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management servicesshall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.

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5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.

6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 22. AMENDMENT. Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-06. State contribution.

Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract for the full blended single and alternate family contract rate monthly premium for each of its eligible employees enrolled in the non-grandfathered uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. Employees who elect to remain in the grandfathered uniform group insurance program, if it is still offered to employees, shall pay the blended single and family rate difference in monthly premium between the grandfathered and non-grandfathered uniform group insurance programs. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such

| SB 2015 Sub. 2-11-2019

Pg 16

payment at the time the right arises.

SECTION 23. AMENDMENT. Section 54-52.1-18 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-18. High-deductible health plan alternative with health savings account option.

- 1. The board shall develop and implement a high-deductible health plan as an alternative to the plan under section 54-52.1-02. The high-deductible health plan alternative with a health savings account must be made available to state employees by January 1, 2012. After June 30, 2015, at the board's discretion, the high-deductible health plan alternative may be offered to political subdivisions for coverage of political subdivision employees. If a political subdivision elects this high-deductible option, the political subdivision may not offer the plan under section 54-52.1-02.
- 2. Health savings account fees for participating state employees must be paid by the employer.
 - Except as provided in subdivision b, subject to the limits of section 223(b) of the Internal Revenue Code [26 U.S.C. 223(b)], the difference between the cost of the <u>respective non-grandfathered</u> single and family premium for eligible state employees under section 54-52.1-06 and the premium for those employees electing to participate under the high-deductible health plan under this section must be deposited in a health savings account for the benefit of each participating employee.
 - b. If the public employees retirement system is unable to establish a health savings account due to the employee's ineligibility under federal or state law or due to failure of the employee to provide necessary information in order to establish the account, the system is not responsible for depositing the health savings account contribution. The member will remain a participant in the high-deductible health plan regardless of whether a health savings account is established.
 - c. If a member closes the health savings account established for that member under this section, the system is not responsible for depositing the health savings account contribution after that closure.

 $\# \int 5B 2015 sub$ $\# \int 2-11-2019$ high-deductible boolth plan

3. Each new state employee must be provided the opportunity to elect the high-deductible health plan alternative. At least once each biennium, the board shall provide an open enrollment period allowing existing state employees or a political subdivision to change their coverage.

2 S.B 2015 Sub 2-11-2019

NDLA, S APP ASST - Laning, Rose

From:	Morrissette, Joseph R.
Sent:	Monday, February 11, 2019 12:13 PM
То:	Holmberg, Ray E.; Bekkedahl, Brad; Robinson, Larry J.
Cc:	NDLA, S APP ASST - Laning, Rose; Mathiak, Adam; Deichert, Becky J.; Kmetz, Rachel A.
Subject:	state student internship program
Attachments:	15-17 Stipend Internship Biennium report.pdf; Internship Stats 8-2018.xlsx

Senators,

Attached are two documents. The first is the 2015-17 biennial report on the student internship program. The second is the history of appropriations for the program from 2009-11 to 2015-17. There is no appropriation in the current biennium.

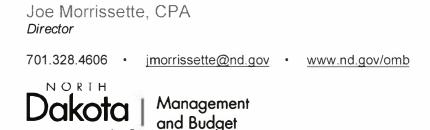
I misspoke during our meeting when I indicated the appropriation in all prior bienniums was \$250,000. The 2015-17 appropriation was \$250,000. The appropriations in 2009-11 through 2013-15 were \$200,000.

Depending on funding availability within the agency, they can receive 50% or up to 100% reimbursement through the program for employing and providing job experience for student interns.

Thanks for your consideration.

Be Legendary."

Joe



2 2-11-2019

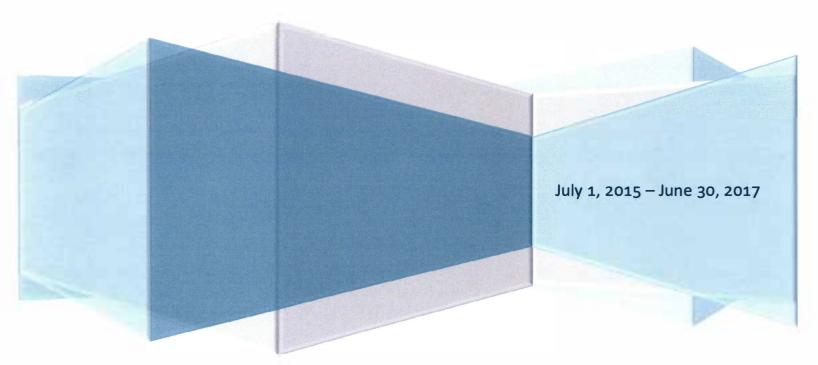
Pg 2

Human Resource Management Services

State Government Stipend Internship

2015 – 2017 Biennium Summary

Schulz, Krista



5B 2015 2-11-2019

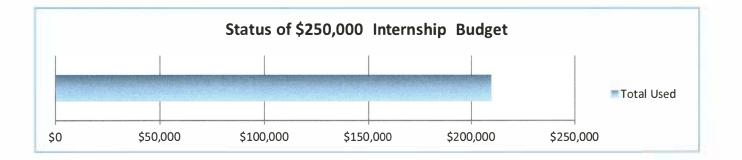
pg 3

The North Dakota State Government Student Internship Stipend Program continued to provide benefits to students and state agencies. Here is what the students are saying about the internship stipend program:

- I have always learned best by applying the information I have been taught throughout school. This internship has given me the hands-on experience I needed to meld the school plus experience together.
- My supervisor provided me with plenty of independent projects, which allowed me to develop a strong understanding of my work.
- This internship was a great experience. It gave you a glimpse of real world office work and what little tasks need to be done to keep a business moving.

Since July 1, 2009, HRMS has received general fund authority for this program. HRMS received \$250,000 in general fund authority for the 2015-2017 biennium. Of these allocated funds, \$209,534 was used for 43 internship opportunities. Each biennium, HRMS has been able to increase the number of state agencies served. During the 2015-2017 biennium, HRMS was able to provide assistance to 17 agencies. The following are comments from state agencies:

- The internship program is very valuable, not only for the individual but also for an agency like ours which does not have the option of having a person on staff to provide this service. Working with an intern is a win-win situation.
- We wish they could stay. The help has been of great value and extremely appreciated.
- Overall, this was a great experience for our office. This internship provided great value to our office during a time when it was desperately needed.



Agency Allocations

110/OMB = 112/ITD 120/Treasurer 125/Attorney General 190/RIO 192/PERS 201/DPI 226/Trust Lands 321/Veterans Affairs ■ 325/DHS ■ 380/JSND 408/PSC 530/DOCR = 540/Adjutant General/National Guard 6_1/Soybean Council 701/State Historical Society 709/Arts Council

Agency	Percentage
110/OMB	1%
112/ITD	3%
120/Treasurer	1%
125/Attorney General	3%
190/RIO	1%
192/PERS	3%
201/DPI	3%
226/Trust Lands	4%
321/Veterans Affairs	6%
325/DHS	32%
380/JSND	5%
408/PSC	2%
530/DOCR	5%
540/Adjutant General/National Guard	1%
611/Soybean Council	4%
701/State Historical Society	24%
709/Arts Council	2%

2 2-11-2019 pg 4

FUNDED INTERNSHIP REQUESTS

#2 5B 2015 2-11-2019 Pg 5

Agincy	Mourty	htemihip Heurs	Percent of wage	Spending Authority Transferre d to Agency	Speeding Authority Returned	Internship Tiple	bitem's Major	Year in School
110-118/OMB - CSD	\$ 15.00	200	50%	\$ 1,500	\$	Communications/Marketing Intern	Business Admin [Computer	Senior
112/Information Technology Department	\$ 12.00	960	50%	\$ 5,760	\$	Desktop Support Intern	Science/Management Information Systems	Senior
120/Treasurer	\$ 13.00	320	50%	\$ 2,080	\$	Accounting Intern	Accounting	Sophomore
125/Atty General	\$ 18.00	560	50%	\$ 5,040	\$ -	Law School Intern	Psychology, Zoology, Law School	Graduate Student
125/Atty General	\$ 20.00	168	50%	\$ 1680		Law School Intern	Law	Graduate Student
190/RIO	\$ 15.00	600	25%	\$ 2,250	\$ 244.69	Auditor/Retirement Program Specialist Intern	Finance	Junior
192/PERS	\$ 15.00	720	50%	\$ 5,400	\$	Internal Auditor Intern	Accounting	Junior
201/DPI	\$ 12.00	344	50%	\$ 2,064	\$	Common Core Intern	History Education	Junior
201-253/School for the Blind (DPI)	\$ 14.00	720	50%	\$ 5,040	\$	Psychology Intern	Psychology	Graduate Student
226/Department of Trust Lands	\$ 18.00	350	50%	\$ 3,150	\$ 1,352.25	Web Developer Intern	CIS & ITM	Senior
226/Department of Trust Lands	\$ 18.00	350	50%	\$ 3,150	\$	Web Developer Intern	CIS & ITM	Senior
226/Department of Trust Lands	\$ 18.00	320	50%	\$ 2,880	\$	Legal Intern	Energy Management	Senior
321/Veterans Affairs Department	\$ 12.00	300	100%	\$ 3,600	\$	Administrative Loan & Grant Intern	Economics	Senior
321/Veterans Affairs Department	\$ 16.00	200	100%	\$ 3 <u>,</u> 200	\$ -	Website Developer / Maintenance Intern	IT Mgmt	Senior
321/Veterans Affairs Department	\$ 12.00	200	100%	\$ 2,400	\$	Public Information Intern	Strategic Communications	Senior
321/Veterans Affairs Department	\$ 12.00	200	100%	\$ 2,400	\$	Public Information Intern	Strategic Communications	Senior
325-312/State Hospital (DHS)	\$ 15.00	1400	50%	\$ 3,075	\$	Addiction Counseling Intern	Addiction Counseling	Graduate Student
325/Human Services - Central Office 325/Human Services - Central Office	\$ 16.00	560	100%	\$ 8,960	\$	Economic Assistance Policy Intern Economic Assistance Policy	Psychology Human Services/Eligibility	Sophomore
325/Human Services - Central Office						Intern Psychology Intern	Worker Clinical Psychology	Sophomore Graduate Student
325/Human Services - Central Office	\$ 13.50	8000	50%	\$ 54,000	\$	Psychology Intern	Clinical Psychology	Graduate Student
325/Human Services - Central Office 325/Human Services - Central Office						Psychology Intern Psychology Intern	Clinical Psychology Neuropsychology/Clinical Psychology	Graduate Student
380/Job Service	\$ 12.00	600	100%	¢ 7.200	¢ 1.058.00	Social Meida Intern	Administration	Sophomore
380/Job Service	\$ 12.00	000	100%	\$ 7,200	\$ 1,008.00	Social Meida Intern	Public Relations	Sophomore
380/Job Service	\$ 14.00	480	100%	\$ 6,720	\$ 2,268.00	IT Governance/Compliance Intern	Computer Science	Junior
408/Public Service Commission	\$ 16.00	640	50%	\$ 5,120	5	GIS Tech Intern	Geographic Information Security	Junior
530-519/State Penitentiary (DOCR)	\$ 14.00	264	50%	\$ 1,848	\$ 1,260.00	Nursing Intern	Nursing	Senior
530-223/YCC (DOCR)	\$ 12.00	350	50%	\$ 2,100	\$	Juvenile Institutional Residential Specialist Intern	Criminal Justice	Senior
530-223/YCC (DOCR)	\$ 12.00	350	100%	\$ 4,200	\$	Juvenile Institutional Residential Specialist Intern	Criminal Justice	Senior
530-223/YCC (DOCR)	\$ 12.00	350	100%		\$	Juvenile Institutional Residential Specialist Intern	Criminal Justice	Junior
540/Adjutant General/National Guard	\$ 15.00	360	50%	\$ 2,700		Cyber/Infrastructure Analyst Intern	Computer Information Systems (CIS)	Sophomore
						Marketing Communications	Public Relations	Sophomore
611/Soybean Council 611/Soybean Council	\$ 14.00	450	50%	\$ 3,150	\$	Marketing Communication	Agricultural Economics	Junior
or 1/ Soybean Council		_	1			Marketing Communication	- Billouriar ar Countrines	anion -

FUNDED INTERNSHIP REQUESTS

5B 2015 2-11-2019 pg 6

Agency		Hourly wage Internship Hours		Percent of wage	Spending Authority Transferre d to Agency		Spending Authority Returned	Internship Title	Intern' Major	Year in School
701/Historical	\$	14.00	1040	100%	\$	14,560	\$	Museum Registration Intern	History, Sociology	Graduate Studen
701/Historical	ć	14.00	1000	100%	¢	14,000	\$	Collections Intern	Museum Studies	Graduate Student
701/Historical	Ş	14.00	1000	100%	Ş	14,000	\$	Collections Intern	BA History, MA Museum Studies	Graduate Student
701/Historical	\$	12.00	360	100%	\$	4,320	\$	Visitor Services Intern	Hospitality & Tourism Management	Junior
701/Historical	\$	14.00	1000	100%	\$	14,000	s	Museum Intern	Masters Public History	Graduate Studen
701/Historical	\$	12.00	360	100%	\$	4 000	\$	Visitor Services Intern	Business Admin, minor in History	Junior
709/Council on the Arts	s	12.00	200	100%	\$	2,400	\$	Administrative Assistant Intern	Business Administration, Marketing, Film, Television	Junior
, 709/Council on the Arts		12.00	200	100%		2,400	\$	Administrative Assistant Intern	Business Administration	Senior
Totals			25216	1.00	\$		\$ 6,192.94			

5	250,000	Total Funding	
5	215,727	Transferred (subtract)	
s	6,193	Returned (add)	

2 5B 2015 Sub 2-11-2019 Pg 7

State of North Dakota: Student Internship Stipend Program

		2009-2011		2011-2013		2013-2015		2015-2017
General Fund Authority	\$	200,000	\$	200,000	\$	200,000	\$	250,000
Unused funds		-	\$	367	\$	6,205	\$	40,466
Participation: # Interns		33	1	36	-	40	_	43
# Agencies	-	13		11	-	13	-	17
# Interns transitioned to regular employment		5		5		6		6

Note: The information provided shows internships that utilized funding from the ND Student Internship Stipend Program. Internships outside of this allocation are not included.

SB 2015 Sub 2-11-2019 fg / # 3

NDLA, S APP ASST - Laning, Rose

From: Sent: To: Cc: Subject: Morrissette, Joseph R. Monday, February 11, 2019 12:15 PM Holmberg, Ray E.; Bekkedahl, Brad; Robinson, Larry J. NDLA, S APP ASST - Laning, Rose; Deichert, Becky J.; Kmetz, Rachel A.; Mathiak, Adam FW: WICHE

Senators,

Below is an email previously sent to Senator Holmberg regarding funding for WICHE dues.

Joe

Joe Morrissette, CPA *Director*

701.328.4606 · jmorrissette@nd.gov · www.nd.gov/omb

Dakota Be Legendary. Management and Budget

From: Morrissette, Joseph R. Sent: Wednesday, January 23, 2019 1:26 PM To: Holmberg, Ray E. <rholmberg@nd.gov> Cc: Bloms, Renae R. <rrbloms@nd.gov> Subject: FW: WICHE

Senator Holmberg,

In response to your questions regarding state dues to WICHE, we have gathered the following information regarding payments made during the 2013-15 and 2015-17 bienniums by OMB, DHS, and the NDUS. Additional amounts were paid by individual campuses.

Agency	Fiscal Year	Description	Amount	Explanation
NDUS	2019	Dues	\$153,000	
NDUS	2018	Passport initiative	\$60,918	
NDUS	2018	Dues	\$149,000	
NDUS	2017	Dues	\$145,000	
ОМВ	2017	Dues – Mental health services	\$30,000	Includes an additional \$15,000, knowing that funding had been removed for fiscal years 2018 and 2019 and there would be no payments during the 2017-19 biennium
ОМВ	2016	Dues – Mental health services	\$15,000	
NDUS	2016	SITS operations	\$1,125	
NDUS	2016	Dues	\$141,000	

				#3	SB 2015 2-11-2019	Sub M2
NDUS	2015	SITS operations	\$5,000			[1]
NDUS	2015	Contracted mental health services	\$10,000			
NDUS	2015	Dues	\$137,000			1
DHS	2014	Dues -Mental Health Block Grant	\$30,000			
NDUS	2014	Dues	\$131,000]

The amount included in the 2019-21 executive budget for the NDUS for WICHE dues is \$315,000, for annual dues of \$156,000 and \$159,000. We are not aware of any other funding contained in other budgets for payments to WICHE.

Hope this is helpful. Let me know if you need anything else.

Joe

Joe Marrissette, CPA

Director ND Office of Management and Budget 701.328.4606 <u>imorrissette@nd.gov</u> <u>https://www.nd.gov/omb/</u>



4 SB 2015 Sub 2-11-2019 pg 1

NDLA, S APP ASST - Laning, Rose

From:	Morrissette, Joseph R.
Sent:	Monday, February 11, 2019 12:27 PM
То:	Holmberg, Ray E.; Bekkedahl, Brad; Robinson, Larry J.
Cc:	NDLA, S APP ASST - Laning, Rose; Mathiak, Adam; Deichert, Becky J.; Kmetz, Rachel A.
Subject:	performance bonuses
Attachments:	Bonus count by grade FY2018.xlsx; Performance Bonus Summary FY18.xlsx

Senators,

To address the question regarding the distribution of performance bonuses, the first attachment shows the distribution of bonuses by grade compared to the distribution of employees by grade. It does not correlate exactly for every grade, but I think correlates fairly closely overall.

The second attachment shows the distribution of performance bonuses by agency.

Both reports are for fiscal year 2018.

Joe

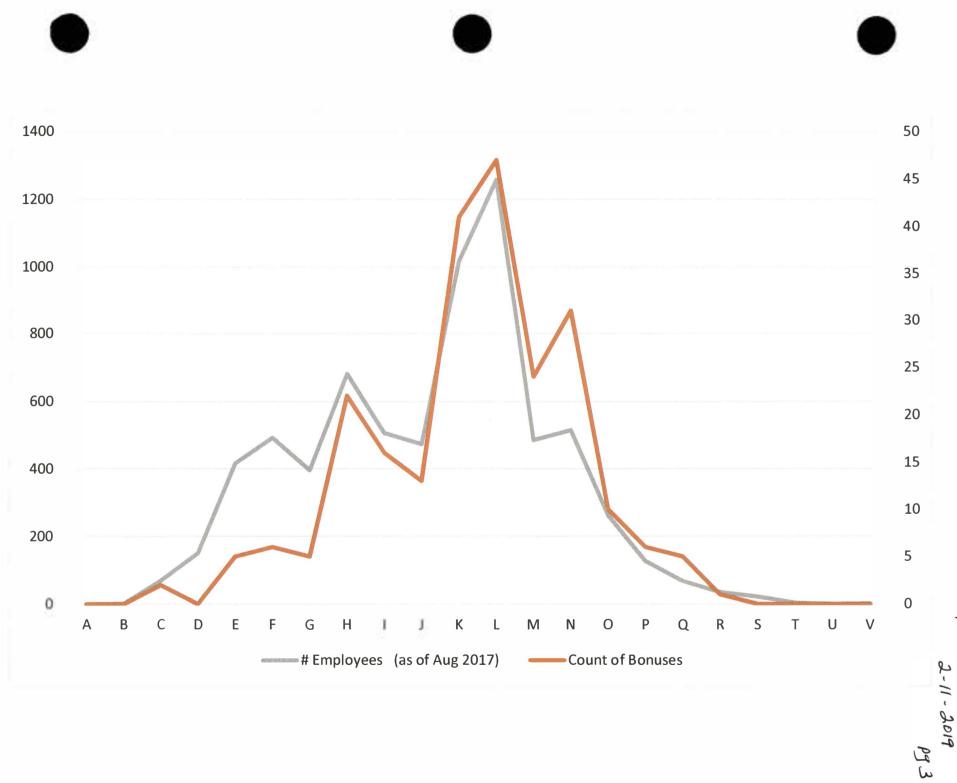
Joe Morrissette, CPA *Director*

701.328.4606 imorrissette@nd.gov • www.nd.gov/omb



Grade	Count of Bonuses	% of total	# Employees (as of Aug 2017)	% of total	% of Population
А		1			n/a
В			1	0.01%	0.0%
С	2	0.78%	69	0.89%	2.9%
D			150	1.93%	0.0%
E	5	1.95%	416	5.35%	1.2%
F	6	2.33%	492	6.33%	1.2%
G	5	1.95%	396	5.09%	1.3%
Н	22	8.56%	681	8.76%	3.2%
	16	6.23%	506	6.51%	3.2%
J	13	5.06%	473	6.09%	2.7%
К	41	15.95%	1019	13.11%	4.0%
L	47	18.29%	1258	16.18%	3.7%
М	24	9.34%	485	6.24%	4.9%
N	31	12.06%	515	6.63%	6.0%
0	10	3.89%	262	3.37%	3.8%
Р	6	2.33%	127	1.63%	4.7%
Q	5	1.95%	68	0.87%	7.4%
R	1	0.39%	35	0.45%	2.9%
S			22	0.28%	0.0%
Т			4	0.05%	0.0%
U					n/a
V			1	0.01%	0.0%
Inclassified	23	8.95%	793	10.20%	2.9%
Total	257		7773		3.3%

4 2-11-2019 292



5B 2015 Sub 2-11-2019

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45 2-11-2019 19

NDLA, S APP ASST - Laning, Rose

From:	Morrissette, Joseph R.
Sent:	Monday, February 11, 2019 2:09 PM
То:	Holmberg, Ray E.; Bekkedahl, Brad; Robinson, Larry J.
Cc:	NDLA, S APP ASST - Laning, Rose; Mathiak, Adam; Deichert, Becky J.; Kmetz, Rachel A.
Subject:	contingency fund
Attachments:	Contingency fund authority 09-11 thru 17-19 bienn.xlsx

Senators,

Attached is a spreadsheet showing appropriations and expenditures for state contingencies for the past four bienniums and the current biennium to date.

Joe

Joe Morrissette, CPA Director

701.328.4606 · jmorrissette@nd.gov · www.nd.gov/omb



#5

58 2015 546 2-11-2019 pg 2

State Contingency Fund Authority:						
Biennium	Appn Authority	Expenditures	Remaining Authority			
17-19	600,000.00	178,230.00	421,770.00			
15-17	700,000.00	202,000.00	498,000.00			
13-15	700,000.00	533,825.00	166,175.00			
11-13	700,000.00	642,165.00	57,835.00			
09-11	700,000.00	191,180.00	508,820.00			

Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

58 2015 2-13-2019 1 pg #/

		Executive Budg	et Recommenda	tion	l	Senate	e Version		s	Senate Changes to Executive Budget		
											e) - Executive Bu	dget
	FTE	General	Other		FTE	General	Other		FTE	General	Other	_
	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total \$0
2019-21 Biennium Base Level	117.00	\$30,720,260	\$9,434,087	\$40,154,347	117.00	\$30,720,260	\$9,434,087	\$40,154,347	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		\$9,781	(\$50,000)	(\$40,219)	1	\$9,781	(\$50,000)	(\$40,219)				\$0
Salary increase		631,676	133,586	765,262		441,684	94,320	536,004		(189,992)	(39,266)	(229,258)
Health insurance increase		324,415	68,607	393,022		382,847	81,210	464,057		58,432	12,603	71,035
Retirement contribution increase		79,896	16,896	96,792				0		(79,896)	(16,896)	(96,792)
Removes FTE positions	(5.00)	(560,182)		(560,182)	1.0			0	5.00	560,182		560,182
Underfunds salaries and wages		(210,252)	(600,994)	(811,246)				0	1.	210,252	600,994	811,246
Adds funding to reclassify positions		560,678		560,678				0		(560,678)		(560,678)
Adds funding for temporary employees		56,400		56,400	. 10			0		(56,400)		(56,400)
Adjusts funding and FTE positions for IT unification	(4.00)	40,312		40,312	10 m			0	4.00	(40,312)		(40,312)
Reduces funding for operating expenses		(588,483)	(247,461)	(835,944)	- CC			0	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	588,483	247,461	835,944
Adds funding for contracted custodians		640,000		640,000				0		(640,000)		(640,000)
Increases funding for utility costs		427,650		427,650	1.			0		(427,650)		(427,650)
Adds funding for information technology project costs		483,360		483,360				0		(483,360)		(483,360)
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308	1.000			0	1000	(55,584)	(21,724)	(77,308)
Reduces funding for contingency fund		(100,000)		(100,000)				0		100,000	(= -,- = -,	100,000
Reduces funding for bond payments		(206,352)		(206,352)		(206,352)		(206,352)				0
- Additional Ongoing Funding Items Under Consideration -		(===;===)		(200,002)		(200,002)		(200,002)				0
Increases funding for statewide memberships and dues				0	and the second second	408.614		408,614	and the second se	408,614		408,614
Increases funding for guardianship grants				0		1,001,400		1,001,400	101	1,001,400		1,001,400
Increases funding for supervision grants				0		50,000		50,000		50,000		50,000
Adds matching grants for Prairie Public Broadcasting				0		200,000		200,000	7	200,000		200,000
Total ongoing funding changes	(9.00)	\$1,644,483	(\$657,642)	\$986,841	0.00	\$2,287,974	\$125,530	\$2,413,504	9.00	\$643,491	\$783,172	\$1,426,663
One-time funding items												20
Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000	_			0	_	- th	(1,900,000)	(1,900,000)
Adds funding for risk management technology project			170,000				170,000	170,000			(1,900,000)	(1,900,000)
Adds funding for state student internship program		\$250,000	170,000	170,000 250,000		250,000	170,000	250,000		0	0	0
										0		0
Adds funding for electronic procurement study		50,000		50,000		50,000		50,000		(200,000)		(000.000)
Adds funding for special assessments on Capitol grounds		320,000	4 000 000	320,000				0		(320,000)		(320,000)
Adds funding for a litigation funding pool			4,000,000	4,000,000			3,000,000	3,000,000		(000 000)		(1,000,000)
Adds funding for a health savings account funding pool		800,000	700,000	1,500,000				0		(800,000)	(700,000)	(1,500,000)
Adds funding for an assessment of state lands and facilities			2,430,000	2,430,000				0	1		(2,430,000)	(2,430,000)
Adds funding to implement the ethics commission		100,000	· · · · · · · · · · · · · · · · · · ·	100,000	-			0	-	(100,000)	1000	(100,000)
Total one-time funding changes	0.00	\$1,520,000	\$9,200,000	\$10,720,000	0.00	\$300,000	\$3,170,000	\$3,470,000	0.00	(\$1,220,000)	(\$5,030,000)	(\$7,250,000)
Total Changes to Base Level Funding	(9.00)	\$3,164,483	\$8,542,358	\$11,706,841	0.00	\$2,587,974	\$3,295,530	\$5,883,504	9.00	(\$576,509)	(\$4,246,828)	(\$5,823_337)
2019-21 Total Funding	108.00	\$33,884,743	\$17,976,445	\$51,861,188	117.00	\$33,308,234	\$12,729,617	\$46,037,851	9.00	(\$576,509)	(\$4,246,828)	(\$5,823,337)

Other Sections for Office of Management and Budget - Budget No. 110

	Executive Budget Recommendation	Senate Version	r) °
Strategic investment and improvements fund transfer to budget stabilization fund	Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.		
General fund transfer to National Guard training area and facility development trust fund	Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.		
Tax relief fund to social services finance fund	Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.	Section transfers \$182.3 million from the tax relief fund to the social services finance fund.	
Strategic investment and improvements fund transfer to public employees retirement fund	Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.		
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.	Section transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.	
State student internship program	Section 7 (Second) would authorize the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.	Section authorizes the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.	
Fiscal management exemption	Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	Section allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	
Grant and expense designations	Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	
Risk management fund		Section identifies \$170,000 from the risk management fund for an information technology project.	
Litigation funding pool	Section 10 would authorize OMB to transfer litigation funding to other state agencies.	Section authorizes OMB to transfer litigation funding to other state agencies. Section identifies \$3 million from the strategic investment and improvements fund for the litigation funding pool.	
Health savings account funding pool	Section 11 would authorize OMB to transfer health savings account funding to other state agencies.		
State employee compensation adjustments	Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in the first year and a 2 percent salary increase in the second year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the second year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	Section provides guidelines for salary increases averaging 2 percent to eligible state employees in the first year and averaging 3 percent in the second year of the 2019-21 biennium with a minimum of \$40 per month for each employee in the first year and \$60 per month in the second year. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	

#/ SB 2015 2-13-2019 Mg 2-

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Other Sections for Office of Management and Budget - Budget No. 110

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	Executive Budget Recommendation	Senate Version	5 29
Emergency Commission borrowing authority	Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.		
Shared services fund	Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	Section creates a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	
Planning fees for capital improvements	Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.	NOTE: This section is related to the \$500,000 transfer from the strategic investment and improvements fund to the preliminary revolving fund, shown above. Senate Bill No. 2055 addresses this section of law.	
Line item transfers	Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.		
Transfers between agencies	Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.		
State employee suggestion incentive program	Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.	Section repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section provides an effective date of June 30, 2021, related to the repeal.	
State employee performance bonus program	Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.	Section increases performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.	
Health insurance premiums	Sections 22 and 23 would adjust provisions related to health insurance premiums to require employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.		

#1 5B 2015 2-13-2019

Grabinger, John

From: Sent: To: Subject: Mathiak, Adam Friday, February 15, 2019 11:48 AM Grabinger, John RE: Salary Data

Senator Grabinger:

This email is in response to your question regarding the impact of a proposed monthly minimum salary increase of \$80 in the first year of the 2019-21 biennium.

| 582015 2-18-2019

The estimated number of employees that would receive the proposed minimum monthly salary increase of \$80 instead of a 2 percent salary increase in fiscal year 2020 is approximately 2,300 state employees. This estimate is prepared from information provided by the Human Resources Services Division of the Office of Management and Budget regarding January 2019 payroll and does not reflect salary increases for temporary employees or employees of institutions under the control of the State Board of Higher Education.

Compared to the current compensation plan approved by the Senate Appropriations Committee, the proposed monthly minimum salary increase of \$80 would increase appropriations by \$2.8 million, of which \$1.1 million is from the general fund and \$1.7 million is from other funds.

Thank you.

Adam Mathiak ND Legislative Council 701-328-2936 <u>amathiak@nd.gov</u>

From: Grabinger, John <jgrabinger@nd.gov> Sent: Friday, February 15, 2019 11:18 AM To: Mathiak, Adam <amathiak@nd.gov> Subject: RE: Salary Data

Looking forward to it, thanks. John

From: Mathiak, Adam Sent: Friday, February 15, 2019 9:08 AM To: Grabinger, John <jgrabinger@nd.gov> Subject: Salary Data

Senator Grabinger:

I received your voicemail message. We did not forget about the other information. We have to work with OMB to gather the date. We are waiting to hear back from them. We hope to have the information by the end of the morning. Thanks.

Adam Mathiak ND Legislative Council 19.0228.01003 Title. Fiscal No. 2

Prepared by the Legislative Council staff for 2-18-209 the Senate Appropriations Committee 1991 February 18, 2019

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PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 1, line 2, replace the second "and" with "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a shared services fund; to amend and reenact section 54-06-30 of the North Dakota Century Code, relating to the state employee performance bonuses; to repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide for transfers;"

Page 1, line 3, after "exemption" insert "; and to provide an effective date"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 through 2 with:

11		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
Operating expenses	14,051,438	4,076,010	18,127,448
Emergency commission contingency fu	nd 600,000	(100,000)	500,000
Capital assets	973,477	1,863,648	2,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	1,001,400	2,330,000
Prairie public broadcasting	1,200,000	200,000	1,400,000
Community service supervision grants	350,000	50,000	400,000
Litigation funding pool	0	2,500,000	2,500,000
State student internship program	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
Less estimated income	<u>9,434,087</u>	<u>6,188,799</u>	<u>15,622,886</u>
Total general fund	\$30,720,260	\$3,064,204	\$33,784,464
Full-time equivalent positions	117.00	(9.00)	108.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 11 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	50,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	2,500,000
Assessments of state lands and facilities	<u>0</u>	<u>2,000,000</u>
Total all funds	\$2,300,000	\$7,190,000
Total special funds	1,800,000	6,890,000

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\$500.000

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The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of \$182,300,000 from the tax relief fund to the human service finance fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PRELIMINARY PLANNING REVOLVING FUND. The office of management and budget shall transfer the sum of \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of management and budget shall transfer funds from the litigation funding pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may only be used for the following grants and special items:

Boys and girls club work	\$53,000
Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$625,064

SECTION 8. ESTIMATED INCOME - ONE-TIME FUNDING CAPITOL BUILDING FUND. The estimated income line item in section 1 of this Act includes \$2,220,000 of one-time funding from the capitol building fund. Of the \$2,220,000, \$1,900,000 in the capital assets line item is for extraordinary repairs, and \$320,000 in the operating expenses line item is for special assessments associated with the capitol grounds.

SECTION 9. ESTIMATED INCOME - ONE-TIME FUNDING RISK MANAGEMENT FUND. The capital assets line item and the estimated income line item in section 1 of this Act includes \$170,000 of one-time funding from the risk management fund for an information technology project.

SECTION 10. ESTIMATED INCOME - ONE-TIME FUNDING STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes \$4,500,000 of one-time funding from the strategic investment and improvements fund. Of the \$4,500,000, \$2,000,000 in the operating

Subcom #2 3B 2015 2-18-2019

expenses line item is for an assessment of state lands and facilities, and \$2,500,000 in the litigation funding pool line item is for a litigation funding pool.

SECTION 11. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING

FUNDS. The prairie public broadcasting line item and the general fund appropriation in section 1 of this Act includes \$200,000 for a grant of up to \$200,000 to prairie public broadcasting for essential equipment needs. The \$200,000 may be awarded only to the extent prairie public broadcasting provides one dollar of matching funds from nonstate sources for each dollar provided by the office of management and budget.

Page 2, replace lines 18 through 23 with:

SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

- 1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$80 per month per eligible employee for the first year of the biennium and are to average 3 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
- 2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
- 3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 14. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations.

State agencies may provide monetary performance bonuses to their employees under this section.

- 1. State agencies may pay bonuses under this section if:
 - a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;
 - b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and

2 3B2015 2-18-2019 C. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.

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Pg 4

- State employees are eligible to receive a bonus under this section only if: 2.
 - The employee has held a position in state government for at least one a. year before a bonus is paid;
 - b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and
 - The employee is a full-time or part-time regular nonprobationary C. employee holding a regularly funded nontemporary position.
- 3. An employee may not receive more than one performance bonus per fiscal vear and may not receive more than one thousand two thousand five hundred dollars in bonuses per fiscal year.
- 4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances. North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.
- 5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.
- 6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 15. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund - Continuing appropriation.

There is created in the state treasury the shared services fund. The fund consists of all payments made from one state agency or institution to another state agency or institution related to a shared services agreement. State agencies and institutions must deposit any payments resulting from the shared services agreement into the fund. All moneys in the fund are appropriated on a continuing basis to the state agencies receiving a payment resulting from the shared services agreement. The state agency receiving the payment shall use the money to defray the costs related to the shared services. Shared services include the equipment costs, operating expenses, and salaries and wages.

SECTION 16. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

Subcom #J 5B 2015 SECTION 17. EFFECTIVE DATE. Section 16 of this Act becomes effective - 18 - 2019 2021." ordingly

July 1, 2021."

Renumber accordingly

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STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
	° °	•	
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
Operating expenses	14,051,438	4,076,010	18,127,448
Capital assets	973,477	1,863,648	2,837,125
Grants	54,000		54,000
Emergency commission contingency fund	600,000	(100,000)	500,000
Guardianship grants	1,328,600	1.001.400	2.330.000
Prairie Public Broadcasting	1,200,000	200.000	1,400,000
Community service supervision grants	350,000	50,000	400,000
Litigation pool		2,500,000	2,500,000
State student internship		250,000	250,000
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
Less estimated income	9,434,087	6,188,799	15,622,886
General fund	\$30,720,260	\$3,064,204	\$33,784,464
FTE	117.00	(9.00)	108.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

Salaries and wages Operating expenses Capital assets	Adjusts Funding for Base Payroll Changes ¹ (\$40,219)	Adds Funding for Salary and Benefit Increases ² \$1,000,061	Removes FTE Positions and Adjusts Funding ³ (\$754,350)	Adjusts Funding and FTE Positions for IT Unification ⁴ (\$793,547) 820,022	Adjusts Funding for Operating Expenses ⁵ \$885,988	Reduces Funding for Contingency Fund [®]
Grants Emergency commission contingency fund Guardianship grants Prairie Public Broadcasting Community service supervision grants Litigation pool State student internship						(\$100,000)
Total all funds Less estimated income General fund	(\$40,219) (50,000) \$9,781	\$1,000,061 <u>175,530</u> \$824,531	(\$754,350) (600,994) (\$153,356)	\$26,475 0 \$26,475	\$885,988 (225,737) \$1,111,725	(\$100,000)
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

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#2 5B 2015 2-18-2019 pg6

	Reduces Funding For Bond Payments ^z	Increases Funding for Grants [®]	Adds One- Time Funding for Projects and a Funding Pool ^g	Total Senate Changes
Salaries and wages				(\$588,055)
Operating expenses			\$2,370,000	4,076,010
Capital assets Grants	(\$206,352)		2,070,000	1,863,648
Emergency commission contingency fund				(100,000)
Guardianship grants		\$1,001,400		1,001,400
Prairie Public Broadcasting		200,000		200,000
Community service supervision grants		50,000		50,000
Litigation pool			2,500,000	2,500,000
State student internship			250,000	250 000
Total all funds	(\$206,352)	\$1,251,400	\$7,190,000	\$9,253,003
Less estimated income	Ó	0	6,890,000	6,188,799
General fund	(\$206,352)	\$1,251,400	\$300,000	\$3,064,204
FTE	0.00	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$441,684	\$94,320	\$536,004
Health insurance increase	<u>382,847</u>	<u>81,210</u>	464,057
Total	\$824,531	\$175,530	\$1,000,061

³ FTE positions and funding for salaries and wages is adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
Removes FTE positions	(5.00)	(\$560,182)	\$0	(\$560,182)
Underfunds salaries and wages	0.00	(210,252)	(600,994)	(811,246)
Adds funding to reclassify positions	0.00	560,678	0	560,678
Adds funding for temporary employees	<u>0.00</u>	<u>56,400</u>	<u>0</u>	<u>56,400</u>
Total	(5.00)	(\$153,356)	(\$600,994)	(\$754,350)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$793,547)	\$0	(\$793,547)
Adds funding for operating expenses	0.00	820,022	<u>0</u>	820,022
Total	(4.00)	\$26,475	\$0	\$26,475

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for information technology and maintenance costs	(\$588,483)	(\$247,461)	(\$835,944)
Adds funding for contracted custodians	640,000	0	640,000
Increases funding for utility costs	427,650	0	427,650
Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	483,360	0	483,360
Adds funding for Microsoft Office 365 licensing	55,584	21,724	77,308
Increases funding for statewide memberships and dues Total	<u>93,614</u> \$1,111,725	<u>0</u> (\$225,737)	<u>93,614</u> \$885,988

⁶ Funding is reduced for the Emergency Commission contingency fund by \$100,000, from \$600,000 to \$500,000.

⁷ Funding is reduced for bond payments to provide total funding of \$567,125.

Subcom #2 3B 20152 - 18 - 2019330,000. I funding of \$400,000. rovide total funding of \$1,400,000.

⁸ Funding from the general fund is increased for grants as follows:

- \$1,001,400 for guardianship grants to provide total funding of \$2,330,000.
- \$50,000 for community service supervision grants to provide total funding of \$400,000.
- \$200,000 for matching grants for Prairie Public Broadcasting to provide total funding of \$1,400,000.

⁹ Funding is added for the following one-time items:

	General Fund	Other Funds	Total
Extraordinary repairs (Capitol building fund)	\$0	\$1,900,000	\$1,900,000
Risk management technology project (risk management fund)	0	170,000	170,000
State student internship program	250,000	0	250,000
Electronic procurement study	50,000	0	50,000
Special assessments on Capitol grounds (Capitol building fund)	0	320,000	320,000
Litigation funding pool (strategic investment and improvements fund)	0	2,500,000	2,500,000
Assessment of state lands and facilities (strategic investment and improvements fund)	<u>0</u>	2,000,000	<u>2,000,000</u>
Total	\$300,000	\$6,890,000	\$7,190,000

This amendment also:

- Transfers \$182.3 million from the tax relief fund to the human service finance fund.
- Transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund
- Authorizes the Office of Management and Budget (OMB) to transfer student internship funding and litigation funding to other state agencies.
- Identifies the funding designated for certain grants and expenses, including statewide memberships and dues.
- Identifies one-time funding of \$2.22 million from the Capitol building fund for extraordinary repairs (\$1.9 million) and special assessments (\$320,000).
- Identifies one-time funding of \$170,000 from the risk management fund for an information technology project.
- Identifies one-time funding of \$4.5 million from the strategic investment and improvements fund for a litigation funding pool (\$2.5 million) and a state facility assessment (\$2 million).
- Authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting and requires dollar-fordollar matching funds.
- Includes an exemption allowing 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
- Provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision ٠ limiting performance bonuses to 25 percent of the agency's staff.
- Creates a new shared services fund allowing state agencies to make payments to each other for shared ٠ services, including equipment, operating expenses, or salaries.
- . Repeals the state employee suggestion incentive program at the end of the 2019-21 biennium.



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Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

		Executive Budge	et Recommenda	tion		Senat	e Version			Senate Changes to	o Executive Bud	lget
					1.1				In	crease (Decrease) - Executive Bu	dget
	FTE	General	Other	_	FTE	General	Other		FTE	General	Other	
	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total
2019-21 Biennium Base Level	117.00	\$30,720,260	\$9,434,087	\$40,154,347	117.00	\$30,720,260	\$9,434,087	\$40,154,347	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		\$9,781	(\$50,000)	(\$40,219)		\$9,781	(\$50,000)	(\$40,219)				\$0
Salary increase		631,676	133,586	765,262		441,684	94,320	536,004		(189,992)	(39,266)	(229,258)
Health insurance increase		324,415	68,607	393,022		382,847	81,210	464,057		58,432	12,603	71,035
Retirement contribution increase		79,896	16,896	96,792				0		(79,896)	(16,896)	(96,792)
Removes FTE positions	(5.00)	(560,182)		(560,182)	(5.00)	(560,182)		(560,182)				0
Underfunds salaries and wages		(210,252)	(600,994)	(811,246)		(210,252)	(600,994)	(811,246)				0
Adds funding to reclassify positions		560,678		560,678		560,678		560,678				0
Adds funding for temporary employees		56,400		56,400		56,400		56,400				0
Adjusts funding and FTE positions for IT unification	(4.00)	40,312		40,312	(4.00)	26,475		26,475		(13,837)		(13,837)
Reduces funding for operating expenses		(588,483)	(247,461)	(835,944)		(588,483)	(247,461)	(835,944)				0
Adds funding for contracted custodians		640,000		640,000		640,000		640,000				0
Increases funding for utility costs		427,650		427,650		427,650		427,650				0
Adds funding for information technology project costs		483,360		483,360		483,360		483,360				0
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308		55,584	21,724	77,308				0
Increases funding for statewide memberships and dues				0		93,614		93,614		93,614		93,614
Reduces funding for contingency fund		(100,000)		(100,000)		(100,000)		(100,000)				0
Reduces funding for bond payments		(206,352)		(206,352)		(206,352)		(206,352)				0
Increases funding for guardianship grants				0		1,001,400		1,001,400		1,001,400		1,001,400
Increases funding for supervision grants				0		50,000		50,000		50,000		50,000
Adds matching grants for Prairie Public Broadcasting				0		200,000		200,000		200,000		200,000
Total ongoing funding changes	(9.00)	\$1,644,483	(\$657,642)	\$986,841	(9.00)	\$2,764,204	(\$701,201)	\$2,063,003	0.00	\$1,119,721	(\$43,559)	\$1,076,162
One-time funding items												
Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000			1,900,000	1,900,000			0	0
Adds funding for risk management technology project			170,000	170,000			170,000	170,000			0	0
Adds funding for state student internship program		\$250,000		250,000		250,000		250,000		0		0
Adds funding for electronic procurement study		50,000		50,000		50,000		50,000		0		0
Adds funding for special assessments on Capitol grounds		320,000		320,000			320,000	320,000		(320,000)	320,000	0
Adds funding for a litigation funding pool			4,000,000	4,000,000			2,500,000	2,500,000				(1,500,000)
Adds funding for a health savings account funding pool		800,000	700,000	1,500,000				0		(800,000)	(700,000)	(1,500,000)
Adds funding for an assessment of state lands and facilities			2,430,000	2,430,000			2,000,000	2,000,000				(430,000)
Adds funding to implement the ethics commission		100,000		100,000				0	1 m m m m m m m m m m m m m m m m m m m	(100,000)		(100,000)
Total one-time funding changes	0.00	\$1,520,000	\$9,200,000	\$10,720,000	0.00	\$300,000	\$6,890,000	\$7,190,000	0.00	(\$1,220,000)	(\$380,000)	(\$3,530,000)
Total Changes to Base Level Funding	(9.00)	\$3,164,483	\$8,542,358	\$11,706,841	(9.00)	\$3,064,204	\$6,188,799	\$9,253,003	0.00	(\$100,279)	(\$423,559)	(\$2,453,838)
2019-21 Total Funding	108.00	\$33,884,743	\$17,976,445	\$51,861,188	108.00	\$33,784,464	\$15,622,886	\$49,407,350	0.00	(\$100,279)	(\$423,559)	(\$2,453,838)
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#1 5B 2015 2-18-2019 Pg1

| 5B 2015 2-18-2019 AJ 2

Other Sections for Office of Management and Budget - Budget No. 110

	Executive Budget Recommendation	Senate Version
Strategic investment and improvements fund transfer to budget stabilization fund	Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.	
General fund transfer to National Guard training area and facility development trust fund	Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.	
Tax relief fund to human service finance fund	Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.	Section 3 transfers \$182.3 million from the tax relief fund to the human service finance fund.
Strategic investment and improvements fund transfer to public employees retirement fund	Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.	
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.	Section 4 transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
Line item transfers	Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.	
Transfers between agencies	Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.	
State student internship program	Section 7 (Second) would authorize the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.	Section 5 authorizes the Office of Management and Budget (OMB) to transfer student internship funding to other state agencies.
Litigation funding pool	Section 10 would authorize OMB to transfer litigation funding to other state agencies.	Section 6 authorizes OMB to transfer litigation funding to other state agencies.
Health savings account funding pool	Section 11 would authorize OMB to transfer health savings account funding to other state agencies.	
Grant and expense designations	Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 7 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Capitol building fund		Section 8 identifies \$2,220,000 from the capitol building fund, including \$1,900,000 for extraordinary repairs and \$320,000 for special assessments.
Risk management fund		Section 9 identifies \$170,000 from the risk management fund for an information technology project.
Strategic investment and improvements fund		Section 10 identifies \$4.5 million from the strategic investment and improvements fund, including \$2.5 million for the litigation funding pool and \$2 million for a state facility assessment.

