

2017 HOUSE APPROPRIATIONS

HB 1015

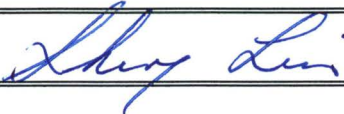
2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1015
1/11/2017
Recording Job# 26778

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachments A through G

Chairman Brandenburg: Opened the hearing on HB1015 and HB1075.

Pam Sharp, Director, Office of Management and Budget: See testimony attachment A.

Representative Delmore: What are we paying to the National Council of State Legislators? I assume this also comes out of this budget?

Pam Sharp: NCSL dues comes out of the legislative council budget. The Council of State Government comes out of OMB's as does Education Commission on the States and Commission on Uniform State Laws. Also the National Governor's Association, Western Governor's Association; I believe Council of State Government dues is in OMB's because it is for all three branches of government.

Representative Nathe: What does OMB get for the \$188,000.00 in dues?

Pam Sharp: In this last interim we did have this study that Council of State Government did on prison reform. Prior to that, I'm not familiar any things they have helped our state; but they do have conferences that are attended primarily by legislative members.

Representative Nathe: Wouldn't those be studies that a legislator could also have access to?

Pam Sharp: Perhaps. I will add about the Council of State Government, the latest bill we received indicates that the dues for next biennium will be \$195,000.00 at least. If this remains in their we would still have to try to negotiate something with them because we wouldn't have the total bill to pay.

Representative Brabandt: Under capital assets you have projects on capitol grounds. Give us an example of a project on the capitol grounds.

Pam Sharp: That would be like fixing the legislative parking lot; although that isn't one of these things that we identified. There was \$50,000.00 in the current biennium that we did some repairs.

Representative Brabandt: On the contingency fund, the \$200,000.00, is that the total contingency fund?

Pam Sharp: In the current biennium, the original appropriation for the contingency fund was \$700,000.00. In the allotment we did take out \$200,000.00 and in the 10% budget proposed for next biennium we've eliminated \$200,000.00; so it would be at \$500,000.00.

Representative Brabandt: How often do you have to dip into the contingency fund? Is it every biennium?

Pam Sharp: Every biennium at least some money is spent. There have been some biennium's where most of the money has been spent. In this particular biennium I believe only \$2,000.00 has been spent.

Representative Delmore: Do you have any handouts where these are broken down farther; for instance, the one that includes the Council of State Government?

Pam Sharp: We will get that to you.

Representative Nathe: In regards to the Education Commission to the States, if I could see what you're getting for the \$115,000.00

Pam Sharp: I am not sure if the Governor appoints the people for the Education Commission to the States. We pay for their travel and for the dues.

Representative Nathe: There is two of us; one from the Senate and one from the House. I can tell you it wasn't \$115,000.00 worth my expenses.

Pam Sharp: Dues would be part of that also.

Pam Sharp continued with her testimony.

Chairman Brandenburg: You can transfer the authority; but the money is coming from the bank? Where is the money coming from?

Pam Sharp: If it was game and fish and they had a breach, it would come from their game and fish fund. We'd give them authority to use their own special fund to pay for it.

Pam Sharp continued with her testimony.

Chairman Brandenburg: We're going to have to look at the buckets and reposition those buckets to be able to put that money together.

Pam Sharp: Correct.

Pam Sharp continued with her testimony.

Chairman Brandenburg: We're going to be looking at taking some one time spending and make it ongoing spending with the social services portion of it? We're taking the 12% which is one time funding and taking the one time and making it permanent; but moving it to social services.

Pam Sharp: That's correct. We're increasing the oil revenue to the general fund to pay for that ongoing expenditure.

Representative Nathe: Say we pass the social service property tax relief program. Going forward, is this how it would always be funded, through the social service finance fund?

Pam Sharp: Yes. That's what the plan would be. The Office of Management and Budget would transfer general fund money into to the social services finance fund and that money would sit there and that would be doled out.

Pam Sharp continued with her testimony.

Chairman Brandenburg: Going back to \$30 million, we have to approve that before we can really do that?

Pam Sharp: All of this is just a proposal. You have to approve absolutely everything in here.

Chairman Brandenburg: That's really finishing up the rest of the biennium.

Pam Sharp: Yes. This is just our recommendation of how to get through the end of the biennium.

Representative Delmore: Once we take some of this money out, what would be the status of some of these funds? If we're taking \$30 million out, what happens to what's left in here? Will there be a balance left in some of these?

Pam Sharp: This money would come from the Strategic Investment Improvement Fund. It would come from the cash that would be sitting in that fund right now. That is roughly \$300 million; that will be projected to be in that fund by the end of this biennium. This \$30 million and \$30 million would come out; Governor Dalrymple has also suggested \$154 million to replenish the Budget Stabilization Fund. I don't have the whole list with me.

Representative Brandenburg: We should probably get the buckets and look at that in order to make that work. We're going to have to change those buckets to have that kind of money in there.

Pam Sharp: This is the money that is sitting in that SIF Fund right now; it's cash on hand. It's not what would go into the fund next biennium.

Representative Brandenburg: If we're always going to be short \$15 million to \$20 million for every month for the next six months, it might not work.

Pam Sharp: This is a proposal.

Pam Sharp continued with her testimony.

Representative Nathe: What is the effect of the 1%? What's the dollar amount in that?

Pam Sharp: The effect of that is higher education and state government; it's about \$6 million or \$7 million .

Pam Sharp continued with her testimony.

Sheila Peterson, Director of Fiscal Management, Office of Management and Budget: See testimony attachment A.

Representative Nathe: In regards to accounting and payroll, do you do the higher education accounting?

Sheila Peterson: We do not do the processing for higher education. We are on the same system; but we have two separate instances. We just do the state agencies and they do the higher education side.

Representative Nathe: Would you have the capability to do it?

Sheila Peterson: When we brought online that ERP in the early 2000's, we were together. We found it became too large and the time necessary to run the processes; we couldn't schedule it all in.

Representative Nathe: That was the early 2000's?

Sheila Peterson: We started in the early 2000's. We went to the two separate instances about four years ago.

Representative Delmore: Have you looked at to what we could save by doing it online? Would there be a significant savings?

Sheila Peterson: I think the majority of the printing is the CAFR documents. There is a statute that says the form and documents that OMB provides is at the request of the budget section. Over the years we have come to the budget section.

Tag Anderson, Director, Risk Management, Office of Management and Budget: See testimony attachment A.

Representative Kempenich: What kind of activity have you had this last biennium? What has been our loss ratio?

Tag Anderson: We maintain our records through fiscal years. In fiscal 2016 we've had \$174,648.00 in paid claims total. Our expenses were about \$40,000.00. In fiscal 2017 so far we've had about \$109,000.00 in paid claims and \$5,400.00 in paid expenses. Since the inception of the fund, we've had about \$7.9 million in paid claims and \$3.7 million in expenses.

Representative Kempenich: In most of these losses are they vehicular or errors in omission? What type of claims are they?

Tag Anderson: On paid claims, vehicle liability is the greatest portion of claims; where we simply acknowledge that we were at fault and pay them. On the expense side, a large portion of it is employment defense claims and prison litigation.

Representative Vigesaa: On your budget it looks like it's going up about \$44,000.00. Is there anything other than increase in salary and insurance premiums?

Tag Anderson: No.

Becky Seible, Interim Director, Human Services, Office of Management and Budget: See testimony attachment A.

Vice Chairman Boehning: How many open positions do you have within that 7,200?

Becky Seible: It's ever changing. Periodically we do look at the number of open positions. It's been a couple of weeks since we've looked at that. Are you speaking just of the classified positions?

Vice Chairman Boehning: Just ball park.

Becky Seible: About 100. The recruiting process is always going. As some of these positions are being posted, others are being filled.

Sherri Neis, Director, Central Services, Office of Management and Budget: See testimony attachment A.

John Boyle, Director, Facilities Management, Office of Management and Budget: See testimony attachment A.

Vice Chairman Boehning: Do you have a list of what kind of projects you're look at this next biennium?

John Boyle: We do. The largest one is we want to replace the 400 ton chiller that's in the Judicial wing. We requested it last biennium and we didn't get that money funded. It's one of our top priority projects; it would be the number one priority project. That unit is there because the computer room is down there for the state network. When we need extra cooling

in the summer, that's our redundant backup system. The unit is 37 years old now. The other \$475,000.00 is for smaller projects. We have some plumbing for \$100,000.00, electrical for \$100,000.00, we did those three new rooms and we would like to turn the Pioneer room to replicate those; it's in dire need of a renovation, so we put in \$120,000.00 to match the tables, chairs and carpet. We also have \$40,000.00 to replace the bottom of a couple of elevators in the Judicial wing.

Representative Vigesaa: Could you give us an update on Governor's residence? How's that coming along?

John Boyle: It's going along very smoothly. Right now we have \$4.6 million in the bank. \$4 million came out of the Capitol Building Trust Fund, \$600,000.00 of the \$1 million has been raised. We're anticipating within the next couple of months that the rest of the \$400,000.00 will come in. The overall project today is at \$4.975 million and it's about two months ahead of schedule. Northwest Contracting is the general contractor and they have done an outstanding job.

Representative Vigesaa: When is the expected completion date?

John Boyle: The expected completion date is mid-October 2017. We'll take about 30 days to get it furnished and then the Governor and first family will move over. We will take down the existing house. The anticipation was always so that the first family could have Thanksgiving in the new Governor's residence in 2017.

John Harris, President & CEO, Prairie Public Broadcasting: See testimony attachment B, C and D.

Terry Traynor, Association of Counties: See testimony attachment E.

Vice Chairman Boehning: Have you looked through the OMB budget to see if there's some place we can pull some money out?

Terry Traynor: I'll take a look at it.

Vice Chairman Boehning: With our aging population, there are vulnerable adults where kids are stealing their money from them.

Representative Nathe: I deal with this on a day to day basis. We see this increasing all the time in my work. I work with guard protection services in town. A lot of the burden falls on the private sector. What then happens if they can't afford to do the service?

Terry Traynor: I don't know. The court will ultimately be faced with some of these things. They may order someone; DHS or county social services to step into that role. One of the things the consultant had in his study was that was a very inappropriate way to go.

Representative Nathe: If those people can't do it, does it fall on somebody else or else increase their costs down the road so it ends up really costing us more in different agencies?

Terry Traynor: Most likely, yes. The big concern that I have heard is that a lot of times individuals like this will come to the attention of the court when they end up going through an emergency room.

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

Representative Nathe: So if you aren't there to help them, do you see the state putting some of these vulnerable adults in the nursing homes and care centers?

Audrey Uhrich: I don't believe that that would happen. At this time, in different parts of North Dakota, there are no agencies like ourselves right now that are taking cases. Adult protective service workers are waiting on cases with individuals that are unsafe in their home. I'm not sure our state is prepared to make the kind of decisions that are needed.

Margo Haut, Director of the Not for Profit Corp of Guardian Angels Inc: See testimony attachment G.

Vice Chairman Boehning: Do you have guardianship of any other people besides through this program?

Margo Haut: Absolutely. We also provide guardianships through the private sector.

Vice Chairman Boehning: What kind of rates do you charge? Is that based on their income?

Margo Haut: We charge \$250.00 per month as a starting rate for guardianship services.

Representative Brabandt: Is there a common denominator as to how the majority of these people got into these situations?

Margo Haut: It's difficult to designate one common denominator. They come from all walks of life. I think ultimately it's mental health issues.

Vice Chairman Boehning: Recessed the hearing.

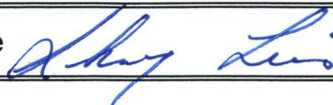
2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1015
1/11/2017
Recording Job# 26782

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachment H

Chairman Brandenburg: Re-opened the hearing on HB1015 and HB1075.

Jason Bohrer, President & CEO, Lignite Energy Council: See testimony attachment H.

Representative Nathe: With the new administration coming into power next week, do you see any of the regulations and some of the rules you have been subject to rolling back?

Jason Bohrer: Yes we do. We see some relief coming through the regulations on a form of timeline and more about correlating any regulations with scientific realities. The EPA didn't consult the department of energy on what the technology timeline was for carbon capture technology; the EPA set a deadline of 2020. The DOE would have said the technology doesn't get you there until 2030. That's the type of recalibration we hope to achieve. We don't see carbon dioxide going away under this administration; because the Supreme Court has decided that issue; CO2 must be regulated by the Clean Air Act.

Chairman Brandenburg: If you could explain a little about the clean coal lawsuit and the new coal lawsuit; what the air quality issues are and what's going on. You did a little; but could you go into it a little further?

Jason Bohrer: Continued with his testimony.

Representative Vigesaa: The total cost of the ALEM project is significant. How confident are you that industry and DOE will step up to the plate? What kind of money are we talking about that maybe the state share?

Jason Bohrer: It's a big project the estimate for the total project is from \$800 million to \$1 billion. What we like to think is a good share of that is about half is federal dollars and the remaining cost would be split equally between the industry and the state.

Representative Vigesaa: How long in the future would you foresee that the state would have to start to commit major dollars toward the project?

Jason Bohrer: Our viewpoint on that is that the earlier the smaller dollar amounts are started, the less you have to look at it as one big bite. That's why this appropriation is important. I think we have a two or three year grace period before we have to start looking for a pot of money that will be bigger numbers. What we don't want to have happen is that we have to come back in 2024 and ask for \$250 million at that time.

Chairman Brandenburg: Closed the hearing on HB1015.

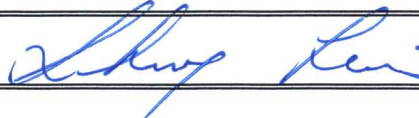
2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1015
1/19/2017
Recording Job# 27103

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

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Chairman Brandenburg: Opened the hearing on HB1015 and 1075.

Chairman Brandenburg: Can you explain where you're at with the FTE's?

Pam Sharp, Director, Office of Management and Budget: We're taking out 3.5 FTE's. We have a maintenance position, a computer and network specialist position and 1.5 administration assistant FTE positions. Three positions were vacated because of the allotments; we did not seek to replace. We also added another half-time FTE in the executive recommendation.

Representative Vigesaa: Do you have any unfilled positions at this point?

Pam Sharp: These positions are unfilled plus we have another one position in addition to that.

Chairman Brandenburg: You have 3.5 positions and one that's not filled.

Pam Sharp: That's right.

Pam Sharp continued through the green sheet.

Chairman Brandenburg: So what we're doing with this money is special fund? It's giving you the authority to spend this money?

Pam Sharp: Correct. It just gives us the authority to spend it.

Chairman Brandenburg: The money is coming from?

Pam Sharp: Agencies.

Pam Sharp continued with the green sheet.

Chairman Brandenburg: What is the chiller replacement about?

Pam Sharp: It's a chiller that has outlived its life expectancy about 12 years ago. We've been maintaining it; but it really needs to be replaced. It's about \$400,000.00 by itself.

Chairman Brandenburg: So we're looking at \$1 million of other funds. What are the other funds?

Pam Sharp: What we have proposed doing in the executive recommendation is similar to what the legislature proposed last biennium. It is taking some money from the capitol building trust fund instead of general funds to maintain the state capitol.

Chairman Brandenburg: How much is in the trust fund?

Pam Sharp: I believe there's about \$6 million or \$7 million. The source of the funds for the capitol building trust are oil, royalties and leases.

Chairman Brandenburg: So there's adequate money there that you can use some money over here?

Pam Sharp: Yes.

Chairman Brandenburg: So the bond payments.

Pam Sharp: These are the energy savings bond payments that we have. We did bonding when we did the generator. It was from those projects and some other energy projects that we're paying for. We're still paying the bond payments on the fire suppression system.

Vice Chairman Boehning: How much is left in that bond to pay off yet; how many years?

Pam Sharp: I don't know that off the top of my head.

Lori Laschkewitsch, Fiscal Analyst, Office of Management and Budget: The Capitol Planning Fund has a \$3 million balance at the end of the 2017-2019 budget.

Pam Sharp continued through the green sheet.

Representative Delmore: Is there any place we can find some funds to put that back in?

Pam Sharp: That's very difficult and you have to make some hard decisions. There's \$500,000.00 in the Contingency Fund. We have money to make repairs for the Capitol.

Anything beyond that, within OMB's operating budget itself, would mean more operating or less employees.

Representative Delmore: Is this because of a combination of both of the budget cuts you were asked to make?

Pam Sharp: When we did the allotments, the 6.65% allotments; we did not take any money out of the guardianship grants. When we did our 90% budget, we felt we had to take 10% out of that line as well.

Pam Sharp continued through the green sheet.

Representative Brabandt: What percentage of Prairie Public Broadcasting's budget is that \$1.6 million?

John Harris, President and CEO, Prairie Public Broadcasting: Our budget is somewhere between \$7 million and \$9 million a year. With the biennium, half of that is in our annual budget; \$1.7 was the last biennium; that was about 12% of our budget. Any given year, it's been somewhere between 9% and 13% of our annual budget.

Representative Brabandt: How does that compare to OMB's contribution to public broadcasting in other states?

John Harris: South Dakota is about \$4 million per year. Minnesota contributes about \$3 million a year. Kentucky and Nebraska contribute between \$10 million and \$14 million a year.

Chairman Brandenburg: You have the towers all around the state.

John Harris: The state has helped to support us over the years. We have nine transmitters for television and ten transmitters for radio that cover the state.

Pam Sharp continued through the green sheet.

Vice Chairman Boehning: Does this building have to be a climate controlled building or can it just be a cold storage building?

Pam Sharp: It would mostly be cold storage. The office area would need to be heated; but, if we were to build, it would be cold storage other than the office area.

Vice Chairman Boehning: Do we have land out by the penitentiary? It seems we have quite a bit of land to building something.

Pam Sharp: Department of corrections does own some land. We have looked at spots out by the pen. It's probably a little too far out of town and the land probably isn't situated right. They do have some land just west of Mandan as well that would be very well suited for a surplus property.

Vice Chairman Boehning: So if you're going west to Mandan versus to the pen, it seems about the same distance.

Pam Sharp: It is a little farther out east. I think there would be a lot more dirt work to be done. I think the land by the pen is probably not feasible.

Representative Kempenich: So you're out towards YCC?

Pam Sharp: That's right. We could try to negotiate just purchasing the building that they're in right now; which is a possibility. If we did that, we'd have to make some improvements. If that was the best option, we think we could purchase that and make the improvements for this amount.

Vice Chairman Boehning: Being this is going to be a cold storage building, unless you have a lot of earthwork to do, \$800,000.00 seems to be a pretty expensive cold storage building. We should be able to build that for \$200,000.00 less; if we owned the land currently.

Pam Sharp: Facility management has done the estimates and they think it will be close to \$700,000.00. In addition to just the building, which would be a metal building and then our office area; there's fencing that needs to go around.

Representative Brabandt: Is there no building now?

Pam Sharp: There is a building, it's out on the southeast side of town; kind of in an industrial area. It's been located there for a long time and that's where the rent has been going up so much. The owners have indicated they might be willing to talk about selling it.

Representative Brabandt: How big of a building would be proposing to build?

Pam Sharp: It would be smaller than what we're using.

Representative Brabandt: Do you have buildings elsewhere in the state?

Pam Sharp: No.

Pam Sharp continued with the green sheet.

Vice Chairman Boehning: If PERS would run into a situation where they would need \$200,000.00 to remediate that; that's not in their budget. Are they able to borrow that money? Do you just transfer it to them and then they have a deficiency payment in the next biennium to cover that?

Pam Sharp: We'd just be able to transfer the authority from this line to their agency, then they would have access to spend whatever money it was to remediate their system. We would transfer the authority from here to there. They would then have the authority to spend it.

Pam Sharp continued with the green sheet.

Vice Chairman Boehning: Does that cover all of state government or is that just OMB's part of it? Does that cover the legislature, state and the courts?

Pam Sharp: OMB doesn't have anything to do with this Commission on Uniform State Laws. We don't belong, none of our employees go. I'm not even sure who decides who goes; it would probably be the courts and the attorney general's office. I know legislative council sends people.

Vice Chairman Boehning: So it's just the authority to spend it?

Pam Sharp: It's general fund money in OMB's budget that has to be spend on the Commission on Uniform State Laws.

Vice Chairman Boehning: You just transfer it over to whichever agency?

Pam Sharp: We just pay the bills.

Representative Delmore: Has the Governor's and Lieutenant Governor's association dues always come out of OMB; rather than from the Governor's budget itself?

Pam Sharp: They have for many, many years. They have been considered as a statewide function.

Representative Brabandt: The Council of State Governments. What do we get for \$188,000.00?

Pam Sharp: OMB doesn't get anything. We don't send anyone to the meetings. We initially took it out in our 10% cut and then added it back. One of the things we did get this last biennium; although it wasn't paid out of the dues, was that study on the department of corrections. It's executive, legislative and judicial branches that can go to these meetings.

Vice Chairman Boehning: Did we ever get a breakdown of who's using how much of this? Is there one flat fee for the whole state?

Pam Sharp: It's one dues for the whole state. Next biennium, those dues are going to bet about \$195,000.00.

Representative Vigesaa: The only one that includes any travel costs is the first one listed in the table; everything else is just dues. Is that correct?

Pam Sharp: No. With the exception of Education Commission of the States; that also includes some travel costs.

Representative Brabandt: The Education Commission of the States seems like a big number as well. What are we getting for that?

Pam Sharp: I really couldn't tell you; because we don't see it at OMB. We don't participate in that. I know there are individuals that are on this commission that go to their conferences.

Representative Brabandt: So the feeling is that it shouldn't be cut?

Pam Sharp: I know that that is what the dues are.

Vice Chairman Boehning: Who goes to that Education Commission of the States?

Pam Sharp: I believe the Governor has an appointee.

Vice Chairman Boehning: Is there a way we can split that out?

Pam Sharp: I think why it came to OMB is because rather than split it out among the agencies; and it would always general fund money anyway, just to put it in one spot.

Representative Delmore: I believe that the Education Commission of the States; the majority leader appoints someone in that position.

Representative Vigesaa: Could we go back to capital assets for a moment. In HB1075, there's \$2.5 million there. The chiller is there; but what else is in that line?

Pam Sharp: That would also be some capital assets probably in central services.

Lori Laschkewitsch: It's a very small amount of special fund authority in central services; the rest of it would all be facility and extraordinary repairs. That \$800,000.00 surplus building is in that capital assets line.

Pam Sharp: Whatever's less of that \$2.73 million for facility management, you can probably subtract \$1 million for central services. Of the \$1.7 million that would be left, \$1 million is coming from the Capitol Building Trust Fund.

Pam Sharp continued through the green sheet.

Representative Delmore: Does the Governor intend to put amendments on some bills; to do somethings to reflect his budget? Do you know what the new Governor's intention is?

Pam Sharp: Sheila and the budget analysts are working on putting together a page for every agency that has the change from Governor Dalrymple's budget to Governor Burgum's budget. We're going to put a book together and have it available, hopefully, very early next week. It would also include the eliminated sections. We will have step by step changes outlined for you.

Chairman Brandenburg: Someone is going to have to propose an amendment.

Pam Sharp: What we are doing is amending Governor Dalrymple's budget. If you kill that budget, that amendment that we make isn't going to make any sense.

Pam Sharp continued with the green sheet.

Chairman Brandenburg: I am trying to understand how we can help both.

Pam Sharp: If the social services proposal goes through, we need ongoing revenue for that. So he's proposing not to have that tax relief fund, but roll it into ongoing money going into the general fund. Then the money that is sitting in the tax relief fund at the end of this biennium could be used to replenish at least part of the Budget Stabilization Fund. The determining factor of how you're going to have to figure that out is the property tax relief. If you go back to the one time spending for the buy down, you're going to want to continue that property tax relief fund and pay forward.

Chairman Brandenburg: We have the 12% property tax relief fund. The proposal is to get the social services; but what they don't understand back home is you can't have both.

Pam Sharp: The mills that have been taken over on the education show up on your tax statements. I don't know why this couldn't show up as well if that goes through. That's so much bigger than the 12%.

Chairman Brandenburg: You're right for some counties; but wrong for some counties. When this gets done, the fear of a lot of them is that they're going to end up moving the jobs. There's no guarantee that those social services jobs are going to be there in the next biennium.

Pam Sharp: I believe the counties are supporting that.

Chairman Brandenburg: The counties are supporting it but when it gets said and done, it's going to end up in the ten big counties.

Pam Sharp continued with the green sheet.

Chairman Brandenburg: On that \$30 million, we have five months left, how are we going to deal with that if we have another \$50 million that we're short?

Pam Sharp: I think what you need to do is let some time pass. I think you'll have more information by the time you go home and this won't be decided until the last day of the session. We'll have a new revenue forecast, we'll know what the revenues were January, February and March; and maybe have a sense of what April is going to look like. The proposal would be to take that money from the SIIF fund.

Chairman Brandenburg: What's in there right now?

Pam Sharp: Without any proposed spending, about \$345 million in the SIIF for the current biennium.

Chairman Brandenburg: But some of that has been committed.

Pam Sharp: No.

Chairman Brandenburg: How much has been proposed?

Pam Sharp: In Governor Burgum's proposal there would still be \$166 million left on the table. What's proposed in Governor Burgum's recommendation, is funding the deficiency; funding those \$30 million, airport support for Dickinson and Williston. There's some litigation fees in there. Governor Burgum is proposing that \$10 million to go to the challenge grants, \$3 million for lignite research, \$1 million for base retention, some money for UAS.

Representative Delmore: The information that you're putting together will that be given to both assemblies? Will it be given to the full appropriations committee?

Sheila Peterson, Director of Fiscal Management, Office of Management and Budget: We're expect that when they are hot off the press, we're bringing them right to the appropriation rooms. It will be posted on our website as well. We will print copies for legislative council. We will do enough for every legislator.

Chairman Brandenburg: It's kind of a moving of a moving target isn't it?

Sheila Peterson: We anticipate early next week you will have them. It will include an update to all of the status statements that have changed from the Dalrymple budget to the Burgum budget. It will include a sheet for every agency.

Representative Delmore: Has there ever been a time when the governor has changed within the same party and we've had to go through and do this? Is this because we have the deficit that we're facing in the state?

Sheila Peterson: Yes, this has happened before. When Governor Schaeffer came in to office he made substantial changes to outgoing Governor Sinner's budget. We did a separate publication for him; and was presented around January 20th. Other than transitions then from Schaeffer to Hoeven were quite minimal; so we didn't do a publication. When we went from Hoeven to Dalrymple, there were no changes because Dalrymple was Lieutenant Governor and he was at the table. Yes, there is precedent for doing this; what's new is the legislative budget.

Chairman Brandenburg: Recessed the hearing.


2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1015
1/19/2017
Recording Job# 27112

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachments A through C

Chairman Brandenburg: Re-opened the hearing on HB1015 and HB1075.

Pam Sharp, Director, Office of Management and Budget: See attachment A.

Representative Kempenich: This isn't it is it? Is this the whole pot?

Pam Sharp: This is all of it; because in Governor Dalrymple's budget, we funded those litigation fees from the SIIF fund. They had been one-time funding before. It includes Waters of the US, there's some money for the industrial commission, for the health department and PSC.

Chairman Brandenburg: All that money has been pulled and it's been jackpotted into here?

Pam Sharp: Yes.

Pam Sharp continued with her testimony.

Representative Vigesaa: Do we have a breakdown on the airports; how much is Williston and how much is Dickinson?

Pam Sharp: \$20 million is for Williston and the \$4.1 million is for Dickinson.

Representative Vigesaa: Do we know how far down the road each of those projects are?

Pam Sharp: No.

Representative Kempenich: I'm sure that the aeronautics will bring in their wish list.

Pam Sharp: I would add that this \$20 million for Williston; after that is paid there still would be another \$20 million that the state has committed to Williston that would have to be paid the following biennium.

Representative Brabandt: This Valley City Fine Arts building. What was the price tag on that?

Pam Sharp: It was about \$25 million.

Representative Brabandt: I thought we were done building buildings on campuses?

Pam Sharp: It was not in Governor Burgum's recommendation right now. The reason Governor Dalrymple had put it in his recommendation, is that it's on the wrong side of the dike.

Chairman Brandenburg: So as long as they don't flood, they're ok for a while?

Pam Sharp: Yes.

Representative Brabandt: Did you say \$20 million?

Pam Sharp: \$25 million.

Vice Chairman Boehning: The deficiency appropriation; you have that pegged at \$14 million. I think our bill was a lot more than that. What was in that bill?

Sheila Peterson, Director of Fiscal Management, Office of Management and Budget: It was higher but I think that both the legislative and executive branch have agreed that the \$17 million for the adjutant general that they had borrowed and we had them repaying, is not going to be repaid.

Vice Chairman Boehning: There was another couple of line items; one was for the courts and one was for indigent defense. Is that something else we can put into that \$17 million and borrow versus taking out deficiency payments?

Sheila Peterson: We had looked at that possibility when we knew that indigent defense and the courts were being so heavily impacted by the protesters. However, we didn't feel that met the definition of disaster or emergency under the usual statutes.

Chairman Brandenburg: I did see this morning about something has just happened with the courts that was announced that they're bringing in a bunch of lawyers to help with processing these protesters. Who is heading up indigent defense now?

Sheila Peterson: Jean Delaney.

Chairman Brandenburg: I just have a problem that we have to pay to prosecute them and we have to pay to defend them; and we know they're getting paid.

Sheila Peterson: As a personal opinion, I do think when we look to re-imburement, I think we could put this on the table.

Pam Sharp continued with her testimony. See attachments B and C.

Chairman Brandenburg: How much rent are you paying?

Pam Sharp: It's double what it used to be.

Representative Kempenich: Is that on a square foot basis?

Pam Sharp: It is a square foot basis.

Lori Laschkewitsh, Fiscal Analyst, Office of Management and Budget: Each month the rent has been \$142,770.00; and for 2018 it's going up to \$146,344.00 for 2019. If you watch it continues going up each year to \$160,000.00, \$170,000.00 and \$180,000.00 per year.

Pam Sharp continued with the green sheet.

Chairman Brandenburg: So anything under \$175,000.00 you have that authority.

Pam Sharp: Right. They have that authority to spend.

Pam Sharp continued with the green sheet.

Chairman Brandenburg: How much is in the Indigent Fund? Do you know how big that fund is?

Pam Sharp: I don't know. General funds go into the Indigent Fund.

Chairman Brandenburg: What's the base? How much are we working with and how much are we adding?

Sheila Peterson: This is not money that goes to the indigent defense people that are a state agency. We make those distributions quarterly to entities like Legal Services of North Dakota, Legal Assistance of North Dakota and some who are taking cases; there's Migrant Legal Services, etc.; who based on their case load that we distribute dollars to.

Chairman Brandenburg: Couldn't some of these protesters be asking for this fund also?

Sheila Peterson: I'm not sure. I think they just take civil cases.

Chairman Brandenburg: This fund is to take care of civil cases. The other fund is to take care of criminal cases.

Sheila Peterson: Yes.

Lori Laschkewitsch: The fund is kept at \$650,000.00 and anything over that goes to the general fund.

Chairman Brandenburg: Do you know what's in the criminal?

Pam Sharp: I think that the source of this fund for the civil legal services is some fines and fees that the state collects.

Pam Sharp continued with the green sheet.

Representative Kempenich: I see you have an emergency clause in the bill. Is that going to apply no matter what happens?

Pam Sharp: Right. If we want to use the SIIF money for the current biennium, we have to have an emergency clause.

Pam Sharp continued with the green sheet.

Vice Chairman Boehning: That HB1088 is that on top of the \$1 million?

Pam Sharp: It's a completely different one. The line in the budget is to fix a computer system. HB1088 is to pay for notification of all of the people that information was breached. One thing I can add is that Governor Burgum's budget reduces OMB's FTE count by another one FTE; and I believe it's around \$300,000.00. That will be in the pages we give you next week.

Vice Chairman Boehning: Getting back to the surplus property. How much money do they generate in a year? Where does the money go to?

Pam Sharp: The money they generate goes to pay their salaries, rent and for all the operations of surplus property. When they get federal property, they pay for the shipping and trucking to get that property here. They can keep a year of operating expenses on hand. I think the cash balance that they have on hand is a little over \$1 million. If this would be approved, the plan would be to take some of that cash they have on hand to fund this; and then they would accelerate selling of more of the stuff they have on hand.

Vice Chairman Boehning: They carry about \$1 million on hand. The rest of that money goes back into the general fund?

Pam Sharp: The excess would go back into the general fund. There has not been any excess money that has gone into the general fund for the last few biennium.

Representative Kempenich: So it doesn't go back into state fleet or anything like that?

Pam Sharp: No. Any excess over that is just general fund.

Representative Kempenich: How can they retain anything on it; because we're appropriating to state fleet and state fleet is supposed to be recouping costs of what they

charge agencies. Are they retaining 100%? If they sell a sedan for \$6,500.00 and a pickup for \$8,500.00, who keeps that money?

Pam Sharp: When stuff gets sold from surplus property, surplus property gets a portion of it; and there's a portion that goes back to the source. The portion that remains in surplus property is used to run surplus property.

Representative Kempenich: But they do charge a percentage?

Pam Sharp: Yes, they do charge something for an administrative fee. When they sell federal property, they buy this federal property, sell it and all proceeds stay there.

Chairman Brandenburg: I'm just curious if we're going to build a building for \$800,000.00, what would the payment be on that building? If they're charging us \$160,000.00 a year for leasing a building, it would be interesting to see what the payback would be. Do you have any of that?

Pam Sharp: The payback is less than 10 years.

Representative Kempenich: You don't know if they're willing to sell it for the \$800,000.00?

Pam Sharp: No. I would add that we would never want to spend more than \$800,000.00; whether it was on the purchase and repairs of the current building or to build a new building. For the existing building, there are a lot of repairs that need to be done. In order for that to be feasible, we'd have to get it at a much lower price. The purchase price and repairs would have to be less than \$800,000.00.

Chairman Brandenburg: You have to understand that in this environment, when we start talking about buildings, it has to justify; because that's one thing that's going to be scrutinized.

Pam Sharp: Absolutely.

Chairman Brandenburg: At the end of the day, we're looking at a 3.5 FTE reduction and a budget of \$30,497,000.00. Is that where it's at?

Representative Kempenich: This isn't going to be a cold storage building. If we pursue this, we're going to need some designs or specs.

Pam Sharp: We'd be happy to provide all that information.

Representative Delzer: If you have the design, who did it?

Pam Sharp: I can't say we have a whole design; but I can say that John Boyle and Joel Leapaldt from our office have done the cost estimates based on the information they have.

Chairman Brandenburg: Did you ask the person who has the building if they would want to sell it?

Pam Sharp: That conversation has been had and they said that they were going to engage in conversations.

Chairman Brandenburg: Closed the hearing.

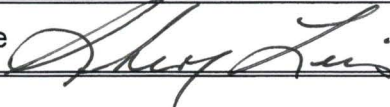
2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

1015
1/25/2017
Recording Job# 27346

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachments A through D

Chairman Brandenburg: Opened the hearing on HB1015 and HB1075.

Pam Sharp, Director, Office of Management and Budget: Talked about changes to executive recommendations. See attachment A.

Chairman Brandenburg: You have about \$30 million for general fund dollars.

Adam Mathiak, Fiscal Analyst, ND Legislative Council: The green sheet had about \$30.5 million for the general fund for Governor Dalrymple's proposal, with these proposed changes by Governor Burgum, which reduced it by \$500,000.00; we'd be at \$30 million from the general fund.

Chairman Brandenburg: We're working with about 5% off that number.

Pam Sharp: I would suggest eliminating the dues for the Council for State Government and the Education Commission on the States.

Representative Delmore: Are we looking at the 5% health care costs and going with that? Are we asking her to leave that in and go with the other 5% we would like to see cut?

Chairman Brandenburg: What I'm hearing from leadership is that we're not in favor of taking the 5%. That's the feeling of the House; I don't know where the Senate is at.

Representative Kempenich: From conversations we've had we're trying to get to \$4.3 billion general fund. If it's not something that's crucial to the state, it's going to be on the table.

Representative Vigesaa: The FTE that Governor Burgum reduced, is that an open position or do you have to take a position away from someone?

Pam Sharp: That is not an open position.

Chairman Brandenburg: As far as our dues, I agree completely.

Pam Sharp: Are you saying 5% below what Governor Burgum recommended?

Chairman Brandenburg: That's a moving target.

Representative Kempenich: I think everything is geared toward the Dalrymple budget.

Representative Vigesaa: Last session we were given a list of all the states and what they paid for dues. Is that something we could get from you?

Pam Sharp: I don't know how we get that information.

Representative Delmore: I believe that was the NCSL not the Council of State Governments.

Pam Sharp: I would say that when we were putting together our budget proposal, Rachel, who is our fiscal officer, called the Council of State Government and asked what we're receiving. I think we just need to make a decision.

Representative Nathe: For the Commission on Education, \$150,000.00 is a lot of money.

Representative Kempenich: Made a motion to eliminate \$590,500.00 out of the dues and memberships.

Vice Chairman Boehning: Seconded the motion.

Representative Delmore: Are we including everything in that category?

Representative Kempenich: Everything in that category.

Roll Call Vote: 6 Yeas, 1 Nay 0 Absent

Motion Passed.

Representative Brabandt: How many people do you have in OMB who are human resources?

Pam Sharp: We have a whole division. Human Resource Management Services is a division of OMB and we serve all state agencies.

Chairman Brandenburg: Look at some of those positions and programs.

Pam Sharp: In OMB, it's not like we have programs, what we do is administer the state functions of government.

Representative Kempenich: That's why we're going to have to prioritize.

Pam Sharp: Last time we were here, you asked for some information on that proposed building or purchase of a building for surplus property.

John Boyle, Director, Facilities Management: See attachments B and C. Also referenced previous testimony.

Representative Brabandt: On the existing building we lease, do we pick up all the utilities?

John Boyle: That's correct. We already have operating costs on top of this lease payment. If we were to purchase it, it would be around \$500,000.00 and there's at least \$200,000.00 to \$300,000.00 in deferred maintenance.

Representative Kempenich: You don't have a big lot out there.

John Boyle: It's about 11/2 acres of land and then 18,000 sq. ft. building. This would be more land than what we have right now.

Representative Kempenich: That's fairly high per square foot.

Vice Chairman Boehning: What's it going to cost to do the site work?

John Boyle: That's going to cost about 20% of the cost. That includes bringing in utilities, clearing the site, and preparing the site. We also include pouring the asphalt and a chain link fence.

Vice Chairman Boehning: Just looking at the site map, it looks like there are a lot of trees on that site. If you bulldoze all those trees, you're going to have a compaction problem aren't you?

John Boyle: We might have to bring in soil.

Vice Chairman Boehning: That \$160,000.00 seems to me to be low. It may be double or triple that amount.

John Boyle: We can give you the cost estimate; how we came up with the \$800,000.00.

Vice Chairman Boehning: We should see that. There's a lot of site work and I don't know how much you have to raise the site up in that area. Do you know how many feet?

John Boyle: We don't know that yet. We haven't done any soil samples or anything.

Vice Chairman Boehning: So you don't know what the elevation is; if we have to raise it up a foot or two feet we could be looking at a lot more money than that \$160,000.00.

John Boyle: Yes.

Vice Chairman Boehning: Has an engineer looked at that site and given us an estimate?

John Boyle: No. We just have preliminary estimated numbers from our state architect. The architect and engineer fee will be 10% of the total cost as well. That's included in the \$700,000.00.

Vice Chairman Boehning: Do we have any elevations from the road to where the building would sit?

John Boyle: No. We haven't gotten into that much detail. All we did was go out and walk the site. It is a very level site.

Vice Chairman Boehning: Can we get some more information on that site?

Representative Nathe: Is this time sensitive? Is the lease coming due?

John Boyle: The lease isn't coming due; it was extended two years ago. It was at the peak of the market. The problem is that the new Morton County Jail has been built out there and things are going to continue to rise.

Representative Nathe: Is there a clause to get out of the lease?

John Boyle: We have a clause in all of our leases that if funding is not appropriated to pay for a lease, then the lease becomes null and void.

Representative Nathe: There's an exit strategy.

John Boyle: That is correct.

Representative Brabandt: I assume that it's a metal building that we're in out there?

