

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1015 - Funding Summary**

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Office of Management and Budget			
Salaries and wages	\$14,157,807	\$12,018,846	(\$2,138,961)
Operating expenses	12,307,126	9,696,346	(2,610,780)
Equipment	244,500	171,000	(73,500)
Capital improvements	1,320,620	1,320,620	
Grants	34,692,934	274,000	(34,418,934)
Statewide compensation plan	5,400,000	5,000,000	(400,000)
Total all funds	<u>\$68,122,987</u>	<u>\$28,480,812</u>	<u>(\$39,642,175)</u>
Less estimated income	47,747,445	9,592,120	(38,155,325)
General fund	<u>\$20,375,542</u>	<u>\$18,888,692</u>	<u>(\$1,486,850)</u>
FTE	153.00	132.00	(21.00)
DHS - Economic Assistance			
Grants		\$125,000	\$125,000
Total all funds	<u>\$0</u>	<u>\$125,000</u>	<u>\$125,000</u>
Less estimated income	0	0	0
General fund	<u>\$0</u>	<u>\$125,000</u>	<u>\$125,000</u>
FTE	0.00	0.00	0.00
Radio Communications			
Salaries and wages	\$2,655,238	\$2,655,238	
Operating expenses	2,270,810	1,870,810	(400,000)
Equipment	314,136	314,136	
Total all funds	<u>\$5,240,184</u>	<u>\$4,840,184</u>	<u>(\$400,000)</u>
Less estimated income	524,432	524,432	0
General fund	<u>\$4,715,752</u>	<u>\$4,315,752</u>	<u>(\$400,000)</u>
FTE	31.00	31.00	0.00
Bill Total			
Total all funds	\$73,363,171	\$33,445,996	(\$39,917,175)
Less estimated income	48,271,877	10,116,552	(38,155,325)
General fund	<u>\$25,091,294</u>	<u>\$23,329,444</u>	<u>(\$1,761,850)</u>
FTE	184.00	163.00	(21.00)

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

	Executive Budget	House Changes	House Version
Salaries and wages	\$14,157,807	(\$100,537)	\$14,057,270
Operating expenses	12,307,126	23,600	12,330,726
Equipment	244,500	(5,000)	239,500
Capital improvements	1,320,620		1,320,620
Grants	34,692,934		34,692,934
Statewide compensation plan	5,400,000		5,400,000
Total all funds	\$68,122,987	(\$81,937)	\$68,041,050
Less estimated income	47,747,445	0	47,747,445
General fund	\$20,375,542	(\$81,937)	\$20,293,605
FTE	153.00	(1.00)	152.00

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

	Adjust Market Equity Salary Increase¹	Remove Funding Related to New State Procurement Officer FTE	Provide Funding for Providing Services Relating to Contracts for Service	Total House Changes
Salaries and wages	\$88	(\$100,625)		(\$100,537)
Operating expenses		(31,400)	55,000	23,600
Equipment		(5,000)		(5,000)
Capital improvements				
Grants				
Statewide compensation plan				
Total all funds	\$88	(\$137,025)	\$55,000	(\$81,937)
Less estimated income	0	0	0	0
General fund	\$88	(\$137,025)	\$55,000	(\$81,937)
FTE	0.00	(1.00)	0.00	(1.00)

¹ This amendment increases, from \$3,291 to \$3,379, the amount provided for a market equity salary increase for the director of Central Personnel. The amount included in the bill will provide for a monthly increase of \$161 and related fringe benefits for the last 18 months of the biennium.