Other Sections for Office of Management and Budget - Budget No. 110

#1 SB 2015 2-18-2019 Pg 3

	Executive Budget Recommendation	Senate Version
Prairie Public Broadcasting matching grant		Section 11 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.
Fiscal management exemption	Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	Section 12 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
State employee compensation adjustments	Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in the first year and a 2 percent salary increase in the second year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the second year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	Section 13 provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the first year and averaging 3 percent in the second year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Emergency Commission borrowing authority	Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.	
State employee performance bonus program	Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.	Section 14 increases performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.
Planning fees for capital improvements	Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.	
Shared services fund	Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	Section 15 creates a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.
State employee suggestion incentive program	Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.	Section 16 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 17 provides an effective date of June 30, 2021, related to the repeal.
Health insurance premiums	Sections 22 and 23 would adjust provisions related to health insurance premiums to require employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.	

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2 582015 Prepared by the Legislative Council staff for 2-18-2019 the Senate Appropriations Committee P9 | February 18, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

- Page 1, line 2, replace the second "and" with "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a shared services fund; to amend and reenact section 54-06-30 of the North Dakota Century Code, relating to the state employee performance bonuses; to repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide for transfers;"
- Page 1, line 3, after "exemption" insert "; and to provide an effective date"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 through 2 with:

"		Adjustments or	
	Base Level	Enhancements	<u>Appropriation</u>
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
Operating expenses	14,051,438	4,076,010	18,127,448
Emergency commission contingency fu	nd 600,000	(100,000)	500,000
Capital assets	973,477	1,863,648	2,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	1,001,400	2,330,000
Prairie public broadcasting	1,200,000	200,000	1,400,000
Community service supervision grants	350,000	50,000	400,000
Litigation funding pool	0	2,500,000	2,500,000
State student internship program	<u>0</u>	<u>250,000</u>	250,000
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
Less estimated income	<u>9,4</u> 34,087	<u>6,188,799</u>	<u>15,622,886</u>
Total general fund	\$30,720,260	\$3,064,204	\$33,784,464
Full-time equivalent positions	117.00	(9.00)	108.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 11 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	50,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	2,500,000
Assessments of state lands and facilities	<u>0</u>	<u>2,000,000</u>
Total all funds	\$2,300,000	\$7,190,000
Total special funds	<u>1,800,000</u>	<u>6,890,000</u>

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of \$182,300,000 from the tax relief fund to the human service finance fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PRELIMINARY PLANNING REVOLVING FUND. The office of management and budget shall transfer the sum of \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of management and budget shall transfer funds from the litigation funding pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may only be used for the following grants and special items:

Boys and girls club work	\$53,000
Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$625,064

SECTION 8. ESTIMATED INCOME - ONE-TIME FUNDING CAPITOL BUILDING FUND. The estimated income line item in section 1 of this Act includes \$2,220,000 of one-time funding from the capitol building fund. Of the \$2,220,000, \$1,900,000 in the capital assets line item is for extraordinary repairs, and \$320,000 in the operating expenses line item is for special assessments associated with the capitol grounds.

SECTION 9. ESTIMATED INCOME - ONE-TIME FUNDING RISK MANAGEMENT FUND. The capital assets line item and the estimated income line item in section 1 of this Act includes \$170,000 of one-time funding from the risk management fund for an information technology project.

SECTION 10. ESTIMATED INCOME - ONE-TIME FUNDING STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes \$4,500,000 of one-time funding from the strategic investment and improvements fund. Of the \$4,500,000, \$2,000,000 in the operating # \mathcal{J} 5B \mathcal{Z} 015 pg \mathcal{J} expenses line item is for an assessment of state lands and facilities, and \$2,500,000 in the litigation funding pool line item is for a litigation funding pool.

SECTION 11. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING

FUNDS. The prairie public broadcasting line item and the general fund appropriation in section 1 of this Act includes \$200,000 for a grant of up to \$200,000 to prairie public broadcasting for essential equipment needs. The \$200,000 may be awarded only to the extent prairie public broadcasting provides one dollar of matching funds from nonstate sources for each dollar provided by the office of management and budget.

Page 2, replace lines 18 through 23 with:

SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

- 1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$80 per month per eligible employee for the first year of the biennium and are to average 3 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
- 2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
- 3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 14. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations.

State agencies may provide monetary performance bonuses to their employees under this section.

- 1. State agencies may pay bonuses under this section if:
 - a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;
 - The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and

- c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.
- 2. State employees are eligible to receive a bonus under this section only if:
 - a. The employee has held a position in state government for at least one year before a bonus is paid;
 - The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and
 - c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.
- 3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than <u>one-thousandtwo thousand five</u> <u>hundred</u> dollars in bonuses per fiscal year.
- 4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.
- 5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.
- 6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 15. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund - Continuing appropriation.

There is created in the state treasury the shared services fund. The fund consists of all payments made from one state agency or institution to another state agency or institution related to a shared services agreement. State agencies and institutions must deposit any payments resulting from the shared services agreement into the fund. All moneys in the fund are appropriated on a continuing basis to the state agencies receiving a payment resulting from the shared services agreement. The state agency receiving the payment shall use the money to defray the costs related to the shared services. Shared services include the equipment costs, operating expenses, and salaries and wages.

SECTION 16. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 17. EFFECTIVE DATE. Section 16 of this Act becomes effective M^{5}

July 1, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version	
	•	•		
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777	
Operating expenses	14,051,438	4,076,010	18,127,448	
Capital assets	973,477	1,863,648	2,837,125	
Grants	54,000		54,000	
Emergency commission contingency fund	600,000	(100,000)	500,000	
Guardianship grants	1,328,600	1,001,400	2.330.000	
Prairie Public Broadcasting	1,200,000	200.000	1,400,000	
Community service supervision grants	350,000	50,000	400,000	
Litigation pool		2,500,000	2,500,000	
State student internship		250 000	250,000	
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350	
Less estimated income	9,434,087	6,188,799	15,622,886	
General fund	\$30,720,260	\$3,064,204	\$33,784,464	
FTE	117.00	(9.00)	108.00	

Department 110 - Office of Management and Budget - Detail of Senate Changes

Salaries and wages Operating expenses Capital assets	Adjusts Funding for Base Payroll Changes ¹ (\$40,219)	Adds Funding for Salary and Benefit Increases ² \$1,000,061	Removes FTE Positions and Adjusts Funding ³ (\$754,350)	Adjusts Funding and FTE Positions for IT Unification ⁴ (\$793,547) 820,022	Adjusts Funding for Operating Expenses ⁵ \$885,988	Reduces Funding for Contingency Fund ^ջ
Grants Emergency commission contingency fund Guardianship grants Prairie Public Broadcasting Community service supervision grants Litigation pool State student internship				<u>1</u>	·	(\$100,000)
Total all funds Less estimated income General fund	(\$40,219) <u>(50,000)</u> \$9,781	\$1,000,061 <u>175,530</u> \$824,531	(\$754,350) (600,994) (\$153,356)	\$26,475 0 \$26,475	\$885,988 (225,737) \$1,111,725	(\$100,000) 0 (\$100,000)
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

2 SB 2015 2-18-19 Pg 6

	Reduces Funding For Bond Payments ^z	Increases Funding for Grants [®]	Adds One- Time Funding for Projects and a Funding Pool ⁹	Total Senate Changes
Salaries and wages				(\$588,055)
Operating expenses			\$2,370,000	4,076,010
Capital assets Grants	(\$206,352)		2,070,000	1,863,648
Emergency commission contingency fund				(100,000)
Guardianship grants		\$1,001,400		1,001,400
Prairie Public Broadcasting		200,000		200,000
Community service supervision grants		50,000		50,000
Litigation pool			2,500,000	2,500,000
State student internship			250,000	250,000
Total all funds	(\$206,352)	\$1,251,400	\$7,190,000	\$9,253,003
Less estimated income	0	0	6,890,000	6,188,799
General fund	(\$206,352)	\$1,251,400	\$300,000	\$3,064,204
FTE	0.00	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and
3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$441,684	\$94,320	\$536,004
Health insurance increase	<u>382,847</u>	<u>81,210</u>	464,057
Total	\$824,531	\$175,530	\$1,000,061

³ FTE positions and funding for salaries and wages is adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
Removes FTE positions	(5.00)	(\$560,182)	\$0	(\$560,182)
Underfunds salaries and wages	0.00	(210,252)	(600,994)	(811,246)
Adds funding to reclassify positions	0.00	560,678	0	560,678
Adds funding for temporary employees	<u>0.00</u>	<u>56,400</u>	<u>0</u>	<u>56,400</u>
Total	(5.00)	(\$153,356)	(\$600,994)	(\$754,350)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$793,547)	\$0	(\$793,547)
Adds funding for operating expenses	<u>0.00</u>	820,022	<u>0</u>	<u>820,022</u>
Total	(4.00)	\$26,475	\$0	\$26,475

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for information technology and maintenance costs	(\$588,483)	(\$247,461)	(\$835,944)
Adds funding for contracted custodians	640,000	0	640,000
Increases funding for utility costs	427,650	0	427,650
Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	483,360	0	483,360
Adds funding for Microsoft Office 365 licensing	55,584	21,724	77,308
Increases funding for statewide memberships and dues Total	<u>93,614</u> \$1,111,725	<u>0</u> (\$225,737)	<u>93,614</u> \$885,988

⁶ Funding is reduced for the Emergency Commission contingency fund by \$100,000, from \$600,000 to \$500,000.

⁷ Funding is reduced for bond payments to provide total funding of \$567,125.

5B 2015 2-18-19 Pg 7 #2

⁸ Funding from the general fund is increased for grants as follows:

- \$1,001,400 for guardianship grants to provide total funding of \$2,330,000.
- \$50,000 for community service supervision grants to provide total funding of \$400,000.
- \$200,000 for matching grants for Prairie Public Broadcasting to provide total funding of \$1,400,000.

⁹ Funding is added for the following one-time items:

	General Fund	Other Funds	Total
Extraordinary repairs (Capitol building fund)	\$0	\$1,900,000	\$1,900,000
Risk management technology project (risk management fund)	0	170,000	170,000
State student internship program	250,000	0	250,000
Electronic procurement study	50,000	0	50,000
Special assessments on Capitol grounds (Capitol building fund)	0	320,000	320,000
Litigation funding pool (strategic investment and improvements fund)	0	2,500,000	2,500,000
Assessment of state lands and facilities (strategic investment and improvements fund)	<u>0</u>	2,000,000	<u>2,000,000</u>
Total	\$300,000	\$6,890,000	\$7,190,000

This amendment also:

- Transfers \$182.3 million from the tax relief fund to the human service finance fund.
- Transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
- Authorizes the Office of Management and Budget (OMB) to transfer student internship funding and litigation funding to other state agencies.
- Identifies the funding designated for certain grants and expenses, including statewide memberships and dues.
- Identifies one-time funding of \$2.22 million from the Capitol building fund for extraordinary repairs (\$1.9 million) and special assessments (\$320,000).
- Identifies one-time funding of \$170,000 from the risk management fund for an information technology project.
- Identifies one-time funding of \$4.5 million from the strategic investment and improvements fund for a litigation funding pool (\$2.5 million) and a state facility assessment (\$2 million).
- Authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting and requires dollar-fordollar matching funds.
- Includes an exemption allowing 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
- Provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.
- Creates a new shared services fund allowing state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.
- Repeals the state employee suggestion incentive program at the end of the 2019-21 biennium.

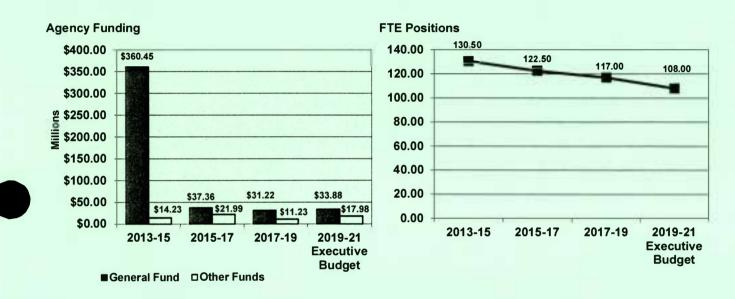


Department 110 - Office of Management and Budget Senate Bill No. 2015

Executive Budget Comparison to Prior Biennium Appropriations				
FTE Positions General Fund Other Funds Total				
2019-21 Executive Budget	108.00	\$33,884,743	\$17,976,445	\$51,861,188
2017-19 Legislative Appropriations	117.00	31,220,260	11,234,087	42,454,347
Increase (Decrease)	(9.00)	\$2,664,483	\$6,742,358	\$9,406,841

Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$32,364,743	\$1,520,000	\$33,884,743
2017-19 Legislative Appropriations	30,720,260	500,000	31,220,260
Increase (Decrease)	\$1,644,483	\$1,020,000	\$2,664,483



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$33,884,743	\$17,976,445	\$51,861,188
2019-21 Base Level	30,720,260	9,434,087	40,154,347
Increase (Decrease)	\$3,164,483	\$8,542,358	\$11,706,841

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

Executive Budget Highlights (With First House Changes in Bold)

1. Provides funding for state employee salary and benefit increases of which \$765,262 is for salary increases, \$393,022 is for health insurance increases, and \$96,792 is for retirement increases. The Senate added funding for salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increases.	General Fund \$1,035,987	Other Funds \$219,089	Total \$1,255,076
2. Removes 5 FTE positions, including 3 custodians and 2 system mechanics	(\$560,182)	\$0	(\$560,182)
3. Underfunds salaries and wages	(\$210,252)	(\$600,984)	(\$811,246)

4.	Adds funding to reclassify FTE positions, including a director of recruiting, a director of leadership and learning, a training officer, and a public information officer	\$560,678	\$0	\$560,678
5	Adds funding for temporary employees	\$56,400	\$0	\$56,40
6	Transfers 4 FTE positions, including 1 information technology program administrator, 2 computer networking specialists, and 1 business analyst position, to the Information Technology Department for an information technology unification project resulting in an increase in operating expenses for the agency. The Senate transferred the 4 FTE positions, but adjusted the increase in operating expenses to provide an increase of \$26,475.	\$40,312	\$0	\$40,312
7	Reduces funding for operating expenses primarily related to information technology costs, maintenance, and equipment and supplies	(\$588,483)	(\$247,461)	(\$835,944)
8	Adds funding to contract for custodial and maintenance services	\$640,000	\$0	\$640,000
9	Increases funding for utility costs	\$427,650	\$0	\$427,650
10	Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	\$483,360	\$0	\$483,360
11	Adds funding for Microsoft Office 365 licensing	\$55,584	\$21,724	\$77,308
12	Reduces funding for the Emergency Commission contingency fund to provide a total of \$500,000	(\$100,000)	\$0	(\$100,000)
13	Reduces funding for bond payments	(\$206,352)	\$0	(\$206,352)
14	Adds one-time funding from the strategic investment and improvements fund for a litigation funding pool. The Senate provided one-time funding of \$2,500,000.	\$0	\$4,000,000	\$4,000,000
15	Adds one-time funding from the strategic investment and improvements fund for a comprehensive assessment of state lands and facilities. The Senate provided one-time funding of \$2,000,000.	\$0	\$2,430,000	\$2,430,00
16	Adds one-time funding from the Capitol building fund for extraordinary repairs, including parking lot repairs (\$600,000), electrical transformer replacement (\$400,000), capitol door refurbishment (\$200,000), cooling equipment replacement (\$200,000), and other unspecified projects (\$500,000)	\$0	\$1,900,000	\$1,900,000
17	Adds one-time funding for a health savings account incentive funding pool. The Senate did not include funding for a health savings account incentive funding pool.	\$800,000	\$700,000	\$1,500,000
18	Adds one-time funding from the risk management fund for an information technology project	\$0	\$170,000	\$170,000
19	Adds one-time funding for special assessments associated with road work on Fourth Street adjacent to the Capitol grounds. The Senate provided one-time funding from the Capitol building fund.	\$320,000	\$0	\$320,000
20	Adds one-time funding for the state student internship program	\$250,000	\$0	\$250,000
21	Adds one-time funding to implement the ethics commission	\$100,000	\$0	\$100,000
	established through voter approval of Constitutional Measure No. 1 in November 2018. The Senate did not include funding in the budget of the Office of Management and Budget (OMB) to implement the Ethics Commission. The Senate appropriated funding in Senate Bill No. 2148 to implement the Ethics Commission.			
22	. Adds one-time funding for an electronic procurement study	\$50,000	\$0	\$50,000
23	The Senate also added \$93,614 for statewide memberships and dues, \$1,001,400 for guardianship grants, \$50,000 for community service supervision grants, and \$200,000 of matching grants for Prairie Public Broadcasting.			-

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Membe	erships	
	2017-19 Biennium Legislative Budget	2019-21 Biennium Executive Budget
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$117,450	\$122,13
Council of State Governments	169,200	163,94
Governmental Accounting Standards Board	0	
Western Governors' Association	66,870	72,00
National Governors Association	73,350	75,80
National Lieutenant Governors Association	1,080	2,00
Education Commission of the States	103,500	95,58
Western Interstate Commission for Higher Education ¹	0	
Total dues and memberships	\$531,450	\$531,45

¹Funding for the Western Intrastate Commission for Higher Education is included in the higher education budget. The 2017-19 biennium budget included \$230,000, and the 2019-21 biennium executive budget includes \$294,000.

The Senate increased the funding for statewide memberships and dues by \$93,614 to provide total funding of \$625,064, the amount needed to fully fund the dues and memberships.

Other Sections in Senate Bill No. 2015

Tax relief fund transfer to human service finance fund - Section 3 transfers \$182.3 million from the tax relief fund to the human service finance fund.

Strategic investment and improvements fund transfer to preliminary planning revolving fund - Section 4 transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.

State student internship program - Section 5 authorizes OMB to transfer student internship funding to other state agencies.

Litigation funding pool - Section 6 authorizes OMB to transfer litigation funding to other state agencies.

Grant and expense designations - Section 7 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.

Capitol building fund - Section 8 identifies \$2,220,000 from the Capitol building fund, including \$1,900,000 for extraordinary repairs and \$320,000 for special assessments.

Risk management fund - Section 9 identifies \$170,000 from the risk management fund for an information technology project.

Strategic investment and improvements fund - Section 10 identifies \$4.5 million from the strategic investment and improvements fund, including \$2.5 million for the litigation funding pool and \$2 million for a state facility assessment.

Prairie Public Broadcasting matching grant - Section 11 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.

Fiscal management exemption - Section 12 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.

State employee compensation adjustments - Section 13 provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.

State employee performance bonus program - Section 14 increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.

Shared services fund - Section 15 creates a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.

State employee suggestion incentive program - Section 16 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 17 provides an effective date of June 30, 2021, related to the repeal.

Deficiency Appropriation

Senate Bill No. 2024 provides a deficiency appropriation of \$441,100 from the general fund for costs related to the Heritage Center lawsuit.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees.

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund.

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved be the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the 1st day of the biennium subject to a maximum amount of \$175,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects.

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals.

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies.

Significant Audit Findings

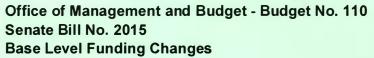
The operational audit for OMB conducted by the State Auditor's office during the 2017-18 interim identified a significant audit finding regarding noncompliance with the distribution of community service supervision grants. (A similar recommendation was also identified in the operational audit during the 2015-16 interim.)

Major Related Legislation

At this time, no major legislation is under consideration affecting this agency.







		Executive Budge	et Recommenda	tion		Senate Version		
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	117.00	\$30,720,260	\$9,434,087	\$40,154,347	117.00	\$30,720,260	\$9,434,087	\$40,154,347
2019-21 Ongoing Funding Changes								
Base payroll changes		\$9,781	(\$50,000)	(\$40,219)		\$9,781	(\$50,000)	(\$40,219)
Salary increase		631,676	133,586	765,262		441,684	94,320	536,004
Health insurance increase		324,415	68,607	393,022		382,847	81,210	464,057
Retirement contribution increase	100	79,896	16,896	96,792				0
Removes FTE positions	(5.00)	(560,182)		(560,182)	(5.00)	(560,182)		(560,182)
Underfunds salaries and wages	(0.00)	(210,252)	(600,994)	(811,246)	(0.00)	(210,252)	(600,994)	(811,246)
Adds funding to reclassify positions		560,678	(000,004)	560,678		560,678	(000,004)	560,678
Adds funding for temporary employees		56,400		56,400		56,400		56,400
Adjusts funding and FTE positions for IT unification	(4.00)	40,312		40,312	(4.00)	26,475		26,475
Reduces funding for operating expenses	(4.00)	(588,483)	(247,461)	(835,944)	(4.00)	(588,483)	(247,461)	(835,944)
Adds funding for contracted custodians		640,000	(247,401)	640,000		640,000	(247,401)	640,000
Increases funding for utility costs		427,650		427,650 483,360		427,650 483,360		427,650
Adds funding for information technology project costs		483,360	24 724			•	24 724	483,360
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308		55,584	21,724	77,308
Increases funding for statewide memberships and dues		(100.000)		0		93,614		93,614
Reduces funding for contingency fund		(100,000)		(100,000)		(100,000)		(100,000)
Reduces funding for bond payments		(206,352)		(206,352)		(206,352)		(206,352)
Increases funding for guardianship grants				0		1,001,400		1,001,400
Increases funding for supervision grants				0		50,000		50,000
Adds matching grants for Prairie Public Broadcasting				0		200,000		200,000
Total ongoing funding changes	(9.00)	\$1,644,483	(\$657,642)	\$986,841	(9.00)	\$2,764,204	(\$701,201)	\$2,063,003
One-time funding items								
Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000			\$1,900,000	\$1,900,000
Adds funding for risk management technology project			170,000	170,000			170,000	170,000
Adds funding for state student internship program		\$250,000		250,000		\$250,000		250,000
Adds funding for electronic procurement study		50,000		50,000		50,000		50,000
Adds funding for special assessments on Capitol grounds		320,000		320,000			320,000	320,000
Adds funding for a litigation funding pool			4,000,000	4,000,000			2,500,000	2,500,000
Adds funding for a health savings account funding pool		800,000	700,000	1,500,000				0
Adds funding for an assessment of state lands and facilities			2,430,000	2,430,000			2,000,000	2,000,000
Adds funding to implement the ethics commission		100,000	_,,	100.000			2,000,000	2,000,000
Total one-time funding changes	0.00	\$1,520,000	\$9,200,000	\$10,720,000	0.00	\$300,000	\$6,890,000	\$7,190,000
Total Changes to Base Level Funding	(9.00)	\$3,164,483	\$8,542,358	\$11,706,841	(9.00)	\$3,064,204	\$6,188,799	\$9,253,003
2019-21 Total Funding	108.00	\$33,884,743	\$17,976,445	\$51,861,188	108.00	\$33,784,464	\$15,622,886	\$49,407,350

Other Sections for Office of Management and Budget - Budget No. 110

	Executive Budget Recommendation	Senate Version
Strategic investment and improvements fund transfer to budget stabilization fund	Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.	
General fund transfer to National Guard training area and facility development trust fund	Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.	
Tax relief fund to human service finance fund	Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.	Section 3 transfers \$182.3 million from the tax relief fund to the human service finance fund.
Strategic investment and improvements fund transfer to public employees retirement fund	Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.	
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.	Section 4 transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
Line item transfers	Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.	
Transfers between agencies	Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.	
State student internship program	Section 7 (Second) would authorize OMB to transfer student internship funding to other state agencies.	Section 5 authorizes OMB to transfer student internship funding to other state agencies.
Litigation funding pool	Section 10 would authorize OMB to transfer litigation funding to other state agencies.	Section 6 authorizes OMB to transfer litigation funding to other state agencies.
Health savings account funding pool	Section 11 would authorize OMB to transfer health savings account funding to other state agencies.	
Grant and expense designations	Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 7 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Capitol building fund		Section 8 identifies \$2,220,000 from the Capitol building fund, including \$1,900,000 for extraordinary repairs and \$320,000 for special assessments.
Risk management fund		Section 9 identifies \$170,000 from the risk management fund for an information technology project.

Strategic investment and improvements fund

Section 10 identifies \$4.5 million from the strategic investment and improvements fund, including \$2.5 million for the litigation funding pool and \$2 million for a state facility assessment.

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Other Sections for Office of Management and Budget - Budget No. 110



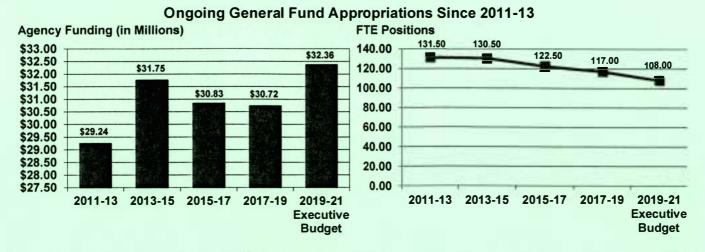
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	Executive Budget Recommendation	Senate Version
Prairie Public Broadcasting matching grant		Section 11 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.
Fiscal management exemption	Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	Section 12 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
State employee compensation adjustments	Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in the 1st year and a 2 percent salary increase in the 2nd year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the 2nd year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	Section 13 provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Emergency Commission borrowing authority	Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.	
State employee performance bonus program	Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.	Section 14 increases performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.
Planning fees for capital improvements	Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.	
Shared services fund	Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	Section 15 creates a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.
State employee suggestion incentive program	Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.	Section 16 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 17 provides an effective date of June 30, 2021, related to the repeal.
Health insurance premiums	Sections 22 and 23 would adjust provisions related to health insurance premiums to require employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.	

Prepared by the Legislative Council staff

Department 110 - Office of Management and Budget

Historical Appropriations Information



On	going General	Fund Appropr	iations		
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$29,238,699	\$31,746,688	\$30,826,724	\$30,720,260	\$32,364,743
Increase (decrease) from previous biennium	N/A	\$2,507,989	(\$919,964)	(\$106,464)	\$1,644,483
Percentage increase (decrease) from previous biennium	N/A	8.6%	(2.9%)	(0.3%)	5.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	8.6%	5.4%	5.1%	10.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

	1.	Added funding for Prairie Public Broadcasting	\$337,138
	2.	Added funding for contracts with external auditors for certain audits	\$300,000
	3.	Added funding for ConnectND human resources modules	\$171,348
	4.	Added funding for guardianship grants	\$828,600
20	15-1	17 Biennium	
	1.	Decreased funding for operating expenses	(\$150,003)
	2.	Added funding for community supervision grants	\$125,000
	3.	Reduced funding for salaries and wages (\$230,000), operating expenses (\$351,525), the Emergency Commission contingency fund (\$200,000), and Prairie Public Broadcasting (\$100,000) related to the August 2016 budget reductions	(\$881,525)
20	17-1	19 Biennium	
	1.	Adjusted funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, 1 FTE computer and networking specialist position, 1 FTE facility construction engineer, and 1 FTE human resource officer position	(\$862,713)
	2.	Adjusted funding for operating expenses	\$171,178
	3.	Increased funding for the Emergency Commission contingency fund	\$100,000
	4.	Added funding for extraordinary repairs and bond payments	\$773,477
	5.	Removed funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000)	(\$501,000)
	6.	Reduced funding for Prairie Public Broadcasting from \$1,600,000 to \$1,200,000	(\$400,000)
	7.	Removed funding for the state internship program	(\$200,000)
	8.	Added funding for community service supervision grants	\$350,000

2019-21 Biennium (Executive Budget Recommendations) 1. Removes 5 FTE positions, including 3 custodians and 2 system mechanics (\$560, 182)2. Underfunds salaries and wages (\$210,252) 3. Adds funding to reclassify FTE positions, including a director of recruiting, a director of leadership and \$560,678 learning, a training officer, and a public information officer 4. Adds funding for temporary employees \$56,400 5. Transfers 4 FTE positions, including 1 information technology program administrator, 2 computer \$40.312 networking specialists, and 1 business analyst position, to the Information Technology Department for an information technology unification project resulting in an increase in operating expenses for the agency. The Senate transferred the 4 FTE positions, but adjusted the increase in operating expenses to provide an increase of \$26,475. 6. Reduces funding for operating expenses primarily related to information technology costs, (\$588,483) maintenance, and equipment and supplies 7. Adds funding to contract for custodial and maintenance services \$640.000 8. Increases funding for utility costs \$427,650 \$483,360 9. Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project 11. Adds funding for Microsoft Office 365 licensing \$55,584 12. Reduces funding for the Emergency Commission contingency fund (\$100,000) (\$206,352) 13. Reduces funding for bond payments 14. The Senate also added \$93,614 for statewide memberships and dues, \$1,001,400 for guardianship grants, \$50,000 for community service supervision grants, and \$200,000 of

matching grants for Prairie Public Broadcasting.



GOVERNOR'S RECOMMENDATION FOR THE OFFICE OF MANAGEMENT AND BUDGET AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

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 office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, asfollows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	21,596,832	(333,040)	21,263,792
Operating Expenses	14,051,438	4,426,233	18,477,671
Contingency Fund	600,000	(100,000)	500,000
Capital Assets	973,477	1,863,648	2,837,125
Grants	54,000	100,000	154,000
Guardianship Grants	1,328,600	8	1,328,600
Community service grants	*	350,000	350,000
Prairie Public Broadcasting	1,200,000	34 -	1,200,000
Litigation Pool		4,000,000	4,000,000
State Student Internship	20	250,000	250,000
Health Savings Account	34 I	1,500,000	1,500,000
Cybersecurity remediation pool	•	<u>i</u>	<u> </u>
Total all funds	39,804,347	12,056,841	51,861,188
Less estimated income	11,234,087	6,742,358	17,976,445
Total general fund Full-time equivalent positions	28,570,260 117.00	5,314,483 -9.00	33,884,743 108.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Surplus Property Building	800,000	÷

Cybersecurity remediation pool	1,000,000	•
Theodore Roosevelt center grant	500,000	
Extraordinary repairs	1	1,900,000
IT risk project	(3 8)	170,000
Central services study	848	50,000
Student internship	1.5	250,000
Special assessments	(197)	320,000
Litigation pool	140	4,000,000
Ethics commission		100,000
Real estate plan	(*)	2,430,000
Health savings account	<u></u>	1,500,000
Total All Funds	\$2,300,000	\$10,720,000
Total Special Funds	1,800,000	9,200,000
Total General Funds	\$500,000	\$1,520,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3 TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENT FUND TO BUDGET STABILIZATION FUND. The office of management and budget shall transfer the sum of \$315,039,140, or so much of the sum as may be necessary, to the budget stabilization fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 4 - TRANSFER - GENERAL FUND TO NATIONAL GUARD TRAINING AREA AND FACILITY DEVELOPMENT TRUST FUND. The office of management and budget shall transfer the sum of \$15,000,000 to the national guard training area and facility development trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - TAX RELIEF FUND TO SOCIAL SERVICES FINANCE FUND. The office of management and budget shall transfer the sum of \$182,300,000, or so much of the sum as may be necessary, from the tax relief fund to the social services financing fund during the biennium beginning July 1, 2019, and ending June 30, 2021.



SECTION 6. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO THE PENSION FUND. The office of management and budget shall transfer the sum of \$265,000,000 from the strategic investment and improvements fund to the public employees retirement fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER - REVOLVING FUND FOR PREPAYMENT OF CONSULTING AND

PLANNING FEES. The office of management and budget shall transfer the sum of \$1,000,000 from the strategic investment and improvement fund to the revolving fund, established pursuant to section 54-27-22, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency appropriated general fund spending authority from the state student internship program line item contained in section 1 of this Act.

SECTION 8. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 49 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems including accounting, management, and payroll, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork State memberships and related expenses Unemployment insurance Capitol grounds planning commission

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET – LITIGATION POOL. The office of management and budget may transfer to each eligible agency appropriation authority from the litigation pool line item contained in section 1 of this Act. Transfers may be made for the purpose of providing litigation services for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET – HEALTH SAVINGS ACCOUNT. The office of management and budget may transfer to each eligible agency appropriation authority from the health savings account line item contained in section 1 of this Act. Transfers may be made for the purpose of providing a \$500 contribution to eligible employee's health savings account in January, 2020 and January, 2021.

SECTION 12. STATE EMPLOYEE COMPENSATION ADJUSTMENT - GUIDELINES. The 2019-21 biennium compensation adjustment for classified state employees is to be based on documented performance with up to a 4 percent increase for the first year of the biennium and 2 percent for the second year. If savings resulting from employee reductions can be identified an additional 2 percent is authorized for the second year.

Probationary employees are not entitled to the salary increase. However, probationary employees may be given all or a portion of the increase effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow NDCC 54-44.2-01.2.

An employee whose overall documented performance level does not meet standards is not eligible for any salary increase.

SECTION 13. Section 54-16-04.4 of the North Dakota Century Code is created and enacted as follows:

54-16-04.4. Authority to borrow funds.

The emergency commission, upon the advice of the office of management and budget, may authorize the office of management and budget to borrow moneys from the Bank of North Dakota for state contingencies as provided in this chapter. Moneys borrowed from the Bank of North Dakota pursuant to this section may not exceed five million dollars during any state biennial period. Moneys borrowed pursuant to this section may be transferred by the office of management and budget to the appropriation of the state agency, board, commission or officer who reguested the funding to address a state



contingency as approved by the emergency commission. Any state agency, board, commission, or officer receiving moneys pursuant to this section must return any unspent moneys within the biennium in which it vas authorized. The office of management and budget shall request from the legislative assembly a deficiency appropriation sufficient for the repayment of the amount borrowed plus interest.

SECTION 14. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund – Creation – Appropriation. There is created in the state treasury a state shared services fund. Any payment to a state agency or institution received from another state agency or institution as a result of a shared services agreement must be deposited in the state shared services fund. Any moneys deposited by a state agency or institution in the state shared services fund are hereby appropriated to that agency or institution for the purposes of defraying the costs of equipment, operating expenses, or salaries relating to the shared services agreement.

SECTION 15. AMENDMENT. Section 54-16-04 of the North Dakota Century Code is amended and reenacted as follows:

54-16-04. May order transfer of moneys between funds - Line item transfers - Order may draw from state treasury.

The emergency commission, upon the advice of the office of management and budget, may order money or spending authority transferred from one fund or line item to another fund or line item belonging to or appropriated for the same institution or board or the same state enterprise, may order a transfer of spending authority from the state contingencies appropriation, may order borrowing from the Bank of <u>North Dakota pursuant to section 54-16-04.4</u>, or, in an extremity, may authorize money to be drawn from the state treasury to meet the emergency until the legislative assembly can make an appropriation available. The following transfers, if authorized by the emergency commission, require the approval of the budget section of the legislative management:

- 1. A transfer of moneys or spending authority which would eliminate or make impossible the accomplishment of a program or objective funded by the legislative assembly.
- 2. A transfer exceeding fifty thousand dollars from one fund or line item to another fund or line item, unless the transfer is necessary to comply with a court order or to avoid:
 - a. An imminent threat to the safety of people or property due to a natural disaster or war crisis; or
 - b. An imminent financial loss to the state.

SECTION 16. AMENDMENT. Section 54-27-22 of the North Dakota Century Code is amended and reenacted as follows:

54-27-22. Revolving fund for prepayment of consulting and planning fees for capital

improvements.

Funds must be made available to all state agencies, institutions, and departments from a preliminary planning revolving fund in the state treasury under the control of the director of the office of management and budget for studies, planning, architectural programming, schematic designs, and cost estimates relating to proposed new capital improvements and major remodeling of existing facilities. State agencies, institutions, and departments interested in obtaining planning moneys shall submit a written request detailing the scope and purpose of such project to the director of the office of management and budget. The director shall file such request with, and shall present the director's recommendations regarding the proposed project and necessary planning moneys report to the budget section of the legislative management, at least once each year, regarding expenditures from the fund. Funds may be advanced poly in the event that an authorization has first been received from the budget section. Such funds advanced must be repaid to the preliminary planning revolving fund as moneys become available through legislative appropriation or other sources for the commencement of the project.

SECTION 17. LINE ITEM TRANSFER. Notwithstanding section 54-16-04, the agency may transfe between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 18. TRANSFER AUTHORITY BETWEEN AGENCIES. Notwithstanding any other sections of the law, the governor may direct the office of management and budget to transfer up to one percent of the legislatively approved general fund appropriation for the following agencies to implement and promote efficient practices in state government: the office of the governor, office of management and budget, information technology department, department of health, department of environmental quality, Indian affairs commission, job service North Dakota, department to labor and human rights, securities department, highway patrol, department of corrections and rehabilitation, office of the adjutant general, department of commerce, water commission, and department of transportation. Transfers may occur for the period beginning July 1, 2019, and ending June 30, 2021 under the following provisions:

- 1. The governor has transferred duties between executive branch agencies when an agency has demonstrated they are able to perform the specific duty more efficiently, thereby creating a savings to the state equal to at least ten percent of the amount transferred.
- 2. The governor has identified projects or initiatives which will generate efficiency and cost savings for the state, equal to at least ten percent of the amount transferred.
- 3. Any general fund savings amount will be turned back to the general fund at the end of the biennium.
- 4. The office of management and budget shall report to the budget section regarding the purposes of the transfers and documented efficiencies and savings that occurred from such transfers.
- 5. The transfers are to be considered a reduction in the base budget for the agency from whom the transfer is made and an increase in the base budget for the agency which received the transfer.

SECTION 19. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 20. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

SECTION 21. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations. State agencies may provide monetary performance bonuses to their employees under this section.

1. State agencies may pay bonuses under this section if:

a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;

b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and

c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.

2. State employees are eligible to receive a bonus under this section only if:

a. The employee has held a position in state government for at least one year before a bonus is paid;

b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and

c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.

3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than <u>one thousand</u> two thousand five hundred dollars in bonuses per fiscal year.



4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the amber of any loyees equal to twenty five percent of the employees employed by the agency on July first at the begin of each state fiscal year. Upon a showing of special ircumstances, North Dakota human resource management services may approve pay bonuses above the twenty five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.

5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.

6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 22. AMENDMENT. Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-06. State contribution.

Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract for the full blended single and alternate family contract rate monthly premium for each of its eligible employees enrolled in the non-grandfathered uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. Employees who elect to remain in the grandfathered uniform group insurance program, if it is still offered to employees, shall pay the blended single and family rate difference in monthly premium between the grandfathered and non-grandfathered uniform group insurance programs. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such payment at the time the right arises.

SECTION 23. AMENDMENT. Section 54-52.1-18 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-18. High-deductible health plan alternative with health savings account option.

- 1. The board shall develop and implement a high-deductible health plan as an alternative to the plan under section 54-52.1-02. The high-deductible health plan alternative with a health savings account must be made available to state employees by January 1, 2012. After June 30, 2015, at the board's discretion, the high-deductible health plan alternative may be offered to political subdivisions for coverage of political subdivision employees. If a political subdivision elects this high-deductible option, the political subdivision may not offer the plan under section 54-52.1-02.
- 2. Health savings account fees for participating state employees must be paid by the employer.
 - Except as provided in subdivision b, subject to the limits of section 223(b) of the Internal Revenue Code [26 U.S.C. 223(b)], the difference between the cost of the <u>respective non-grandfathered</u> single and family premium for eligible state employees under section 54-52.1
 06 and the premium for those employees electing to participate under the high-deductible health plan under this section must be deposited in a health savings account for the benefit of each participating employee.
 - b. If the public employees retirement system is unable to establish a health savings account due to the employee's ineligibility under federal or state law or due to failure of the employee to provide necessary information in order to establish the account, the system is not responsible for depositing the health savings account contribution. The member will remain a participant in the high-deductible health plan regardless of whether a health savings account is established.
 - c. If a member closes the health savings account established for that member under this section, the system is not responsible for depositing the health savings account contribution after that closure.

 Each new state employee must be provided the opportunity to elect the high-deductible health plan alternative. At least once each biennium, the board shall provide an open enrollment period allowing existing state employees or a political subdivision to change their coverage.



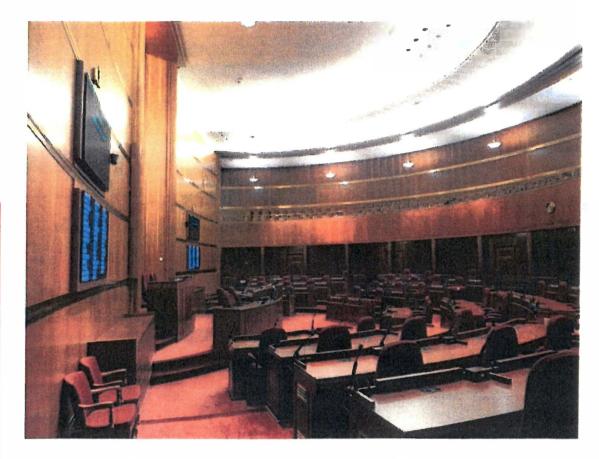
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March 4, 2019

SBOOKS

Attachment A

Office of Management and Budget Testimony on Senate Bill 2015



House Appropriations Government Operations Division March 4, 2019

Testimony in Support of Engrossed SB 2015 Joe Morrissette, Director Office of Management and Budget March 4, 2019

Att A 5B 2015 3-4-19

Good morning Chairman Vigesaa and members of the Government Operations Division of House Appropriations. I am Joe Morrissette, the Director of the Office of Management and Budget.

The Office of Management and Budget consists of five separate divisions, each with a unique mission and function. In many ways, because our divisions are so distinct and different from each other, we have operated as five separate agencies. We have taken steps this biennium to work more cohesively as a single agency and find efficiencies and savings by working together. The one thing that unites our divisions is the fact that we are a service agency and each division serves the people and agencies of state government. A common goal among all our divisions is to provide outstanding customer service. Once each biennium, we reach out to our customers to get feedback and gauge our success through a customer survey. We conducted this survey most recently in September 2018. Hopefully some of you responded to the survey as you are among the customers we serve. Our results were very positive with over 93 percent of respondents indicating satisfaction with the services provided across all divisions of OMB. However, we review all responses and comments to take a critical look at what we do and determine how we can be better – we are always seeking to improve.

<u>Agency</u> Divisions

With me today are the directors of four of our five divisions. I will introduce them as I discuss each division. They are available to answer any specific questions you have. Attached to my testimony are organizational charts for OMB and for each division.

Fiscal Management – This division includes Administration and State Financial Services. Administration has 7 FTE including me, an administrative assistant and our 5 budget analysts. State Financial Services has 14 FTE and provides the following services for state government:

- Performs accounting, payroll, and financial reporting functions.
- Provides assistance and training to all state fiscal staff regarding the use of PeopleSoft financial tools.
- Establishes fiscal and administrative policies to provide uniformity, consistency and best practices for state agencies.
- Manages the state purchasing card program which creates efficiency and returns millions of dollars to state government, higher education, and participating political subdivisions through purchasing rebates. A total of \$10.1 million, \$3.4 million for the state general fund, has been received over the past six years alone.



- Prepares our state Comprehensive Annual Financial Report (CAFR).
- Manages our state financial transparency site to provided public access to state finances.
- The Director of State Financial Services is Jeff Larshus, who is unable to be here today.

SB 2013

Central Services – This division has 25 FTE and performs the following services:

- State Procurement, which provides assistance, guidelines, and training to state agencies relating to procurement of goods and services, including major IT projects.
- Central Supply, which provides office products for state agencies.
- Vendor Registry, which assists entities doing business with the state.
- Central Duplicating, which provides printing, design, and mailing services for state agencies.
- Surplus Property, which manages the distribution and disposition of state and federal property.
- Central Mailroom Services for the state capitol. Central Mailroom Services were previously operated by the Facility Management Division but have been realigned under Central Services to provide efficiency and cross-training opportunities. (The reallocation of this FTE has not been reflected in the detailed budget documents.)
- The Director of Central Services is Sherry Neas.

Facility Management – This division has 46 FTE's and performs the following services:

- Maintains the state capitol complex, including buildings and grounds, through a dedicated team of skilled trades workers, maintenance workers, and custodians.
- Provides lease negotiation and administration services to state agencies leasing space outside the capitol complex.
- Provides tours of the capitol.
- The Director of Facility Management is John Boyle.

Human Resource Management – This division has 11 FTE's in the executive budget recommendation and performs the following services:

- Provides human resource guidance, assistance, training, and mediation services for state agencies.
- Promotes consistent HR practices among state agencies.
- Maintains the state classification system.
- Develops and supports processes and systems for learning management, performance management, recruitment and human resource recordkeeping.
- Coordinates statewide recruiting efforts in a comprehensive and efficient manner for all state agencies and institutions through the <u>proposed</u> Director of Recruiting.



- Coordinates and delivers statewide professional development and leadership training to all state team members through the <u>proposed</u> Director of Leadership and Learning.
- The Director of HRMS and the state Chief People Officer is Lisa Kudelka.

