

**Department 504 - Highway Patrol
House Bill No. 1011**

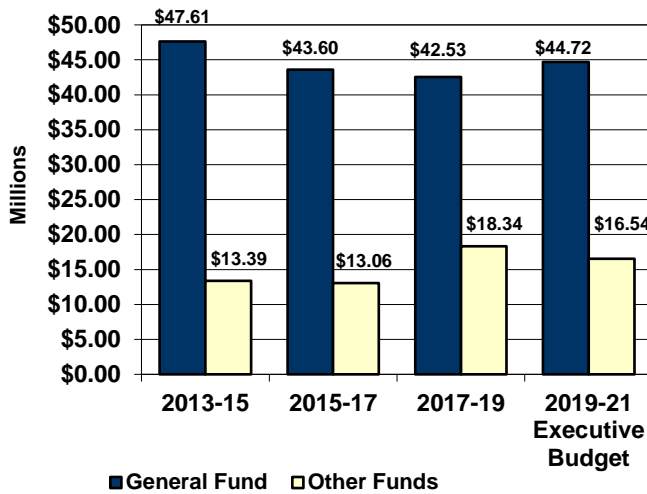
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	197.00	\$44,716,838	\$16,543,515	\$61,260,353
2017-19 Legislative Appropriations	204.00	42,527,428	18,339,278	60,866,706
Increase (Decrease)	(7.00)	\$2,189,410	(\$1,795,763)	\$393,647

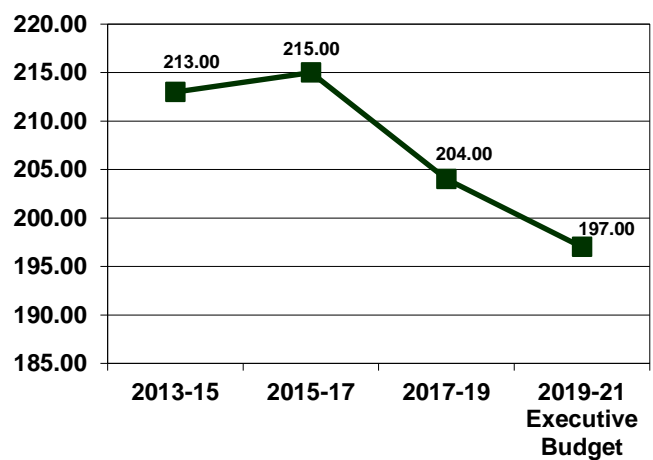
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$44,538,780	\$178,058	\$44,716,838
2017-19 Legislative Appropriations	42,527,428	0	42,527,428
Increase (Decrease)	\$2,011,352	\$178,058	\$2,189,410

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$44,716,838	\$16,543,515	\$61,260,353
2019-21 Base Level	42,527,428	14,703,278	57,230,706
Increase (Decrease)	\$2,189,410	\$1,840,237	\$4,029,647

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)**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$1,669,057 is for salary increases, \$714,244 is for health insurance increases, and \$27,208 is for retirement contribution increases. The House added funding for salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month. The House did not add funding for retirement contribution increases.	\$1,805,448	\$605,061	\$2,410,509
2. Removes 5 FTE nonsworn positions including 4 administrative assistants and 1 cook. The House also removed 4 FTE vacant trooper positions.	(\$478,256)	(\$104,867)	(\$583,123)
3. Adds funding for lease rate increases	\$26,000	\$4,000	\$30,000

4. Adds funding for mileage rate increases	\$313,000	\$51,000	\$364,000
5. Adds funding for trooper smartphones	\$67,000	\$11,000	\$78,000
6. Adds funding for costs to issue state employee identification cards	\$10,000	\$2,000	\$12,000
7. Adds funding for ongoing costs associated with the construction of the indoor shooting range, including \$60,000 from the motor carrier electronic permit transaction fund	\$0	\$70,000	\$70,000
8. Adds funding for Microsoft Office 365 licensing expenses	\$106,835	\$39,514	\$146,349
9. Transfers 2 FTE positions to the Information Technology Department and adjusts funding for the information technology unification initiative. The House did not adjust FTE positions or funding related to the information technology unification initiative.	\$22,593	\$3,678	\$26,271
10. Adds funding to replace trooper body armor. The House adjusted the funding sources to replace funding from the general fund with funding from the motor carrier electronic permit fund.	\$86,000	\$14,000	\$100,000
11. Provides funding to replace Taser cartridges. The House adjusted the funding sources to replace funding from the general fund with funding from the motor carrier electronic permit fund.	\$28,000	\$4,000	\$32,000
12. Provides funding to replace automated external defibrillator pads. The House adjusted the funding sources to replace funding from the general fund with funding from the motor carrier electronic permit fund.	\$12,000	\$2,000	\$14,000
13. Provides one-time funding to overhaul the engine on the department's airplane	\$81,830	\$0	\$81,830
14. Provides one-time funding to purchase drones. The House provided funding from the motor carrier electronic permit fund rather than the general fund.	\$96,228	\$0	\$96,228
15. Provides one-time funding from the strategic investment and improvements fund to construct an addition to the indoor shooting range. The House provided funding from the motor carrier electronic permit fund rather than the strategic investment and improvements fund.	\$0	\$1,220,000	\$1,220,000