John Boyle: It's a concrete tilt up building.

Representative Brabandt: Pre-cast?

John Boyle: Pre-cast concrete. That's what this would be also.

Representative Brabandt: Does the existing building have a flat roof?

John Boyle: It does have a flat roof and it has major issues. That's part of the \$200,000.00 to \$300,000.00; replacing the roof.

Representative Delmore: As long as we're leasing, we're not responsible for any of the repairs are we?

John Boyle: Yes and no. In this one the landlord doesn't seem to make the repairs. We do some patchwork on our own. In a general sense, that is correct; the landlord usually makes all the repairs.

Representative Delmore: The \$800,000.00 is money coming out of the capitol projects; so it isn't money you can just move somewhere else in the budget and use for something else. Am I correct?

John Boyle: You are. It's special funds for state surplus; it's their money. We couldn't use that to redo the parking lot here.

Representative Delmore: But not necessarily somewhere else in your budget. You couldn't move it to replace an FTE or anything like that; because it's designated.

John Boyle: That's correct.

Representative Brabandt: Surplus property. I'm assuming a lot of that is vehicles?

Sherry Neas, Director, Central Services, Office of Management and Budget: The yard is mostly vehicles. Revenue stream wise, the federal property is what brings in the most revenue. The heavier equipment is the money maker for out there. Within the warehouse there are a lot of tools, equipment that can't be stored outside. From the state side we have office furniture and computers. From the military side we have bunny boots and MRE's.

Chairman Brandenburg: What do you do with all of those MRE's?

Sherry Neas: DES can get a lot of things from them

Vice Chairman Boehning: How many are onsite at the surplus property building?

Sherry Neas: There are five employees. There are two office workers, a manager and two warehouse workers. Their monthly operating costs are about \$83,000.00; about \$20,000.00 of that is salary.

Representative Kempenich: Does the agency have to purchase items? How does that work if it is state getting things?

Sherry Neas: The way the law is written on the state side; all property has to be reported. Property that's valued at \$3,000.00 or less; the state keeps the proceeds unless the entity is subject to special distribution. The property over \$3,000.00, administrative costs of the sale are retained and the rest return to the agency and goes back into the fund from which it was appropriated. On the federal side, surplus property acquires the federal property at no cost except for shipping. We recoup our shipping costs and then the law dictates that it's sold at their market value.

Representative Kempenich: You actively do go and look for stuff?

Sherry Neas: We have one of the more successful state surplus properties.

Chairman Brandenburg: A building this session. That's going to be a hard sell.

John Boyle: I would agree.

Representative Kempenich: I think you need to give us some more specific information.

John Boyle: Yes.

Representative Brabandt: Is the existing pre-cast building insulated?

John Boyle: It is not.

Representative Brabandt: When was that building built?

John Boyle: In the mid-1960's to early 1970's.

Vice Chairman Boehning: What's the square foot rent on that building?

John Boyle: It's about \$8.00. It's a little different because they pay a little bit for the land and then for the building.

Pam Sharp: See attachment C.

Chairman Brandenburg: If you take off \$800,000.00 for the building, you're at \$1.9 million.

Pam Sharp: A large chunk of that is \$665,000.00 for the bond payment.

Chairman Brandenburg: If we take that off, we're at \$1.3 million. What are we doing with extraordinary repairs?

John Boyle: This is all coming out of the capitol building trust fund. See attachment D.

Chairman Brandenburg: What's the chiller?

John Boyle: It's outside of the J-wing. It provides the cooling to the computer room.

John Boyle continued with his testimony.

Representative Kempenich: What size tanks are on top?

John Boyle: There are two tanks; each hold about 10,000 gallons of water.

Representative Kempenich: What you want to do is put some high capacity pumps and not have those tanks there anymore? Would you still keep the tanks?

John Boyle: We would probably remove the tanks.

Representative Kempenich: Is that on the 18th floor?

John Boyle: You go up to 18 and then you have to go to the penthouse. That's where the elevator motors and things are.

Representative Brabandt: Is the exterior of the capitol building done?

John Boyle: Yes, it's done.

Representative Brabandt: Was the capitol separate from the Judicial wing?

John Boyle: It was. That was the first project that we did six years ago; because we wanted to test to see how it would look.

Representative Brabandt: What was the cost of the capitol building? Do you recall?

John Boyle: I do. It was about \$1.4 million just to do the capitol tower; and then \$1.3 million to do the legislative and judicial wings combined. Now it won't have to be done for another 15 years or so.

Representative Nathe: What is the current amount in the capitol building trust fund?

John Boyle: At the end of this biennium, there should be about \$3 million in there.

Chairman Brandenburg: Closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1015
2/3/2017
Recording Job# 27864

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachments A through D

Chairman Brandenburg: Opened the hearing on HB1015 and HB1075

Pam Sharp, Director, Office of Management and Budget: See attachment A.

Chairman Brandenburg: With the contingency fund, they tried to get to \$700,000.00; it's now at \$500,000.00. You're recommending to go to \$350,000.00.

Pam Sharp: That's correct.

Pam Sharp continued with her testimony

Representative Vigesaa: Could you explain the difference between the Guardianship Program in OMB versus what's in human services for guardianship? Why wouldn't it all be in human services?

Pam Sharp: The money that's in OMB's budget is for indigents that have ordered by the court to have a guardianship; people who have no money that need a guardianship. What they have in human services is a development disabilities guardianship. The legislature placed this in OMB, through a recommendation by the Association of Counties and the court system, that OMB would be the best place for it. All we do is pass it through to the Association of Counties and they disperse it appropriately.

Representative Vigesaa: I find it odd that it's in OMB when all those types of services are usually under human services.

Pam Sharp: There might have been some concern that perhaps it would end up being co-mingled or they would lose their identity since their both guardianship.

Chairman Brandenburg: In Prairie Public you took out \$400,000.00 out before and now you're taking out \$60,000.00. There was an increase of \$1.2 million.

Pam Sharp: There was an increase in the current biennium from the previous biennium; because they had not increased in the ongoing support from the state for many years. We calculated an inflationary factor and they had that increase for the current biennium; although it was cut in the allotment.

Representative Nathe: On the guardianship grants, they are desperately low and there's a huge need. Representative Pollert told me a few sessions ago when they were making up budgets, they couldn't get it in one budget and they found this budget to place it in.

Representative Delmore: The indigent defense is also a separate budget from the judiciary. I wonder if that doesn't tie together with the possibility of a lawsuit, etc.

Pam Sharp continued with her testimony. See attachment B.

Chairman Brandenburg: Wasn't it over \$400,000.00?

Pam Sharp: Right now there's only \$108,000.00 of general funds in there. In Governor Dalrymple's budget \$1 million from the capital building trust fund for repairs.

Chairman Brandenburg: There's also \$800,000.00 in that building fund.

Pam Sharp: Right.

Chairman Brandenburg: We're taking \$108,000.00 out of capital repairs fund?

Pam Sharp: Yes, of the general funds.

Chairman Brandenburg: The money for the \$800,000.00 for the building is special funds?

Pam Sharp: That's correct.

Chairman Brandenburg: So the cuts are \$465,000.00.

Pam Sharp: Right.

Representative Vigesaa: The \$108,000.00 from extraordinary repairs, what line would that be on in the actual bill?

Pam Sharp: I think it was in the capital assets line.

Pam Sharp continued with her testimony. See attachment C.

Chairman Brandenburg: The state architect, why do you need it?

Pam Sharp: All the agencies that have any remodel projects; instead of hiring an architect, he's able to do the re-design. Currently, he's designing the floor plan to relocate and consolidate Job Service's third floor to free up the fourth floor and then they're going to lease that space to the Attorney General's office. He has completely re-designed the Department of Labor. Over the years, many agencies have remodeled their office space and he's been able to do that design work rather than hiring an architect. For all the large projects that are proposed, he reviews those estimates and verifies them.

Chairman Brandenburg: We're trying to justify all the positions.

Pam Sharp: I would say his position saves more money than we pay in his salary.

Chairman Brandenburg: The building for the surplus property, why do you need the \$800,000.00? I can say without a doubt we are not going to build a building. There's \$800,000.00, do you need all of it or some of it?

Pam Sharp: The reason we're proposing buying a building or building a building is because the rent is unsustainable for surplus property. It's more than doubled in just a few years and by continuing to pay that rent, we jeopardize the whole surplus property function. They support themselves and unless we can do things cheaper, we are going on the wrong trend line.

Chairman Brandenburg: I don't disagree with what you said, but, we're dealing with a different budget this time also. We're trying to find all the dollars that we can and if we were in a good environment we could build.

Pam Sharp: If it isn't doesn't cost \$800,000.00 we won't spend that amount. That money is surplus property's money and can't be used anywhere else.

Chairman Brandenburg: The assistant to the first lady and that's \$171,000.00.

Pam Sharp: The assistant to the first lady, that position is in OMB and the facility management division. It's in that division because it has to be in some division of OMB. Facility management supports the residence. The first lady is 100% volunteer position and she needs some support. This position has been in existence since the Schaefer administration. The office is on the 4th floor and the first lady has a portion of it and the assistant has a small reception area. The first ladies give speeches and they travel. The assistant helps to organize and does speech writing.

Representative Vigesaa: Can you compare this budget line with the past two biennium as to what was allocated for the assistant?

Pam Sharp: I couldn't tell you about the dollars. I can tell you when Nancy Schaefer was the first lady, she had a full time assistant. When Mikey Hoeven was the first lady, she had a full time assistant. Buffy Dalrymple had an assistant that worked half-time; and now the current first lady feels she needs a full-time assistant.

Representative Vigesaa: Is it fair to say that the money in that line is more if more than what we had under the Dalrymple administration?

Pam Sharp: In the Dalrymple administration we had reserved a full-time position; we had the FTE for full-time but only used a half-time position. The current first lady's assistant started her job on Wednesday.

Representative Brabandt: The first lady's assistant is a volunteer?

Pam Sharp: She is a hired employee. The first lady is a volunteer.

Representative Brabandt: She works 40 hours a week?

Pam Sharp: That's a full time position; 40 hours a week.

Chairman Brandenburg: The human resource position in your budget, there's a compensation manager for \$259,000.00. Explain what these people do.

Pam Sharp: We may have some unfilled ones that were taken out in the allotment and were given up in this budget.

Chairman Brandenburg: The 4.5 FTE's are already off the table?

Pam Sharp: The funding for 3.5 FTE's was taken out in the allotment.

Lori Laschkewitsch: It's in the governor's budget that we removed those 3.5 positions.

Chairman Brandenburg: Was the money taken out also?

Lori Laschkewitsch: Yes.

Pam Sharp: By statute, there's a chapter on human resource management services. By law they are required to maintain the classification system for state government. We have human resource officers, they do the classifications, review the job questionnaire, get them in the proper classification, maintain that classification system; as well as the salary ranges. They also consult with all the agencies.

Chairman Brandenburg: There were 3.5 FTE's taken out of the executive budget. There's two left; but one was filled and there's one human resource office pending for \$175,000.00.

Pam Sharp: Yes.

Chairman Brandenburg: You noticed yesterday in the bucket bill that all the transfers were moved. We're going to have to look at this biennium out of the SIIF fund going from \$30 million to \$100 million to finish out the 2015-2017 biennium.

Pam Sharp: There are a couple. We need section 8 to authorize fiscal management to carry over any excess funds to use for our statewide systems; to maintain the upgrades and deal with any issues that we have.

Chairman Brandenburg: Section 6 goes from \$30 million to \$100 million out of the SIIF Fund. We'll look at section 8 and section 9.

Pam Sharp: Yes. We need section 9 and we also need section 10.

Chairman Brandenburg: That's the cyber security.

Pam Sharp: That's just authority. We also need section 5 depending on what happens with the social services takeover bill.

Chairman Brandenburg: I think we'll just wait on that until we get the new revenue forecast.

Chairman Brandenburg: Dealing with surplus property. There's \$800,000.00 in that building fund. Can you live without some of it if we need \$400,000.00 to go into the general fund?

Pam Sharp: No we can't. We need to operate surplus property. When you made the motion to take out the \$590,000.00 for dues and memberships, included in there is the Commission of Uniform State Laws; we pay dues for the, but, we're also required by statute to pay expenses of anyone who goes to that. See attachment D.

Chairman Brandenburg: How much travel expenses are there?

Pam Sharp: We paid about \$75,000.00 in the current biennium. If you take that out, the agencies who send people to that conference would have to pay for it themselves if they chose to send them.

Representative Delmore: That includes legislators that are sent as well?

Pam Sharp: If you look at the top part that's highlighted, that says who generally goes to those. In HB1075 there is a transfer from the tax relief fund to budget stabilization fund.

Chairman Brandenburg: We'll put a question mark on section 4.

Pam Sharp: Just so we don't lose track of it.

Chairman Brandenburg closed the hearing.

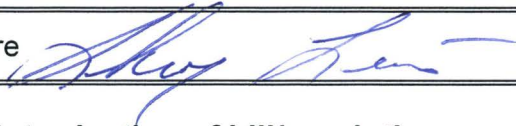
2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1015
2/10/2017
Recording Job# 28194

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachments A through D

Chairman Brandenburg: Opened the hearing on HB1015 and HB1075.

Chairman Brandenburg: Explained proposed changes. See attachment A.

Representative Delmore: You have the \$800,000.00 for the building in one part; then section six identifies that the funding prohibits purchase or construction.

Chairman Brandenburg: The building they have right now, it allows to do some fixing on it.

Representative Vigesaa: Could you detail a little further what the \$53,000.00 for the boys and girls club is all about?

Pam Sharp, Director, Office of Management and Budget: It gives \$500.00 for each county for the 4H clubs each year of the biennium.

Vice Chairman Boehning: Made a motion move the proposed amendments.

Representative Nathe: Seconded the motion.

Voice Vote made.

Motion Carried.

Representative Nathe: Explained amendment 17.0500.01001. See attachment B.

Representative Nathe: Made a motion to move amendment 17.0500.01001.

Vice Chairman Boehning: Seconded the motion.

Voice Vote made.

Motion Carried.

Chairman Brandenburg: Explained amendment 17.0500.01002. See attachment C.

Representative Kempenich: Made a motion to move amendment 17.0500.01002.

Representative Vigesaa: Seconded the motion.

Voice Vote made.

Motion Carried.

Representative Delmore: Didn't we already pass a provision that said April 30th would be the cutoff for the positions? This one goes beyond that?

Chairman Brandenburg: That amendment was the freeze on hiring until April 30, 2017. This amendment takes the roll up dollars for FTE's and other positions and not allow them to move over into operating. It can only be used for those positions; so they don't have that flexibility.

Vice Chairman Boehning: Made a motion for a "Do Pass as Amended".

Representative Vigesaa: Seconded the motion.

Roll Call Vote: 7 Yeas 0 Nays 0 Absent

Motion Carried.

Chairman Brandenburg: Closed the hearing.

Attachment D was distributed but was not discussed.

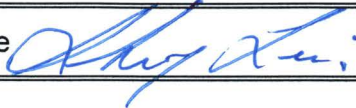
2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1015
2/13/2017
Recording Job# 28264

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachments A through C

Chairman Brandenburg: Opened the hearing on HB1015 and HB1075.

Chairman Brandenburg: See attachments A and B.

Chairman Brandenburg: I had a question on the cyber security; there's \$1 million of special funds. Could you explain where that's at and what that money is?

Adam Mathiak, Fiscal Analyst, ND Legislative Council: There's no specific funding source; it's just special fund authority. As needed they would give the authority to a special funded agency and they would utilize whatever special funds they might have available at their disposal.

Chairman Brandenburg: It's giving the other agencies the authority to use up to \$1 million.

Adam Mathiak: That's correct. That's for the remediation clause, if there was an information technology security incident.

Representative Kempenich: If an action happens, it's probably too late; but they'll spend money to address the issues.

Adam Mathiak: I suspect it would be something similar to what happened to with the University System in 2013-2015 biennium; where they purchased that insurance to cover protection for the individuals.

Chairman Brandenburg continued discussing attachments.

Chairman Brandenburg: The \$100 million is going out of the SIIF fund and going to the general fund.

Chairman Brandenburg continued with the discussion.

Representative Kempenich: Made a motion to take out line 18 of the proposed changes.

Representative Delmore: When there's still going to be payments needed and repairs etc.

Representative Kempenich: But it doesn't need to be appropriated; that's part of their normal operating. The conversation was the committee didn't want \$800,000.00 spent for a building.

Chairman Brandenburg: Couldn't we just say they couldn't build a building and not have it in there?

Adam Mathiak: If you removed the \$800,000.00, I would adjust section 7 of the bill so it would just be the prohibition; it would not identify the funding in the top. That first sentence would be removed.

Representative Nathe: Seconded the motion.

Representative Nathe: If this were to pass and we kept it in here, what were your plans? How much were you going to use? How would it be used?

John Boyle, Director, Facility Management: If that were to stay in there, we wouldn't do anything but continue to pay the rent. They use their operating fund to pay the rent now. We couldn't use that money. We wouldn't make repairs to the building, we'd ask the landlord to make those repairs. If we did, we'd just reduce the rent by dollar for dollar. Right now the \$148,000.00 they pay in rent would continue.

Representative Nathe: If we removed this, it wouldn't have a detrimental effect on the operations there?

John Boyle: No. It was only for building a new building or purchasing that building.

Representative Brabandt: What actually does the building need? What does it need for repairs if any?

John Boyle: It needs a new roof, the doors are 28 inch doors; they need to be 36 inch doors. It needs about \$300,000.00 worth of repairs. If we were to purchase the building for \$500,000.00, we'd need to put \$200,000.00 to \$300,000.00 into it so it passed all the building codes.

Voice Vote made.

Motion Carried.

Chairman Brandenburg: Discussed amendment 17.0500.01003. Attachment C.

Representative Kempenich: Made a motion for a "Do Pass as Amended".

Vice Chairman Boehning: Seconded the motion.

Roll Call Vote: 7 Yeas 0 Nays 0 Absent

Motion Carried.

Chairman Brandenburg: Closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1015
2/15/2017
28427

- Subcommittee
 Conference Committee

Mary Brucher

Explanation or reason for introduction of bill/resolution:

A bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

No attachments

Representative Brandenburg: HB 1015 we are using amendment 17.0500.01005. This is a \$30 million budget that was reduced by \$2.6 million, \$28,155,000. The changes occurred was the funding that was added for cost of salaries and benefits, the increase in health insurance, FTE positions and other salaries and wages changes as adjusted. We took out \$268,000 for 1.5 administrative assistants, \$70,000 for an unspecified FTE position, took out \$232,000 for state architect, removed one FTE of a Human Resource Officer for \$174,000, removed two FTE positions unspecified for \$374,000, and reduce funding for salaries and wages of \$187,000 for a total of \$1.3 million. Number four added unemployment claims payments dealing with North Dakota Century Code. Number five was funding for operating expenses change and adjusted; we adjust funding for operating expense for \$152,000 and other funds that made a total of \$127,000, reductions in operating \$150,000, removes funding for revenue forecast as a contract travel of \$77,000 for a total of \$970,000. Also, we added funding from the general fund for exterior repairs of \$108,000 for bond payments and exterior repairs for a total of \$665,000. Number seven is the funding for grant programs and is adjusted as follows: emergency \$800,000 out of Prairie Public Broadcasting, the state student internship of \$200,000, and grants of \$501,000. Funding was reduced for the emergency commission from \$500,000 to \$350,000 and one-time funding authority of \$1 million for cyber security remedial pool. Section four is transferring \$100 million from the SIF fund for this biennium to finish out to July 1 so we have enough money to cover this current biennium. There's an amendment that they may not purchase or construct a new building on the surplus property. The Boys and Girls Club, section 7, unemployment insurance of \$2 million and capital grounds planning commission \$25,000. Amendment 9 doesn't use paper but sending out electronically and saving the state some money whenever possible. If you want it in paper you have to pay a fee to get it. Section 10 is taking the roll-up dollars for all the vacant positions so they aren't carried over into operating. Section 11 is an emergency for some of these sections that need to be done. There is a total of 7.5 FTEs.

Chairman Delzer: Seems that the emergency clause is just on section 4 which is the \$100 million and that leaves us with a \$13,000 ending fund balance at the end of June. That may well change with the revenue forecast on March 9, 2017 and what the legislature decides to do with that.

Representative Brandenburg: Just to clarify, that million dollars for the other agencies gives them authority to do cyber security.

Chairman Delzer: That was recommended by both Governor Burgum and Governor Dalrymple.

Representative Delmore: What's the intent of section 10, salaries and wages from vacant positions? Does that mean we won't be able to fill any positions within an agency? If it's vacant are we putting a freeze on them for all positions?

Chairman Delzer: While it's vacant, the money is rolled up and taken away until those positions are filled. We did this in past sessions to see how much is rolled up. In the past when there was quite a bit of money, there was a pretty big rollup number and that gets used again for pay raises or other things. It's also used to cover somebody leaving early so we may have to do something in the second half of this session or in conference to make sure we can add some of this money if an agency needs it to pay somebody who has retired.

Representative Meier: For the grants, what did you remove from the grants?

Adam, Legislative Council: On page 5 of the amendments that would identify all of the different grant programs that were affected. The first one of \$500,000 of that \$501,000 listed is the removal of the community service supervision grants and there was a reduction of \$1,000 for other grants.

Representative Brandenburg: We also took out \$590,000 for our dues.

Chairman Delzer: Those were dues for the CSG, the legislative body, and for the National Governors Association, and the Lieutenant Governors Association.

Representative Kempenich: It's the Commission of Uniform State Laws, Council of State Governments, Governmental Accounting Standards Boards, Western Governors Association, National Governors Association, National Lieutenant Governors Association, Education Commission of State, and Western Interstate Commission on Higher Education.

Chairman Delzer: Can you give the dollar amounts for each one of those?

Representative Kempenich: The Commission of Uniform State Law \$130,500, Council of State Governments \$188,000, Governmental Accounting Standards Board \$0, Western Governors Association \$74,3000, National Governors Association \$81,500, Lieutenant Governors Association \$1,200, Education Commission of States \$115,000, and WICHE was zeroed out.

Chairman Delzer: I believe NCSL and the Energy Council are the two in the legislative council budget. I think NCSL is somewhere in the neighborhood of \$240,000 for the biennium and the Energy Council is somewhere around \$70,000.

Representative Delmore: We left money in there for the guardianship grant?

Representative Boehning: Yes, we left it the same at the \$1.328 million.

Chairman Delzer: Further discussion?

Representative Brandenburg: Adopt amendment 17.0500.01005

Representative Boehning second that motion

Representative J. Nelson: Did you guys talk about the length of time that we have been a part of any of these organizations?

Chairman Delzer: Brady, do you know? We've taken it out before but it's never stayed out in the time I've been here.

Representative Martinson: Why is WICHE in this for a small amount? Most of the money in WICHE is higher ed, isn't it?

Representative Kempenich: They are zeroed out; it was \$30,000 this current biennium and it's zeroed out in the 2017-19.

Chairman Delzer: That is something we will have to watch from higher Education.

Representative J. Nelson: It's a slap in the face to the Council of State Governments who did some very good work for us in this interim with the justice reinvestment work. They circled the state and created a database we are using in our efforts to reform some of the sentencing practices in the state in HB 1041. The timing of this action is unfortunate for the good work they did and the good work they've done for legislators. I can't support that.

Chairman Delzer: You can offer another amendment if this one passes.

Representative Kempenich: We're a billion dollars and will end up using close to \$600 million of oil money which is pretty soft on ongoing government. Is this essential for the next two years? What are your priorities for the next two years? A million here and a million there isn't going to get us anywhere. We're not even going to come close to making that billion-dollar hole disappear. We'll come in here a month and a half from now and basically take every dollar out there and if the economy doesn't improve in this state two years from now this will be a pipe dream of funding anything. Is this something that state government will have to function on for two years?

Representative Meier: Is it the intent to zero out the NCSL budget as well?

Chairman Delzer: I would guess but that won't be until it gets here.

Voice vote all in favor, motion carries.

Chairman Delzer: Are there further amendments?

Representative Streyle: I would like some kind of study on here for all the agencies about credit card fees, procedures, and policies. We don't have a uniform policy now so I think it is appropriate that we do.

Chairman Delzer: I certainly agree with you but that's something we should look at with the financial institutions.

Representative Brandenburg: We had that discussion and we thought about putting it on here it but thought the bank of ND would be the place to put it.

Representative Brandenburg move Do Pass as Amended

Representative Boehning seconded

Representative J. Nelson: What if we don't have the emergency clause in section 4, what are the consequences?

Chairman Delzer: We at some point in time would have to get an emergency clause on that to cover that. It depends on what happens with the revenue forecast on March 9 to see if that number stays the same or becomes larger.

Representative J. Nelson: If this isn't the vehicle to do it the garage is full of other vehicles?

Chairman Delzer: If the emergency clause doesn't carry on the floor before the first half the emergency clause would be off. The language is still there. Budget bills become active the first of July so that might well cover because they don't close out the end of the biennium until afterwards anyway. I would guess there would be a way for them to use that.

A Roll Call vote was taken. Yea: 15 Nay: 3 Absent: 3

Representative Brandenburg will carry the bill

HOUSE BILL NO. 1015 - OFFICE OF MANAGEMENT AND BUDGET
LISTING OF PROPOSED CHANGES

Description	FTE	General Fund	Special Funds	Total
1 Base payroll changes		\$202,890	\$141,002	\$343,892
2 Health insurance increase		\$279,990	\$60,586	\$340,576
3 Adjusts funding for FTE positions	(3.50)	(\$268,321)	\$1,499	(\$266,822)
4 Reduces funding for an FTE position		(\$70,000)		(\$70,000)
5 Removes 1 FTE state architect position	(1.00)	(\$232,709)		(\$232,709)
6 Removes 3 FTE human resource officer positions	(3.00)	(\$548,683)		(\$548,683)
7 Reduces funding for salaries and wages		(\$187,000)		(\$187,000)
8 Adds funding for unemployment claims payments			\$2,000,000	\$2,000,000
9 Adjusts funding for operating expenses		(\$152,772)	\$25,000	(\$127,772)
10 Reduces operating expenses		(\$150,000)		(\$150,000)
11 Removes funding for statewide memberships and dues (Committee action)		(\$590,500)		(\$590,500)
12 Adds funding for extraordinary repairs (This proposal does not include \$1 million from the capitol building fund, which had been included in both executive recommendations.)		\$108,066		\$108,066
13 Adds funding for bond payments		\$665,411		\$665,411
14 Reduces grant funding		(\$501,000)		(\$501,000)
15 Reduces guardianship grants		(\$132,860)		(\$132,860)
16 Reduces funding for Prairie Public Broadcasting		(\$800,000)		(\$800,000)
17 Removes funding for internship program		(\$200,000)		(\$200,000)
18 Reduces funding for the Emergency Commission contingency fund		(\$150,000)		(\$150,000)
19 Surplus property building repairs or lease payments - One-time funding			\$800,000	\$800,000
20 Cybersecurity risk insurance funding pool - One-time funding			\$1,000,000	\$1,000,000
Total proposed funding changes	<u>(7.50)</u>	<u>(\$2,727,488)</u>	<u>\$4,028,087</u>	<u>\$1,300,599</u>
Reduction to base level needed for a 5 percent reduction to the Dalrymple recommendation		(\$1,854,170)		

Other proposed changes:

- Section 3 provides for a transfer of \$100 million from the strategic investment and improvements fund to the budget stabilization fund during the 2015-17 biennium. Section 8 provides an emergency clause for this transfer.
- Section 4 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.
- Section 5 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unencumbered appropriations to be canceled at the end of the biennium.

- 4 Section 6 identifies the funding for surplus property building repairs or lease payments (\$800,000) and prohibits the purchase or construction of a new building for surplus property.
- 5 Section 7 identifies the funding for boys and girls club work (\$53,000), unemployment insurance (\$2,000,000), and the capitol grounds planning commission (\$25,000) that are included in the appropriations in Section 1 of the bill.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to amend and reenact section 54-06-04.3 of the North Dakota Century Code, relating to state agency publication fees"

Page 2, after line 29, insert:

"SECTION 6. AMENDMENT. Section 54-06-04.3 of the North Dakota Century Code is amended and reenacted as follows:

54-06-04.3. Joint publication and distribution of information by state agencies - Fees.

Any state agency may cooperate with any other state agency to jointly publish and distribute information and may arrange to have the joint publication or distribution, or both, coordinated by a private entity. Any state agency may provide information it has collected or developed, including mailing lists, to each other or to any private entity for the purpose of distributing jointly or individually issued publications or other information. If a state agency publication is available on the agency's internet website or otherwise available in an electronic format and any person requests a paper copy of the publication, the state agency may charge a reasonable fee for providing the paper copy and for mailing the paper copy of the publication."

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 2, after line 29, insert:

"SECTION 6. SALARIES AND WAGES SAVINGS FROM VACANT POSITIONS AND EMPLOYEE TURNOVER - PROHIBITION - BUDGET SECTION REPORT. Any salaries and wages savings resulting from vacant positions and employee turnover within 2017-19 biennium appropriations for executive branch state agencies and institutions may not be spent but must be retained and included as part of the agency or institution's unspent appropriation authority under section 54-44.1-11 for the biennium beginning July 1, 2017, and ending June 30, 2019. Each agency and institution, including institutions under the control of the state board of higher education, shall report its savings and supporting information to the office of management and budget. The office of management and budget shall report to each meeting of the budget section during the 2017-18 interim and to the appropriations committees of the sixty-sixth legislative assembly upon request regarding the number of vacant positions by agency and institution, the duration of each vacancy, and related salaries and wages savings by funding source for each agency and institution."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a new section to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

*2/16/17
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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 2, after the semicolon insert "to provide for transfers; to amend and reenact section 54-06-04.3 of the North Dakota Century Code, relating to state agency publication fees;"

Page 1, line 3, replace "and to provide a statement of legislative intent" with "to provide statements of legislative intent; to provide for a budget section report; and to declare an emergency"

Page 1, replace lines 13 through 24 with:

"Salaries and wages	\$19,798,254	\$1,379,254	\$21,177,508
Operating expenses	13,855,260	(945,272)	12,909,988
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	773,477	973,477
Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(800,000)	800,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$556,459	\$38,593,573
Less estimated income	<u>7,210,390</u>	<u>3,228,087</u>	<u>10,438,477</u>
Total general fund	\$30,826,724	(\$2,671,628)	\$28,155,096
Full-time equivalent positions	122.50	(7.50)	115.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$340,576, of which \$279,990 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, line 1, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 2, line 2, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 4 through 15 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Cybersecurity remediation pool	0	1,000,000
Total all funds	\$16,305,303	\$1,000,000
Less estimated income	<u>9,775,000</u>	<u>1,000,000</u>
Total general fund	\$6,530,303	\$0

2/5

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 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, 2017, and ending June 30, 2019.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$100,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 5. TRANSFER - CYBERSECURITY REMEDIATION POOL. The office of management and budget may transfer appropriation authority from the cybersecurity remediation pool line item in section 1 of this Act to each eligible agency during the biennium beginning July 1, 2017, and ending June 30, 2019. Transfers may be made for the purpose of providing remediation services resulting from an information technology security breach. The office of management and budget shall notify the legislative council of any transfers made from the cybersecurity remediation pool."

Page 2, replaces lines 21 through 23 with:

"SECTION 7. SURPLUS PROPERTY BUILDING - PROHIBITION. The office of management and budget may not purchase or construct a new building for surplus property during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, replace lines 26 through 29 with:

"Boys and girls club work	\$53,000
Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000

SECTION 9. AMENDMENT. Section 54-06-04.3 of the North Dakota Century Code is amended and reenacted as follows:

54-06-04.3. Joint publication and distribution of information by state agencies - Fees.

Any state agency may cooperate with any other state agency to jointly publish and distribute information and may arrange to have the joint publication or distribution, or both, coordinated by a private entity. Any state agency may provide information it has collected or developed, including mailing lists, to each other or to any private entity for the purpose of distributing jointly or individually issued publications or other information. If a state agency publication is available on the agency's website or otherwise available in an electronic format and a person requests a paper copy of the publication, the state agency may charge a reasonable fee for providing the paper copy and for mailing the paper copy of the publication.

SECTION 10. SALARIES AND WAGES SAVINGS FROM VACANT POSITIONS AND EMPLOYEE TURNOVER - PROHIBITION - BUDGET SECTION REPORT. Any salaries and wages savings resulting from vacant positions and employee turnover within 2017-19 biennium appropriations for executive branch state agencies and institutions may not be spent but must be retained and included as part of the agency or institution's unspent appropriation authority under section 54-44.1-11 for the biennium beginning July 1, 2017, and ending June 30, 2019. Each agency and

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institution, including institutions under the control of the state board of higher education, shall report its savings and supporting information to the office of management and budget. The office of management and budget shall report to each meeting of the budget section during the 2017-18 interim and to the appropriations committees of the sixty-sixth legislative assembly upon request regarding the number of vacant positions by agency and institution, the duration of each vacancy, and related salaries and wages savings by funding source for each agency and institution.

SECTION 11. EMERGENCY. Section 4 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$19,798,254	\$1,379,254	\$21,177,508
Operating expenses	13,855,260	(945,272)	12,909,988
Capital assets	200,000	773,477	973,477
Grants	555,000	(501,000)	54,000
Emergency commission contingency fund	500,000	(150,000)	350,000
Guardianship grants	1,328,600		1,328,600
Prairie public broadcasting	1,600,000	(800,000)	800,000
State student internship program	200,000	(200,000)	
Cybersecurity remediation pool		1,000,000	1,000,000
Total all funds	\$38,037,114	\$556,459	\$38,593,573
Less estimated income	7,210,390	3,228,087	10,438,477
General fund	\$30,826,724	(\$2,671,628)	\$28,155,096
FTE	122.50	(7.50)	115.00

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

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Health Insurance Increases ²	Adjusts Funding for FTE Positions ³	Adds Funding for Unemployment Claims Payments ⁴	Adjusts Funding for Operating Expenses ⁵	Adds Funding for Capital Assets ⁶
Salaries and wages	\$343,892	\$340,576	(\$1,305,214)	\$2,000,000		
Operating expenses					(945,272)	
Capital assets						773,477
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie public broadcasting						
State student internship program						
Cybersecurity remediation pool						
Total all funds	\$343,892	\$340,576	(\$1,305,214)	\$2,000,000	(\$945,272)	\$773,477
Less estimated income	141,002	60,586	1,499	2,000,000	25,000	0
General fund	\$202,890	\$279,990	(\$1,306,713)	\$0	(\$970,272)	\$773,477
FTE	0.00	0.00	(7.50)	0.00	0.00	0.00

4/15

	Reduces Funding for Grant Programs ⁷	Reduces Funding for Emergency Commission Contingency Fund ⁸	Adds One-Time Funding ⁹	Total House Changes
Salaries and wages				\$1,379,254
Operating expenses				(945,272)
Capital assets				773,477
Grants	(501,000)			(501,000)
Emergency commission contingency fund		(150,000)		(150,000)
Guardianship grants				(800,000)
Prairie public broadcasting	(800,000)			(800,000)
State student internship program	(200,000)			(200,000)
Cybersecurity remediation pool			1,000,000	1,000,000
Total all funds	(\$1,501,000)	(\$150,000)	\$1,000,000	\$556,459
Less estimated income	0	0	1,000,000	3,228,087
General fund	(\$1,501,000)	(\$150,000)	\$0	(\$2,671,628)
FTE	0.00	0.00	0.00	(7.50)

¹ Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ Funding for FTE positions and other salaries and wages changes is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding for FTE positions, including the removal of 1.5 administrative assistant FTE positions, 1 maintenance FTE position, and 1 computer and networking specialist FTE position	(\$268,321)	\$1,499	(\$266,822)
Reduces funding for an FTE position (unspecified)	(\$70,000)		(\$70,000)
Removes 1 FTE state architect position	(\$232,709)		(\$232,709)
Removes 1 FTE human resource officer position	(\$174,380)		(\$174,380)
Removes 2 FTE positions (unspecified)	(\$374,303)		(\$374,303)
Reduces funding for salaries and wages	(\$187,000)		(\$187,000)
Total	(\$1,306,713)	\$1,499	(\$1,305,214)

⁴ Funding is added for unemployment claims payments, which are made pursuant to North Dakota Century Code Section 54-44-04.2.

⁵ Funding for operating expense changes is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding operating expenses	(\$152,772)	\$25,000	(\$127,772)
Additional reduction to operating expenses	(\$150,000)		(\$150,000)
Removes funding for statewide memberships and dues	(\$590,500)		(\$590,500)
Removes funding for revenue forecasting contract and travel expenses	(\$77,000)		(\$77,000)
Total	(\$970,272)	\$25,000	(\$945,272)

⁶ Funding is added from the general fund for extraordinary repairs (\$108,066) and for bond payments (\$665,411).

⁷ Funding for grant programs is adjusted as follows:

505

	General Fund	Other Funds	Total
Removes funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000)	(\$501,000)		(\$501,000)
Reduces funding for Prairie Public Broadcasting, from \$1,600,000 to \$800,000	(\$800,000)		(\$800,000)
Removes funding for the state internship program	(\$200,000)		(\$200,000)
Total	(\$1,501,000)	\$0	(\$1,501,000)

⁸ Funding is reduced from the general fund for the Emergency Commission contingency fund by \$150,000, from \$500,000 to \$350,000.

⁹ One-time funding authority of \$1,000,000 is added for a cybersecurity remediation pool.

This amendment also adds sections to provide the following:

- Identifies the funding increase for health insurance premium increases.
- Provides for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provides an emergency clause for this transfer.
- Authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.
- Prohibits the purchase or construction of a new building for surplus property.
- Identifies the funding for boys and girls club work (\$53,000), unemployment insurance (\$2,000,000), and the Capitol Grounds Planning Commission (\$25,000) that are included in the appropriations in Section 1 of the bill.
- Allows state agencies to collect fees from individuals who request to have publications printed and mailed if the publications are available electronically.
- Restricts state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1015**

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
 Other Actions: Reconsider _____

Motion Made By Representative Kempenich Seconded By Vice Chairman Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg	X		Representative Delmore		X
Vice Chairman Boehning	X				
Representative Kempenich	X				
Representative Brabandt	X				
Representative Nathe	X				
Representative Vigesaa	X				

Total (Yes) 6 No 1

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
 To eliminate dues for the Council on State Government and Education Commission on the States.

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1015**

House Appropriations - Government Operations Division Committee

Subcommittee

Amendment LC# or Description: proposed amendments

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Vice Chairman Boehning Seconded By Rip Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion Carried

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1015**

House Appropriations - Government Operations Division Committee

Subcommittee

Amendment LC# or Description: 120500.01001

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep Nathe Seconded By Vice Chairman Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa					

Voice *Vote*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

motion carried

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1015**

House Appropriations - Government Operations Division Committee

Subcommittee

Amendment LC# or Description: 17.0500.01002

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep Kempenich Seconded By Rep Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

motion Carried

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1015**

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
 Other Actions: Reconsider _____

Motion Made By Vice Chairman Boehning Seconded By Representative Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg	X		Representative Delmore	X	
Vice Chairman Boehning	X				
Representative Brabandt	X				
Representative Nathe	X				
Representative Kempenich	X				
Representative Vigesaa	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Chairman Brandenburg

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

motion carried

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1015**

House Appropriations - Government Operations Division Committee

Subcommittee

Amendment LC# or Description: Remove line 18 of proposed changes

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep Kempenich Seconded By Rep Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigasaa					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion carried

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1015**

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

Other Actions: Reconsider _____

Motion Made By Representative Kempenich Seconded By Vice Chairman Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg	X		Representative Delmore	X	
Vice Chairman Boehning	X				
Representative Brabandt	X				
Representative Nathe	X				
Representative Kempenich	X				
Representative Vigesaa	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Chairman Brandenburg

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

Motion Carried

Date: 2/15/2017
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1015**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0500.01005

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep Brandenburg Seconded By Rep Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Vote

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion Carried.