Risk Management – This division has 5 FTE's and performs the following services:

- Provides an online reporting system for agencies to report incidents.
- Oversees claims against the state and state employees through the Risk Management Fund.
- Administers the single workers compensation account for state agencies, which results in significant savings in Workers Compensation Insurance premiums for state government.
- Provides loss control services.
- Facilitates criminal background checks for individuals accessing sensitive information on the PeopleSoft system.
- Purchases insurance coverage for state workers traveling abroad on official business.
- The Director of Risk Management is Tag Anderson.

Major Accomplishments from 2017-19

- Conducted analysis of lease vs. own options for Surplus Property facility. Determined it was not cost effective to utilize the \$800,000 special fund appropriation authority provided by the 2017 Legislative Assembly for purchase or construction of a new facility. Instead renegotiated lease for nearly 40 percent annual savings compared to prior lease.
- Worked collaboratively with higher education to synchronize purchasing thresholds for all state agencies and higher education institutions, creating efficiencies in training and administration and creating a simplified system for entities doing business with the state.
- Conducted analysis of contracting vs. FTE for certain custodial and mechanical services. Eliminated the need for seven Facilities Management positions by utilizing contracted services for a biennial general fund savings of approximately \$350,000.
- Facilitated the purchase of a cyber liability insurance policy that covers all state entities except the Bank of North Dakota, which has its own coverage.
- Enhanced and upgraded the state transparency website to provide enhanced functionality and user experience at no additional cost to state.
- Enhanced and upgraded PeopleSoft systems to improve functionality and efficiency.
- Assumed responsibility for Bank of North Dakota payroll operations with no additional OMB payroll staff, creating efficiency for BND operations.







- Assumed complete payroll functions for additional small agencies, to bring total to 13 agencies for which OMB performs all payroll actions. For nearly all other state agencies, the agency performs limited payroll administrative functions while OMB processes payroll centrally.
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the state CAFR.
- Received the GFOA Distinguished Budget Presentation Award for the state budget documents.
- Conducted biennial customer service survey and received over 90% favorable rating from customers.
- Made progress aligning HR operations across cabinet agencies through the implementation of:
 - Universal employment policies to reduce duplication and create consistency.
 - A uniform performance evaluation process to provide consistency in evaluation methods.
- Conducted custom salary survey using existing staff resources and expertise, avoiding the need to contract for this service while providing policy makers objective information to compare ND state government salaries to the private sector.
- Created an HR dashboard to provide increased transparency of HR data for agency managers.
- Updated training offerings and standardized leadership training to provide development opportunities for state employees.
- Conducted analysis of all OMB positions that became open through attrition or the voluntary separation incentive program (VSIP) to find opportunities for efficiency, combining of job duties, and reorganization. Found opportunities to eliminate 5 FTE positions at significant long-term savings for the state.

<u>Budget</u>

Attached to my testimony are two schedules that show:

- Fiscal year 2018 spending, remaining appropriation authority for the rest of the 2017-19 biennium, and the 2019-21 biennium Executive Budget Recommendation for ongoing and one-time spending.
- 2019-21 biennium base level amounts compared to the 2019-21 Senate Version and the Executive Budget Recommendation.

Significant Budget Items and Changes by Line Item - 2019-21 Senate Version Compared to the Base Level

• Salaries and Wages – We have continually worked to reduce our number of FTE positions. Ten years ago, for the 2009-11 biennium, we had 132.5 FTE positions. For the 2019-21 biennium, we are requesting 108.0 FTE, a decrease of nearly 20



percent over ten years. The salaries and wages line for the 2019-21 biennium is 3-4-4 decreased from the base level by \$588,055 due to the following:

- Elimination of 2 FTE systems mechanics due to more cost-effective contracting for these services (positions became vacant through VSIP participation).
- Elimination of 2 FTE custodial positions due to more cost-effective contracting for these services (positions became vacant through normal attrition).
- Elimination of 1 FTE custodial position that became vacant.
- Transfer of 4 FTE to ITD as part of IT unification process.
- Reprioritization of two vacant facility management positions (grounds maintenance and custodian) to the HRMS Division to create two new positions (Director of Recruiting and Director of Leadership and Learning). These two new positions will enhance our ability to attract talent to state government and to fully develop and train our existing state team members.
 - Director of Recruiting In the past, no single person has been responsible for recruiting for all of state government. Recruiting has been handled individually be each state agency working independently. Having a single person dedicated to this function will improve our effectiveness and create efficiency across agencies.
 - Director of Leadership and Learning Although HRMS has had a training function since the position was first filled by our current Interim Chief People Officer, HRMS has not had the resources to coordinate various training programs provided independently by various agencies or to provide a full range of leadership development programs. Having a person dedicated to this function will improve our ability to utilize existing resources to better train and equip our state team members.
- Reprioritization of 1 FTE account budget specialist (vacated through VSIP) to a public information officer to develop and implement marketing plans for our business operations in Central Duplicating and Surplus Property, to coordinate and manage the content of a state intranet to facilitate communication with all state team members, and to manage all agency communications.
- Addition of \$1,000,061 for the compensation package proposed by the Senate.
- **Operating Expenses** The operating expenses line is increased by \$4,076,010 due to the following:
 - Facility Management Division increases of:
 - \$427,650 for anticipated utility increases for electricity, gas and water service for the capitol complex.
 - \$640,000 for contracted services for custodial work, systems mechanical services, snow removal, and grounds keeping



- \$150,000 for rate increases and additional usage on existing contracts, and an allowance for additional weather-related usage if needed.
- \$490,000 for contracted services to replace FTE costs of about \$840,000, for biennial savings of approximately \$350,000.
- Special assessment installment charges of \$320,000 from the city of Bismarck for street improvements around the capitol building.
- Fiscal Management Division increase of \$23,577 related to additional IT costs for:
 - Additional services from ITD to reduce backlog of outstanding work items relating to PeopleSoft.
 - Continued enhancements and maintenance of PeopleSoft financial and payroll systems.
- Central Services Division request for \$50,000 to conduct analysis of state agency and higher education needs and opportunities relating to creating a combined electronic procurement system and development of a proposal for consideration by the 2021 Legislative Assembly.
- Anticipated increase of \$820,022 for ITD charges to support positions transferred from OMB to ITD as part of unification. This amount is equal to the amount that would be included in the salary line for these positions if not transferred to ITD as part of IT unification.
- Anticipated increase of \$77,308 for ITD charges to support Office 365.
- \$2.0 million appropriation from the Strategic Investment and Improvements Fund (SIIF) to contract for a comprehensive statewide real estate study. The executive recommendation included \$2.4 million for this study. This request is based on \$.10 per square foot for the 24.3 million square feet included in the nearly 1,600 state-owned buildings. Each agency manages their own real estate using their own maintenance standards and differing levels of staff resources and expertise. A comprehensive assessment of all buildings, including their use, condition, operating costs, maintenance needs, staffing, and best long-term use has never been completed. We believe although this is a significant investment, it is a small amount in relation to the benefits and potential cost savings it will yield. State-owned buildings have a current insured value of approximately \$3.5 billion. The cost of the proposed assessment represents only .07 percent of current insured value.
- Included in the operating line is the appropriation of \$625,064 for statewide dues. The Senate increased this appropriation by \$93,614 to allow for full payment of all state membership dues. Some dues have been only partially paid since the appropriation was reduced for the 2017-19 biennium due to budget limitations. The executive budget included funding to continue the appropriation for membership dues at the 2017-19 biennium level. The Senate version includes funding for the following:
 - Commission on Uniform State Laws \$155,200
 - Council of State Governments \$213,864

- Western Governor's Association \$72,000
- National Governor's Association \$75,800
- National Lieutenant Governor's Association \$2,000

Att. A SB 2015

- Education Commission of the States \$106,200
- **Contingency Fund** The contingency fund line is reduced by \$100,000, to provide a total of \$500,000. This change was included in the executive budget as part of a proposal to provide authority for the Emergency Commission to borrow up to \$5 million from the Bank of North Dakota as a line of credit to respond to state contingencies. The past appropriations of \$600,000 to \$700,000 are rarely used in their entirety but are inadequate to respond to a significant event. Any funds borrowed under this proposed authority would be repaid with a deficiency appropriation requested from the subsequent Legislative Assembly.
- **Capital Assets** The capital assets line is increased from the base level by \$1,863,648 for changes including the following:
 - \$1.9 million from the Capitol Building Fund for extraordinary repair projects for the capitol building and other buildings on the capitol grounds campus.
 - \$170,000 from Risk Management Division special funds for replacement or upgrade of the Risk Information Management IT system.
- **Grants** The grants line is unchanged from the base level and includes \$54,000 for the following:
 - Boys and Girls Clubs \$53,000
 - COSE \$1,000
- **Guardianship Grants** The guardianship grants line is increased by \$1,001,400 to provide a total of \$2,330,000 for grants to guardianship programs. The executive budget continued guardianship grants at the current biennium base level of \$1,328,600.
- **Prairie Public Broadcasting** The grant to Prairie Public Broadcasting is increased by \$200,000, to provide a total of \$1.4 million. The base level grant is continued at the current level of \$1.2 million; \$200,000 was added by the Senate for a matching grant for equipment. The executive budget included \$1.2 million to continue this grant at the current biennium level. John Harris, President and CEO of Prairie Public Broadcasting, is here and will offer testimony in support of this grant.
- **Community Service Grants** Grants to community service programs are increased by \$50,000, to provide a total of \$400,000 for these grants. The executive budget continued these grants at the current biennium base level of \$350,000.
- Litigation Pool The Engrossed Bill includes \$2.5 million for a litigation funding pool. The executive recommendation included \$4 million for this purpose. Several agencies requested appropriation authority for potential litigation costs that could be incurred during the 2019-21 biennium, such as the Tax Department, Department of Mineral Resources, and Public Service Commission. The combined requests of these agencies totaled \$2.8 million. Rather than provide separate appropriations to





each of these agencies for unknown costs, the most efficient approach is a central pool that can be allocated by OMB if needed or remain in the SIIF if unused at the end of the biennium.

• State Student Internship – The Engrossed Bill includes \$250,000 from the general fund to re-establish the state internship program. The executive recommendation also included funding for this program. This program has been in place in the four bienniums preceding the current biennium and has been utilized by state agencies to offset the costs of student internships. It is a successful and proven program that supports internships across state government, provides valuable training opportunities to students and, in many cases, opens the door to long-term state employment for those interns.

Other Sections Included in Engrossed SB2015

The following sections were included by the Senate in Engrossed SB 2015, and I ask your support for these sections of the bill:

Section 3 – Transfer from Tax Relief Fund to Social Services Finance Fund – This section provides for the transfer of \$182.3 million from the Tax Relief Fund to the Social Services Finance Fund for costs associated with the redesign of regional social services and continuation of the transfer of social services administration from counties to the state.

Section 4 – Transfer from SIIF to Capital Planning Revolving Fund – This section provides for the transfer of \$500,000 from SIIF to the Capital Planning Revolving Fund. The executive budget recommendation included \$1.0 million for this purpose. The Capital Planning Revolving Fund is an existing state fund with a minimal balance. The purpose of the fund is to advance funding for development of architectural plans and cost estimates for proposed projects to be considered by the legislature. The fund has been inactive for several bienniums, but it is a valuable tool for state agency capital planning purposes.

Section 5 – Authority to allocate funding appropriated for state internship program – This section provides authority for OMB to transfer funds from the state internship line to any participating state agency.

Section 6 – Litigation pool – This section provides authority for OMB to transfer funds from the litigation funding pool to state agencies as needed to address litigation costs.

Section 7 – Intent for grants – This section provides legislative direction for certain grants and other items included in Section 1 of the bill.



Section 8 – Capitol building fund – This section identifies \$2.2 million of one-time $3-u/-1^{\circ}$ funding appropriated from the capitol building fund for extraordinary repairs (\$1.9 million) and special assessments (\$320,000).

Att'

Section 9 – Risk Management fund – This section identifies \$170,000 of one-time funding appropriated from the Risk Management Fund for upgrade or replacement of the existing IT system used to manage claims and administer the state's risk management program.

Section 10 – Strategic Investment and Improvements Fund (SIIF) – This section identifies \$4.5 million from the SIIF for a comprehensive statewide real estate assessment (\$2.0 million) and the proposed litigation funding pool (\$2.5 million).

Section 11 – Prairie Public Broadcasting matching grant – This section provides a requirement that the \$200,000 grant for equipment may only be provided to Prairie Public Broadcasting to the extent it is matched dollar for dollar with funds from nonstate sources.

Section 12 – Turnback exemption for Fiscal Management Division – This section continues authority that has been provided by previous Legislative Assemblies for any unspent funds in the Fiscal Management division to be carried forward for use in the development and operation of state financial systems.

Section 13 – State employee compensation adjustment guidelines – This section provides direction for distribution of state employee salary increases based on the Senate compensation plan to provide increases averaging 2 percent, with an \$80 per month minimum, the first year of the biennium, and averaging 3 percent the second year. The executive recommendation included funding for salary increases averaging 4 percent the first year and 2 percent the second year. The executive recommendation also proposed authority for an additional 2% the second year if state agencies and institutions could identify long-term salary savings. Both the Senate version and the executive recommendation proposed compensation increases be distributed based on performance and not across the board.

Section 14 – State employee performance bonus program – This section proposes a statutory change relating to the state employee performance bonus program. Under current law, bonuses are limited to \$1,000 per employee and limited to no more than 25% of employees in the agency. The program was first authorized in 2001 and the maximum amount has never been increased. Increases in state employee compensation and inflation have eroded the value of this incentive over the past 18 years. Increasing the maximum threshold will make the program more meaningful and increase its impact. There is no fiscal impact because any bonuses distributed must be funded from an agency's existing appropriation.



Section 15 – Shared service fund – This section creates a new state fund, called the Shared Services Fund. Creation of this fund will facilitate sharing between state agencies and has the potential to create long-term savings for the state. Without the creation of this fund, agencies have no incentive to create efficiency through shared service agreements. For example, if two agencies are collocated and could find cost savings through sharing costs for a copier, this fund could create a needed incentive to encourage purchase of one shared copier. Without this fund, if Agency A purchases the copier and Agency B wants to share the costs, any payments made to Agency A typically must be deposited into the general fund. Agency A receives no benefit from these payments and is unable to offset its costs. Creation of this fund would allow Agency A to accept payments from Agency B, deposit those moneys in the Shared Services Fund, then use those moneys to offset costs associated with the copier.

Section 16 – Repeal of existing State Employee Suggestion Incentive Program – This section repeals North Dakota Century Code Section 54-06-24 relating to the State Employee Suggestion Incentive Program. The current program has had very limited success in creating cost savings for the state. Identifying and quantifying cost savings is often administratively difficult and time consuming. Expansion of the State Employee Performance Bonus program, as proposed in Section 14, will allow expanded use of performance bonuses and eliminate the need for the State Employee Suggestion Incentive Program.

I have attached a proposed statutory change that would clarify the phase-out of the existing program by preventing new applications from being submitted during the 2019-21 biennium prior to the eventual repeal of the program on July 1, 2021.

Other Sections Requested to be Included in Engrossed SB2015 (Not Included in the Senate Version)

Transfer from SIIF to Budget Stabilization Fund – The executive budget bill draft includes a section authorizing the transfer of \$315 million from SIIF to the Budget Stabilization Fund, the estimated amount required to bring the fund to its maximum balance of 15% of recommended general fund appropriations for the 2019-21 biennium. A key component of the executive budget is restoration of the Budget Stabilization Fund and this transfer is necessary to bring the fund to its maximum balance. With a state budget heavily influenced by swings in volatile commodity prices, restoration of the Budget Stabilization Fund should be a priority to mitigate the risks to the state and its constituents.

Transfer from general fund Legacy earnings to National Guard Training Area and Facility Development Trust Fund – The executive budget bill draft includes a section authorizing a transfer of \$15 million from the general fund, available from Legacy Fund earnings, to the National Guard Training Area and Facility Development Trust Fund. This is an existing state fund with no balance. Once transferred into the fund, moneys



will be available for the National Guard to purchase or lease land necessary to expand 3-4- Camp Grafton training areas.



Transfer from SIIF to ND PERS Pension Fund – The executive budget bill draft includes a section authorizing a transfer of \$265 million from SIIF to the ND PERS Pension Fund which, along with various policy proposals and an additional 1% payroll contribution from the state and employees, will eliminate the current \$1.1 billion unfunded liability by 2036. The cost to address the state's obligation will only increase over time.

Health savings account incentive pool – The executive recommendation includes \$1.5 million, \$800,000 from the general fund and \$700,000 special fund authority, to provide incentive contributions to employee Health Savings Accounts (HSAs) for employees who elect to enroll in the state's existing high deductible health plan (HDHP). The HDHP plan has been offered for several years and enrollment has grown, but it currently has only around 340 participants. Although this plan offers additional coverages not available under the main grandfathered plan and includes the added benefit of an HSA, it comes with higher out of pocket costs for coinsurance and deductibles. We believe there will be a long-term benefit for the state if additional employees participate in this plan and take a more active role in managing their health care costs. This is a pilot proposal to incentivize participation in the plan through an annual \$500 contribution into a participating employee's HSA in January 2020 and 2021.

Emergency Commission borrowing authority – The executive budget bill draft includes a section giving the Emergency Commission authority to borrow up to \$5 million from the Bank of North Dakota, as a line of credit, to respond to state contingencies. The current and past appropriations of \$600,000 to \$700,000 for state contingencies are rarely used in their entirety but would be inadequate to respond to a significant event. Any funds borrowed under this proposed authority would be repaid with a deficiency appropriation requested from the subsequent Legislative Assembly.

State employee contribution to existing health plan – The executive budget bill draft includes proposed statutory changes to provide for a monthly contribution towards the health insurance premium for employees continuing enrollment in the current grandfathered health plan. Under the executive recommendation for state employee health insurance, the plan with the premium fully paid by the state would become a new non-grandfathered plan and employees continuing enrollment in the current grandfathered plan would pay a premium contribution of approximately \$28 per month, which is the difference in premium between the two plans.

Line item transfers – The executive budget bill draft includes a section to allow limited transfers between the line items contained in Section 1 of the bill. This language has been proposed for all cabinet agencies and is similar, but more limited to what the legislature has authorized in the past for administrative discretion for the legislative and judicial

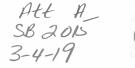
budgets. Although in the case of the legislative and judicial budgets there is no limitation regarding the transfers, this section proposes limited transfer authority of up to 10% of the total appropriation. Any transfer in excess of that amount would continue to require Emergency Commission and Budget Section approval. Current authority to transfer with Emergency Commission and Budget Section approval is often ineffective to address issues that require immediate action or that arise during the last 7 to 8 months of each biennium due to a lack of meetings of those committees. This administrative flexibility would allow agencies to be more responsive to unforeseen changes, operate more efficiently, and still provide legislative oversight through required reports to the Legislative Council or a designated committee.

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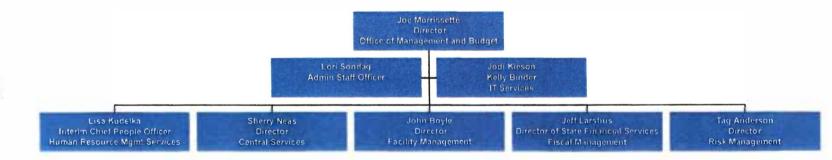
Governor's authority to transfer between cabinet agencies – The executive budget bill includes a section to allow the Governor to transfer between cabinet agencies up to 1% of the legislatively approved general fund appropriation to all cabinet agencies. Transfers must create efficiency and cost savings. *If utilized, this transfer authority requires identified savings and turnback to the general fund of at least 10% of the amount transferred.* This very limited administrative flexibility could yield significant gains in efficiency and cost savings and allow the executive branch to be more responsive to circumstances that develop during the interim. Legislative oversight is provided through required reports to the Budget Section regarding any transfers made pursuant to this authority.

Mr. Chairman and members of the Government Operations Committee, I ask your support for Engrossed Senate Bill 2015, including the budget for the Office of Management and Budget as well as the various transfers, statutory changes, and other sections I have addressed. I would be happy to answer any questions.





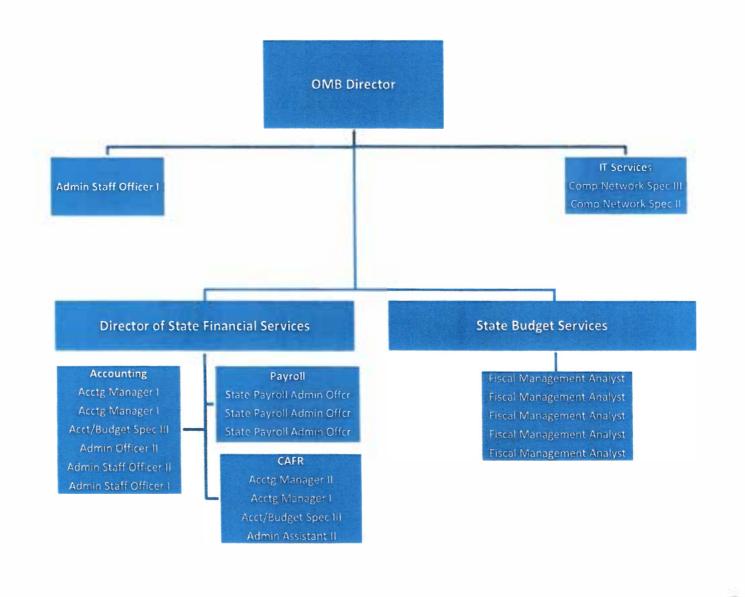
Office of Management and Budget Organizational Chart

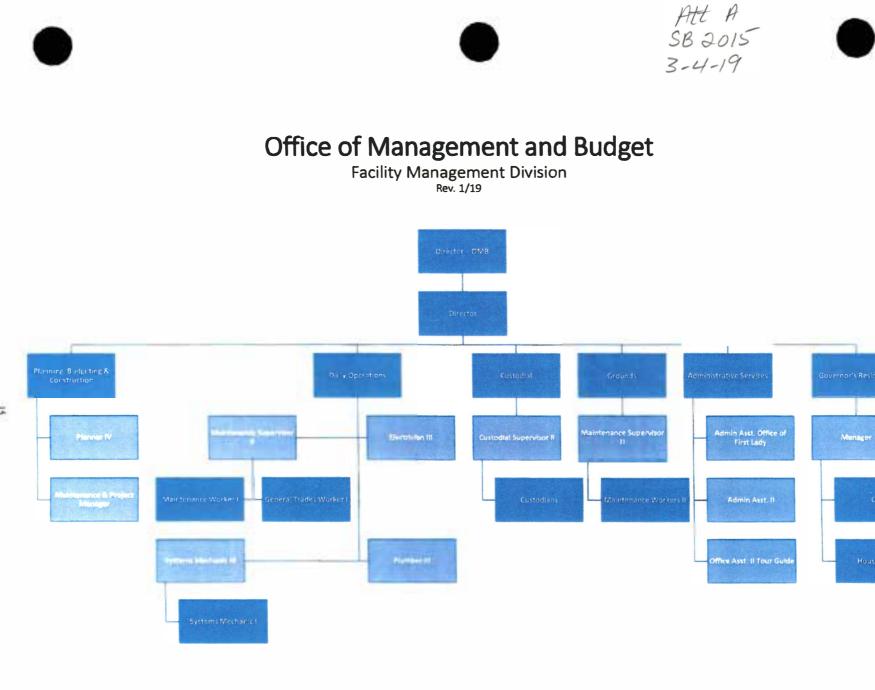


Att A, SB 2015 3-4-19

Office of Management and Budget

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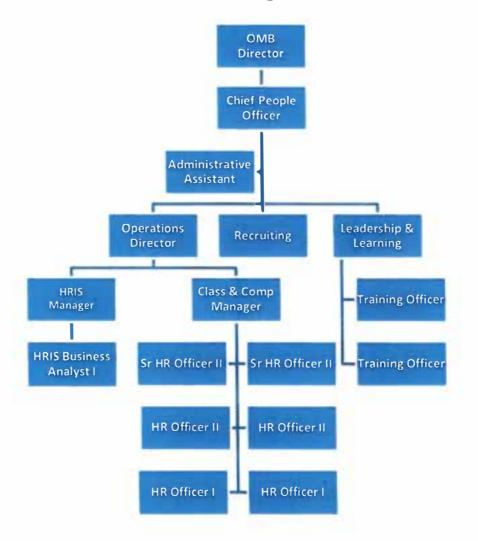




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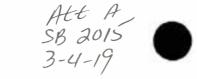
Att A SB 2015 3-4-19

Proposed Human Resource Management Services



91





Office of Management Budget 2017-19 and 2019-21 Biennium Budget

	2017-19		Remaining available for	Change from	2019-21 Budget		
	Appropriation	FY18 spend	FY19	17-19 to 19-21	Recommendation	On-going	One-time
Salaries and wages	21,596,832	10,063,807	11,533,025	(333,040)	21,263,792	21,263,792	0
Operating expenses	14,051,438	5,427,366	8,624,072	4,426,233	18,477,671	15,677,671	2,800,000
Contingency fund	600,000	0	600,000	(100,000)	500,000	500,000	0
Capital assets	1,773,477	466,261	1,307,216	1,063,648	2,837,125	767,125	2,070,000
Grants	904,000	201,000	703,000	(750,000)	154,000	54,000	100,000
Guardianship grants	1,328,600	664,300	664,300	0	1,328,600	1,328,600	0
Community service grants	0	0	0	350,000	350,000	350,000	0
Prairie Public Broadcasting	1,200,000	600,000	600,000	0	1,200,000	1,200,000	0
Litigation pool	0	0	0	4,000,000	4,000,000	0	4,000,000
State student internship	0	0	0	250,000	250,000	0	250,000
Health savings account	0	0	0	1,500,000	1,500,000	0	1,500,000
Cybersecurity remediation pool	1,000,000	0	1,000,000	(1,000,000)	0	0	0
Total Funding	42,454,347	17,422,734	25,031,613	9,406,841	51,861,188	41,141,188	10,720,000
General Fund	31,220,260	13,605,524	17,614,736	2,664,483	33,884,743	32,364,743	1,520,000
Other Funds	11,234,087	3,817,210	7,416,877	6,742,358	17,976,445	8,776,445	9,200,000
FTE	117.00			(9.00)	108.00		



Att: A SB 2015 3-4-19

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43

Office of Management Budget Senate Version

	2019-21 Base Level	Senate Changes	2019-21 Senate Version	Difference Between Senate & Rec	2019-21 Budget Recommendation	On-going	One-time
Colorian and wages							0
Salaries and wages	21,596,832	(588,055)	21,008,777	(255,015)	21,263,792	21,263,792	
Operating expenses	14,051,438	4,076,010	18,127,448	(350,223)	18,477,671	15,677,671	2,800,000
Contingency fund	600,000	(100,000)	500,000	0	500,000	500,000	0
Capital assets	973,477	1,863,648	2,837,125	0	2,837,125	767,125	2,070,000
Grants	54,000	0	54,000	(100,000)	154,000	54,000	100,000
Guardianship grants	1,328,600	1,001,400	2,330,000	1,001,400	1,328,600	1,328,600	0
Community service grants	350,000	50,000	400,000	50,000	350,000	350,000	0
Prairie Public Broadcasting	1,200,000	200,000	1,400,000	200,000	1,200,000	1,200,000	0
Litigation pool	0	2,500,000	2,500,000	(1,500,000)	4,000,000	0	4,000,000
State student internship	0	250,000	250,000	0	250,000	0	250,000
Health savings account	0	0		(1,500,000)	1,500,000	0	1,500,000
Total Funding	40,154,347	9,253,003	49,407,350	(2,453,838)	51,861,188	41,141,188	10,720,000
General Fund	30,720,260	3,064,204	33,784,464	(100,279)	33,884,743	32,364,743	1,520,000
Other Funds	9,434,087	6,188,799	15,622,886	(2,353,559)	17,976,445	8,776,445	9,200,000
FTE	117.00	-9.00	108.00	0	108.00		

Att A SB2015 3-4-19

Proposed Statutory Change to be Included in Engrossed SB 2015



- 1. There is established a suggestion incentive program for state employees. All persons employed by the state are eligible to participate in the program except state agency heads, administrators, or any supervisors considered at the management level by the state agency head.
- 2. <u>APrior to July 1, 2019, a</u> state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed.
- a. The suggestion incentive committee shall consider legitimate savings reductions in expenditures made possible within the employing state agency and any other state agency.
 b. The suggestion incentive committee shall determine if:

(1) The recommendation or proposal has been previously submitted and rejected.
(2) The recommendation or proposal is beyond the reasonable expectations of job performance for the employee who made the suggestion.

(3) Implementation of the recommendation or proposal is desirable and feasible.
(4) Implementation of the recommendation or proposal will continue to provide the quality of the services presently provided by the employing state agency and any other state agency affected by the recommendation or proposal.

c. The suggestion incentive committee shall submit to the state agency head of the employee submitting the recommendation or proposal any recommendation and proposal the committee approves.

- 4. The state agency head shall review and determine whether a recommendation or proposal approved by the suggestion incentive committee is capable of implementation. The state agency head shall make the final decision on acceptance or rejection of a recommendation or proposal.
- 5. A state employee who submits a recommendation or proposal to reduce expenditures that is approved by the suggestion incentive committee and approved for implementation by the state agency head is entitled to receive twenty percent of any savings realized up to a maximum of four thousand dollars. The savings must relate directly to the employee's proposed change. The suggestion incentive must be computed on the actual savings for a twelve-month period, the period to run from the time that the proposed change is instituted. An employee is entitled to the suggestion incentive payment at the end of the twelve-month period in a lump sum from funds of the employing state agency. Any payments to an employee under this program are in addition to the employee's regular salary. Employees who qualify for the suggestion incentive are entitled to an award for the first year's savings only and not for any subsequent years.
- 6. On July first of each year a state agency that makes a suggestion incentive payment in the preceding twelve months shall submit a report to the office of management and budget describing the implemented recommendation or proposal. On September first of each year, the office of management and budget shall provide to all state agencies a report describing the recommendations and proposals to reduce expenditures implemented by state agencies.



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· March 4,2019

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Testimony Prepared for the House Appropriations Committee – Gov Ops March 4, 2019 By: Aaron Birst, NDACo Legal Council

RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Thank you, Mr. Chairman, for the opportunity to briefly state our Association's support for the public guardianship funding in the OMB budget, and to urge your approval of the \$2,330,000 appropriation to fully fund the actual guardianship need.

Since 2013, the legislature has appropriated General Funds in the OMB budget for distribution to the private agencies and private individuals that serve as Public Guardians for indigent adults. (This does not include individuals served under the Developmental Disabilities program as their guardian is Catholic Charities and they are funded by DHS).

These wards are individuals that the District Court has determined are incapacitated and cannot adequately look after their own affairs due to age/dementia, physical disability, mental illness, addiction, etc. Many have multiple reasons on the court order. An advisory group (Courts, OMB, DHS, 1 Provider, & NDACo) directs the reimbursement of the Public Guardians for (non-DD) wards whose resources total less than 100% of poverty and/or are receiving Medicaid-funded services.

As the number of elderly and disabled individuals has grown, the number of those that lack resources have grown as well. This has increased the need for public guardians, although the state appropriation has remained flat for three biennia. As the attached report indicates, the advisory group was forced after the last session to reduce and freeze the number of wards for which a stipend was paid in order to stay within the appropriation. This obviously has made it much more difficult to find guardians and left vulnerable individuals without this support.

- The current biennial funding level (\$1,328,600) is insufficient to continue program in the next biennium without maintaining the freeze in paid guardianships at 210 indigent wards.
- The Executive Budget recommends flat funding, when in reality the need is estimated to be \$2.3 million at the current reimbursement rate of \$8.33 PER DAY.
- The advisory group is recommending that individual guardians be capped at 20 cases, but that an increase in the rate be incorporated into the appropriation as the daily rate has been constant since the statewide program began in 2013.
- An appropriation of \$2.33 million would fund the estimated 360 cases that would be eligible at a \$9.00 PER DAY reimbursement rate.

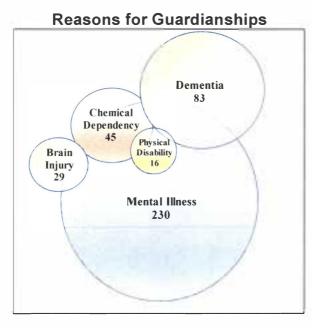
Thank you, Mr. Chairman and committee members, for your consideration of this request.

HEE D SB 2015

FUNDING OF PUBLIC GUARDIANSHIPS

BACKGROUND

In response to a previous interim study of guardianship issues by the Legislature's consultant, Dr. Winsor Schmidt, the 2013 Legislature began a process of reforming the Public Administrator "system." The haphazard and unequally funded public guardianships throughout the State were set on a course for greater uniformity, better training, and limited, but consistent, funding. This initiative was supported by a broad cross-section of medical and social service entities, recognizing the personal and financial impact caused by the existing system's deficits.



With a goal of 100% state funding to support those guardianships appointed for indigent individuals (that were not the developmentally disabled and eligible to receive guardianship services through DHS), the Legislature approved a two-year cost share model where counties would pay onehalf the cost of public guardianships that were established prior to the 13-15 biennium, and the state would fund the other half of those existing cases and 100% of all newly established public guardianships. The conference committee discussed this funding plan as a necessary transitional step toward full state funding in the 2015-2017

biennium.

OMB requested, and the Legislature approved, 100% – but level – funding (1,328,600) for the 2015-2017 biennium. While honoring the previous commitment to "full funding," the appropriation did not recognize the actual growth in the number of public wards. The number of indigent, incapacitated individuals for which the court sought 14public guardians continued to rise (roughly two cases/month), and the state appropriation was quickly determined to be insufficient. The reimbursement program's oversight committee, consisting of OMB, DHS, the State Court Administrator, NDACo, and a representative of the public guardians, reduced the payments for the largest guardianship organizations. In 2017, the Legislature again appropriated \$1,328,600 for

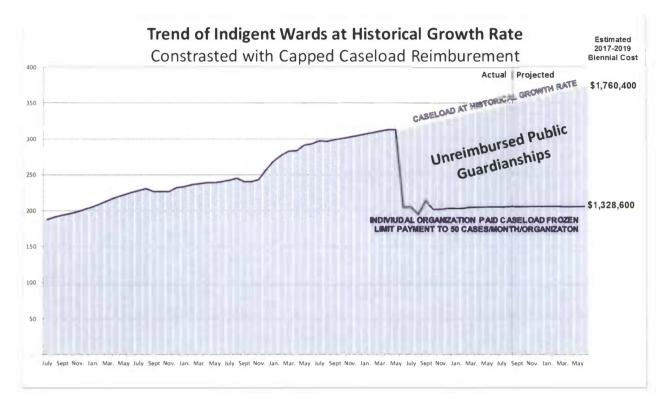
public guardianships, and the program's oversight committee was faced with an even larger deficit. Reimbursements were limited to a maximum of 50 wards per organization, and the number of wards

Public Wards - Sept. 2018 Avg. Age							
Female	44%	63					
Male	56% 58						
Age Range - 21 to 101							

each provider could submit for reimbursement were frozen. The number of reimbursed wards was dropped from slightly over 300 to 205. These measures are projected to keep reimbursements within budget; but with the continued growth in wards, it is projected that only about 55% of the need is being supported. The result is more guardianships being refused by existing guardians, and no new guardians willing to serve.

THE CHALLENGE

Looking ahead to the 2019-2021 biennium, the need for guardians will continue to



grow. Additionally, guardians are currently reimbursed at the same daily rate (\$8.33/day) that was established in 2013, even though the Legislature's consultant recommended, at that time, a rate of \$11/day. Without change, this limited funding, coupled with enhanced training requirements, will continue to make it increasingly challenging to secure guardianships for this difficult population. This population is composed (as illustrated on the chart on the first page) of many of the same individuals that our state is trying to serve in its justice reinvestment and recovery initiatives.

The chart illustrates the reasons cited in the court orders for the assignment of public guardians. These needs overlap, as many have several reasons cited in the court order. The data is taken from the 337 public guardianships known to the PASS system on September 1, 2018. 130 of these are receiving no PASS reimbursement due to the funding limitations.

SB 2015 3-4-19 Pg 4

Court Order	DKK	GaPS	LSS of MN	Tracie Retterath	Guardian Angels	Schweitzer Consulting		Lighthouse Associates	Veronica Miller	Steve Forde	Kathy Downs	Grand Total
Barnes	-				1	2			2			3
Benson				1								1
Burleigh		21			1	3						25
Cass	3		21		4	5			5			38
Cavalier					1			1			1	3
Dickey					1							1
Eddy	1											1
Emmons		1								1 1		1
Foster	1	· · ·										1
Grand Forks	9		4	1	1			2				17
Hettinger	5	2	-		1			2		-		2
Kidder		-			1							
LaMoure	1											
Logan					1							
McIntosh	1				1							
McKenzie						1						1
McLean		~						10				
Mercer	1	2										3
		2								1 1		2
Morton		8										8
Nelson	3	-		10						1		4
Ramsey				18								18
Ransom					1	1						2
Richland			1			1						2
Rolette		1						1				2
Stark		5		1								6
Stutsman	30	3		1	7	2	1					44
Towner				2								2
Traill					1							1
Walsh			1					1				2
Ward				1		1			-	1		2
Williams							12					12
Grand Total	50	45	27	25	20	16	13	5	5	1	1	208

Public Guardianships Receiving PASS Reimbursement for August 2018

The table above illustrates the guardianships eligible for reimbursement from the PASS program by guardian responsible. It should be noted that about half of all public guardianships are initiated in Stutsman County and are associated with individuals that are, or have been, receiving treatment at the State Hospital. Due to the 50-case limitation at this time, only 44 of these are reimbursed. Court activity in 38 counties indicate fewer than three wards are currently assigned public guardians. As hospitalizations can often trigger a guardianship petition, those communities with major hospitals see the largest number of guardianship petitions.

The estimate below has been prepared to project the funding needs for public guardianships in the 2019-2021 Biennium, if the freeze would be removed, and if a "caseload limitation" per certified worker was put in place. The necessary appropriation at the current daily rate (which has been in effect since 2013) is contrasted with the amount needed to also increase the rate to \$9/day.

Likely 2019-2021 Biennial Funding Need

	Likely	Current Rate	Adj. Rate
Caseload Policy	Caseload	\$8.33/day	\$9.00/day
Remove Freeze - Staff Cap 20 cases/person	360	\$2,160,000	\$2,332,800

Att: B

Note: As there are various funding allocations within the overall state budget that relate to the PASS program and/or are confused with the PASS program, a listing of those in the 2017-19 state budget has been shown below to highlight and contrast these for clarity.

VARIOUS "GUARDIANSHIP-RELATED" APPRORIATIONS – 2017-2019 BIENNIUM

Adult Protective Services (APS) DHS - Regional Centers/Counties (Investigate Reports of Neglect/Abuse) \$1,249,087 (State Office Only)

Training/Monitoring of ALL Guardians ND Court Administrator's Office \$316,204

Guardianship Establishment DHS Budget - Private Attorneys/Consultants Non-Developmentally Disabled Developmentally Disabled \$352,500 \$89,555

Public Guardianships

(Non-DD) - PASS OMB/NDACo - Various \$1,328,600 Developmentally Disabled DHS - Catholic Charities \$2,736,075 - 469 Wards

March 4, 2019

SB2015

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Testimony for PASS Funds | House Appropriations Committee | March 4, 2019

o Introduction

My name is Margo Haut, Founder & Director of "Guardian Angels, Inc" a nonprofit in Jamestown, ND. I am Vice Chair of "Guardianship Association of ND" and am a member of both "GAND" & "National Guardianship Association". In 2014, Joan Martin and I launched our nonprofit on the slogan of "Putting People First" with the vision of providing services, being available 24/7 and giving a voice to those who cannot advocate for themselves.

• Protected Persons served by "Guardian Angels, Inc" via PASS Funds

- <u>Melissa</u> 41-year-old woman who resided in a Transitional Living Group Home and experienced readmissions to NDSH due to medication noncompliance. Numerous meetings occurred with Melissa, staff of the Group Home and agencies. We established medication monitoring resulting in a successfully transition to her own apartment. Meeting directly with Melissa occurs on a monthly basis with weekly calls.
- <u>Randy</u> 70-year-old man who lived on the streets in Fargo and/or a homeless shelter over the last 4 decades. Upon becoming Guardian, Randy experienced a significant change in health resulting in End of Life decisions and admission to Hospice. Meetings occurred as Randy transitioned from the Medical Hospital to a Nursing Home and now resides at a Basic Care facility. A professional relationship assures Randy that he is not isolated nor alone, something we truly believe has helped him strive. Monthly visits occur via the 200 mile trip.
- Lucille 93-year-old woman who experienced significant exploitation of funds by a family member resulting in Adult Protective Services seeking a Guardian. Lucille was in her own furnished Apartment in a top of line Assisted Living facility. Upon becoming Guardian, it took hours/months of seeking and/or managing financial info to apply for Medicaid. Due to the inability of payment, Lucille was given a thirty-day notice per the Assisted Living facility; Lucille was transitioned 100 miles away to a Basic Care facility. Lucille is very appreciative of the assistance and support.

PASS Funds are vital for "Guardian Angels, Inc" to meet the needs of individuals without a funding source. Currently, PASS Funds provide funding sources for 19 of our Protected Persons; we have individuals on a waiting list with more potential Guardianships being considered but impossible to accept due to lack of funds for the Guardianship Fee. PASS Funds directly affect Guardian Angels, Inc.'s ability to serve not only our current caseload, but also those we hope to serve in the future.

March 4, 2019

SB2015

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Testimony prepared for the **House Appropriations Committee – Government Operations Division** March 4, 2019 By: Audrey Uhrich, Program Director, Guardian and Protective Services (GaPS)

RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Thank you for the opportunity to address this committee. GaPS is a non-profit agency that can be appointed by the court to serve as a public guardian for vulnerable adults.

As a public guardian our responsibility is to:

- Address the financial, medical, care, and housing needs
- Apply for appropriate benefits and access available resources
- Be available 24/7 for all emergent needs.

Why is a public guardian appointed for a vulnerable adult?

- ND has mandatory reporting laws for vulnerable adults.
 - Adult Protective Services (APS) receives reports on adults who may be abused, neglected or victims of exploitation.
 - APS investigates to determine if individuals are safe, need services or are not able to make safe decisions for themselves.
 - If no family or friends can assist, and the individual lacks decision-making capacity, a public guardian may be needed.
 - APS requests guardianship services from public guardians but many guardians are not taking these cases for indigent individuals because there is not a payment source for the services provided.

At this time, our state is NOT meeting the need of public guardianship for our vulnerable adults because of insufficient funding for the PASS program.

• Vulnerable adults who are unsafe or being financially exploited are remaining in terrible situations because they have no decision maker or guardian to advocate for them, stop exploitation, manage bills, set up needed services or find a safe setting for them.

Public guardians are an essential piece in the continuum of care for vulnerable adults in our state. We ask your support to ensure that public guardianship services are available for vulnerable adults in North Dakota by approving the public guardianship funding in the OMB budget and the optional request to appropriately fund the actual guardianship need.

Thank you for your time and consideration of this request.

March 4, 2019

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Testimony on SB 2015 House Appropriations Government Operations Division John Harris, President & CEO Prairie Public Broadcasting March 4th, 2019

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 broadcasting network.

For the record, I am John Harris, President & CEO of Prairie Public Broadcasting.

Prairie Public began service to the citizens of North Dakota in 1964 with a single broadcast tower and since then has grown to provide public media services that impact the citizens of our entire state—from childhood through all phases of life.

Prairie Public provides public media services that educate, involve, and inspire the people of the prairie region. Public media strengthens communities and helps them to prosper. The citizens of North Dakota know the importance of a strong and viable public broadcasting entity for our community.

We are committed to respect for our audience, civil discourse, and lifelong learning.

Education is the cornerstone of Prairie Public's mission. We provide researched, high-quality digital resources and learning materials to students, educators, parents, counselors, librarians, and tech coordinators, and we conduct professional training opportunities to help them use those tools in our region's classrooms.

We bring our hands-on mobile learning lab, free learning games, and free books to children's events at schools, libraries, and in targeted neighborhoods—because we believe in helping all kids succeed in school and in life.

We're combining public media's greatest assets with outreach to make a positive impact on the lives of our children. No one provides a more valued, educational experience for children than Prairie Public.

In addition, Prairie Public has embraced our public safety mission to maximize our spectrum for the public good. Public television stations are the backbone of the WARN system of presidential alerts in times of national emergency. Prairie Public is vital to our state as a locally owned and operated media organization that can serve in times of crisis.

Even as public distrust of national institutions and media is at an all-time high, studies show that public broadcasters retain the trust of the American people as an essential resource for well-informed citizens.



Prairie Public is a reliable source for international, regional, and local news from the worlds of politics, business, science, and the arts. In fact, our network of television, radio, and online services was one of the most comprehensive and trusted sources for statewide election coverage and debates during the 2018 election—vital for thoughtful citizens and healthy societies. Our coverage of the North Dakota legislature helps you to serve your constituents and communicate the good work you accomplish.

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In addition to broadcasting nationally produced programs such as *The PBS Newshour*, *Nature, NOVA, Masterpiece, Morning Edition*, and *All Things Considered*, Prairie Public produces an extraordinary amount of quality programming that reflects North Dakota's history, culture and concerns.

Our local productions cover topics ranging from community events to rural health care issues to legislative news. We partner with many local agencies to help inform our citizens of critical issues that affect each and every one of us.

The Opioid Epidemic: Seeking Solutions in North Dakota addresses an important issue in every community. We celebrate local artists with our series *Prairie Musicians*. We look at the history and examine the future of agriculture with *Built on Agriculture*. We interview newsmakers every weekday on *Main Street* and weekly on *Prairie Pulse*.