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

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$14,157,807	\$14,057,270	(\$2,138,424)	\$11,918,846
Operating expenses	12,307,126	12,330,726	(2,679,380)	9,651,346
Equipment	244,500	239,500	(73,500)	166,000
Capital improvements	1,320,620	1,320,620		1,320,620
Grants	34,692,934	34,692,934	(34,418,934)	274,000
Statewide compensation plan	5,400,000	5,400,000	(400,000)	5,000,000
Total all funds	\$68,122,987	\$68,041,050	(\$39,710,238)	\$28,330,812
Less estimated income	47,747,445	47,747,445	(38,305,325)	9,442,120
General fund	\$20,375,542	\$20,293,605	(\$1,404,913)	\$18,888,692
FTE	153.00	152.00	(21.00)	131.00

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

	Decrease Funding for State Contingency¹	Decrease Funding for Preplanning Revolving Fund²	Decrease Funding for the Statewide Compensation Plan³	Remove Funding for the Division of Community Services⁴	Total Senate Changes
Salaries and wages				(\$2,138,424)	(\$2,138,424)
Operating expenses	(100,000)			(2,579,380)	(2,679,380)
Equipment				(73,500)	(73,500)
Capital improvements					
Grants		(112,000)		(34,306,934)	(34,418,934)
Statewide compensation plan			(400,000)		(400,000)
Total all funds	(\$100,000)	(\$112,000)	(\$400,000)	(\$39,098,238)	(\$39,710,238)
Less estimated income	0	0	(400,000)	(37,905,325)	(38,305,325)
General fund	(\$100,000)	(\$112,000)	\$0	(\$1,192,913)	(\$1,404,913)
FTE	0.00	0.00	0.00	(21.00)	(21.00)

¹ This amendment reduces funding for the state contingency fund by \$100,000, from \$600,000, to \$500,000. Funding of \$600,000 was provided for the 1999-2001 biennium.

² This amendment reduces funding provided for replenishing the preplanning revolving fund by \$112,000, from \$207,000 to \$95,000. The funding provided will result in \$250,000 of total available funds in the preplanning revolving fund, an increase of \$50,000 from the 1999-2001 level.

³ This amendment reduces funding for a statewide salary pool for equity increases for classified state employees by \$400,000, from \$5,400,000 to \$5,000,000, of which \$2,700,000 is from the general fund and \$2,300,000 is from special funds.

⁴ This amendment removes funding related to the Division of Community Services in order to implement the consolidation of the Department of Economic Development and Finance, the Division of Community Services, and the Tourism Department into a new Department of Commerce as recommended in the Hoeven executive budget and to be provided for in Senate Bill No. 2019.

This amendment anticipates that the Office of Management and Budget and the Emergency Commission will not spend \$300,000 of the \$600,000 in funding provided for the 1999-2001 biennium for state contingencies. This will result in additional general fund turnback of \$300,000 at the end of the 1999-2001 biennium which will be reflected in the legislative budget status as an increase to the July 1, 2001, general fund balance.

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

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages	\$14,157,807	\$14,057,270	(\$2,038,424)	\$12,018,846	\$11,918,846	\$100,000
Operating expenses	12,307,126	12,330,726	(2,634,380)	9,696,346	9,651,346	45,000
Equipment	244,500	239,500	(68,500)	171,000	166,000	5,000
Capital improvements	1,320,620	1,320,620		1,320,620	1,320,620	
Grants	34,692,934	34,692,934	(34,418,934)	274,000	274,000	
Statewide compensation plan	5,400,000	5,400,000	(400,000)	5,000,000	5,000,000	
Total all funds	\$68,122,987	\$68,041,050	(\$39,560,238)	\$28,480,812	\$28,330,812	\$150,000
Less estimated income	47,747,445	47,747,445	(38,155,325)	9,592,120	9,442,120	150,000
General fund	\$20,375,542	\$20,293,605	(\$1,404,913)	\$18,888,692	\$18,888,692	\$0
FTE	153.00	152.00	(20.00)	132.00	131.00	1.00