Date: 2/15/2017
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1015**

House Appropriations 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
 Other Actions: Reconsider _____

Motion Made By Representative Brandenburg Seconded By Representative Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X		Representative Streyle	X	
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt	X				
Representative Brandenburg	X				
Representative Kading	X		Representative Boe	X	
Representative Kreidt	A		Representative Delmore		X
Representative Martinson	X		Representative Holman		X
Representative Meier	X				
Representative Monson	A				
Representative Nathe	X				
Representative J. Nelson		X			
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	A				
Representative Schmidt	X				

Total (Yes) 15 No 3

Absent 3

Floor Assignment Representative Brandenburg

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

MOTION CARREID

REPORT OF STANDING COMMITTEE

HB 1015: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 3 NAYS, 3 ABSENT AND NOT VOTING). HB 1015 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide for transfers; to amend and reenact section 54-06-04.3 of the North Dakota Century Code, relating to state agency publication fees;"

Page 1, line 3, replace "and to provide a statement of legislative intent" with "to provide statements of legislative intent; to provide for a budget section report; and to declare an emergency"

Page 1, replace lines 13 through 24 with:

"Salaries and wages	\$19,798,254	\$1,379,254	\$21,177,508
Operating expenses	13,855,260	(945,272)	12,909,988
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	773,477	973,477
Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(800,000)	800,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$38,037,114	\$556,459	\$38,593,573
Less estimated income	<u>7,210,390</u>	<u>3,228,087</u>	<u>10,438,477</u>
Total general fund	\$30,826,724	(\$2,671,628)	\$28,155,096
Full-time equivalent positions	122.50	(7.50)	115.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$340,576, of which \$279,990 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, line 1, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 2, line 2, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 4 through 15 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Cybersecurity remediation pool	0	<u>1,000,000</u>
Total all funds	\$16,305,303	\$1,000,000
Less estimated income	<u>9,775,000</u>	<u>1,000,000</u>
Total general fund	\$6,530,303	\$0

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 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, 2017, and ending June 30, 2019.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$100,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 5. TRANSFER - CYBERSECURITY REMEDIATION POOL. The office of management and budget may transfer appropriation authority from the cybersecurity remediation pool line item in section 1 of this Act to each eligible agency during the biennium beginning July 1, 2017, and ending June 30, 2019. Transfers may be made for the purpose of providing remediation services resulting from an information technology security breach. The office of management and budget shall notify the legislative council of any transfers made from the cybersecurity remediation pool."

Page 2, replaces lines 21 through 23 with:

"SECTION 7. SURPLUS PROPERTY BUILDING - PROHIBITION. The office of management and budget may not purchase or construct a new building for surplus property during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, replace lines 26 through 29 with:

"Boys and girls club work	\$53,000
Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000

SECTION 9. AMENDMENT. Section 54-06-04.3 of the North Dakota Century Code is amended and reenacted as follows:

54-06-04.3. Joint publication and distribution of information by state agencies - Fees.

Any state agency may cooperate with any other state agency to jointly publish and distribute information and may arrange to have the joint publication or distribution, or both, coordinated by a private entity. Any state agency may provide information it has collected or developed, including mailing lists, to each other or to any private entity for the purpose of distributing jointly or individually issued publications or other information. If a state agency publication is available on the agency's website or otherwise available in an electronic format and a person requests a paper copy of the publication, the state agency may charge a reasonable fee for providing the paper copy and for mailing the paper copy of the publication.

SECTION 10. SALARIES AND WAGES SAVINGS FROM VACANT POSITIONS AND EMPLOYEE TURNOVER - PROHIBITION - BUDGET SECTION REPORT. Any salaries and wages savings resulting from vacant positions and employee turnover within 2017-19 biennium appropriations for executive branch state agencies and institutions may not be spent but must be retained and included as part of the agency or institution's unspent appropriation authority under section 54-44.1-11 for the biennium beginning July 1, 2017, and ending June 30, 2019. Each agency and institution, including institutions under the control of the state board of higher education, shall report its savings and supporting information to the office of management and budget. The office of management and budget shall report to each meeting of the budget section during the 2017-18 interim and to the appropriations committees of the sixty-sixth legislative assembly upon request regarding the number of vacant positions by agency and institution, the duration of each vacancy,

and related salaries and wages savings by funding source for each agency and institution.

SECTION 11. EMERGENCY. Section 4 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$19,798,254	\$1,379,254	\$21,177,508
Operating expenses	13,855,260	(945,272)	12,909,988
Capital assets	200,000	773,477	973,477
Grants	555,000	(501,000)	54,000
Emergency commission contingency fund	500,000	(150,000)	350,000
Guardianship grants	1,328,600		1,328,600
Prairie public broadcasting	1,600,000	(800,000)	800,000
State student internship program	200,000	(200,000)	
Cybersecurity remediation pool		1,000,000	1,000,000
Total all funds	\$38,037,114	\$556,459	\$38,593,573
Less estimated income	7,210,390	3,228,087	10,438,477
General fund	\$30,826,724	(\$2,671,628)	\$28,155,096
FTE	122.50	(7.50)	115.00

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

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Health Insurance Increases ²	Adjusts Funding for FTE Positions ³	Adds Funding for Unemployment Claims Payments ⁴	Adjusts Funding for Operating Expenses ⁵	Adds Funding for Capital Assets ⁶
Salaries and wages	\$343,892	\$340,576	(\$1,305,214)	\$2,000,000		
Operating expenses					(945,272)	
Capital assets						773,477
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie public broadcasting						
State student internship program						
Cybersecurity remediation pool						
Total all funds	\$343,892	\$340,576	(\$1,305,214)	\$2,000,000	(\$945,272)	\$773,477
Less estimated income	141,002	60,586	1,499	2,000,000	25,000	0
General fund	\$202,890	\$279,990	(\$1,306,713)	\$0	(\$970,272)	\$773,477
FTE	0.00	0.00	(7.50)	0.00	0.00	0.00

	Reduces Funding for Grant Programs ⁷	Reduces Funding for Emergency Commission Contingency Fund ⁸	Adds One-Time Funding ⁹	Total House Changes
Salaries and wages				\$1,379,254
Operating expenses				(945,272)
Capital assets				773,477
Grants	(501,000)			(501,000)
Emergency commission contingency fund		(150,000)		(150,000)
Guardianship grants				

Prairie public broadcasting	(800,000)			(800,000)
State student internship program	(200,000)			(200,000)
Cybersecurity remediation pool			1,000,000	1,000,000
Total all funds	(\$1,501,000)	(\$150,000)	\$1,000,000	\$556,459
Less estimated income	0	0	1,000,000	3,228,087
General fund	(\$1,501,000)	(\$150,000)	\$0	(\$2,671,628)
FTE	0.00	0.00	0.00	(7.50)

¹ Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ Funding for FTE positions and other salaries and wages changes is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding for FTE positions, including the removal of 1.5 administrative assistant FTE positions, 1 maintenance FTE position, and 1 computer and networking specialist FTE position	(\$268,321)	\$1,499	(\$266,822)
Reduces funding for an FTE position (unspecified)	(\$70,000)		(\$70,000)
Removes 1 FTE state architect position	(\$232,709)		(\$232,709)
Removes 1 FTE human resource officer position	(\$174,380)		(\$174,380)
Removes 2 FTE positions (unspecified)	(\$374,303)		(\$374,303)
Reduces funding for salaries and wages	(\$187,000)		(\$187,000)
Total	(\$1,306,713)	\$1,499	(\$1,305,214)

⁴ Funding is added for unemployment claims payments, which are made pursuant to North Dakota Century Code Section 54-44-04.2.

⁵ Funding for operating expense changes is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding operating expenses	(\$152,772)	\$25,000	(\$127,772)
Additional reduction to operating expenses	(\$150,000)		(\$150,000)
Removes funding for statewide memberships and dues	(\$590,500)		(\$590,500)
Removes funding for revenue forecasting contract and travel expenses	(\$77,000)		(\$77,000)
Total	(\$970,272)	\$25,000	(\$945,272)

⁶ Funding is added from the general fund for extraordinary repairs (\$108,066) and for bond payments (\$665,411).

⁷ Funding for grant programs is adjusted as follows:

	General Fund	Other Funds	Total
Removes funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000)	(\$501,000)		(\$501,000)
Reduces funding for Prairie Public Broadcasting, from \$1,600,000 to \$800,000	(\$800,000)		(\$800,000)
Removes funding for the state internship program	(\$200,000)		(\$200,000)
Total	(\$1,501,000)	\$0	(\$1,501,000)

⁸ Funding is reduced from the general fund for the Emergency Commission contingency fund by \$150,000, from \$500,000 to \$350,000.

⁹ One-time funding authority of \$1,000,000 is added for a cybersecurity remediation pool.

This amendment also adds sections to provide the following:

- Identifies the funding increase for health insurance premium increases.
- Provides for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provides an emergency clause for this transfer.
- Authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.
- Prohibits the purchase or construction of a new building for surplus property.
- Identifies the funding for boys and girls club work (\$53,000), unemployment insurance (\$2,000,000), and the Capitol Grounds Planning Commission (\$25,000) that are included in the appropriations in Section 1 of the bill.
- Allows state agencies to collect fees from individuals who request to have publications printed and mailed if the publications are available electronically.
- Restricts state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

2017 SENATE APPROPRIATIONS

HB 1015

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1015
3/20/2017
JOB # 29445

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide transfers; to amend and reenact NDCC, relating to state agency publication fees; to provide an exemption; to provide statements of legislative intent; and to provide for a budget section report.

Minutes:

1. OMB Testimony
2. OMB –Governor's 90% General Fund Budget Request
3. Article regarding State Surplus Property by John Boyle
4. John Harris Testimony (Prairie Public Broadcasting 2015 Annual Report.
5. Public Guardianship Funding (Terry Traynor)
6. Alex Schweitzer Testimony
7. Audrey Uhrich Testimony
8. Margo Haut Testimony

Chairman Holmberg: called the Committee to order on HB 1015 at 11:00 in the Harvest Room. Roll call was taken. All committee members were present. Lori Laschkewitsch, OMB and Adam Mathiak, Legislative Council were also present. There is several sections of this bill that we will be discussing. The subcommittee does not mean you will be on the conference committee. This is one that traditionally is made up of the majority/minority leaders as far as that conference committee is concerned. I did send out information on Section 10 of the bill to all the committee members. I think you will find that section 10 sets up an impossible hurdle for state agencies to do compared to what's in their budgets. We will get some testimony on that. We will start with Pam Sharp.

Pam Sharp, Director of OMB: (0.02.27-0.07.11) testified in favor of HB 1015 and provided written Testimony attached # 1 which is a booklet sharing the Budget Reductions Identified by OMB to meet the Governor's 90% budget request guideline. (pages 1-4) See page 2 of testimony. There is only one Optional Adjustment, the House took that out. That will be discussed further in testimony. We would like our budget restored to the recommendation of Governor Burgum. She continued regarding the FTE's that the House removed.

Chairman Holmberg: Adam, has the House made any movement in the legislative branch to put money in for forecasting or is there any money that you know of at this point? That may not be your budget, so that might be an unfair question.

Adam Mathiak, Legislative Council: It is not one of my budgets, so I cannot answer that.

Ms. Sharp continued with testimony on page 3. Finally, they removed \$1m of special fund authority from the Capitol Building Trust Fund for extraordinary repairs for the capitol complex, so this leaves us just \$108,066 of extraordinary repairs for the whole capitol complex for a two-year period which is especially problematic. We cannot get by on \$108,000 with this big complex. **(0.08.49)**

Chairman Holmberg: That was just authority to spend money that's already there and it didn't go into the general funds just in the trust fund.

Ms. Sharp: That is correct. The reason we had in our executive recommendation we moved that funding to the Capitol Building simply because we couldn't afford it in the general fund. Yes, the House has taken that out.

Chairman Holmberg: Is there any money for the parking lot on the west?

Mrs. Sharp: In our budget? There is no money for any parking lots anywhere. She continued her testimony on page 3, Changes requested by OMB to this bill. **(0.10.00)**

Chairman Holmberg: If we put the \$1m in the Capitol Building Trust Fund and you only spend \$700,000 the money is still there. He was told yes. But if an emergency would come up there is no one that has authority except the full legislature to transfer money from the Trust Fund for you to pay.

Ms. Sharp: Yes, that's correct. For instance, if a chiller, which I think is on John's list of replacement, if that went out and we didn't have any authority we wouldn't have any options. She continued on page 3. With the Changes requested by OMB which are 1. Restore funding to the level of Governor Burgum's recommendation; add 3.0 FTE and \$888.392; 2. Do not specify specific positions for FTE cuts; 3. Add \$1m special fund authority from the Capitol Building Trust Fund to provide for extraordinary repairs to the capitol complex. 4. Allow Surplus Property to consider either purchasing or constructing a building for Surplus Property. 5. Remove Section 10 from re-engrossed HB 1015. 6. Restore dues in Section 8 for National Governor's Association, Western Governors Association and Lt. Governors Association. I do respectfully ask that those funds be restored for the governor. It would be very difficult to not be able to belong to the National Governor's Association for our governor. She then read the explanations of Re-engrossed House Bill beginning on page 3, Section 4 through Section 10 on page 4. Section #4 requires OMB to transfer \$100m from the Strategic Investment and Improvement Fund to the general fund to balance the current biennium. That Section I imagine would be amended at the very end of the session when the conference committee for whatever amount is needed to balance the budget. Right now, I think that amount is \$150 or 160m. Section 5 is a new Section. The Cyber Security Remediation Pool is a result of a recommendation from the Cyber Security Task Force. She continued explaining Section 5 to the Committee. It is just one more of appropriation authority, there is

no dollars behind it, it would just be transfer authority from this line to the agency that needed the remediation for their programs. **(0.13.58)** Section 6 allows for unexpended funds for the Fiscal Management division to be carried forward to be used for continued development and operating costs of the statewide systems, including accounting, management, and payroll, all the people-soft, all of the statewide systems that we need to keep up and running to keep state government running. Right now, we think there would be about \$2.4m of that carryover and I can't stress how important it is that we be allowed to have this carryover because we use this carryover line to pay for any kind of people soft upgrades or catches or fixes. Development things come along that just need to be maintained in order for us to continue running our systems. So rather than coming to the legislature every biennium and saying we think we are going to need this much money, since we don't even know what may come up with our systems we use this carryover line and it's worked very well for us in the past. Section 7 actually prohibits OMB from purchasing or constructing a new building for surplus property. And we are asking that you reconsider this. Obviously, we couldn't construct or purchase a building without your authority so even to have this language in here that prohibits us from doing so is kind of redundant. Interestingly enough, the House did leave the \$800,000 of spending authority in there, but then they put this language that prohibits us from doing that so we do want to have that discussion with you. Section 8 provides authority for grants and special line items. The boys' and girls' clubs, that's the 4H gets \$53,000. And then the section where the state memberships and related expenses of \$590,500 came from of which were eliminated. Again we have concern about our National Governors Association, Western Governors Association and Lt. Governors Association. I want to talk about against Council State Government. The legislative assembly is the primary user of Council of State Government and also the Education Commission of the States. I think you are in a better position to figure out if we should be eliminating those dues or if we should cut them down, try to negotiate those dues, maybe figure out what the appropriate amount is. Right now, as it stands, they are completely out. **(0.16.32)**

Chairman Holmberg: For the committee's knowledge, I was led to believe the House was going to look at NCSL dues and make a reduction. The same as the reduction that Utah made when they were having budget problems last year and their rationale was the president of NCSL is from Utah at the present time so they were going to look at that but I don't know what happened. If they prorated that I think the Senate would want to look at doing the same kind of pro-ration if we're looking at restoring the funding for our Council of State Governments. **(0.17.16)**

Ms. Sharp: Regarding the Commission on Uniform State laws, so right now, as it has been in the past, OMB has paid the dues and required to pay for the expenses for anyone who goes and attends the meetings on the Commission on Uniform State laws. My concern about is if you decide to continue to not fund the dues or the expenses we need an amendment to NDCC 54-55-05 because that requires OMB to pay for the expenses. If you are going to continue to have the money out, we need to have an amendment that doesn't require us to pay for those expenses as well. The last part of Section 8 is the unemployment insurance and that is simply special fund authority for OMB to pay for unemployment claims for state agencies and higher education. When someone needs to collect unemployment, it is paid for out of this fund by OMB (Section 8). Section 9 is a section that was added in the House and that just basically says that, if an agency has some information that is posted online, but someone wants a hard copy of that information, the agency would be willing to charge them

for those copies and for postage. Section 10 is a section that Chairman Holmberg shared some information with you. It prohibits agencies from using any of the built-up dollars in their salaries for anything. It has to be turn-back money so because of this then agencies would never ever have any money to pay out annual leave or sick leave and one of the ways that agencies are probably save some money next biennium, given that just about every agency has seen a reduction in their salary line is they may be taking advantage of some opportunities if someone retires or leaves or is terminated to fill that position at a lower salary and use it to fill in other parts of their salary line, so this would prohibit that as well. **(0.19.51)**

Chairman Holmberg: Could this not lead to premature filling of a vacancy because if you don't grab someone off the street the money will go into the big hole.

Ms. Sharp: Yes. Any money in salary that is not spent would go into a big hole. Written Testimony attached # 2 was submitted – Governor's 90 Percent General Fund Budget Request. This is in response to the letter you sent out asking for a separate sheet of paper for these different items. The first page is OMB's 90% General Fund Budget Request, what we eliminated. The second page talks about that Optional Request – the surplus properties potential building, whether it be constructed or purchased. Page 3 the adjustments in Governor Burgum's Recommendations. Page 4 is the Summary of Changes made by the House and then the last page, (page 5) is Changes Requested by OMB for restoration back to the Burgum budget. **(0.21.07)** If you would like me to hand now, or if you want to wait until the committee is formed, I do have copies of the statute that requires OMB to pay the Commission on Uniform State Laws, but if you'd rather we wait until you have a committee formed we can do that. That was confirmed to wait by Chairman Holmberg.

Sheila Peterson, Director of the Fiscal Management of OMB. (0.21.58) Began her testimony on pages 5- 6 of #1 testimony Stating the Fiscal Management Division has four major areas of responsibility; budget, accounting, payroll, and financial reporting. **(0.23.36)**

Tag Anderson, Director of the Risk Management Division of OMB gave testimony on pages 7- 8 which explains the responsibilities of the Risk Management Division. **(0.25.02)**

Senator Dever: Last week we learned of a large settlement in a law suit and I am curious if any of that could come from the Insurance Reserve Fund?

Mr. Anderson: I am not sure what lawsuit.

Chairman Holmberg: Which one are you talking about? Susan Bala or the Menard Hall? He was told Susan Bala.

Mr. Anderson: The Susan Bala matter is a short term way of describing it. that would not come from the Risk Management Fund. That was a case where we essentially took money under a taxation where it wasn't lawfully authorized so it was not a claim that would fit within the Risk Management Fund.

Pam Sharp, representing Sherry Neas, Director of the OMB Central Services Division, which operates four programs. pages 9 – 10 of Testimony attached # 1. **(0.28.37)**

Becky Secble, Interim Director of Human Resource Management Services, (HRMS) a Division of OMB testified on pages 11- 13 of #1 testimony. As I mentioned earlier, 90% of state agencies do not have their own in-house HR function. Therefore, they rely on us to provide them with the information and training they need to make the critical business and employment decisions necessary. Even those that do have an HR person contact us on complex problems.

Chairman Holmberg: When we had 2003, the higher ed, their HR policies, are they separate or part under you?

Ms. Sicble: They are completely separate from us. They have contacted us now to engage with them.

Chairman Holmberg: They were quite in agreement that they needed to pursue that and are willing to visit with you folks.

Ms. Sicble: They are taking that very seriously. She continued with the 3rd area of service on pages 12 and 13. **(0.35.29)**

John Boyle, Director of the Facility Management Division of OMB testified in favor of HB 1015 and continued reading his testimony on pages 14- 15, explaining what his division does. Even at all that money is spent for the governor's residence, we still will have \$1m left in that account and we thought it would be appropriate that we could take \$1m out of there to take care of the needs of the capitol complex over the next biennium and then The House thought that wasn't appropriate and took it out, so they left us with \$108,000. Our budget is misleading because it's a 80% reduction from what we requested last year. Many of you remember that's when we were going to build a new Supreme Court building and that was \$40m so we reduced that and that's what that is from. He referred to Testimony attached # 3, a map of the proposed state surplus property location on the first page with pages regarding the differences between Lease verses purchase of existing building, Lease versus Build Analysis for 7,000 square feet building and Investment Return Over 10 Year Term.

Chairman Holmberg: Is that the same property that is being discussed two years ago regarding the MRCC?

Mr. Boyle: I don't believe so. I could check on that. This is such a small piece. It's only 30 acres and it's right next to where the existing Hebron Brick is so I don't know if they would have done that. I sincerely request the committee restore the state architect position and the \$1,000,000 in special fund spending authority that were removed by the House.

V. Chairman Bowman: (0.39.36) is this going to be just a regular building storage facility or is it insulated and cement floors and all ball of wax?

Mr. Boyle: It's going to be a concrete metal building that will be insulated. If you look on the second page of the handout (Testimony # 3) it kind of shows a 10-year spreadsheet of if we were to purchase the existing building. The existing building needs work desperately. And what we were going to do is offer \$500,000 and then use up the \$300,000 additional dollars to put a new roof on and make other kind of repairs that are necessary for an ongoing

sustained building over the next 10 to 15 years. So when you look at that and you compare the rent over a 10-year period if we were to purchase it we would save \$947,000 by purchasing it, making the repairs instead of paying the rent. The 3rd sheet, which is the one I would recommend we'd do, it's a 7000 square foot building so a lot of the savings is the reduction in the square foot because this building would be 7000 square feet and then you'll have additional yard space. A lot of what they get from federal properties out in the yard that has a secure fence around it and a lot of the indoor comes from state agencies, like when legislative council surpluses computers, where they go to surplus property, so that's what that is used for. If you look at the bottom of that, it's a \$1.2m savings over 10 years. They have the money to do it. They can also sell off some more property to do it. They just don't have the authority to do it. And so that is what we are really requesting is the authority. The last page is just a quick way of return analysis to show that if we purchase the building it's an annual return of 12.3% on the \$800,000 investment. If we actually build, it's an annual return of 16.7%. I don't know what the money is giving now, but I doubt it's 16%. The reason we're doing it, many of you probably know that Burleigh and Morton Counties are doing a joint jail. It's right next door to where our state surplus is. That's what the drove the rent way up because when they first moved out there, there was nothing there. Rents were very, very low. But now all those property values are going to go up and they are just going to continue to go up from here, so we thought now would be the best time to propose this new building.

Senator Mathern: (0.41.59) Is this a good location for your customers?

Mr. Boyle: Surplus Property is more of a destination location. It's not an impulse buy. So they don't really need the best location. It's not that easy to find right now. We kind of describe it as, you're not driving down the road and see a Dairy Queen and get a blizzard. You're not going to drive down the road and see state surplus and go in and buy something. It's wherever they are, state agencies and customers will be able to find them. Just to conclude, I sincerely request that the committee does restore the one FTE, the state architect position that the House removed and then the \$1m so that we can take care of these extraordinary repairs that we have on the docket for next biennium. That concludes my testimony. **(0.44.21)**

Senator Robinson: The new governor's residence, is it on time and on schedule? When is it set for a grand opening?

Mr. Boyle: It is on schedule, right now it's still under budget. The grand opening, our goal is to still have them there so that they can have their thanksgiving dinner in the new residence. We would like the building itself to be finished by the end of October and then it will take about 30 days to move the furnishings from the other House and the additional furnishings that are coming to be moved into the House.

Senator Robinson: Is the plan to still raze the existing building?

Mr. Boyle: Actually, we just the thought, to give everybody one last chance, we are going to put out a RFP, if anybody wants to come raze the building and take it some place, for just no cost, if they just did that it would save us approximately \$125,000 for the demolition plus removal of that hazardous materials that are in the existing buildings. So we thought we would advertise for 30 days, probably in April and then that way everybody has a shot if they would like it, but if not, it would get demolished. **(0.46.11)**

Senator Dever: Two questions. Were you able to make these arguments regarding the Surplus Property building in the House or did that come as a surprise? Did the House express the rationale for eliminating positions specifically?

Mr. Boyle: I'll answer your second question first. I would say no. They did not make any rationale to eliminate positions. Our state architect, he works on multiply projects every year. Everything that's \$100,000 or less, he works on for state agencies. If he wasn't here than those state agencies would need to hire an architect to design these remodels and currently right now he is working with 4 different agencies on remodeling projects that people want to have done by the end of this biennium. Now I can't remember your first question.

Senator Dever: Did the House have the opportunity to hear your discussion on surplus property?

Mr. Boyle: They did. They thought it was a great idea but the perception of building a building was something that kind of gave them a little trouble. Even though they understood it pays for itself in ten years they just, it's money they already have, they have a balance of \$1m.

Chairman Holmberg: Sometimes things do get ground into a bigger picture. But that's what the conference committee is all about. Just like this committee has always been reluctant to single out positions and say we want to get rid of X, Y or Z. We have resisted that in the past.

Senator Wanzek: (0.48.58) had questions regarding the operating costs and if includes investments.

Mr. Boyle: No they don't include investments. These are just operating costs.

Senator Wanzek: asked about the lease side.

Mr. Boyle: That is the total lease, all the numbers are fixed in there. That is the total amount.

John Harris, President & CEO of Prairie Public Broadcasting: testified in favor of HB 1015 and requested funding for Prairie Public Broadcasting and provided written Testimony attached # 4, 2015 Annual Report for North Dakota's public broadcasting network. **(0.52.48)**

V. Chairman Bowman: When they make a cut like the House recommended how do you handle that from your prospective?

Mr. Harris: We have not had a cut like that in the 14 years I've been President. We will make adjustments.

V. Chairman Bowman: You won't cut the Lawrence Welk show, will you?

Mr. Harris: I won't cut the Lawrence Welk Show. I will be gone before that because I don't want to take the phone calls.

Terry Traynor, Association of Counties: (0.54.12) Testified in favor of HB 1015 and presented written Testimony attached # 5 – Public Guardianship Funding – requesting funds for funding for the guardianship program. I would be remiss if I wouldn't comment first on behalf of all the counties, this entire budget, what OMB does, the fiscal HR mess, some of the policies and procedures that they put out are so helpful to the counties. State procurement extending their contracts to the counties, surplus property, many counties survive on surplus property. We are so appreciative of what OMB does and I still have money. I am here to talk today about public guardianship money. He continued to read his testimony. I do appreciate the fact that one area that the House Appropriations Committee restored some money was this area. The original 10% reduction taking this budget down to 1.19m was restored to 1.328m, the same amount that's been there for the last 2 biennium. Unfortunately, as the chart shows, with the continued growth, we will have enough money to carry out the end of this biennium but because we have grown up we will have to reduce the number of wards that are served or at least served through this funding. It would take 1.8m to meet the growth that we are projecting, 1.5m we would be able to maintain the 320 cases through the next biennium. And that is at the current rate. These individuals are getting \$8.33 a day for dealing with some of the most complex and difficult individuals that we have in our system. Originally, 5 years ago now, the legislature's consultant recommended \$11 to \$12 but obviously we haven't been able to reimburse at that rate. Besides the bar graph on the back of page 2 (testimony # 5) that shows the reality of both the case load growth as well as the funding. I have a number of different things, because this has been a complex, confusing thing for legislators as well as myself because there are a number of different things that sort of get lumped in with guardianship. I wanted to make clear that they are separate programs and separate issues. There are Adult Protective Services, the individuals are called on when there is abuse or neglect of an adult to come in and determine if someone actually needs a guardian or some service that is in the DHS budget. There is also Training/Monitoring for All Guardians because these are public guardians but there is many, many more private guardians around the state, family members, friends and acquaintances that provide that service. The court had funding last biennium to develop a monitoring system for that, that has been zeroed out. There's Guardianship Establishment because going into the court the guardian himself cannot bring this case, that would be a conflict, so attorneys are often enlisted to do this and there is funding both for this population as well as the developmental disabled, that funding is also in DHS's budget. Then the public guardianship on two sides, DHS has the Catholic Charities contract for those that have been diagnosed DD and then the OMB budget has the money for those that are not DD that are otherwise eligible for a public guardian. That is my testimony and I will answer any questions. **(1.00.27)**

Senator Grabinger: This committee reinstated that money in the court for the guardianship oversight and whether it makes it through the House or not is another question. It's been reinstated on the Senate side, just for your information.

Alex Schweitzer, President & Owner, Schweitzer Consulting: testified in favor of HB 1015 and provided written Testimony attached # 6 – requesting general funds for distribution to private agencies and private individuals that serve as public guardians for indigent adults. These funds are administered by the Association of Counties through the Public Administrator Support Services (PASS) program. **(1.03.58)**

Audrey Uhrich, Program Director, Guardian and Protective Services testified in favor of HB 1015 and provided written Testimony attached # 7 explaining what the public guardians do and the need for funding for public guardians. (The PASS program).

Senator Mathern: What is the actual reimbursement that you get?

Ms. Uhrich: \$8.33 a day or approximately \$250 a month.

Senator Mathern: Is travel in addition to that?

Ms. Uhrich: There is a flat rate, \$250 a month or \$8.33 a day.

Senator Wanzek: Do you have, these are mostly indigent folks, do you have private people that need a guardian or help that maybe do have some needs?

Ms. Uhrich: Yes we do. The individuals that are funded through this PASS program that are only people that are Medicaid eligible or 100% of the federal poverty level. Our agency also has a private pay fee.

Chairman Holmberg: But this is only part of your workload. He was told that is correct.

Margo Haut, Director of the Not for Profit Corp of "Guardian Angels, Inc." (1.08.45) in Jamestown, ND testified in favor of HB 1015 and provided written Testimony attached # 8 – requesting funding for PASS funds. Her testimony includes written letters from various people requesting funding for PASS funds.

Chairman Holmberg: We will close the hearing on 1015. We will have a subcommittee: Senator Dever, Chair; Senator Holmberg and Senator Robinson will be on it. I don't know if we will have lots of meeting. This does not mean that this same committee that will be on the conference committee. The hearing was closed on HB 1015.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1015
4/4/2017
JOB # 29923

- Subcommittee
 Conference Committee

Committee Clerk Signature

M. Gaudin for Alise Deizer

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for OMB

Minutes:

- 1.Changes Requested of the Senate Appropriations Committee.
- 2.Proposed Amendments to HB 1015 for DAPL costs

Chairman Dever called the subcommittee meeting together in the Harvest Room at 11:00 am. Let the record show that all 3 subcommittee members are present: Senator Dever, Chair; Senator Holmberg and Senator Robinson. Lori Laschkewitsch, OMB and Adam Mathiak, Legislative Council were also present. Pam Sharp, OMB and Sheila Peterson, OMB were also present as well as John Boyles, Grounds Supervisor.

Chairman Dever: This is will be the first of what will be several meetings. We will need to put the bill in the shape that the Senate would like to see going into Conference Committee.

Senator Holmberg: Have them walk through and comment on the different sections.

Pam Sharp, Director OMB: Just through the section, starting with Section 4, I do know this won't change until the very end. That's the transfer from the Strategic Investment Improvement Fund. # 5- That is the cyber security remediation pool, it's no money it's just authority to transfer authority to any special funded agency if they have a IT remediation that they need to do, as a result of a breach in their system. So we would just be able to transfer those funds. Section 6 – it allows us to carry over our fiscal management funds, so that we have funding to provide for maintenance of all of our accounting systems. The people soft management pay roll, all our statewide systems. Section 8, is the section where the House took the D's out, but it also provides funding for the 4H clubs, spending authority for the unemployment insurance because OMB pays for the unemployment claims for all state government comes out of OMB. So we just need that special fund authority. Then \$25, 000

Senator Holmberg: This has been placed in this budget for some time. I am assuming you would agree that it makes more sense than trying to sprinkle money around through all the different agencies.

Ms. Sharp: This is even for Higher Education. So anyone who is a state employee, who draws unemployment, we pay the bill out of this fund, and we collect all the money and keep it in this fund, so then the agencies never have to deal with being billed or messing with that.

Senator Holmberg: With the reductions in agencies, are we seeing a spike in the unemployment insurance?

Ms. Sharp: I think we very well could. We did increase its authority from \$1.5 M to \$2M, just to take that into account.

Chairman Dever: The \$ 2M is in the Executive budget, it was not adjusted in the House.

Ms. Sharp: That's right. It was not adjusted in the House. Section 9, this is an amendment that the House put in there, so that agencies could charge for printing and mailing costs to send it out. Section 10 – we would really appreciate you eliminating this Section. It is very problematic. It just says that any roll up dollars in the salary line have to be turned back. The problem with this is that is the only source of payment to pay out annual leave. In addition to that, going forward for the next biennium, there are some agencies that are going to have to, there are positions are being lost, some are leaving, some hired at a lower rate, they need to be able to pay it out.

Chairman Dever: What is not in the bill?

Ms. Sharp: Testimony attached # 1 – Changes Requested of the Senate Appropriations Committee and explained the testimony. Restore funding to the level of Governor Burgum's recommendation.

(0.07.28) **Senator Robinson:** Other than that, there is no specific project in that \$1M just ongoing. No significant other projects in that million dollars. It is ongoing maintenance, things that pop up that we don't know that might happen.

Ms. Sharp: Yes. We had proposed the authority to either purchase or build a building for surplus property. We would like to be able to pursue that option. Also restore revenue forecasting contract. Then on the purple sheet, the three things that I have listed because these related to the Governor and to the Lieutenant Governor, is the BNGA dues, the Western Governor dues and the Lieutenant Governor Association dues, in addition to those dues they took out all the rest of the dues two of which Commission on Uniform State Laws, Education Commission for the states Council of State Government, they took all the money, WICHE, the 30K, all of those have been removed. In addition to taking this out they took more out for Prairie Public. That is not on here because this is just we're just looking at OMB operating budgets.

Senator Robinson: You mentioned the education dues. Is that the Education Commission on the state level? **Ms. Sharp** replied yes. **Senator Robinson:** How much was that? **Ms. Sharp:** Was \$150.

Senator Holmberg: The WICHE dues has a long history. This is money for the mental health area and mostly used by Higher Ed. The money was in HS budget , and sometimes they paid

the dues and sometimes they didn't. The discussion was to move it into the OMB budget. In an ideal world it should probably be in Higher Ed. One of the things, the agencies that have already gone through the House has a 10% cut for the dues. It was ironic that the House would take that money out of CSG, which is more used by the Legislature than the other agencies, when CSG probably spent that amount of money in the last 2 years just assisting ND. I am hoping that our committee will be looking at supporting those dues as being something that we would like to support across the board then.

Chairman Dever: All of those dues in the various are all general fund money.

Ms. Sharp: All general fund, yes, all of it.

Chairman Dever: Going back to the top then Pam, the 3 FTE's I understand that one of them is specific as to the position. Are they all 3 that way?

Ms. Sharp: Two of them are specific, and one is unspecified. One was designated in the legislative intent, as the State Architect, another one designated was that Human Resource officer and then there was one undesignated. We would like them restored especially we don't ever want anything designated. We would like to be able to do an evaluation and do our own work and figure out where to eliminate.

Chairman Dever: And in the Executive Budget you were reduced 4.5 FTE's?

Ms. Pam Sharp: That's correct. We were reduced 4 ½ FTE in the governor budget.

Chairman Dever: So, all of the money under the \$888,000 associated directly with those 3 FTE's.

Ms. Sharp: There might be a little additional lower that directly to those 3 FTE's there is another \$150,000 or \$70,000 on top of that. So there are just some general salary dollars not associated with the FTE. Also in the Burgum budget, we had offered up another FTE so it was 4.5 in the Dalrymple, 1 Burgum, and then 3 more here.

Senator Holmberg: I think that one of the other areas of reduction that need some consideration is the issue of revenue Forecasting. As you are aware the Legislative budget has set up a revenue committee of legislators. Pam and I have had a meeting with some of House leadership and the dialogue will continue. The legislative sets up a free standing group. The good model that you find around the nation for best practices, if you are bringing legislators in it has to be a collaborative model, that works better than 2 agencies, fighting over two separate numbers and knowing at the end of the day it's the legislature that determines what the numbers will be because we have to approve that. I know that Pam is working on some language regarding how we can make what it is 2001 more collaborative, but I wonder if we want to also have an amendment in our little ditty bag, to put on here regarding restoring some of the forecasting money and also some language which indicate OMB wants to be part of a collaborative process rather than just a independent process. Because I think legislators are driven by wanting to have the best numbers possible but so is OMB. The current contract you have that ends in November of 2017.

Ms. Sharp: That's correct

Chairman Dever: So is this \$77,000 the full amount of the contract?

Ms. Sharp: Actually, I think we pay a little more than that, about \$45,000-\$50,000 a year. I think it is closer than the \$77,000.

Senator Holmberg: I think it would be helpful. Because there you will end up with two different conference committees. If we only utilized the language that is in the legislative budget that could be a different one. I would suggest that it might be more helpful to have all of the legislative leaders which is what OMB will have, on that decision making process. Because the ones that are pushing that other alternative are both going to be on this committee. So I just wonder if we wouldn't want to have some language crafted for our review, that would set up something that was different than what you have now, but also doesn't require a legislative committee to meet every month.

Ms. Sharp: I will bring something to you to start looking in the next few days.

Chairman Dever: The Capitol Building Trust fund, I understand has \$4.? M dollars in it?

Ms. Sharp: (0.17.43) I don't have that in front of me. Probably is about right. If the million was for extraordinary repairs and was to come out of the capitol building trust, there would still \$3M dollars left over at the end of the next biennium.

Chairman Dever: Do you have any idea how much money you would anticipate being added to that fund in the coming biennium?

Ms. Sharp: In the coming biennium, we're looking at the next biennium we looking at \$1.9 of revenue going in there. Which gets us to the \$3 M ending balance.

Chairman Dever: It's purpose is for projects on the capitol grounds.

Ms. Sharp: (0.18.50) Yes, It's purpose is for the capitol complex.

Senator Holmberg: Is that were the money for the governor's residence came from? That was confirmed.

Senator Robinson: What is the balance right now?

Ms. Sharp: We're looking at the balance at end of this biennium of being \$2.5M. Then we're looking at almost \$2M coming in next biennium, so that would give us at about \$4.5 M but there is a few things that come out of there as well.

Sen. Robinson: The source of the money again?

Ms. Sharp: The source is rent royalties and bonuses on land that the state owns.

Sen. Dever: Land that was set up for this purpose.

Chairman Dever: the \$800,000 for the surplus property building you have indicated special funds, is that also from that source?

Ms. Sharp: No. That source is from Surplus Property, itself because they have to sustain themselves on the money they generate themselves. So they have some cash on hand, right now, and they would ramp up selling and use their own money. The \$800,000 from surplus property itself for that building.

Chairman Dever: We were given a justification of that.

Ms. Sharp: Because of the concern of the sustainability of surplus property itself, because the rents have gotten so high and it's in an area of town where there's being developed right so the rent is continuing to go up. Like it has doubled.

Senator Holmberg: Balancing around the past funds. **Ms. Sharp:** It's the guardianship. We had support from the counties and others and its status right now?

Ms. Sharp: The status right now is it's just a 10% cut from the current biennium. Unless it's just holding even.

Adam Mathiak, Legislative Council: It would be the 6.55% reduction, because it just reflects the allotted amount.

Chairman Dever: We pay for guardianship in OMB, the courts, and Human Services. Why so many different places?

Ms. Sharp: It's not in the Courts. The courts are the ones that say that someone needs a guardian. So the court says this person appoints a guardian for a person who cannot or doesn't have any funds. In DHS the guardian ship that they have is for developmentally disabled. This guardianship is for adults. The courts and the counties thought OMB was a better home so as not to get confused in the guardianship program that the Department of Human Services. We don't feel one way or another about where it was. We just pass it through to the counties and they distribute to the counties.

Chairman Dever: I think this is the one that Senator Hogue told me that we need to increase because there is a real need for it out there.

Ms. Sharp: There is a need for it.

Chairman Dever: Anything else we need to talk about or you have a special interest in?

Ms. Sharp: We do have the DAPL costs. The increase borrowing authority, for the agencies that have had expenditures related to DAPL. As you know the money has been borrowed from the bank and it goes to the Adjutant General and then the agencies that have been occurred the expenses, get reimbursed for that. But they need the authority to spend throughout the biennium. This Attachment #2 – Proposed Amendments to HB 1015 for DAPL costs.