The state of North Dakota has, for years, played a vital supporting role in the operation of our public media services. While the appropriation from the state does not cover all the expenses, many of the services would not be possible without state funding, which provides a foundation for support from many other sources. It is important that North Dakota sustain its public broadcasting system.

I cannot express enough the thanks Prairie Public and its members extend to you for your past support. In the 50-plus years Prairie Public has been broadcasting, technology has changed, but our mission to provide services that educate, involve, and inspire has not.

Our most recent Annual Report and a sample of our quarterly newsletter are included in your handout.

In Senate Bill 2015 of this biennium's budget, we ask that you support the Senate's recommended amount for Prairie Public, as it enables us to continue to operate the infrastructure required to maintain services. Prairie Public provides a vast array of public media services to homes, schools, and workplaces throughout the state.

In closing, let me remind you that Prairie Public belongs to the citizens of our region, and with your support Prairie Public will continue to be a community leader and assist the state in achieving its goals of economic strength, educational quality, and pride in our rich heritage.

Mr. Chairman and Members of the Committee, thank you for your time and consideration.



March 7,2019

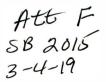
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Quality public television, radio, and media services that educate, involve, and inspire the people of the prairie region.



Prairie Public Broadcasting, Inc. Annual Report 2017

Fiscal Year 2017 began October 1, 2016, and ended September 30, 2017





Prairie Public is committed to respect for the individual and our audience, to lifelong learning, civil discourse, and our regional identity. Those who work at Prairie Public take pride in our programming and our service, expressing it through honesty and accuracy, a strong work ethic, teamwork, workplace diversity, effective stewardship of gifts and talents, and good humor. Prairie Public 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 highquality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.



Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.

Att F 3B 2015 3-4-19

You depend on public media, and we depend on you

I hear enthusiasm whenever I travel in our broadcast region and talk with our neighbors who are served by Prairie Public. They trust and depend on Prairie Public.

Why are people so passionate about public radio? Because NPR and their member stations, Prairie Public included, are consistently rated quite high in terms of the complex analysis and minimal partisan bias in our reporting. We pursue the truth, we are diligent with verification, and scrupulous about fairness.

Our radio programming is widely acknowledged for excellence by folks who use measureable assessments, and Prairie Public and NPR journalists have won a multitude of awards including Eric Sevareid Awards, Associated Press Awards, Alfred I. duPont-Columbia University Awards, and George Foster body Awards, to name a few.

PBS is #1 in public trust—a trust twice as strong as for commercial broadcast television and nearly three times stronger than for newspaper publications.

Viewers appreciate public television's strong commitment to the arts, to science programming, and to news and public affairs. Teachers know we are dedicated to their needs—especially teachers in rural communities who often feel isolated and have limited access to peer-to-peer professional development opportunities.

And, of course, public television is especially appreciated for its children's programming. Decades of research confirms that the television programs and educational services that Prairie Public offers help children to build critical literacy, math, and social-emotional skills, enabling them to find success in school and life.



Prairie Public's mission is straightforward: to provide quality radio, television, and public media services that educate, involve, and inspire. It's no easy task.

In 2017, cuts in funding from the state of North Dakota significantly impacted Prairie Public. Many agencies and organizations in North Dakota faced similar budget cuts. We tightened our already-restrained budget and economized across all departments.

We won't let these budget cuts slow us down. In our multi-media culture, people value our services more than ever before. And we will continue to protect and preserve a strong, healthy public media presence.

As we are creating the public media system of the future, we are re-imagining how we fulfill our mission. We are harnessing every single resource, both local and national, and every single platform, to serve the public with quality content.

We are innovators. No one else has decades of experience creating our distinctive content, and we know that public media holds a special place in the hearts and minds of the people we serve.

We're dreaming big. Just as our founders did more than 50 years ago.

Thank you for making it all possible,

John Harris Prairie Public President & CEO

The prairie region's stor

and unparalleled access to television's best music, theatre, history, science, how-to, and children's programs from PBS and independent producers. er



2017 Television Productions

The Bell Creek Story: CO₂ in Action Face to Face: ND U.S. Congressional Debate

- Face to Face: ND Insurance Commissioner Debate
- Face to Face: ND Governor Debate
- Face to Face: ND Public Service Commissioner Debate
- Face to Face: ND U.S. Senate Debate

Face to Face: MN 7th District U.S. Congressional Debate

- Fargo Film Festival Preview Show 2017
- Flowers of the Church: Minnesota's Stained Glass Heritage
- Gutes Essen: Good Eating in German Russian Country
- Malcolm Frager: American Pianist
- North Dakota Governor Doug Burgum's State of the State Address and Democratic Response
- North Dakota Legislative Review
- Painting with Paulson: Back to the Canvas Prairie Memories: The Vietnam War Years

Ongoing Original Series

Painting with Paulson, Season 18 Prairie Mosaic, Season 8 Prairie Musicians, Season 7 Prairie Pulse, Season 15

4

2017 Regional Emmy Nominations

- Program, Musical Performance **Prairie Musicians** *Reina del Cid*
- Segment, Art Prairie Mosaic Amber Fletschoc Collage Artist

Segment, Art **Prairie Mosaic** Jeffrey Zachmann, Kinetic Sculptor

Segment, History/Nostalgia Prairie Mosaic Land of 10.000 Brews

Segment, History/Nostalgia Prairie Mosaic Lowell National Historical Park

Segment, History/Nostalgia **Prairie Mosaic** *The Massachusetts Mill Workers*

Segment, History/Nostalgia **Prairie Mosaic** *Wet vs. Dry*

Documentary, History Built On Agriculture The Selkirk Settlers

Documentary, Topical Built On Agriculture The Farmers

Documentary, History Built To Last: The Legacy of the CCC In Minnesota

Documentary, History Flowers of the Church: Minnesota's Stained Glass Heritage

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For eighteen seasons, Prairie Public has recorded the **Painting with Paulson** series, distributed them to stations css the nation, offered

Ds of the series to novice and experienced painters, and created excerpts for classroom use. In 2017, viewers learned to paint like pros with **Painting with Paulson: Back to the Canvas.**

Viewers across the nation cheered for Gutes Essen: Good Eating in German

Russian Country—the ninth documentary in Prairie Public's award-winning series that explores the food, culture, art, and music of this distinctive ethnic group. Clips from the documentary broke all records for popularity on Prairie Public's social media accounts.

Prairie Memories: The Vietnam War Years stepped

out into the broadcast community to collect oral histories for a series of television documentaries, radio shorts, and The Story Wall—a region-wide initiative ed at inspiring Minnesotans

North Dakotans to foster erstanding of the lasting impact of war.

Prairie Musicians returned for a seventh season this year to fill Prairie Public's downtown Fargo studio, and viewers' homes, with music from ragtime to rock from Erik Koskinen, Mike Munson, December's Children, Gina Powers Band, David Stoddard, Connie Gjermundson, Max Johnk Group, and the Concordia College Marimba Choir.

Viewers value Prairie Public for its support of local talent and cultural centers. In 2017, **Prairie Mosaic** introduced us to talented artisans and toured the region, **Flowers of the Church: Minnesota's Stained Glass Heritage** told kaleidoscopic stories of reverence, and **Malcolm Frager—American Pianist** chronicled an influential a<u>rtist</u>'s legacy.







with news, music, and entertainment from the prairie region, and from around the world with NPR and independent producers.

Main Street and Main Street Weekend go live with the newsmakers of our region with Doug Hamilton and Ashley Thornberg hosting and Skip Wood producing discussions that entertain and inform.



2017 Radio Special Productions and Projects

Election Coverage

Dakota Datebook Stories: The Great War

Face to Face: ND U.S. Congressional Debate

Face to Face: ND Insurance Commissioner Debate

Face to Face: ND Governor Debate

Face to Face: ND Public Service Commissioner Debate

Face to Face: ND U.S. Senate Debate

Face to Face: MN 7th District U.S. Congressional Debate

Journeys Through Justice

Project Unpack

Ongoing Original Series

Daily Newscasts and Reports Dakota Datebook Friday Night Swing Into the Music with Mike Olson The Jazz Junket A Little Night Music with Ted Quanrud Main Street Main Street Weekend Mike Olson's Blues Cruise Natural North Dakota Notas Latinas Plains Folk Prairie Public Presents Prebvs on Classics Prebys on Jazz The Red River Ramble Why? Philosophical Discussions About Everyday Life



The reporting team of news director Dave Thompson, Todd McDonald, and Danielle Webster (winner of a 2017 1st lace Eric Sevareid Award) is trusted primary information ource for people who listen on their radios, download podcasts from Prairie Public and NPR, and stream through mobile apps and NPR One.

Inside Energy has covered energy issues critical to Colorado, Wyoming, and North Dakota. Prairie Public and our dedicated **Inside Energy** reporter Amy Sisk partnered with reporters and editors from those states in a collaborative journalism initiative.

Prairie Public helped to establish a space to "unpack" military life, experiences of war, the return home, and readjusting to life as a civilian. **Project Unpack** was a one-year partnership between Prairie Public and NDSU that collected veteran narratives and hosted memoir workshops.

dio series produced in artnership with Meg Luther Lindholm, looked at how the criminal justice system works and how it might work better.

Listeners appreciate the diversity of Prairie Public's extensive music library with knowledgeable anchors Scott Prebys hosting jazz and classical shows; Mike Olson hosting roots, rock, alt, and blues; and other local hosts adding bluegrass, swing, and Latino music to the schedule.

Millions served in World War I and many at home provided support, suffered scarcities, and grieved for loved ones lost. The United States entered the Great War 100 years ago on April 6, 2017, and **Dakota Datebook** commemorated the anniversary with stories from North Dakota, thanks to historian Jim Davis and other **Dakota Datebook** writers.



WIN THE NEXT WAR NOW

For free book on HOME CANNING AND HOME DRYING write to NATIONAL WAR GARDEN

COMMISSION WASHINGTON, D. C. Charles Lathrop Pack President

P. S. Ridsdale Becretary

Prairie Public Broadcasting's educational services and outreach

provides learning opportunities that break down the barriers of distance and assures that all our neighborhoods have high quality learning resources.

Att



Children's programming, digital classroom resources, professional development, and distance learning have made public broadcasting a

0 5

nder in lifelong learning. Every nth, 170 million people, young nd old, connect through 368 public television stations, 934 public radio stations, hundreds of online services, and events and activities.

Prairie Public's education services staff traveled 732 miles and reached 439 children during the **Week of the Young Child** in April 2017. Curious George visited six cities, and he stopped at the Department of Public Instruction and the ND Capitol building where lawmakers excitedly queued to get their photos taken with him.

Hundreds of children wrote and illustrated their own stories for the **PBS KIDS Writers Contest** an initiative to advance children's literacy skills through hands-on, active learning. Every child received a certificate of participation and positive, personalized feedback from Prairie Public.

PBS selected Prairie Public as one of five PBS member

pilot—strengthening training opportunities, resources, and support for teachers in remote districts and creating models for teachers in rural communities across America.

People who appreciate public media know that stations like Prairie Public are among the last locally-owned, locally-controlled media in America. They love free, noncommercial, educational programming, and they showed their advocacy at **Nerd Walks** in Fargo and in Bismarck.

Educators from across the region attended Prairie Public's summer conference titled **Integrate**, **Innovate**, **Motivate 2017: Creative Tech for Teaching**.

They learned about building classroom culture, coding and apps, creating with content from PBS, amplifying student voices, and engaging students using background technology.



Att F SB 2015 3-4-19

Prairie Public Broadcasting Boards 2016–2017

The Prairie Public Broadcasting family is fortunate to have dedicated, hardworking, and enthusiastic people to guide the organization and serve on its boards and advisory councils.

Prairie Public Broadcasting Board of Directors

The Board of Directors is the governing body of the organization, and members are appointed to serve two three-year terms.

Ken Bull, Winnipeg, MB Greg Dandewich (Treasurer), Winnipeg, MB Heidi Demars, Bismarck, ND Paul Ebeltoft (Chair), Dickinson, ND John E. Harris III (President & CEO), Fargo, ND Britt Jacobson (Secretary), Park River, ND Phyllis Johnson, Grand Forks, ND Dick Kloubec, Fargo, ND Karen Kreil, Bismarck, ND Lisa Kudelka, Bismarck, ND Andy Maragos (Past Chair), Minot, ND Jerry Nagel (Vice Chair), Lake Park, MN Paul Nyren, Garrison, ND John Petrik, Minot, ND Devan Towers, Winnipeg, MB Connie Triplett, Grand Forks, ND Sarah Smith Warren, Warwick, ND Ken Zealand (President of Prairie Public Manitoba), Winnipeg, MB

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.

Stephanie Blumhagen, Bottineau, ND Rodney Haug (Chair), Hawley, MN James Kotowich, Winnipeg, MB Molly McLain, Bismarck, ND Carol Stevens, Fargo, ND Craig Whippo, Dickinson, 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.

Barry Brode (UND), Grand Forks, ND Jeff Dick, Minot, ND John E. Harris III (President & CEO), Fargo, ND Muriel Lippert, Williston, ND Chuck Lura, Bottineau, ND Joe Mocnik (NDSU), Fargo, ND Peter Morowski, Dickinson, ND Paul Nyren (Chair), Streeter, ND Fred Remer, Grand Forks, ND Albert Samuelson, Bismarck, ND Kent Sandstrom (NDSU), Fargo, ND

North Central Council for Educational Media Services

NCCEMS 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.

Nancy Bollingberg (Chair), Fessenden-Bowdon 25 Richard Diegel, Kidder County School District Dr. Brian Duchscherer, Carrington Public Schools Dr. David Flowers, West Fargo Public Schools Dr. Robert Grosz, Fargo Public Schools Dr. Sherlock Hirning, Divide County Schools Rick Jacobson, Wahpeton Public Schools Dr. Bruce Jensen, Northwest Service Cooperative Jeremy Kovash, Lakes County Service Cooperative

Rep. David Monson, Edinburg Public Schools Dr. Larry Nybladh, Grand Forks Public Schools Dr. Alan Peterson (Vice Chair), ND Center for Distance Education

Dr. Jeff Schatz, Fargo Public Schools Tamara Uselman, Bismarck Public Schools Dr. Mark Vollmer, Minot Public Schools Gary Wilz, Killdeer 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 9/30/17

Att F SB 2015 3-4-19

	Television		Radio		
	Amount	%	Amount	%	Total
Sources					
Membership	\$1,449,120	23%	\$545,270	30%	\$1,994,390
Underwriting	\$145,294	3%	\$154,640	9%	\$299,934
Corporation for Public Broadcasting	\$1,337,648	21%	\$187,279	10%	\$1,524,927
Local Production Funding	\$144,201	2%	\$115,011	6%	\$259,212
State of North Dakota	\$505,871	8%	\$206,621	11%	\$712,492
State of Minnesota	\$561,228	9%	\$0	0%	\$561,228
Grants	\$313,047	5%	\$0	0%	\$313,047
Fees, Rents	\$684,644	11%	\$260,042	14%	\$944,686
Charitable Gaming	\$457,748	7%	\$186,967	10%	\$644,715
Planned Giving ¹	\$601,439	10%	\$155,752	9%	\$757,191
Other	\$75,607	1%	\$22,467	1%	\$98,074
TOTAL SOURCES	\$6,275,847	100%	\$1,834,049	100%	\$8,109,896
Uses					
ramming & Production	\$2,767,396	46%	\$1,193,064	51%	\$3,960,460
eering	\$1,169,820	19%	\$308,591	13%	\$1,478,411
ministration	\$977,785	16%	\$399,378	17%	\$1,377,163
Fundraising	\$372,576	6%	\$95,617	4%	\$468,193
System Upgrade & Other	\$112,449	2%	\$102,981	4%	\$215,430
Change in Prairie Public Endowment	\$657,500	11%	\$268,557	11%	\$926,057
TOTAL USES	\$6,057,526	100%	\$2,368,188	100%	\$8,425,714
EXCESS (DEFICIT) SOURCES OVER USES	\$218,321		(\$534,139)		(\$315,818)

Note 1. Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.

¹ Planned giving includes contributions to Endowment Funds, Interest Earnings, and Realized and Unrealized Gains from Endowment Funds.

Investors Circle Support ESTORS

Prairie Public Broadcasting gratefully thanks its Investors Circle members, a dedicated group of donors who have made annual gifts of \$1,000 or more.

CIRCV Platinum Investors • \$10,000 Corwin Wilson LLC, Fargo, ND

Gold Investors • **\$5,000 to \$9,999** Jerry B. Andresen, Yakima, WA Mr. and Mrs. Allen Arvig, Perham, MN Frederick P. Baker, Bismarck, ND Drs. Juliette E. and John Cooper, Winnipeg, MB Jane Dynes, Fargo, ND Terracon Development Ltd., Winnipeg, MB Patrick and Becky Wheeler, Fairview, MT Anonymous, Minot, ND Anonymous, Minot, ND

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If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

* Deceased

Visionary Circle Support

Visionary Circle honors those with cumulative lifetime annual giving of \$25,000 or more in support of irie Public's services

ewards • \$50,000+

ce* and Margaret* Beggs, linnipeg, MB

Founders • \$25,000 to \$49,999 Idatonye and Linda Afonya, Crookston, MN Gloria Y. Anderson,* Sun City, AZ Ray* and Barbara Bailey, Winnipeg, MB Bill Battershill,* Winnipeg, MB Claudia Berg and Robert Matz, Bismarck Julie Burgum, Casselton, ND J. W. Burns, Winnipeg, MB Kent Conrad and Lucy Calautti, Washington, DC Drs. Juliette E. and John Cooper, Winnipeg, MB Bob and Virginia Dambach, Fargo, ND Jane Dynes, Fargo, ND Jane Dynes, Fargo, NU Paul and Gail Ebeltoft, Dickinson, ND Noel and Judith Fedje, Fargo, ND Dr. and Mrs. Calvin K. Fercho, Fargo, ND Dr. David R. Field and Mrs. Sherri Field, Bismarck, ND Dr. Walter and Carolyn Frank, Bismarck, ND Dr. Rosanne Gasse, Brandon, MB Dr. Kosanne Gasse, Brandon, MB Jane Groves, Winnipeg, MB Richard and Audrey Kloubec, Fargo, ND Drs. Kimberly T. Krohn and John A. Fishpaw, Minot Carol Jean Larsen, Bismarck, ND Paul and Anne Nyren, Garrison, ND Richard and Barbara Owens, Minneapolis, MN John and Rebecca Petrik, Minot, ND Donna Plant, Winnipeg, MB John and Jean Rockey, Winnipeg, MB Al and Carol Samuelson, Bismarck, ND Mary and Richard Scott, Winnipeg, MB Gus and Mary Staahl, Fargo, ND Terracon Development Ltd., Winnipeg, MB Jack Trueman, La Salle, MB Joe Westby* and Rita Kelly, Bismarck, ND Patricia and Kenneth Zealand, Winnipeg, MB Anonymous, Jamestown, ND Anonymous, Richardton, ND Anonymous, Towner, ND



.L. Donat Legacy Circle



Prairie Public extends special appreciation to members of the T. L. Donat Legacy Circle. Named for Prairie Public's founder, the Legacy Circle provides an opportunity for donors to leave a thoughtful legacy to Prairie Public in their estate plans.

Gloria Y. Anderson,* Sun City, AZ Geoff Chambers, Winnipeg, MB Apryl Davenport, Deering, ND Marcus Fiechtner, Bismarck, ND Margaret Fiechtner, Bismarck, ND Carolyn Y. Frank, Bismarck, ND Margaret Garr, East Grand Forks, MN Rev. Carl Hansen, Thief River Falls, MN Paul Hunter, Winnipeg, MB Joanna Koulouriotis, Winnipeg, MB Carol Jean Larsen, Bismarck, ND R. Douglas and Sally Larsen, Fargo, ND R. Douglas and Sally Larsen, Fargo, ND Mary Catherine Miller, Henning, MN Dr. Douglas C. Munski, Grand Forks, ND Dr. Laura Munski, Grand Forks, ND Jacqueline Nelson, Winnipeg, MB Barbara Owens, Minneapolis, MN Richard Owens, Minneapolis, MN Pabin Revolds, Hebron, ND Robin Reynolds, Hebron, ND Bruce Schwartz, Bismarck, ND Julie Schwartz, Bismarck, ND Neil Souther, Mandan, ND Alan D. and Phyllis Ann Thoren Fund through The Winnipeg Foundation, Winnipeg, MB

Anonymous, Scottsdale, AZ Anonymous, Surry, BC Anonymous, Brandon, MB Anonymous, Winnipeg, MB (4) Anonymous, Moorhead, MN Anonymous, Sabin, MN

Anonymous, Billings, MT Anonymous, Bismarck, ND Anonymous, Fargo, ND (3) Anonymous, Grand Forks, ND (2) Anonymous, Kenmare, ND Anonymous, Richardton, ND Anonymous, Towner, ND

Att F SB 2015 3-4-19

* Deceased

ONAP

If you have provided for Prairie Public Broadcasting in your will or other estate plans, please let us know.

Bequests

With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of Dorothy May Hayward Estate of Adelaide Brakke MacMillan Estate of Violet Mortenson Estate of Barbara Schaffer

Endowment: Funding the Future

Through endowed gifts from many donors, Prairie Public has established an Endowment Fund, a North Dakota tax-qualified endowment at Bremer Trust. Other endowment funds held on Prairie Public's behalf reside at Fargo-Moorhead Area Foundation, North Dakota Community Foundation, and The Winnipeg Foundation.

These professionally managed funds provide annual interest income that helps to ensure the future of Prairie Public and enhances the quality service Prairie Public provides to those in our region.

Endowment gifts of \$5,000 or more are listed below.

\$100,000+

Lucien C. Barnes and Edna Barnes Fund, a component of the Fargo-Moorhead Area Foundation, Fargo, ND

\$50,000 to \$99,999

Paul and Gail Ebeltoft, Dickinson, ND Anonymous, * Winnipeg, MB

\$25,000 to \$49,999 Ruth Landfield,* Fargo, ND Lloyd and Margaret Thilmony, Valley City, ND John and Kathleen Risch, Bismarck, ND

\$10,000 to \$24,999

Arnold L. Johnson, Garrison, ND Duane Slovarp,* in memory of Alfred E. Slovarp, Bismarck, ND Gus and Mary Staahl, Fargo, ND Anonymous, Fargo, ND Anonymous, Minot, ND

\$5,000 to \$9,999 Andrew and Amy Brown, Bismarck, ND Arthur and Shirley Carlson, Bismarck, ND William O. Chubb,* Winnipeg, MB Gerald and Jean Newborg, Bismarck, ND John and Rebecca Petrik, Minot, ND Ron and Nancy Saeger, Fargo, ND Myron Sommerfeld, Valley City, ND Nicholas and Ene Vogel, Fargo, ND Nicholas and Ene Vogel, Fargo, ND Anonymous, Bismarck, ND (4) Anonymous, Blanchard, ND Anonymous, West Fargo, ND

* Deceased

Board-Directed Endowment Fund

This fund, established in fiscal year 2007, is comprised of unrestricted assets allocated to the fund in accordance with policies adopted by Prairie Public's board of directors. The fund provides long-term general support to meet the financial needs of Prairie Public, and is managed by Bremer Trust based upon the investment policies approved by Prairie Public's board of directors.



If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Sponsor Support

AARP North Dakota Abalon Construction Alzheimer Society of Manitoba Amazing Grains Arts Center Ascension Events Avant Hair & Skin Care Studio Badger-Tanabe Dental Group Balmoral Hall Basin Electric Power Cooperative Bethany Retirement Living Bismarck Mandan Unitarian Universalist Congregation Bismarck-Mandan Symphony Blue Moose Bar and Grill BNC National Bank Brave the Shave Bremer Bank Bryant Clinic of Chiropractic & Acupuncture **Bush Foundation CMoore Live** Capitol Shakespeare Carellan Sewing Centre Cass County Electric Cooperative Cinema 100 Classic 107 Winnipeg **Cottonwood Productions** Country Inn & Suites Fargo Creative Kitchen Cross Ranch State Park Dakota Prairie Regional Center for the Arts Dakota Resource Council Dakota Stage Ltd. Delta by Marriott Fargo DFC Consultants Dickinson State University Dry Cold Productions Eide Bailly Empire Arts Center Erickson Motors Eventide **Exceptional Artists** Fargo Blues Fest Fargo Brewing Company Fargo Moorhead Community Theatre Fargo Moorhead Visual Artists—Studio Crawl Fargo Theatre Fargo-Moorhead Convention & Visitors Bureau Fargo-Moorhead Opera Fargo-Moorhead Redhawks First Presbyterian Fine Arts Festival Folklorama Fort Union Trading Post

Prairie Public thanks the following for investing in underwriting support for television and radio program services in fiscal year 2017.

Freedom Resource Center Gate City Bank Great River Energy Greater Grand Forks Community Theatre Greencrest Pharmacy Hartz Foundation Henning Landmark Center HERO High Plains Reader Historical & Cultural Society of Clay County Home of Economy Hornbacher's Hotel Donaldson Independent Living Resource Centre International Artists Series of Minot International Music Camp Jade Presents JAQ's Garage Jazz Winnipeg Joshua Boschee— Hatch Realty Josie's Corner Cafe & Bake Shop JR Construction Lundeen Foundation/Victor Lundeen Company Manitoba Chamber Orchestra Manitoba Children's Museum Manitoba Opera Manitoba Theatre for Young People McPhillips Hearing & Audiology Centre Inc. Midcontinent Communications Mike's Pizza & Pub Minot Chamber Chorale Minot Prairie Quilters Minot State University Theatre Dept Minot Symphony Orchestra Missouri Valley Chamber Orchestra Mohr Family-Dacotah Paper Moore Engineering MSUM College of Arts, Media and Communication National Geographic Live Grinnell Mutual Insurance US Bank—Small Business NDSU Division of Performing Arts Nodak Insurance Co. Nordic Culture Clubs North Dakota Academy of Nutrition and Dietetics North Dakota Association of **Rural Electric Cooperatives**

Att F SB 2015

North Dakota Horizons Magazine North Dakota Humanities Council North Dakota Living North Dakota Museum of Art North Dakota Women's Network North Dakota-Manitoba Met Opera Auditions Northern Plains Dance Oak Grove Lutheran School Old Red Old Ten Scenic Byway Otter Tail Power Company Plain and Fancy Antique Mall Plains Art Museum Planned Parenthood of MN, ND, SD Prairie Air Waves Prairie Roots Food Co-Op Prairie Theatre Exchange Prairie Village Museum Ramkota Hotel of Bismarck Retina Consultants Ltd. Rhombus Guys **River City Jewelers** Ron Paul Garden Centre Rotary Foundation of Fargo-Moorhead Roval Winnipeg Ballet Satrom Travel and Tour Sleepy Hollow Summer The Spirit Room Stinson Leonard Street The Fort Garry Hotel The Royal Canadian Legion Theatre B Tin Roof Theatre Company Trollwood Performing Arts School True North Sports & Entertainment Ltd. UND Department of Theatre Arts UND University Relations Université de St Boniface University of Mary Urgent Med Valley City State University Vogel Law Firm Western Minnesota Steam Threshers Reunion Western Plains Opera Company Whodunit Mystery Bookstore Winnipeg Art Gallery Winnipeg Folk Festival Winnipeg Goldeyes Baseball Club Winnipeg Montessori School Zandbroz Variety



Att F SB 2015 3-4-19

Additional Support

117217

A broad base of individual, corporate, and foundation support generates substantial unicipal, state, and federal support for Prairie lic's services. Funds support operations, ital improvements, and specific outreach programs and productions. Prairie Public received support from the following in fiscal year 2017.

AARP

Altrusa International of Fargo American Public Media Anonymous (3) Benevity Berdie and Irvin Cohen Memorial Fund through the Jewish Foundation of Manitoba Big Stone Giving Fund through the **Renaissance Charitable Foundation** Corporation for Public Broadcasting Julie Burgum Paul and Gail Ebeltoft Energy and Environmental Research Center-U.S. Department of Energy NETL Program Fargo, Moorhead, and West Fargo through an Arts Partnership grant HIT US, Inc./Mattel Jewish Foundation of Manitoba Arnold L. Johnson KLM (Tuffy's) Midco Foundation Floyd and Harriet Miller Endowment Fund through West Central Initiative Michael M. Miller The Minnesota Arts and Cultural Heritage Fund North Dakota Community Foundation h Dakota Council on the Arts Dakota Humanities Council Dakota State University PCOR Partnership Public Broadcasting Service **Richardson Foundation** State of Minnesota State of North Dakota Dr. Ken and Lorna Thorlakson Thrivent Choice through Thrivent Financial for Lutherans Town Hall Series Tri-County Tourism Alliance United Sugars Corporation Unitarian Universalist Church University of North Dakota WNET

The Winnipeg Foundation The Winnipeg Foundation— Alan D. and Phyllis Ann Thoren Fund The Winnipeg Foundation— Dr. Ken and Lorna Thorlakson Fund The Winnipeg Foundation—Lampe Family Fund The Winnipeg Foundation— Oliver, Adeline and Allan Denton The Winnipeg Foundation— Peggy and Alex Colonello Fund The Winnipeg Foundation— R. A. Sam and Marie Fabro Family Fund

Matching Gifts

Many businesses encourage their employees to be philanthropic by offering matching gift programs. We salute the companies listed below that matched their employees' contributions to Prairie Public.

Advanced Engineering and Environmental Services, Inc. AETNA Foundation Caterpillar Foundation ExxonMobil Foundation Genworth Foundation IBM Corporation John Deere Microsoft Ottertail Corporation Pfizer Foundation Tesoro Foundation Inc. Thrivent Financial U.S. Bancorp

Matching Grants

Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you make a contribution to Prairie Public, it is often matched dollar-for-dollar by these grants.







Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!



Att F SB 2015 3-4-19

			Brandon	Winnipeg
Willi KWS		Minot KSRE-DT	Devils Lake KMDE DT	Grand Forks KGFE-DT Crookston/ Grand Forks KCGE-DT
1	Dickinsor KDSE-DT	Bismarcl KBME-Di		Fargo KFME-DT

Television

Bismarck	KBME-DT
Crookston/Grand Forks	KCGE-DT
Devils Lake	KMDE-DT
Dickinson	KDSE-DT
Ellendale	KJRE-DT
Fargo	KFME-DT
Grand Forks	KGFE-DT
Minot	KSRE-DT
Williston	KWSE-DT
Manitoba, Canada	Via cable

Prairie Public broadcasts four television program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and one or more additional program streams.

> Prairie Public Prairie Public's high-definition schedule.

World/Lifelong Learning Channel

Nonfiction, science, nature, news, and public affairs programs on World (6pm-6am); and how-to, travel, cooking, and K-12 classroom programs on Lifelong Learning (6am-6pm).

The MN Channel Programs produced in and about North Dakota, Manitoba, Minnesota, and the region.

PBS Kids The number one educational media brand for kids offers opportunities to explore new ideas and new worlds through television.



Like us facebook.com/prairiepublic

Subscribe youtube.com/user/PrairiePublicBcast

Download Our app for your mobile device

Follow us twitter.com/prairiepublic Plentywood Crosby 91.9 fm 91 9 fm Thief River Falls 00 7 fr Minot 88.9 fr Devils Lake 91.7 fm Williston Grand Forks Williston Grand Forks 90 7 Beach Dickinson Bismarck Jamestown Fargo 91.9 fr 91 9 fm 89.9 fm 90.5 fm 91.5 fm

Bowman Hettinger 91.9 fm 91.9 fm

Radio

Beach
Bismarck 90.5 fm
Bowman 91.9 fm
Crosby
Devils Lake 91.7 fm
Dickinson 89.9 fm
Fargo* 91.9 fm
Grand Forks 89.3 fm
Grand Forks* 90.7 fm
Hettinger 91.9 fm
Jamestown 91.5 fm
Minot
Thief River Falls 88.3 fm
Williston
Williston* 89.5 fm
Plentywood MT 91.9 fm
*Roots, rock and jazz

Listeners can choose from three radio formats and can access them all with an HD radio, online at *prairiepublic.org*, or with the Prairie Public app.

FM1 Classical music featuring **Prebys on Classics** plus public radio's signature news and entertainment programs.

FM2 Roots, rock, and jazz featuring Into the Music with Mike Olson and World Café, plus two hours of Morning Edition on weekdays and Sounds Eclectic, Mountain Stage, and Acoustic Cafe on the weekends.

FM3 Roots, rock and jazz with Morning Edition and All Things Considered, Marketplace, and interviews and discussion on Main Street.



Prairie Public Broadcasting, Inc.

Television Radio Education Services Enterprises Corporate Offices 207 North 5th Street Fargo ND 58102 701-241-6900 800-359-6900

Bismarck Office 1814 North 15th Street Bismarck ND 58501 701-224-1700

Prairie Public Television (Manitoba), Inc. PO Box 2640 Winnipeg MB R3C 4B3

www.prairiepublic.org info@prairiepublic.or



March 24, 2019





attachnen

A quarterly newsletter for members and friends of Prairie Public







The 1942 Elbowoods High School basketball team made it to the North Dakota State Class B championship game, but they lost in a bizarre twist that resulted in a 60-year effort to right a wrong. Basketball, Water, and the Lost City of Elbowoods

relives the excitement of that basketball team and the title game controversy, and it examines the fate of the team's hometown, now covered by Lake Sakakawea.

Watch for this new Prairie Public original television production in met May.



Prairie Public CUC Spring 2019



Television Highlights in March



It's a global sensation! See the rich traditions of classical Chinese dance on stage with **Shen Yun!** Dazzling costumes, the orchestra's exquisite melodies, the singers' soaring voices, and the dynamic animated backdrops transport you to another world. Experience 5,000 years of civilization reborn! Experience **Shen Yun** on *Tuesday, March 5, at 9 pm CT.*

Celebrate the iconic singer/songwriter's 75th birthday with **Great Performances—Joni 75: A Birthday Celebration.** Musicians Graham Nash, James Taylor, Chaka Khan, Norah Jones, Emmylou Harris, Seal, and Rufus Wainwright, among others, all pay tribute to Joni against the backdrop of her photos and paintings. Joni is in the audience, and you can be, too, on Saturday, March 2, at 8:30 pm CT.



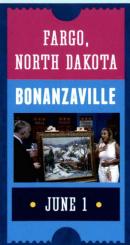




Antiques Roadshow is coming to North Dakota on June 1

In anticipation of Antiques Roadshow's visit on June 1, 2019, we're rebroadcasting the three episodes from the series' stop in Bismarck in 2014! Tune in Mondays at 7 pm CT beginning March 4.

Antiques Roadshow's free ticket drawing ended in February, and those who won tickets should have been notified by now via email. Visit pbs.org/roadshow if you are unsure if you won tickets.



You still have two options to attend the show if you didn't receive tickets in the drawing.

• Contribute to Prairie Public, and we'll thank you with a pair of tickets to the show and a meet and greet reception on May 31.

• Be a volunteer! We have a limited number of volunteer opportunities for this event. You must commit to a training session on May 31 and to work all day on June 1. You'll receive an Antiques Roadshow shirt, breakfast and lunch, and you bring in two items for appraise Visit *prairiepublic.org* to sign u

Find the full television schedule, including Prairie Public's multicast channels, at prairiepublic.org.

speak softly and carry a good book

The Dakota

Datebook radio

media pages.

series has been

edifying us with

daily doses of

North Dakota

history since October 2003. The short

features air several times a day, are

Now, Dr. David Haeselin's "Practicum in

Writing, Editing, and Publishing" students at

UND have taken on the task of compiling those thousands of essays into a book. The book will be

available free to download from The Digital Press

at the University of North Dakota, and we'll use

printed copies as membership drive gifts. Book

release events are being planned for mid-May

in Grand Forks, Fargo, and Bismarck.

The award-winning Dakota

Datebook series is authored by a variety of writers, fact-checked by

the State Historical Society of North

Dakota, and supported with generous

funding from Humanities North Dakota.

archived and available online anytime, and are popular on Prairie Public's social

Our 26th president Theodore Roosevelt Is a lauded Image: a lau



In 2019, listen for Dakota Datebook: Remembering Theodore Roosevelt once a week in the regular Dakota Datebook timeslots. This special series is

made possible

with support from the Theodore Roosevelt Medora Foundation.

npr



nadio schedule welcomes new programs



Mondays at 8pm

Public radio listeners take uncommon pleasure in the world of ideas. How do children come to love spicy foods? Why do religions exist? What's the best way to get people to be honest on their taxes?

Hidden Brain explores questions like these that

lie at the very heart

of our complex and

changing society.

Hosted by NPR

social science correspondent

Shankar

Vedantam.

Hidden Brain

uses science

and storytelling to link research

from psychology and

Dakota

atebook

Saturdays at 2pm

Last election cycle, Sam Sanders emerged as a fresh voice and fan favorite as co-host of the NPR Politics Podcast. Now he's bringing the same energy and enthusiasm to It's Been a Minute with Sam Sanders. 'It's been a minute' is another way of saying 'let's catch up,' and in his new show, Sanders does just that in conversations about the news, culture, and everything in between. And not just what happened each week, but how it felt. Sanders is at once incisive, inviting, and entertaining-and so are his guests. world is complicated, and people are tooand sometimes, you just need to talk it out.



neurobiology with findings from economics, anthropology, and sociology—revealing the unconscious patterns that drive human behavior, and the biases that shape our choices.



Prairie Public CUC Spring 2019

Prairie Public CUC Spring 2019



Dominic West stars as Jean Valjean, with David Oyelowo as Javert and Lily Collins as Fantine.

New from Masterpiece

Victor Hugo's blockbuster novel "Les Misérables" is coming vividly to life in an epic television experience worthy of the original novel. Award-winning screenwriter Andrew Davies' multi-layered retelling (not a musical!) airs in six episodes on Sundays, April 14-May 19.

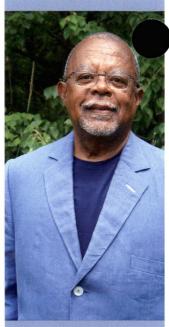


Nurses Valerie Dyer, Trixie Franklin, and Lucille Anderson.

> Season 8 of Call the Midwife

It's spring of 1964 and everyone is excited for the Queen's royal birth. With the additions of two new Sisters who have been sent to live and work with the team in Poplar, Nonnatus House feels full once more. You'll find this fan favorite on Sunday evenings beginning March 31.

Att: G SB 2015 3-4-19



Henry Louis Gates, Jr. filming on location in Alabama.

Reconstruction: America After the Civil War

Henry Louis Gates, Jr. presents the definitive 1 of the transformative y following the American War, when the nation rebuilt itself amidst profound loss, destruction, and revolutionary social change. The four-hour series airs on Tuesdays, April 9 and 16.

Prairie Public Broadcasting 207 North Fifth Street P.O. Box 3240 Fargo, ND 58108-3240



You're invited to an evening with Prairie Public! Thursday, April 25, 5:30 pm

Cocktail Reception **5:30 pm** Dinner & Program **6:30–9:00 pm**

Radisson, Bismarck ND \$35

RSVP by April 16 to Siobhan 701-239-7585.

Lunch and Learn: Financial and Estate Planning Basics

Join Prairie Public for our 2019 financial literacy luncheon

With new federal action on estate taxes and other issues that impact your estate planning, this is an ideal time to complete or update your plans. To help with this, Prairie Public has invited Nicholas Vogel, estate and probate attorney at Vogel Law, and Mona Tedford Rindy, regional manager at Bremer Wealth Management, to join us and explore important issues:

 Understanding the impact of "TCJA" Tax Cuts and Jobs Act of 2017
 Choosing an executor or trustee
 Working effectively with an attorney
 Beneficiary designations

Tuesday, April 30, 2019 11:30am-12:30pm

Space is limited. RSVP to prairiepublic.org/lunch or to Kasi at 701-239-7538. Studio tours will be available after the seminar. Prairie Public's Downtown Fargo Studio 207 5th St N, Fargo Board of Directors to meet

Att G

2015

The Prairie Public Board of Directors will meet on Friday, April 26, in Bismarck. All meetings are open to Prairie Public members and to the public. For further information, contact Tina Young at 800-359-6900.

NEWMAN'S OWN

Prairie Public has been awarded a \$50,000 grant from **Newman's Own Foundation**, the independent foundation created by the late actor and philanthropist Paul Newman. The award was made by **Newman's Own Foundation** as part of its commitment to encourage philanthropy. The grant will be used to match the financial support, dollar-for-dollar, contributed to Prairie

Watch for special membership drive messages in the upcoming year to find out when your contribution will be matched and doubled!

Public by individual members.

Please remember Prairie Public Broadcasting in your will, trust, or general estate plans.

We value your membership in Prairie Public and strive to provide you with excellent service. Switchboard hours at Prairie Public are **Monday**— **Friday, 8 am to 5 pm 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 **prairiepublic.org** Prairie Public Broadcasting is a member of the Public Broadcasting Service, a private, nonprofit corporation. PBS provides quality television programming and related services to Prairie Public Broadcasting. Prairie Public is also a member of NPR, a network owned by its member stations.



Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!



Prairie Public CUC Spring 2019

Htt! G SB 2015 3-4-1

PBS Learning Media is now available in Canada

Prairie Public is committed to transforming learning!

PBS LearningMedia offers direct online access to thousands of classroomready, curriculum-targeted resources for all educators: preK-12 teachers, homeschoolers, childcare providers, and museum educators. The resource builds on the strength of public media and is designed to improve teacher effectiveness and student achievement. Resources are aligned to U.S. standards and include videos and interactives, as well as audio, documents, and in-depth lesson plans. Browse by standards, grade level, subject area, and special collections. You can also favorite and share resources with your class and colleagues. Best of all, you can access it free at preinepublic.pbslearningmedia.org.



SHARPEN YOUR CRAYONS

And get your imagination in gear, because Prairie Public is hosting the PBS Kids Writers Contest to promote reading and writing skills through hands-on, active learning. Children in grades K-3 can submit their own original stories.

Visit prairiepublic.org to find the contest rules and entry forms. There you'll also find a writer's guide that discusses brainstorming, plots, setting, character development, word choices, and more! The deadline for submissions is March 22, 2019.

We will award "First Place" and "Red Ribbon Favorite" prizes to children in each grade level, and every child who submits a story will receive a certificate of participation and personal, positive feedback from our story evaluators.

Connect Prairie Pu

Discover all the digital places vou can find Prairie Public.

Our website at prairiepublic.org has been newly redesigned!

Prairie Public's app is your on-the-go, one-stop spot for live radio streaming, television and radio schedules, and PBS and Prairie Public video.

Find and follow on Facebook "Prairie Public," "Prairie Public News," "Prairie Public Education," and "Main Street at Prairie Public" for news, humor, behind-the-scene photos, live video events, and radio, television, and outreach invitations.

Prairie Public is on Twitter and Instagram @prairiepublic!

Sign up for Prairie Public's weekly e-newsletters, radio and/or television, to read about upcoming television programs, radio shows, outreach events, and member benefits.

March 7,2019

582015

attachment A



11-38-08. Achievement days - Premiums - Report of extension agent.

In July of each year the office of management and budget shall pay from funds appropriated for boys' and girls' clubwork a sum not to exceed five hundred dollars to the extension agent of each county within the state conducting boys' and girls' achievement days, to be used exclusively for the payment of premiums at the boys' and girls' achievement days. Within thirty days following the boys' and girls' achievement days, the extension agent shall refund to the office of management and budget any balance not expended, which must be remitted to the state treasurer and placed to the credit of the general fund.

March 7, 2019

62015

Attachment &

OMB Contracting vs. FTE Analysis

1. The following 7 FTE from the Facilities Management Division were removed in the 2019-21 biennium executive budget:

Pos No.	Position Title	Reason Vacated	Monthly Salary	Biennial Salary and Benefits
83	Systems Mechanic	VSIP	5,548	191,942
84	Systems Mechanic	VSIP	4,715	138,190
108	Custodian	Turnover	2,000	93,500
121	Custodian	Turnover	2,000	93,500
142	Custodian	Turnover	1,794	43,050
91	Grounds Maintenance	VSIP	2,672	108,442
128	Maintenance Supervisor	VSIP	4,738	168,070
				836,694

2. OMB is requesting a total increase of \$640,000 for contracted services:

- \$150,000 for increases in rates and usage for existing contracts. This covers inflationary increases in existing contracted services as well as potential additional usage for snow removal or groundskeeping services. Those amounts will only be spent if needed.
- \$490,000 for additional contracted services that correspond to the 7 vacated positions.
- Biennial cost for FTE positions = \$836,694; biennial cost for related contracted services = \$490,000; biennial general fund savings = approximately \$347,000.