Other Sections in House Bill No. 1011

Job shadowing - Section 3 adds a new section to North Dakota Century Code Chapter 39-03 to authorize the Highway Patrol to permit individuals to participate in job shadowing activities.

Highway tax distribution fund - Section 4 provides \$7,089,982 of special funds from the highway tax distribution fund to be used for Highway Patrol operations.

Motor carrier electronic permit fund - Section 5 provides for \$3,349,489 of special funds from the motor carrier electronic permit fund to be used for Highway Patrol operations and the construction of an addition to the indoor shooting range.

Carryover authority - Section 6 authorizes the Highway Patrol to continue \$28,171 of 2017-19 biennium special funds appropriation authority provided for an aircraft engine overhaul into the 2019-21 biennium.

Highway Patrol officer per diem - Section 7 provides for Highway Patrol officer per diem of \$200 per month during the 2019-21 biennium, the same as provided during the 2017-19 biennium. The per diem payments are in lieu of reimbursement for meals and other expenses while in travel status within the state.

Continuing Appropriations

Highway Patrol assets forfeiture fund - Section 39-03-18 - Consists of funds obtained from seized assets that may be used for paying expenses associated with the inventory and selling of seized assets, to pay for overtime relating to certain investigations, for purchasing equipment related to criminal interdiction, or to be used to match federal funding for certain programs.

Motor carrier electronic permit transaction fund - Section 39-12-02 - An additional fee of \$15 is charged for issuing an oversize or overweight vehicle permit electronically. The additional fee is deposited in the motor carrier electronic permit fund and deposits in the fund are appropriated on a continuing basis to the Highway Patrol for the maintenance of the online electronic permitting system.

Deficiency Appropriation

No deficiency appropriations are being requested for the Highway Patrol.

Significant Audit Findings

The operational audit of the Highway Patrol conducted by the State Auditor's office for the period ending June 30, 2016, included findings related to improper coding of expenditures, improper allocations of payroll, correcting entries not properly supported, improper approvals of expenditures, lack of reconciliation of a fixed assets system, correction entries not properly approved, and improper capitalization of assets.

Major Related Legislation

House Bill No. 1223 - Highway Patrol jurisdiction - Amends Section 39-03-03 to clarify the jurisdictional areas where the Highway Patrol may exercise general police power.

House Bill No. 1363 - Executive security costs - Enacts two new sections in Century Code to require the Highway Patrol to maintain records regarding the costs of providing security and transportation to elected officials.

Senate Bill No. 2103 - Highway Patrol Trooper Probationary Period - Amends Section 39-03-03 to provide new troopers are subject to a 6 month probationary employment period.