Senator Holmberg: This has been put in the deficiency appropriation bill.

Adam Mathiak: This is the amendment that is in the deficiency. You will look at it this afternoon.

Chairman Dever: So this amendment is already covered?

Senator Holmberg: As soon as we complete our work in the Deficiency appropriation, we will run it by the House, if it is something they concur, we will pass it, so the money can out as soon as possible. OMB will be here, the other one could be done by the end of this or next week.

Senator Robinson: Are we still having costs with DAPL? Do we still have a presence at Cannon Ball? What's going on?

Ms. Sharp: I think there is still a small presence. There is some costs.

Senator Robinson: So cost is still some costs.

Chairman Dever: I believe there is still increased patrols down there. Anything else in the budget. I know there is an interest in the Prairie Public reduction.

Senator Holmberg: We need to do something there. (0.27.52) That was quite a big haircut. Do you want a number or do we just want to say we're going to look at it..

Chairman Dever: Look at it and find some funds for it. Are there any other things that can come out of the Capitol funding projects? Is that something we can discuss today.

Ms. Pam Sharp: I don't know of a specific projects. I understand that Mr. Boyle has talked with you about something.

John Boyle, Director, Facility Management for OMB: The only thought to help get the million dollars back to do repairs for next biennium that right now the last leg session the legislature approved \$1.4M to come out of the Capitol Building Trust Fund for new signs, we think we can take care of some of the signs needs for \$400,000 and that extra million instead of being spent on the signs could then be carried forward in to 2017-2019 to take care of the million dollars that was taken out by the House. So that was the thought.

Chairman Dever: Extraordinary repairs.

Mr. Boyle: It would add another million dollars into the ending balance for this current biennium so, when they put those sheets together, that's the \$4M for the governor's residence from \$1.4M for the signs.

Chairman Dever: Do I understand that you had a project involving energy savings?

Mr. Boyle: Ten years ago, we did a performance contract and so one of the things that we have a huge problem with is we pay our light bill every month to MDU. But the deal has

changed quite a bit because MDU adds these tariffs on every month. So more than half of our bill are just tariffs. So if we get a bill for \$75,000 we should only pay about \$37,500 but then we add another \$30,000 in tariffs that we pay; and in the last 3 months, January, February, and March, we're going to pay more than \$100,000 more in just those 3 months to MDU to pay those tariffs. So the idea was that if we could pay off the remaining balance of the financed for the 10 years we own approximately \$2.2 M more dollars. Right now we're paying that with our operating costs which is general fund. So the idea was if we paid it out of the Capitol Building Trust Fund, with special fund dollars, since that was a project on the Capitol grounds, it would free up like \$2.7M over the next 6 years of general fund money. But we would need some of that money to go back into operating to help pay for all these tariffs. So if we did pay that off, we would save about a less than I think \$900,000 in operating costs in the next biennium paying for the lease payment on the equipment. The remaining balance is \$2.2 of which we pay about \$900,000 in principle and interest over the next biennium. So, the thought was if we could maybe take half of that \$900,000, saving to help pay for the tariffs, and the other half to help PBS or something else, but that was the thought that we could get a portion of that money to help the relief from the tariffs that we're paying. The tariffs are just so high, over 100% of our bill is just tariffs. That was the plan.

Senator Holmberg: If we removed section 10 from the bill, would the language that allow the department to get by? You can't have both, as I understand it. We are not trying to weigh into Senator Kilzer, work but it's nice to know.

Senator Holmberg: The House had removed the funding to pay the annual leave from employees that might retire from Human services, then they put section 10 in this bill, which forbids Human Services and all agencies, from utilizing roll-up dollars, and the question is it appears to be to wax at the same issue, and if we were to remove Section 10, from this bill does that relieve them from having to do much in what is in 1012?

Ms. Sharp: Section 10 puts every agency in a very, very bad position of not being able to pay out any annual leave. Human Services is already under funded, in their salary line anyway, so this puts them in a doubly, doubly bad position if this amendment were to stand and the amendment that takes out their ability to give funding to pay out their annual leave. So the two amendments do not work together at all. But this amendment impacts every agency in a horrible way. I don't even know what agencies would do, because we are required to pay out that annual leave and to not have any ability to pay it, I mean puts every agency in jeopardy.

Chairman Dever: I believe the effect on DHS and another taken out for overtime. They are reducing the number of the employees and not allowing the employees to work overtime.

Senator Holmberg: I just wanted to make sure we understand the critical nature of number 10 and what it does across state government. It appears to be something that needs to be erased if we have the votes.

Chairman Dever: Human Services says that each of the \$1.8 represents approximately the cost of 12 FTE's. So there are still authorized FTE's but, we should change the phrase from FTE to FTV's because then there would be full time volunteers. We have a caucus in here at noon, so let's call this meeting to a close.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1015
4/21/2017
Job # 30272

- Subcommittee
 Conference Committee

Committee Clerk Signature

Eva Liebolt for Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Bill for an Act to defray the expenses of the Office of Management and Budget (OMB)

Minutes:

1. Proposed Amendment # 17.0500.03018
2. Proposed Amendment # 17.0500.03017
3. Proposed Amendment # 17.0500.03003
4. Amendment Explanation.

Chairman Holmberg: Called the Committee to order on HB 1015 at 12:30 pm in the Harvest Room. All committee members were present.

Chairman Holmberg: Let's have Adam Mathiak walk through these amendments. The subcommittee did meet and looked at various suggestions and the subcommittee will not meet again.

Adam Mathiak, Legislative Council: If you look at page 5, of the amendment that was passed out, I will start with budgetary changes. He went over the amendment. Amendment 17.0500.03018, see attachment #1. **(0.01.18-0.03:14)**

Chairman Holmberg: I believe the House will not be kindly disposed towards any kind of buildings no matter of its nature or need but we decided to recommend that we put it back in from the original budget. All these items here are all part and parcel of the original Governor's budget.

Adam Mathiak: Go to page 6, section 4. There was a section in here, section 4 of the bill where the House had added to provide for a transfer of \$100M from SIIF to the general fund, for the 15-17 to balance the budget and they did have an emergency clause with that transfer, however when it went to the floor and the emergency clause failed. So that section was ineffective and we removed it. He continues going over the amendment. **(0.03:40-0.05:28)**

Chairman Holmberg: The members should be aware that if that money was not spent it would not go to the general fund.

Adam Mathiak: In one of the sections of the bill there is just the identification of amounts that are included in the appropriations and one of the items we added to that list was for the statewide membership and dues. That is traditionally added in that section but when the funding was removed by the House that line was removed from that so we are reinstating that to identify the specific purpose of that funding. There is an amendment added on to this to increase the temporary borrowing authority for OMB to take care of the cash flow needs of the general funds. In the event that we are projected to receive revenue but it hasn't yet come in and the expenses are higher than the revenue. The OMB can get a temporary loan from BND to make sure that the general fund has sufficient cash. **(0.05:38-0.06:50)**

Chairman Holmberg: That is something that has been used a very few times. It has been at \$10M and that was back when the budget was a billion. Now that the budget is more than a billion, this just gives flexibility. It does not give any new powers. They don't get to spend extra money. It just keeps cash flow going.

Adam Mathiak: The next two items there were corrections to bills that had already been passed. One was related to some property tax incentives, this one is creating a new subsection. And the one after that is amending a section that was newly created and that relates to criminal history background checks. There was a section that we removed that was added by the House that restricted state agencies and institutions from spending their unspent salary and wages savings. That section has been removed. There are a couple of studies that were added. One was creating a legislative management committee just for the next interim to study travel taxation issues. There is a study related to internet service providers and the collection of personal information. Then another study regarding wind energy tax distributions and how that compares to the other energy tax distributions. **(0.07:14-0.08:35)**

Chairman Holmberg: Keep in mind that removal of the section added by the House was the infamous section 10. The legislative management study was one suggested regarding internet service. As you recall the feds have kind of retreated on some areas of privacy but trying to draft an amendment without any study, without any kind of thought would probably create problems so that was added in there.

Senator Mathern: I am concerned about the tribal taxation issues. While I believe it is a very important study I am concerned why we wouldn't have persons that are a tribal chairman on this committee. We have the governor and the lieutenant governor, so we have the states leaders, it just seems to me that we would include tribe's leaders on this. It is on page 3 of the amendments, section 12.

Senator Cook: The intentions of how this would work is that if this tribal committee was going to talk about issues specific to one tribe that they would then invite the tribal chairman and I believe that is written in the language and anybody that the tribal chairman wanted to bring with him to sit at the table for the discussions. We want them sitting at the table with the elected officials.

Senator Mathern: I am just wondering if it couldn't have been stronger language. I see that language on page 4, what if that were "shall invite". We could be discussing MHA nation taxation agreements with the state and maybe not invite the chair of MHA nation.

Senator Cook: If we are ever going to be reach our goals or purpose of this thing, we would never do that. If we are going to be successful with this and that is what we hope we do, we will have policies in line with the state policies that we are collecting and remitting the various taxes that they want we are going to have them sit at the table.

Senator Mathern: That is why I would like a little stronger language.

Senator Hogue: One of my experiences when we form these committees, as soon as you make this dichotomy between voting and non-voting members there is a natural tendency for the non-voting members not to participate in the committee and this amendment provides, the governor, lieutenant governor and tax commissioner aren't going to vote and it doesn't seem to provide that they can send their designee. Is it your intent that they would be there in person or that they can send designees? Do you think they will want to participate if they can't vote?

Senator Cook: This study amendment was drafted with the governor, the lieutenant governor and the head of the Indian affairs committee. All of us communicating with what their desires and I guarantee that the governor and lieutenant governor want to participate in these conversations.

Chairman Holmberg: Anything else?

Senator Mathern: On page 4, would you be ok with changing the word from "may" to "shall".

Senator Cook: I am ok with that. It's going to have the same results.

Senator Mathern: I think they are looking at this also and I would hope that the tribes would see this as a positive development. I would hate for them to feel like they might be on the agenda and might not be invited.

Chairman Holmberg: Senator Mathern has suggested an editorial change which was approved by the person presenting. So can we have a motion on the entire amendment with that editorial change from "may" to "shall".

Senator Robinson moved to adopt the amendment # 17.0500.03018 with the change. Senator Erbele seconded the motion. Roll Call Vote: Yes-14 No-0 Absent-0. Motion carried.

Senator Cook: Earlier this year we passed 1361, we divided the question into this reporting mechanism that you have in front of you now and we killed the cap bill. This afternoon the House has got 1361. If they put caps back on it, if they don't kill it we will in the Senate. All this will do is require the 50 counties to send a report to the tax commissioner on what the tax increases have been. Amendment 17.0500.03017, see attachment #2.

Chairman Holmberg: Any question?

Senator Cook: The data we provided to legislature, we could pull up all the cities and see exactly how much they raised taxes. We will get a 3-year history on it and put to rest whether or not taxes are being abused out there or whether there not.

Senator Dever: I don't have a question on the policy but I noticed that this amendment was drafted before the other set of amendments. I was just wondering if it is just a matter of the legislative council just reconciling the amendments together so we don't have two section tens?

Adam Mathiak: If you approve any of these additional ones, there would be a brand new amendment created with a new LC# and all the sections would be reconciled and combined.

Chairman Holmberg: Is there a motion on the amendment 03017?

Senator Wanzek moved to adopt the amendment # 17.0500.03017. Senator Dever seconded the motion. Roll Call Vote: Yes-14 No-0 Absent-0.

Chairman Holmberg: Now we have another amendment.

Senator Wardner: I have an amendment that deals with Dickinson State University. It deals with the money that you people said you would do a continuing appropriation. The \$12M for the Theodore Roosevelt Presidential Library. I want you to know that the board of the Theodore Roosevelt Presidential Library are on board. They know about this and they support it. This is our amendment to help Dickinson State to get back on their feet. The drafter, even though it says Senator Holmberg, was Representative Lefor who drafted this and set it all up. With your permission I would like to have Representative Lefor to come up and if anyone has any questions, can go over it with you. Amendment 17.0500.03003, see attachment #3.

Chairman Holmberg: Is there conflict, because of the amendment that is on Higher Ed budget?

Senator Wardner: The amendment on the Higher Ed is probably not there and is not going to come.

Chairman Holmberg: It was and it is, it was put on this morning. We are not done with it. This is probably a better one from your standpoint.

Senator Wardner: Yes.

Representative Lefor: presented Testimony attached # 4 – Amendment Explanation. Basically in June of 2015 Senator Wardner asked me to look deeply into Dickinson State University, its history, its finances as well as the foundation. What I did is, I talked to the Vice President of finance got about eighteen years of their financials. I talked to Shawn Smith an attorney in Bismarck who is the receiver for the foundation to get as deeply into this as I possibly could. When I looked everything over I worried that we were in deep, deep trouble.

What you have in front of you, last session with one-time funding Dickinson State had nearly \$28.8M in funding from the state. What you passed over here in the Senate, the House stripped it out. So now we have gone from \$28.8M to \$17.6M so it is a forty percent cut. There is no way that Dickinson State University will continue to be a violable university if you cut that out. He talked about coming together with others and forming a group called, The Blue Hawk Caucus to look deeper into this situation. He explains what they did and what their goals were and he went over the amendment. **(0.22:57-0.35:50)**

Senator Bowman: We know predicament and we know the costs but what is in here to prevent this from happening again and is anybody held accountable when you lose that many dollars?

Representative Lefor: It is a tremendously frustrating experience for us that nobody went to jail over this. The university and foundation were separate entities and now we put them under the university president. So the executive director answers to the university president before they were out doing their own thing. So I will tell you this, the legislation on the restricted funds that was a big deal and now we can no longer do it by state statute. That was a big part of it. Those were two big steps and hopefully this will never happen again.

Senator Mathern: Thank you for all your work on this. I am wondering why this wasn't laid out in the earlier hearing under Higher Education?

Representative Lefor: Because I am on the House side and was going to bring it up to the House appropriations but that was never heard.

Senator Robinson: I would mention that Representative Lefor has provided all subcommittee members a copy of this and has been working hard on this. We appreciate the update and the advance notice. As someone who works in higher education I would agree about his comments about the new president, it has been very impressive. The new foundation director is a fine, fine man. They have been through a rocky road and I think it's impressive that they have come back as far as they have under dire circumstances. When credibility is on the line you are fighting an uphill battle and even with all of that they showed tremendous results in a short period of time, reestablishing that credibility. I applaud your efforts. I am certainly supportive of what you are doing here and we wish Dickinson State well.

Representative Lefor: I don't believe those amendments are mine but if there is different version we will prefer this one.

Senator Dever moved to adopt the amendment #17.0500.03003. Senator Krebsbach seconded the motion. Roll Call Vote: Yes-14 No-0 Absent-0

Senator Sorvaag: I am going to support this because it's the right thing to do.

Senator Robinson moved the bill. Senator Dever seconded the motion.

Roll Call Vote: Yes-14 No-0 Absent-0. Chairman Holmberg will carry the bill. The hearing was closed on HB 1015.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, after the semicolon insert "to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as enacted by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"

Page 1, line 3, after "section" insert "6-09-15.1, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as enacted by the sixty-fifth legislative assembly, and section"

Page 1, line 4, after "to" insert "temporary loans to the general fund, criminal history record checks, and"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, replace "and" with "to provide for legislative management studies and reports;"

Page 1, line 5, after "report" insert "; and to provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$2,242,970	\$22,041,224
Operating expenses	13,855,260	213,178	14,068,438
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	(200,000)	1,400,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,178,625	\$42,215,739
Less estimated income	7,210,390	4,023,697	11,234,087
Total general fund	\$30,826,724	\$154,928	\$30,981,652
Full-time equivalent positions	122.50	(4.50)	118.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0

Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	1,000,000
Total all funds	\$16,305,303	\$1,800,000
Less estimated income	9,775,000	1,800,000
Total general fund	\$6,530,303	\$0"

Page 2, remove lines 29 and 30

Page 3, remove lines 1 and 2

Page 3, line 10, after "EXEMPTION" insert "- FISCAL MANAGEMENT"

Page 3, replace lines 15 through 17 with:

"SECTION 6. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, 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, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 8. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, execute and issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceed the total principal amount of ~~ten~~ one hundred million dollars with principal maturity of not more than twelve months. As a condition precedent to the issuance and sale of the evidences of indebtedness, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year in which the evidences of indebtedness are to be issued will exceed the principal amount and interest on the evidences of indebtedness to be issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer shall establish a fund for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.

SECTION 9. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as enacted by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments thereto, is not subject to the requirements under this section.

SECTION 10. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee."

Page 4, replace lines 3 through 15 with:

"SECTION 12. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - c. The majority leader of the house of representatives and the majority leader of the senate;
 - d. The minority leader of the house of representatives and the minority leader of the senate; and
 - e. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits

to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds. As the agenda demands, the chairman of the committee may invite the tribal chairman and other appropriate tribal members to actively participate in a committee meeting.

5. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - INTERNET SERVICE PROVIDERS. During the 2017-18 interim, the legislative management shall consider studying the privacy policies of telecommunications service providers and internet service providers, and identifying potential issues for legislation. The study must include an evaluation of the process, procedure, and practice by telecommunications service providers and internet service providers in the collection of personal information from a customer resulting from the customer's use of the telecommunications service provider or internet service provider, and an evaluation of the sale, distribution, or use of the personal information collected by the telecommunications service provider or internet service provider. The study must include consideration of rules relating to the privacy rights of telecommunications and internet customers and the enforcement of any such rules by the public service commission. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAX DISTRIBUTIONS. During the 2017-18 interim, the legislative management shall consider studying the distribution of tax collections related to wind energy. The study must include consideration of the current and historical distribution formulas; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 15. EFFECTIVE DATE. Section 9 of this Act is effective for property tax incentives approved after July 31, 2017."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$19,798,254	\$21,177,508	\$863,716	\$22,041,224
Operating expenses	13,855,260	12,909,988	1,158,450	14,068,438
Capital assets	200,000	973,477	800,000	1,773,477
Grants	555,000	54,000		54,000
Emergency commission contingency fund	500,000	350,000		350,000
Guardianship grants	1,328,600	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	800,000	600,000	1,400,000
State student internship	200,000			

program Cybersecurity remediation pool		1,000,000		1,000,000
Total all funds	\$38,037,114	\$38,593,573	\$3,622,166	\$42,215,739
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$2,826,556	\$30,981,652
FTE	122.50	115.00	3.00	118.00

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Grants ⁶
Salaries and wages	(\$24,676)	\$888,392				
Operating expenses			550,000	531,450	77,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						200,000
Prairie public broadcasting						600,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
FTE	0.00	3.00	0.00	0.00	0.00	0.00

	Adds Funding for Surplus Property Building ⁷	Total Senate Changes
Salaries and wages		\$863,716
Operating expenses		1,158,450
Capital assets	800,000	800,000
Grants		
Emergency commission contingency fund		
Guardianship grants		200,000
Prairie public broadcasting		600,000
State student internship program		
Cybersecurity remediation pool		
Total all funds	\$800,000	\$3,622,166
Less estimated income	800,000	795,610
General fund	\$0	\$2,826,556
FTE	0.00	3.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding for FTE positions and other salaries and wages changes are added as follows:

	General Fund	Other Funds	Total
Adds funding for an FTE position (unspecified)	\$70,000		\$70,000
Adds 1 FTE state architect position	232,709		232,709
Adds 1 FTE human resource officer position	174,380		174,380
Adds 1 FTE position (unspecified)	374,303		374,303

Reduces funding for salaries and wages
Total

37,000	37,000
\$888,392	\$0
	\$888,392

³ Funding of \$550,000 is added for utility rate increases.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses.

⁵ Funding is added for revenue forecasting contract and travel expenses.

⁶ Funding of \$200,000 is added for guardianship grants to provide total funding of \$1,532,000, and funding of \$600,000 is added for Prairie Public Broadcasting to provide \$1,400,000.

⁷ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building.

This amendment also includes the following changes:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provide an emergency clause for this transfer.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000).
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cash flow purposes, from \$10 million to \$100 million.
- Adds a section to create a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection.
- Adds a section to amend newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.
- Adds a section to create a Legislative Management committee to study tribal taxation issues.
- Adds a section to provide for a Legislative Management study regarding Internet service providers and the collection of personal information.
- Adds a section to provide for a Legislative Management study regarding wind energy tax distributions.

April 20, 2017

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, replace "section" with "sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"

Page 1, line 4, after "fees" insert "and the abstract of a county tax list and a statewide property tax increase report; to repeal section 57-20-05 of the North Dakota Century Code, relating to certification of taxes levied by taxing districts"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to provide for a report to the legislative management"

Page 4, after line 2, insert:

"SECTION 10. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall ~~make prepare~~ and transmit to the state tax commissioner, ~~in such form as the tax commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 11. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed."

Renumber accordingly

April 4, 2017

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, replace "section" with "sections 15-18.2-06 and"

Page 1, line 4, after the first "to" insert "the minimum amount payable through the higher education funding formula and"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to declare an emergency"

Page 3, after line 9, insert:

"SECTION 6. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,309,626 or so much of the sum as may be necessary, to Dickinson state university for campus operations payments resulting from the minimum amount payable through the higher education funding formula, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. EXEMPTION - DICKINSON STATE UNIVERSITY - USE OF 2013-15 BIENNIUM APPROPRIATIONS. The amounts appropriated to Dickinson state university for the Theodore Roosevelt center project in section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 of the 2013 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these sections are available to be used by the institution as provided in this section during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the unexpended appropriations available under this section, Dickinson state university shall use the funding as follows:

1. \$4,800,000 must be used for the operations of the institution.
2. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities center. The funds under this subsection may be used only if the funding provided under this subsection will result in final satisfaction of any obligation associated with the facility.
3. \$500,000 must be used to provide a grant to the Theodore Roosevelt presidential library foundation for the digitization of documents related to the library.
4. Any remaining funds must be provided as a grant to the Theodore Roosevelt presidential library foundation for operations, construction, and other costs of the library.

SECTION 8. EXEMPTION - HIGHER EDUCATION CHALLENGE GRANTS. The unexpended amount remaining for the education challenge fund line item in section 1 of chapter 34 of the 2013 Session Laws is not subject to section 54-44.1-11 and the state board of higher education shall transfer any unexpended funds in this line item to Dickinson state university for operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 22, insert:

"SECTION 12. AMENDMENT. Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (~~Effective through June 30, 2017~~) Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each ~~fiscal year, beginning with 2014-15~~ biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous ~~fiscal year.~~"

Page 4, after line 15, insert:

"SECTION 15. EMERGENCY. Section 12 of this Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Amends Section 15-18.2-06 to remove the sunset clause on the minimum amount payable through the higher education funding formula. An appropriation of \$2,309,626 from the general fund is provided to Dickinson State University relating to the formula minimum payment amount.
- Adds a section to authorize Dickinson State University to carryover approximately \$11.5 million of unexpended general fund appropriations from the 2013-15 biennium related to the Theodore Roosevelt Center project. The section provides for various uses of the funding, including campus operations, debt repayment, and grants to the Theodore Roosevelt Presidential Library Foundation.
- Adds a section to authorize the State Board of Higher Education to carryover approximately \$950,000 of unexpended general fund appropriations from the 2013-15 biennium related to challenge grants. The section requires the board to transfer the funds to Dickinson State University for operations of the institution.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 2, after "budget" insert "; to provide an appropriation to Dickinson state university"

Page 1, line 3, after the semicolon insert "to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"

Page 1, line 3, replace "section" with "sections 6-09-15.1 and 15-18.2-06, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, and sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"

Page 1, line 4, after the first "to" insert "temporary loans to the general fund, higher education funding formula minimums, criminal history record checks,"

Page 1, line 4, after "fees" insert ", and property tax increase reports; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, replace "and" with "to provide for a legislative management study; to provide for a report to the legislative management;"

Page 1, line 5, after "report" insert "; to provide an effective date; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$2,242,970	\$22,041,224
Operating expenses	13,855,260	213,178	14,068,438
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	(200,000)	1,400,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,178,625	\$42,215,739
Less estimated income	<u>7,210,390</u>	<u>4,023,697</u>	<u>11,234,087</u>
Total general fund	\$30,826,724	\$154,928	\$30,981,652
Full-time equivalent positions	122.50	(4.50)	118.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	<u>1,000,000</u>
Total all funds	\$16,305,303	\$1,800,000
Less estimated income	<u>9,775,000</u>	<u>1,800,000</u>
Total general fund	\$6,530,303	\$0"

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Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

"SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,309,626, or so much of the sum as may be necessary, to Dickinson state university for campus operations payments resulting from the minimum amount payable through the higher education funding formula, for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, line 10, after "EXEMPTION" insert "- FISCAL MANAGEMENT"

Page 3, replace lines 15 through 17 with:

"SECTION 7. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, 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, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects.

SECTION 8. EXEMPTION - DICKINSON STATE UNIVERSITY - USE OF 2013-15 BIENNIUM APPROPRIATIONS. The amounts appropriated to Dickinson state university for the Theodore Roosevelt center project in section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 of the 2013 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these sections are available to be used by the institution as provided in this section during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the unexpended appropriations available under this section, Dickinson state university shall use the funding as follows:

1. \$4,800,000 must be used for the operations of the institution.
2. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities center. The funds under this subsection may be used only if the funding provided under this subsection will result in final satisfaction of any obligation associated with the facility.

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3. \$500,000 must be used to provide a grant to the Theodore Roosevelt presidential library foundation for the digitization of documents related to the library.
4. Any remaining funds must be provided as a grant to the Theodore Roosevelt presidential library foundation for operations, construction, and other costs of the library.

SECTION 9. EXEMPTION - HIGHER EDUCATION CHALLENGE GRANTS.

The unexpended amount remaining for the education challenge fund line item in section 1 of chapter 34 of the 2013 Session Laws is not subject to section 54-44.1-11 and the state board of higher education shall transfer any unexpended funds in this line item to Dickinson state university for operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 11. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, execute and issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceed the total principal amount of ~~ten~~ one hundred million dollars with principal maturity of not more than twelve months. As a condition precedent to the issuance and sale of the evidences of indebtedness, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year in which the evidences of indebtedness are to be issued will exceed the principal amount and interest on the evidences of indebtedness to be issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer shall establish a fund for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.

SECTION 12. AMENDMENT. Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (~~Effective through June 30, 2017~~) Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each fiscal year, ~~beginning with 2014-15~~ biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous ~~fiscal year~~ biennium.

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SECTION 13. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as enacted by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section.

SECTION 14. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee."

Page 4, replace lines 3 through 15 with:

"SECTION 16. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall ~~make prepare~~ and transmit to the state tax commissioner, ~~in such form as the tax commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.

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5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 17. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 18. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - e. The majority leader of the house of representatives and the majority leader of the senate;
 - f. The minority leader of the house of representatives and the minority leader of the senate; and
 - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds. As the agenda demands, the chairman of the committee shall invite the tribal chairman and other appropriate tribal members to actively participate in a committee meeting.
5. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - INTERNET SERVICE PROVIDERS. During the 2017-18 interim, the legislative management shall consider

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studying the privacy policies of telecommunications service providers and internet service providers, and identifying potential issues for legislation. The study must include an evaluation of the process, procedure, and practice by telecommunications service providers and internet service providers in the collection of personal information from a customer resulting from the customer's use of the telecommunications service provider or internet service provider, and an evaluation of the sale, distribution, or use of the personal information collected by the telecommunications service provider or internet service provider. The study must include consideration of rules relating to the privacy rights of telecommunications and internet customers and the enforcement of any such rules by the public service commission. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 20. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAX DISTRIBUTIONS. During the 2017-18 interim, the legislative management shall consider studying the distribution of tax collections related to wind energy. The study must include consideration of the current and historical distribution formulas; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 21. EFFECTIVE DATE. Section 13 of this Act is effective for property tax incentives approved after July 31, 2017.

SECTION 22. EMERGENCY. Section 12 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$38,037,114	\$38,593,573	\$3,622,166	\$42,215,739
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$2,826,556	\$30,981,652
Dickinson State University				
Total all funds	\$0	\$0	\$2,309,626	\$2,309,626
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$2,309,626	\$2,309,626
Bill total				
Total all funds	\$38,037,114	\$38,593,573	\$5,931,792	\$44,525,365
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$5,136,182	\$33,291,278

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$19,798,254	\$21,177,508	\$863,716	\$22,041,224
Operating expenses	13,855,260	12,909,988	1,158,450	14,068,438

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Capital assets	200,000	973,477	800,000	1,773,477
Grants	555,000	54,000		54,000
Emergency commission contingency fund	500,000	350,000		350,000
Guardianship grants	1,328,600	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	800,000	600,000	1,400,000
State student internship program	200,000			
Cybersecurity remediation pool		1,000,000		1,000,000
	<u>\$38,037,114</u>	<u>\$38,593,573</u>	<u>\$3,622,166</u>	<u>\$42,215,739</u>
Total all funds				
Less estimated income	<u>7,210,390</u>	<u>10,438,477</u>	<u>795,610</u>	<u>11,234,087</u>
	<u>\$30,826,724</u>	<u>\$28,155,096</u>	<u>\$2,826,556</u>	<u>\$30,981,652</u>
General fund				
	122.50	115.00	3.00	118.00
FTE				

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Grants ⁶
Salaries and wages	(\$24,676)	\$888,392				
Operating expenses			550,000	531,450	77,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						200,000
Prairie public broadcasting						600,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
FTE	0.00	3.00	0.00	0.00	0.00	0.00

	Adds Funding for Surplus Property Building ⁷	Total Senate Changes
Salaries and wages		\$863,716
Operating expenses		1,158,450
Capital assets	800,000	800,000
Grants		
Emergency commission contingency fund		
Guardianship grants		200,000
Prairie public broadcasting		600,000
State student internship program		
Cybersecurity remediation pool		
Total all funds	\$800,000	\$3,622,166
Less estimated income	800,000	795,610
General fund	\$0	\$2,826,556
FTE	0.00	3.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding for FTE positions and other salaries and wages changes are added as follows:

CM
4/24/17
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	General Fund	Other Funds	Total
Adds funding for an FTE position (unspecified)	\$70,000		\$70,000
Adds 1 FTE state architect position	232,709		232,709
Adds 1 FTE human resource officer position	174,380		174,380
Adds 1 FTE position (unspecified)	374,303		374,303
Reduces funding for salaries and wages	37,000		37,000
Total	\$888,392	\$0	\$888,392

- ³ Funding of \$550,000 is added for utility rate increases.
- ⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses.
- ⁵ Funding is added for revenue forecasting contract and travel expenses.
- ⁶ Funding of \$200,000 is added for guardianship grants to provide total funding of \$1,532,000, and funding of \$600,000 is added for Prairie Public Broadcasting to provide \$1,400,000.
- ⁷ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building.

This amendment also includes the following changes related to the Office of Management and Budget:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provide an emergency clause for this transfer.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000).
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cash flow purposes, from \$10 million to \$100 million.
- Adds a section to create a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection.
- Adds a section to amend newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission.
- Adds a section to amend Section 57-20-04 relating to property tax increase reports by counties.
- Adds a section to repeal Section 57-20-05 relating to certification of taxes levied by taxing districts.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.
- Adds a section to create a Legislative Management committee to study tribal taxation issues.
- Adds a section to provide for a Legislative Management study regarding Internet service providers and the collection of personal information.
- Adds a section to provide for a Legislative Management study regarding distributions of tax collections related to wind energy.

House Bill No. 1015 - Dickinson State University - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operations			\$2,309,626	\$2,309,626
Total all funds	\$0	\$0	\$2,309,626	\$2,309,626

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4/24/17
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Less estimated income	0	0	0	0
	\$0	\$0	\$2,309,626	\$2,309,626
General fund	0.00	0.00	0.00	0.00
FTE				

Department No. 239 - Dickinson State University - Detail of Senate Changes

	Adds Funding for Campus Operations ¹	Total Senate Changes
Operations	\$2,309,626	\$2,309,626
Total all funds	\$2,309,626	\$2,309,626
Less estimated income	0	0
General fund	\$2,309,626	\$2,309,626
FTE	0.00	0.00

¹ Funding is added for campus operations payments at Dickinson State University resulting from the minimum amount payable through the higher education funding formula.

This amendment also includes the following changes related to Dickinson State University:

- Amends Section 15-18.2-06 to remove the expiration date on the minimum amount payable through the higher education funding formula.
- Adds a section to authorize Dickinson State University to continue approximately \$11.5 million of unexpended general fund appropriations from the 2013-15 biennium related to the Theodore Roosevelt Center project. The section provides for various uses of the funding, including campus operations, debt repayment, and grants to the Theodore Roosevelt Presidential Library Foundation. Adding this section reduces the general fund beginning balance for the 2017-19 biennium by \$11.5 million.
- Adds a section to authorize the State Board of Higher Education to carry over approximately \$950,000 of unexpended general fund appropriations from the 2013-15 biennium related to challenge grants. The section requires the board to transfer the funds to Dickinson State University for operations of the institution. Adding this section reduces the general fund beginning balance for the 2017-19 biennium by \$950,000.

Date: 4-21-17
 Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0500.03018 w/ may to shall

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Robinson Seconded By Erbele

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment _____

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

Date: 4-21-17
Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1015**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0500.03017

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Wanzek Seconded By Dever

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment _____

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

Date: 4-21-17
Roll Call Vote #: 3

**2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1015**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 17, 0500, 03003

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Dever Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment _____

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

Date: 4-21-17
Roll Call Vote #: 4

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1015

Senate Appropriations 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
Other Actions: Reconsider _____

Motion Made By Robinson Seconded By Dever

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Holmberg

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

REPORT OF STANDING COMMITTEE

HB 1015, as engrossed: 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). Engrossed HB 1015 was placed on the Sixth order on the calendar.

Page 1, line 2, after "budget" insert "; to provide an appropriation to Dickinson state university"

Page 1, line 3, after the semicolon insert "to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"

Page 1, line 3, replace "section" with "sections 6-09-15.1 and 15-18.2-06, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, and sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"

Page 1, line 4, after the first "to" insert "temporary loans to the general fund, higher education funding formula minimums, criminal history record checks,"

Page 1, line 4, after "fees" insert ", and property tax increase reports; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, replace "and" with "to provide for a legislative management study; to provide for a report to the legislative management;"

Page 1, line 5, after "report" insert "; to provide an effective date; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$2,242,970	\$22,041,224
Operating expenses	13,855,260	213,178	14,068,438
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	(200,000)	1,400,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,178,625	\$42,215,739
Less estimated income	7,210,390	4,023,697	11,234,087
Total general fund	\$30,826,724	\$154,928	\$30,981,652
Full-time equivalent positions	122.50	(4.50)	118.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	1,000,000
Total all funds	\$16,305,303	\$1,800,000
Less estimated income	9,775,000	1,800,000
Total general fund	\$6,530,303	\$0"

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

"SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,309,626, or so much of the sum as may be necessary, to Dickinson state university for campus operations payments resulting from the minimum amount payable through the higher education funding formula, for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, line 10, after "EXEMPTION" insert "- FISCAL MANAGEMENT"

Page 3, replace lines 15 through 17 with:

"SECTION 7. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, 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, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects.

SECTION 8. EXEMPTION - DICKINSON STATE UNIVERSITY - USE OF 2013-15 BIENNIUM APPROPRIATIONS. The amounts appropriated to Dickinson state university for the Theodore Roosevelt center project in section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 of the 2013 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these sections are available to be used by the institution as provided in this section during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the unexpended appropriations available under this section, Dickinson state university shall use the funding as follows:

1. \$4,800,000 must be used for the operations of the institution.
2. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities center. The funds under this subsection may be used only if the funding provided under this subsection will result in final satisfaction of any obligation associated with the facility.
3. \$500,000 must be used to provide a grant to the Theodore Roosevelt presidential library foundation for the digitization of documents related to the library.

4. Any remaining funds must be provided as a grant to the Theodore Roosevelt presidential library foundation for operations, construction, and other costs of the library.

SECTION 9. EXEMPTION - HIGHER EDUCATION CHALLENGE GRANTS.

The unexpended amount remaining for the education challenge fund line item in section 1 of chapter 34 of the 2013 Session Laws is not subject to section 54-44.1-11 and the state board of higher education shall transfer any unexpended funds in this line item to Dickinson state university for operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 11. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, execute and issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceed the total principal amount of ~~ten~~ one hundred million dollars with principal maturity of not more than twelve months. As a condition precedent to the issuance and sale of the evidences of indebtedness, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year in which the evidences of indebtedness are to be issued will exceed the principal amount and interest on the evidences of indebtedness to be issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer shall establish a fund for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.

SECTION 12. AMENDMENT. Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (~~Effective through June 30, 2017~~) Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each fiscal year, ~~beginning with 2014-15 biennium~~, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous ~~fiscal year~~ biennium.

SECTION 13. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as enacted by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section.

SECTION 14. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee."

Page 4, replace lines 3 through 15 with:

"SECTION 16. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall ~~make prepare~~ and transmit to the state tax commissioner, ~~in such form as the tax commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 17. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 18. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:

- a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - e. The majority leader of the house of representatives and the majority leader of the senate;
 - f. The minority leader of the house of representatives and the minority leader of the senate; and
 - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
 3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
 4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds. As the agenda demands, the chairman of the committee shall invite the tribal chairman and other appropriate tribal members to actively participate in a committee meeting.
 5. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - INTERNET SERVICE PROVIDERS. During the 2017-18 interim, the legislative management shall consider studying the privacy policies of telecommunications service providers and internet service providers, and identifying potential issues for legislation. The study must include an evaluation of the process, procedure, and practice by telecommunications service providers and internet service providers in the collection of personal information from a customer resulting from the customer's use of the telecommunications service provider or internet service provider, and an evaluation of the sale, distribution, or use of the personal information collected by the telecommunications service provider or internet service provider. The study must include consideration of rules relating to the privacy rights of telecommunications and internet customers and the enforcement of any such rules by the public service commission. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 20. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAX DISTRIBUTIONS. During the 2017-18 interim, the legislative management shall consider studying the distribution of tax collections related to wind energy. The study

must include consideration of the current and historical distribution formulas; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 21. EFFECTIVE DATE. Section 13 of this Act is effective for property tax incentives approved after July 31, 2017.

SECTION 22. EMERGENCY. Section 12 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$38,037,114	\$38,593,573	\$3,622,166	\$42,215,739
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$2,826,556	\$30,981,652
Dickinson State University				
Total all funds	\$0	\$0	\$2,309,626	\$2,309,626
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$2,309,626	\$2,309,626
Bill total				
Total all funds	\$38,037,114	\$38,593,573	\$5,931,792	\$44,525,365
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$5,136,182	\$33,291,278

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$19,798,254	\$21,177,508	\$863,716	\$22,041,224
Operating expenses	13,855,260	12,909,988	1,158,450	14,068,438
Capital assets	200,000	973,477	800,000	1,773,477
Grants	555,000	54,000		54,000
Emergency commission contingency fund	500,000	350,000		350,000
Guardianship grants	1,328,600	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	800,000	600,000	1,400,000
State student internship program	200,000			
Cybersecurity remediation pool		1,000,000		1,000,000
Total all funds	\$38,037,114	\$38,593,573	\$3,622,166	\$42,215,739
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$2,826,556	\$30,981,652
FTE	122.50	115.00	3.00	118.00

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Grants ⁶
Salaries and wages	(\$24,676)	\$888,392				
Operating expenses			550,000	531,450	77,000	

Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						200,000
Prairie public broadcasting						600,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
FTE	0.00	3.00	0.00	0.00	0.00	0.00

	Adds Funding for Surplus Property Building ⁷	Total Senate Changes
Salaries and wages		\$863,716
Operating expenses		1,158,450
Capital assets	800,000	800,000
Grants		
Emergency commission contingency fund		
Guardianship grants		200,000
Prairie public broadcasting		600,000
State student internship program		
Cybersecurity remediation pool		
Total all funds	\$800,000	\$3,622,166
Less estimated income	800,000	795,610
General fund	\$0	\$2,826,556
FTE	0.00	3.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding for FTE positions and other salaries and wages changes are added as follows:

	General Fund	Other Funds	Total
Adds funding for an FTE position (unspecified)	\$70,000		\$70,000
Adds 1 FTE state architect position	232,709		232,709
Adds 1 FTE human resource officer position	174,380		174,380
Adds 1 FTE position (unspecified)	374,303		374,303
Reduces funding for salaries and wages	37,000		37,000
Total	\$888,392	\$0	\$888,392

³ Funding of \$550,000 is added for utility rate increases.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses.