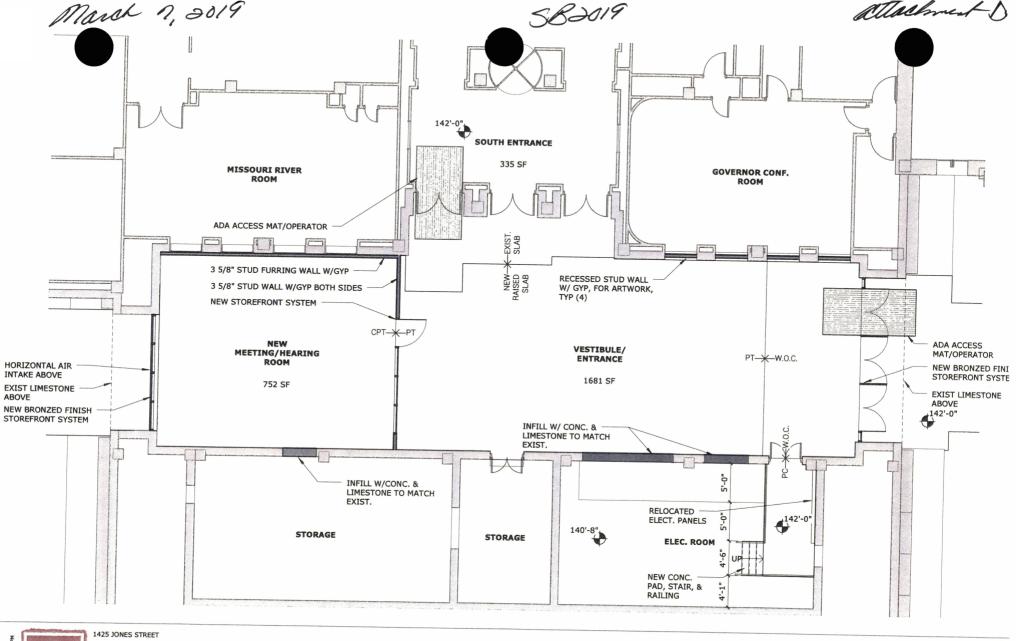
March 7, 2019

SB2015

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2019-2021 GOVERNOR'S BUDGET EXTRAORDINARY REPAIRS

Infrastructure Improvements:		
Remove and replace asphalt in parking areas an	d roads	\$400,000
Remove and replace curb and gutter		\$150,000
Sidewalk trip hazard areas		\$100,000
Add new sidewalk along 4 th Street		\$150,000
Add new sidewalk along + Street		\$150,000
Electrical Improvements.		
Electrical Improvements:		
Replace original transformer in the Capitol tow	er	\$400,000
Miscellaneous repairs		\$100,000
Mechanical Improvements:		
Replace cooling tower at Liberty Memorial Bui	lding	\$150,000
	lang.	,
Overhaul of two chillers in the Judicial Wing		\$100,000
Miscellaneous repairs		\$100,000
Small Renovations:		
Restore brass doors and replace mechanical me	chanisms on all door locate	ed in Capitol and
Judicial Wing ground floor		\$170,000
Replace elevator floor in each of two Judicial W	Ving elevators	\$80,000
Replace clevator noor in each of two Judicial w	ing cicvators	\$00 , 000
	Total	\$1 000 000
	IUIAI	\$1,900,000



 1425 JONES STREET

 OMAHA NE 68102

 V 402 345 3060

 F 402 345 7871

 byh.com

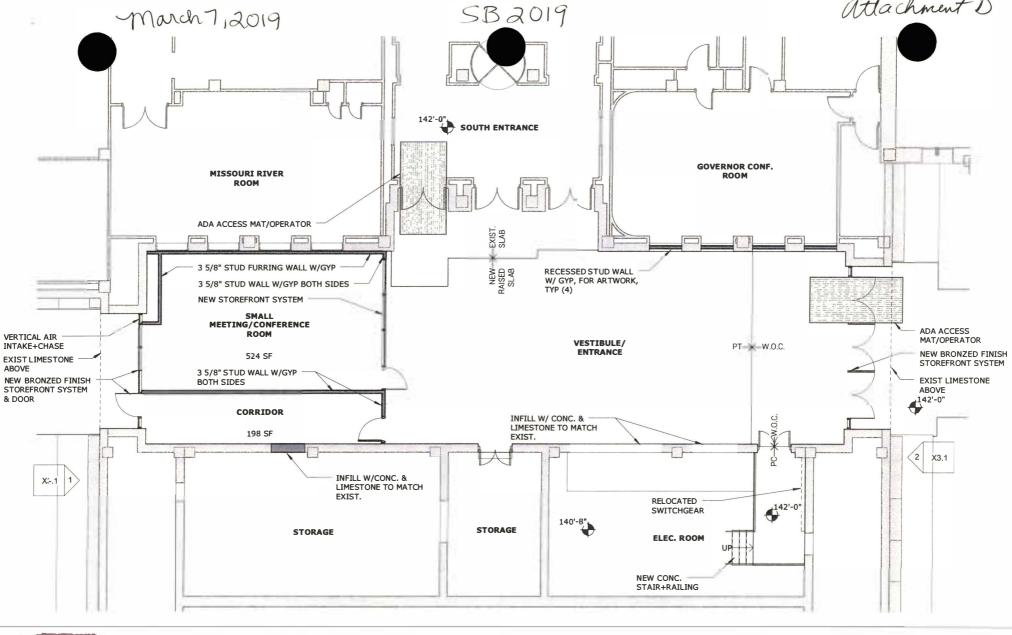
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NORTH DAKOTA STATE CAPITOL EXTERIOR & INTERIOR IMPROVEMENTS PROJECT

1 GROUND FLOOR PLAN - OPTION A



1425 JONES STREET

 BVH
 V 402 345 3060

 F 402 345 7871
 bvh.com

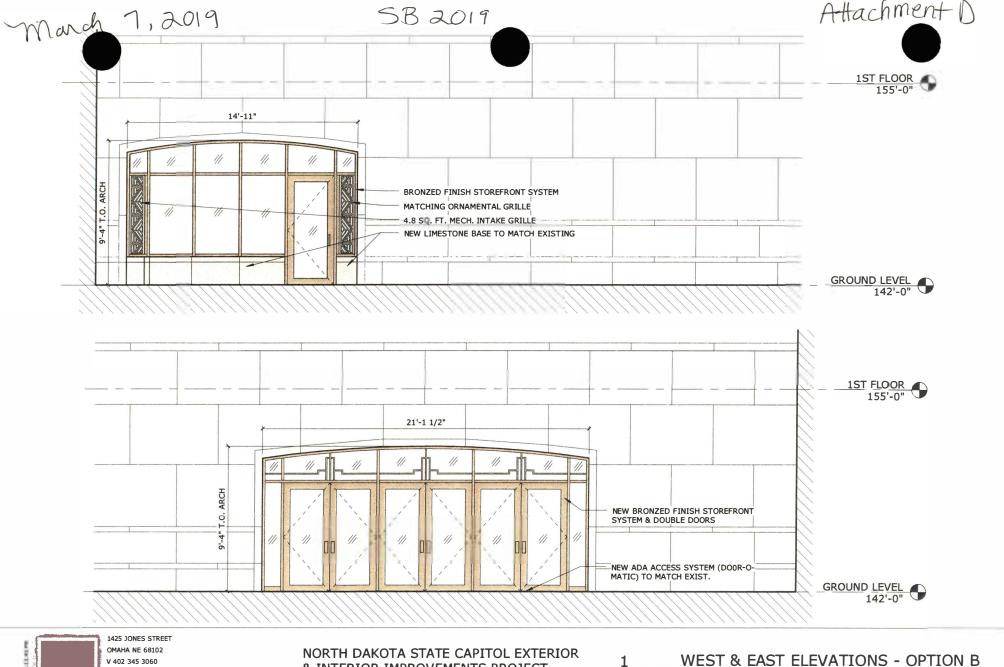
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NORTH DAKOTA STATE CAPITOL EXTERIOR & INTERIOR IMPROVEMENTS PROJECT

1 GROUND FLOOR PLAN - OPTION B

2

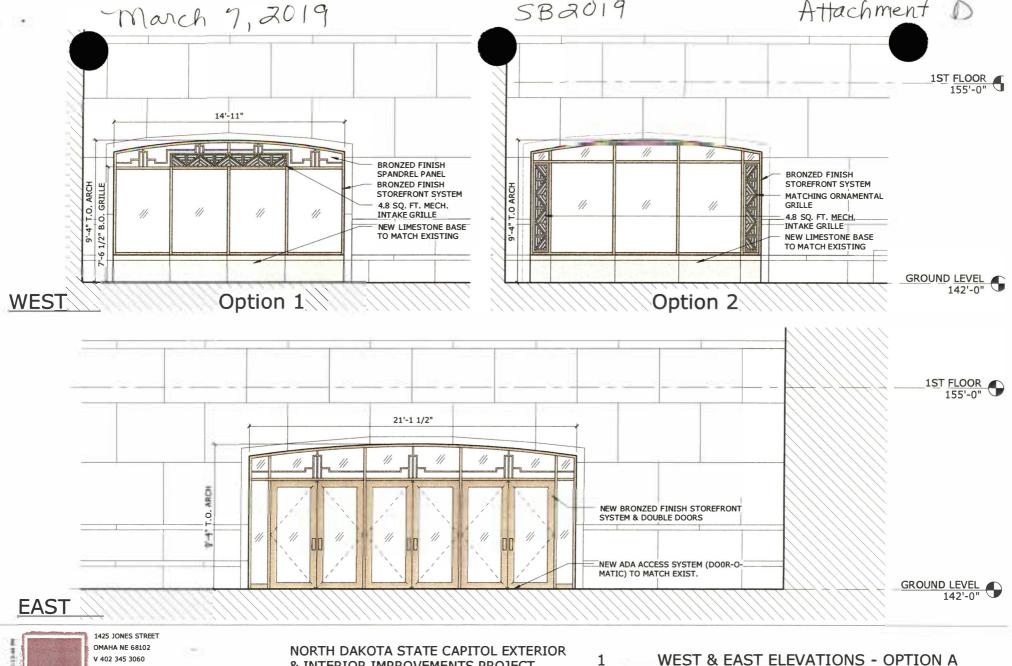


& INTERIOR IMPROVEMENTS PROJECT

F 402 345 7871

BVH

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bvh.com

BVH

& INTERIOR IMPROVEMENTS PROJECT

WEST & EAST ELEVATIONS - OPTION A 1/4" = 1'-0"

March 1,2019

SBƏDIS

lasher

Funding Split Total w/Benefits GF FF SF Pos # Name Title Salary **FTE's Removed:** acility Management: 83 Vacant-WS Systems Mechanic 5.548 (191.942)(191, 942)Systems Mechanic 84 Vacant-KR 4,715 (138, 190)(138, 190)2,000 108 Vacant Custodian (93,500)(93,500)121 Vacant Custodian 2,000 (93,500) (93,500) Custodian 142 Vacant 1,794 (43,050)(43,050)0 0 Total (560, 182)(560,182) **Underfunded FTE's:** Risk: 180 Vacant Admin Assistant 4,264 (163,066) #(163,066)HRMS: Admin Assistant 4,473 (129,067)78 Vacant-MV (129,067) # 74 Vacant **Training Officer** 5,462 (200,531) # (200, 531)**Central Services:** 1 147 Vacant-LR Account Budget Specialist 6,235 (209,668) # (20,967) (188,701)23053 Vacant Admin Assistant 3,568 (141,735) # (70, 868)(70, 868)Underfund N/A N/A (23, 316)972 (23,316) # FMD: 2 91 Vacant-DZ **Grounds Maintenance** 2,672 (108,442) # (108,442) 3 4,738 128 Vacant-JW Maintenance Supervisor (168,070) # (168,070)99 Vacant Maintenance Worker 2,651 (114, 188)(114, 188)Total (1,258,083) (812,132) 0 (445,951) **Total Salary Reduction** (1,818,265) (1,372,314) 0 (445,951) Underfunded FTE's Reclassed in Recommendation (with new titles and salary amounts): HRMS: 91 Vacant **Director of Recruiting** 8,500 280,339 + 280,339 3 128 Vacant **Director of Leadership** 8,500 280,339 + 280,339 CSD: 1 **Public Information Officer** 134,869 44,956 147 Vacant 179,825 # 5,198 Total 740,503 695,547 0 44,956 **Underfunded FTE's Restored in Recommendation:** FMD: 99 Vacant Maintenance Worker 2,651 114,188 114,188 HRMS: 78 Vacant Admin Assistant 4,473 158,847 # 158,847 74 Vacant **Training Officer** 5,462 193,976 # 193,976 Total 467,011 273,035 0 0 **Temporary Salaries** 56,400 FMD Temp Temp 56,400 ^ 44,956 **Total Salary Requested** 968,582 0 1,263,914

* Agrees to #2 on green sheet

Agrees to #3 on green sheet, plus the \$200,000 reduction for UI (-1,143,895-200,000+179825+352,823)

+ Agrees to #4 on green sheet

Agrees to #5 on green sheet

¹ Position is being reclassified to a Public Information Officer

² Position is being reclassified to a Director of Recruiting

³ Position is being reclassified to a Director of Leadership

March 7, 2019 Dickey County Disaster Funding - Brandenburg, Michael D.

Alasher F Page 1 of 1

Dickey County Disaster Funding

Gaugler, Holly A NFG (US) < holly.a.gaugler.nfg@mail.mil>

Fri 2/15/2019 3:11 PM

To:Brandenburg, Michael D. <mbrandenburg@nd.gov>; Erbele, Robert S. <rerbele@nd.gov>;

cc:Schulz, Cody J. <cjschulz@nd.gov>; Sheldon, Jay G MAJ USARMY NG NDARNG (USA) <jay.g.sheldon.mil@mail.mil>;

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Representative Brandenburg and Senator Erbele:

Cody Schulz, Deputy Director of the Department of Emergency Services (NDDES), asked that I provide you the dollar amount Dickey County owes NDDES from disaster funding.

That dollar amount is \$248,949.14 which includes \$231,076.52 in federal funding and \$17,872.62 in state funding.

Thank you.

Holly Gaugler Accounting Manager Adjutant General 333-2079

March 14, 2019

SB2015

attackment A

OMB Operating Changes by Division As Included by the Senate in Engrossed SB2015

	Fur	Funding Split			
	GF	FF	SF	Total	
eductions to Operating in Base Bud	dget:				
Administration 4	(61,045)			(61,045	
Facility Management 4	(100,000)			(100,000	
Fiscal Management 4	(459,783)			(459,783	
HRMS 4	(20,800)			(20,800	
Risk			(40,000)	⁵ (39,995	
Central Services			(257,461)	⁵ (257,456	
Total	(641,628)	0	(297,461)	(939,079	
Operating Recommendation in Exec	Budget:				
Administration					
Restore pass-thru grants 4	53,145			53,145	
Facility Management					
Increase in utilities	427,650			427,650	
Contractor pay 2	640,000			640,000	
Fiscal Management					
IT developer cost 3	410,400			410,400	
Anticipated IT projects 3	72,960			72,960	
HRMS	0			0	
Risk			0	0	
Central Services			50,000	5 50,005	
Total	1,604,155	0	50,000	1,654,160	
Difference by Division:					
Administration	(7,900)			(7,900	
Facility Management	967,650			967,650	
Fiscal Management	23,577			23,577	

Facility Management		967,650			967,650
Fiscal Management		23,577			23,577
HRMS		(20,800)			(20,800)
Risk				(40,000)	(39,995)
Central Services				(207,461)	(207,451)
	Total	962,527	0	(247,461)	715,081

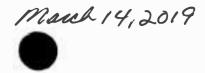
¹ Agrees to #9 on greensheet

² Agrees to #8 on greensheet

³ Agrees to #10 on greensheet

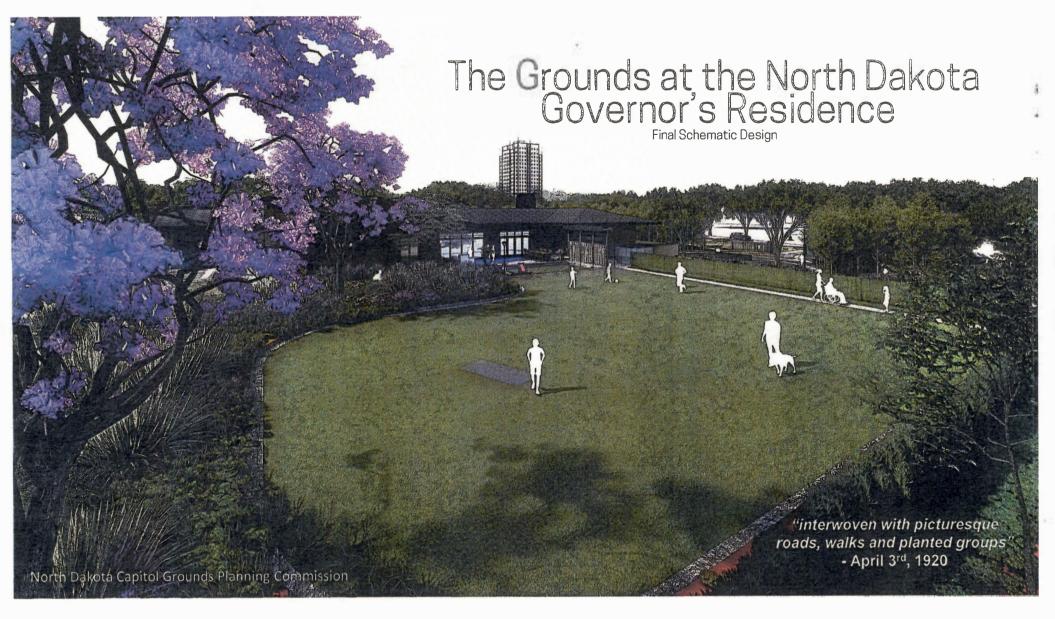
⁴ Agrees to #7 on greensheet

⁵ Agrees to #7 on greensheet









March 14, 2019

SB2015



Landscape Architecture for the Governor's Residence SCHEMATIC DESIGN TIMELINE:

Meeting 2. June 27th



Scope

Inventory

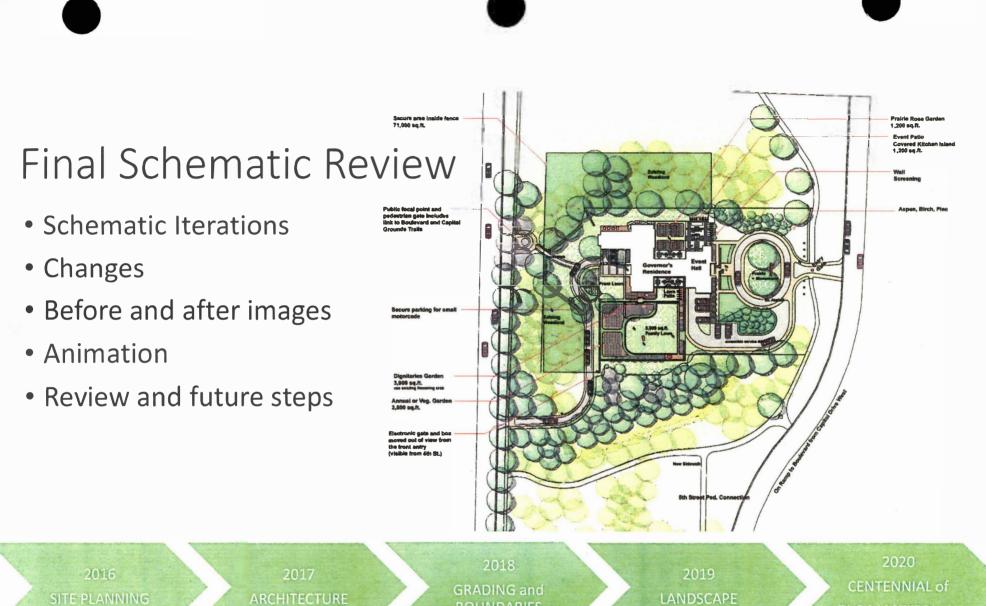
Meeting 1. May 3rd, 2018tr

Site Analysis Diagrammatic Solutions Action Items: Programming Boundaries



- Review with draft
- renderings and preliminary budget

Final schematic drawings and animation presented for approval.



BOUNDARIES

SB2015

att B

March 14,2019

March 14,2019

SB2015



Summary of feedback from June

March 14,2019

Take-aways Meeting II.

Make the public event patio larger and a better design fit. Maintain street presence on 4th but screen direct path/views

Private patio on north side, addresses grade issues.

362015

Remove pavement views from Governor's office and create a backdrop.

attb

Screen views into private family spaces

Outdoor eating area, covered with an architectural feature to match.

Create a flat space (terrace) lawn for family play and sports

March 14,2019

SB2015

att B

Summary of spatial review **Current Residence** Fermier Residence **Schematic FINAL** • Private = Pinturaran -22, 880 se it. • Private = 1,800 sq.ft. 71,000 sq.ft. Service aste - 35 10000 in • Semi-Public = 37,200sq.ft. Privation - Disignite • Public = 41,9000 • Public = sq.ft. 41,900 sq.ft. TOTAL SPACE 80,900sq.ft TTA: SETAICE 1.1(0) 7 010 sig ihr TOTAL SPACE 112,900sq.ft

March 14, 2019

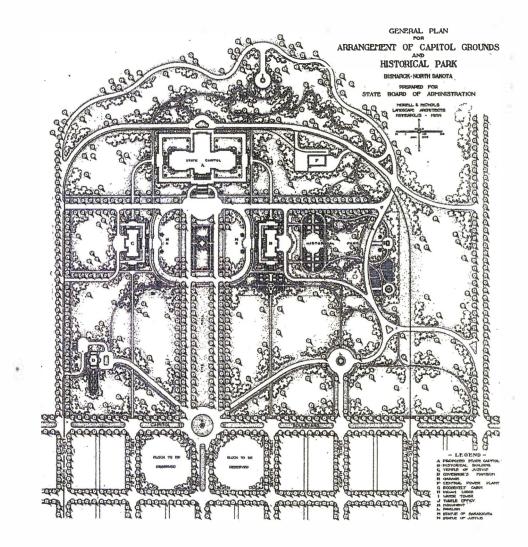
SB2015

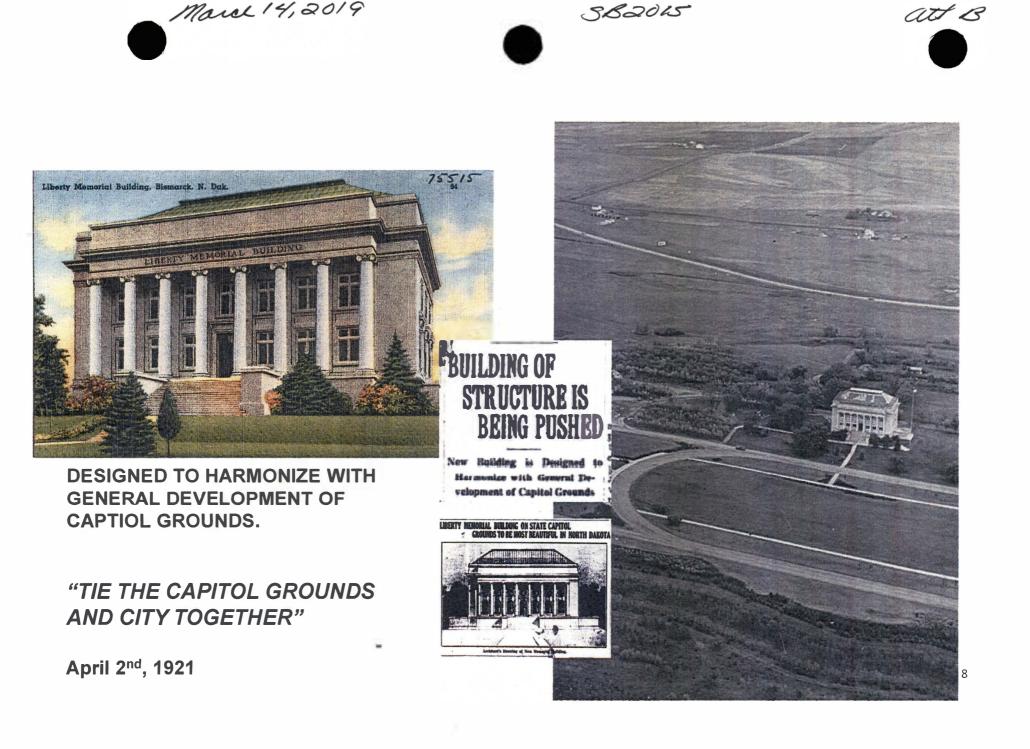
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7

The General Plan for Arrangement of Capitol Grounds and Historical Park

-Morell & Nichols 1920

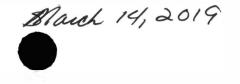






(c) = 0.8.





(G. 34)

SB2015

ANIMATING THE NORTH DAKOTA GOVERNOR'S RESIDENCE GROUNDS

DESIGNED TO HARMONIZE WITH GENERAL DEVELOPMENT OF CAPTIOL GROUNDS.

"TIE THE CAPITOL GROUNDS AND CITY TOGETHER"

- April 2nd, 1921

att B







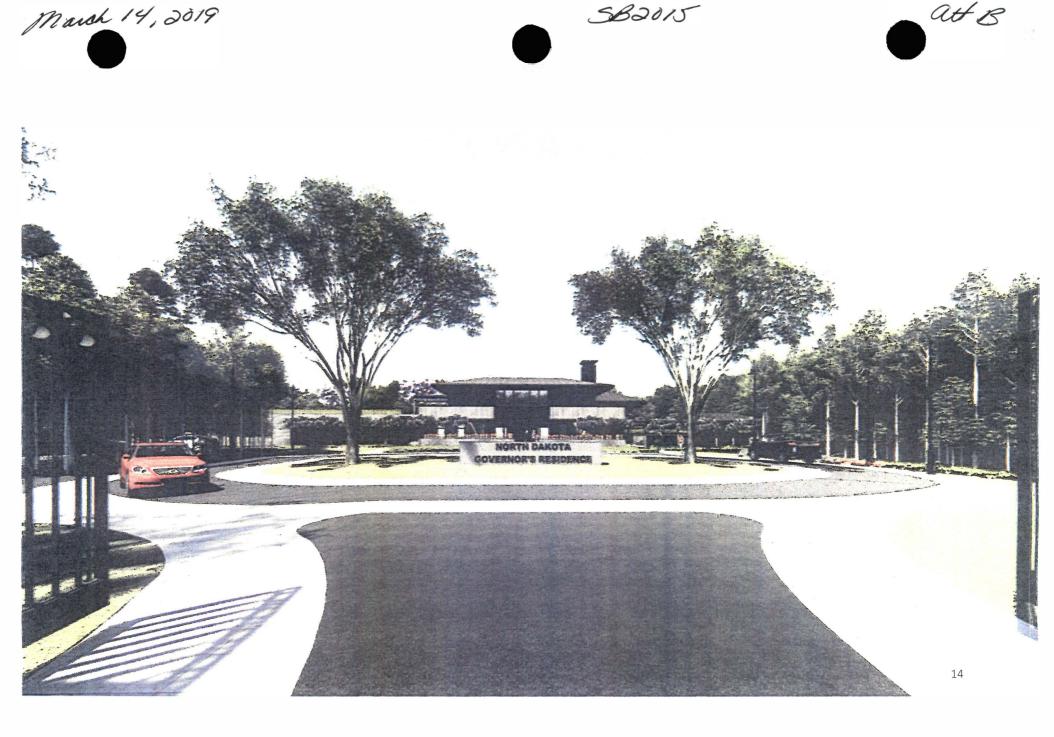
Existing v. Proposed Images





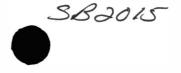




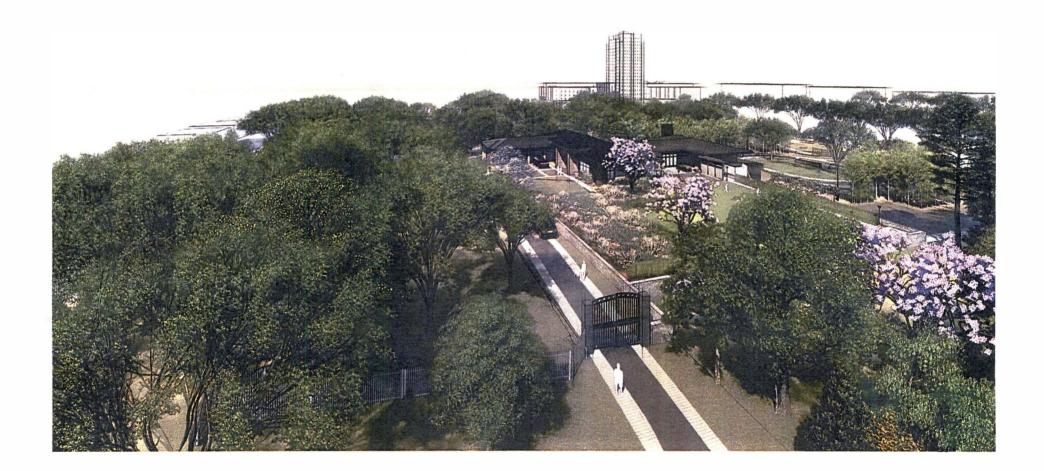


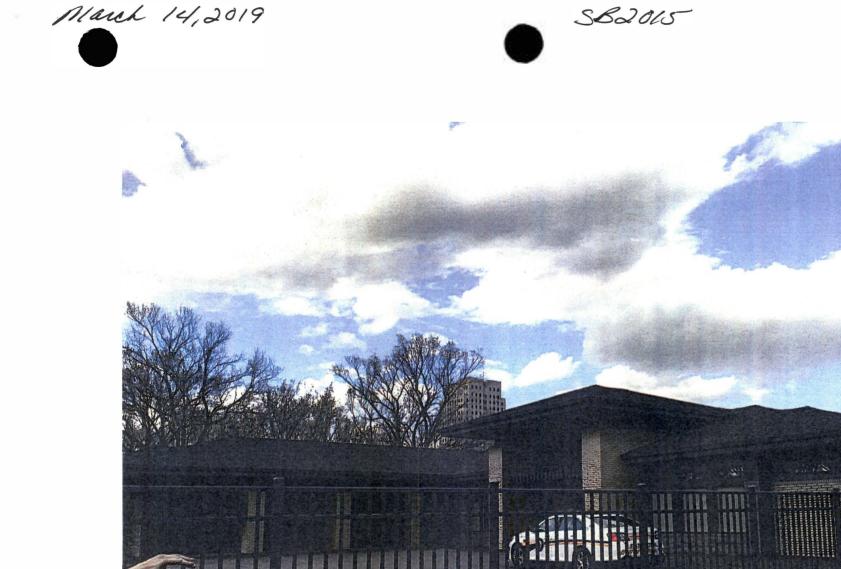












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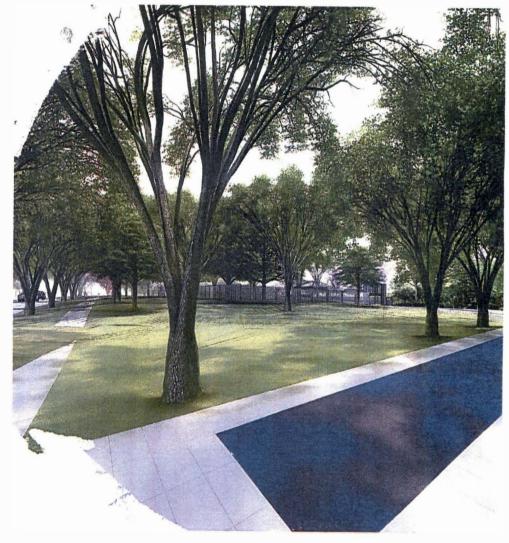
March 14,2019

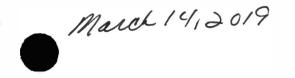




4th Street Sidewalk Link

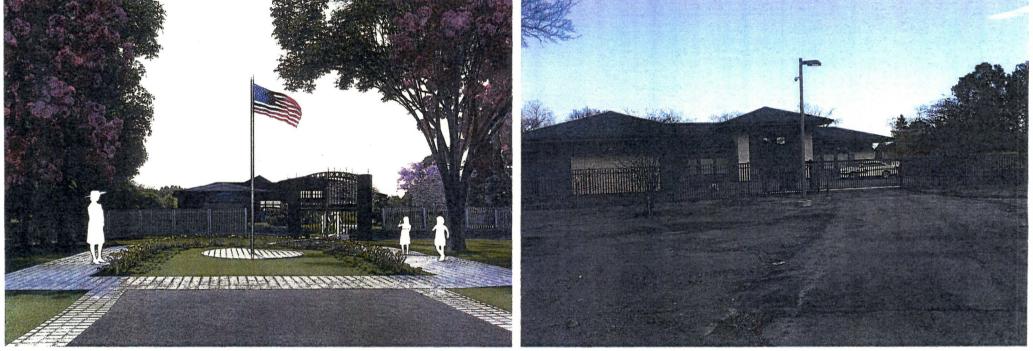












View from 4th Street 'Trick or Treat'









March 14, 2019

SB2015

View from Family Living | Dining Area



at B











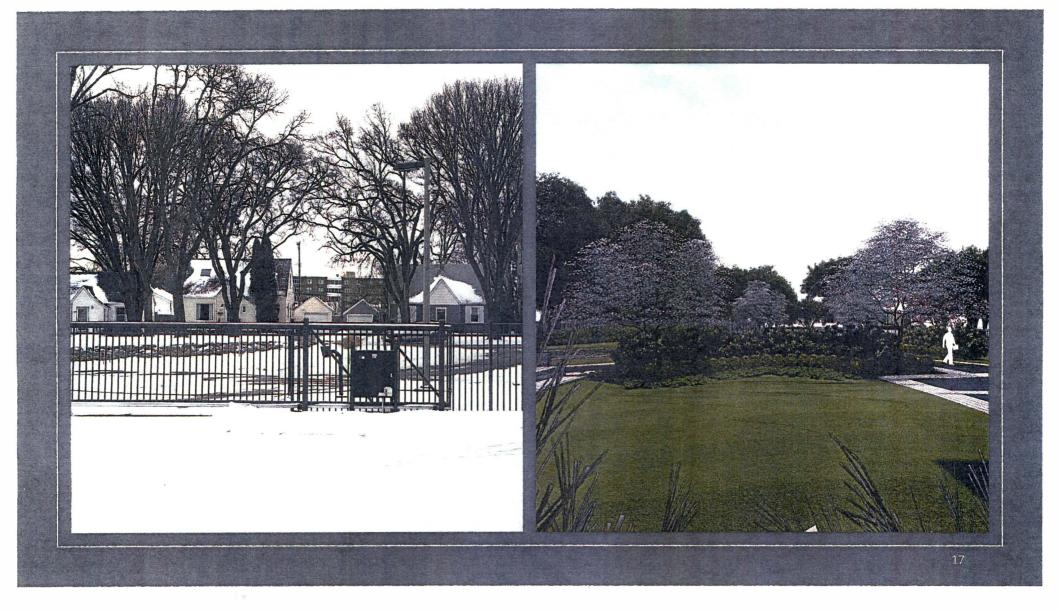
Proposed vs. Existing Private Patio + Lawn



March 14,2019







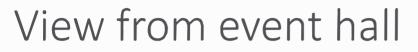
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Proposed vs. Existing Interior Viewpergola structure provides added security

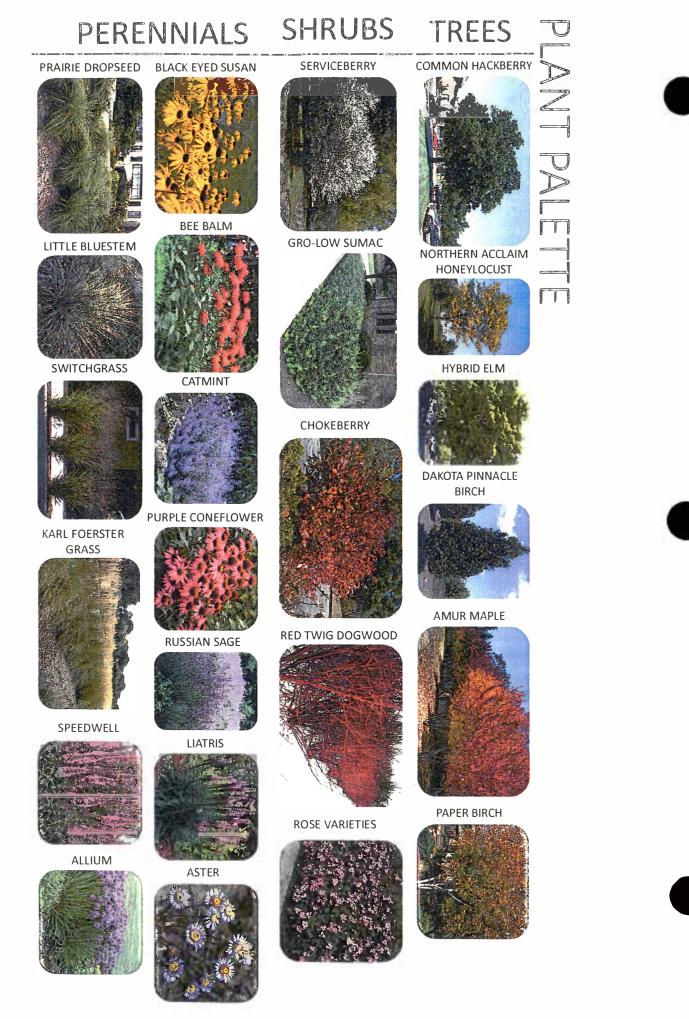
March 14, 2019

SB2015



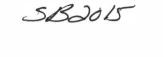


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14,2019

SUPERS

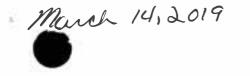


March 14,2019

MATERIAL AND PLANT PALETTES AND PROJECT PHASES

27

at B





MATERIAL PALETTE

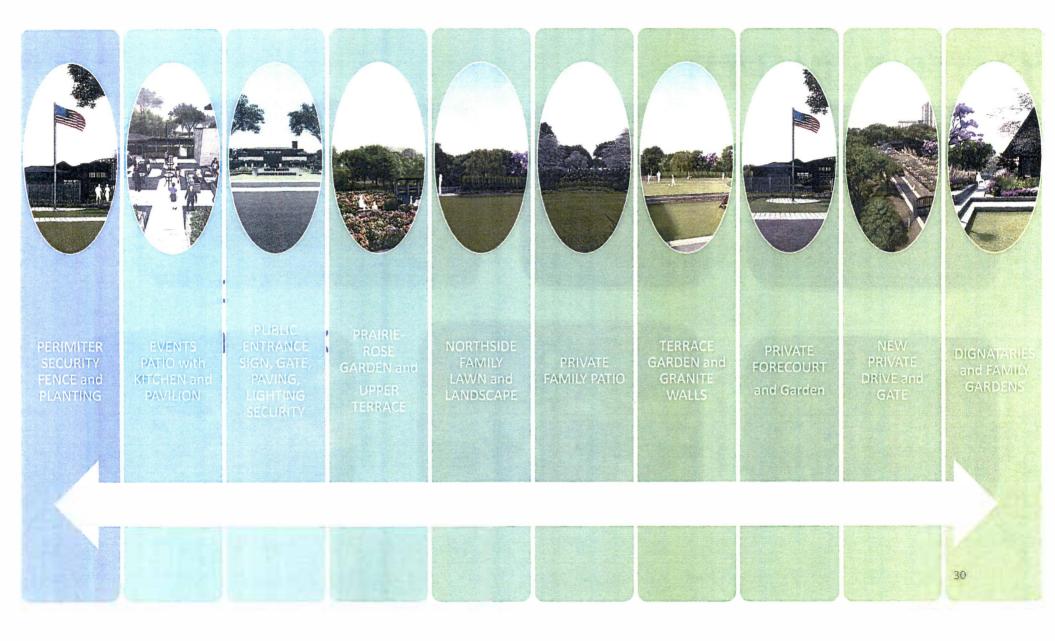


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March 14, 2019







March 14,2019

SB2015

attachment C

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

SECTION ____. APPROPRIATION – GOVERNOR'S RESIDENCE LANDSCAPING AND GROUNDS

DEVELOPMENT. In addition to the amounts appropriated in section 1 of this Act, there is appropriated to the office of management and budget, any additional income from private donations which may become available for the biennium beginning July 1, 2019, and ending June 30, 2021 for landscaping and grounds development relating to the governor's residence and adjacent areas of the capitol grounds. Projects must be approved by the capitol grounds planning commission in accordance with chapter 48-10 of the North Dakota Century Code.

SECTION ____. **AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the



SB 2015

att. C

capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed one <u>two</u> hundred seventy five <u>fifty</u> thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

March 14,2019





Capital Building Trust Fund Status Statement

	2015-17	2017	2019-21	
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Proposed House Version
Beginning Balance	\$5,903,878	\$2,059,083	\$5,089,876 \2	\$5,718,596
Revenue:				
Rent, Royalties and Bonuses	\$2,350,567	\$1,818,500	\$3,445,120	\$2,081,000
Governor's Residence Fundraising	500,000	500,000		
Investment Income	148,792	140,000		
Total Revenue	\$2,999,359	\$2,458,500	\$3,445,120 \3	\$2,081,000
Expenditures/Transfers:				
Capitol Grounds Continuing Approp	(\$175,000) \4	(\$175,000) \4	(\$175,000) \4	(\$250,000) \4
Capitol Grounds Planning Meetings	(12,500)	(25,000)	(25,000)	(25,000)
Facilities Management Projects	(617,544)		(820,563)	
Facilities Management Extraordinary Repairs		I		(1,900,000)
Leg. Assembly-Signage and voting system upg	rade			(140,000)
Facilities Management-Special Assessment				(320,000)
South Entrance Project (Estimate)				(2,000,000)
Governor's Residence	(2,942,456)		(1,729,437)	
Administrative Expenses	(59,127)	(80,000)	(60,000)	(60,000)
Income Payments to Counties	(6,734)	(7,000)	(6,400)	(7,000)
Total Expenditures	(\$3,813,361)	(\$287,000)	(\$2,816,400)	(\$4,702,000)
Ending Balance	\$5,089,876	\$4,230,583	\$5,718,596	\$3,097,596

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2017.

\2 Actual July 1, 2017 balance.

\3 Based on actual revenues through October 31, 2018, and estimated revenues for the remainder of the biennium using the November 2018 executive revenue forecast.

V4 Section 48-10-02 provides a continuing appropriation to the Capitol Grounds Planning Commission to spend up to \$175,000 per biennium of income and interest of the Capitol Building Fund. The amount that may be spent may not exceed 50.0 percent of the unencumbered balance of the fund on the first day of the biennium. (Amendment added to change the amount to \$250,000)

March 14, 2019

SBJOIS

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PROPOSED AMENDMENT TO ENGROSSED SB 2015 – SOUTH ENTRANCE PROJECT



SECTION ____. **CAPITOL BUILDING SOUTH ENTRANCE PROJECT.** The sum of \$2,000,000 included in Section 1 of this Act is from the capitol building fund and shall be used for improvements to the south entrance to the capitol building, including enclosing the existing tunnel, creating a new public entrance with integrated security systems, related exterior landscaping and elevation changes, and improved handicapped accessibility for the public.





March 14,2019

SB2015

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PROPOSED AMENDMENT TO ENGROSSED SB2015 – LITIGATION FUNDING POOL

Page 3, replace lines 12 through 15 with:

SECTION 6. TRANSFER - LITIGATION POOL. The attorney general may submit litigation-related expenses to the office of management and budget which shall transfer funds from the litigation funding pool line item appropriated in section 1 of this Act to the attorney general or other state agencies as directed by the attorney general during the biennium beginning July 1, 2019, and ending June 30, 2021.





March 14, 2019

SB2015

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Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

Base Level Funding Changes	Executive Budget Recommendation		Senate Version			Senate Changes to Executive Budget						
									In	crease (Decreas		
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	117.00	\$30,720,260	\$9,434,087	\$40,154,347	117.00	\$30,720,260	\$9,434,087	\$40,154,347	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		\$9,781	(\$50,000)	(\$40,219)		\$9,781	(\$50,000)	(\$40,219)				\$0
Salary increase		631,676	133,586	765,262		441,684	94,320	536,004		(189,992)	(39,266)	(229,258)
Health insurance increase		324,415	68,607	393,022		382,847	81,210	464,057		58,432	12,603	71,035
Retirement contribution increase		79,896	16,896	96,792				0		(79,896)	(16,896)	(96,792)
Removes FTE positions	(5.00)	(560,182)		(560,182)	(5.00)	(560,182)		(560,182)				0
Underfunds salaries and wages		(210,252)	(600,994)	(811,246)	. ,	(210,252)	(600,994)	(811,246)				0
Adds funding to reclassify positions		560,678		560,678		560,678		560,678				0
Adds funding for temporary employees		56,400		56,400		56,400		56,400				0
Adjusts funding and FTE positions for IT unification	(4.00)	40,312		40,312	(4.00)	26,475		26,475		(13,837)		(13,837)
Reduces funding for operating expenses	· · · ·	(588,483)	(247,461)	(835,944)	, ,	(588,483)	(247,461)	(835,944)				0
Adds funding for contracted custodians		640,000		640,000		640,000		640,000				0
Increases funding for utility costs		427,650		427,650		427,650		427,650				0
Adds funding for information technology project costs		483,360		483,360		483,360		483,360				0
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308		55,584	21,724	77,308				0
Increases funding for statewide memberships and dues			,	0		93,614	,	93,614		93,614		93,614
Reduces funding for contingency fund		(100,000)		(100,000)		(100,000)		(100,000)				0
Reduces funding for bond payments		(206,352)		(206,352)		(206,352)		(206,352)				0
Increases funding for guardianship grants		(,)		(100,0001)		1,001,400		1,001,400		1,001,400		1,001,400
Increases funding for supervision grants				0		50,000		50,000		50,000		50,000
Adds matching grants for Prairie Public Broadcasting				0		200,000		200,000		200.000		200,000
Total ongoing funding changes	(9.00)	\$1,644,483	(\$657,642)	\$986,841	(9.00)	\$2,764,204	(\$701,201)	\$2,063,003	0.00	\$1,119,721	(\$43,559)	\$1,076,162
One-time funding items												
Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000			\$1,900,000	\$1,900,000				0
Adds funding for risk management technology project			170,000	170,000			170,000	170,000				0
Adds funding for state student internship program		\$250,000		250,000		\$250,000		250,000				0
Adds funding for electronic procurement study		50,000		50,000		50,000		50,000				0
Adds funding for special assessments on Capitol grounds		320,000		320,000			320,000	320,000		(320,000)	320,000	0
Adds funding for a litigation funding pool			4,000,000	4,000,000			2,500,000	2,500,000		()	(1,500,000)	(1,500,000)
Adds funding for a health savings account funding pool		800,000	700,000	1,500,000			_,,	0		(800,000)	(700,000)	(1,500,000)
Adds funding for an assessment of state lands and facilities	5		2,430,000	2,430,000			2,000,000	2,000,000		()	(430,000)	(430,000)
Adds funding to implement the ethics commission		100,000		100,000	=:		_,	_,000,000	Sec	(100,000)	()	(100,000)
Total one-time funding changes	0.00	\$1,520,000	\$9,200,000	\$10,720,000	0.00	\$300,000	\$6,890,000	\$7,190,000	0.00	(\$1,220,000)	(\$2,310,000)	(\$3,530,000)
Total Changes to Base Level Funding	(9.00)	\$3,164,483	\$8,542,358	\$11,706,841	(9.00)	\$3,064,204	\$6,188,799	\$9,253,003	0.00	(\$100,279)	(\$2,353,559)	(\$2,453,838)
2019-21 Total Funding	108.00	\$33,884,743	\$17,976,445	\$51,861,188	108.00	\$33,784,464	\$15,622,886	\$49,407,350	0.00	(\$100,279)	(\$2,353,559)	(\$2,453,838)

Barch 14,2019

SB2015

Other Sections for Office of Management and Budget - Budget No. 110

	Executive Budget Recommendation	Senate Version
Strategic investment and improvements fund transfer o budget stabilization fund	Section 3 would transfer \$315 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium, prior to July 1, 2019. Section 20 includes an emergency clause associated with the transfer.	
General fund transfer to National Guard training area and facility development trust fund	Section 4 would transfer \$15 million from the general fund to the National Guard training area and facility development trust fund.	
ax relief fund to human service finance fund	Section 5 would transfer \$182.3 million from the tax relief fund to the social services finance fund.	Section 3 transfers \$182.3 million from the tax relief fund to the human service finance fund.
Strategic investment and improvements fund transfer o public employees retirement fund	Section 6 would transfer \$265 million from the strategic investment and improvements fund to the public employees retirement fund.	
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 7 (First) would transfer \$1 million from the strategic investment and improvements fund to the preliminary planning revolving fund.	Section 4 transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
ine item transfers	Section 17 would authorize OMB to transfer up to 10 percent of the agency's appropriation authority between line items.	
Transfers between agencies	Section 18 would authorize OMB, at the direction of the Governor, to transfer up to 1 percent of the general fund appropriation authority between certain state agencies.	
State student internship program	Section 7 (Second) would authorize OMB to transfer student internship funding to other state agencies.	Section 5 authorizes OMB to transfer student internship funding to other state agencies.
itigation funding pool	Section 10 would authorize OMB to transfer litigation funding to other state agencies.	Section 6 authorizes OMB to transfer litigation funding to other state agencies.
lealth savings account funding pool	Section 11 would authorize OMB to transfer health savings account funding to other state agencies.	
Grant and expense designations	Section 9 would identify the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 7 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
apitol building fund		Section 8 identifies \$2,220,000 from the Capitol building fund, including \$1,900,000 for extraordinary repairs and \$320,000 for special assessments.
lisk management fund		Section 9 identifies \$170,000 from the risk management fund for an information technology project.
trategic investment and improvements fund		Section 10 identifies \$4.5 million from the strategic investment and improvements fund, including \$2.5 million for the litigation funding pool and \$2 million for a state facility assessment.