Highway Patrol - Budget No. 504
House Bill No. 1011
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	204.00	\$42,527,428	\$14,703,278	\$57,230,706	204.00	\$42,527,428	\$14,703,278	\$57,230,706
2019-21 Ongoing Funding Changes								
Base payroll and budget changes		\$12,732	(\$81,149)	(\$68,417)		\$12,732	(\$81,149)	(\$68,417)
Salary increase		1,249,957	419,100	1,669,057		761,206	249,260	1,010,466
Health insurance increase		534,897	179,347	714,244		639,459	212,798	852,257
Retirement contribution increase		20,594	6,614	27,208				0
Remove nonsworn FTE positions	(5.00)	(478,256)	(104,867)	(583,123)	(5.00)	(478,256)	(104,867)	(583,123)
Remove vacant trooper positions				0	(4.00)	(633,480)	(108,520)	(742,000)
Lease rate increases		26,000	4,000	30,000		26,000	4,000	30,000
Mileage rate increase		313,000	51,000	364,000		313,000	51,000	364,000
Trooper smartphones		67,000	11,000	78,000		67,000	11,000	78,000
ID card funding		10,000	2,000	12,000		10,000	2,000	12,000
Indoor range operating			70,000	70,000			70,000	70,000
Microsoft Office 365 licensing		106,835	39,514	146,349		106,835	39,514	146,349
Information technology unification initiative	(2.00)	22,593	3,678	26,271				0
Body armor		86,000	14,000	100,000			143,100	143,100
Taser cartridges		28,000	4,000	32,000			32,000	32,000
Automated external defibrillator pad replacements		12,000	2,000	14,000			14,000	14,000
Total ongoing funding changes	(7.00)	\$2,011,352	\$620,237	\$2,631,589	(9.00)	\$824,496	\$534,136	\$1,358,632
One-time funding items								
Aircraft engine overhaul		\$81,830		\$81,830		\$81,830		\$81,830
Drone purchase		96,228		96,228			\$96,228	96,228
Shooting range addition			\$1,220,000	1,220,000			1,729,100	1,729,100
Total one-time funding changes	0.00	\$178,058	\$1,220,000	\$1,398,058	0.00	\$81,830	\$1,825,328	\$1,907,158
Total Changes to Base Level Funding	(7.00)	\$2,189,410	\$1,840,237	\$4,029,647	(9.00)	\$906,326	\$2,359,464	\$3,265,790
2019-21 Total Funding	197.00	\$44,716,838	\$16,543,515	\$61,260,353	195.00	\$43,433,754	\$17,062,742	\$60,496,496

Other Sections for Highway Patrol - Budget No. 504

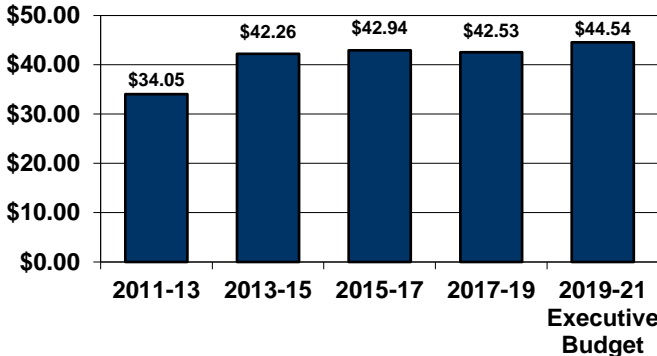
	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Additional income received by the Highway Patrol	Section 3 would appropriate any additional federal or other funds available to the Highway Patrol during the 2019-21 biennium.	
Job shadowing		Section 3 adds a statutory section to allow the Highway Patrol to permit individuals to participate in job shadowing activities.
Highway tax distribution fund	Section 4 would provide for \$7,263,861 of special funds from the highway tax distribution fund to be used for Highway Patrol operations.	Section 4 provides for \$7,089,982 of special funds from the highway tax distribution fund to be used for Highway Patrol operations.
Motor carrier electronic permit fund statutory change	Section 5 would amend North Dakota Century Code Section 39-12-02 to allow funds in the motor carrier electronic permit fund to be used to defray expenses associated with the issuance of permits and other nonenforcement motor carrier training and administrative duties.	
Motor carrier electronic permit fund		Section 5 provides for \$3,349,489 of special funds from the motor carrier electronic permit fund to be used for Highway Patrol operations and the construction of an addition to the indoor shooting range.
Carryover authority	Section 6 would authorize the Highway Patrol to continue \$28,171 of 2015-17 biennium special fund appropriation authority provided for an aircraft engine overhaul into the 2019-21 biennium.	Section 6 authorizes the Highway Patrol to continue \$28,171 of 2015-17 biennium special fund appropriation authority provided for an aircraft engine overhaul into the 2019-21 biennium.
Strategic investment and improvements fund	Section 7 would identify \$1,220,000 from the strategic investment and improvements fund for a shooting range addition project.	
Highway Patrol officer per diem	Section 8 would provide for Highway Patrol officer per diem of \$200 per month during the 2019-21 biennium, the same as provided during the 2017-19 biennium. The per diem payments are in lieu of reimbursement for meals and other expenses while in travel status within the state.	Section 7 provides for Highway Patrol officer per diem of \$200 per month during the 2019-21 biennium, the same as provided during the 2017-19 biennium. The per diem payments are in lieu of reimbursement for meals and other expenses while in travel status within the state.