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

	Decrease Funding for State Contingency¹	Decrease Funding for Preplanning Revolving Fund²	Decrease Funding for the Statewide Compensation Plan³	Remove Funding for the Division of Community Services⁴	Provide Funding Relating to Workers Compensation Initiative⁵	Total Conference Committee Changes
Salaries and wages				(\$2,138,424)	\$100,000	(\$2,038,424)
Operating expenses	(100,000)			(2,579,380)	45,000	(2,634,380)
Equipment				(73,500)	5,000	(68,500)
Capital improvements						
Grants		(112,000)		(34,306,934)		(34,418,934)
Statewide compensation plan			(400,000)			(400,000)
Total all funds	(\$100,000)	(\$112,000)	(\$400,000)	(\$39,098,238)	\$150,000	(\$39,560,238)
Less estimated income	0	0	(400,000)	(37,905,325)	150,000	(38,155,325)
General fund	(\$100,000)	(\$112,000)	\$0	(\$1,192,913)	\$0	(\$1,404,913)
FTE	0.00	0.00	0.00	(21.00)	1.00	(20.00)

¹ This amendment reduces funding for the state contingency fund by \$100,000, from \$600,000, to \$500,000. Funding of \$600,000 was provided for the 1999-2001 biennium.

² This amendment reduces funding provided for replenishing the preplanning revolving fund by \$112,000, from \$207,000 to \$95,000. The funding provided will result in \$250,000 of total available funds in the preplanning revolving fund, an increase of \$50,000 from the 1999-2001 level.

³ This amendment reduces funding for a statewide salary pool for equity increases for classified state employees by \$400,000, from \$5,400,000 to \$5,000,000, of which \$2,700,000 is from the general fund and \$2,300,000 is from special funds.

⁴ This amendment removes funding related to the Division of Community Services in order to implement the consolidation of the Department of Economic Development and Finance, the Division of Community Services, and the Tourism Department into a new Department of Commerce as recommended in the Hoeven executive budget and to be provided for in Senate Bill No. 2019.

⁵ This amendment provides a special fund appropriation of \$150,000 and one FTE position to the Office of Management and Budget for activity involved with the establishment of a single workers' compensation account for state entities to be administered by the Risk Management Division of the Office of Management and Budget. This change was not made by either the House or Senate.

This amendment anticipates that the Office of Management and Budget and the Emergency Commission will not spend \$198,000 of the \$600,000 in funding provided for the 1999-2001 biennium for state contingencies. This will result in additional general fund turnback of \$198,000 at the end of the 1999-2001 biennium which will be reflected in the legislative budget status as an increase to the July 1, 2001, general fund balance. This represents a decrease of \$102,000 from the amount of additional general fund turnback anticipated by the Senate of \$300,000.

House Bill No. 1015 - DHS - Economic Assistance - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Grants			\$125,000	\$125,000		\$125,000
Total all funds	\$0	\$0	\$125,000	\$125,000	\$0	\$125,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$125,000	\$125,000	\$0	\$125,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 327 - DHS - Economic Assistance - Detail of Conference Committee Changes

	Provide Additional Funding for the Indian County Allocation ¹	Total Conference Committee Changes
Grants	\$125,000	\$125,000
Total all funds	\$125,000	\$125,000
Less estimated income	0	0
General fund	\$125,000	\$125,000
FTE	0.00	0.00

¹ This amendment provides a \$125,000 general fund appropriation to the Department of Human Services for the Indian county allocation.

House Bill No. 1015 - Radio Communications - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$2,655,238		\$2,655,238
Operating expenses	2,270,810		2,270,810
Equipment	314,136		314,136
Total all funds	<u>\$5,240,184</u>	<u>\$0</u>	<u>\$5,240,184</u>
Less estimated income	524,432	400,000	924,432
General fund	<u>\$4,715,752</u>	<u>(\$400,000)</u>	<u>\$4,315,752</u>
FTE	31.00	0.00	31.00

Department No. 506 - Radio Communications - Detail of House Changes

	Funding Source Change¹	Total House Changes
Salaries and wages		
Operating expenses		
Equipment		
Total all funds	<u>\$0</u>	<u>\$0</u>
Less estimated income	400,000	400,000
General fund	<u>(\$400,000)</u>	<u>(\$400,000)</u>
FTE	0.00	0.00

¹ This amendment changes the source of funding for the development of a statewide radio system engineering plan from the general fund to special funds that will be collected in a statewide radio system planning fund.