March 14, 2019

582015

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Other Sections for Office of Management and Budget - Budget No. 110

	Executive Budget Recommendation	Senate Version	
Prairie Public Broadcasting matching grant		Section 11 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.	
Fiscal management exemption	Section 8 would allow 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	Section 12 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	
State employee compensation adjustments	Section 12 would provide guidelines for up to a 4 percent salary increase to eligible state employees in the 1st year and a 2 percent salary increase in the 2nd year of the 2019-21 biennium. An additional 2 percent salary increase would be available in the 2nd year if state agencies have savings resulting from employee reductions. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	Section 13 provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	
Emergency Commission borrowing authority	Sections 13 and 15 would amend North Dakota Century Code Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow up to \$5 million per biennium from the Bank of North Dakota to address a state contingency.		
State employee performance bonus program	Section 21 would increase performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.	Section 14 increases performance bonus limits from \$1,000 to \$2,500 per employee per year and would remove a provision limiting performance bonuses to 25 percent of the agency's staff.	
Planning fees for capital improvements	Section 16 would amend Section 54-27-22 to allow OMB to pay consulting and planning fees associated with capital improvements without requiring approval from the Budget Section.		
Shared services fund	Section 14 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	Section 15 creates a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	
State employee suggestion incentive program	Section 19 would repeal Section 54-06-24 relating to the state employee suggestion incentive program.	Section 16 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 17 provides an effective date of June 30, 2021, related to the repeal.	
Health insurance premiums	Sections 22 and 23 would adjust provisions related to health insurance premiums to require employees to pay a portion of the premium for the grandfathered plan and would clarify the amount contributed to an individual's health savings account.		

March 20, 2019

SBZOIS

Attachment A

Testimony of Jodi Smith HB 1013 – 2/28/2019 – Page 13 of 24



work with Major Oak to assist in the procurement process and to ensure the new software systems result in implementation of significant efficiencies.

A collaborative planning effort is underway with the Information Technology Department (ITD) for project management, the Office of Management and Budget (OMB) or procurement, and the Executive Steering Committee (ESC) as required by N.D.C.C. § 54-59-32 for major IT projects. The ESC includes a project sponsor, the director of OMB (or designee), the state Chief Information Office (or designee), the Commissioner, and a large project oversight analyst designated by the State Chief Information Officer.

To date, the Department has contracted with Kelmar Associates, LLC, (Kelmar) to provide a software system to assist with the management and administration of unclaimed property. With substantial knowledge of unclaimed property departments across the United States, Kelmar is able to work closely with the Department in creating system tools and process workflows.

The Department is currently involved in the procurement process for a Financial Management and Accounting (FMA) system. A Proof of Concept contract is being negotiated with the intention of awarding a full contract in the summer of 2019. Once the Department approves the Proof of Concept for a FMA system, the Department will be able to begin the procurement process for a Land Management System which is anticipated to begin in April 2019.

The Department's 2017-2019 biennial budget appropriation includes \$3.6 million to replace legacy information technology systems as authorized by Senate Bill 2013 of the 65th Legislative Assembly. A spending update is as follows:

Spent through January 31, 2019 - \$112,617

Estimated spending through the end of the biennium (February 1 to June 30) - \$800,764 Estimated amount remaining to be carried over into the 2019-21 biennium - \$2,686,620

MAJOR COMPONENTS OF 2019-2021 BUDGET

The major components of the Department's budget are appropriated from special funds derived from the state lands maintenance fund, authorized under N.D.C.C. § 15-03-01.1, which provides:

There is created a special fund designated as the state lands maintenance fund, which is funded by the trust fund assets under the control of the board of university and school lands. All expenses paid out of the state lands maintenance fund are subject to legislative appropriation.

Funds are periodically transferred from the various trusts and programs managed by the Department to the maintenance fund to pay for administrative costs.

Costs that cannot be directly charged are allocated to the various trusts and programs managed by the Department based each trust or funds:

- FTEs' time allocation;
- Financial assets held;
- Mineral acreage owned; and
- Surface acreage owned.

552015

March 20, 2019 Testimony of Jodi Smith HB 1013 - 2/28/2019 Page 14 of 24

Costs that can be attributed to a specific trust or program are charged directly to that trust or program when possible. Examples of direct expenses include tract survey expenses, rent credits, and litigation involving minerals under navigable waters.

The Department also has continuing appropriation authority under N.D.C.C. §§ 15-04-24 and 15-07-22 for certain expenses related to managing and enhancing the value of assets under the Department's control. N.D.C.C. § 57-02.3-07 authorizes continuing appropriation authority for payments made in lieu of property taxes.

EIIO salaries and operations are funded directly from the Energy Infrastructure and Impact fund.

Funds that are received by the Unclaimed Property Division are maintained in a separate account to pay owner claims and expenses; the income from the net proceeds benefits the CSTF, which supports educational funding. N.D.C.C. § 47-30.1-23 contains continuing appropriation authority for:

- a. Any costs in connection with the sale of abandoned property;
- b. Costs of mailing, publication, and outreach efforts in connection with any abandoned property;
- c. Reasonable service charges;
- d. Costs incurred in examining records of holders of property and in collecting the property from those holders;
- e. Funds for the payment of claims; and
- f. Funds for the payment of holder refunds.

The following major components are included in the Department's 2019-2021 budget:

- Salaries and wages
- Operating expenses
- Contingencies

	2019-21 Budget Request	2017-19 Appropriation	2015-17 Appropriation	2013-15 Appropriation
Salaries and Wages	\$5,248,081	\$6,005,550	\$6,131,344	\$5,265,556
Operating Expenses	\$1,762,623	\$1,775,723	\$2,019,637	\$1,975,863
Contingencies	\$100,000	\$100,000	\$100,000	\$200,000
TOTAL	\$7,110,704	\$7,881,273	\$8,250,981	\$7,441,419



Att a

March 20, 2019

SB2011



attachment A

Securities Department - Budget No. 414 Senate Bill No. 2011 Base Level Funding Changes

	Ex	kecutive Budge	t Recommend	lation		Senate	e Version		Ser	nate Changes to	Executive Bud	get
							Increase (Decrease) - Executive Budget					
	FTE	General	Other		FTE	General	Other		FTE	General	Other	1
	Position	Fund	Funds	Total	Position	Fund	Funds	Total	Positions	Fund	Funds	Total
2019-21 Biennium Base Level	9.00	\$2,184,714	\$170,000	\$2,354,714	9.00	\$2,184,714	\$170,000	\$2,354,714	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Salary increase		\$88,493		\$88,493		\$61,982		\$61,982		(26,511)		(26,511)
Health insurance increase		37,792		37,792		44,620		44,620		6,828		6,828
Retirement contribution increase		11,536		11,536				0		(11,536)		(11,536)
Adds 1 FTE financial technology research and investigation positon	1.00	232,294		232,294	1.00	232,294		232,294				0
Adds Microsoft Office 365 funding		514		514		514		514				0
Change from general fund to special funded agency		· · · · · · · · · · · · · · · · · · ·		0		(2,524,124)	2,524,124	0		(2,524,124)	2,524,124	0
Total ongoing funding changes	1.00	\$370,629	\$0	\$370,629	1.00	(\$2,184,714)	\$2,524,124	\$339,410	0.00	(\$2,555,343)	\$2,524,124	(\$31,219)
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	1.00	\$370,629	\$0	\$370,629	1.00	(\$2,184,714)	\$2,524,124	\$339,410	0.00	(\$2,555,343)	\$2,524,124	(\$31,219)
2019-21 Total Funding	10.00	\$2,555,343	\$170,000	\$2,725,343	10.00	\$0	\$2,694,124	\$2,694,124	0.00	(\$2,555,343)	\$2,524,124	(\$31,219)

Other Sections for Securities Department - Budget No. 414

Line item transfers

Executive Budget Recommendation Section 2 authorizes the Securities Department to transfer up to 10 percent of the agency's total appropriation between line items during the 2019–21 biennium.

Section 3 appropriates any additional income from federal or other funds which may become available to the Securities Department for the 2019-21 biennium.

Appropriation - Additonal federal or other funds

Change to special funded agency

Section 2 amends North Dakota Century Code Section 10-04-03(5) to provide for the Securities Department to become a special funded agency by creating the Securities Department special fund, directing all fees, civil penalties, or other moneys collected by the agency into the fund and provides all revenues in excess of the agency's appropriation are to be transferred to the general fund.

Senate Version

March 20, 2019

SB2015

attachment B

CHAPTER 48-10 CAPITOL GROUNDS PLANNING COMMISSION



48-10-01. Capitol grounds planning commission.

The capitol grounds planning commission consists of the lieutenant governor as chairman and eight other members selected biennially as provided in this section. The governor shall appoint two citizens, one licensed architect, and one representative from the state historical society as members, the president of the senate shall appoint two senators as members, and the speaker of the house of representatives shall appoint two representatives as members. Appointment to the commission is for a term of two years. Legislative and citizen members of the planning commission are entitled to per diem payments and expenses in such amount and in the same manner as provided by law for members of the legislative management.

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.



Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed one hundred seventy-five thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

48-10-03. Powers and duties of the commission - Authority to accept gifts.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

March 20, 2019

SB2015

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.



at B



March 20, 2019

582015

Machnest C

Preliminary Planning Fund (460)

<u>Biennium</u> 97-99	Amount	Project Description
Beginning Balance	\$0.00	
Transfer from GF	\$200,000.00	
Expenditures	\$200,000.00	
Ending Balance	\$200,000.00	
	\$200,000.00	
99-01		
Beginning Balance	\$200,000.00	
Transfer to NDSU	(\$62,000.00)	Minard Hall renovation
Transfer to DSU	(\$45,000.00)	Murphy Hall renovation
Transfer to MiSU	(\$65,000.00)	Main Hall/McFarland Auditorium renovation
Transfer to DOCR	(\$19,500.00)	Multi-purpose/Food service building
Ending Balance	\$8,500.00	
01-03		
Beginning Balance	\$8,500.00	
Transfer from GF	\$95,000.00	
Payment from MiSU	\$44,500.00	
Payment from NDSU	\$62,000.00	
Transfer to UND	(\$12,474.50)	O'Kelly Hall renovation
Transfer to NDSCS	(\$36,705.54)	Horton Hall renovation
Transfer to VCSU	(\$14,000.00)	Graichen Gymnasium Egress & health safety project
Transfer to Lake Region	(\$22,000.00)	Science building and associated spaces renovation
Ending Balance	\$124,819.96	
03-05		
Beginning Balance	\$124,819.96	
Payment from DSU	\$25,250.00	
Payment from VCSU	\$12,000.00	
OMB-Architects	(\$32,229.12)	Fire suppression system
Transfer to DOCR	(\$45,000.00)	East cell house replacement
Ending Balance	\$84,840.84	
05-07		
Beginning Balance	\$84,840.84	
Transfer to DOCR	(\$15,000.00)	East cell house replacement
	\$32,229.00	
OMB repayment	1.1/ // 91.11	



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March 20, 2019

SB2015

att C

Preliminary Planning Fund (460)

09-11		
Beginning Balance	\$102,069.84	
Payment from NDSCS	\$36,706.00	
Payment from DOCR	\$64,500.00	
OMB-Architects	(\$8,270.53)	Schematic design and cost estimate
Transfer to NDSCS	(\$53,309.28)	Old Main renovation
Ending Balance	\$141,696.03	
11-13	4	
Beginning Balance	\$141,696.03	
Transfer to BSC	(\$23,350.35)	Structural engineer to review building sturdiness
Transfer to BSC	(\$80,103.50)	Schematic design and cost estimate
Ending Balance	\$38,242.18	
13-15		
Beginning Balance	\$38,242.18	
Payment from BSC	\$103,453.85	
OMB-Architects	(\$22,000.00)	Two-tier parking deck
Payment from NDSCS	\$53,309.28	
Transfer to VCSU	(\$79,000.00)	Fine arts building
Transfer to Historical	(\$9,955.00)	Stabilization of Double Ditch
Ending Balance	\$84,050.31	
	\$64,050.51	
15-17		
Beginning Balance	\$84,050.31	
Payment from Historical	\$9,955.00	
Ending Balance	\$94,005.31	
17-19		
Beginning Balance	\$94,005.31 *	k

* Current balance in the fund 3/19/19

March 20,2019

SB2015

attachment)

	Effective July 1, 2018	
	loyees must follow <u>SBHE policies</u> and <u>NDUS procedures.</u> nstitutions, must follow <u>OMB guidelines</u> .	State Agencies, excluding Higher
Level	Competition Requirements	Documentation Maintenance Requirement
Level 1 "Micro"	Obtain at least one fair and reasonable quote.	NDUS: Documentation not required
Purchase Less than	Note: Equipment and software must be added to inventory if \$5,000 or greater. (N.D.C.C. § 54-27-21 Fixed Asset Minimum Reporting Value)	Alternate Procurement form not required if multiple quotes not solicited
\$10,000	OMB: Rotate vendors solicited on an equitable basis (N.D.A.C. § <u>4-12-08-02</u>)	OMB: Document vendors solicited, quotes received, and award determination.
	OMB: State agencies (excluding Higher Education institutions) must submit <u>printing purchase requests</u> \$5,000 and over to OMB State Procurement.	
Level 2 Small Purchase	Solicit informal quotes/bids or proposals from at least three vendors, or post to SPO Online with appropriate state bidders list. May send to additional vendors.	Documentation is required. Alternate Procurement form required if competition is not
	OMB: ITD must review IT purchases over \$25,000. Contact <u>itdprocurement@nd.gov</u>	solicited from at least three vendors.
than \$50,000		The form is not required if three vendors are solicited and fewer than three bids or proposals are received.
Level 3 Informal Written	Solicit informal bids or proposals using SPO Online with appropriate state bidders list. May send to additional vendors.	Documentation is required Alternate Procurement form
Purchase At least	OMB: ITD must review IT purchases over \$25,000. Contact itdprocurement@nd.gov	required if: 1. Competition is not solicited. 2. SPO Online is not used.
\$50,000 but less than \$100,000	Contact <u>Reproduction (granding)</u>	 OMB: Competition is limited.
Level 4 Formal Purchase	Must be purchased using formal sealed bids or Request for Proposal (RFP). Solicitations must be posted using SPO Online with appropriate state	Documentation is required. Alternate Procurement required if:
\$100,000 and over	bidders list. May send to additional bidders. OMB: ITD must review IT purchases over \$25,000.	 Competition is not solicited, or competition is limited. SPO Online is not used.
	Contact itdprocurement@nd.gov	3. OMB: Competition is Limited.

1





March 20, 2019

SB2015



Information Technology Purchases Matrix February 2018

IT Purchase	Requirement
IT Purchases from State Contracts	ITD approval is generally not required for equipment, software, and services that are purchased from state contracts, except for equipment, software and services that are required to be provided by ITD and services from the IT Vendor Pool Contract 095.
IT Equipment, software and Services required to be provided by ITD	 Telecommunication and network equipment and services, including telephones and telephones systems (other than cell phones), automated attendant systems, call sequencers, lines, circuits, all data and video communication equipment and services, routers, switches, and data circuits. Submit ITD Work Request. Electronic mail, file and print server administration, database administration, application server, and hosting services, unless an approved hosting waiver is in place. Submit ITD Work Request. Specified agencies as defined in <u>NDCC § 54-59-22.1</u> must obtain desktop support services from ITD, including the acquisition, management and technical support of personal computers and peripheral devices. Office of Administrative Hearings, Office of the Governor, Commission of Legal Counsel for Indigents, Public Employees Retirement System, North Dakota University System, Department of Career and Technical Education, Department of Financial Institutions, Department of Veteran's Affairs, Aeronautics Commission, Council on the Arts, Agricultural Commissioner, Department of Labor and Human Rights, Indian Affairs Commission, Protection and Advocacy Project, Secretary of State, State Treasurer, State Auditor, Securities Department.
\$25,000 and over	Agency must submit the request to ITD for review prior to purchasing to ensure conformance with the agency's IT plan and statewide policies and standards.
\$100,000 and over	Agency must involve ITD in the planning and study of the projects over \$100,000. Submit a <u>Project Exploration</u> <u>Questionnaire</u> for review and receive a recommendation from ITD prior to proceeding with any planning and study related to the project.
\$100,000 - \$500,000	Agency must submit project information to ITD using the <u>Project Exploration</u> process. The project may require project management to be performed by ITD. ITD provides information to the Legislative Information Technology Committee.
\$250,000 and over	Agencies must assign a project manager and must comply with the applicable ITD Project Management Standards STD-009-05
\$500,000 and over [projects in this category are defined as "major information technology projects" under NDCC § 54-35- 15.2(10)]	 The agency and ITD assess the total cost of the project, including vendor costs, project management costs, agency costs, etc. If ITD concludes that the total cost is \$500,000 or more, an Executive Steering Committee (ESC) is established to oversee the project per NDCC § 54-59-32. Project Manager and Procurement Officer must meet the minimum qualifications established by ITD and OMB. All Major IT Projects require project management oversight by ITD. Sponsoring agency must present project startup and closeout reports. Collaboration between the agency, ITD, and OMB, in consultation with the Attorney General is required on the procurement, contract negotiations, and contract administration. The collaborative staff reviews the solicitation, contract or agreement, and any amendments related to the project before providing a recommendation to the ESC. The ESC may require Business Process Modeling as an initial step in the project.

March 20, 2019

SB2015

• ITD is required to provide quarterly status reports to the State Information and Technology Advisory Committee (SITAC) and Legislative Information Technology Committee(LITC).
Agency must present project start up and closeout reports to the LITC.
• Agency must notify SITAC of any budget or schedule variances of 20% or more, including corrective action to be taken.
 Contract and amendments must be signed by agency head and ITD Chief Information Officer or respective designees
OMB must approve all purchases of shadow systems (alternative solutions) to the State's implementation of PeopleSoft/Oracle. Submit a business case to the PeopleSoft-Oracle program manager.

2

March 28, 2019

SBZOIS

attachment A



PROPOSED AMENDMENTS TO ENGROSSED SB2015

SECTION _____. **AMENDMENT.** Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts_<u>Appropriation</u>.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section may be spent for purposes consistent with this section and are hereby appropriated to the capitol grounds planning commission. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.





March 28, 2019



at A

Preliminary Planning Fund (460)

09-11		
Beginning Balance	\$102,069.84	
Payment from NDSCS	\$36,706.00	
Payment from DOCR	\$64,500.00	
OMB-Architects	(\$8,270.53)	Schematic design and cost estimate
Transfer to NDSCS	(\$53,309.28)	Old Main renovation
Ending Balance	\$141,696.03	
11-13		
Beginning Balance	\$141,696.03	
Transfer to BSC	(\$23,350.35)	Structural engineer to review building sturdiness
Transfer to BSC	(\$80,103.50)	Schematic design and cost estimate
Ending Balance	\$38,242.18	
13-15		
Beginning Balance	\$38,242.18	
Payment from BSC	\$103,453.85	
OMB-Architects	(\$22,000.00)	Two-tier parking deck
Payment from NDSCS	\$53,309.28	
Transfer to VCSU	(\$79,000.00)	Fine arts building
Transfer to Historical	(\$9,955.00)	Stabilization of Double Ditch
Ending Balance	\$84,050.31	
45.47		
15-17	604 050 24	
Beginning Balance	\$84,050.31	
Payment from Historical	\$9,955.00	
Ending Balance	\$94,005.31	
17-19		
Beginning Balance	\$94,005.31 *	k
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2

* Current balance in the fund 3/19/19

March 28, 2019

SB2015

att A

Preliminary Planning Fund (460)

Biennium	Amount	Project Description
97-99		
Beginning Balance	\$0.00	
Transfer from GF	\$200,000.00	
Expenditures	\$0.00	
Ending Balance	\$200,000.00	
99-01		
Beginning Balance	\$200,000.00	
Transfer to NDSU	(\$62,000.00)	Minard Hall renovation
Transfer to DSU	(\$45,000.00)	Murphy Hall renovation
Transfer to MiSU	(\$65,000.00)	Main Hall/McFarland Auditorium renovation
Transfer to DOCR	(\$19,500.00)	Multi-purpose/Food service building
Ending Balance	\$8,500.00	
01-03		
Beginning Balance	\$8,500.00	
Transfer from GF	\$95,000.00	
Payment from MiSU	\$44,500.00	
Payment from NDSU	\$62,000.00	
Transfer to UND	(\$12,474.50)	O'Kelly Hall renovation
Transfer to NDSCS	(\$36,705.54)	Horton Hall renovation
Transfer to VCSU	(\$14,000.00)	Graichen Gymnasium Egress & health safety project
Transfer to Lake Region	(\$22,000.00)	Science building and associated spaces renovation
Ending Balance	\$124,819.96	
03-05		
Beginning Balance	\$124,819.96	
Payment from DSU	\$25,250.00	
Payment from VCSU	\$12,000.00	
OMB-Architects	(\$32,229.12)	Fire suppression system
Transfer to DOCR	(\$45,000.00)	East cell house replacement
Ending Balance	\$84,840.84	
05-07		
Beginning Balance	\$84,840.84	
Transfer to DOCR	(\$15,000.00)	East cell house replacement
OMB repayment	\$32,229.00	
Ending Balance	\$102,069.84	





april 5, 2019

SB2015

Att A

DMR REQUESTED CHANGES

ENGROSSED SENATE BILL NO. 2015 Page 2 line 20 SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. 0

Litigation funding pool

2,500,000 4,000,000

Page 3 lines 12-15

SECTION 6. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of management and budget shall transfer funds in an amount not to exceed \$2,000,000 to the industrial commission, \$1,200,000 to the office of the tax commissioner, \$300,000 to the agriculture commissioner, \$100,000 to the public service commission, and \$400,000 to other eligible state agencies from the litigation funding pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2019, and ending June 30, 2021.

2019-2021 Litigation Pool Request

	2017-	2019-21		
2	Actual	Estimated	Total Costs	Estimated Costs
1 Federal Environmental Regulation	\$1,200.00	\$0.00	\$1,200.00	\$1,500
2 BLM HF Rule	\$121,443.71	\$26,988.00	\$148,431.71	\$185,540
3 BLM VF Rule	\$370,179.53	\$82,264.00	\$452,443.53	\$565,554
4 ND Methane Rule	\$43,777.53	\$9,728.00	\$53,505.53	\$66,882
5 ND FTCA Claim	\$152,287.91	\$33,840.00	\$186,127.91	\$232,660
6 Sorum vs. ND	\$226,495.90	\$69,692.00	\$296,187.90	\$370,235
7 Enduro Resources	\$17,190.34	\$11,460.00	\$28,650.34	\$35,813
(Closed) RCA Oilfield Wastes	\$102,861.12		\$102,861.12	\$0
Potential New Litigation				\$550,000
(Washington case expected to be				
similar to BLM VF case)			\$1,269,408.04	\$2,008,184

2019-2021 Litigation Pool Request \$2,000,000



april 5,2019

AH. A

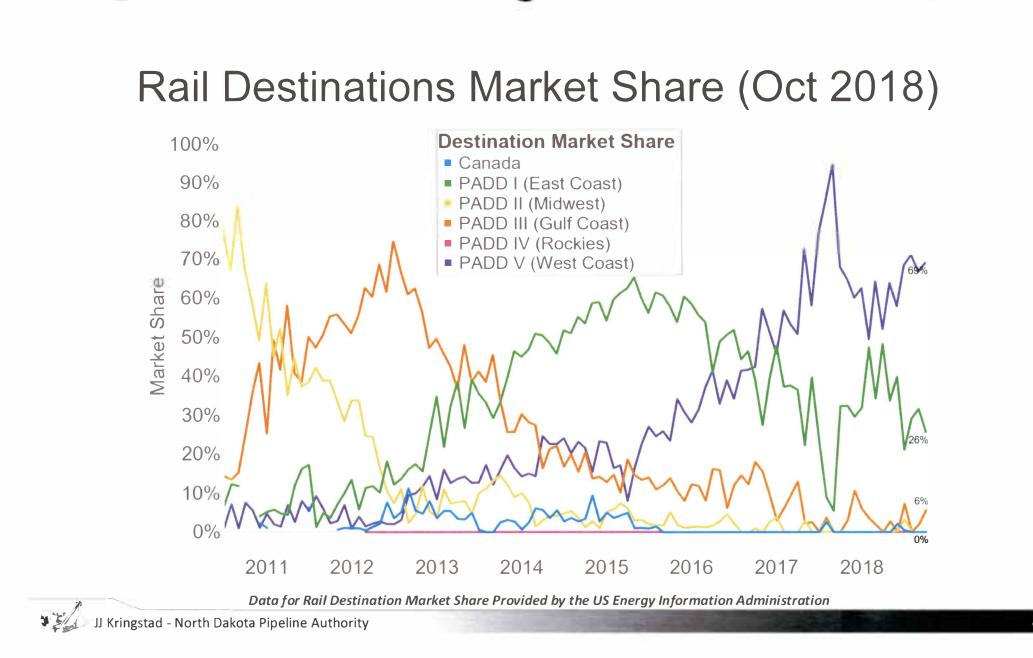


Estimated ND Rail Export Volumes

JJ Kringstad - North Dakota Pipeline Authority

2





SB 2015

Att. A

april 5, 2019

april 5,2019

SB2015

AH.

HOUSE BILL REPORT ESSB 5579

As Reported by House Committee On:

Environment & Energy

Title: An act relating to the volatility of crude oil received in the state by rail.

Brief Description: Concerning the volatility of crude oil received in the state by rail.

Sponsors: Senate Committee on Environment, Energy & Technology (originally sponsored by Senators Billig, Carlyle, Pedersen, Palumbo, Hasegawa, Keiser, Rolfes, Saldaña, Van De Wege, Frockt, Conway, Hunt, Liias, Dhingra, Kuderer and Nguyen).

Brief History:

Committee Activity:

Environment & Energy: 3/19/19, 4/1/19 [DPA].

Brief Summary of Engrossed Substitute Bill (As Amended by Committee)

- Prohibits a facility from unloading or loading crude oil into or from a rail tank car unless the oil has a vapor pressure of less than 9 pounds per square inch.
- Provides that the prohibition described above does not take effect until two years after the Department of Ecology (Ecology) has notified the Legislature that the annual volume of crude oil transported by rail in the state has increased by more than 5 percent over the volume of oil transported in 2018.
- Requires facilities to provide advance notice to Ecology of the type and vapor pressure of crude oil received by rail.

HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

Majority Report: Do pass as amended. Signed by 7 members: Representatives Fitzgibbon, Chair; Lekanoff, Vice Chair; Doglio, Fey, Mead, Peterson and Shewmake.

Minority Report: Do not pass. Signed by 3 members: Representatives Shea, Ranking Minority Member; Dye, Assistant Ranking Minority Member; Boehnke.

Staff: Robert Hatfield (786-7117).

House Bill Report

ESSB 5579

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

April 5,2019

582015

Att. A

Background:

Oil Spill and Response.

The Legislature enacted oil spill prevention and response measures in 1990 to promote the safety of marine transportation and protect state waters from oil spills. The director of the Department of Ecology (Ecology) has the primary authority to oversee prevention, abatement, response, containment, and cleanup efforts for oil spills in state waters. The oil spill program requires oil spill prevention plans, contingency response plans, and documentation of financial responsibility for vessels and facilities that may discharge oil into navigable waters.

Definition of "Facility."

"Facility" is defined in the Oil and Hazardous Substance Spill Prevention and Response Act as any structure, group of structures, equipment, pipeline, or device, other than a vessel, located on or near the navigable waters of the state that transfers oil in bulk to or from a tank vessel or pipeline, that is used for producing, storing, handling, transferring, processing, or transporting oil in bulk.

Oil Spill Prevention Plans and Oil Spill Contingency Plans.

The Department of Ecology administers an oil spill preparedness, prevention, and response program. Among other statutes administered by Ecology's Oil Spills Program, state law directs facilities including railroads, oil refineries, terminals, pipelines, and vessel operators involved in the bulk transfer of oil to put in place oil spill contingency plans outlining containment and remediation responses to potential oil spills from the vessel.

Disclosure of Information about Oil Transportation.

Vessel operators and railroads are required to provide an advance notice to Ecology that includes time, location, and volume information prior to certain transfers of oil. Facilities receiving crude oil from railroads must include in the advance notice the route taken to the facility, the scheduled time, location, volume, gravity of crude oil, and originating region of crude oil received. This advanced notice must be provided once per week to Ecology for the receipts scheduled for the following week. The Department of Ecology must also publish a quarterly report featuring information from the railroad receipt notices, including place of origin, mode of transport, number of railroad cars delivering oil, and the number and volume of spills during transport and delivery. Information in the quarterly report must be aggregated on a statewide basis by route, week, and type of oil.

Railroad Safety.

The Federal Railroad Administration is responsible for establishing national railroad safety rules. The rules address concerns such as hazardous materials; track, signal, and train control; operating practices; and motive of power and equipment. The Surface Transportation Board has jurisdiction over railroad rates, service issues, mergers, sales, construction, and abandonment of rail lines. The Pipeline and Materials Hazardous Safety Administration (PMHSA) within the United States Department of Transportation regulates movement of hazardous materials by all modes of transportation. The PHMSA develops standards to classify, handle, and package shipments of hazardous materials.



House Bill Report

ESSB 5579

April 5,2019

5B 2015

Summary of Amended Bill:

A facility may not load or unload crude oil into or from a rail tank car unless the oil has a vapor pressure of less than nine pounds per square inch. This prohibition does not take effect until two years after the Department of Ecology (Ecology) provides notification that the volume of crude oil transported by rail in a calendar year has increased more than 5 percent above the volume reported in 2018. The notification must be provided to the Legislature and to affected parties.

The Director of the Department of Ecology (Ecology) may impose a penalty of up to \$2,500 per day per rail car, or the equivalent volume of oil, for violations of the above prohibition. Any penalties recovered must be credited to the Coastal Protection Fund.

The act does not prohibit a railroad car carrying crude oil from entering Washington, does not require a railroad car carrying crude oil to stop before entering Washington, and does not require a railroad car carrying crude oil to be checked for vapor pressure before entering Washington.

The scope of information that a facility must provide to Ecology when it receives a shipment of oil by rail is expanded to include the type and vapor pressure of the oil.

The Department of Ecology must provide to the Utilities and Transportation Commission (UTC) data reported by facilities on the characteristics, volatility, vapor pressure, and volume of crude oil transported by rail.

The UTC must incorporate data received from Ecology in the development of its annual work plan and inspection activity.

Amended Bill Compared to Engrossed Substitute Bill:

The following changes are made:

- The intent section is removed.
- The prohibition on the loading and unloading of certain crude oil does not take effect until two years after the Department of Ecology (Ecology) provides notification that the volume of crude oil transported by rail during a calendar year has increased by more than 5 percent relative to the volume transported in 2018.
- The prohibition related to the storage of certain crude oil is removed.
- The Department of Ecology is required to provide to the Utilities and Transportation Commission (UTC) data reported by facilities on the characteristics, volatility, vapor pressure, and volume of crude oil transported by rail.
- The UTC is required to incorporate into its annual work plan the data received from Ecology related to the transport of crude oil.

Appropriation: None.

Fiscal Note: Available.

House Bill Report





Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 1, relating to the prohibition on the loading and unloading of certain crude oil, which takes effect two years after the Department of Ecology provides notification that the volume of crude oil transported by rail in a calendar year as reported under RCW 90.56.565 has increased more than 5 percent above the volume in 2018.

Staff Summary of Public Testimony:

(In support) This is a bill about safety for workers and communities. Crude oil from the Bakken region passes through Spokane via rail many times per day, over elevated tracks, near schools, hospitals, businesses, and homes. Oil trains also go under downtown Seattle. There was a derailment in Ritzville just last week; the train was not carrying oil, but it could have been. An explosion would be catastrophic: it would hurt people and shut down businesses. The Spokane Fire Department strategy to fight an oil train fire is to not fight it because it is so dangerous. One explosion of an oil train in Quebec killed 47 people. In Oregon an oil train derailment caused a fire that took 14 hours to put out. Setting new standards for vapor pressure helps to reduce an active threat. A federal regulatory agency is considering reviving regulations to regulate vapor pressure. This standard is essential for safety. The process to make crude oil safer to be transported by rail, which is called conditioning, already exists. There was an amendment to this bill in the Senate to delay the effective date of the prohibition until 2020 to allow oil companies to build up the necessary infrastructure to be able to do conditioning.

There are safety concerns with crude oil coming through the downtown corridor. A spill or fire would prevent the transport of ambulances to hospitals. One business owner could only afford a space near the railroad tracks, and that business would be impacted by a spill.

In Montana, an oil train derailed but did not catch fire. It had a lower vapor pressure.

Bakken crude oil is uniquely dangerous because of the liquid natural gas mixed in. There is no way to completely prevent oil train derailments. If an oil train were to derail in Spokane from the elevated rail tracks, it would devastate the community. Congress has delegated authority for rail safety to the states.

(Opposed) The North Dakota Attorney General intends to litigate this prohibition under the Interstate Commerce Clause. North Dakota recently spent \$1.6 million over seven years to litigate another matter. North Dakota's standards regarding conditioning took federal preemption into account. The infrastructure does not exist for crude oil stabilization and product transport. The North Dakota standard is based on science.

This bill is based on assumptions, including that North Dakota crude oil is different than other forms of crude, that 9 pounds per square inch (psi) is safer than other pressures, and that the infrastructure exists to condition crude oil down to 9 psi. Under the bill, Washington refineries could choose to purchase crude oil from other states, with no change in safety. Light sweet grades of crude oil command a price premium. Sweet grades of crude oil are safer for workers to extract than sour crude. North Dakota does not have the infrastructure to achieve 9 psi on a regular basis. Treating crude oil to get to 9 psi would require the removal



ESSB 5579

of valuable components, such as propane. Stabilizing crude oil to 9 psi does not make anybody safer; the remaining fuel is still rich in hexanes and butanes. Other equally flammable liquids are transported safely every day. There is no scientific basis for the 9 psi standard; it may have come out of litigation in New York.

There has been no definitive study that can say a lower vapor pressure is safer. Shifting away from rail would shift oil transport toward road and sea, which are less safe. There is a study currently underway to look at the relationship between vapor pressure and safety.

Bakken crude oil is not unique among other crude oils. One facility has invested millions of dollars in its rail facility, specifically with Bakken crude oil in mind. There would be no option but to shut down the rail facility if this bill passes. The only crude of similar quality comes from West Africa, Saudi Arabia, and Russia. The bill would have an immaterial impact on safety, and would significantly impact Washington's refineries.

There have been no incidents at one oil refinery in five years. Jobs at the refinery's rail facility would be lost if the bill is passed.

It is not accurate to say that fires of Bakken crude oil cannot be fought. Responding to a Bakken incident involves the same techniques as for other crude oils.

If enacted, this bill will endanger many family wage jobs in the South Puget Sound region. The bill will not reduce the risk of transporting crude oil in Washington. It is arbitrary, bad for employees, bad for the regional economy, and does not achieve the intended goal.

Forty-two percent of one oil refinery's crude oil has come in by rail since 2012 with no incidents. The bill will disadvantage Washington refiners relative to refiners in other states. Rail safety is about the rail and the container, not vapor pressure. The prohibition would increase ship traffic by 60 additional ships at one refinery. There has been a large drop in vessel traffic with the use of rail, which has provided benefits both for the environment and for safety.

The rail cars used to transport Bakken crude oil are new, safer rail cars, consistent with 2015 federal standards. Nine psi is not really that different from 13 psi when it comes to safety. The gasoline in cars is 13.5 psi, which is transported by tanker trucks over roads every day.

The bill would expand Washington's carbon footprint and place higher energy costs on Washington. Bakken crude oil provides Washington with cleaner energy than North Slope crude oil, because it has a higher energy content and it requires less energy to extract. Bakken crude oil travels less distance than other crude oils, and the shorter distance means increased safety.

There is a lack of science behind the bill. If there were solid facts to support the bill, it would be different, but those facts are not there. Salmon runs are dwindling, as are orca populations, and increased shipping would exacerbate that.



Att. A

Washington has a petroleum demand. The bill does not stop oil trains from passing through the state. The only thing it does is stop those trains from unloading crude oil in the state, which will make Washington less competitive.

(Other) The bill would improve on past rail safety measures. The bill would provide more information about oil shipments, which would help inform the public. Washington went from 0 percent of its crude oil being transported by rail in 2011, to 12 percent in 2017. A total of 2.3 billion gallons of oil were transported by rail in Washington in 2017.

There are unique complexities with transporting oil by rail. There are established policies to accelerate the transition to the safest possible rail cars. There are concerns with the statements in section 1 of the bill related to the use of brakes. The issue of cargo volatility is the domain of shippers, not transporters. Having one common national standard is preferable to a patchwork of state regulations.

Persons Testifying: (In support) Senator Billig, prime sponsor; Nancy Isserlis; Darcy Nonemacher, Washington Environmental Council; Raelene Gold, Washington League of Women Voters; and Nick Federici, City of Spokane.

(Opposed) Lynn Helms, Director, North Dakota Industrial Commission; Jeff Hume and Kip Wills, North Dakota Petroleum Council; Jolie Rhinehart and Steven Pepper, Phillips 66; Gabriel Westergreen, United Steel Workers; John Gustafson, United States Oil and Refining Company; Justin Anderson, Ryan Maxwell, and Jack Windley, Savage Services; James Tangaro, Refinery Manager Marathon Petroleum; Jeremy Chastain, Kelly Nelson, Royce Civico, and Brian Sigurdson, Phillips 66 and United Steelworkers; Bryan Meyer, Jon Purdy, Loston Carter, Aaron Eriksen, Shawn Miller, Gerald Robinson, Zachary Edwards, Luke Harper, Jeff Gunderson, Robert Slayer, and Andrew Ross, Watco Companies and United Steelworkers; and Thomas Frey, Watco Companies.

(Other) Dale Jensen, Department of Ecology; and Johan Hellman, BNSF Railway Company.

Persons Signed In To Testify But Not Testifying: None.



april 8, 2019

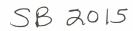
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DRAFT - PROPOSAL - 4/5/2019

Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

Senate Version House Version House Changes to Senate Version Increase (Decrease) - Senate Version FTE Other FTE General FTE General Other General Other Funds Fund Funds Funds Position Total Positions Positions Fund Total Fund Total 117.00 \$30,720,260 \$9,434,087 \$40,154,347 0.00 \$0 \$0 \$0 117.00 \$30,720,260 \$9,434,087 \$40,154,347 2019-21 Biennium Base Level 2019-21 Ongoing Funding Changes \$0 (\$50.000) (\$40,219) Base payroll changes \$9.781 (\$50.000)(\$40,219) \$9.781 85,131 13,629 94.320 634,764 98,760 Salary increase 441.684 536.004 526.815 107.949 466.789 2,732 2,732 Health insurance increase 382.847 81.210 464.057 385.579 81.210 Removes FTE positions (5.00)(560, 182)(560.182)(5.00)(560.182) (560.182)0 0 Underfunds salaries and wages (210,252) (600.994)(811.246) (210,252) (600.994)(811.246) 560,678 0 Adds funding to reclassify positions 560.678 560.678 560.678 Adds funding for temporary employees 56.400 56.400 56,400 56,400 0 (26,475) Adjusts funding and FTE positions for IT unification 26,475 26.475 0.00 0 0 4.00 (26,475) (4.00)Reduces funding for operating expenses (588, 483)(247,461) (835.944)(588.483) (247, 461)(835,944) 0 640,000 640,000 640,000 0 Adds funding for contracted custodians 640.000 Increases funding for utility costs 427,650 427,650 427,650 427,650 0 483.360 0 Adds funding for information technology project costs 483,360 483,360 483.360 77.308 55.584 77.308 0 Adds funding for Microsoft Office 365 licensing 55,584 21.724 21.724 Increases funding for statewide memberships and dues 93.614 93.614 93.614 93,614 0 (100,000)0 Reduces funding for contingency fund (100,000)(100,000)(100,000)Reduces funding for bond payments (206, 352)(206, 352)(206, 352)(206,352) 0 (780.000) (780.000) 221,400 221,400 Adjusts funding for guardianship grants 1,001,400 1,001,400 Adjusts funding for supervision grants 50,000 50,000 0 0 (50,000) (50,000)(200,000) (200,000) Adjusts finding for Prairie Public Broadcasting 200,000 200.000 0 0 \$1,795,592 (\$687,572) \$1,108,020 4.00 (\$968,612) \$13,629 Total ongoing funding changes (9.00)\$2,764,204 (\$701,201) \$2,063,003 (5.00)(\$954,983) One-time funding items 1,900,000 1,900,000 0 Adds funding for extraordinary repairs \$1.900.000 \$1,900.000 2.000.000 2.000.000 2,000,000 2,000,000 Adds funding Capitol south entrance project Λ Adds funding for special assessments on Capitol grounds 320.000 320.000 320.000 320.000 0 500.000 Adds funding for a litigation funding pool 2.500.000 2.500.000 3.000.000 3.000.000 500.000 Adds funding for an assessment of state lands and facilities 2,000,000 2,000,000 500.000 500.000 (1,500,000)(1,500,000)Adds funding for risk management technology project 170,000 170,000 170.000 170,000 0 Adds funding for state student internship program \$250,000 250.000 250.000 250.000 0 Adds funding for electronic procurement study 50.000 50.000 50.000 0 50,000 \$1,000,000 Total one-time funding changes 0.00 \$300,000 \$6,890,000 \$7,190,000 0.00 \$300,000 \$7,890,000 \$8,190,000 0.00 \$0 \$1,000,000 **Total Changes to Base Level Funding** (9.00)\$3,064,204 \$6,188,799 \$9.253.003 (5.00)\$2.095.592 \$7,202,428 \$9.298.020 4.00 (\$968,612) \$1,013,629 \$45,017 \$32,815,852 \$45.017 2019-21 Total Funding 108.00 \$33,784,464 \$15.622.886 \$49.407.350 112.00 \$16,636,515 \$49,452,367 4.00 (\$968.612) \$1.013.629

April 8, 2019



of the biennium in which the transfer is made.