Department 504 - Highway Patrol

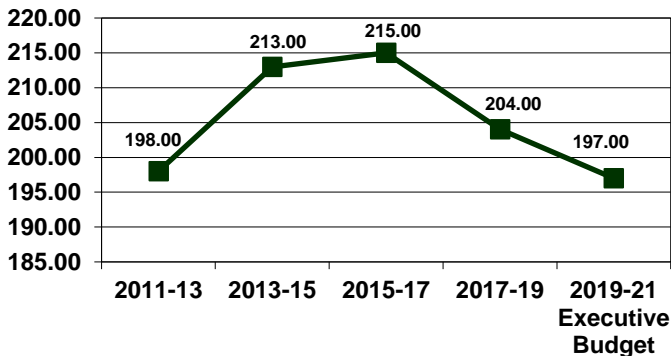
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$34,049,144	\$42,261,042	\$42,943,745	\$42,527,428	\$44,538,780
Increase (decrease) from previous biennium	N/A	\$8,211,898	\$682,703	(\$416,317)	\$2,011,352
Percentage increase (decrease) from previous biennium	N/A	24.1%	1.6%	(1.0%)	4.7%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	24.1%	26.1%	24.9%	30.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- 1. Added 15 FTE trooper positions and related operating costs \$3,386,684
- 2. Added funding for increased motor pool costs \$1,415,888

2015-17 Biennium

- 1. Added 2 FTE trooper positions \$472,840
- 2. Increased funding for various operating expenses \$845,723

2017-19 Biennium

- 1. Adjusted the funding source for permit section staff salaries and wages and related expenses from the general fund to the motor carrier electronic permit transaction fund (\$1,269,165)
- 2. Added funding for trooper on-call pay \$323,750
- 3. Removed 11 FTE positions and related funding (\$2,299,602)

2019-21 Biennium (Executive Budget Recommendation)

- 1. Removes 5 FTE nonsworn positions including 4 administrative assistants and 1 cook. **The House also removed 4 FTE vacant trooper positions.** (\$478,256)
- 2. Adds funding for mileage rate increases \$313,000
- 3. Adds funding for licensing costs of Microsoft Office 365 \$106,835

**GOVERNOR'S RECOMMENDATION FOR THE
HIGHWAY PATROL 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 highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Field operations	\$57,230,706	\$4,029,647	\$61,260,353
Total all funds	\$57,230,706	\$4,029,647	\$61,260,353
Less estimated income	<u>14,703,278</u>	<u>1,840,237</u>	<u>16,543,515</u>
Total general fund	\$42,527,428	\$2,189,410	\$44,716,838
Full-time equivalent positions	204.00	(7.00)	197.00

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:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Indoor range addition	\$0	\$1,220,000
Aircraft engine overhaul	0	81,830
Drones	0	96,228
Electronic payment system	44,000	0
DAPL Costs	3,234,000	0
Taser and AED equipment	<u>358,000</u>	<u>0</u>
Total all funds	\$3,636,000	\$1,398,058
Total special fund	<u>3,636,000</u>	<u>1,220,000</u>
Total general fund	\$0	\$178,058

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The highway patrol 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. APPROPRIATION – HIGHWAY PATROL. In addition to the amounts appropriated to the highway patrol in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. SPECIAL FUNDS TRANSFER – HIGHWAY TAX DISTRIBUTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$7,263,861, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. AMENDMENT. Subsection 6 of section 39-12-02 of the North Dakota Century Code is amended and reenacted as follows:

6. There is created in the state treasury a fund known as the motor carrier electronic permit transaction fund. All money in the fund is appropriated on a continuing basis to the highway patrol to defray the costs of establishing, operating, and maintaining, and enhancing an online electronic permit system for permitting and routing oversize and overweight vehicles in this state. Funds may be used for the purpose of defraying various expenses associated with the issuance of permits and other non-enforcement motor carrier training and administrative activities. The

highway patrol may contract with a private entity to establish, operate, and maintain an online electronic permit system. The online electronic permit system includes the issuance of permits under this section and an automated routing system. The automated routing system must include integration of department of transportation traveler information system information, all other data required for the automated routing system, and integration of the highway patrol computer-aided dispatch system.

SECTION 6. EXEMPTION. The amount of \$28,171 appropriated for an aircraft engine overhaul in the estimated income line item in section 1 of chapter 11 of the 2015 Session Laws is not subject to section 54-44.1-11. The amount is available for expenditures relating to an aircraft engine overhaul during the biennium beginning July 1, 2019 and ending June 30, 2021.

SECTION 7. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes the sum of \$1,220,000 from the strategic investment and improvements fund for an addition to the indoor gun range.

SECTION 8. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$200 per month for the biennium beginning July 1, 2019, and ending June 30, 2021. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at their respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.