House Bill No. 1015 - Radio Communications - Senate Action

The Senate did not change the House version.

House Bill No. 1015 - Radio Communications - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages	\$2,655,238	\$2,655,238		\$2,655,238	\$2,655,238	
Operating expenses	2,270,810	2,270,810	(400,000)	1,870,810	2,270,810	(400,000)
Equipment	314,136	314,136		314,136	314,136	
Total all funds	<u>\$5,240,184</u>	<u>\$5,240,184</u>	<u>(\$400,000)</u>	<u>\$4,840,184</u>	<u>\$5,240,184</u>	<u>(\$400,000)</u>
Less estimated income	524,432	924,432	(400,000)	524,432	924,432	(400,000)
General fund	<u>\$4,715,752</u>	<u>\$4,315,752</u>	<u>\$0</u>	<u>\$4,315,752</u>	<u>\$4,315,752</u>	<u>\$0</u>
FTE	31.00	31.00	0.00	31.00	31.00	0.00

Department No. 506 - Radio Communications - Detail of Conference Committee Changes

	Remove Funding for Statewide Radio System Engineering Plan¹	Total Conference Committee Changes
Salaries and wages		
Operating expenses	(400,000)	(400,000)
Equipment		
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Total all funds	(\$400,000)	(\$400,000)
Less estimated income	(400,000)	(400,000)
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General fund	\$0	\$0
FTE	0.00	0.00

¹ The executive budget for the State Radio Communications Division of the Office of Management and Budget recommended funding of \$400,000 from the general fund for developing a statewide radio system engineering plan. The House amendments to House Bill No. 1015 changed the funding source for the development of a plan from the general fund to special funds collected through a special assessment to fire and tornado fund policyholders. This amendment removes the special funds of \$400,000 provided for developing the plan and Sections 13, 14, 15, and 16 of the engrossed bill relating to a reduction in fire and tornado insurance premiums, a special fire and tornado fund assessment, and the establishment of a statewide radio system planning fund and adds a section of legislative intent that allows the State Radio Communications Division to request a transfer from the Emergency Commission's state contingency appropriation of \$100,000 for matching funds from federal or other sources for the development of a statewide radio system engineering plan.

House Bill No. 1015 - Other Changes - House Action

This amendment also adds sections which:

- Provide for a reduction in state fire and tornado insurance premiums.
- Provide for a statewide radio system planning fund assessment.
- Establish a statewide radio system planning fund.
- Provide that if federal funding for a program is terminated during the 2001-03 biennium, the administering state agency, department, or institution may terminate the program with the approval of the Budget Section and if the federal government reduces federal funding by combining the funding for separate programs into a block grant, the agency, department, or institution shall prioritize or reprioritize as necessary with the approval of the Budget Section.

House Bill No. 1015 - Other Changes - Senate Action

This amendment also:

- Amends Section 5 and removes Section 6 of the engrossed bill to remove the provision that any agency may provide additional average salary increases of one percent for the second year of the 2001-03 biennium to the extent that the increases can be paid without an increase in the agency's appropriation and to add a statement that agency salaries and wages appropriations in total are increased by approximately two percent for the 2001-03 biennium relating to increased health insurance benefit costs.