⁵ Funding is added for revenue forecasting contract and travel expenses.

⁶ Funding of \$200,000 is added for guardianship grants to provide total funding of \$1,532,000, and funding of \$600,000 is added for Prairie Public Broadcasting to provide \$1,400,000.

⁷ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building.

This amendment also includes the following changes related to the Office of Management and Budget:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provide an emergency clause for this transfer.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000).
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cash flow purposes, from \$10 million to \$100 million.
- Adds a section to create a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection.
- Adds a section to amend newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission.
- Adds a section to amend Section 57-20-04 relating to property tax increase reports by counties.
- Adds a section to repeal Section 57-20-05 relating to certification of taxes levied by taxing districts.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.
- Adds a section to create a Legislative Management committee to study tribal taxation issues.
- Adds a section to provide for a Legislative Management study regarding Internet service providers and the collection of personal information.
- Adds a section to provide for a Legislative Management study regarding distributions of tax collections related to wind energy.

House Bill No. 1015 - Dickinson State University - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operations			\$2,309,626	\$2,309,626
Total all funds	\$0	\$0	\$2,309,626	\$2,309,626
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$2,309,626	\$2,309,626
FTE	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of Senate Changes

	Adds Funding for Campus Operations ¹	Total Senate Changes
Operations	\$2,309,626	\$2,309,626
Total all funds	\$2,309,626	\$2,309,626
Less estimated income	0	0
General fund	\$2,309,626	\$2,309,626
FTE	0.00	0.00

¹ Funding is added for campus operations payments at Dickinson State University resulting from the minimum amount payable through the higher education funding formula.

This amendment also includes the following changes related to Dickinson State University:

- Amends Section 15-18.2-06 to remove the expiration date on the minimum amount payable through the higher education funding formula.
- Adds a section to authorize Dickinson State University to continue approximately \$11.5 million of unexpended general fund appropriations from the 2013-15 biennium related to the Theodore Roosevelt Center project. The section provides for various uses of the funding, including campus operations, debt repayment, and grants to the Theodore Roosevelt Presidential Library Foundation. Adding this section reduces the general fund beginning balance for the 2017-19 biennium by \$11.5 million.
- Adds a section to authorize the State Board of Higher Education to carry over approximately \$950,000 of unexpended general fund appropriations from the 2013-15 biennium related to challenge grants. The section requires the board to transfer the funds to Dickinson State University for operations of the institution. Adding this section reduces the general fund beginning balance for the 2017-19 biennium by \$950,000.

2017 CONFERENCE COMMITTEE

HB 1015

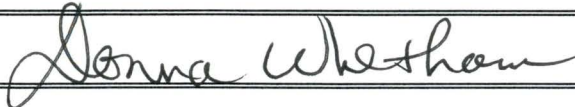
2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1015
4/27/2017
30301

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachments A and B.

Chairman Delzer: Opened the conference committee on HB1015. The following were present: Chairman Delzer, Rep. Carlson, Rep. Mock, Sen. Holmberg, Sen. Wardner, Sen. Heckaman and a quorum was declared.

Chairman Delzer explained changes in the budget. It's my understanding we're going to be amending Version 3000 of the bill. We'll walk through the bill and amend any changes. Walk through the amendment comparison between 3020 (from the Senate) and 1005 (from the House), and then any further amendments offered. I'm looking at both 5000 and 3000 and comparing the two. Section 4 of the 5000 version is your State Auditor bill. I understand the House overwrote, the Senate did not. We'll have to have a discussion there.

Sen. Holmberg: I think we need an evaluation from legal staff as to whether this does what we think we want it to do.

Rep. Mock: What we need is the amendment with the statement of purpose.

Chairman Delzer: I think the Senate believes there is no statement of purpose.

Rep. Carlson: There was a lot more to the auditor's bill. What happened to the rest of the language in the bill? All that's here are the numbers.

Allan Knudson: That's all HB 1004 was, was the appropriation and health insurance sections.

Rep Carlson: There was nothing else?

Chairman Delzer: Just the changes made in the statement of purpose. These numbers match what the house sent over. Delzer continued with his explanation.

Sen. Holmberg: (Section 8 of 5000 version) We authorized \$1 million from the capitol building fund that can only be used here with the expectation there might be extraordinary repairs that arise. There was a question and concern expressed by some, would they do the parking lot to the west? One area we need to make clear in the statement of purpose the funding is not to replace, but to repair. If it's not spent on extraordinary repairs it remains in the capital building fund and does not go to the general fund.

Chairman Delzer: OMB had \$1.4 for signage last time. The \$1 million is for extraordinary repairs; \$400k for signage. There was going to be some electrical work and there may be a little carryover of \$108k existing.

Rep. Carlson: If facilities management has a list, they should bring us an idea of what they're going to spend the money on. (See Attachment A).

9:45 Chairman Delzer: We've got a list they've provided and put that into the minutes. Delzer continued with his explanation. Why did section 8 need to be there?

Adam Mathiak, Fiscal Analyst, ND Legislative Council: Whenever the funding has been provided for state memberships and related expenses it's been identified in this section of intent. When it was removed by the House it was taken out of the section completely. When the Senate restored 90% of the funding it was added back in providing intent and clarification the funding be used in operating expenses for this purpose.

11:03 Chairman Delzer: In the statement of purpose it lists the different dues and yet they're rolled up on this line.

Adam Mathiak: I don't believe the SPA identifies the specific statewide memberships and dues. The green sheet had those listed.

Sen. Holmberg: Explained the green sheet.

Rep. Carlson: If I look at this list, there's only a couple of them that took a reduction.

Chairman Delzer: That's looking at 1517 compared to 1719. I think you took 10%

Rep. Carlson: Everyone took 10% roughly?

Sen. Holmberg: roughly.

Adam Mathiak: Yes,

Rep. Carlson: On an average they collect about 88% of the dues they bill the states. Other states have always mirrored the reductions to the dues they paid. I don't think it's out of line to do that.

Rep. Mock: Did we reduce them an additional 10% or is it from its full dues?

Chairman Delzer: I think the governor had taken some reduction. Down 15% but I believe the Senate then again took another 10% off.

Adam Mathiak: The governor's proposal had been the \$590k for statewide dues. Of those 2 of those programs, the governor's office had recommended providing no funding. The Senate version provides the \$531k. It's not delineated specific dollar amounts out of that for each of those so they would have flexibility if they chose to reinstate some of the funding for ones zeroed out. It would require additional reductions for some other items listed. Note that it does include related expenses.

Sen. Holmberg: Keep in mind that these are the statewide executive branch items. The NCSL is in the legislature budget and dues were reduced 10% which has passed both houses.

Rep. Carlson: It appears to me that we have given them flexibility. They have the authority to make adjustments?

Adam Mathiak: They would have had the same flexibility with the \$590k. It has not been spelled out specifically for each one of these. The green sheet provides clarification where the funding is intended to go.

Pam Sharp, Director, Office of Management and Budget: We would take the money we have and allocate for the dues, following the intent.

Sen. Holmberg: That is their health program WICHI has that was in Human Services. The challenge that WICHI had was that some year they wouldn't pay the dues. The compromise last biennium was that they would pay it this year and then OMB would put it in their budget. Then the governor zeroed it out and maybe should have been left in Human Services.

Pam Sharp: It looks like there is no money for WICHI, so if you choose to allocate some money for WICHI, then we would need to have that direction.

Chairman Delzer: We'll just leave it the way it is.

Sen. Holmberg: I would like they could give the money but they need votes from both bodies to do that.

Chairman Delzer continued with his explanation.

Sen. Holmberg: We felt that the budgets are quite tight this time. If they have a person leaving and they are owed by law separation for leave or sickness, the agency has to find that money. Traditionally, they do need to have a source for paying those costs to those individuals. We felt section 10 was too restrictive.

Chairman Delzer: We had similar language 4 years ago Gov. Dalrymple vetoed after we left.

Rep. Carlson: How many vacant positions do we have today?

Allan Knudson: Our vacancy report as of the beginning of the year would be about 600.

Rep. Carlson: Each one of those 600 empty positions has salary and benefits attached to them. Money over the years has been allowed to rolled back into the agencies and in some cases larger raises appropriated at the legislative level were granted because they had these rolled up dollars for unfilled positions. If you take all these dollars out how do you pay for them? We were going to say if these positions are empty, roll that money up into a pool and at the end if not used, they're sent back to the state, not rolled back into these budgets for something else.

Chairman Delzer: We did pass it with accrued leave line and rollup in the pool so they could come ask the emergency commission for it.

Rep. Mock: That 600, how does that account for the FTE's that have been reduced from the budgets that have passed?

Allan Knudson: This was as of January 2017 vacancy report. That's for the current biennium before any positions had been removed for the 2017-19.

Rep. Mock: Do we have an estimate of how many of those vacancies have been eliminated through the course of the session?

Allan Knudson: We track the position changes but don't tie them the vacant positions.

Rep. Mock: Does that include higher education and all state agencies?

Allan Knudson: Not higher education.

26:41

Chairman Delzer continued his explanation with Section 10 of the 5000 version.

Sen. Holmberg: We had discussions when this original law passed and OMB was given authority to borrow up to \$10 million as long as they could prove to the treasurer and certify the money was going to be there. But it was strictly for cash flow and doesn't provide that they can't go into debt. The bank, council and OMB looked at language updating the phrases the old law. The fact that the budgets are much larger than when this was passed \$10 million might not be enough and \$100 million might be too much and there might be room in between.

30:00 Sen. Wardner: Explained Attachment B.

Pam Sharp: The other change in here is instead of paying it back by the end of the fiscal year, it's by the end of the biennium. The Bank of ND has talked about this. The words "evidence of indebtedness" implies bond we might need to get and that's out dated language. We don't need bond counsel for a direct loan. Change that word to loan. The other change in here, instead of paying it back by the end of the fiscal year, it's by the end of the biennium. We took out some unnecessary language that said the State Treasurer put the money in a separate fund and pay it back. We just said we will establish a repayment plan.

Chairman Delzer: How can you prove to them, if you're short on cash flow, how can you prove to them you're going to have it by the end of the biennium?

Pam Sharp: It states that the treasurer must request and obtain a statement from the director of the OMB and tax commissioner certifying the anticipated general fund revenues will be there. We'd look at our revenue forecast.

Chairman Delzer: If the revenue forecast has been wrong as it has in the past? If you did not get the money to pay it off, how would you handle it?

Pam Sharp: We'd have to go through the whole allotment process because this would say we have to pay it back by the end of the biennium.

Chairman Delzer: \$50 million is not enough to trigger the allotment process.

Pam Sharp: Right. This is our second line of defense for cash flow. The intent of this is not to trigger the allotment but to get us by until some cash comes in.

Rep. Mock: This language is intended to give us the flexibility if we have insufficient cash flow to meet our obligations and give us a \$50 million cushion, but we cannot obtain that cushion from the Bank of ND if we can't certify we will have the money to pay by the end of the biennium. I'm concerned. If this was just a cash flow problem.

Chairman Delzer: It's not changing the expectations. It's something that if they need \$100 million and only had \$90 for example.

Rep. Mock: If our revenue forecast has changed just enough we can't repay the \$50 million?

Chairman Delzer: We wouldn't know that until we were close to the end of the biennium.

Rep. Mock: What flexibility does the Bank of North Dakota have to extend that line of credit to the state?

Chairman Delzer: It would be this language

Rep. Mock: This would require them to have the certification. Can the emergency commission waive that requirement and grant the line of credit?

Chairman Delzer: No. This isn't a case of coming to the emergency commission to ask. It's strictly of going to the industrial commission.

Rep. Carlson: It's good to update this language. I think that \$50 million is the right number. As of July 1, 2017 we're going to move about \$465 million over to the account. I would hope our past history of how we collect our revenues would show we have the ability.

37:30 Sen. Wardner: We're taking some money out of the Legacy Fund earnings and they don't come until the last day of the biennium. If we run into a situation where they don't have the money to pay the loan, I think that's a legislative problem not OMB.

Sen. Holmberg: Made a motion to accept this language with a \$50 million cap.

Rep. Carlson: Seconded the motion.

38:15 Chairman Delzer: we have a motion by Sen. Holmberg, and a second by Rep. Carlson to update 60.09-15.1.

38:45 Roll Call Vote: 6 Yeas 0 Nays 0 Absent. Motion Carried

Chairman Delzer continued with his explanation on Section 11. The Senate put in with SB 2166 the Renaissance Zoning dealing with double dipping.

Rep. Carlson: I think we need some more information as to what it expands it to. We had a lot of discussion on our side about no double dipping on our side. If this reverses what we had voted on I'll have issues changing it back.

Chairman Delzer: I think I feel the same way.

Rep. Mock: That section of law must have had an emergency clause because it would exempt the projects before that law would become effect on August 1.

Rep. Carlson: The whole issue dealt with TIF districts and Renaissance Zone districts and the overlap of those two.

Sen. Wardner: Some of these projects are started and if the new law goes into effect and it affects them, it stops them. This allows those underway to continue.

Rep. Carlson: If they show us that we'll be okay. If they already have a commitment, I have trouble taking it away.

Rep. Mock: Do we know of any projects that would commence after August 1 that may have already had commitments this law would affect?

Sen. Wardner: There are two of them that it affects.

Chairman Delzer: I think I heard one wants to amend the issue but the other one I'm not so sure how far along it is.

Rep. Carlson: If we'd come back and get an answer, we can move on.

Chairman Delzer continued with his explanation.

Sen. Holmberg: It was not the original bill through appropriations saying it was a correct to a bill previously passed.

Sen. Wardner: The attorney general's office and BCI were concerned about this. It just cleans up some issues.

43:46

Chairman Delzer continued with his explanation on Section 14.

Sen. Holmberg: HB1361 was killed but both sides appeared to like the reporting requirement in sections. Section 17 in code is replaced by this Section 16.

Rep. Carlson: This language is an improvement. This is worth moving forward.

Sen. Wardner: It's a reporting mechanism that needs to be there.

45:36

Sen. Holmberg: Made a motion to move sections 12, 14 and 15.

Sen. Wardner: Seconded the motion

Roll Call Vote: 6 Yeas 0 Nays 0 Absent. Motion Carried.

46:55

Chairman Delzer continued with his explanation on tribal taxation issues.

Sen. Wardner: We keep kicking the can down the road every biennium and Indian Affairs committee doesn't seem to get the job done. The key people to be there aren't there. I think we need to engage with the Tribes and find out what their issues are and have the decision makers of the state at the table.

Chairman Delzer: If this was to go forward for two years, this actually puts it in code. Or it's just part of the budget and does not, okay. Should we do away with the Indian Affairs Committee in code for 2 years?

Sen. Wardner: This should replace that committee and we could suspend that for 2 years.

Sen. Heckaman: Are you talking about the Indian Affairs Tribal State Relations Committee?

Chairman Dalzer: yes

Sen. Holmberg: Going through the sheets two years and making appointments, this wasn't one of the top choices of legislators.

Rep. Mock: Would this statutory committee have the flexibility to study any other issues that may arise before the tribal relations committee? This is focusing specifically on taxation issues. I want to make sure we not addressing any other issues.

Sen. Wardner: Yes, there are a lot of issues to deal with however this is specific to taxation. Taxation is one of the biggest issues. Maybe next biennium we have to look at some other issues.

Chairman Delzer: We can always expand the study at the direction of the chair.

Rep. Carlson: Sen. Wardner and I were involved in a number of meetings. This session it was alcohol taxation with Three Affiliated Tribes. Due to lack of dialog now any nonnative American owners of liquor license holder are paying and extra 7% tax on the reservation because they've set up a double taxation system and some are in real trouble. They don't want to wait two years but this is the way this process works for us.

Chairman Delzer: If we're going to go forward with this we should do away with the Indian Affairs State and Tribal Relations Committee.

Sen. Wardner: I agree with that. We don't need two.

Chairman Delzer: Are we crossing separation of powers when we tell the governor, lieutenant governor and tax commission they have to sit on this committee?

Sen. Heckaman: If we're going to do away with the Tribal State Relations Committee then we're missing some important people at the table under H. I would request that we add a representative from each of the tribal nations because they're not included. They're invited as the agenda demands but that doesn't mean they're at the table.

Sen. Wardner: I'm not so sure that's necessary because we would want this group to talk to each tribal nation separately and deal with their individual issues.

Chairman Delzer: That's one of the reasons that committee currently set up is because we consider them all as tribal relations instead of separate tribes.

Sen. Wardner: I agree with you they all have to be involved in this but not all at the same table.

Sen. Heckaman: I disagree with this because we're leaving out some things that Tribal State Relations Committee worked on like health issues, taxation, court issues, and jurisdictional issues. If you're not going to have the tribes on here I'm not going to support getting rid of the Tribal State Relations Committee.

Sen. Holmberg: The discussion is to not have two committees going during the next biennium. I would put that Tribal Relations Committee on hiatus for 2 years, not to eliminate it.

Chairman Delzer: The fact of the matter is that we are short on money for committees this biennium. Maybe we should put some language in here that says they should also have when they deal with any separate tribes, deal with the issues dealt with under the Tribal Relations Committee.

Sen. Heckaman: I think we need to expand that in number 1. I think we need to add Tribal taxation issues, committee, or where you want to put their responsibilities. But we need to add those other things. I strongly feel that if we don't have them at the table. The language is here iffy and I think they need to have a vote.

Chairman Delzer: It's hard to say one tribe at a time. That's what you really have to deal with. You can't say one tribe at a time.

Sen. Heckaman: I still strongly think that there needs to be a letter H in here where they are all members of this committee.

Sen. Holmberg: The expansion to other areas; we here now so if there's language that would cover other areas the tribal relations committee has.

Sen. Heckaman: Are there statutory reports that come to the tribal state relations committee?

Brady Larson, Fiscaly Analyst, ND Legislative Council: There are statutory reports but they're to the legislative management.

Rep. Mock: To address the latitude of the committee to take on other issues. In Sub 4, they shall study. It is spelled out in the tribal and state relations section and could offer it as may include government to government relations, human services, education, corrections and issues related to the promotion of economic development, as needed by the chairman. I feel just the significance of the members of this committee opened to all tribal chairman even as non-voting members, that would speak to their committee to resolving issues. I don't see anything wrong with adding them as non-voting members, they're at the table and gives the committee flexibility to address multiple issues with different tribes. I would like to see us have them on there.

Sen. Wardner: I just want to remind everyone that they are going to be there and they are going to vote.

Chairman Delzer: I don't think anyone besides the legislators would vote. That's the trouble with trying to include everyone at the same time. The chair of the committee could invite whoever they want.

Sen. Wardner: I would agree with you. We would want to make sure that an invitation was sent to all the tribes.

Chairman Delzer: I don't disagree with adding the language

Rep. Carlson: Let's not lose the focus of why this list is here. There's extremely serious issues with oil and gas, pipelines, alcohol, fuel taxes. This was meant to sit down and work that out.

Chairman Delzer: Maybe we should just suspend the tribal relations committee for 2 years and focus on the tax issues for 2 years.

Sen. Wardner: Made a motion to adopt this language that Rep. Mock mentioned about adding the list of things we're going to look at.

Chairman Delzer: Then suspend

Sen. Wardner: But also that it's automatic that every tribal chairman is invited to every meeting, bring as many people as they want.

Rep. Carlson: Seconded the motion.

Sen. Heckaman: I like that better than it was at the beginning.

Rep. Mock: We are suspending the committee on tribal

1:07:01

Chairman Delzer: We have a motion to adopt 16 with the addition of the language they may look at what the tribal relations committee was doing and also to repeal for 2 years the statutory of the tribal relations and to say that every tribal chairman gets invited. Discussion?

Brady Larson: It would state that section 54-35-23 suspended through June 30, 2019

Rep. Carlson: We have some serious tax issues that need to be resolved first and foremost with the Three Affiliated Tribes.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent Motion Carried.

Chairman Delzer: continued with Section 11 in 5000. Question is what items does this allow to double dip.

Emily Thompson, Lead Counsel, ND Legislative Council: Section 11 deals with adding language to SB2166 which has passed. SB 2166 created a section pertaining to duties of cities granting property tax incentives. It requires any city that's considering granting a property tax incentive for more than 5 years, will be anticipating that property may not have received any exemptions yet, they must notify the county and school district that would be impacted by that tax reduction and the city and school and district has 30 days to send a reply regarding a reply whether or not they want their portion of the taxes to be impacted by the property tax incentive under consideration. If they don't reply, the county or school district, within that 30 days, they are deemed to have essentially agreed (inaudible 1:11:10) any incentives and their taxes would be impacted as well as the cities portion of the tax. The language in HB 1015 adds a new subsection 6 that qualifies this requirement in section 40-

58-21.1. The properties in that agreement aren't subject to this requirement. If an agreement is entered into say September of this year on an agreement already initiated adding additional properties, those would not be subject to the new requirements to notify the county and school. This is for after incentives approved after July 31, 2017.

Chairman Delzer: Wasn't there something in SB 2166 about them not being able to take both Renaissance Zone and TIF?

Emily Thompson: This was simply a notification requirement.

Chairman Delzer: We are concerned with the other than notification.

Emily Thompson: The new language in 1015 does only apply to Section 1 of SB 2166.

Chairman Delzer: This is just the reporting?

Emily Thompson: Correct.

Chairman Delzer: That does mean the school districts don't have the opportunity to object to the incentive.

Emily Thompson: The county and the school district would have the opportunity to essential opt out from any property tax incentives that are anticipated to be granted for more than 5 years on any individual parcel.

Chairman Delzer: This takes that away

Emily Thompson: Not necessarily. This would make any properties that had some type of development agreement entered before the statute would go into effect, would take away the county and school districts ability to opt out of those properties if they were already in some type of development agreement or amended agreement.

Rep. Carlson: As much as we may not like someone getting two incentives, if it's already been promised prior to this date it's hard to take it away from them. What this says is if it's something more than 5 years, you don't have to participate in it.

Chairman Delzer: Can an amendment increase the size or change the scope considerably?

Emily Thompson: I have seen a few examples. There's a recital section at the outset of these agreements.

Chairman Delzer: I'm talking about the amendment portion.

Emily Thomspson: Feasibly if that agreement was amendment, that recital section could be amended to redefine what properties were contained within the agreement.

Chairman Delzer: I'm not very comfortable with that.

Sen. Holmberg: Are you afraid that there's going to be a rush to the court house?

Chairman Delzer: This never goes away. I'm not so sure that we shouldn't put something in there that after August 1 they can't change the scope, the size.

Sen. Wardner: We're only talking about two projects and I'm not sure how big of an issue that could be.

Chairman Delzer: Is it your understanding that there are only 2

Emily Thompson: I'm not aware of how many.

Rep. Carlson: The intent is real clear that if it is more than 5 years after this date, you give away a 10-year exemption, you have to send a notice to the school district, the park board, and every other subdivision involved in taxation and have to approve it or it doesn't happen.

Sen. Wardner: Made a motion to move Section 11 of version 5000

Rep. Carlson: Seconded the motion,

Roll Call Vote: 5 Yeas 1 Nay 0 Absent Motion Carried.

Chairman Delzer continued with explanation of Section 17

Sen. Heckaman: I don't think it's going to hurt anybody to have this because other states are considering it now too.

Chairman Delzer: My understanding is that it's the popups that show up. The question posed to me from some of the providers, who do you go after, how do you do it? Personally I would rather that we waited with this.

Sen. Heckaman: That might be an option but that puts us 4 years down the road for anything we need to do with our ITD services. I would suggest we leave this then.

Rep. Mock: It's a shall consider study. Because this is an issue that came up, at least 12 states have looked into individual states regulations regarding the sale of consumer information. If we did this, this would be the best time to do it and participate in the dialog.

Rep. Carlson: I think we have the cart ahead of the horse.

1:22:08

Sen. Heckaman: Made a motion to adopt section 17 of the 5000 version

Representative Mock: Seconded the motion.

Roll Call Vote: 4 Yes 2 No 0 Absent Motion Failed.

Chairman Delzer continued with his explanation on Section 18

Rep. Carlson: I'm in favor of this study. I'll support this as long as on Line 24, after the word energy, you include the words, including production taxes, (comma) and then the parity of the wind energy taxation on other sources, then I would support this amendment and would move that amendment.

Sen. Wardner: Seconded the motion.

Chairman Delzer: We have a motion to adopt Section 18 with an inclusion of including production taxes on Line 24 Page 8 of the 5000 version.

Roll Call Vote: Yes 6 No 0 Absent 0 Motion Carried.

1:26:04

Chairman Delzer: The effective date of Section 19, does that move it up a month from 2166? You'd have thought that would have been in 2166 did it not?

Allan Knudson: This would take effect July 1, same time.

Rep. Carlson: move that Section 19 stay in.

Sen. Holmberg: Seconded the motion.

Roll Call Vote: Yes 6 Nays 0 Absent 0 Motion Carried.

Sen. Holmberg: The amendment 3020 is the amendment that was on the floor of the Senate. 1:28:26

Chairman Delzer: That's the one that came out of your appropriations. That is the one with the right number. So we can work off of that.

Sen. Holmberg: Correct.

Sen. Holmberg: Explained the changes that the Senate made to budget. We did restore funding for FTE positions and the funding. We restored some of what had been removed in the house.

Chairman Delzer: The one FTE position that's unspecified at \$374,00, that doesn't seem like a proper number to me, which one would that be?

Adam Mathiak: As it was presented to the Senate they did say that some of the numbers might not match up in an exact fashion. They had presented the request in total. It was not an exact reversal.

Chairman Delzer: Are they trying to ask for funding for 3 positions but only asked for one position?

Adam Mathiak: They had asked to restore the three FTE authorizations and that total dollar amount and this would just be a reflection of how that breaks down.

Chairman Delzer: The state architect position, that must be the right dollar figure and the one Human Resource position must be \$174,000 that must be the correct amount also. So you take the State Architect position and the one unspecified that would be \$450,000.

Adam Mathiak: For that one unspecified position it could be broken out into just additional salary increases and an amount for one position for the \$374,000.

Chairman Delzer: How come when it says reduces funding for salaries and wages that it is a positive number instead of a negative number.

Adam Mathiak: That would be an error from copying over from the previous version.

Chairman Delzer: Do the top four numbers there add up to \$37,000 more than the \$888,000

Adam Mathiak: I haven't done the math and I don't understand where the reduction of \$37,000 comes in. I'm pretty sure that those amounts add up to the \$888,000

Chairman Delzer: The \$37,000.00 is a negative number.

Adam Mathiak: The typo is in the word reduction it should have said restores.

Chairman Delzer: It should have said restores instead of reduces.

Adam Mathiak: That's correct.

Sen. Holmberg: continued with his explanation on dollar changes that the Senate made. Section 1 was the FTE's, then utility rate increases.

Chairman Delzer: Why haven't we hit that in any other budget. We have State buildings in other places. This is just utilities and I would imagine we're on the same utility provider.

Pam Sharp: The capitol complex is on a certain rate and we've been getting add on tariffs to our utility charges, for electricity, gas and also increases in our water meters.

Rep. Carlson: How many of those tariffs are put on our electric bills by companies for alternative energy?

Pam Sharp: I couldn't tell you that.

Rep. Carlson: It's a significant number and I want you to find that. We are paying extra because of that. I think it is a very large number.

Pam Sharp: Yes I can get you that.

Sen. Holmberg: continued with his explanation of Senate changes. 1:41:33

Rep. Carlson: I was just wondering if that money was added to Prairie public for having taller tower to get by that new building in Fargo?

Sen. Holmberg: Prairie Public does have an issue but this is all operating money.

Chairman Delzer: This is all operating?

Sen. Holmberg: Yes. We felt that a reduction of 50% was just too much for that group to sustain so we went with the \$1.4 million for Prairie Public. Continued with his explanation.

Chairman Delzer: Closed the conference committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB1015
4/27/2017
#30302

Subcommittee
 Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Attachment 1 + 2

Chairman Delzer: Opened the conference committee on HB1015.

Chairman Delzer: We would like to take the facilities construction engineer and one unspecified position and split the money, about 444.

Senator Holmberg: We still have very strong feelings on Prairie Public and then there is the guardianship and the building.

Chairman Delzer: \$77,000.00 might be a little high; we are looking at \$25,000 on management. We should at least look at reducing that down to \$60,000.00. The guardianship is done through human services with \$1.3 million. The \$550,000.00 if that is actual cost that they've been eating. They did give us a list of the \$1.4 million on capitol carry over as to what it's being used for. The only other issue we'd have is the \$800,000.00 on the building.

Senator Holmberg: I would agree that we should talk about personnel separately,

Senator Holmberg: Made a motion for \$60,000.00 for revenue forecasting, Prairie Public \$1.4 to \$1.2 million, zero for guardianship grants. Those are the differences then with the exception of the surplus property building and the FTE's.

Chairman Delzer: I don't know how comfortable I'd be if we didn't include the FTE discussion in the same position. The surplus property should be separate because that is separate because that is special funding.

Senator Holmberg: I'm still somewhat unspecified from the standpoint that we are talking about \$440,000 in salary and wages.

Chairman Delzer: It would be two unspecified FTE's from the House version.

Senator Holmberg: Unspecified means that they can put that wherever they want.

Chairman Delzer: It was the facilities construction engineer. That position was put in a number of years ago. It was to try and reduce the costs of some pre architectural design work; especially in college building. I have never seen it do what it was put in for. We think that position should go away. The 444 gives them more back than what those two positions would be. The other ones can be unspecified.

Senator Holmberg: I would add to it that we have 2 unspecified FTE positions for \$444,000.00 added from the House version. What is the title of the position?

Allan Knudson: Facilities construction engineer is the title and removal of facilities construction engineer.

Senator Holmberg: The facilities construction engineer.

Senator Heckaman: Seconded the motion.

Representative Carlson: I'm in favor of that motion. I'm still concerned in \$500,000.00 in increases to utility rates.

Chairman Delzer: Director Sharp stated that we have a special rate they add some tariff's.

Representative Carlson: We were paying \$198,000.00 in a renewable resource adjustment tariff. We have had this debate and it is always cheaper? We were paying a \$198,000 in a renewable resource adjustment tariff for our public utilities of our buildings it is a bargain?

Senator Heckaman: I'll support this because of the fact that I'd like to have the \$200,000.00 for the guardianship back.

Roll Call Vote: 6 Yes 0 No 0 Absent

Carried.

Chairman Delzer: We've pretty much said no buildings this session. They stated that it could be adequately kept for 2 years.

Discussion:

Senator Wardner: It isn't general fund dollars and if they're going to get a good deal; this is when contractors are looking for work. It's not a major building that are going to make things a lot more convenient for the state.

Senator Wardner: Made a motion that we do that warehouse.

Senator Holmberg: Seconded the motion,

Roll Call Vote 5 Years 1 Nays 0 Absent

Motion Carried.

Senator Wardner: Explained amendment 17.0500.03036.

Senator Wardner: Made a motion to adopt amendment 17.0500.03036

Senator Heckaman: Seconded the motion.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent

Motion Carried.

Senator Wardner: Made a motion for \$300,000.00 to be borrowed from the Bank of North Dakota for the Secretary of State. *(See Attachment 2)*

Representative Carlson: Seconded the motion.

Chairman Delzer: Is your plan to go through the emergency commission?

Senator Wardner: Yes. Add that to the motion.

Representative Carlson: I thought they would work with the judicial branch and this might not be a problem.

Chairman Delzer: I believe both bills had \$350,000.00 for a contingency line for OMB. I wonder instead of doing this add \$200,000 to that and the emergency commission if they fell short they could come in and ask for that?

Senator Wardner: I would be good with that. We could add \$250,000.00 to the emergency commission and they would come to the emergency commission to get it.

Chairman Delzer: The \$350 is a little tight from what we have done in the past.

Senator Wardner: Changed his motion to add \$250,000.00 to add that money to the the contingency line in OMB?

Senator Holmberg: Seconded the motion.

Senator Heckaman: I'm going to oppose that motion. I think if this was handled the proper way in the first place we wouldn't be looking at putting \$250,000 anyplace.

Representative Mock: The emergency commission contingency fund was reduced by \$150,000 in the Senate version; we are adding \$300,000 so it will show as a net increase of \$150,000?

Chairman Delzer: It was \$500,000 last time. It was reduced by the Governor's office to \$350,000; both houses passed at \$350,000. We would be lowering it \$600,000.

Representative Mock: The motion was \$250,000 added so a total of \$600,000.

Chairman Delzer: We are adding it just as a contingency line.

Representative Mock: Are we going to put in the purpose of this \$250,000 can only be used? That is money for the emergency commission.

Roll Call Vote: 4 Yes 2 No 0 Absent

Motion Carried.

Senator Wardner: Made a motion to add \$244,500.00 to the state historical society for the purpose of defraying litigation expenses for the biennium beginning July 1, 2017-June 30, 2019. One-time funding.

Senator Holmberg: Seconded the motion.

Chairman Delzer: I'm going to oppose this motion; at the next session they could come in for a deficiency appropriate if they have it. The court should award the money back for the law suit since they should win it.

Roll Call Vote: 3 Yeas 3 Nays 0 Absent

Motion failed

Senator Wardner: Explain amendment 17.0500.03019.(See attachment, 1)

Senator Wardner: Made a motion to move amendment 17.0500.03019.

Failed for lack of second to the amendment.

Senator Wardner: Explained amendment 17.0500.03038.

Senator Wardner: Made a motion to move amendment 17.0500.03038

Senator Holmberg: Seconded the motion.

Chairman Delzer: When I look at this it looks like it comes out of the money going in there before June 30, 2017?

Adam Mathiak, Fiscal Analyst, ND Legislative Council: It would be from the money that gets deposited through August.

Chairman Delzer: Does this put it first on the list then because there is still some money to be collected and put out to various different things. The airports aren't going to get any.

Adam Mathiak: Correct.

Chairman Delzer: I don't believe we have \$5 million for next time. If think we just have the \$25 million in there? That is all to the airports. The way I read this it would put this first in the remaining money.

Senator Wardner: That's correct.

Chairman Delzer: It's a question of what you want to do with it.

Senator Wardner: This situation is probably top priority to get cleaned up out there.

Senator Heckaman: After it was cleared up, the facility was doing well. This isn't anything we had an opportunity to work on this session. Somewhere along the line the a \$101,000 is remaining out there from the 2014 audit. What happens is a facility gets payment for delivery services and now in 2016-2017 they are getting their audit and if they weren't at a certain occupancy rate or higher than anticipated expenses, they have to pay any money back to the state that would reconcile that out and that was \$101,000. They have also had some issues with management out there and had to take out a \$200,000 loan from the bank. The facility that is interested in taking tis over and paid down about \$40,000 of that so it isn't that nobody is working on this. There are 20 some clients out there and to put them into the light skills and transition center at Grafton it could be about three times as expensive as what it is to serve them right now. There are no other places for them to go.

Chairman Delzer: Does this cover all of their bad debt or is the department still going to have some bad debt?

Senator Heckaman: This clears up their 2014 audit that was completed. The 2015 audit where they may owe some money also hasn't been completed so we do not know what that cost would be. We could do that next session.

Chairman Delzer: What type of precedent are we setting and how many facilities are going to be short on their audits?

Senator Heckaman: I understand your concern about that. The facility we had in New Rockford, there were other providers around the state that came in and helped reconcile that situation so there are other facilities across the state working with this facility righ tnow.

Roll Call Vote: 5 yeas 1 Nay 0 Absent

Motion Carried.

Representative Carlson: Explained the amendment. This first one has to do with issue about a study that was put in and it was a mandated study for the university school lands, Industrial Commission and other state agencies; tax department and it said they must study the valuation of oil and gas to be used to determine mineral royalty payments and tax liability. They added the Public Service Commission on to that study. It basically said to let the free market determine the price; not what the public serve commission decided it to be and that is basically the amendment.

Representative Carlson: Made a motion to move amendment 17.0500.03051.

Senator Wardner: Seconded the motion,

Roll Call Vote: 6 Yeas 0 Nays 0 Absent

Motion Carried.

Representative Carlson: Explained amendment 17.0500.03050.

Representative Carlson: Made a motion to move amendment 17.0500.03050.

Senator Holmberg: Seconded the motion

Discussion:

Chairman Delzer: This backs it up 6 months.

Representative Carlson: The big argument was they did not want to be under rules at all and that is not where we wanted to be.

Roll Call Vote: 5 Yes 1 Nay 0 Absent

Motion carried

Representative Carlson: Explained amendment 17.0500.03024.

Representative Carlson: Motion made to move amendment 17.0500.03024.

Representative Mock: Seconded the motion

Roll Call Vote: 6 Yeas 0 Nays 0 Absent

Motion Carried

Representative Carlson: Made a motion to move amendment 17.0500.03037

Senator Wardner: Seconded the motion.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent:

Motion carried.

Representative Carlson: Explained the proposed amendment 17.0500.03047. DAPL expenses.

Representative Carlson: Made a motion to move amendment 17.0500.03047.

Senator Wardner: Seconded the motion

Chairman Delzer: What if the Feds come through and pay everything? What do we do then?

Senator Wardner: It doesn't call that out.

Roll Call Vote 6 Yeas 0 Nays 0 Absent

Motion Carried.

Representative Carlson: Made motion to move amendment 17.0500.03031. Deals with Dickinson State University. Failed to put the money in on one section.

Representative Wardner: Seconded the motion.

Discussion:

Roll Call Vote 6 Yeas 0 Nays 0 Absent

Motion carried.

Representative Carlson: Explained amendment 17.0500.03043

Representative Carlson: Made a motion to move amendment 17.0500.03043,.

Representative Mock: Seconded the motion,

Chairman Delzer: Both chambers have passed the deficiency appropriation and has asked for in there. I cannot bring myself to support it. Both committees have dealt with it and did not do it.

Representative Carlson: Sometimes you have to do things for your home.

Roll Call Vote: 5 Yeas 1 Nay 0 Absent

Motion Carried.

Senator Heckaman: Explained amendment 17.0500.03030

Senator Heckaman: Made a motion to move amendment 17.0500.03030

Representative Mock: Seconded the motion,

Chairman Delzer: I find myself having to oppose this.

Roll Call Vote; 3 Yeas 3 Nays 0 Absent

Motion Failed

Senator Heckaman: Explained amendment 17.0500.03002.

Senator Heckaman: Made a motion to move amendment 17.0500.03002

Representative Mock: Seconded the motion.

Senator Holmberg: One of the concerns we all have and that is if we are \$21 million ahead on this date; we take the \$11 million out of ending fund balance and that is \$11 million that we might actually need desperately in that next biennium so I agree with the sponsor that it would be nice; but I am not sure I want to go out and encumber the next session more than we already have.

Chairman Delzer: I feel the same way. We had some one time resources that are not going to refill. If we get lucky enough to have growth, we need that as much as anything else.

Roll Call Vote: 2 Yeas 4 Nays 0 Absent

Motion Failed.

Representative Mock: Explained amendment 17.0500.03046.

Representative Mock: Made a motion to move amendment 17.0500.03046.

Senator Holmberg: Seconded the motion.

Representative Carlson: I'm just wondering when someone is going to say we have opened this up and someone is going to be exposed to alcohol. Do we have this covered?

Representative Mock: When this section of law was put in place, there was no opposition. The way it was done at the time because the way special events were written in 1975, the law was so tight that servers could not bring alcohol to a table at a wedding if minors were present. They changed the law to allow for co-mingling of establishments. But they kept in there the actual facility. We have seen that some bars want to close down and have special events, if the city so chooses. This only gives the city the ability to make the decision if they want to allow a special event to exist and have co-mingled audiences on that premises. It is permissive language. The cities have done everything they could and used all of their

resources that were available. The city attorney in Grand Forks said it is a state law that is keeping them from doing it, even though they have a Home Rule Charter.

Representative Carlson: I'll support this because of the fact that they will have the local option. It will be brought to the city commission, and they will have to make that call.

Chairman Delzer: It does keep the essence in there that no person under twenty-one years of age within the area described in the permit may consume, possess or receive alcohol. Adam, did OMB have an emergency clause on it before?