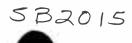
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Other Sections for Office of Management and Budget - Budget No. 110

	Senate Version	House Version
Tax relief fund to human service finance fund	Section 3 transfers \$182.3 million from the tax relief fund to the human service finance fund.	Section 3 transfers \$173.7 million from the tax relief fund to the human service finance fund.
Strategic investment and improvements fund transfer to general fund		Section 4 transfers \$750 million from the strategic investment and improvements fund to the general fund.
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 4 transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.	Section 5 transfers \$200,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
State student internship program	Section 5 authorizes OMB to transfer student internship funding to other state agencies.	Section 6 authorizes OMB to transfer student internship funding to other state agencies.
Litigation funding pool	Section 6 authorizes OMB to transfer litigation funding to other state agencies.	Section 7 authorizes OMB to transfer litigation funding to other state agencies.
Grant and expense designations	Section 7 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 8 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Capitol building fund	Section 8 identifies \$2,220,000 from the Capitol building fund, including \$1,900,000 for extraordinary repairs and \$320,000 for special assessments.	Section 9 identifies \$4,220,000 from the Capitol building fund, including \$2,000,000 for a Capitol building south entrance project, \$1,900,000 for extraordinary repairs, and \$320,000 for special assessments.
Risk management fund	Section 9 identifies \$170,000 from the risk management fund for an information technology project.	Section 10 identifies \$170,000 from the risk management fund for an information technology project.
Strategic investment and improvements fund	Section 10 identifies \$4.5 million from the strategic investment and improvements fund, including \$2.5 million for the litigation funding pool and \$2 million for a state facility assessment.	Section 11 identifies \$3.5 million from the strategic investment and improvements fund, including \$3 million for the litigation funding pool and \$500,000 for a state facility assessment.
Prairie Public Broadcasting matching grant	Section 11 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.	Section 12 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.
Fiscal management exemption	Section 12 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	Section 13 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
State employee compensation adjustments	Section 13 provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	Section 14 provides guidelines for salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Recognition of legacy fund earnings		Section 15 creates a new section to Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue

April 8,2019





Other Sections for Office of Management and Budget - Budget No. 110

	Senate Version	House Version
Capitol Grounds Planning Commission		Section 16 increases the spending limit of the Capitol Ground Planning Commission from \$175,000 to \$250,000 per biennium. Section 17 authorizes the Capitol Grounds Planning Commission to accept gifts of money for improvements to the Capitol grounds, including lanscaping projects.
State employee suggestion incentive program	Section 16 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 17 provides an effective date of June 30, 2021, related to the repeal.	Section 18 amends Section 54-06-24 to require employees to submit recommnedations prior to July 1, 2019. Section 20 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 21 provides an effective date of June 30, 2021, related to the repeal.
State employee performance bonus program	Section 14 increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.	Section 19 increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.
Shared services fund	Section 15 creates a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	

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5B2015 4-25-19 Pg1

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Funding Summary

2

	Base Budget	Senate Version	House Changes	House Version
Office of Management and				
Budget				
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426
Capital assets	973,477	2,837,125	2,000,000	4,837,125
Grants	54,000	54,000		54,000
Emergency commission contingency fund	600,000	500,000		500,000
Guardianship grants	1,328,600	2,330,000	(780,000)	1,550,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000
Community service supervision grants	350,000	400,000	(50,000)	350,000
Litigation pool		2,500,000	1,000,000	3,500,000
State student internship		250,000	?	250,000
Total all funds	\$40,154,347	\$49,407,350	\$545,017	\$49,952,367
Less estimated income	9,434,087	15,622,886	1,513,629	17 136 515
General fund	\$30,720,260	\$33,784,464	(\$968,612)	\$32,815,852
FTE	117.00	108.00	4.00	112.00
Bill total				
Total all funds	\$40,154,347	\$49,407,350	\$545,017	\$49,952,367
Less estimated income	9,434,087	15,622,886	1,513,629	17,136,515
General fund	\$30,720,260	\$33,784,464	(\$968,612)	\$32,815,852
FTE	117.00	108.00	4.00	112.00

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

	Base Budget	Senate Changes	Senate Version				
Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777				
Operating expenses	14,051,438	4,076,010	18,127,448				
Capital assets	973,477	1,863,648	2,837,125				
Grants	54,000		54,000				
Emergency commission contingency fund	600,000	(100,000)	500,000				
Guardianship grants	1,328,600	1,001,400	2,330,000				
Prairie Public Broadcasting	1,200,000	200,000	1,400,000				
Community service supervision grants	350,000	50,000	400,000				
Litigation pool		2,500,000	2,500,000				
State student internship		250,000	250,000				
Total all funds	\$40,154,347	\$9,253,003	\$49,407,350				
Less estimated income	9,434,087	6,188,799	15,622,886				
General fund	\$30,720,260	\$3,064,204	\$33,784,464				
FTE	117.00	(9.00)	108.00				

| SB 2015 4-25-19 pg 2

Department 110 - Office of Management and Budget - Detail of Senate Changes

Solarios and wagos	Adjusts Funding for Base Payroll Changes ¹ (\$40,219)	Adds Funding for Salary and Benefit Increases ² \$1,000,061	Removes FTE Positions and Adjusts Funding ³ (\$754,350)	Adjusts Funding and FTE Positions for IT Unification ⁴ (\$793,547)	Adjusts Funding for Operating Expenses⁵	Reduces Funding for Contingency Fund [®]
Salaries and wages Operating expenses	(\$40,219)	\$1,000,001	(\$754,550)	(\$753,547) 820,022	\$885,988	
Capital assets Grants						
Emergency commission contingency fund Guardianship grants Prairie Public Broadcasting Community service supervision grants Litigation pool State student internship		- <u></u> ,				(\$100,000)
Total all funds	(\$40,219)	\$1,000,061	(\$754,350)	\$26,475	\$885,988	(\$100,000)
Less estimated income	(50,000)	175,530	(600,994)	0	(225,737)	0
General fund	\$9,781	\$824,531	(\$153,356)	\$26,475	\$1,111,725	(\$100,000)
FTE	0.00	0.00	(5.00)	(4.00)	0.00	0.00

	Reduces Funding For Bond Payments ²	Increases Funding for Grants [®]	Adds One- Time Funding for Projects and a Funding Pool ^g	Total Senate Changes
Salaries and wages			* 0.070.000	(\$588,055)
Operating expenses	(\$000.050)		\$2,370,000	4,076,010
Capital assets	(\$206,352)		2,070,000	1,863,648
Grants Emergency commission contingency fund				(100,000)
Guardianship grants		\$1,001,400		1,001,400
Prairie Public Broadcasting		200,000		200,000
Community service supervision grants		50,000		50,000
Litigation pool			2,500,000	2,500,000
State student internship			250,000	250,000
Total all funds	(\$206,352)	\$1,251,400	\$7,190,000	\$9,253,003
Less estimated income	0	0	6,890,000	6,188,799
General fund	(\$206,352)	\$1,251,400	\$300,000	\$3,064,204
FTE	0.00	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$441,684	\$94,320	\$536,004
Health insurance increase	<u>382,847</u>	<u>81,210</u>	464,057
Total	\$824,531	\$175,530	\$1,000,061

³ FTE positions and funding for salaries and wages are adjusted as follows:

				•.
	FTE Positions	General Fund	Other Funds	Total
Removes FTE positions	(5.00)	(\$560,182)	\$0	(\$560,182)
Underfunds salaries and wages	0.00	(210,252)	(600,994)	(811,246)
Adds funding to reclassify positions	0.00	560,678	0	560,678
Adds funding for temporary employees	<u>0.00</u>	<u>56,400</u>	<u>0</u>	<u>56,400</u>
Total	(5.00)	(\$153,356)	(\$600,994)	(\$754,350)

⁴ Funding and FTE positions are adjusted as follows for the information technology unification initiative:

	FTE Positions	General Fund	Other Funds	Total
Transfers FTE positions	(4.00)	(\$793,547)	\$0	(\$793,547)
Adds funding for operating expenses	0.00	820,022	<u>0</u>	820,022
Total	(4.00)	\$26,475	\$0	\$26,475

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for information technology and maintenance costs	(\$588,483)	(\$247,461)	(\$835,944)
Adds funding for contracted custodians	640,000	0	640,000
Increases funding for utility costs	427,650	0	427,650
Adds funding for information technology costs associated with the state's accounting software and an employee onboarding project	483,360	0	483,360
Adds funding for Microsoft Office 365 licensing	55,584	21,724	77,308
Increases funding for statewide memberships and dues	<u>93,614</u>	<u>0</u>	<u>93,614</u>
Total	\$1,111,725	(\$225,737)	\$885,988

⁶ Funding is reduced for the Emergency Commission contingency fund by \$100,000, from \$600,000 to \$500,000.

⁷ Funding is reduced for bond payments to provide total funding of \$567,125.

⁸ Funding from the general fund is increased for grants as follows:

\$1,001,400 for guardianship grants to provide total funding of \$2,330,000.

\$50,000 for community service supervision grants to provide total funding of \$400,000.

\$200,000 for matching grants for Prairie Public Broadcasting to provide total funding of \$1,400,000.

⁹ Funding is added for the following one-time items:

	General Fund	Other Funds	Total
Extraordinary repairs (Capitol building fund)		\$1,900,000	\$1,900,000
Risk management technology project (risk management fund)		170,000	170,000
State student internship program	\$250,000		250,000
Electronic procurement study	50,000		50,000
Special assessments on Capitol grounds (Capitol building fund)		320,000	320,000
Litigation funding pool (strategic investment and improvements fund)		2,500,000	2,500,000
Assessment of state lands and facilities (strategic investment and improvements fund)		2,000,000	<u>2,000,000</u>
Total	\$300,000	\$6,890,000	\$7,190,000

This amendment also:

Transfers \$182.3 million from the tax relief fund to the human service finance fund.

Transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.

Authorizes the Office of Management and Budget (OMB) to transfer student internship funding and litigation funding to other state agencies.

Identifies the funding designated for certain grants and expenses, including statewide memberships and dues.

Identifies one-time funding of \$2.22 million from the Capitol building fund for extraordinary repairs (\$1.9 million) and special assessments (\$320,000).

Identifies one-time funding of \$170,000 from the risk management fund for an information technology project.

| SB2015 4-25-19

| 5B 2015 4-25-19 PT 4

- Identifies one-time funding of \$4.5 million from the strategic investment and improvements fund for a litigation funding pool (\$2.5 million) and a state facility assessment (\$2 million).
- Authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting and requires dollar-fordollar matching funds.
- Includes an exemption allowing 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
- Provides guidelines for salary increases averaging 2 percent with a minium of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.
- Creates a new shared services fund allowing state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.
- Repeals the state employee suggestion incentive program at the end of the 2019-21 biennium.

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

	Base	Senate Version	House	House Version
	Budget		Changes	
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426
Capital assets	973,477	2,837,125	2,000,000	4,837,125
Grants	54,000	54,000		54,000
Emergency commission contingency fund	600,000	500,000		500,000
Guardianship grants	1,328,600	2,330,000	(780,000)	1,550,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000
Community service supervision grants	350,000	400,000	(50,000)	350,000
Litigation pool		2,500,000	1,000,000	3,500,000
State student internship		250 000		250,000
Total all funds	\$40,154,347	\$49,407,350	\$545,017	\$49,952,367
Less estimated income	9,434,087	15,622,886	1,513,629	17,136,515
General fund	\$30,720,260	\$33,784,464	(\$968,612)	\$32,815,852
FTE	117.00	108.00	4.00	112.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding and FTE Positions for IT Unification ²	Reduces Funding for Grants ³	Adjusts One- Time Funding Items ⁴	Total House Changes
Salaries and wages	\$101,492	\$793,547			\$895,039
Operating expenses Capital assets		(820,022)		(\$1,500,000) 2,000,000	(2,320,022) 2,000,000
Grants Emergency commission contingency fund					
Guardianship grants			(\$780,000)		(780,000)
Prairie Public Broadcasting Community service supervision			(200,000) (50,000)		(200,000) (50,000)
grants					, , , , , , , , , , , , , , , , , , ,
Litigation pool State student internship				1,000,000	1,000,000
Total all funds	\$101.492	(\$26,475)	(\$1,030,000)	\$1,500,000	\$545,017
Less estimated income	13,629	0	0	1,500,000	1,513,629
General fund	\$87,863	(\$26,475)	(\$1,030,000)	\$0	(\$968,612)
FTE	0.00	4.00	0.00	0.00	4.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

² Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing operating expenses by \$820,022. The Senate included the information technology unification project.

³ Funding is reduced for grants as follows:

- \$780,000 for guardianship grants to provide a total of \$1.55 million. The Senate provided \$2.33 million.
- \$50,000 for community service supervision grants to provide a total of \$350,000. The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding. The Senate added \$200,000 of matching grants to provide \$1.4 million.

⁴ Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of \$500,000. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay court-ordered judgments against the state.
- Identifies \$4.22 million from the Capitol building fund for various projects. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation funding pool. The Senate identified \$4.5 million for the assessment and funding pool.
- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The Senate did not include this provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500. The Senate increased the performance bonus limit to \$2,500.
- Removes a section added by the Senate related to the creation of a shared services fund.

5

5B 2015 4-25-19

Office of Management and Budget - Budget No. 110 Senate Bill No. 2015 Base Level Funding Changes

4.0

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Senate Version			House Version				House Changes to Senate Version					
									Increase (Decrease) - Senate Version			
	FTE Positions	General	Other	Tetal	FTE	General	Other	Tatal	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	117.00	Fund \$30,720,260	Funds \$9,434,087	Total \$40,154,347	Position 117.00	Fund \$30,720,260	Funds \$9,434,087	Total \$40,154,347	0.00	Fund \$0	s0	s0
2019-21 Ongoing Funding Changes												
Base payroll changes		\$9.781	(\$50,000)	(\$40,219)		\$9,781	(\$50,000)	(\$40,219)				\$0
Salary increase		441,684	94,320	536,004		526,815	107,949	634,764		85,131	13,629	98,760
Health insurance increase		382,847	81,210	464,057		385,579	81,210	466,789		2,732	10,020	2,732
Removes FTE positions	(5.00)	(560,182)	01,210	(560,182)	(5.00)	(560,182)	01,210	(560,182)		2,702		2,702
Underfunds salaries and wages	(0.00)	(210,252)	(600,994)	(811,246)	(0.00)	(210,252)	(600,994)	(811,246)				ů 0
Adds funding to reclassify positions		560.678	(000,004)	560.678		560,678	(000,004)	560,678				0
Adds funding for temporary employees		56,400		56,400		56,400		56,400				0
Adjusts funding and FTE positions for IT unification	(4.00)	26,475		26,475	0.00	0		0	4.00	(26,475)		(26,475)
Reduces funding for operating expenses	(4.00)	(588,483)	(247,461)	(835,944)	0.00	(588,483)	(247,461)	(835,944)	4.00	(20,475)		(20,473)
Adds funding for contracted custodians		640.000	(247,401)	640.000		640,000	(247,401)	640,000				0
Increases funding for utility costs		427.650		427.650		427,650		427.650				0
Adds funding for information technology project costs		483,360		483,360		483,360		483,360				0
Adds funding for Microsoft Office 365 licensing		55,584	21,724	77,308		55,584	21,724	77,308				0
Increases funding for statewide memberships and dues		93,614	21,724	93,614		93,614	21,724	93,614				0
Reduces funding for contingency fund		(100,000)		(100,000)		(100,000)		(100,000)				0
Reduces funding for bond payments		(206,352)		(206,352)		(206,352)		(206,352)				0
Adjusts funding for guardianship grants		1,001,400		1,001,400		221,400		221,400		(780,000)		(780,000)
Adjusts funding for supervision grants		50,000		50,000		221,400		221,400		(780,000)		(780,000)
Adjusts finding for Prairie Public Broadcasting		200,000		200,000		0		0				(200,000)
Total ongoing funding changes	(9.00)	\$2,764,204	(\$701,201)	\$2,063,003	(5.00)	\$1,795,592	(\$687,572)	\$1,108,020	4.00	(200,000) (\$968,612)	\$13,629	(\$954,983)
One-time funding items												
Adds funding for extraordinary repairs			\$1,900,000	\$1,900,000			1,900,000	1,900,000				0
Adds funding Capitol south entrance project			ψ1,300,000	\$1,300,000 0			2.000.000	2,000,000			2,000,000	2,000,000
Adds funding for special assessments on Capitol grounds			320,000	320,000			320,000	320,000			2,000,000	2,000,000
Adds funding for a litigation funding pool			2,500,000	2,500,000			3,500,000	3,500,000			1,000,000	1,000,000
Adds funding for an assessment of state lands and facilities			2,000,000	2,000,000			500,000	500,000			(1,500,000)	(1,500,000)
Adds funding for risk management technology project			170,000	170,000			170,000				(1,500,000)	(1,500,000)
Adds funding for state student internship program		\$250.000	170,000	250.000		250,000	170,000	170,000 250,000				0
5 11 5		\$250,000 50.000										0
Adds funding for electronic procurement study Total one-time funding changes	0.00	\$300,000	\$6,890,000	50,000	0.00	50,000	\$8,390,000	50,000	0.00	0.0	£1 500 000	<u>U</u>
				\$7,190,000		\$300,000		\$8,690,000		\$0	\$1,500,000	\$1,500,000
Total Changes to Base Level Funding	(9.00)	\$3,064,204	\$6,188,799	\$9,253,003	(5.00)	\$2,095,592	\$7,702,428	\$9,798,020	4.00	(\$968,612)	\$1,513,629	\$545,017
2019-21 Total Funding	108.00	\$33,784,464	\$15,622,886	\$49,407,350	112.00	\$32,815,852	\$17,136,515	\$49,952,367	4.00	(\$968,612)	\$1,513,629	\$545,017

5B2015 4-25-19 Pg 1 #2

Other Sections for Office of Management and Budget - Budget No. 110

	Senate Version	House Version
Tax relief fund to human service finance fund	Section 3 transfers \$182.3 million from the tax relief fund to the human service finance fund.	Section 3 transfers \$173.7 million from the tax relief fund to the human service finance fund.
Strategic investment and improvements fund transfer to preliminary planning revolving fund	Section 4 transfers \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.	Section 4 transfers \$100,000 from the strategic investment and improvements fund to the preliminary planning revolving fund.
State student internship program	Section 5 authorizes OMB to transfer student internship funding to other state agencies.	Section 5 authorizes OMB to transfer student internship funding to other state agencies.
Litigation funding pool	Section 6 authorizes OMB to transfer litigation funding to other state agencies.	Section 6 authorizes OMB to transfer litigation funding to other state agencies.
Grant and expense designations	Section 7 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 7 identifies the funding designated for boys' and girls' clubwork, statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Capitol building fund	Section 8 identifies \$2,220,000 from the Capitol building fund, including \$1,900,000 for extraordinary repairs and \$320,000 for special assessments.	Section 8 identifies \$4,220,000 from the Capitol building fund, including \$2,000,000 for a Capitol building south entrance project, \$1,900,000 for extraordinary repairs, and \$320,000 for special assessments.
Risk management fund	Section 9 identifies \$170,000 from the risk management fund for an information technology project.	Section 9 identifies \$170,000 from the risk management fund for an information technology project.
Strategic investment and improvements fund	Section 10 identifies \$4.5 million from the strategic investment and improvements fund, including \$2.5 million for the litigation funding pool and \$2 million for a state facility assessment.	Section 10 identifies \$4 million from the strategic investment and improvements fund, including \$3.5 million for the litigation funding pool and \$500,000 for a state facility assessment.
Prairie Public Broadcasting matching grant	Section 11 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.	Section 11 authorizes OMB to provide a grant of up to \$200,000 to Prairie Public Broadcasting for essential equipment needs, but only to the extent Prairie Public Broadcasting provides one dollar of matching funds from nonstate sources for each dollar awarded by OMB.
Fiscal management exemption	Section 12 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.	Section 12 allows 2017-19 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2019-21 biennium.
State employee compensation adjustments	Section 13 provides guidelines for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	Section 13 provides guidelines for salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Recognition of legacy fund earnings		Section 14 creates a new section to Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made.

of the biennium in which the transfer is made.

#2 SB 2015 4-25-19 Pg 2

#2 5B 2015 4-25-19 Pg 3

Other Sections for Office of Management and Budget - Budget No. 110

2 3

Capitol Grounds Planning Commission	Senate Version	House Version Section 15 increases the spending limit of the Capitol Ground Planning Commission from \$175,000 to \$250,000 per biennium. Section 16 authorizes the Capitol Grounds Planning Commission to accept gifts of money for improvements to the Capitol grounds, including landscaping projects.	
State employee suggestion incentive program	Section 16 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 17 provides an effective date of June 30, 2021, related to the repeal.	Section 17 amends Section 54-06-24 to require employees to submit recommendations prior to July 1, 2019. Section 19 repeals Section 54-06-24 relating to the state employee suggestion incentive program. Section 20 provides an effective date of June 30, 2021, related to the repeal.	
State employee performance bonus program	Section 14 increases performance bonus limits from \$1,000 to \$2,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.	Section 18 increases performance bonus limits from \$1,000 to \$1,500 per employee per year and removes a provision limiting performance bonuses to 25 percent of the agency's staff.	
Shared services fund	Section 15 creates a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.		

19.0228.03000

Sixty-sixth Legislative Assembly of North Dakota

Introduced by

Appropriations Committee

FIRST ENGROSSMENT with House Amendments ENGROSSED SENATE BILL NO. 2015

3 5B 2015 4-25-19 Pqi

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions

- 2 under the supervision of the director of the office of management and budget; to create and
- 3 enact a new section to chapter 21-10 of the North Dakota Century Code, relating to the
- 4 recognition of legacy fund earnings; to amend and reenact sections 48-10-02 and 48-10-03,
- 5 subsection 2 of section 54-06-24, and section 54-06-30 of the North Dakota Century Code,
- 6 relating to the capitol grounds planning commission spending limits and authority to accept gifts,
- 7 the state employee suggestion incentive program, and state employee performance bonuses; to
- 8 repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee
- 9 suggestion incentive program; to provide compensation guidelines; to provide for a report to the
- 10 legislative assembly; to provide a continuing appropriation; to provide for a transfer; to provide
- 11 an exemption; and to provide an effective date.

12 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 office of management and budget, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

18			Adjustments or	
19		Base Level	Enhancements	Appropriation
20	Salaries and wages	\$21,596,832	\$306,984	\$21,903,816
21	Operating expenses	14,051,438	1,755,988	15,807,426
22	Emergency commission contingency fund	600,000	(100,000)	500,000
23	Capital assets	973,477	3,863,648	4,837,125
24	Grants	54,000	0	54,000

Page No. 1

19.0228.03000

				# 3 -	5В 2015 -25-19 Рдд	
	Sixty-sixth Legislative Assembly				pgz	
1	Guardianship grants	1,328,600	221,40	1,550,000		
2	Prairie public broadcasting	1,200,000		0 1,200,000		
3	Community service supervision grants	350,000		0 350,000		
4	Litigation funding pool	0	3,500,00	3,500,000		
5	State student internship program	<u>0</u>	250,00	250,000		
6	Total all funds	\$40,154,347	\$9,798,02	\$49,952,367		
7	Less estimated income	<u>9,434,087</u>	7,702,42	<u>17,136,515</u>		
8	Total general fund	\$30,720,260	\$2,095,59	92 \$32,815,852		
9	Full-time equivalent positions	117.00	(5.0	0) 112.00		
10	SECTION 2. ONE-TIME FUNDING	- EFFECT ON E	BASE BUDGET - R	EPORT TO THE		
11	SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time					
12	funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the					
13	2019-21 biennium one-time funding item	included in th	e appropriation in s	section 1 of this Act:		
14	One-Time Funding Description		2017-19	2019-21		
15	Surplus property building		\$800,000	\$0		
16	Theodore Roosevelt center grant		500,000	0		
17	Cybersecurity remediation pool		1,000,000	0		
18	Extraordinary repairs		0	1,900,000		
19	Capitol south entrance project		0	2,000,000		
20	Special assessments on capitol grounds	i	0	320,000		
21	Litigation funding pool		0	3,500,000		
22	Assessments of state lands and facilities	6	0	500,000		
23	Risk management technology project		0	170,000		
24	State student internship program		0	250,000		
25	Electronic procurement study		<u>0</u>	50,000		
26	Total all funds		\$2,300,000	\$8,690,000		
27	Total special funds		<u>1,800,000</u>	8,390,000		
28	Total general fund		\$500,000	\$300,000		
29	9 The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget					

30 for the 2021-23 biennium. The office of management and budget shall report to the

Sixty-sixth Legislative Assembly

#3 4.25-19 P9 3

1 appropriations committees of the sixty-seventh legislative assembly on the use of this one-time 2 funding for the biennium beginning July 1, 2019, and ending June 30, 2021. 3 SECTION 3. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND. 4 The office of management and budget shall transfer the sum of \$173,700,000 from the tax relief 5 fund to the human service finance fund during the biennium beginning July 1, 2019, and ending 6 June 30, 2021. 7 SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO 8 PRELIMINARY PLANNING REVOLVING FUND. The office of management and budget shall 9 transfer the sum of \$100,000 from the strategic investment and improvements fund to the 10 preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending 11 June 30, 2021. 12 SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE 13 AGENCIES. The office of management and budget shall transfer funds from the state student 14 internship program line item appropriated in section 1 of this Act to eligible state agencies for 15 student internships during the biennium beginning July 1, 2019, and ending June 30, 2021. 16 SECTION 6. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of 17 management and budget shall transfer funds from the litigation funding pool line item 18 appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the 19 biennium beginning July 1, 2019, and ending June 30, 2021. The office of management and 20 budget may not use funding from the litigation pool to pay judgments under section 32-12-04. 21 SECTION 7. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation 22 authority which may only be used for the following grants and special items: 23 \$53,000 Boys and girls club work 24 \$2,000,000 Unemployment insurance 25 \$25,000 Capitol grounds planning commission 26 Statewide memberships and related expenses \$625,064 27 SECTION 8. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING FUND. 28 The estimated income line item in section 1 of this Act includes \$4,220,000 of one-time funding 29 from the capitol building fund. Of the \$4,220,000, \$2,000,000 in the capital assets line item is for 30 a capitol building south entrance project, \$1,900,000 in the capital assets line item is for

31 extraordinary repairs, and \$320,000 in the operating expenses line item is for special

1 assessments associated with the capitol grounds. The funding for the capitol building south

2 entrance project may be used to enclose the existing tunnel for a new public entrance with

3 integrated security systems, to improve accessibility, and to address related exterior

4 landscaping and elevation changes.

5 SECTION 9. ESTIMATED INCOME - ONE-TIME FUNDING - RISK MANAGEMENT FUND.

6 The capital assets line item and the estimated income line item in section 1 of this Act includes

7 \$170,000 of one-time funding from the risk management fund for an information technology

8 project.

9

SECTION 10. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT

AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes
\$4,000,000 of one-time funding from the strategic investment and improvements fund. Of the
\$4,000,000, \$500,000 in the operating expenses line item is for an assessment of state lands
and facilities, and \$3,500,000 in the litigation funding pool line item is for a litigation funding
pool.

15 SECTION 11. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING FUNDS. The 16 prairie public broadcasting line item and the general fund appropriation in section 1 of this Act 17 includes \$200,000 for a grant of up to \$200,000 to prairie public broadcasting for essential 18 equipment needs. The \$200,000 may be awarded only to the extent prairie public broadcasting 19 provides one dollar of matching funds from nonstate sources for each dollar provided by the 20 office of management and budget.

SECTION 12. EXEMPTION - FISCAL MANAGEMENT. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 14 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems, including accounting, management, and payroll, during the biennium beginning July 1, 2019, and ending June 30, 2021.

27 SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

The 2019-21 biennium compensation adjustments for permanent state employees are
 to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per
 month per eligible employee for the first year of the biennium and are to average
 2.5 percent for the second year. The increases for the first year of the biennium are to

3 3B 2015 4-25-19 pg 5

Sixty-sixth Legislative Assembly

1 be given beginning with the month of July 2019, to be paid in August 2019, and for the 2 second year of the biennium are to be given beginning with the month of July 2020, to 3 be paid in August 2020. Except for minimum and maximum amounts, increases for 4 eligible state employees are to be based on documented performance and are not to 5 be the same percentage increase for each employee. 6 2. Agencies may use salaries and wages funding available due to vacant positions and 7 employee turnover to provide additional salary increases for selected employees to 8 address salary compression issues or to enhance merit-based increases for 9 employees essential to the effective operations of the agency. The biennial cost of any 10 additional salary increases must be within the agency's current salaries and wages 11 funding level. An agency may not request any additional funding for the 2021-23 12 biennium to continue the additional salary increases. 13 The office of management and budget shall develop guidelines for use by state 3. 14 agencies for providing compensation adjustments for classified state employees. The 15 guidelines must follow the compensation philosophy statement under section 16 54-44.3-01.2. 17 4. Probationary employees are not entitled to the increases. However, at the discretion of 18 the appointing authority, probationary employees may be given all or a portion of the 19 increases effective in July, paid in August, or upon completion of probation. Employees 20 whose overall documented performance level does not meet standards are not eligible 21 for any salary increase. 22 SECTION 14. A new section to chapter 21-10 of the North Dakota Century Code is created 23 and enacted as follows: 24 Recognition of legacy fund earnings for budget purposes. 25 For purposes of the development of the state budget, the legislative assembly shall 26 recognize legacy fund earnings transferred to the general fund at the end of each biennium in 27 accordance with section 26 of article X of the Constitution of North Dakota as part of the general 28 fund beginning balance for the subsequent biennium rather than as revenue of the biennium in 29 which the transfer is made at the end of the biennium. 30 SECTION 15. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is

31 amended and reenacted as follows:

3 SB 2015 4-25-19 pg 6

1 48-10-02. Capitol building fund to be administered by the capitol grounds planning 2 commission - Continuing appropriation - Procedure for expenditure of certain funds. 3 The capitol grounds planning commission shall have general powers to superintend the 4 administration of the capitol building fund, its interest and income fund, and its investments and 5 properties. It may cause any lands now held in such funds to be sold at market value, direct the 6 conversion of any securities now held by such funds to cash, approve expenditures from such 7 funds subject to law and legislative appropriations, and to do all other things necessary to carry 8 out the intent and purposes of this section. The board of university and school lands or its 9 designee, on the commission's behalf, shall see to the investment and management of the 10 capitol building fund and its interest and income fund and shall account to the commission 11 concerning these funds at the commission's request. 12 Provided further, all moneys and other property in the capitol building fund, except as 13 otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the 14 construction of an addition to the legislative wing of the state capitol building, and the capitol 15 grounds planning commission shall take necessary steps to accumulate and conserve the 16 money and property in the capitol building fund for such purpose. 17 The commission may, during any biennium, expend from the interest and income fund of 18 the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the 19 first day of any biennium, and such amount is hereby appropriated to the capitol grounds 20 planning commission. The expenditure may be made, after consideration of the capitol grounds 21 master plan, for projects or planning but may not exceed one hundred seventy five thousand two 22 hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval 23 by two-thirds of the total membership of the commission. The expenditure must be made upon a 24 voucher, or vouchers, prepared by the office of management and budget at the direction of the 25 commission. 26 SECTION 16. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is 27 amended and reenacted as follows: 28 48-10-03. Powers and duties of the commission - Authority to accept gifts -

29 Continuing appropriation.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the

58 2015 4-25-19 pg 7

1 capitol grounds and with gualified consultants retained by it to select sites for buildings. 2 facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The 3 commission shall develop and modify long-term plans for the development of the capitol 4 grounds. The commission shall approve or disapprove the basic style and exterior construction 5 of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. 6 Except as otherwise provided by this section, the commission has exclusive authority to accept 7 or reject gifts of any type or class of property for exterior placement on the capitol grounds or for 8 the improvement of the exterior construction of any building or facility on the capitol grounds. 9 including landscaping and improvements to the capitol grounds. Any gifts of money accepted 10 pursuant to this section must be deposited in the capitol building fund and are appropriated on a 11 continuing basis to the commission for purposes consistent with this section. No construction or 12 placement of an item on the capitol grounds may be undertaken without the approval of the 13 commission, unless the construction or placement is authorized by the legislative assembly. If 14 the legislative assembly by law or resolution authorizes the construction or placement of an item 15 on the capitol grounds, the commission shall approve the site, basic style, and exterior 16 construction of the item within a reasonable period of time. 17 The commission shall advise the director of the office of management and budget and the 18 legislative council on matters relating to the physical and aesthetic features of the interior of all 19 buildings on the capitol grounds. The commission must be called in and shall meet whenever 20 major interior changes, including new construction, remodeling, or renovation of any kind, are 21 proposed or considered for the buildings or facilities on the capitol grounds. The commission 22 must be consulted before the purchase or installation of furniture or fixtures in public areas of 23 the capitol and other buildings on the capitol grounds. The commission shall perform any other 24 duties as may be prescribed by law.

SECTION 17. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota
 Century Code is amended and reenacted as follows:

- APrior to July 1, 2019, a state employee may submit a recommendation or proposal to
 reduce expenditures within the employee's agency to a suggestion incentive
- 29 committee. The suggestion incentive committee shall administer the employee
- 30 suggestion incentive program created under this section and review all
- 31 recommendations or proposals for reduction of expenditures. The suggestion incentive

				#3	SB 2015 4-25-19
	Sixty-six Legislati		sembly		Pg 8
1		com	mittee may consider whether the recommendation or proposal to	reduce	
2		expe	enditures within the employee's agency applies to any other state	agency. The	
3		sugg	estion incentive committee shall notify the office of management	and budget o	f
4		any	recommendation that affects an agency other than the employing	agency. The	
5		gove	ernor shall appoint five state agency heads to the suggestion ince	ntive committe	e
6		for f	our-year staggered terms to commence on August first in the year	[.] of appointme	ent
7		and	to continue until the successors are appointed.		
8	SEC		18. AMENDMENT. Section 54-06-30 of the North Dakota Centur	y Code is	
9	amende	d and	reenacted as follows:		
10	54-0	6-30.	State employee performance bonus program - Criteria - Limi	itations.	
11	State	e age	ncies may provide monetary performance bonuses to their emplo	yees under th	is
12	section.				
13	1.	State	e agencies may pay bonuses under this section if:		
14		a.	The agency has had a written employee performance evaluation	policy in plac	e
15			for more than one year before paying the bonus;		
16		b.	The written employee performance evaluation policy required in	subdivision a	
17			must have at least three levels of performance criteria; and		
18		C.	The agency performance bonus program adopted under this sec	tion must be a	à
19			written policy and must be communicated to each employee in th	ie agency.	
20			Development of the written policy must include input from employ	yees.	
21	2.	State	e employees are eligible to receive a bonus under this section onl	y if:	
22		a.	The employee has held a position in state government for at least	st one year	
23			before a bonus is paid;		
24		b.	The employee's overall annual performance evaluation satisfies	the agency's	
25			performance bonus program criteria for receiving a bonus; and		
26		C.	The employee is a full-time or part-time regular nonprobationary	employee	
27			holding a regularly funded nontemporary position.		
28	3.	An e	mployee may not receive more than one performance bonus per	fiscal year an	d
29		may	not receive more than one thousand <u>five hundred</u> dollars in bonu	ses per fiscal	
30		year			

3 5B 2015 4-25-19 pg 9

Sixty-sixth Legislative Assembly

1	4.	Except as provided in this subsection, agencies may pay bonuses under this section
2		during a fiscal year to not more than the number of employees equal to twenty five
3		percent of the employees employed by the agency on July first at the beginning of
4		each state fiscal year. Upon a showing of special circumstances, North Dakota human
5		resource management services may approve pay bonuses above the twenty five-
6		percent limitation in this subsection. North Dakota human resource management
7		services shall report any exceptions granted under this subsection to the budget
8		section of the legislative management. Each agency must fund the performance bonus
9		program from within its agency budget for salaries and wages.
10	5.	Bonuses paid under this section may not be included in an employee's base salary for
11		purposes of calculating any wage or salary increase.
12	6.	Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.
13	SEC	TION 19. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.
14	SEC	TION 20. EFFECTIVE DATE. Section 19 of this Act becomes effective July 1, 2021.

Preliminary Planning Fund (460)

4 SB 2015 4-25-19 Pg 1

	<u>Biennium</u> 97-99	Amount	Project Description
	Beginning Balance	\$0.00	
	Transfer from GF	\$200,000.00	
	Expenditures	\$200,000.00	
	Ending Balance	\$200,000.00	
		\$200,000.00	
	99-01		
	Beginning Balance	\$200,000.00	
	Transfer to NDSU	(\$62,000.00)	Minard Hall renovation
	Transfer to DSU	(\$45,000.00)	Murphy Hall renovation
	Transfer to MiSU	(\$65,000.00)	Main Hall/McFarland Auditorium renovation
	Transfer to DOCR	(\$19,500.00)	Multi-purpose/Food service building
	Ending Balance	\$8,500.00	
	01-03		
	Beginning Balance	\$8,500.00	
	Transfer from GF	\$95,000.00	
	Payment from MiSU	\$44,500.00	
	Payment from NDSU	\$62,000.00	
	Transfer to UND	(\$12,474.50)	O'Kelly Hell reportion
	Transfer to NDSCS		O'Kelly Hall renovation Horton Hall renovation
	Transfer to VCSU	(\$36,705.54)	
2		(\$14,000.00)	Graichen Gymnasium Egress & health safety project
	Transfer to Lake Region	(\$22,000.00)	Science building and associated spaces renovation
	Ending Balance	\$124,819.96	
	03-05		
	Beginning Balance	\$124,819.96	
	Payment from DSU	\$25,250.00	
	Payment from VCSU	\$12,000.00	
	OMB-Architects	(\$32,229.12)	Fire suppression system
	Transfer to DOCR	(\$45,000.00)	East cell house replacement
	Ending Balance	\$84,840.84	
	05-07		
	Beginning Balance	\$84,840.84	
	Transfer to DOCR	(\$15,000.00)	East cell house replacement
	OMB repayment	\$32,229.00	
	Ending Balance	\$102,069.84	
		¥102,003.0 4	

4 582015 4-25-19 pg 2

09-**11**

0 9- 11		
Beginning Balance	\$102,069.84	
Payment from NDSCS	\$36,706.00	
Payment from DOCR	\$64,500.00	
OMB-Architects	(\$8,270.53)	Schematic design and cost estimate
Transfer to NDSCS	(\$53,309.28)	Old Main renovation
Ending Balance	\$141,696.03	
11-13		
Beginning Balance	\$141,696.03	
Transfer to BSC	(\$23,350.35)	Structural engineer to review building sturdiness
Transfer to BSC	(\$80,103.50)	Schematic design and cost estimate
Ending Balance	\$38,242.18	
13-15		
Beginning Balance	\$38,242.18	
Payment from BSC	\$103,453.85	
OMB-Architects	(\$22,000.00)	Two-tier parking deck
Payment from NDSCS	\$53,309.28	
Transfer to VCSU	(\$79,000.00)	Fine arts building
Transfer to Historical	(\$9,955.00)	Stabilization of Double Ditch
Ending Balance	\$84,050.31	
15-17		
Beginning Balance	\$84,050.31	
Payment from Historical	\$9,955.00	
Ending Balance	\$94,005.31	
17-1 9		

Beginning Balance

\$94,005.31 *

Transfer from SIIF

* Current balance in the fund 3/19/19

2019-2021 GOVERNOR'S BUDGET EXTRAORDINARY REPAIRS

5 5B 2015 4-25-19 pg1

Infrastructure Improvements: Remove and replace asphalt in parking areas and roads Remove and replace curb and gutter Sidewalk trip hazard areas Add new sidewalk along 4 th Street	\$400,000 \$150,000 \$100,000 \$150,000
Electrical Improvements:	
Replace original transformer in the Capitol tower	\$400,000
Miscellaneous repairs	\$100,000
Mechanical Improvements: Replace cooling tower at Liberty Memorial Building. Overhaul of two chillers in the Judicial Wing Miscellaneous repairs	\$150,000 \$100,000 \$100,000
Small Renovations:	
Restore brass doors and replace mechanical mechanisms on all door located in Capito	ol and
Judicial Wing ground floor	\$170,000
Replace elevator floor in each of two Judicial Wing elevators	\$80,000

Total

\$1,900,000

19.0228.02038 Title. Prepared by the Legislative Council staff for Senator Wardner April 25, 2019

5B 2015 4-25-19 pg 1

#6

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after the first semicolon insert "to provide for a legislative management study;"

Page 6, after line 20, insert:

"SECTION 16. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS. During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

- 1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;
- 2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;
- 3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and
- 4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Page 6, line 22, replace "16" with "17"

19.0228.02037 Title.

5B2015 4-25-19 P9 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after the first semicolon insert "to provide for a legislative management legacy fund earnings committee;"

Page 6, after line 20, insert:

"SECTION 16. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.

- 1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:
 - a. The majority and minority leaders of the house of representatives and the senate, or their designees;
 - b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;
 - c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;
 - d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and
 - e. The chairman of the legislative management, or the chairman's designee.
- 2. The legislative management shall designate the chairman of the committee.
- 3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.
- 4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.
- 5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management."

Page 6, line 22, replace "16" with "17"



19.0228.02024 Title. Prepared by the Legislative Council staff for Representative Boschee April 24, 2019

5B 2015 4-25-19 pg 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 5, replace "section" with "sections 15.1-27-04.2 and"

Page 1, line 6, after the first "to" insert "state aid minimum local effort and"

Page 6, after line 20, insert:

"SECTION 16. REPEAL. Section 15.1-27-04.2 of the North Dakota Century Code is repealed."

Page 6, line 22, replace "16" with "17"



subdivision may not exceed the previous year's amount in dollars subtracted for #S purposes of this subdivision by more than twelve percent; and

- b. Subtract an amount equal to seventy-five percent of all revenues listed in 5820/5 paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred gercent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.
- 5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to sixty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

15.1-27-05. School district equalization factor.

Repealed by S.L. 2007, ch. 163, § 58.

15.1-27-06. Per student payments - Weighting factors - High school students. Repealed by S.L. 2007, ch. 163, § 58.

15.1-27-07. Per student payments - Weighting factors - Elementary school students. Repealed by S.L. 2007, ch. 163, § 58.

15.1-27-07.1. Kindergarten payments - Determination.

Repealed by S.L. 2013, ch. 13, § 64.

15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.

Repealed by S.L. 2015, ch. 137, § 38.

15.1-27-08. Per student payments - Unaccredited high schools. Repealed by S.L. 2011, ch. 131, § 9.

15.1-27-09. Per student payments - Unaccredited elementary schools.

Repealed by S.L. 2011, ch. 131, § 9.

15.1-27-10. Per student payments - Special education.

- 1. Upon the written request of a school district, the superintendent of public instruction may forward all or a portion of any per student special education payments to which a school district is entitled directly to the special education unit of which the school district is a member.
- 2. The superintendent of public instruction may withhold state special education funds due a school district if, in response to a complaint, the superintendent finds that the district is not providing a free appropriate public education to a student as required by law. Any withholding under this subsection may not exceed an amount equal to the cost of meeting the affected student's needs.

15.1-27-11. Equity payments.

Repealed by S.L. 2015, ch. 137, § 38.

15.1-27-12. Per student payments - English language learners.

Repealed by S.L. 2007, ch. 163, § 58.

county ND Applicants	Actual Taxable	computed mills	Formula computed	amount produced	Deduction for under	2017 state/local funding	2017	Additional Deduction from	Actual State/local
	Per WSU	Impact Aid	property tax	with 60 mills	20% valuation	per WSU \$9646 formula \$9897 avg.	WSU	state/local per WSU	funding per WSU
40 Belcourt County Public School Board #7	525	1,054.23	927,136.00	52,767.00	-874,369.00	6,872.00	2,192.80	\$398.75	\$6,473.25
3 Fort Totten School District #30	1,119	543.05	102,704.00	11,348.00	-91,356.00	6,772.00	230.70	\$395.99	\$6,376.01
13 Twin Buttes School District #37	1,286	435.50	22,969.00	3,164.00	-19,805.00	7,419.00	51.63	\$383.59	\$7,035.41
43 Fort Yates School District #30	5,019	131.90	135,715.00	61,738.00	-73,977.00	6,879.00	327.23	\$226.07	\$6,652.93
40 St. John School District #3	5,420	90.84	184,633.00	121,949.00	-62,684.00	7,643.00	436.67	\$143.55	\$7,499.45
40 Dunseith School District #6	5,750	109.64	307,038.00	168,025.00	-139,013.00	7,613.00	828.44	\$167.80	\$7,445.20

4-25-19 pg 3

19.0228.02028 Title. Prepared by the Legislative Council staff for Senator Heckaman April 24, 2019

SB 2015 4-25-19 P9 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 8, after the first semicolon insert "to provide for a study;"

Page 6, after line 21, insert:

"SECTION 17. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD

COMMISSION. During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must include consideration of the implementation of the new Olmstead commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a Legislative Management study regarding the Olmstead Commission.



19.0228.02020 Title.

Prepared by the Legislative Council staff for Senator Heckaman

April 23, 2019

58 2015 4-25-15 pgi

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, after "enact" insert "section 37-15-02.1 and"

Page 1, line 3, after the second "to" insert "the uses of veterans' home facilities and"

Page 5, after line 5, insert:

"SECTION 14. Section 37-15-02.1 of the North Dakota Century Code is created and enacted as follows:

<u>37-15-02.1. Other uses of veterans' home facilities - Report to legislative management.</u>

In addition to the purposes identified in section 37-15-02, the administrator of the veterans' home, as approved by the administrative committee on veterans' affairs and reviewed by the budget section, may use the veterans' home facilities and grounds for other revenue generating activities. Any revenue received under this section must be deposited in the veterans' home operating fund. The veterans' home shall report biennially to the legislative management on the status of any revenue generating activities conducted on the veterans' home facilities and grounds under this section."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section authorizing the Veterans' Home to explore other revenue generating opportunities for the Veterans' Home facilities and grounds.



19.0228.02014 Title. Prepared by the Legislative Council staff for Senator Heckaman April 22, 2019

#11 5R 2015 4-25-19 pgl

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 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 department of corrections and rehabilitation"

Page 2, after line 28, insert:

"SECTION 3. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of providing a grant to a fire department serving the state hospital related to the purchase of a new fire truck, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment includes a one-time appropriation of \$875,000 from the strategic investment and improvements fund to the Department of Corrections and Rehabilitation for a grant to the Jamestown Fire Department for a new fire truck.







5B 2015 4-25-19

NORTH DAKOT

"THE BUFFALO CITY"

OFFICE OF THE FIRE CHIEF JIM REUTHER 209 SECOND AVENUE NORTHWEST JAMESTOWN, ND 58401 PHONE 701-252-1441



April 22, 2019

ND State Senator John Grabinger

"State of ND Aerial Ladder Platform" Ref:

Senator Grabinger,

It had been realized by the administration that way back in the 1950's that the ND State Hospital and now the James River Correctional Center would need an aerial ladder to truck for life safety incidents. At this time the Jamestown FD houses the states 95' 1984 Grumman Aerial Cat and maintains it with an agreement with the State Hospital. It has come to our departments attention that it is time to replace this life safety device. At this time, it is 35 years old, fire apparatus should be replaced between 30 and 35 years old do to the wear and tear and not meeting the NFPA standards for fire apparatus.