- Amends Section 9 of the engrossed bill to reduce the amount of anticipated proceeds to be realized from the sale of loans in the developmental disabilities revolving loan fund by \$700,000, from \$2,700,000 to \$2,000,000. (The fiscal impact resulting from this change was included in the budget status based on the committee motion on March 16, 2001.)
- Amends Sections 11 and 12 of the engrossed bill to increase the amount to be transferred to the state general fund from the Bank of North Dakota by \$10 million, from \$50 million to \$60 million, and to increase the Bank's capital structure limit from \$100 million to \$140 million.
- Adds a section to the bill to provide for a transfer to the state general fund from the student loan trust in the amount of \$9 million.
- Adds a section to the bill to provide a conditional exemption for state property from city special assessments for flood control.
- Creates a new section to the North Dakota Century Code which requires the Office of Management and Budget, in conjunction with the Information Technology Department, to complete a cost-benefit analysis for each new building construction project requested in state agency budget requests and report on the cost-benefit analyses for those projects included in the Governor's budget to the Legislative Assembly.

House Bill No. 1015 - Other Changes - Conference Committee Action

This amendment also includes the following provisions adopted in the Senate amendments to the bill:

- Amend Section 5 and remove Section 6 of the engrossed bill to remove the provision that any agency may provide additional average salary increases of one percent for the second year of the 2001-03 biennium to the extent that the increases can be paid without an increase in the agency's appropriation and to add a statement that agency salaries and wages appropriations in total are increased by approximately two percent for the 2001-03 biennium relating to increased health insurance benefit costs.
- Amend Section 9 of the engrossed bill to reduce the amount of anticipated proceeds to be realized from the sale of loans in the developmental disabilities revolving loan fund by \$700,000, from \$2,700,000 to \$2,000,000. (The fiscal impact resulting from this change was included in the budget status based on the committee motion on March 16, 2001.)
- Amend Sections 11 and 12 of the engrossed bill to increase the amount to be transferred to the state general fund from the Bank of North Dakota by \$10 million, from \$50 million to \$60 million, and to increase the Bank's capital structure limit from \$100 million to \$140 million.
- Add a section to the bill to provide for a transfer to the state general fund from the student loan trust in the amount of \$9 million (Section 13).
- Add a section to the bill to provide a conditional exemption for state property from city special assessments for flood control (Section 17).
- Create a new section to the North Dakota Century Code (NDCC) which requires the Office of Management and Budget, in conjunction with the Information Technology Department, to complete a cost-benefit analysis for each new building construction project requested in state agency budget requests and report on the cost-benefit analyses for those projects included in the Governor's budget to the Legislative Assembly (Section 28).

This amendment also adds the following provisions:

- Section 16 provides a transfer of \$160,000 from the state contingency appropriation of the Emergency Commission to the Adjutant General for expenses relating to 2001 spring flood prevention.
- Section 18 provides that members of the Legislative Assembly may receive additional lodging reimbursement for each calendar day the 2001 Legislative Assembly is in session during the month of April 2001.
- Section 19 authorizes Devils Lake levee protection funding.
- Section 20 provides for the elimination of deputy positions in any agency with fewer than 30 FTE positions.
- Section 21 allows the University of North Dakota to forgive the amount of debt owed by the Fargo Family Healthcare Center of \$395,000 with Budget Section approval.
- Section 22 provides for a Legislative Council study of health insurance company benefit limitations.
- Section 23 amends NDCC Section 6-08.3-13 relating to interstate banking.
- Section 24 creates a new section to chapter 15-10 of NDCC relating to local fund sources for capital construction projects.
- Section 25 amends NDCC Section 50-01.2-03.2 to provide that funds be allocated at 90 percent of the affected county's administrative expenses for economic assistance programs that are in excess of the statewide average.
- Section 26 amends NDCC Section 54-16-01 relating to the membership of the Emergency Commission.

- Section 27 amends NDCC Section 54-23.2-09 relating to the provision of 911 services by the State Radio Communications Division of the Office of Management and Budget.
- Section 29 creates a new section to chapter 65-04 of the NDCC relating to the establishment of a state entities workers' compensation account.
- Section 30 repeals Section 18 of Chapter 37 of the 1995 Sessions Laws and Section 12 of Chapter 15 of the 1997 Session Laws relating to the provision of 911 services by the State Radio Communications Division of the Office of Management and Budget.