Adam Mathiak: There was that emergency clause that failed in the House version and then the Senate didn't have anything in it that required an emergency clause.

Chairman Delzer: This just puts it on for this section? Do we need an emergency clause for other sections?

Adam Mathiak: There were one or two others that also had it and have already been approved.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent

Motion Carried.

Representative Mock: Explained amendment 17.0500.03041

Representative Mock: Made a motion to move amendment 17.0500.03041.

Senator Holmberg: Seconded the motion.

Senator Holmberg: I just went into the Charitable Trust Network and North Dakota shows up quite black on their chart as one of the states that has extremely fluid revenue. As you recall, earlier this session, we passed a bill which follows some of the recommendations that come from PEW and other national organizations regarding our budget stabilization fund. We were at 5 and 9.5% and we've increased that to 15%. I think this is a reasonable thing, especially with the new committee.

Chairman Delzer: I've chaired the government finance committee for a couple of sessions in a row, and I think we did just exactly this all the time. If you want to put it into code, that's fine. I don't think that it is a lot different than what we did every time.

Representative Mock: This would just be a study for this interim, so there would be no obligation for ongoing studies. As we're looking at our entire budget, we also know that the Foundation Stabilization Fund is being drawn down to about \$112 million dollars of available assets. I think that any volatility that we may be experiencing is prudent upon us to make sure that whatever committee does this takes a look at all revenues and expenditures.

Roll Call Vote: 5 Yes 1 No 0 Absent

Motion Carried.

Representative Mock: Explained amendment 17.0500.03049

Representative Mock: Made a motion to move amendment 17.0500.03049.

Senator Holmberg: Seconded the motion,

Roll Call Vote: 5 Yes 1 No 0 Absent

Motion Carried

Representative Mock: Explained amendment 17.0500.03052

Representative Mock: Made a motion to move amendment 17.0500.03052.

Senator Heckaman: Seconded the motion.

Roll Call Vote: 4 Yes 2 No 0 Absent

Motion Failed.

Representative Mock: Explained amendment 17.0500.03011 (1:23)

Representative Mock: Made a motion to move amendment 17.0500.03011.

Senator Holmberg: That was the estimate at the time. If we passed this, what would be the impact on the 2019 biennium?

Allan Knudson: I'm not sure what this specific proposal would be. I've heard numbers between \$9 to \$40 million.

Representative Mock: This would keep it in effect for tax year 2016. Beginning in 2017 everybody would revert back the "three" factor formula.

Chairman Delzer: You would do away with it after this year?

Representative Mock: Yes. We made a 5-year commitment two years ago. If we don't make this change now, it will be more difficult for us to come back and make any changes to revert back to the three factor model. This will be an opportunity for us to reconsider and come back and look at it again another biennium without holding ourselves to any firm commitments.

Chairman Delzer: Have you put this in as a stand-alone bill?

Representative Mock: It was not introduced as a stand-alone bill.

Senator Heckaman: It was introduced in Taxation as an amendment.

Senator Wardner: We're looking into the future. I'd like this to stay the course, and set the table, so that we get these companies coming into the state. In the long run the state of North Dakota is going to be better off.

Chairman Delzer: Some of us looked at backing it off for one year. That only made \$9 million worth of difference. It wasn't worth doing it. I wouldn't be willing to completely doing away with it and having to start up again.

Representative Carlson: If I was a business man, there was a promise made, and then we pulled the rug out from underneath them, I'm not sure I'd be real pleased with that. We set the stage. This goes all the way back to the beginning. We're in a very competitive market with other states to get business here. When you change the whole thing after you make that commitment, that's the problem I'm having. We originally were just going to slow it down for one year, but it didn't save enough money to create a bad policy and go back on our promise that we made to the businesses. I don't think that this is the right way to generate some money by going all the way back and at the same time, saying the welcome mat is out.

Representative Mock: I have struggled with this. I supported it. It was a commitment. I have had to ask myself if I knew the revenue forecast that we have now, would I still vote for it. I don't think we would pass this again this session if it were before us. I don't think we would. Right now there are less than five businesses opting into this. It is not in the best interest for most businesses to do this now. This would not stop us from coming back into this two year from now and implementing it, even at a faster rate. This would give us a chance to reevaluate the single sales apportionment in 2019 and maybe even look at a more effective roll out, so we are not facing uncertainty and not looking at any long-term commitments.

Representative Carlson: I don't disagree that we would probably look at it differently this time than last time, but I think that we are also grossly overestimating what the revenue would be if we make this wholesale change, especially if there are only five companies that have applied at this time. I am not in favor of it.

Representative Mock: We could delay it and put the full implementation on hold for two years. It would extend it out. It would be the very same amendment, and it would remove the overstrike on everything, but on Subsection 3 where there is an overstrike, it would change 2017 to 2019. The dates would change in Subsection 4 from 2018 to 2020. Those would be the only changes. Then the law wouldn't be changed, but it would be delayed to give us a chance to evaluate again in two years with minimal fiscal impact.

Representative Delzer: Is that a substitute motion?

Representative Mock: I would move to amend my motion to remove the overstrike on the language in Section 10 of this amendment and change the dates on Subsections 3 and 4 20-17 to 20-19 20-18 to 20-20.

Chairman Delzer: Basically it is a delay.

Representative Mock: The reason I would like to make the motion that way is I would like us to have the discussion of whether or not we would be open to a delay and if not I would still like to vote on whether or not we should amend it.

Chairman Delzer: We would have to move it twice if you want to do that.

Representative Mock: I moved to further amend his motion (17.0500.03011) to remove the overstrike on the language in Section 10 of this amendment and change the dates in Subsection 3 and 4, 2017 to 2019 and 2018 to 2020.

Senator Heckaman: Seconded the motion.

Roll Call Vote: 2 Yes 4 No 0 Absent. Motion Failed.

Representative Mock: Made a motion to adopt 17.0500.03009.

Roll Call Vote: 2 Yes 4 No 0 Absent. Motion failed

Representative Carlson: Made a motion to adopt amendment 17.0500.03044

Senator Holmberg: Seconded the motion.

Roll Call Vote: 6 Yes 0 No 0 Absent

Motion carried.

Senator Holmberg: made a motion to adopt amendment 15.0500.03033 with editorial changes in Section 4: with the changes of \$248,000,000 out of SIIF fund and Section 5: \$182,000,000 from the tax relief fund to the general fund.

Representative Carlson: Seconded.

Senator Holmberg: So the estimated ending fund balance in the current biennium will be \$30 million dollars.

Representative Mock: So the ending fund balance of 2015-17 will be \$30 million and the at the end of 2017-19 will be \$49.9 million after these transfers.

Chairman Delzer: Any further discussion? Seeing none.

Roll Call Vote: 6 Yes 0 No 0 Absent. Motion carried.

Chairman Delzer: We adopted early on going from \$2 million to \$50 million for short term borrowing authority. We would ask them to draft that with such that the budget section will be informed if we ever use that.

House Appropriations Committee

HB 1015

April 27, 2017

Page 13

Representative Carlson: Moved Senate recede from the Senate amendments and further amend.

Senator Holmberg: Seconded.

Roll call vote: 6 Yes 0 No 0 Absent .

Motion carried.

Hearing Adjourned.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB1015
4/27/2017
30303

Subcommittee
 Conference Committee

Virginia L Mock

Explanation or reason for introduction of bill/resolution:

A bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide a statement of legislative intent.

Minutes:

Chairman Delzer: Brought the conference committee back to order on HB1015. We have an issue to take up so the proper thing is to reconsider our "Do Pass" motion.

Representative Carlson: Made a motion to reconsider the "Do Pass" and further amend the bill.

Representative Mock: Seconded the motion.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent

Motion Carried

Chairman Delzer: We have an amended bill before us. The issue that came up was digitization for the library at Dickinson. One way to deal with it is to take \$500,000 out of Teddy Roosevelt. Some of us House members have a problem with that. We would suggest we take another \$1 million out of the tax relief fund making that total \$1,833,000, then put \$500,000 into the grants line on the OMB budget with the statement of purpose that it be granted to the TR library digitization at Dickinson College. Slightly over \$50 million is the expected ending fund balance, around \$50,400,000.

Senator Wardner: Made a motion to move that amendment.

Representative Carlson: Seconded the motion.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent

Motion Carried

Allen Knudson LC: The amendment will show \$444,000 for 2 FTE specified positions, the house removed 7.5, the senate restored 3, removes 1 facility construction engineer position, the same as the house.

Representative Carlson: Made a motion to move the amended bill. Senate recesses and further amends

Senator Holmberg: Seconded the motion.

A roll call vote was taken. Yea: 6 Nay: 0 Absent: 0

MOTION CARRIES

Chairman Delzer: Conference committee is closed.

6-09-15.1. Loans to general fund authorized - Continuing appropriation.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, borrow from the bank of North Dakota in an amount~~execute and~~ issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceeds the total principal amount of ten one hundred million dollars with principal maturity not to extend beyond the biennium in which the borrowing occurs ~~of not more than twelve months~~. As a condition precedent to the issuance and sale of the evidences of indebtedness loan, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the biennium fiscal year in which the loan is taken ~~evidences of indebtedness are to be issued~~ will exceed the principal amount and interest on the loan ~~evidences of indebtedness to be issued~~. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer and director of the office of management and budget shall establish a repayment plan fund for the repayment of the principal upon maturity and the interest when due. ~~The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.~~

504

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**SECOND ENGROSSMENT
with Senate Amendments
REENGROSSED HOUSE BILL NO. 1015**

Introduced by

Appropriations Committee

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 provide for
3 transfers; to provide an appropriation for defraying the expenses of the state auditor; to create
4 and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century
5 Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative
6 assembly, relating to property tax incentives granted by a city; to amend and reenact section
7 6-09-15.1, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by
8 the sixty-fifth legislative assembly, and sections 54-06-04.3 and 57-20-04 of the North Dakota
9 Century Code, relating to temporary loans to the general fund, criminal history record checks,
10 state agency publication fees, and property tax increase reports; to repeal section 57-20-05 of
11 the North Dakota Century Code, relating to tax certifications; to provide exemptions; to provide
12 statements of legislative intent; to provide for a legislative management study; to provide for a
13 legislative management tribal taxation issues committee; to provide for a report to the legislative
14 management; to provide for a budget section report; and to provide an effective date.

15 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

16 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
17 as may be necessary, are appropriated out of any moneys in the general fund in the state
18 treasury, not otherwise appropriated, and from special funds derived from federal funds and
19 other income, to the office of management and budget for the purpose of defraying the
20 expenses of the office of management and budget, for the biennium beginning July 1, 2017,
21 and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
24 Salaries and wages	\$19,798,254	\$2,242,970	\$22,041,224

Sixty-fifth
Legislative Assembly

1	Operating expenses	13,855,260	213,178	14,068,438
2	Emergency commission contingency fund	500,000	(150,000)	350,000
3	Capital assets	200,000	1,573,477	1,773,477
4	Grants	555,000	(501,000)	54,000
5	Guardianship grants	1,328,600	200,000	1,528,600
6	Prairie public broadcasting	1,600,000	(200,000)	1,400,000
7	State student internship program	200,000	(200,000)	0
8	Cybersecurity remediation pool	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
9	Total all funds	\$38,037,114	\$4,178,625	\$42,215,739
10	Less estimated income	<u>7,210,390</u>	<u>4,023,697</u>	<u>11,234,087</u>
11	Total general fund	\$30,826,724	\$154,928	\$30,981,652
12	Full-time equivalent positions	122.50	(4.50)	118.00

13 **SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in
 14 section 1 of this Act includes the sum of \$315,900, of which \$259,704 is from the general fund,
 15 for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

16 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
 17 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 18 items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the
 19 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

20	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
21	Student internship	\$50,000	\$0
22	Facilities projects	205,000	0
23	Signage on the capitol grounds	1,400,000	0
24	West parking lot repair	50,000	0
25	Affordable Care Act health insurance pool	3,350,000	0
26	Facilities projects	1,475,303	0
27	Legislative electrical	310,000	0
28	Energy pool	7,965,000	0
29	Environmental impact committee - HB 1432	1,500,000	0
30	Surplus property building	0	800,000
31	Cybersecurity remediation pool	<u>0</u>	<u>1,000,000</u>

Sixty-fifth
Legislative Assembly

1	Total all funds	\$16,305,303	\$1,800,000
2	Less estimated income	<u>9,775,000</u>	<u>1,800,000</u>
3	Total general fund	\$6,530,303	\$0

4 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for
5 the 2019-21 biennium. The office of management and budget shall report to the appropriations
6 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the
7 biennium beginning July 1, 2017, and ending June 30, 2019.

8 **SECTION 4. APPROPRIATION - STATE AUDITOR.** The funds provided in this section, or
9 so much of the funds as may be necessary, are appropriated out of any moneys in the general
10 fund in the state treasury, not otherwise appropriated, and from special funds derived from
11 federal funds and other income, to the state auditor for the purpose of defraying the expenses
12 of the state auditor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as
13 follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Salaries and wages	\$111,666	\$11,767,312
17	Operating expenses	(34,023)	1,142,783
18	North Dakota university system information	(200,000)	0
19	technology security audits		
20	Information technology consultants	<u>(250,000)</u>	<u>0</u>
21	Total all funds	(\$372,357)	\$12,910,095
22	Less estimated income	<u>(94,383)</u>	<u>3,411,487</u>
23	Total general fund	(\$277,974)	\$9,498,608
24	Full-time equivalent positions	(3.80)	56.00

25 **SECTION 5. HEALTH INSURANCE INCREASE - STATE AUDITOR.** The salaries and
26 wages line item in section 4 of this Act includes the sum of \$140,696, of which \$104,201 is from
27 the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241
28 per month.

29 **SECTION 6. TRANSFER - CYBERSECURITY REMEDIATION POOL.** The office of
30 management and budget may transfer appropriation authority from the cybersecurity
31 remediation pool line item in section 1 of this Act to each eligible agency during the biennium

1 beginning July 1, 2017, and ending June 30, 2019. Transfers may be made for the purpose of
2 providing remediation services resulting from an information technology security breach. The
3 office of management and budget shall notify the legislative council of any transfers made from
4 the cybersecurity remediation pool.

5 **SECTION 7. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
6 fiscal management division, as contained in section 1 of chapter 49 of the 2015 Session Laws is
7 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
8 appropriation are available for continued development and operating costs of the statewide
9 systems, including accounting, management, and payroll, during the biennium beginning July 1,
10 2017, and ending June 30, 2019.

11 **SECTION 8. EXEMPTION - CAPITOL BUILDING FUND.** The amount of \$1,400,000
12 appropriated from the capitol building fund for capitol building entrance and signage projects, as
13 contained in section 1 of chapter 49 of the 2015 Session Laws, is not subject to the provisions
14 of section 54-44.1-11, and any unexpended funds from this appropriation are available during
15 the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to
16 \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for
17 capitol building entrance and signage projects.

18 **SECTION 9. INTENT.** Within the authority included in section 1 of this Act are the following
19 grants and special items:

20 Boys and girls club work	\$53,000
21 Unemployment insurance	\$2,000,000
22 Capitol grounds planning commission	\$25,000
23 Statewide memberships and related expenses	\$531,450

24 **SECTION 10. AMENDMENT.** Section 6-09-15.1 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **6-09-15.1. Loans to general fund authorized - Continuing appropriation.**

27 The state treasurer and the director of the office of management and budget may, when the
28 balance in the state general fund is insufficient to meet legislative appropriations, execute and
29 issue on behalf of the state evidences of indebtedness on the state general fund which at no
30 time exceed the total principal amount of ~~ten~~one hundred million dollars with principal maturity
31 of not more than twelve months. As a condition precedent to the issuance and sale of the

1 evidences of indebtedness, the state treasurer must request and obtain a statement from the
2 director of the office of management and budget and state tax commissioner certifying that
3 anticipated general fund revenues for the balance of the fiscal year in which the evidences of
4 indebtedness are to be issued will exceed the principal amount and interest on the evidences of
5 indebtedness to be issued. The state industrial commission may in turn direct the Bank of North
6 Dakota to make loans to the state general fund by the purchase of the evidences of
7 indebtedness at such rates of interest as the industrial commission may prescribe. After
8 evidences of indebtedness have been issued and sold pursuant to this section, the state
9 treasurer shall establish a fund for the repayment of the principal upon maturity and the interest
10 when due. The state treasurer shall place all available general fund revenues into this fund until
11 the fund contains a sufficient balance for the repayment of the principal at maturity and interest
12 when due, which moneys are hereby appropriated for this purpose.

13 **SECTION 11.** A new subsection to the new section to chapter 40-05 of the North Dakota
14 Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth
15 legislative assembly, is created and enacted as follows:

16 Property subject to a development agreement entered pursuant to section 40-58-20.1
17 before August 1, 2017, and all amendments to the development agreement, is not
18 subject to the requirements under this section.

19 **SECTION 12. AMENDMENT.** Section 43-26.1-05.1 of the North Dakota Century Code as
20 created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly,
21 is amended and reenacted as follows:

22 **43-26.1-05.1. Use of criminal history record checks.**

23 The board may require a physical therapy or physical therapy assistant applicant, or a
24 licensee under investigation, to submit to a statewide and nationwide criminal history record
25 check, including a fingerprint-based criminal history background check. The criminal history
26 record check must be conducted in the manner provided by section 12-60-24. The criminal
27 history record check is an exempt record but may not be disseminated by the board to the
28 physical therapy compact commission or a similar entity. All costs associated with a criminal
29 history record check performed under this section are the responsibility of the applicant or
30 licensee.

1 **SECTION 13. AMENDMENT.** Section 54-06-04.3 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-06-04.3. Joint publication and distribution of information by state agencies - Fees.**

4 Any state agency may cooperate with any other state agency to jointly publish and
5 distribute information and may arrange to have the joint publication or distribution, or both,
6 coordinated by a private entity. Any state agency may provide information it has collected or
7 developed, including mailing lists, to each other or to any private entity for the purpose of
8 distributing jointly or individually issued publications or other information. If a state agency
9 publication is available on the agency's website or otherwise available in an electronic format
10 and a person requests a paper copy of the publication, the state agency may charge a
11 reasonable fee for providing the paper copy and for mailing the paper copy of the publication.

12 **SECTION 14. AMENDMENT.** Section 57-20-04 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.**

- 15 1. The county auditor, on or before December thirty-first following the levy of the taxes,
16 shall ~~make~~prepare and transmit to the state tax commissioner, ~~in such form as the tax~~
17 ~~commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
- 18 2. In addition to the tax list required in subsection 1, the county auditor, on or before
19 December thirty-first following the levy of the taxes, shall prepare and transmit to the
20 tax commissioner a report providing each taxing district's property valuation and
21 property tax levy and any other information the tax commissioner deems necessary to
22 prepare the report required in subsection 3. For taxing districts with property in more
23 than one county, information must be collected and transmitted by the county auditor
24 of the county in which the main office of that taxing district is located.
- 25 3. The tax commissioner shall compile information received from the county auditors in
26 subsection 2 and prepare a statewide report of property tax increase. The report must
27 include the annual increase in property taxes levied by each taxing district of the state
28 after adjusting for property that was not taxable in the preceding year and property that
29 is no longer taxable which was taxable in the preceding year. The report must be
30 provided to the legislative management by April first of each year.

1 4. The tax commissioner shall prescribe the form and manner of providing the reports
2 and certifications required under this section.

3 5. On or before December 31, 2017, the county auditor shall provide a report to the tax
4 commissioner providing the information identified in subsection 2 for the 2015 and
5 2016 tax years.

6 **SECTION 15. REPEAL.** Section 57-20-05 of the North Dakota Century Code is repealed.

7 **SECTION 16. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT**

8 **COMMITTEE.**

- 9 1. During the 2017-18 interim, the tribal taxation issues committee is created and is
10 composed of ten members as follows:
- 11 a. The governor;
 - 12 b. The lieutenant governor;
 - 13 c. The tax commissioner;
 - 14 d. The executive director of the Indian affairs commission;
 - 15 e. The majority leader of the house of representatives and the majority leader of the
16 senate;
 - 17 f. The minority leader of the house of representatives and the minority leader of the
18 senate; and
 - 19 g. The chairmen of the finance and taxation standing committees of the house of
20 representatives and the senate.
- 21 2. The nonlegislative members shall serve as nonvoting members of the committee.
- 22 3. The legislative management shall designate the chairman of the committee. The
23 committee shall operate according to the statutes and procedures governing the
24 operation of other legislative management interim committees.
- 25 4. The committee shall study tribal taxation issues, including the tax collection
26 agreements that exist between the tribes and the state, the interaction between tribal
27 sovereignty and state law, consideration of how statutory changes may affect
28 provisions in existing agreements, the amount and manner of revenue sharing under
29 the agreements, the costs and benefits to the state and the tribes if tax compacts are
30 implemented, implementation models used in other states for tax compacts, best
31 practices for negotiating and ratifying tax compacts, and the procedure for withdrawal

1 from an agreement and how to handle disputed funds. As the agenda demands, the
2 chairman of the committee shall invite the tribal chairman and other appropriate tribal
3 members to actively participate in a committee meeting.

4 5. At the conclusion of its meetings, the committee shall report on its findings and
5 recommendations, together with any legislation required to implement those
6 recommendations, to the legislative management.

7 **SECTION 17. LEGISLATIVE MANAGEMENT STUDY - INTERNET SERVICE**

8 **PROVIDERS.** During the 2017-18 interim, the legislative management shall consider studying
9 the privacy policies of telecommunications service providers and internet service providers, and
10 identifying potential issues for legislation. The study must include an evaluation of the process,
11 procedure, and practice by telecommunications service providers and internet service providers
12 in the collection of personal information from a customer resulting from the customer's use of
13 the telecommunications service provider or internet service provider, and an evaluation of the
14 sale, distribution, or use of the personal information collected by the telecommunications
15 service provider or internet service provider. The study must include consideration of rules
16 relating to the privacy rights of telecommunications and internet customers and the enforcement
17 of any such rules by the public service commission. The legislative management shall report its
18 findings and recommendations, together with any legislation required to implement the
19 recommendations, to the sixty-sixth legislative assembly.

20 **SECTION 18. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAXATION AND**

21 **REVENUE DISTRIBUTION.** During the 2017-18 interim, the legislative management shall
22 consider studying the taxation of wind energy and the distribution of tax collections related to
23 wind energy. The study must include consideration of the various methods of taxing wind
24 energy, the parity of wind energy taxation in comparison to the taxation of other energy sources,
25 and the current and historical distribution formulas related to wind energy taxes; the appropriate
26 level of distributions to the taxing districts and the state; the estimated fiscal impact of any
27 proposed changes to the distributions; and other local revenue sources, including local tax
28 revenue and state funding provided to the local taxing districts. The legislative management
29 shall report its findings and recommendations, together with any legislation required to
30 implement the recommendations, to the sixty-sixth legislative assembly.

- 1 **SECTION 19. EFFECTIVE DATE.** Section 11 of this Act is effective for property tax
- 2 incentives approved after July 31, 2017.

April 26, 2017

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages _____ of the House Journal and pages _____ of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, after "reenact" insert "subsection 8 of section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, and"

Page 1, line 4, after the first "to" insert "the teacher shortage loan forgiveness program and"

Page 3, after line 22, insert:

"SECTION 9. AMENDMENT. Subsection 8 of section 15-10-38 of the North Dakota Century Code as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

8. Upon notification the individual has completed a full year of teaching in a school district ~~or~~ state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the board shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The board shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full."

Renumber accordingly

PROPOSED AMENDMENT TO HB 1015

SECTION __. **APPROPRIATION – STATE HISTORICAL SOCIETY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$244,500 or so much of the sum as may be necessary, to the state historical society for the purpose of defraying litigation expenses, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item and is not part of the entity's base budget for the 2019-21 biennium.

April 26, 2017

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages _____ of the House Journal and pages _____ of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, after the semicolon insert "to identify grant funding;"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to declare an emergency"

Page 4, after line 15, insert:

"SECTION 11. OIL AND GAS IMPACT GRANT FUND - DEVELOPMENTAL DISABILITIES SERVICES PROVIDER GRANT. Notwithstanding chapter 57-62 or any of the designations in section 5 of chapter 463 of the 2015 Session Laws, the board of university and school lands shall award a grant of up to \$261,000, from any money deposited in the oil and gas impact grant fund for taxable events through June 30, 2017, to a community-based provider serving individuals with developmental disabilities, during the period beginning with the effective date of this Act, and ending June 30, 2019. A provider is eligible to receive grant funding only if the provider is impacted by oil and gas development activity and is operating intermediate care facilities with locations in both the northwest and north central human service regions of the state. The recipient may use the grant proceeds only to provide settlement for any amounts owed to the department of human services or a bank. The department of human services may use a portion of the settlement payments received from the provider for repayments to the federal government. Before any grant funding may be paid to the provider, the board of university and school lands must receive certification of the following:

1. That the department of human services has reviewed actual cost reports and estimated audit settlement amounts.
2. That the provider has exhausted insurance recovery options and has restructured any outstanding debt.
3. The amounts owed to the department of human services and a bank.

SECTION 12. EMERGENCY. Section 11 of this Act is declared to be an emergency measure."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 4, after the semicolon insert "to amend and reenact section 21 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, relating to oil and gas valuation study;"

Page 4, after line 2, insert:

"SECTION 10. AMENDMENT. Section 21 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 21. STUDY OF OIL AND GAS VALUATION - REPORT TO ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE.

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall consider studying the valuation of oil and gas as used to determine mineral royalty payments and tax liability. The study must include consideration of the following:
 - a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.
 - b. The impact of state and federal regulations, including gas capture requirements.
 - c. ~~The market competition for gas processing, including the possibility of rate setting by the public services commission.~~
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study."

Renumber accordingly

April 27, 2017

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, after "Code" insert "and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly"

Page 1, line 4, after "fees" insert "and effective dates"

Page 4, after line 2, insert:

"SECTION 10. AMENDMENT. Section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 23. EFFECTIVE DATE. Sections 15 and 16 of this Act are effective for taxable events occurring after June 30, 2017. Section 19 of this Act becomes effective September 1, 2017. ~~House Bill No. 1300, as approved by the sixty-fifth legislative assembly, becomes effective January 1, 2018.~~"

Re-number accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages _____ of the House Journal and pages 1618-1625 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, after "reenact" insert "subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, and"

Page 1, line 4, after the first "to" insert "exclusions from the statutory rule against perpetuities and"

Page 3, after line 22, insert:

"SECTION 9. AMENDMENT. Subsection 7 of section 47-02-27.4 of the North Dakota Century Code as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

7. Except to the extent otherwise provided in the governing instrument of a business trust, a business trust has perpetual existence, and a business trust may not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of its governing instrument. A business trust, whether domestic or foreign, except for a real estate investment trust, may not own any interest in real property within this state. As used in this subsection "real estate investment trust" means a trust qualifying as a real estate investment trust under section 856 et seq., of the United States Internal Revenue Code of 1986 [26 U.S.C. 856 et seq.], or a trust qualifying as a real estate mortgage investment conduit under section 860D of the United States Internal Revenue Code of 1986 [26 U.S.C. 860D]."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages _____ of the House Journal and pages _____ of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide for the administration of the tobacco prevention and control trust fund;"

Page 3, after line 22, insert:

"SECTION 9. TOBACCO PREVENTION AND CONTROL TRUST FUND - ADMINISTRATION. The office of management and budget shall administer the tobacco prevention and control trust fund established in section 54-27-25 and transfer funds as necessary in accordance with legislative authorizations or appropriations from the fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to amend subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, relating to cost reimbursement land sales"

Page 4, after line 15, insert:

"SECTION 11. AMENDMENT. Subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, is amended as follows:

3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor shall request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans. Notwithstanding section 38-09-01 or any other provision of law, the state may not reserve any of the oil, natural gas, or minerals that may be found on or underlying land conveyed under this section.

SECTION 12. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the state explore all options for permanent disposition of land and noncash assets acquired under section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, as amended by section 11 of this Act. Options to be explored include conveyance or transfer to the parks and recreation department, game and fish department, and private parties."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages _____ of the House Journal and pages _____ of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide an appropriation to Dickinson state university"

Page 2, after line 28, insert:

"SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of institution operations, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

April 27, 2017

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages ____ of the House Journal and pages ____ of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation for defraying the expenses of North Dakota state university;"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to declare an emergency"

Page 2, after line 28, insert:

"SECTION 4. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - NORTH DAKOTA STATE UNIVERSITY - MINARD HALL.
There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$1,634,854, or so much of the sum as may be necessary, to North Dakota state university for the purpose of paying unreimbursed costs related to the collapse of Minard hall, for the biennium beginning with the effective date of this section and ending June 30, 2017."

Page 4, after line 15, insert:

"SECTION 12. EMERGENCY. Section 4 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a deficiency appropriation of \$1,634,854 from the strategic investment and improvements fund to North Dakota State University for the purpose of paying unreimbursed costs related to the collapse of Minard Hall.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to provide an appropriation to the department of veterans' affairs"

Page 4, after line 15, insert:

"SECTION 11. APPROPRIATION - DEPARTMENT OF VETERANS' AFFAIRS - FTE AUTHORIZATION - TRANSPORT VAN. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$111,400, or so much of the sum as may be necessary, to the department of veterans' affairs for defraying salaries and wages expenses for the biennium. The department may also reallocate \$18,600 of one-time funding for the purchase of a transport van appropriated in Senate Bill No. 2025, as approved by the sixty-sixth legislative assembly, for salaries and wages for the biennium beginning July 1, 2017, and ending June 30, 2019. The department of veterans' affairs is authorized one full-time equivalent position."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section to authorize 1 FTE position and related funding of \$111,400 for salaries and wages to the Department of Veterans' Affairs and allow the department to reallocate one-time funding of \$18,600 for salaries and wages rather than the purchase of a transport van.

March 27, 2017

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 2, after the semicolon insert "to provide a contingent appropriation;"

Page 3, after line 9, insert:

**"SECTION 6. CONTINGENT APPROPRIATION - STATE EMPLOYEE SALARY
ADJUSTMENT - GUIDELINES.** Subject to the provisions of this section, 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 agencies and institutions listed below for the purpose of providing compensation adjustments to employees of the various agencies and institutions, for the biennium beginning July 1, 2017, and ending June 30, 2019:

	<u>General Fund</u>	<u>Special Funds</u>	<u>Total</u>
Governor	\$30,932	\$0	\$30,932
Secretary of state	37,504	1,164	38,668
Office of management and budget	140,482	28,098	168,580
Information technology department	105,646	540,950	646,596
State auditor	80,926	23,822	104,748
State treasurer	15,492	0	15,492
Attorney general	368,418	27,668	396,086
Tax commissioner	187,008	0	187,008
Office of administrative hearings	0	10,202	10,202
Legislative assembly	0	0	0
Legislative council	68,146	0	68,146
Judicial branch	670,590	0	670,590
Commission on legal counsel for indigents	60,202	1,776	61,978
Retirement and investment office	0	38,178	38,178
Public employees retirement system	0	51,802	51,802
Department of public instruction	49,766	104,910	154,676
North Dakota university system office	202,819	82,064	284,883
Commissioner of university and school lands	0	55,948	55,948
Bismarck state college	235,404	259,352	494,756
Lake region state college	97,704	73,938	171,642
Williston state college	64,316	89,922	154,238
University of North Dakota	1,234,248	3,117,440	4,351,688
University of North Dakota school of medicine and health sciences	0	0	0
North Dakota state university	837,844	2,301,498	3,139,342
North Dakota state college of science	269,930	202,052	471,982
Dickinson state university	139,142	127,166	266,308
Mayville state university	111,346	123,808	235,154
Minot state university	310,604	285,630	596,234
Valley City state university	159,632	108,672	268,304
Dakota college at Bottineau	58,872	33,588	92,460
North Dakota forest service	35,954	0	35,954
State library	29,940	3,068	33,008
School for the deaf	34,692	1,548	36,240
North Dakota vision services - school for	19,232	164	19,396

the blind			
State board for career and technical education	40,802	0	40,802
State department of health	281,812	256,366	538,178
Veterans' home	46,062	75,348	121,410
Indian affairs commission	8,366	0	8,366
Department of veterans' affairs	9,510	1,572	11,082
Department of human services	2,366,334	438,820	2,805,154
Committee on protection and advocacy	21,228	23,684	44,912
Job service North Dakota	1,390	227,632	229,022
Insurance commissioner	0	77,562	77,562
Industrial commission	181,916	11,674	193,590
Department of labor and human rights	19,958	0	19,958
Public service commission	56,088	34,054	90,142
North Dakota aeronautics commission	0	11,558	11,558
Department of financial institutions	0	59,236	59,236
Securities department	0	15,758	15,758
Bank of North Dakota	0	281,238	281,238
Housing finance agency	0	69,252	69,252
Mill and elevator association	0	0	0
Workforce safety and insurance	0	389,442	389,442
Highway patrol	272,498	69,012	341,510
Department of corrections and rehabilitation	966,278	62,772	1,029,050
Office of the adjutant general	128,376	176,790	305,166
Department of commerce	87,126	23,342	110,468
Agriculture commissioner	57,454	42,710	100,164
Upper great plains transportation institute	29,184	63,540	92,724
Branch research centers	125,678	36,426	162,104
North Dakota state university extension service	203,450	180,734	384,184
Northern crops institute	17,484	2,246	19,730
Main research center	393,852	175,190	569,042
Agronomy seed farm	0	4,090	4,090
State fair association	0	0	0
North Dakota racing commission	3,196	0	3,196
State historical society	94,408	8,790	103,198
Council on the arts	7,458	0	7,458
Game and fish department	0	249,916	249,916
Parks and recreation department	92,826	3,376	96,202
State water commission	0	165,538	165,538
Department of transportation	0	<u>1,615,346</u>	<u>1,615,346</u>
Total	\$11,169,525	\$12,547,442	\$23,716,967

The funding provided in this section must be used to provide a two percent employee salary increase for eligible employees effective July 1, 2018, to be paid in August 2018. Employees whose overall documented performance level does not meet standards are not eligible for a salary increase. Probationary employees are not entitled to the salary increase. However, probationary employees may be given all or a portion of the increase upon completion of probation, at the discretion of the appointing authority.

The appropriation in this section is available only if the office of management and budget determines that actual general fund revenues for the period beginning July 1, 2017, and ending June 30, 2018, exceed the legislative estimates made at the

close of the 2017 legislative session for general fund revenues during the same time period by at least \$20,000,000. For purposes of this section, "estimated general fund revenues" excludes the unobligated general fund balance on July 1, 2017, and transfers to the general fund from the strategic investment and improvements fund, tax relief fund, Bank of North Dakota, the lottery, the mill and elevator, and gas tax administration."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a contingent appropriation for a 2 percent state employee salary increase effective July 1, 2018, if actual general fund revenues exceed the forecast by \$20 million during the 1st year of the biennium.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, replace "section" with "sections 5-02-01.1 and"

Page 1, line 4, after "fees" insert "and alcohol special event permits"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to declare an emergency"

Page 3, after line 22, insert:

"SECTION 9. AMENDMENT. Section 5-02-01.1 of the North Dakota Century Code is amended and reenacted as follows:

5-02-01.1. Event permit authorized - Penalty.

1. The local governing body may by permit authorize a qualified alcoholic beverage licensee licensed under this chapter to engage in the sale of alcoholic beverages at events designated by the permit. For purposes of this section, "qualified alcoholic beverage licensee" means a licensee in a city that imposed a city lodging and restaurant tax on July 31, 1993, who paid such tax and who continues to pay any such tax imposed by the city or a licensee in a county, a licensee in a city that did not impose a city lodging and restaurant tax on July 31, 1993, or a tribal licensee. A fee for the local permit may be set by ordinance or resolution at not more than twenty-five dollars. The permit may not be valid for a period greater than fourteen days and may include Sundays. The local governing body may establish rules to regulate and restrict the operation of an event permit. Any person who dispenses, sells, or permits the consumption of alcoholic beverages in violation of this section or the conditions of a permit is guilty of a class B misdemeanor.
2. The local governing body may authorize persons under twenty-one years of age to remain in the area of the event, or a portion thereof, where beer, wine, or sparkling wine may be sold pursuant to the permit. However, this authorization must be subject to the following minimum conditions:
 - a. The area where persons under twenty-one years of age may remain must be specifically set forth in the permit;
 - b. Only employees of the qualified alcoholic beverage licensee who are at least twenty-one years of age may deliver and sell the beer, wine, or sparkling wine; and
 - c. ~~Subject to section 5-02-06, the area where persons under twenty-one years of age may remain may not be the qualified alcoholic beverage licensee's fixed or permanent licensed premises as shown on the~~

~~state and local governing body's alcoholic beverage license issued pursuant to section 5-02-01; and~~

- d. No person under twenty-one years of age within the area described in the permit may consume, possess, or receive alcoholic beverages."

Page 4, after line 15, insert:

"SECTION 12. EMERGENCY. Section 9 of this Act is declared to be an emergency measure."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after the semicolon insert "to provide for a legislative management study;"

Page 4, after line 15, insert:

"SECTION 11. LEGISLATIVE MANAGEMENT STUDY - REVENUE VOLATILITY. During the 2017-18 interim, the legislative management shall consider studying the volatility of state revenue sources. The study must include the volatility of the tax base and revenue sources, including ongoing expenditures. The study also must include consideration of the volatility and sustainability of elementary and secondary education funding, including the general fund, common schools trust fund, and foundation aid stabilization fund. The study must include an assessment of the ending fund balances in the general fund, budget stabilization fund, and foundation aid stabilization fund, the adequacy of the foundation aid stabilization fund relative to revenue sources, and an analysis of the other trust funds. The study must include historical revenue for all years for which quality data are available. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed Senate Bill No. 1015 be amended as follows:

Page 1, line 5, after the semicolon insert "to provide for a legislative management study;"

Page 4, after line 2, insert:

"SECTION 10. LEGISLATIVE MANAGEMENT STUDY. During the 2017-18 interim, the legislative management shall consider studying the impacts of the 2015-17 budget allotments and the 2017-19 budget on research infrastructure at the institutions under the control of the state board of higher education, including:

1. The ability to recruit and retain research faculty graduate students and research assistants since January 1, 2016, and the resultant effect on courses available to students, professional preparation, and timely graduation;
2. Unused research equipment, research space not utilized to capacity, the associated costs to acquire the equipment and space, and the original funding sources for the equipment and space;
3. Grant dollars not applied for or acquired due to loss in capacity of grant writing, research personnel, or infrastructure;
4. The number of faculty and researchers who have left institutions under the control of the state board of higher education since January 1, 2016, their faculty rank, and the dollar amount of grants the faculty and researchers have taken with them;
5. Undergraduate research opportunities lost due to faculty attrition or increased faculty workloads;
6. Change in research output including publications, presentations, intellectual property, and other creative work used in national rankings' calculations; and
7. Preparation of undergraduate and graduate students on technical equipment and program certification by national and international professional bodies.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Re-number accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after the semicolon insert "to provide for a legislative management study;"

Page 4, after line 15, insert:

"SECTION 11. LEGISLATIVE MANAGEMENT STUDY - METHODS OF WORKFORCE EXPANSION. During the 2017-18 interim, the legislative management shall consider studying methods of workforce expansion, enhancement, enlistment, and retention through educational programs and supports. The study must address the short-term and long-term needs of the state for a skilled and educated workforce through a variety of programs and incentives, including scholarships and grants; no interest, low interest, and deferred payment loan programs; academic and nonacademic cash awards; private partnership programs; paid internships; pre-employment educational supports; state-paid tuition programs; retraining or advanced training subsidies in needed workforce areas; encore programs to entice older workers and those with disabilities or special needs to return to educational programs or employment; and public or private programs to address or eliminate barriers to education or employment such as child care, language skills, or the purchase of tools. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, replace "section" with "sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-38.1-09"

Page 1, line 4, after "fees" insert "and apportionment of business income"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to provide an effective date"

Page 4, after line 2, insert:

"SECTION 10. AMENDMENT. Section 57-38.1-09 of the North Dakota Century Code is amended and reenacted as follows:

57-38.1-09. Business income.