Here are a few reasons why the ladder truck should be replaced;

- It does not meet NFPA 1901 Standard for Automotive Fire Apparatus ۲
- Testing from outside firms has shown that truck is boarder line of failing its 5-year destruction test. If the • truck would fail it's testing, then must be taken out of service for liability reasons.
- Out riggers are failing; when the truck is set up the out riggers lift of the ground, which is a life safety • concern for firefighters and rescuers.
- The manufacture that made Grumman fire equipment is no longer in business so at times parts are hard to find or must be built.

The price quotes to replace the ladder truck from vender/s is between \$875,000 to \$1.1 million.

If I can be of any other assistances feel free to contact me.

Fire Chief Jim Reuther Jamestown Fire Department Jamestown, ND

19.0228.02017 Title.

#	582015
Prepared by the Legislative Council staff for	4-26-19
Conference Committee April 22, 2019	pg 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "54-06-30" insert ", section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly,"

Page 6, after line 9, insert:

"SECTION 15. AMENDMENT. Section 54-09-05 of the North Dakota Century Code, as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is one hundred seven thousand eight hundred eighty-five dollars through June 30, 20192020, and one hundred ten thousand five hundred eighty-two dollars thereafter."

19.0228.02030 Title.

Prepared by the Legislative Council staff for 4-26-19 **Representative Pollert** April 24, 2019

2 582015 pgl

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Senate Bill No. 2015 be amended as follows:

Page 1, line 8, remove "and"

Page 1, line 8, after "date" insert "; and to declare an emergency"

Page 6, after line 22, insert:

"SECTION 18. EMERGENCY. Senate Bill No. 2020, as approved by the sixty-sixth legislative assembly, is declared to be an emergency measure."



19.0228.02039 Title. Prepared by the Legislative Council staff for Representative Pollert April 25, 2019

38 2015 4-26-19 pg 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, replace "section" with "sections 6-09-49 and"

Page 1, line 5, after the first "the" insert "infrastructure revolving loan fund and"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, including diversion conservancy districts and water supply authorities, for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
- 2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. <u>New or replacement of existing water supply systems;</u>
 - b. New or replacement of existing water treatment plants;
 - b.c. New or replacement of existing wastewater treatment plants;
 - e.d. New or replacement of existing sewer lines and water lines; and
 - d.e. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
- 3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
- 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest

upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

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5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions."

19.0228.02029 Title.

 # 4
 5B 2015

 4-26-19

 Prepared by the Legislative Council staff for

 Representative Boschee April 24, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, replace "section" with "sections"

Page 1, line 4, after "54-06-30" insert ", 54-52-02.9, and 54-52-06, subsection 6 of section 54-52.6-02, and section 54-52.6-09"

Page 1, line 5, after "bonuses" insert "and public employer retirement contributions"

Page 1, line 7, after the second semicolon insert "to provide a penalty;"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

A temporary employee may elect, within Within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system and receive credit for service after enrollment. The Monthly, the temporary employee shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by athe temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January 2012, and; with an additional two percent increase, beginning with the reporting period of January 2013, and; with an additional increase of two percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. TheIn addition, the temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52,1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. AThe temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. AThe temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 17. AMENDMENT. Section 54-52-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06. Employer's contribution to retirement plan - <u>Report to legislative</u> assembly.

<u>1.</u> Each governmental unit shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Governmental unit contributions increase by one percent of the

monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and; with an additional increase of one percent, beginning with the reporting period of January 2013, and; he monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021.

- For those members who elect to exercise their rights under section 2. 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its the governmental unit's funds appropriated for payroll and salary or any other funds available for these purposes. Any governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereofof a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date they the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.
- 3. An employer is required to submit contributions for any past eligible employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05.
- <u>4.</u> The board shall report to each session of the legislative assembly the contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.

SECTION 18. AMENDMENT. Subsection 6 of section 54-52.6-02 of the North Dakota Century Code is amended and reenacted as follows:

6. A participating member who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee. The temporary employee electing to participate in the defined contribution retirement plan shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by <u>athe</u> temporary employee's present monthly salary beginning with the monthly reporting period of

19.0228.02029

January 2012, and; with an additional increase of two percent, beginning with the monthly reporting period of January 2013, and; with an additional increase of two percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. The addition, the temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. AThe temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.

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5B 2015 4-26-19

pg 3

SECTION 19. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

- 1. Each participating member shall contribute monthly four percent of the monthly salary or wage paid to the participant, and this assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter. Participating member contributions increase by one percent of the monthly salary or wage paid to the participant beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014.
- 2. The employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Employer contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and; with an additional increase of one percent, beginning with the monthly reporting period of January 2013, and; with an additional increase of one percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, the employer is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.

19.0228.02029

Each employer, at its the option of the employer, may pay the employee 3. contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they the contributions must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they the contributions are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its the employer's option under this subsection by reporting its the employer's choice to the board in writing."

Page 6, line 22, replace "16" with "20"

Renumber accordingly

5B 2015 4-26-19 1 pg 4

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19.0228.02018 Title.

# 5	5B 2015
Prepared by the Legislative Council staff for	4-26-19
Representative Boschee	Pg1
April 23, 2019	

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 6, after the semicolon insert "to provide for a legislative management study;"

Page 6, after line 20, insert:

"SECTION 16. LEGISLATIVE MANAGEMENT STUDY - FAMILY LEAVE

PROGRAM. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of implementing a paid family leave program structured to be beneficial to both families and businesses. The study must include an analysis of how to make the program financially sound while being affordable for families and businesses and a review of the data on usage rates from other states that have programs, which state agency would be best suited to administer the program, and policies required to ensure program success. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Page 6, line 22, replace "16" with "17"



19.0228.02013 Title. Prepared by the Legislative Council staff for 4-26-19 Representative Boschee April 22, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1633 of the Senate Journal and pages 1838-1841 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 6, after the semicolon insert "to provide for a legislative management study;"

Page 6, after line 21, insert:

"SECTION 17. LEGISLATIVE MANAGEMENT STUDY - DISCRIMINATION IMPACT ON WORKFORCE DEVELOPMENT. During the 2019-20 interim, the legislative management shall consider studying the impact on workforce development of the state's lack of statutory protection against discrimination based on sexual orientation and gender identity in housing and employment. The study must include consideration of the impact the lack of statutory protection has had and may have on workforce recruitment and retention by employers and communities, the perspectives of individuals entering the workforce from both in and out of state, how to balance religious freedoms and nondiscrimination protections, and a review of the opportunities and challenges other jurisdictions have experienced in implementing nondiscrimination laws. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtyseventh legislative assembly."



19.0228.02042 Title. Prepared by the Legislative Council staff for Senator Wardner April 25, 2019

3B 2015 4-26-19 191

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "Code" insert "and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly"
- Page 1, line 5, after "bonuses" insert "and a study of institutions for mental disease"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, is amended as follows:

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

- 1. The size and use of the state hospital;
- 2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;
- 3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative assembly affects the balance of inpatient, residential, and community-based services;
- 4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and
- 5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to OctoberJuly 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan."



19.0228.02037 Title. Prepared by the Legislative Council staff for Senator Wardner April 25, 2019 5B 2015 4-26-19 1 وم

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after the first semicolon insert "to provide for a legislative management legacy fund earnings committee;"

Page 6, after line 20, insert:

"SECTION 16. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.

- 1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:
 - a. The majority and minority leaders of the house of representatives and the senate, or their designees;
 - b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;
 - c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;
 - d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and
 - e. The chairman of the legislative management, or the chairman's designee.
- 2. The legislative management shall designate the chairman of the committee.
- 3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.
- 4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.
- 5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management."

Page 6, line 22, replace "16" with "17"

19.0228.02024 Title. SB 2015 4-26-19 Pg1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 5, replace "section" with "sections 15.1-27-04.2 and"

Page 1, line 6, after the first "to" insert "state aid minimum local effort and"

Page 6, after line 20, insert:

"SECTION 16. REPEAL. Section 15.1-27-04.2 of the North Dakota Century Code is repealed."

Page 6, line 22, replace "16" with "17"

19.0228.02028 Title. #10Prepared by the Legislative Council staff for
Senator Heckaman
April 24, 201958 20154-26-19
P11

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 8, after the first semicolon insert "to provide for a study;"

Page 6, after line 21, insert:

"SECTION 17. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD

COMMISSION. During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must include consideration of the implementation of the new Olmstead commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a Legislative Management study regarding the Olmstead Commission.

19.0228.02023 Title. Prepared by the Legislative Council staff for Representative Mock April 24, 2019

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 8, after the second semicolon insert "to provide a statement of legislative intent;"

Page 6, after line 21, insert:

"SECTION 17. LEGISLATIVE INTENT - PRESIDENTIAL LIBRARY

ARTIFACTS. It is the intent of the sixty-sixth legislative assembly that any artifacts or historical items at the Theodore Roosevelt presidential library and museum be managed in consultation with the university of North Dakota and Dickinson state university."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a statement of legislative intent regarding the management of artifacts at the Theodore Roosevelt presidential library and museum.



19.0228.02048 Title.

Prepared by the Legislative Council staff for 4 - 26 - 19Senator Holmberg April 26, 2019

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after the comma insert "and sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly;"
- Page 1, line 5, after "bonuses" insert "and a department of commerce nonresident nurse employment recruitment program"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 1 of House Bill No. 1018, as approved by the sixty-sixth 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 department of commerce for the purpose of defraving the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$12,995,788	\$221 ,498	\$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,928,111	57,838,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,152,915	(3,152,915)	θ
commission			
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	<u>0</u>	1,300,000	1,300,000
Total all funds	\$88,626,586	\$10,088,428	\$98,715,014
Less estimated income	<u>58,283,906</u>	139,387	<u>58,423,293</u>
Total general fund	\$30,342,680	\$ 9, 9 49,041	\$40,291,721
Full time equivalent positions	66.40	(4.60)	61.80

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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

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		Adjustments or		P92
	Base Level	Enhancements	Appropriation	150
Salaries and wages	<u>\$12,995,788</u>	<u>\$221,498</u>	<u>\$13,217,286</u>	
Operating expenses	15,477,622	2,620,581	<u>18,098,203</u>	
Grants	48,910,416	<u>8,628,111</u>	57,538,527	
Discretionary funds	2,200,000	<u>(50,000)</u>	2,150,000	
Agricultural products utilization	3,152,915	<u>(3,152,915)</u>	<u>0</u>	
commission				
North Dakota trade office	<u>2,000,000</u>	<u>(400,000)</u>	<u>1,600,000</u>	
Partner programs	1,939,845	<u>(377,314)</u>	1,562,531	
Entrepreneurship grants and vouchers	1,950,000	<u>998,4</u> 67	2,948,467	
Intermodal container shipping fees	<u>0</u>	1,300,000	1,300,000	
Total all funds	<u>\$88,626,586</u>	\$9,788,428	<u>\$98,415,014</u>	
Less estimated income	<u>58,283,906</u>	139,387	58,423,293	
Total general fund	<u>\$30,342,680</u>	<u>\$9,649,041</u>	<u>\$39,991,721</u>	
Full-time equivalent positions	66.40	(4.60)	61.80	

SECTION 17. AMENDMENT. Section 2 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 2. ONE TIME FUNDING EFFECT ON BASE BUDGET REPORT TO SIXTY SEVENTH LEGISLATIVE ASSEMBLY. The

following amounts reflect the one-time funding items approved by the sixty fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	<u>2019-21</u>
Flood impact grants/loans	\$5,201,752	\$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	θ
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	θ	1,000,000
Workforce safety grant	θ	1,000,000
Entrepreneurship grants and vouchers	θ	2,000,000
Sculpture maintenance grants	θ	75,000
Nonresident nurse employment recruitment	θ	800,000
Intermodal container transportation shipping fees	θ	1, 3 00,000
Job development and economic growth grant	<u>0</u>	<u>25,000</u>
Total all funds	\$11,301,752	\$11,925,000
Less estimated income	10,301,752	4,300,000
Total general fund	\$1,000,000	\$7,625,000

The 2019-21 biennium one time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty seventh legislative assembly on the use of this one time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The

following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

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One-Time Funding Description	<u>2017-19</u>		<u>2019-21</u>	pg
Flood impact grants/loans	<u>\$5,201,752</u>		<u>\$0</u>	
Unmanned aircraft system	2,000,000		2,225,000	
Base retention grants	600,000		<u>0</u>	
Enhanced use lease grant	3,000,000		3,000,000	
Workforce grants to tribally controlled community colleges	500,000		500,000	
Census 2020 program	<u>0</u>		1,000,000	
Workforce safety grant	<u>0</u>		1,000,000	
Entrepreneurship grants and vouchers	0 0 0 0		2,000,000	
Sculpture maintenance grants	<u>0</u>		75,000	
Nonresident nurse employment recruitment	<u>0</u>		500,000	
Intermodal container transportation shipping fees	<u>0</u>		1,300,000	
Job development and economic growth grant	<u>0</u> 0		25,000	
Total all funds	<u>\$11,301,752</u>	\$	511,625,000	
Less estimated income	10,301,752		4,300,000	
Total general fund	\$1,000,000		\$7,325,000	

<u>The 2019-21 biennium one-time funding amounts are not a part of</u> the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 18. AMENDMENT. Section 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes <u>\$800,000</u>\$500,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to \$4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the one-time appropriation for the nonresident nurse employment recruitment program in the Department of Commerce as approved in House Bill No.1018 by \$300,000, from \$800,000 to \$500,000 from the general fund.



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19.0228.02014 Title. Prepared by the Legislative Council staff for Senator Heckaman April 22, 2019

SB 2015 4-26-19 P1 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 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 department of corrections and rehabilitation"

Page 2, after line 28, insert:

"SECTION 3. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of providing a grant to a fire department serving the state hospital related to the purchase of a new fire truck, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment includes a one-time appropriation of \$875,000 from the strategic investment and improvements fund to the Department of Corrections and Rehabilitation for a grant to the Jamestown Fire Department for a new fire truck.

3 582015 4-26-19 pg 1

Heckaman, Joan M.

From: Sent: To: Subject: Grabinger, John Friday, April 26, 2019 9:20 AM Heckaman, Joan M. FW: Aerial Ladder additional Information

From: Jim Reuther <jreuther@daktel.com> Sent: Friday, April 26, 2019 8:52 AM To: Grabinger, John <jgrabinger@nd.gov> Subject: Aerial Ladder additional Information

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Senator Grabinger,

Our office received a phone call yesterday asking for additional information on the need for a ladder truck. And why would we need a ladder truck if the State Hospital and James River Correctional Center has fire sprinklers.

Sprinkler Systems:

• Fire sprinklers are only intended to put out small fires and allow occupants to self-rescue.

Ladder Truck:

- Are able to support a fire sprinkler system to help maintain the fire to extinguishment.
- Are able to reach places that ground ladders are not.
- Are able to rescue people from buildings like windows and roofs.
- Are able to be set up with less firefighters in a short amount of time.

Feel free to contact if you have any other questions, you can reach me on my cell if needed (701) 320-7083.

Jim Reuther Fire Chief

Jamestown Fire Department 209 2nd Ave NW Jamestown, ND 58401 Office (701)252-1441 Fax (701)252-4786 Email: jreuther@daktel.com Website: www.jamestown.org



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19.0228.02047 Title.

#4 5B 2015 Prepared by the Legislative Council staff for 4-26-19 Senator Heckaman A91 April 26, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 8, after the second semicolon insert "to provide for a legislative management study;"

Page 5, after line 5, insert:

"SECTION 14. LEGISLATIVE MANAGEMENT STUDY - OTHER USES OF VETERANS' HOME FACILITIES. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing other allowable revenue generating uses of the veterans' home facilities and grounds in addition to the purposes identified in section 37-15-02. The study must include an analysis of potential revenue generating activities for the veterans' home facilities and grounds, including a review of the effect on any federal requirements. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a Legislative Management study of additional uses of the Veterans' Home facilities and grounds.



19.0228.02029 Title.

5 582015 Prepared by the Legislative Council staff for **Representative Boschee**

April 24, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, replace "section" with "sections"

Page 1, line 4, after "54-06-30" insert ", 54-52-02.9, and 54-52-06, subsection 6 of section 54-52.6-02, and section 54-52.6-09"

Page 1, line 5, after "bonuses" insert "and public employer retirement contributions"

Page 1, line 7, after the second semicolon insert "to provide a penalty;"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

A temporary employee may elect, within Within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system and receive credit for service after enrollment. The Monthly, the temporary employee shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by athe temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January 2012, and; with an additional two percent increase, beginning with the reporting period of January 2013, and; with an additional increase of two percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. The In addition, the temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52,1-03,2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. AThe temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. AThe temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 17. AMENDMENT. Section 54-52-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06. Employer's contribution to retirement plan <u>- Report to legislative</u> <u>assembly.</u>

<u>1.</u> Each governmental unit shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Governmental unit contributions increase by one percent of the

#5 58 2019 monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012-and: with an additional increase of one percent, beginning with the reporting period of January 2013, and; with an additional increase of one percent, beginning with the monthly reporting period of January 2014: and with an additional increase of one percent, beginning with the monthly reporting period of January 2021.

P92

- 2. For those members who elect to exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its the governmental unit's funds appropriated for payroll and salary or any other funds available for these purposes. Any governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereofof a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinguent. If contributions are paid within ninety days of the date they the contributions became due, penalty and interest to be paid on delinguent contributions may be waived.
- An employer is required to submit contributions for any past eligible 3. employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05.
- The board shall report to each session of the legislative assembly the 4. contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.

SECTION 18. AMENDMENT. Subsection 6 of section 54-52.6-02 of the North Dakota Century Code is amended and reenacted as follows:

A participating member who becomes a temporary employee may still 6. participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee. The temporary employee electing to participate in the defined contribution retirement plan shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by athe temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of

19.0228.02029

4-26-19 January 2012. and: with an additional increase of two percent, beginning with the monthly reporting period of January 2013, and; with an additional increase of two percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. TheIn addition, the temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. AThe temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.

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193

SECTION 19. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

- 1 Each participating member shall contribute monthly four percent of the monthly salary or wage paid to the participant, and this assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter. Participating member contributions increase by one percent of the monthly salary or wage paid to the participant beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014
- 2. The employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Employer contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and, with an additional increase of one percent, beginning with the monthly reporting period of January 2013, and; with an additional increase of one percent, beginning with the monthly reporting period of January 2014; and with an additional increase of one percent, beginning with the monthly reporting period of January 2021. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, the employer is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinguent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinguent contributions may be waived.

4-26-19 3. Each employer, at its the option of the employer, may pay the employee PT4 contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they the contributions must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they the contributions are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise <u>its the employer's</u> option under this subsection by reporting its the employer's choice to the board in writing."

Page 6, line 22, replace "16" with "20"

Renumber accordingly

SB 2015

#5

19.0228.02049 Title.

5B 2015 #6 4-26-19 Prepared by the Legislative Council staff for **Representative Pollert** April 26, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, replace "section" with "sections 6-09-49 and"
- Page 1, line 5, after the first "the" insert "infrastructure revolving loan fund and"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
- 2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. <u>The Red River valley water supply project;</u>
 - b. New or replacement of existing water treatment plants;
 - b.c. New or replacement of existing wastewater treatment plants;
 - e.d. New or replacement of existing sewer lines and water lines; and
 - d.e. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
- 3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
- 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest

19.0228.02049

#6 5B 2015 4-26-19 pg 2

upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions."

Page 6, line 22, replace "16" with "17"

19.0228.02044 Title.

Prepared by the Legislative Council staff for 4 - 2L - 191991 Senator Wardner April 26, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "reenact" insert "the new section to chapter 15-10 of the North Dakota Century Code, as created by section 12 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly,"
- Page 1, line 5, after the first "the" insert "professional student exchange program and"
- Page 1, line 7, after "guidelines" insert ", and section 35 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly"
- Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. A new section to chapter 15-10 of the North Dakota Century Code, as created by section 12 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

Professional student exchange programs - Bank of North Dakota - Agreements - Repayment.

- The state board of higher education may not make a payment to an out-of-state institution on behalf of an individual participating in a professional student exchange program in veterinary medicine, dentistry, or optometry unless that individual signed a legally binding agreement with the state board of higher education which identifies the amount of the award under the professional student exchange program.
- If the individual who signed the agreement under subsection 1 is not practicing veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation or of leaving the education program, the individual shall repay the amount of the agreement in full at that time.
- 3. If the individual who signed the agreement under subsection 1 practices veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation, the state board of higher education shall reduce the amount of the agreement by one-third, for each full year the individual continues practicing in the state. If the individual stops practicing in this state before the amount of the agreement is waived in its entirety, the individual shall repay the remaining portion of the agreement in full from the date the individual stopped practicing in the state.
- 4. If the individual who signed the agreement under subsection 1 departs before graduation from a program in dentistry or optometry, at the time of departure that individual shall repay the amount of the agreement in full.
- 5. The Bank of North Dakota shall allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the Bank's student loan programs as an option for repayment, up to the

amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the Bank.

SB 2015 4-26-19

pg 2

- 6. The state board of higher education shall defer any repayment of an agreement otherwise due under this section for the period of time the individual who signed the agreement is pursuing full-time graduate or postdoctoral studies or is called to active duty as a member of the armed forces. The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled.
- 7. The state board of higher education shall adopt policies and procedures implementing this section. The state board of higher education shall confirm eligibility, to the Bank, of any individual who uses the Bank's student loan program to repay any outstanding agreement amounts in full."

Page 6, after line 20, insert:

"SECTION 17. AMENDMENT. Section 35 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 35. APPLICATION. Section 12 of this Act applies to individuals initially entering a professional student exchange program in veterinary medicine, dentistry, or optometry after June 30, 2020."

Page 6, line 22, replace "16" with "18"

19.0228.02041 Title. Prepared by the Legislative Council staff for Senator Wardner April 25, 2019

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5B 2015

4-26-19 Pg 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Senate Bill No. 2015 be amended as follows:

Page 1, line 6, after the semicolon insert "to authorize a full-time equivalent position for the attorney general;"

Page 6, after line 20, insert:

"SECTION 16. FULL-TIME EQUIVALENT POSITION AUTHORIZATION -ATTORNEY GENERAL. The attorney general is authorized one assistant attorney general full-time equivalent position to assist in litigation relating to voter identification, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall request funding transfers from the litigation funding pool line item in section 1 of this Act for salaries and wages costs of the position."



19.0228.02040 Title.

4-26-19 Prepared by the Legislative Council staff for Senator Wardner April 25, 2019

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199 J

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 3, after "enact" insert "section 6-09.4-28 and"
- Page 1, line 3, after the second "to" insert "infrastructure revolving loan fund debt repayments and"
- Page 1, line 4, replace "section" with "sections 6-09-49, 6-09.4-06, and 6-09.4-10, subsection 6 of section 21-03-07, sections 21-03-19,"

Page 1, line 4, after "54-06-30" insert ", 57-15-06.6, and 57-47-02"

Page 1, line 5, after the first "to" insert "the infrastructure revolving loan fund, borrowing and lending authority, reserve funds,"

Page 1, line 5, after "bonuses" insert ", and expanded bonding authority for counties"

Page 1, line 5, replace "section" with "sections"

Page 1, line 5, after "54-06-24" insert "and 61-02-78"

Page 1, line 6, after "program" insert "and a revolving loan fund for water projects"

Page 1, line 7, after the second semicolon insert "to provide a continuing appropriation;"

Page 1, line 8, after the first semicolon insert "to provide a bond issuance limitation;"

Page 1, line 8, remove "and"

Page 1, line 8, after "date" insert "; and to declare an emergency"

Page 2, after line 28, insert:

"SECTION 3. APPROPRIATION - 2017-19 BIENNIUM - PUBLIC FINANCE

AUTHORITY - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$14,000,000, or so much of the sum as may be necessary, to the public finance authority for the purpose of debt service repayments associated with bonds issued to support the infrastructure revolving loan fund and resources trust fund, for the period beginning with the effective date of this Act and ending June 30, 2019. The funding provided in this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION - BANK OF NORTH DAKOTA - LINE OF **CREDIT.** The Bank of North Dakota may extend a line of credit, not to exceed

\$100,000,000, to the infrastructure revolving loan fund established under section 6-09-49. The Bank may access the line of credit, to the extent necessary, the sum of which is appropriated, for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance by the public finance authority, for the biennium beginning July 1, 2019, and ending June 30, 2021. The interest rate



4-26-19 associated with the line of credit must be the same as the prevailing interest rate charged by the Bank to North Dakota governmental entities. If a line of credit is extended pursuant to this section, the Bank shall repay the line of credit from bond proceeds associated with the bonds issued by the public finance authority to support the infrastructure revolving loan fund.

SECTION 5. TRANSFER - INFRASTRUCTURE REVOLVING LOAN FUND FOR WATER PROJECTS TO INFRASTRUCTURE REVOLVING LOAN FUND. The state water commission shall transfer any outstanding loans from the infrastructure revolving loan fund under section 61-02-78 to the infrastructure revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 5, after line 5, insert:

"SECTION 17. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per vear.
- 2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. New or replacement of existing water treatment plants;
 - b. New or replacement of existing wastewater treatment plants;
 - New or replacement of existing sewer lines and water lines; and C.
 - d. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
- 3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a gualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
- 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

#9 5B 2015

Pg 2

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5 The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

Infrastructure revolving Ioan fund - Bank of North Dakota - Continuing appropriation.

- 1. The infrastructure revolving loan fund is a special fund in the state treasury administered by the Bank of North Dakota. The Bank shall use moneys in the fund to provide loans to political subdivisions for eligible infrastructure projects pursuant to subsections 6 and 7 and to provide loans to institutions of higher education for eligible infrastructure projects pursuant to subsection 8.
- 2. The Bank may adopt policies and establish guidelines to administer the loan program in accordance with this section, including policies to supplement and leverage the moneys in the fund and policies to allow participation by local financial institutions. A loan made from the fund must have an interest rate that does not exceed two percent per year. The maximum term of a loan for an infrastructure project under subsections 6 and 8 is thirty years, and the maximum term of a loan for an infrastructure project under subsection 7 is forty years.
- 3. All principal and interest payments received on loans made from the infrastructure revolving loan fund must be deposited into the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay administrative costs, which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement under this section.
- <u>An applicant shall issue an evidence of indebtedness as authorized by law.</u> <u>An institution of higher eduction shall identify at least one funding source</u> for the debt repayment, including:
 - a. Tuition or fee revenue collected by the institution of higher education;
 - b. Distributions of state aid received by the institution of higher education under chapter 15-18.2; or
 - c. Other sources of revenue.
- 5. In processing loan applications under this section, the Bank shall calculate the maximum loan amount available to a qualified applicant. Each applicant may have no more than twenty-five million dollars of outstanding loans from the fund for infrastructure projects under subsections 6 and 8. The Bank shall consider the ability of the applicant to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan. If an infrastructure project qualifies for funding through the state revolving fund established pursuant to chapters 61-28.1 and 61-28.2, the Bank shall

verify the loan application is for the portion of the project that is ineligible to receive funding from the state revolving fund.

9 58 2015

- 6. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
 - a. Water treatment plants;
 - b. Wastewater treatment plants;
 - c. Sewer lines and water lines, including lift stations and pumping systems;
 - <u>d.</u> <u>Water storage systems, including dams, water tanks, and water towers;</u>
 - e. Storm water infrastructure, including curb and gutter construction;
 - <u>f.</u> Road and bridge infrastructure, including paved and unpaved roads and bridges;
 - g. <u>Airport infrastructure;</u>
 - h. Electricity transmission infrastructure;
 - i. Natural gas transmission infrastructure; and
 - j. Communications infrastructure, excluding fiber optic infrastructure.
- 7. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in the best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
 - a. Flood control;
 - b. Water supply; and
 - c. Water management.
- 8. Eligible infrastructure projects for institutions of higher education are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of the institution and are in the best interest of the public. Except for routine maintenance and repair projects, capital construction projects include:
 - a. Sewer lines and water lines;
 - b. Storm water infrastructure, including curb and gutter construction; and
 - c. Road infrastructure.

SECTION 18. AMENDMENT. Section 6-09.4-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-06. Lending and borrowing powers generally.

- The public finance authority may lend money to political subdivisions or 1. other contracting parties through the purchase or holding of municipal securities which, in the opinion of the attorney general, are properly eligible for purchase or holding by the public finance authority under this chapter or chapter 40-57 and for purposes of the public finance authority's capital financing program the principal amount of any one issue does not exceed five hundred thousand dollars. However, the public finance authority may lend money to political subdivisions through the purchase of securities issued by the political subdivisions through the capital financing program without regard to the principal amount of the bonds issued, if the industrial commission approves a resolution that authorizes the public finance authority to purchase the securities. The capital financing program authorizing resolution must state that the industrial commission has determined that private bond markets will not be responsive to the needs of the issuing political subdivision concerning the securities or, if it appears that the securities can be sold through private bond markets without the involvement of the public finance authority, the authorizing resolution must state reasons for the public finance authority's involvement in the bond issue. The public finance authority may hold such municipal securities for any length of time it finds to be necessary. The public finance authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds payable solely from the revenues available to the public finance authority which are authorized or pledged for payment of public finance authority obligations, and to otherwise assist political subdivisions or other contracting parties as provided in this chapter or chapter 40-57.
- 2. The public finance authority may lend <u>or transfer</u> money to the Bank of North Dakota <u>underas follows:</u>
 - a. Under terms and conditions requiring the Bank to use the proceeds to make loans for agricultural improvements that qualify for assistance under the revolving loan fund program established by chapter 61-28.2; and
 - Under terms and conditions requiring the Bank to use the transferred b. proceeds to make loans for infrastructure projects that qualify for assistance under the infrastructure revolving loan fund established under section 6-09-49 and to use the transferred proceeds to support the resources trust fund. Bonds issued for this purpose are payable in each biennium solely from amounts the legislative assembly may appropriate for debt service for any biennium or from a reserve fund established for the bonds. This section does not require the state to appropriate funds sufficient to make debt service payments with respect to the bonds or replenish a related reserve fund. The bonds are not a debt of the Bank or the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the bonds. The obligation of the public finance authority with respect to the bonds must terminate and the bonds are no longer outstanding as of the date appropriated funds and reserves are insufficient to pay debt service on the bonds. In addition to providing funds for transfers to the Bank, the public finance authority may use the bond proceeds

#9 5B 2015

4-26-19 P9-5 to pay the costs of issuance of the bonds and establish a reserve fund for the bonds.

- 3. Bonds of the public finance authority issued under this chapter or chapter 40-57 are not in any way a debt or liability of the state and do not constitute a loan of the credit of the state or create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the faith and credit of the state, but all such bonds are payable solely from revenues pledged or available for their payment as authorized in this chapter. Each bond must contain on its face a statement to the effect that the public finance authority is obligated to pay such principal or interest, and redemption premium, if any, and that neither the faith and credit nor the interest on such bonds. Specific funds pledged to fulfill the public finance authority's obligations are obligations of the public finance authority.
- 4. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are payable solely from revenues or funds provided or to be provided under this chapter or chapter 40-57 and nothing in this chapter may be construed to authorize the public finance authority to incur any indebtedness or liability on behalf of or payable by the state.

SECTION 19. AMENDMENT. Section 6-09.4-10 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-10. Reserve fund.

1. The public finance authority shall establish and maintain a reserve fund in which there must be deposited all moneys appropriated by the state for the purpose of the fund, all proceeds of bonds required to be deposited therein by terms of any contract between the public finance authority and its bondholders or any resolution of the public finance authority with respect to the proceeds of bonds, any other moneys or funds of the public finance authority which it determines to deposit therein, any contractual right to the receipt of moneys by the public finance authority for the purpose of the fund, including a letter of credit or similar instrument, and any other moneys made available to the public finance authority only for the purposes of the fund from any other source or sources. Moneys in the reserve fund must be held and applied solely to the payment of the interest on and the principal of bonds and sinking fund payments as the same become due and payable and for the retirement of bonds, including payment of any redemption premium required to be paid when any bonds are redeemed or retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if the withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve, except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and sinking fund payments and for the retirement of bonds in accordance with the terms of any contract between the public finance authority and its bondholders and for the payments on account of which interest or principal or sinking fund payments or retirement of bonds, other moneys of the public finance authority are not then available in accordance with the terms of the contract. The required debt service reserve must be an aggregate amount

4.26-19 equal to at least the largest amount of money required by the terms of all contracts between the public finance authority and its bondholders to be raised in the then current or any succeeding calendar year for the payment of interest on and maturing principal of outstanding bonds, and sinking fund payments required by the terms of any contracts to sinking funds established for the payment or redemption of the bonds.

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- 2. If the establishment of the reserve fund for an issue or the maintenance of an existing reserve fund at a required level under this section would necessitate the investment of all or any portion of a new reserve fund or all or any portion of an existing reserve fund at a restricted yield, because to not restrict the yield may cause the bonds to be taxable under the Internal Revenue Code, then at the discretion of the public finance authority no reserve fund need be established prior to the issuance of bonds or the reserve fund need not be funded to the levels required by other subsections of this section or an existing reserve fund may be reduced.
- 3. No bonds may be issued by the public finance authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and the bonds to be issued. Nothing in this chapter prevents or precludes the public finance authority from satisfying the foregoing requirement by depositing so much of the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve the required debt service reserve. The public finance authority may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the required debt service reserve, or to meet such higher or additional reserve as may be fixed by the public finance authority with respect to such fund.
- 4. In order to assure the maintenance of the required debt service reserve, there shall be appropriated by the legislative assembly and paid to the public finance authority for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve. However, the commission may approve a resolution for the issuance of bonds, as provided by section 6-09.4-06, which states in substance that this subsection is not applicable to the required debt service reserve for bonds issued under that resolution.
- 5. If the maturity of a series of bonds of the public finance authority is three years or less from the date of issuance of the bonds, the public finance authority may determine that no reserve fund need be established for that respective series of bonds. If such a determination is made, holders of that respective series of bonds may have no interest in or claim on existing reserve funds established for the security of the holders of previously issued public finance authority bonds, and may have no interest in or claim on reserve funds established for the holders of subsequent issues of bonds of the public finance authority.
- The industrial commission may determine that this section is inapplicable <u>6.</u> in whole or in part for bonds issued under sectionas follows:
 - Under section 6-09.4-06 and as authorized by the sixty-sixth a. legislative assembly;

- b. Under section 6-09.4-24; or under
- <u>c.</u> <u>Under</u> the public finance authority's state revolving fund program.

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P98

SECTION 20. Section 6-09.4-28 of the North Dakota Century Code is created and enacted as follows:

<u>6-09.4-28. Debt service requirements - Infrastructure revolving loan fund -</u> <u>Resources trust fund.</u>

Each biennium, the public finance authority shall request from the legislative assembly an appropriation from the general fund to meet the debt service requirements for evidences of indebtedness issued by the authority to support the infrastructure revolving loan fund and the resources trust fund.

SECTION 21. AMENDMENT. Subsection 6 of section 21-03-07 of the North Dakota Century Code is amended and reenacted as follows:

The governing body of any county may also by resolution adopted by a 6. two-thirds vote dedicate the tax levy authorized by section 57-15-06.6 and subsection 5 of section 57-15-06.7 and may authorize and issue general obligation bonds to be paid by the dedicated levy for the purpose of providing funds for the purchase, construction, reconstruction, or repair of regional or county correction centers, or parks and recreational facilitiespurposes identified under section 57-15-06.6 and subsection 5 of section 57-15-06.7; provided, that the initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper, and any owner of taxable property within the county may, within sixty days after publication, file with the county auditor a protest against the adoption of the resolution. Protests must be in writing and must describe the property which is the subject of the protest. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the county, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.

SECTION 22. AMENDMENT. Section 21-03-19 of the North Dakota Century Code is amended and reenacted as follows:

21-03-19. Bonds - Terms.

Bonds issued under this chapter must be authorized by resolution, bear such date or dates, be in such denomination or denominations, be in such form, be subject to redemption with or without premium, and be subject to such other terms or conditions as in the judgment of the municipality are in the public interest of the municipality, and must provide that the last installment of principal falls due not more than twenty years from the date of the bonds or not more than thirty years for bonds sold to the entities under section 21-03-30. The requirements of this section apply to each new issue of bonds, or if so determined by the governing body, to the bonds of a new issue combined with all of the outstanding bonds of one or more designated issues of bonds previously issued and similarly payable from taxes or other sources of revenues, or both, as the case may be."

Page 6, after line 20, insert:

"SECTION 25. AMENDMENT. Section 57-15-06.6 of the North Dakota Century Code is amended and reenacted as follows:

5B 2015 4.26-19

57-15-06.6. County capital projects levy.

- <u>1.</u> The board of county commissioners of each county may levy an annual tax not exceeding ten mills plus any voter-approved additional levy as provided in subsection 8 of section 57-15-06.7 for the purpose of the following capital projects:
- 1. <u>a.</u> Constructing and equipping and maintaining structural and mechanical components of regional or county corrections centers or for the purpose of contracting for corrections center space capacity from another public or private entity.
- 2. <u>b.</u> Acquiring real estate as a site for public parks and construction and equipping and maintaining structural and mechanical components of recreational facilities under section 11-28-06.
- 3. <u>c.</u> Acquiring real estate as a site for county buildings and operations and constructing and equipping and maintaining structural and mechanical components of county buildings and property.
- 4. <u>d.</u> Acquiring real estate as a site for county fair buildings and operations and constructing and equipping and maintaining structural and mechanical components of county fair buildings and property as provided in section 4-02-26.
- 5. <u>e.</u> Acquiring and developing real estate, capital improvements, buildings, pavement, equipment, and debt service associated with financing for county supported airports or airport authorities.
- 6. <u>f.</u> Expenditures for the cost of leasing as an alternative means of financing for any of the purposes for which expenditures are authorized under <u>subsections 1subdivisions a</u> through 5<u>e</u>.
 - g. Improvement of the county road system, including the acquisition of land, construction of new paved and unpaved roads and bridges, replacement of existing paved and unpaved roads and bridges, and maintenance and repair of existing paved and unpaved roads and bridges.
- 2. Any voter-approved levy for the purposes specified in this section approved by the electors before January 1, 2015, remains effective through 2024 or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years.

SECTION 26. AMENDMENT. Section 57-47-02 of the North Dakota Century Code is amended and reenacted as follows:



57-47-02. County authorized to borrow - Term - Interest rate.

4-26-19 pg 10 Whenever in the judgment of the board of county commissioners all taxes authorized to be levied in any one year for general or special county purposes are insufficient to carry on the primary governmental functions, or to pay the mandatory obligations imposed by law upon a county, then such a county may borrow money in such an amount as the board shall determine to be necessary to meet the deficiencies existing in its general or special funds, or to carry on primary governmental functions, and to pay mandatory obligations. For the purpose of borrowing, a county may issue evidences of indebtedness, which must consist of an agreement by the county to pay a stated sum on a specified date, or on or before a specified date, not more than fivetwenty years in the future, together with interest thereon at a rate or rates resulting in an average annual net interest cost not to exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at a public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public sale must comply with the procedures set out in chapter 21-03. There is no requirement for an advertisement for bids if an evidence of indebtedness is sold privately or to the state of North Dakota or any of its agencies or instrumentalities."

Page 6, line 21, replace "Section" with "Sections"

Page 6, line 21, after "54-06-24" insert "and 61-02-78"

Page 6, line 21, replace "is" with "are"

Page 6, after line 21, insert:

"SECTION 29. PUBLIC FINANCE AUTHORITY - BOND ISSUANCE

LIMITATION. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority may issue up to \$250,000,000 of evidences of indebtedness, but not in an amount that would cause the repayments to exceed \$35,000,000 per biennium, for the purpose of supporting the infrastructure revolving loan fund and the resources trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Of the total evidences of indebtedness issued by the public finance authority, an amount equal to the outstanding principal balance of loans transferred under section 5 of this Act must be used to support the resources trust fund, and the remaining amount must be used to support the infrastructure revolving loan fund. The term of any evidences of indebtedness issued under this section may not exceed thirty years. The public finance authority may issue bond anticipation notes for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance."

Page 6, line 22, replace "16" with "27"

Page 6, after line 22, insert:

"SECTION 30. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds provisions authorizing the Public Finance Authority to issue up to \$250 million of bonds to support the infrastructure revolving loan fund and the resources trust fund and appropriates \$14 million during the 2017-19 biennium with authority to continue into the 2019-21 biennium for bond repayments.

#9 58 2015

19.0228.02046 Title. Prepared by the Legislative Council staff for Senator Wardner April 26, 2019 582015 4-26-19 pg 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "section" insert "15.1-27-03.1 as amended by sections 8 and 9 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, section"
- Page 1, line 5, after "the" insert "determination of weighted average daily membership for state school aid calculation,"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code as amended in section 8 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-27-03.1. Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - b. 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;
 - c. 0.40 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - d. 0.28 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - e. 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;

f. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district *PJ* 2 under chapter 15.1-23;

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- g. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- h. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- i. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- j. 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- k. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
- n. 0.501.00 the number of students by which the district's September tenth enrollment report exceeds the number of students in the prior year's average daily membership.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

4-26-19 SECTION 15. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code as amended in section 9 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

#10 58 2015

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15.1-27-03.1. Weighted average daily membership - Determination.

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- For each school district, the superintendent of public instruction shall 1. multiply by:
 - 1.00 the number of full-time equivalent students enrolled in an a. extended educational program in accordance with section 15.1-32-17;
 - 0.60 the number of full-time equivalent students enrolled in a summer b. education program, including a migrant summer education program;
 - 0.40 the number of full-time equivalent students who: C.
 - On a test of English language proficiency approved by the (1) superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners:
 - 0.28 the number of full-time equivalent students who: d.
 - On a test of English language proficiency approved by the (1) superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - Are enrolled in a program of instruction for English language (2) learners:
 - 0.25 the number of full-time equivalent students under the age of e. twenty-one enrolled in grades nine through twelve in an alternative high school;
 - 0.20 the number of full-time equivalent students enrolled in a f. home-based education program and monitored by the school district under chapter 15.1-23;
 - 0.17 the number of full-time equivalent students enrolled in an early g. childhood special education program;
 - 0.15 the number of full-time equivalent students in grades six through h. eight enrolled in an alternative education program for at least an average of fifteen hours per week;
 - 0.10 the number of students enrolled in average daily membership, if i. the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students

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in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

- j. 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- k. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1;
- n. 0.601.00 the number of students by which the district's September tenth enrollment report exceeds the number of students in the prior year's average daily membership increasing the factor annually by 0.10, not to exceed 1.00; and
- o. For districts paid based on September tenth enrollment in the prior year, 0.501.00 the number of students determined by deducting the number of students in the prior year's September tenth enrollment from the prior year's average daily membership, increasing the factor annually by 0.10, not to exceed 1.00. If the prior year's September tenth enrollment exceeds the prior year's average daily membership, then a deduction of 0.501.00 the number of exceed 1.00.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership."

19.0228.02051 Title. Prepared by the Legislative Council staff for Representative Mock April 26, 2019

5B 2015 4-26-19 pg J

11

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 4, after "Code" insert "and section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly"
- Page 1, line 5, after "bonuses" insert "and a transfer to the statewide interoperable radio network fund"

Page 6, after line 20, insert:

"SECTION 16. AMENDMENT. Section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. AMENDMENT. Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND. After other moneys in the statewide interoperable radio network fund, the transfer of \$20,000,000 from the strategic investment and improvements fund, and the \$80,000,000 line of credit have been used, the The industrial commission shall transfer the sum of \$20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021. Before the industrial commission transfers any current earnings and accumulated undivided profits from the Bank of North Dakota to the statewide interoperable radio network fund, \$25,000,000 of the line of credit must be used."

19.0228.02052 Title. Prepared by the Legislative Council staff for Senator Holmberg April 26, 2019

12 58 2015 4-26-19 pg1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

- Page 1, line 5, after "bonuses" insert ", and section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly"
- Page 1, line 7, replace "a report to the legislative assembly" with "reports"

Page 6, after line 21, insert:

"**SECTION 17. AMENDMENT.** Section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. During the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education may transfer appropriation authority from the capital assets to the operations line item within subdivisions 2 through 14 of section 1 of this Act after an institution has matched and used seventy-five percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management."

19.0228.02053 Title.

April 26, 2019

SB 2015 4-26-19 PJ 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "reenact" insert "section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly, and"

Page 1, line 5, after the first "to" insert "specialty area teacher qualifications and"

Page 5, after line 5, insert:

"SECTION 14. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly is amended and reenacted as follows:

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

- 1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
 - a. Is licensed to teach by the education standards and practices board;
 - b. Is approved to teach in that area by the education standards and practices board; and
 - c. Meets all requirements set forth in rule by the superintendent of public instruction.
- 2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.
- 3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.
- 4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:

- a. Has a permit issued by the board and has a high school diploma;
- 58 2015 4.26-19 of fg 2

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- b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or
 - (2) Possesses a certificate, permit, or degree in the subject area to be taught; and
- c. Enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district."

Page 6, line 22, replace "16" with "17"

Renumber accordingly

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19.0228.02032 Title.

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 2, after line 28, insert:

"SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND

IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of _______ from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 6, line 22, replace "16" with "17"

19.0228.02033 Title. Prepared by the Legislative Council staff for Conference Committee April 25, 2019 5B2015 4-26-19 PJ |

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 2, after line 28, insert:

"SECTION 3. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$8,600,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 6, line 22, replace "16" with "17"

