

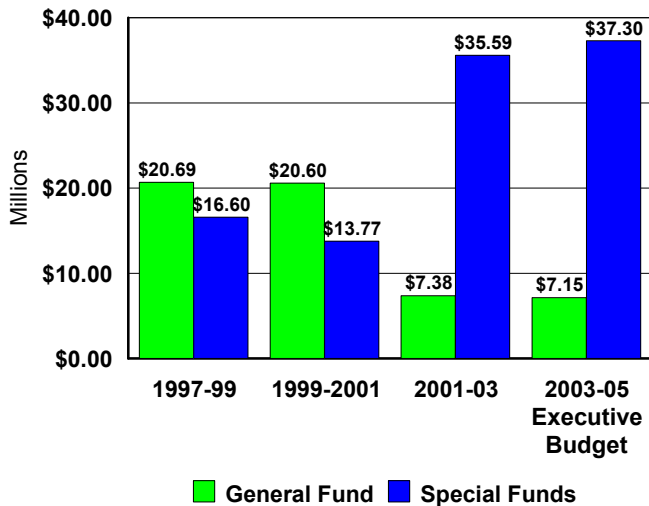
**Department 405 - Industrial Commission
 House Bill No. 1015**

	FTE Positions	General Fund	Other Funds	Total
2003-05 Executive Budget	58.37	\$7,146,771	\$37,302,824	\$44,449,595
2001-03 Legislative Appropriations	63.00	7,378,627 ¹	35,587,953	42,966,580 ²
Increase (Decrease)	(4.63)	(\$231,856)	\$1,714,871	\$1,483,015

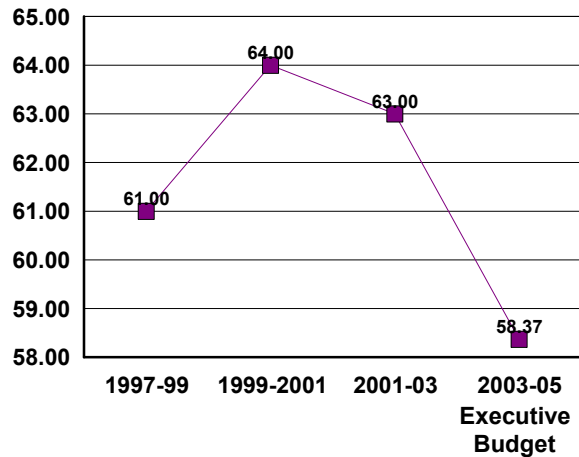
¹ The 2001-03 general fund appropriation is the amount appropriated by the 2001 Legislative Assembly and does not include a reduction of \$77,476 relating to the 1.05 percent budget allotment ordered by Governor Hoeven in July 2002.

² The 2001-03 appropriation amounts include \$16,409, \$14,446 of which is from the general fund, for the agency's share of the \$5 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

	General Fund	Other Funds	Total
1. Removes funding for the following 4.63 FTE positions:			
Oil and Gas Division			
.19 FTE clerk III	(\$9,583)		(\$9,583)
.19 FTE information processing coordinator II	(\$12,943)		(\$12,943)
1 FTE petroleum engineer IV	(\$151,201)		(\$151,201)
1 FTE oil and gas production analyst	(\$90,226)		(\$90,226)
Geological Survey			
1 FTE geologist III	(\$131,152)		(\$131,152)
Municipal Bond Bank			
1 FTE office assistant I		(\$52,038)	(\$52,038)
.25 FTE appointed		(\$39,452)	(\$39,452)
Total FTE funding removed	(\$395,105)	(\$91,490)	(\$486,595)

2. Provides for the following Industrial Commission administration changes:			
a. Increases bond payments due to increased lease payments reflecting lower investment earnings and additional lease payments from projects financed during the 2001-03 biennium		\$1,874,931	\$1,874,931
b. Reduces grants line item to reflect the amount of funding available from the lignite program's funding sources		(\$180,000)	(\$180,000)
3. Provides funding for capital assets in three divisions, including the Oil and Gas Division (\$33,600), Geological Survey (\$22,500), and the Municipal Bond Bank (\$12,200)	\$56,100	\$12,200	\$68,300
4. Reduces operating expenses line item to reflect 95 percent budget request	\$1,159	(\$62,715)	(\$61,556)

Major Related Legislation

House Bill No. 1023 - This bill provides an appropriation for capital projects and state facility energy improvement capital projects of various state departments and institutions and authorizes the Industrial Commission to issue and sell evidences of indebtedness for capital projects.

House Bill No. 1102 - This bill allows an election to deposit cash or property in lieu of a bond for coal exploration, subsurface mineral exploration and development, and geothermal production.

House Bill No. 1369 - This bill provides that the Industrial Commission shall establish the farmers equity trust fund as a fund at the Bank of North Dakota and money in the fund may be used by the Value-Added Agriculture Promotion Board on behalf of the fund to acquire ownership interests in value-added agricultural projects or for loans to value-added agricultural projects.

Senate Bill No. 2125 - This bill allows the commission to confiscate any production-related equipment and salable oil at the well site as compensation for its costs when the commission intends to exercise or has exercised its right to plug a well or reclaim a well site.

Senate Bill No. 2232 - This bill provides that whenever the Industrial Commission decides that it is in the public interest to diminish the investment of state funds in United States government guaranteed or reinsured or North Dakota guaranteed student loans, the commission may by plenary resolution authorize preparation, sale, and issuance of revenue bonds of North Dakota. The commission may refund and refinance the bonds from time to time as often as it is advantageous and in the public interest to do so.

Senate Bill No. 2311 - This bill creates an oil and gas research council which will be operated, managed, and controlled by the Industrial Commission.

Senate Bill No. 2416 - This bill authorizes the Industrial Commission to issue bonds for the capital projects of the State Historical Society.