1. Except as permitted under ~~subsections~~ subsection 2 through 4, all business income must be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.
2. For the first ~~two taxable years~~ year beginning after December 31, 2015, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus two times the sales factor, and the denominator of which is four.
 - a. The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.
 - b. The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.
 - c. The election is binding for ~~five consecutive~~ the first taxable ~~years~~ year after making the election, at which time the election lapses. ~~The election under this subsection also includes the election to use the sales factor under subsections 3 and 4 for the taxable years those subsections apply.~~
 - d. ~~Unless a taxpayer makes another election under subsection 4 in the taxable year immediately following the final year of the binding effect of the election under this subsection, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new election under subsection 4.~~
3. For the first taxable year beginning after December 31, 2017, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus six times the sales factor, and the denominator of which is eight.

- a. ~~The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.~~
 - b. ~~The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.~~
 - c. ~~The election is binding for five consecutive taxable years after making the election, at which time the election lapses. The election under this subsection also includes the election to use the sales factor under subsection 4 for the taxable years that subsection applies.~~
 - d. ~~Unless a taxpayer makes another election under subsection 4 in the taxable year immediately following the final year of the binding effect of the election under this subsection, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new election under subsection 4.~~
4. ~~For taxable years beginning after December 31, 2018, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by the sales factor. A taxpayer electing to file using a single sales factor must comply with the following:~~
- a. ~~The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.~~
 - b. ~~The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.~~
 - c. ~~The election is binding for five consecutive taxable years after making the election, at which time the election lapses.~~
 - d. ~~Unless a taxpayer makes another election under this subsection in the taxable year immediately following the final year of a prior single sales factor election, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new single sales factor election."~~

Page 4, after line 15, insert:

"SECTION 12. EFFECTIVE DATE. Section 10 of this Act is effective for taxable years ending after April 30, 2017."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, replace "section" with "sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-38.1-09"

Page 1, line 4, after "fees" insert "and apportionment of business income"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to provide an effective date"

Page 4, after line 2, insert:

"SECTION 10. AMENDMENT. Section 57-38.1-09 of the North Dakota Century Code is amended and reenacted as follows:

57-38.1-09. Business income.

1. Except as permitted under subsections 2 through 4, all business income must be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.
2. For the first ~~two~~four taxable years beginning after December 31, 2015, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus two times the sales factor, and the denominator of which is four.
 - a. The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.
 - b. The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.
 - c. The election is binding for five consecutive taxable years after making the election, at which time the election lapses. The election under this subsection also includes the election to use the sales factor under subsections 3 and 4 for the taxable years those subsections apply.
 - d. Unless a taxpayer makes another election under subsection 4 in the taxable year immediately following the final year of the binding effect of the election under this subsection, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new election under subsection 4.
3. For the first taxable year beginning after December 31, ~~2017~~2019, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus six times the sales factor, and the denominator of which is eight.

- a. The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.
 - b. The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.
 - c. The election is binding for five consecutive taxable years after making the election, at which time the election lapses. The election under this subsection also includes the election to use the sales factor under subsection 4 for the taxable years that subsection applies.
 - d. Unless a taxpayer makes another election under subsection 4 in the taxable year immediately following the final year of the binding effect of the election under this subsection, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new election under subsection 4.
4. For taxable years beginning after December 31, ~~2018~~2020, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by the sales factor. A taxpayer electing to file using a single sales factor must comply with the following:
- a. The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.
 - b. The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.
 - c. The election is binding for five consecutive taxable years after making the election, at which time the election lapses.
 - d. Unless a taxpayer makes another election under this subsection in the taxable year immediately following the final year of a prior single sales factor election, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new single sales factor election."

Page 4, after line 15, insert:

"SECTION 12. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2016."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to provide an appropriation to the department of human services"

Page 2, after line 28, insert:

"SECTION 4. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.

There is appropriated out of special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$1,558,318, or so much of the sum as may be necessary, to the department of human services for the purpose of funding medical assistance grants, for the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides funding of \$1,558,318 from federal funds or other funds to the Department of Human Services for the medical services program.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages _____ of the House Journal and pages _____ of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 2, after line 28, insert:

"SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$250,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$_____ from the tax relief fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. LEGACY FUND EARNINGS ESTIMATE - 2017-19 BIENNIUM. For legislative council budget status reporting purposes, the sixty-fifth legislative assembly estimates \$200,000,000 of earnings will be transferred from the legacy fund to the general fund at the end of the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ESTIMATE OF 2015-17 BIENNIUM UNEXPENDED GENERAL FUND APPROPRIATIONS. For legislative council budget status reporting purposes, as an update to the March 2017 legislative revenue forecast, the sixty-fifth legislative assembly estimates \$52,000,000 of unexpended general fund appropriations for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

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12/18

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

- Page 1, line 2, after the semicolon insert "to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services;"
- Page 1, line 3, after the semicolon insert "to identify grant funding; to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"
- Page 1, line 3, replace "section" with "sections 5-02-01.1 and 6-09-15.1, subsection 8 of section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, and sections"
- Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"
- Page 1, line 3, after "Code" insert "and subsection 3 of section 8 of House Bill No. 1024, section 21 of Senate Bill No. 2013, and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly"
- Page 1, line 4, after the first "to" insert "alcohol special event permits, temporary loans to the general fund, the teacher loan forgiveness program, criminal history record checks, exclusions from the statutory rule against perpetuities,"
- Page 1, line 4, after "fees" insert ", property tax increase reports, cost reimbursement land sales, an oil and gas valuation study, and effective dates; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to suspend section 54-35-23 of the North Dakota Century Code, relating to the tribal and state relations committee; to provide for the administration of the tobacco prevention and control trust fund"
- Page 1, line 4, replace "an exemption" with "exemptions"
- Page 1, line 5, replace the "and" with "to provide for legislative management studies; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management;"
- Page 1, line 5, after "report" insert "; to provide an effective date; to provide an expiration date; and to declare an emergency"
- Page 1, remove lines 15 through 24
- Page 2, replace lines 1 through 3 with:

2/2/16

"Salaries and wages	\$19,798,254	\$1,798,578	\$21,596,832
Operating expenses	13,855,260	196,178	14,051,438
Emergency commission contingency fund	500,000	100,000	600,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(1,000)	554,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(400,000)	1,200,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,067,233	\$42,104,347
Less estimated income	7,210,390	4,023,697	11,234,087
Total general fund	\$30,826,724	\$43,536	\$30,870,260
Full-time equivalent positions	122.50	(5.50)	117.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	1,000,000
Theodore Roosevelt center grant	0	500,000
Total all funds	\$16,305,303	\$2,300,000
Less estimated income	9,775,000	1,800,000
Total general fund	\$6,530,303	\$500,000"

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

"SECTION 4. APPROPRIATION - STATE AUDITOR. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,655,646	\$111,666	\$11,767,312
Operating expenses	1,176,806	(34,023)	1,142,783
North Dakota university system information technology security audits	200,000	(200,000)	0
Information technology consultants	250,000	(250,000)	0

Total all funds	\$13,282,452	(\$372,357)	\$12,910,095
Less estimated income	<u>3,505,870</u>	<u>(94,383)</u>	<u>3,411,487</u>
Total general fund	\$9,776,582	(\$277,974)	\$9,498,608
Full-time equivalent positions	59.80	(3.80)	56.00

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SECTION 5. HEALTH INSURANCE INCREASE - STATE AUDITOR. The salaries and wages line item in section 4 of this Act includes the sum of \$140,696, of which \$104,201 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - NORTH DAKOTA STATE UNIVERSITY - MINARD HALL. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$1,634,854, or so much of the sum as may be necessary, to North Dakota state university for the purpose of paying unreimbursed costs related to the collapse of Minard hall, for the period beginning with the effective date of this section and ending June 30, 2017.

SECTION 7. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of institution operations, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$1,558,318, or so much of the sum as may be necessary, to the department of human services for the purpose of funding medical assistance grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$248,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$183,000,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGACY FUND EARNINGS ESTIMATE - 2017-19 BIENNIUM. For legislative council budget status reporting purposes, the sixty-fifth legislative assembly estimates \$200,000,000 of earnings will be transferred from the legacy fund to the general fund at the end of the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. ESTIMATE OF 2015-17 BIENNIUM UNEXPENDED GENERAL FUND APPROPRIATIONS. For legislative council budget status reporting purposes, as an update to the March 2017 legislative revenue forecast, the sixty-fifth legislative assembly estimates \$52,000,000 of unexpended general fund appropriations for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 3, after line 9, insert:

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"SECTION 14. OIL AND GAS IMPACT GRANT FUND - DEVELOPMENTAL DISABILITIES SERVICES PROVIDER GRANT. Notwithstanding chapter 57-62 or any of the designations in section 5 of chapter 463 of the 2015 Session Laws, the board of university and school lands shall award a grant of up to \$261,000, from any money deposited in the oil and gas impact grant fund for taxable events through June 30, 2017, to a community-based provider serving individuals with developmental disabilities, during the period beginning with the effective date of this section, and ending June 30, 2019. A provider is eligible to receive grant funding only if the provider is impacted by oil and gas development activity and is operating intermediate care facilities with locations in both the northwest and north central human service regions of the state. The recipient may use the grant proceeds only to provide settlement for any amounts owed to the department of human services or a bank. The department of human services may use a portion of the settlement payments received from the provider for repayments to the federal government. Before any grant funding may be paid to the provider, the board of university and school lands must receive certification of the following:

1. That the department of human services has reviewed actual cost reports and estimated audit settlement amounts.
2. That the provider has exhausted insurance recovery options and has restructured any outstanding debt.
3. The amounts owed to the department of human services and a bank.

SECTION 15. TOBACCO PREVENTION AND CONTROL TRUST FUND - ADMINISTRATION. The office of management and budget shall administer the tobacco prevention and control trust fund established in section 54-27-25 and transfer funds as necessary in accordance with legislative authorizations or appropriations from the fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, line 10, after "EXEMPTION" insert "- FISCAL MANAGEMENT"

Page 3, replace lines 15 through 17 with:

"SECTION 17. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, 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, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 19. AMENDMENT. Section 5-02-01.1 of the North Dakota Century Code is amended and reenacted as follows:

5-02-01.1. Event permit authorized - Penalty.

1. The local governing body may by permit authorize a qualified alcoholic beverage licensee licensed under this chapter to engage in the sale of alcoholic beverages at events designated by the permit. For purposes of

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this section, "qualified alcoholic beverage licensee" means a licensee in a city that imposed a city lodging and restaurant tax on July 31, 1993, who paid such tax and who continues to pay any such tax imposed by the city or a licensee in a county, a licensee in a city that did not impose a city lodging and restaurant tax on July 31, 1993, or a tribal licensee. A fee for the local permit may be set by ordinance or resolution at not more than twenty-five dollars. The permit may not be valid for a period greater than fourteen days and may include Sundays. The local governing body may establish rules to regulate and restrict the operation of an event permit. Any person who dispenses, sells, or permits the consumption of alcoholic beverages in violation of this section or the conditions of a permit is guilty of a class B misdemeanor.

2. The local governing body may authorize persons under twenty-one years of age to remain in the area of the event, or a portion thereof, where beer, wine, or sparkling wine may be sold pursuant to the permit. However, this authorization must be subject to the following minimum conditions:
 - a. The area where persons under twenty-one years of age may remain must be specifically set forth in the permit;
 - b. Only employees of the qualified alcoholic beverage licensee who are at least twenty-one years of age may deliver and sell the beer, wine, or sparkling wine; and
 - c. ~~Subject to section 5-02-06, the area where persons under twenty-one years of age may remain may not be the qualified alcoholic beverage licensee's fixed or permanent licensed premises as shown on the state and local governing body's alcoholic beverage license issued pursuant to section 5-02-01; and~~
 - d. No person under twenty-one years of age within the area described in the permit may consume, possess, or receive alcoholic beverages.

SECTION 20. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation - Report.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, ~~execute and issue on behalf of the state evidences of indebtedness on the state general fund which borrow from the Bank of North Dakota in an amount that at no time exceed~~exceeds the total principal amount of fifty million dollars with principal maturity ~~of not more than twelve months~~not to extend beyond the biennium in which the borrowing occurs. As a condition precedent to the ~~issuance and sale of the evidences of indebtedness~~loan, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the ~~fiscal year~~biennium in which the ~~evidences of indebtedness are to be issued~~loan is taken will exceed the principal amount and interest on the ~~evidences of indebtedness to be issued~~loan. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund ~~by the purchase of the evidences of indebtedness~~ at such rates of interest as the industrial commission may prescribe.

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~~After evidences of indebtedness have been issued and sold pursuant to this section, the The state treasurer and the director of the office of management and budget shall establish a fund repayment plan for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose. The office of management and budget shall report to the budget section of the legislative management regarding any loans obtained pursuant to this section.~~

SECTION 21. AMENDMENT. Subsection 8 of section 15-10-38 of the North Dakota Century Code as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

- 8. Upon notification the individual has completed a full year of teaching in a school district or, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the board shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The board shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

SECTION 22. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section.

SECTION 23. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee.

SECTION 24. AMENDMENT. Subsection 7 of section 47-02-27.4 of the North Dakota Century Code as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

- 7. Except to the extent otherwise provided in the governing instrument of a business trust, a business trust has perpetual existence, and a business

trust may not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of its governing instrument. A business trust, whether domestic or foreign, except for a real estate investment trust, may not own any interest in real property within this state. As used in this subsection "real estate investment trust" means a trust qualifying as a real estate investment trust under section 856 et seq., of the United States Internal Revenue Code of 1986 [26 U.S.C. 856 et seq.], or a trust qualifying as a real estate mortgage investment conduit under section 860D of the United States Internal Revenue Code of 1986 [26 U.S.C. 860D]."

Handwritten initials or mark in the top right corner.

Page 4, replace lines 3 through 15 with:

"SECTION 26. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall makeprepare and transmit to the state tax commissioner, in such form as the tax commissioner may prescribe, a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 27. AMENDMENT. Subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, is amended as follows:

3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor shall request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans.

Notwithstanding section 38-09-01 or any other provision of law, the state may not reserve any of the oil, natural gas, or minerals that may be found on or underlying land conveyed under this section.

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SECTION 28. AMENDMENT. Section 21 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 21. STUDY OF OIL AND GAS VALUATION - REPORT TO ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE.

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall study~~consider~~ studying the valuation of oil and gas as used to determine mineral royalty payments and tax liability. The study must include consideration of the following:
 - a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.
 - b. The impact of state and federal regulations, including gas capture requirements.
 - c. ~~The market competition for gas processing, including the possibility of rate setting by the public service commission.~~
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study.

SECTION 29. AMENDMENT. Section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 23. EFFECTIVE DATE. Sections 15 and 16 of this Act are effective for taxable events occurring after June 30, 2017. Section 19 of this Act becomes effective September 1, 2017. ~~House Bill No. 1300, as approved by the sixty-fifth legislative assembly, becomes effective January 1, 2018.~~

SECTION 30. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 31. SUSPENSION. Section 54-35-23 of the North Dakota Century Code is suspended.

SECTION 32. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the state explore all options for permanent disposition of land and noncash assets acquired under section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, as amended by section 27 of this Act. Options to be explored include

conveyance or transfer to the parks and recreation department, game and fish department, and private parties.

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SECTION 33. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - e. The majority leader of the house of representatives and the majority leader of the senate;
 - f. The minority leader of the house of representatives and the minority leader of the senate; and
 - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds.
5. The committee may study tribal-state issues, including government-to-government relations, human services, education, corrections, and issues related to the promotion of economic development.
6. The chairman of the committee shall invite tribal chairmen to each committee meeting.
7. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAXATION AND REVENUE DISTRIBUTION. During the 2017-18 interim, the

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legislative management shall consider studying the taxation of wind energy and the distribution of tax collections related to wind energy. The study must include consideration of the various methods of taxing wind energy, including production taxes, the parity of wind energy taxation in comparison to the taxation of other energy sources, and the current and historical distribution formulas related to wind energy taxes; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - REVENUE

VOLATILITY. During the 2017-18 interim, the legislative management shall consider studying the volatility of state revenue sources. The study must include the volatility of the tax base and revenue sources, including ongoing expenditures. The study also must include consideration of the volatility and sustainability of elementary and secondary education funding, including the general fund, common schools trust fund, and foundation aid stabilization fund. The study must include an assessment of the ending fund balances in the general fund, budget stabilization fund, and foundation aid stabilization fund, the adequacy of the foundation aid stabilization fund relative to revenue sources, and an analysis of the other trust funds. The study must include historical revenue for all years for which quality data are available. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 36. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF BUDGET REDUCTIONS ON HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying the impacts of the 2015-17 budget allotments and the 2017-19 budget on research infrastructure at the institutions under the control of the state board of higher education, including:

1. The ability to recruit and retain research faculty graduate students and research assistants since January 1, 2016, and the resultant effect on courses available to students, professional preparation, and timely graduation;
2. Unused research equipment, research space not utilized to capacity, the associated costs to acquire the equipment and space, and the original funding sources for the equipment and space;
3. Grant dollars not applied for or acquired due to loss in capacity of grant writing, research personnel, or infrastructure;
4. The number of faculty and researchers who have left institutions under the control of the state board of higher education since January 1, 2016, their faculty rank, and the dollar amount of grants the faculty and researchers have taken with them;
5. Undergraduate research opportunities lost due to faculty attrition or increased faculty workloads;

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6. Change in research output including publications, presentations, intellectual property, and other creative work used in national rankings' calculations; and
7. Preparation of undergraduate and graduate students on technical equipment and program certification by national and international professional bodies.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 37. EFFECTIVE DATE. Section 22 of this Act is effective for property tax incentives approved after July 31, 2017.

SECTION 38. EXPIRATION DATE. Section 31 of this Act is effective through July 31, 2019, and after that date is ineffective.

SECTION 39. EMERGENCY. Sections 6, 14, 19, 27, and 32 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
State Auditor						
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
Dickinson State University						
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
DHS - Program/Policy						
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$38,037,114	\$38,593,573	\$18,854,187	\$57,447,760	\$55,125,834	\$2,321,926
Less estimated income	7,210,390	10,438,477	5,765,415	16,203,892	14,645,574	1,558,318
General fund	\$30,826,724	\$28,155,096	\$13,088,772	\$41,243,868	\$40,480,260	\$763,608

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$19,798,254	\$21,177,508	\$419,324	\$21,596,832	\$22,041,224	(\$444,392)
Operating expenses	13,855,260	12,909,988	1,141,450	14,051,438	14,068,438	(17,000)

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Capital assets	200,000	973,477	800,000	1,773,477	1,773,477	
Grants	555,000	54,000	500,000	554,000	54,000	500,000
Emergency commission contingency fund	500,000	350,000	250,000	600,000	350,000	250,000
Guardianship grants	1,328,600	1,328,600		1,328,600	1,528,600	(200,000)
Prairie Public Broadcasting	1,600,000	800,000	400,000	1,200,000	1,400,000	(200,000)
State student internship program	200,000					
Cybersecurity remediation pool		1,000,000		1,000,000	1,000,000	
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
FTE	122.50	115.00	2.00	117.00	118.00	(1.00)

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Prairie Public Broadcasting ⁶
Salaries and wages	(\$24,676)	\$444,000				
Operating expenses			550,000	531,450	60,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie Public Broadcasting						400,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
FTE	0.00	2.00	0.00	0.00	0.00	0.00

	Adds Funding for a Grant to the Theodore Roosevelt Center ⁷	Adds Funding for Surplus Property Building ⁸	Adds Funding for Emergency Commission Contingency Fund ⁹	Total Conference Committee Changes
Salaries and wages				\$419,324
Operating expenses				1,141,450
Capital assets		800,000		800,000
Grants	500,000			500,000
Emergency commission contingency fund			250,000	250,000
Guardianship grants				
Prairie Public Broadcasting				400,000
State student internship program				
Cybersecurity remediation pool				
Total all funds	\$500,000	\$800,000	\$250,000	\$3,510,774
Less estimated income	0	800,000	0	795,610
General fund	\$500,000	\$0	\$250,000	\$2,715,164
FTE	0.00	0.00	0.00	2.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

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² Funding of \$444,000 is added for 2 FTE unspecified positions. The House removed \$1,306,713 and 7.5 FTE positions. The Senate restored \$888,392 and 3 FTE positions, which were removed by the House. The Conference Committee version includes the removal of 1 FTE facility construction engineer position, the same as the House version.

³ Funding of \$550,000 is added for utility rate increases, the same as the Senate version.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses, the same as the Senate version.

⁵ Funding of \$60,000 is added for revenue forecasting contract and travel expenses. The House removed \$77,000 related to revenue forecasting, and the Senate restored the \$77,000 that was removed by the House.

⁶ Funding of \$400,000 is added for Prairie Public Broadcasting to provide \$1,200,000. The House provided \$800,000 for Prairie Public Broadcasting, and the Senate provided \$1,400,000.

⁷ One-time funding of \$500,000 from the general fund is added for a grant to the Theodore Roosevelt Center at Dickinson State University.

⁸ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building, the same as the Senate version.

⁹ Funding is added to provide \$600,000 for the Emergency Commission contingency fund.

This amendment also includes the following changes related to the Office of Management and Budget:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium, the same as the Senate version.
- Provides for a transfer of \$248 million from the strategic investment and improvements fund to the general fund for the 2017-19 biennium.
- Provides a transfer of \$183 million from the tax relief fund to the general fund for the 2017-19 biennium.
- Identifies \$200 million of estimated earnings of the legacy fund will be transferred to the general fund, an increase of \$40 million from the March 2017 legislative forecast.
- Identifies \$52 million of unexpended 2015-17 biennium appropriations, increasing the estimated July 1, 2017, balance by \$13.88 million compared to the March 2017 legislative forecast of \$38.12 million.
- Requires the Office of Management and Budget to administer the tobacco prevention and control trust fund.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property, the same as the Senate version.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000). The Senate also included the exemption.
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill, the same as the Senate version.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cashflow purposes, from \$10 million to \$50 million and to provide for a report to Budget Section. The Senate increased the borrowing authority to \$100 million.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover, the same as the Senate version.

House Bill No. 1015 - State Auditor - Conference Committee Action

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	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$0	\$0	\$11,767,312	\$11,767,312	\$11,767,312	\$0
Operating expenses	0	0	1,142,783	1,142,783	1,142,783	0
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
FTE	0.00	0.00	56.00	56.00	56.00	0.00

Department No. 117 - State Auditor - Detail of Conference Committee Changes

	Adds Funding for the State Auditor ¹	Total Conference Committee Changes
Salaries and wages	\$11,767,312	\$11,767,312
Operating expenses	1,142,783	1,142,783
Total all funds	\$12,910,095	\$12,910,095
Less estimated income	3,411,487	3,411,487
General fund	\$9,498,608	\$9,498,608
FTE	56.00	56.00

¹ This amendment adds a section to provide funding for the State Auditor. House Bill No. 1004, which provided funding for the State Auditor, was vetoed by the Governor. Funding changes to the base level are summarized below:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	59.80	\$9,776,582	\$3,505,870	\$13,282,452
Base payroll changes		(99,658)	30,422	(69,236)
Health insurance increase		104,201	36,495	140,696
Removes an auditor V performance audit position	(1.00)	(277,191)		(277,191)
Removes an administrative officer position	(0.80)			0
Restores allotted funding for 4 FTE NDUS auditor positions		611,300		611,300
Removes 2 FTE NDUS auditor positions	(2.00)	(297,135)		(297,135)
Adds funding to reclassify a position		25,000		25,000
Underfunds salaries and wages		(21,768)		(21,768)
Adjusts funding for operating expenses		(72,723)		(72,723)
Removes funding for NDUS information technology security audits			38,700	(34,023)
Removes funding for information technology consultants		(250,000)	(200,000)	(250,000)
2017-19 Total Funding	56.00	\$9,498,608	\$3,411,487	\$12,910,095

This amendment also adds a section to identify additional funding provided for health insurance increases provided for the State Auditor's office, the same as the House and Senate versions of House Bill No. 1004.

15918

House Bill No. 1015 - Dickinson State University - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Operations			\$875,000	\$875,000		\$875,000
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of Conference Committee Changes

	Adds Funding for Institution Operations ¹	Total Conference Committee Changes
Operations	\$875,000	\$875,000
Total all funds	\$875,000	\$875,000
Less estimated income	0	0
General fund	\$875,000	\$875,000
FTE	0.00	0.00

¹ Funding of \$875,000 is added from the general fund for Dickinson State University operations.

House Bill No. 1015 - DHS - Program/Policy - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Grants - Medical assistance			\$1,558,318	\$1,558,318		\$1,558,318
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 328 - DHS - Program/Policy - Detail of Conference Committee Changes

	Adds Funding for Medical Assistance Grants ¹	Total Conference Committee Changes
Grants - Medical assistance	\$1,558,318	\$1,558,318
Total all funds	\$1,558,318	\$1,558,318
Less estimated income	1,558,318	1,558,318
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,558,318 from federal funds or other funds is added for the medical services program.

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

16 8 91

This amendment also includes the following changes:

- Provides a deficiency appropriation of \$1,634,854 from the strategic investment and improvements fund to North Dakota State University for unreimbursed costs related to the collapse of Minard Hall and includes an emergency clause for the appropriation.
- Designates a grant of \$261,000 from the oil and gas impact grant fund for a provider serving individuals with developmental disabilities and includes an emergency clause for the grant.
- Amends Section 5-02-01.1 to allow local governing bodies to issue permits for special events serving alcohol and includes an emergency clause related to the amendment.
- Amends 15-10-38(8), as amended by Senate Bill No. 2037, to allow teachers in nonpublic schools to be eligible for a student loan forgiveness program.
- Adds a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection, the same as the Senate version.
- Amends the newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission, the same as the Senate version.
- Amends Section 47-02-27.4 as created by House Bill No. 1228 to allow certain business trusts to own real estate.
- Amends Section 57-20-04 relating to property tax increase reports by counties, the same as the Senate version.
- Amends a section of legislative intent in House Bill No. 1024 to exempt certain property sold by the state from the requirement that the state reserve a portion of the mineral rights.
- Amends an oil and gas valuation study in Senate Bill No. 2013 to remove certain requirements related to the study.
- Removes an effective date included in Senate Bill No. 2013 related to the provisions of House Bill No. 1300, which requires the Department of Trust Lands to follow the administrative rules process.
- Repeals Section 57-20-05 relating to certification of taxes levied by taxing districts, the same as the Senate version.
- Provides legislative intent regarding options to dispose of land that may be received by the state.
- Creates a Legislative Management committee to study tribal taxation and other issues and suspends the State and Tribal Relations Committee for the 2017-19 biennium. The Senate created the new committee.
- Provides for a Legislative Management study regarding taxation and distributions of tax collections related to wind energy. The Senate also included this study.
- Provides for a Legislative Management study regarding revenue volatility.
- Provides for a Legislative Management study regarding the impact of the budget reductions for higher education that occurred during the 2015-17 biennium.

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment

Motion Made by: Rep. Holmberg Seconded by: Senator Carlson

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Update language to \$50 million cap

Motion carried

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment

Motion Made by: Rep. Holmberg Seconded by: Senator Wardner

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer			X		Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			3		Total Senate Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Sections 12, 14, & 15
 motion carried*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment

Motion Made by: Senator Wardner Seconded by: Rep. Carlson

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer			X		Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			3		Total Senate Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Section 16
 Tribal repeal for 2 years*

*Motion
 carried*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment
 Senator

Motion Made by: Wardner Seconded by: Rep. Carlson

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer				X	Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			2	1	Total Senate Vote			3	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Section 11 .05000
 Motion Carried*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment

Motion Made by: Senator Heckaman Seconded by: Rep Mock

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer			X	Senator Holmberg		X	
Representative Carlson			X	Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		1	2	Total Senate Vote		3	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Section 17 of .05000
 Motion failed*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment
 Rep.

Motion Made by: Carlson Seconded by: Senator Wardner

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Section 18 of .05000
 Motion Carried*

*including "production
 taxes," Line 24, Section
 8, version 5000*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment

Motion Made by: Rep. Carlson Seconded by: Senator Holmberg

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Section 19 - stay in
 Motion carried*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

X Adopt amendment.

Motion Made by: Holmberg Seconded by: Heckaman

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer	X		X		Senator Holmberg	X		X	
Representative Carlson	X		X		Senator Wardner	X		X	
Representative Mock	X		X		Senator Heckaman	X		X	
Total Rep. Vote			3		Total Senate Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*2 FTE'S = \$444,000.
 Prairie Public = \$1.2 m.
 O-guardianship grants
 \$60,000 revenue forecasting.*

Motion carried

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

x Adopt amendment

Motion Made by: Wardner Seconded by: Holmberg

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer			X	Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		2	1	Total Senate Vote		3	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Building warehouse!

Motion carried.

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt amendment

Motion Made by: Wardner Seconded by: Heckaman

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment 17.0500.03036

Motion carried

2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed
 - Adopt Amendment

Motion Made by: Wardner Seconded by: Carlson

Representatives				Senators					
	4/27		Yes	No		4/27		Yes	No
Chairman Delzer			X		Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock				X	Senator Heckaman				X
Total Rep. Vote			2	1	Total Senate Vote			2	1

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*\$ 300,000 Borrow from Bank of North Dakota
 \$ 250,000 to Contingency line in OMB
 Go through Emergency Commission*

Motion Carried

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt amendment

Motion Made by: *Sen. Wardner* Seconded by: *Sen. Holmberg*

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer			X	Senator Holmberg		X	
Representative Carlson			X	Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		1	2	Total Senate Vote		3	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*\$244,500.00 to state historical society
 motion failed*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

x Adopt amendment

Motion Made by: Sen Wardner Seconded by: Sen Holmberg

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer			X	Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		2	1	Total Senate Vote		3	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03038 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion carried

2017 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Rep Carlson Seconded by: Sen Wardner

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03051 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Cancel

Date: 4/27/2017

Roll Call Vote #: 8

2017 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Carlson Seconded by: Holmberg

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer			X	Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		2	1	Total Senate Vote		3	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 170500.03050 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Passed

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

x Adopt Amendment

Motion Made by: Rep Carlson Seconded by: Rep Mock

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 3 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03024 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Denied

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken HOUSE accede to Senate Amendments
 HOUSE accede to Senate Amendments and further amend
 SENATE recede from Senate amendments
 SENATE recede from Senate amendments and amend as follows
 Unable to agree, recommends that the committee be discharged and a new committee be appointed

x Adopt Amendment

Motion Made by: Carlson Seconded by: Wardner

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17 05-00 .03037 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion carried

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Rep Carlson Seconded by: Sen Wardner

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03047 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Passed

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

x Adopt Amendment

Motion Made by: Rep Carlson Seconded by: Sen Wardner

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03031 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Canceled

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

x Adopt Amendment

Motion Made by: Rep Carlson Seconded by: Rep Mock

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer				X	Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			2	1	Total Senate Vote			3	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment 17.0500.03043

Motion denied

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: *Sen Heckaman* Seconded by: *Rep Mock*

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer			X	Senator Holmberg		X	
Representative Carlson			X	Senator Wardner			X
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		1	2	Total Senate Vote		2	1

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03030. _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

motion failed

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Heckaman Seconded by: Mock

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer				X	Senator Holmberg				X
Representative Carlson				X	Senator Wardner				X
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			1	2	Total Senate Vote			1	2

Vote Count Yes: 2 No: 4 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03002 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion failed

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Rep Mock Seconded by: Sen Holmberg

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17,0500.03046 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Carried

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Rep Mock Seconded by: Sen Holmberg

Representatives		4/27	Yes	No	Senators		4/27	Yes	No
Chairman Delzer				X	Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			2	1	Total Senate Vote			3	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03041 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Carried

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment *Sen Holmberg.*

Motion Made by: Rep Mock Seconded by: Sen Holmberg

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer			X	Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		2	1	Total Senate Vote		3	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03049 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Rep Mock Seconded by: Sen Heckaman

Representatives		4/27		Yes	No	Senators		4/27		Yes	No
Chairman Delzer					X	Senator Holmberg				X	
Representative Carlson					X	Senator Wardner				X	
Representative Mock				X		Senator Heckaman				X	
Total Rep. Vote				1	2	Total Senate Vote				3	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 170500 03052 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion failed

Date: 4/27/2017

Roll Call Vote #:

20

2017 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

X Adopt Amendment

Motion Made by: Rep Mock Seconded by: Sen Heckaman

Representatives		4/27	Yes	No	Senators		4/27	Yes	No
Chairman Delzer				X	Senator Holmberg				X
Representative Carlson				X	Senator Wardner				X
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			1	2	Total Senate Vote			1	2

Vote Count Yes: 2 No: 4 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500 .03011 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion failed

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment

Motion Made by: Mock Seconded by: Heckaman

Representatives		4/27		Yes	No	Senators		4/27		Yes	No
Chairman Delzer					X	Senator Holmberg					X
Representative Carlson					X	Senator Wardner					X
Representative Mock				X		Senator Heckaman			X		
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: 2 No: 4 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03009 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Failed

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Adopt Amendment.

Motion Made by: Rep. Carlson Seconded by: Senator

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03044 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

MOTION CARRIED.

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

 - Unable to agree, recommends that the committee be discharged and a new committee be appointed
 - Adopt Amendment

Motion Made by: Senator Holmberg Seconded by: Rep. Carlson

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 12,0500 03033 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Section 4:
 With the changes of \$248,000,000 out of SIIF to the general fund

Section 5: \$182,000,000 from the tax relief fund to the general fund

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Carlson Seconded by: Senator Holmberg

Representatives	4/27	Yes	No	Senators	4/27	Yes	No
Chairman Delzer		X		Senator Holmberg		X	
Representative Carlson		X		Senator Wardner		X	
Representative Mock		X		Senator Heckaman		X	
Total Rep. Vote		3		Total Senate Vote		3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Rep Delzer Senate Carrier Senator Holmberg

LC Number 17.0500.03039 of amendment

LC Number _____ . 06000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Carried

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Reconsider actions*
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Carlson Seconded by: Representative Mock

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer	X		X		Senator Holmberg	X		X	
Representative Carlson	X		X		Senator Wardner	X		X	
Representative Mock	X		X		Senator Heckaman	X		X	
Total Rep. Vote			3		Total Senate Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment *to reconsider the "Do Pass" previously made on HB 1015*

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed
 - adopt amendment

Motion Made by: Senator Wardner Seconded by: Representative Carlson

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer			X		Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock			X		Senator Heckaman			X	
Total Rep. Vote			3		Total Senate Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment
Take \$1 million out of the tax relief fund then put \$500,000 into the grants line to grant to TR library digitization at Dickinson University.

**2017 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1015 as (re) engrossed

House Appropriation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Carlson Seconded by: Senator Holmberg

Representatives	4/27		Yes	No	Senators	4/27		Yes	No
Chairman Delzer			X		Senator Holmberg			X	
Representative Carlson			X		Senator Wardner			X	
Representative Mock			↑		Senator Heckaman			X	
Total Rep. Vote			3		Total Senate Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0500.03039 . _____ of amendment

LC Number _____ . 06000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Senate recedes and further amends to add \$444,000 for 2 FTEs. House removed 7.5 FTE Senate restored 3.

MOTION Carries

Insert LC: 17.0500.03039
House Carrier: Delzer
Senate Carrier: Holmberg

REPORT OF CONFERENCE COMMITTEE

HB 1015, as reengrossed: Your conference committee (Sens. Holmberg, Wardner, Heckaman and Reps. Delzer, Carlson, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1951-1959, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

- Page 1, line 2, after the semicolon insert "to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services;"
- Page 1, line 3, after the semicolon insert "to identify grant funding; to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"
- Page 1, line 3, replace "section" with "sections 5-02-01.1 and 6-09-15.1, subsection 8 of section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, and sections"
- Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"
- Page 1, line 3, after "Code" insert "and subsection 3 of section 8 of House Bill No. 1024, section 21 of Senate Bill No. 2013, and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly"
- Page 1, line 4, after the first "to" insert "alcohol special event permits, temporary loans to the general fund, the teacher loan forgiveness program, criminal history record checks, exclusions from the statutory rule against perpetuities,"
- Page 1, line 4, after "fees" insert ", property tax increase reports, cost reimbursement land sales, an oil and gas valuation study, and effective dates; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to suspend section 54-35-23 of the North Dakota Century Code, relating to the tribal and state relations committee; to provide for the administration of the tobacco prevention and control trust fund"
- Page 1, line 4, replace "an exemption" with "exemptions"
- Page 1, line 5, replace the "and" with "to provide for legislative management studies; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management;"
- Page 1, line 5, after "report" insert "; to provide an effective date; to provide an expiration date; and to declare an emergency"
- Page 1, remove lines 15 through 24
- Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$1,798,578	\$21,596,832
Operating expenses	13,855,260	196,178	14,051,438

Insert LC: 17.0500.03039
 House Carrier: Delzer
 Senate Carrier: Holmberg

Emergency commission contingency fund	500,000	100,000	600,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(1,000)	554,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(400,000)	1,200,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,067,233	\$42,104,347
Less estimated income	7,210,390	4,023,697	11,234,087
Total general fund	\$30,826,724	\$43,536	\$30,870,260
Full-time equivalent positions	122.50	(5.50)	117.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	1,000,000
Theodore Roosevelt center grant	0	500,000
Total all funds	\$16,305,303	\$2,300,000
Less estimated income	9,775,000	1,800,000
Total general fund	\$6,530,303	\$500,000"

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

"SECTION 4. APPROPRIATION - STATE AUDITOR. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$11,655,646	\$111,666	\$11,767,312
Operating expenses	1,176,806	(34,023)	1,142,783
North Dakota university system information technology security audits	200,000	(200,000)	0
Information technology consultants	250,000	(250,000)	0
Total all funds	\$13,282,452	(\$372,357)	\$12,910,095
Less estimated income	3,505,870	(94,383)	3,411,487
Total general fund	\$9,776,582	(\$277,974)	\$9,498,608
Full-time equivalent positions	59.80	(3.80)	56.00

Insert LC: 17.0500.03039
House Carrier: Delzer
Senate Carrier: Holmberg

SECTION 5. HEALTH INSURANCE INCREASE - STATE AUDITOR. The salaries and wages line item in section 4 of this Act includes the sum of \$140,696, of which \$104,201 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - NORTH DAKOTA STATE UNIVERSITY - MINARD HALL. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$1,634,854, or so much of the sum as may be necessary, to North Dakota state university for the purpose of paying unreimbursed costs related to the collapse of Minard hall, for the period beginning with the effective date of this section and ending June 30, 2017.

SECTION 7. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of institution operations, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$1,558,318, or so much of the sum as may be necessary, to the department of human services for the purpose of funding medical assistance grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$248,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$183,000,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGACY FUND EARNINGS ESTIMATE - 2017-19 BIENNIUM. For legislative council budget status reporting purposes, the sixty-fifth legislative assembly estimates \$200,000,000 of earnings will be transferred from the legacy fund to the general fund at the end of the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. ESTIMATE OF 2015-17 BIENNIUM UNEXPENDED GENERAL FUND APPROPRIATIONS. For legislative council budget status reporting purposes, as an update to the March 2017 legislative revenue forecast, the sixty-fifth legislative assembly estimates \$52,000,000 of unexpended general fund appropriations for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 3, after line 9, insert:

"SECTION 14. OIL AND GAS IMPACT GRANT FUND - DEVELOPMENTAL DISABILITIES SERVICES PROVIDER GRANT. Notwithstanding chapter 57-62 or any of the designations in section 5 of chapter 463 of the 2015 Session Laws, the board of university and school lands shall award a grant of up to \$261,000, from any money deposited in the oil and gas impact grant fund for taxable events through June 30, 2017, to a community-based provider serving individuals with

Insert LC: 17.0500.03039
House Carrier: Delzer
Senate Carrier: Holmberg

developmental disabilities, during the period beginning with the effective date of this section, and ending June 30, 2019. A provider is eligible to receive grant funding only if the provider is impacted by oil and gas development activity and is operating intermediate care facilities with locations in both the northwest and north central human service regions of the state. The recipient may use the grant proceeds only to provide settlement for any amounts owed to the department of human services or a bank. The department of human services may use a portion of the settlement payments received from the provider for repayments to the federal government. Before any grant funding may be paid to the provider, the board of university and school lands must receive certification of the following:

1. That the department of human services has reviewed actual cost reports and estimated audit settlement amounts.
2. That the provider has exhausted insurance recovery options and has restructured any outstanding debt.
3. The amounts owed to the department of human services and a bank.

SECTION 15. TOBACCO PREVENTION AND CONTROL TRUST FUND - ADMINISTRATION. The office of management and budget shall administer the tobacco prevention and control trust fund established in section 54-27-25 and transfer funds as necessary in accordance with legislative authorizations or appropriations from the fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, line 10, after "**EXEMPTION**" insert "**- FISCAL MANAGEMENT**"

Page 3, replace lines 15 through 17 with:

"SECTION 17. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, 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, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 19. AMENDMENT. Section 5-02-01.1 of the North Dakota Century Code is amended and reenacted as follows:

5-02-01.1. Event permit authorized - Penalty.

1. The local governing body may by permit authorize a qualified alcoholic beverage licensee licensed under this chapter to engage in the sale of alcoholic beverages at events designated by the permit. For purposes of this section, "qualified alcoholic beverage licensee" means a licensee in a city that imposed a city lodging and restaurant tax on July 31, 1993, who paid such tax and who continues to pay any such tax imposed by the city or a licensee in a county, a licensee in a city that did not impose a city lodging and restaurant tax on July 31, 1993, or a tribal licensee. A fee for the local permit may be set by ordinance or resolution at not more than twenty-five dollars. The permit may not be valid for a period greater than fourteen days and may include Sundays. The local governing body

Insert LC: 17.0500.03039
House Carrier: Delzer
Senate Carrier: Holmberg

may establish rules to regulate and restrict the operation of an event permit. Any person who dispenses, sells, or permits the consumption of alcoholic beverages in violation of this section or the conditions of a permit is guilty of a class B misdemeanor.

2. The local governing body may authorize persons under twenty-one years of age to remain in the area of the event, or a portion thereof, where beer, wine, or sparkling wine may be sold pursuant to the permit. However, this authorization must be subject to the following minimum conditions:
 - a. The area where persons under twenty-one years of age may remain must be specifically set forth in the permit;
 - b. Only employees of the qualified alcoholic beverage licensee who are at least twenty-one years of age may deliver and sell the beer, wine, or sparkling wine; and
 - c. ~~Subject to section 5-02-06, the area where persons under twenty-one years of age may remain may not be the qualified alcoholic beverage licensee's fixed or permanent licensed premises as shown on the state and local governing body's alcoholic beverage license issued pursuant to section 5-02-01; and~~
 - d. No person under twenty-one years of age within the area described in the permit may consume, possess, or receive alcoholic beverages.

SECTION 20. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation - Report.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, ~~execute and issue on behalf of the state evidences of indebtedness on the state general fund which borrow from the Bank of North Dakota in an amount that at no time exceed~~exceeds the total principal amount of fifty million dollars with principal maturity of ~~not more than twelve months~~not to extend beyond the biennium in which the borrowing occurs. As a condition precedent to the issuance ~~and sale of the evidences of indebtedness~~loan, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the ~~fiscal year~~biennium in which the ~~evidences of indebtedness are to be issued~~loan is taken will exceed the principal amount and interest on the ~~evidences of indebtedness to be issued~~loan. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund ~~by the purchase of the evidences of indebtedness~~ at such rates of interest as the industrial commission may prescribe. ~~After evidences of indebtedness have been issued and sold pursuant to this section, the~~The state treasurer and the director of the office of management and budget shall establish a fundrepayment plan for the repayment of the principal upon maturity and the interest when due. ~~The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose. The office of management and budget shall report to the budget section of the legislative management regarding any loans obtained pursuant to this section.~~

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SECTION 21. AMENDMENT. Subsection 8 of section 15-10-38 of the North Dakota Century Code as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

8. Upon notification the individual has completed a full year of teaching in a school district or, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the board shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The board shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

SECTION 22. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section.

SECTION 23. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee.

SECTION 24. AMENDMENT. Subsection 7 of section 47-02-27.4 of the North Dakota Century Code as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

7. Except to the extent otherwise provided in the governing instrument of a business trust, a business trust has perpetual existence, and a business trust may not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of its governing instrument. A business trust, whether domestic or foreign, except for a real estate investment trust, may not own any interest in real property within this state. As used in this subsection "real estate investment trust" means a trust qualifying as a real estate investment trust under section 856 et seq., of the United States Internal Revenue Code of 1986 [26 U.S.C. 856 et seq.], or a trust qualifying as a real estate mortgage investment conduit under section 860D of the United States Internal Revenue Code of 1986 [26 U.S.C. 860D]."

Page 4, replace lines 3 through 15 with:

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"SECTION 26. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall ~~make prepare~~ and transmit to the state tax commissioner, ~~in such form as the tax commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 27. AMENDMENT. Subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, is amended as follows:

3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor shall request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans. Notwithstanding section 38-09-01 or any other provision of law, the state may not reserve any of the oil, natural gas, or minerals that may be found on or underlying land conveyed under this section.

SECTION 28. AMENDMENT. Section 21 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

**SECTION 21. STUDY OF OIL AND GAS VALUATION -
REPORT TO ENERGY DEVELOPMENT AND TRANSMISSION
COMMITTEE.**

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall ~~study~~consider studying the valuation of oil and gas as used to determine mineral royalty

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payments and tax liability. The study must include consideration of the following:

- a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.
 - b. The impact of state and federal regulations, including gas capture requirements.
 - c. ~~The market competition for gas processing, including the possibility of rate setting by the public service commission.~~
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study.

SECTION 29. AMENDMENT. Section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 23. EFFECTIVE DATE. Sections 15 and 16 of this Act are effective for taxable events occurring after June 30, 2017. Section 19 of this Act becomes effective September 1, 2017. ~~House Bill No. 1300, as approved by the sixty-fifth legislative assembly, becomes effective January 1, 2018.~~

SECTION 30. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 31. SUSPENSION. Section 54-35-23 of the North Dakota Century Code is suspended.

SECTION 32. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the state explore all options for permanent disposition of land and noncash assets acquired under section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, as amended by section 27 of this Act. Options to be explored include conveyance or transfer to the parks and recreation department, game and fish department, and private parties.

SECTION 33. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;

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- e. The majority leader of the house of representatives and the majority leader of the senate;
 - f. The minority leader of the house of representatives and the minority leader of the senate; and
 - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
 3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
 4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds.
 5. The committee may study tribal-state issues, including government-to-government relations, human services, education, corrections, and issues related to the promotion of economic development.
 6. The chairman of the committee shall invite tribal chairmen to each committee meeting.
 7. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAXATION AND REVENUE DISTRIBUTION. During the 2017-18 interim, the legislative management shall consider studying the taxation of wind energy and the distribution of tax collections related to wind energy. The study must include consideration of the various methods of taxing wind energy, including production taxes, the parity of wind energy taxation in comparison to the taxation of other energy sources, and the current and historical distribution formulas related to wind energy taxes; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - REVENUE VOLATILITY. During the 2017-18 interim, the legislative management shall consider studying the volatility of state revenue sources. The study must include the volatility of the tax base and revenue sources, including ongoing expenditures. The study also must include consideration of the volatility and sustainability of elementary and secondary education funding, including the general fund, common schools trust fund, and foundation aid stabilization fund. The study must include an assessment of the

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ending fund balances in the general fund, budget stabilization fund, and foundation aid stabilization fund, the adequacy of the foundation aid stabilization fund relative to revenue sources, and an analysis of the other trust funds. The study must include historical revenue for all years for which quality data are available. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 36. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF BUDGET REDUCTIONS ON HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying the impacts of the 2015-17 budget allotments and the 2017-19 budget on research infrastructure at the institutions under the control of the state board of higher education, including:

1. The ability to recruit and retain research faculty graduate students and research assistants since January 1, 2016, and the resultant effect on courses available to students, professional preparation, and timely graduation;
2. Unused research equipment, research space not utilized to capacity, the associated costs to acquire the equipment and space, and the original funding sources for the equipment and space;
3. Grant dollars not applied for or acquired due to loss in capacity of grant writing, research personnel, or infrastructure;
4. The number of faculty and researchers who have left institutions under the control of the state board of higher education since January 1, 2016, their faculty rank, and the dollar amount of grants the faculty and researchers have taken with them;
5. Undergraduate research opportunities lost due to faculty attrition or increased faculty workloads;
6. Change in research output including publications, presentations, intellectual property, and other creative work used in national rankings' calculations; and
7. Preparation of undergraduate and graduate students on technical equipment and program certification by national and international professional bodies.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 37. EFFECTIVE DATE. Section 22 of this Act is effective for property tax incentives approved after July 31, 2017.

SECTION 38. EXPIRATION DATE. Section 31 of this Act is effective through July 31, 2019, and after that date is ineffective.

SECTION 39. EMERGENCY. Sections 6, 14, 19, 27, and 32 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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House Bill No. 1015 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
State Auditor						
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
Dickinson State University						
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
DHS - Program/Policy						
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$38,037,114	\$38,593,573	\$18,854,187	\$57,447,760	\$55,125,834	\$2,321,926
Less estimated income	7,210,390	10,438,477	5,765,415	16,203,892	14,645,574	1,558,318
General fund	\$30,826,724	\$28,155,096	\$13,088,772	\$41,243,868	\$40,480,260	\$763,608

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$19,798,254	\$21,177,508	\$419,324	\$21,596,832	\$22,041,224	(\$444,392)
Operating expenses	13,855,260	12,909,988	1,141,450	14,051,438	14,068,438	(17,000)
Capital assets	200,000	973,477	800,000	1,773,477	1,773,477	
Grants	555,000	54,000	500,000	554,000	54,000	500,000
Emergency commission contingency fund	500,000	350,000	250,000	600,000	350,000	250,000
Guardianship grants	1,328,600	1,328,600		1,328,600	1,528,600	(200,000)
Prairie Public Broadcasting	1,600,000	800,000	400,000	1,200,000	1,400,000	(200,000)
State student internship program	200,000					
Cybersecurity remediation pool		1,000,000		1,000,000	1,000,000	
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
FTE	122.50	115.00	2.00	117.00	118.00	(1.00)

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Adds Funding for Revenue Forecasting ⁵	Adds Funding for Prairie Public Broadcasting ⁶
Salaries and wages	(\$24,676)	\$444,000				
Operating expenses			550,000	531,450	60,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie Public Broadcasting						400,000
State student internship program						

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Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
FTE	0.00	2.00	0.00	0.00	0.00	0.00

	Adds Funding for a Grant to the Theodore Roosevelt Center ⁷	Adds Funding for Surplus Property Building ⁸	Adds Funding for Emergency Commission Contingency Fund ⁹	Total Conference Committee Changes
Salaries and wages				\$419,324
Operating expenses				1,141,450
Capital assets		800,000		800,000
Grants	500,000			500,000
Emergency commission contingency fund			250,000	250,000
Guardianship grants				
Prairie Public Broadcasting				400,000
State student internship program				
Cybersecurity remediation pool				
Total all funds	\$500,000	\$800,000	\$250,000	\$3,510,774
Less estimated income	0	800,000	0	795,610
General fund	\$500,000	\$0	\$250,000	\$2,715,164
FTE	0.00	0.00	0.00	2.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding of \$444,000 is added for 2 FTE unspecified positions. The House removed \$1,306,713 and 7.5 FTE positions. The Senate restored \$888,392 and 3 FTE positions, which were removed by the House. The Conference Committee version includes the removal of 1 FTE facility construction engineer position, the same as the House version.

³ Funding of \$550,000 is added for utility rate increases, the same as the Senate version.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses, the same as the Senate version.

⁵ Funding of \$60,000 is added for revenue forecasting contract and travel expenses. The House removed \$77,000 related to revenue forecasting, and the Senate restored the \$77,000 that was removed by the House.

⁶ Funding of \$400,000 is added for Prairie Public Broadcasting to provide \$1,200,000. The House provided \$800,000 for Prairie Public Broadcasting, and the Senate provided \$1,400,000.

⁷ One-time funding of \$500,000 from the general fund is added for a grant to the Theodore Roosevelt Center at Dickinson State University.

⁸ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building, the same as the Senate version.

⁹ Funding is added to provide \$600,000 for the Emergency Commission contingency fund.

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This amendment also includes the following changes related to the Office of Management and Budget:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium, the same as the Senate version.
- Provides for a transfer of \$248 million from the strategic investment and improvements fund to the general fund for the 2017-19 biennium.
- Provides a transfer of \$183 million from the tax relief fund to the general fund for the 2017-19 biennium.
- Identifies \$200 million of estimated earnings of the legacy fund will be transferred to the general fund, an increase of \$40 million from the March 2017 legislative forecast.
- Identifies \$52 million of unexpended 2015-17 biennium appropriations, increasing the estimated July 1, 2017, balance by \$13.88 million compared to the March 2017 legislative forecast of \$38.12 million.
- Requires the Office of Management and Budget to administer the tobacco prevention and control trust fund.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property, the same as the Senate version.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000). The Senate also included the exemption.
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill, the same as the Senate version.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cashflow purposes, from \$10 million to \$50 million and to provide for a report to Budget Section. The Senate increased the borrowing authority to \$100 million.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover, the same as the Senate version.

House Bill No. 1015 - State Auditor - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$0	\$0	\$11,767,312	\$11,767,312	\$11,767,312	\$0
Operating expenses	0	0	1,142,783	1,142,783	1,142,783	0
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
FTE	0.00	0.00	56.00	56.00	56.00	0.00

Department No. 117 - State Auditor - Detail of Conference Committee Changes

	Adds Funding for the State Auditor ¹	Total Conference Committee Changes
Salaries and wages	\$11,767,312	\$11,767,312
Operating expenses	1,142,783	1,142,783
Total all funds	\$12,910,095	\$12,910,095
Less estimated income	3,411,487	3,411,487
General fund	\$9,498,608	\$9,498,608
	56.00	56.00

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FTE

¹ This amendment adds a section to provide funding for the State Auditor. House Bill No. 1004, which provided funding for the State Auditor, was vetoed by the Governor. Funding changes to the base level are summarized below:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	59.80	\$9,776,582	\$3,505,870	\$13,282,452
Base payroll changes		(99,658)	30,422	(69,236)
Health insurance increase		104,201	36,495	140,696
Removes an auditor V performance audit position	(1.00)	(277,191)		(277,191)
Removes an administrative officer position	(0.80)			0
Restores allotted funding for 4 FTE NDUS auditor positions		611,300		611,300
Removes 2 FTE NDUS auditor positions	(2.00)	(297,135)		(297,135)
Adds funding to reclassify a position		25,000		25,000
Underfunds salaries and wages		(21,768)		(21,768)
Adjusts funding for operating expenses		(72,723)	38,700	(34,023)
Removes funding for NDUS information technology security audits			(200,000)	(200,000)
Removes funding for information technology consultants		(250,000)		(250,000)
2017-19 Total Funding	56.00	\$9,498,608	\$3,411,487	\$12,910,095

This amendment also adds a section to identify additional funding provided for health insurance increases provided for the State Auditor's office, the same as the House and Senate versions of House Bill No. 1004.

House Bill No. 1015 - Dickinson State University - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Operations			\$875,000	\$875,000		\$875,000
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of Conference Committee Changes

	Adds Funding for Institution Operations ¹	Total Conference Committee Changes
Operations	\$875,000	\$875,000
Total all funds	\$875,000	\$875,000
Less estimated income	0	0
General fund	\$875,000	\$875,000
FTE	0.00	0.00

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¹ Funding of \$875,000 is added from the general fund for Dickinson State University operations.

House Bill No. 1015 - DHS - Program/Policy - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Grants - Medical assistance			\$1,558,318	\$1,558,318		\$1,558,318
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 328 - DHS - Program/Policy - Detail of Conference Committee Changes

	Adds Funding for Medical Assistance Grants ¹	Total Conference Committee Changes
Grants - Medical assistance	\$1,558,318	\$1,558,318
Total all funds	\$1,558,318	\$1,558,318
Less estimated income	1,558,318	1,558,318
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,558,318 from federal funds or other funds is added for the medical services program.

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

This amendment also includes the following changes:

- Provides a deficiency appropriation of \$1,634,854 from the strategic investment and improvements fund to North Dakota State University for unreimbursed costs related to the collapse of Minard Hall and includes an emergency clause for the appropriation.
- Designates a grant of \$261,000 from the oil and gas impact grant fund for a provider serving individuals with developmental disabilities and includes an emergency clause for the grant.
- Amends Section 5-02-01.1 to allow local governing bodies to issue permits for special events serving alcohol and includes an emergency clause related to the amendment.
- Amends 15-10-38(8), as amended by Senate Bill No. 2037, to allow teachers in nonpublic schools to be eligible for a student loan forgiveness program.
- Adds a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection, the same as the Senate version.
- Amends the newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission, the same as the Senate version.
- Amends Section 47-02-27.4 as created by House Bill No. 1228 to allow certain

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- business trusts to own real estate.
- Amends Section 57-20-04 relating to property tax increase reports by counties, the same as the Senate version.
- Amends a section of legislative intent in House Bill No. 1024 to exempt certain property sold by the state from the requirement that the state reserve a portion of the mineral rights.
- Amends an oil and gas valuation study in Senate Bill No. 2013 to remove certain requirements related to the study.
- Removes an effective date included in Senate Bill No. 2013 related to the provisions of House Bill No. 1300, which requires the Department of Trust Lands to follow the administrative rules process.
- Repeals Section 57-20-05 relating to certification of taxes levied by taxing districts, the same as the Senate version.
- Provides legislative intent regarding options to dispose of land that may be received by the state.
- Creates a Legislative Management committee to study tribal taxation and other issues and suspends the State and Tribal Relations Committee for the 2017-19 biennium. The Senate created the new committee.
- Provides for a Legislative Management study regarding taxation and distributions of tax collections related to wind energy. The Senate also included this study.
- Provides for a Legislative Management study regarding revenue volatility.
- Provides for a Legislative Management study regarding the impact of the budget reductions for higher education that occurred during the 2015-17 biennium.

Reengrossed HB 1015 was placed on the Seventh order of business on the calendar.

2017 TESTIMONY

HB 1015

**Department 110 - Office of Management and Budget
House Bill Nos. 1015 and 1075**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	119.00	\$30,497,425	\$12,253,472	\$42,750,897
2015-17 Adjusted Legislative Appropriations ¹	122.50	37,357,027	21,985,390	59,342,417
Increase (Decrease)	(3.50)	(\$6,859,602)	(\$9,731,918)	(\$16,591,520)

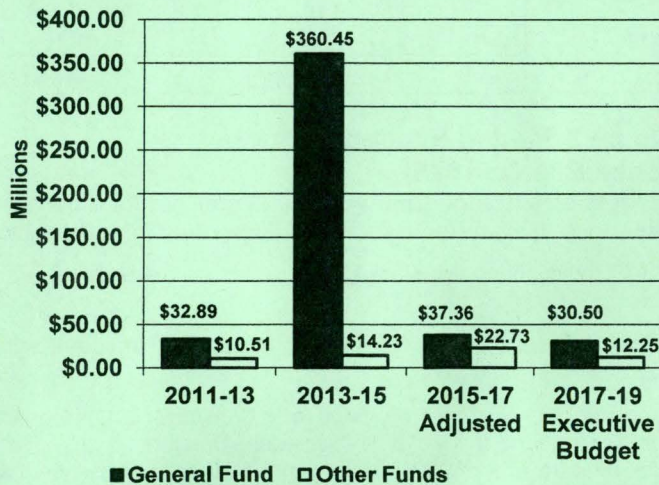
¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include the following:

- Additional special funds authority of \$1,500,000 resulting from Emergency Commission action during the 2015-17 biennium.
- General fund authority of \$3,750,000 and special funds authority of \$740,000 which was distributed to state agencies from a targeted market equity funding pool included in the original appropriation to the Office of Management and Budget.

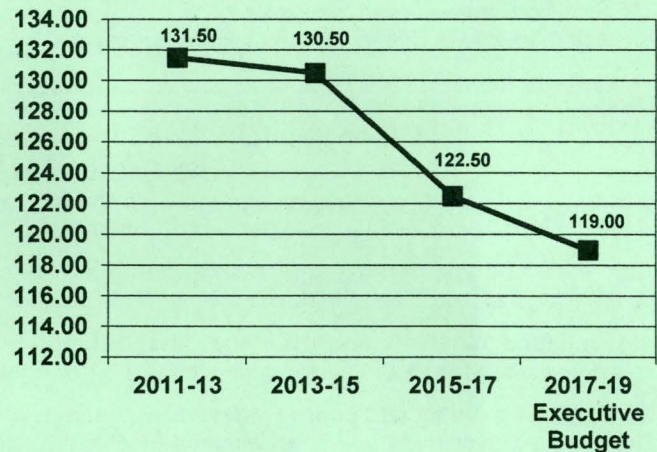
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$30,497,425	\$0	\$30,497,425
2015-17 Adjusted Legislative Appropriations	30,826,724	6,530,303	37,357,027
Increase (Decrease)	(\$329,299)	(\$6,530,303)	(\$6,859,602)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$30,497,425	\$12,253,472	\$42,750,897
2017-19 Base Level	30,826,724	7,210,390	38,037,114
Increase (Decrease)	(\$329,299)	\$5,043,082	\$4,713,783

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$84,292 is for salary increases and \$340,576 is for health insurance increases.	\$349,287	\$75,581	\$424,868
2. Adjusts funding for FTE positions, including the removal of 1.5 administrative assistant FTE positions, 1 maintenance FTE position, and 1 computer and networking specialist FTE position	(\$268,321)	\$1,499	(\$266,822)
3. Adds funding for unemployment claims payments		\$2,000,000	\$2,000,000
4. Adjusts funding for operating expenses	(\$152,772)	\$25,000	(\$127,772)
5. Adds funding for extraordinary repairs, including chiller replacement and plumbing upgrades	\$108,066	\$1,000,000	\$1,108,066

6. Adds funding to continue bond payments	\$665,411	\$665,411
7. Removes funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000)	(\$501,000)	(\$501,000)
8. Reduces funding for guardianship grants, from \$1,328,600 to \$1,195,740	(\$132,860)	(\$132,860)
9. Reduces funding for Prairie Public Broadcasting, from \$1,600,000 to \$1,200,000	(\$400,000)	(\$400,000)
10. Removes funding for the state internship program	(\$200,000)	(\$200,000)
11. Adds one-time funding to purchase or to build a surplus property building		\$800,000
12. Adds one-time funding for a cybersecurity insurance funding pool to provide other funds authority which can be transferred to agencies with other funds available to address a cybersecurity incident		\$1,000,000

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships		
	2015-17 Biennium	2017-19 Biennium
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$145,000	\$130,500
Council of State Governments	188,000	188,000
Governmental Accounting Standards Board	6,000	0
Western Governors' Association	74,300	74,300
National Governors Association	81,500	81,500
National Lieutenant Governors Association	1,200	1,200
Education Commission of the States	115,000	115,000
Western Interstate Commission for Higher Education	30,000	0
Total dues and memberships	\$641,000	\$590,500

Other Sections Recommended to be Added in Executive Budget (As Detailed in House Bill No. 1075)

Strategic investment and improvements fund transfer to budget stabilization fund - Section 3 provides for a transfer of \$154.2 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium.

Tax relief fund transfer to budget stabilization fund - Section 4 provides for a transfer of \$300 million from the tax relief fund to the budget stabilization fund during the 2017-19 biennium.

General fund transfer to social services finance fund - Section 5 provides for a transfer of \$275 million from the general fund to the social services finance fund during the 2017-19 biennium.

Strategic investment and improvements fund transfer to general fund - Section 6 provides for a transfer of \$30 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium. Section 15 provides an emergency clause for the transfer in Section 6. Section 7 provides for a transfer of \$30 million from the strategic investment and improvements fund to the general fund during the 2017-19 biennium.

Unexpended appropriation continuation - Section 8 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.

Legislative intent - Section 9 identifies items that are included in the appropriations in Section 1 of the bill.

Cybersecurity remediation funding pool - Section 10 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies.

State employee compensation adjustments - Section 11 provides legislative intent that funding provided for state employee salary increases be used to provide a 1 percent salary increase to eligible state employees during the 2017-19 biennium. Employees whose documented performance does not meet standards are not eligible for compensation adjustments.

Tobacco settlement trust fund transfer to general fund - Section 12 amends Section 54-27-25 to transfer 45 percent of the tobacco settlement trust fund revenues to the general fund rather than the common schools trust fund.

Oil and gas tax allocation formula changes - Section 13 amends Section 57-51-15 to remove the allocations to the oil and gas impact grant fund, to decrease the allocations to the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$10 million per biennium, and to decrease the allocations to the abandoned oil and gas well plugging and site reclamation fund from \$7.5 million per fiscal year to \$5 million per fiscal year. Section 14 amends Section 57-51.1-07.5 related to the state's share of oil and gas tax allocations to increase the general fund allocation from \$300 million to \$1 billion, to remove the allocation of \$300 million to the tax relief fund, and to provide up to \$3 million to the lignite research fund from the remaining allocations.

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 the Office of Management and Budget conducted by the State Auditor's office during the 2015-16 interim identified the following significant audit findings:

- Insufficient independent reconciliations in the Surplus Property Division (This finding was also identified in the operational audit during the 2013-14 interim).
- Noncompliance with procurement laws due to a lack of proper training in procurement policies and procedures.

The operational audit also included the following informal recommendations:

- All distributions of community service supervision grants should be performed in a timely manner as required by legislation.
- Retention bonus policies should identify eligible positions and the criteria for receiving the bonuses.

Major Related Legislation

House Bill No. 1054 - The bill amends Section 54-44.1-11 to allow the legislative majority leaders and the chairmen of the appropriations committees to approve the continuation of unexpended appropriations and requires the Office of Management and Budget to provide the appropriation continuation requests to the Legislative Council.

House Bill No. 1088 - The bill adds a new section to Chapter 32-12.2 to provide for an information technology security incident response and limits the expenditures from the risk management fund to \$250,000 per incident.

House Bill No. 1090 - The bill clarifies state holidays, removes a provision relating to long-distance telephone calls, and removes the requirement for agencies to provide annual reports to the Office of Management and Budget on procured services.

Office of Management and Budget - Budget No. 110
House Bill Nos. 1015 and 1075
Base Level Funding Changes

	<u>Executive Budget Recommendation</u>			
	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	122.50	\$30,826,724	\$7,210,390	\$38,037,114
2017-19 Ongoing Funding Changes				
Base payroll changes		\$202,890	\$141,002	\$343,892
Salary increase - Performance		69,297	14,995	84,292
Health insurance increase		279,990	60,586	340,576
Adjusts funding for FTE positions	(3.50)	(268,321)	1,499	(266,822)
Adds funding for unemployment claims payments			2,000,000	2,000,000
Adjusts funding for operating expenses		(152,772)	25,000	(127,772)
Adds funding for extraordinary repairs		108,066	1,000,000	1,108,066
Adds funding for bond payments		665,411		665,411
Reduces grant funding		(501,000)		(501,000)
Reduces guardianship grants		(132,860)		(132,860)
Reduces funding for Prairie Public Broadcasting		(400,000)		(400,000)
Removes funding for intership program		(200,000)		(200,000)
Total ongoing funding changes	(3.50)	(\$329,299)	\$3,243,082	\$2,913,783
One-time funding items				
Surplus property building			\$800,000	\$800,000
Cybersecurity risk insurance			1,000,000	1,000,000
Total one-time funding changes	0.00	\$0	\$1,800,000	\$1,800,000
Total Changes to Base Level Funding	(3.50)	(\$329,299)	\$5,043,082	\$4,713,783
2017-19 Total Funding	119.00	\$30,497,425	\$12,253,472	\$42,750,897

Other Sections in Office of Management and Budget - Budget No. 110

<u>Executive Budget Recommendation</u>	
Strategic investment and improvements fund transfer to budget stabilization fund	Section 3 provides for a transfer of \$154.2 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium.
Tax relief fund transfer to budget stabilization fund	Section 4 provides for a transfer of \$300 million from the tax relief fund to the budget stabilization fund during the 2017-19 biennium.
General fund transfer to social services finance fund	Section 5 provides for a transfer of \$275 million from the general fund to the social services finance fund during the 2017-19 biennium.
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Other Sections in Office of Management and Budget - Budget No. 110

Executive Budget Recommendation

Unexpended appropriation continuation

Section 8 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.

Legislative intent

Section 9 identifies items that are included in the appropriations in Section 1 of the bill.

Cybersecurity remediation funding pool

Section 10 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies.

State employee compensation adjustments

Section 11 provides legislative intent that funding provided for state employee salary increases be used to provide a 1 percent salary increase to eligible state employees during the 2017-19 biennium. Employees whose documented performance does not meet standards are not eligible for compensation adjustments.

Tobacco settlement trust fund transfer to general fund

Section 12 amends Section 54-27-25 to transfer 45 percent of the tobacco settlement trust fund revenues to the general fund rather than the common schools trust fund.

Oil and gas tax allocation formula changes

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Department 110 - Office of Management and Budget

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$31,708,249	\$8,530,009	\$40,238,258
General fund reductions	(881,525)	(1,999,706)	(2,881,231)
Adjusted 2015-17 appropriations	\$30,826,724	\$6,530,303	\$37,357,027
Executive Budget changes	(329,299)	(6,530,303)	(6,859,602)
2017-19 Executive Budget	\$30,497,425	\$0	\$30,497,425

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Vacant FTE position savings	(\$230,000)		(\$230,000)
Operating expense reductions related to information technology services	(351,525)		(351,525)
Emergency commission contingency fund	(200,000)		(200,000)
Prairie Public Broadcasting	(100,000)		(100,000)
Health insurance for temporary employees funding pool		(\$1,650,000)	(1,650,000)
Facility management projects, including approximately \$200,000 for small renovation projects, \$120,000 for electrical replacements, and \$30,000 for mailroom equipment upgrades		(349,706)	(349,706)
Total reductions	(\$881,525)	(\$1,999,706)	(\$2,881,231)
Percentage reduction to ongoing and one-time general fund appropriations	2.78%	23.44%	7.16%

¹The percentage reduction is greater than 6.55 percent because the targeted equity funding pool amounts were transferred to other agencies' appropriations.

2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

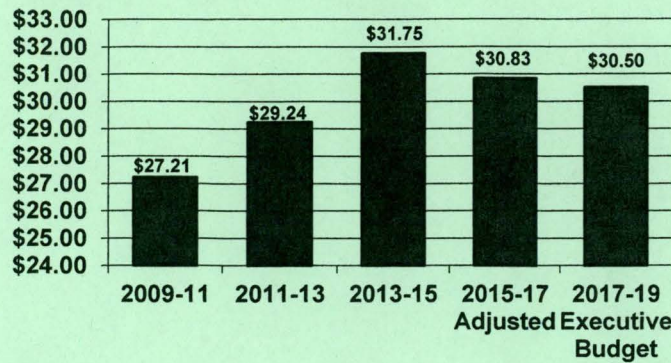
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Provides funding for base payroll changes	\$202,890		\$202,890
Adds funding for state employee salary and benefit increases	349,287		349,287
Adjusts funding for FTE positions	(498,321)	\$230,000	(268,321)
Adjusts funding for operating expenses	(504,297)	351,525	(152,772)
Adds funding for extraordinary repairs, including chiller replacement and plumbing upgrades	108,066		108,066
Adds funding to continue bond payments	665,411		665,411
Adjusts funding for emergency commission contingency fund	(200,000)	200,000	0
Removes funding for community service supervision grants	(501,000)		(501,000)
Reduces funding for guardianship grants	(132,860)		(132,860)
Reduces funding for Prairie Public Broadcasting	(500,000)	100,000	(400,000)
Removes funding for the state internship program	(200,000)		(200,000)
Total	(\$1,210,824)	\$881,525	(\$329,299)

Department 110 - Office of Management and Budget

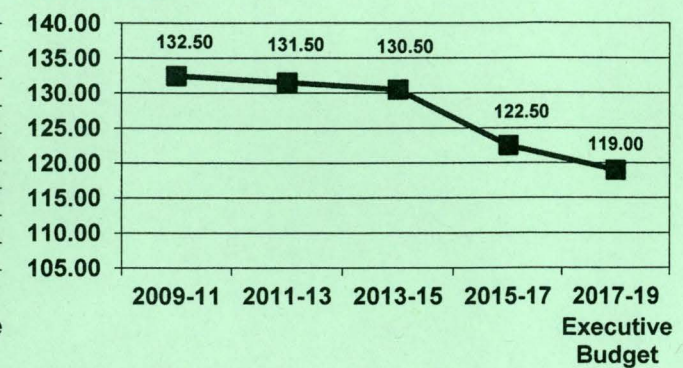
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11

Agency Funding (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$27,213,055	\$29,238,699	\$31,746,688	\$30,826,724	\$30,497,425
Increase (decrease) from previous biennium	N/A	\$2,025,644	\$2,507,989	(\$919,964)	(\$329,299)
Percentage increase (decrease) from previous biennium	N/A	7.44%	8.58%	(2.90%)	(1.07%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	7.44%	16.66%	13.28%	12.07%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. Added funding for fiscal management information technology costs \$875,000
- 2. Added funding for additional maintenance funding related to the Heritage Center expansion project \$279,250
- 3. Added funding for human resources management information technology software costs \$54,000
- 4. Added funding for community service supervision grants \$375,000

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
- 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)

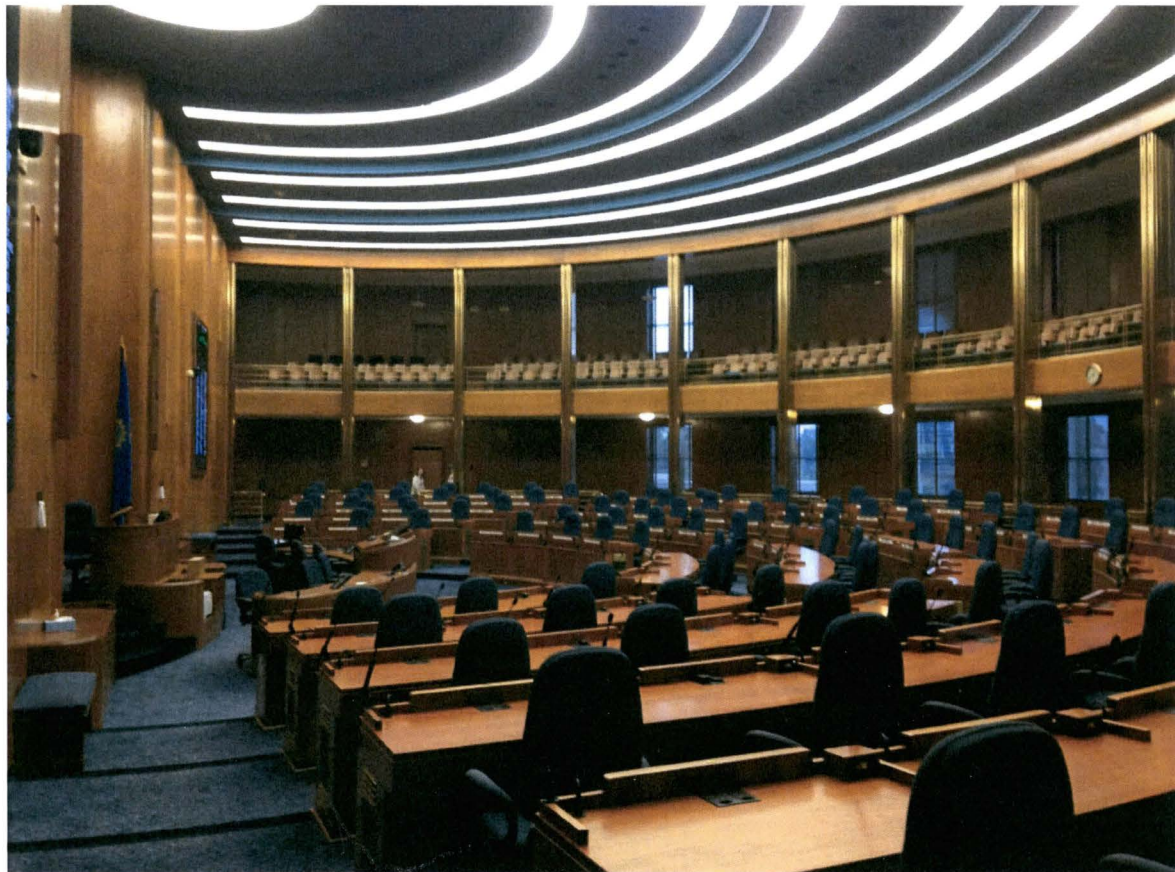
2017-19 Biennium (Executive Budget Recommendation)

- 1. Adjusts funding for FTE positions, including the removal of 3.5 FTE positions (\$268,322)
- 2. Adjusts funding for operating expenses (\$152,772)
- 3. Adds funding for extraordinary repairs, including chiller replacement and plumbing upgrades \$108,066
- 4. Adds funding to continue bond payments \$665,411
- 5. Removes funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) (\$501,000)
- 6. Reduces funding for guardianship grants, from \$1,328,600 to \$1,195,740 (\$132,860)

- | | |
|--|-------------|
| 7. Reduces funding for Prairie Public Broadcasting from \$1,600,000 to \$1,200,000 | (\$400,000) |
| 8. Removes funding for the state internship program | (\$200,000) |

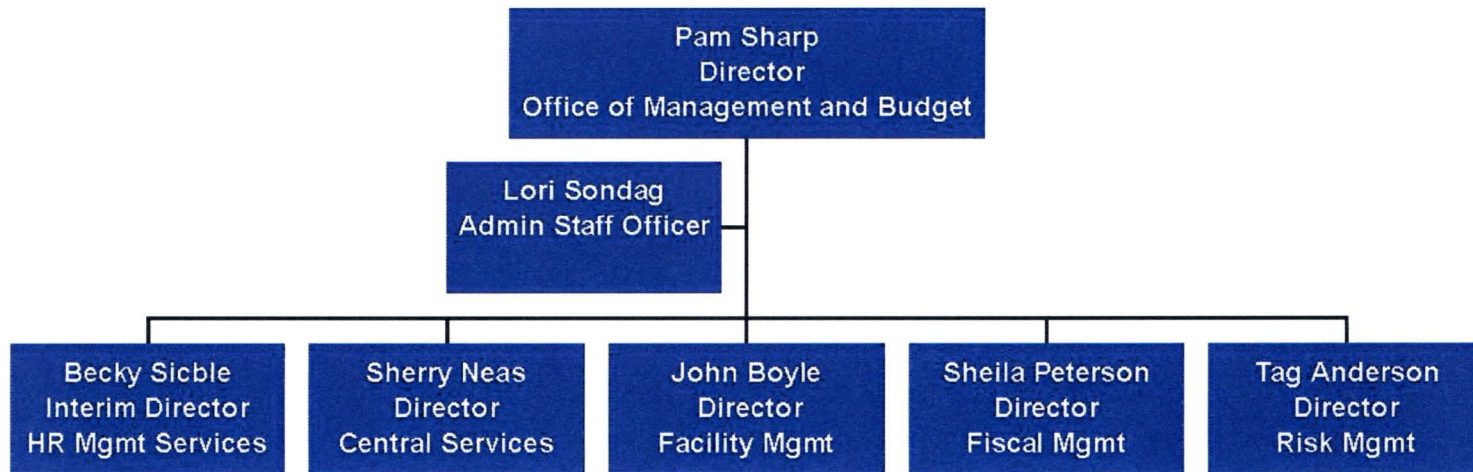
Office of Management and Budget

Testimony on House Bill 1015/1075



**House Appropriations Committee
Government Operations
January 11, 2017**

Office of Management and Budget Organizational Chart



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Testimony on HB 1015/1075
Pam Sharp, Director
Office of Management and Budget
January 11, 2017

Good morning Chairman Brandenburg and members of the House Appropriations Government Operations Committee. For the record, my name is Pam Sharp and I am the Director of the Office of Management and Budget.

Before each of the division directors of OMB provides testimony on their respective divisions, I will give you an overview of the proposed budget in Governor Dalrymple's recommendation for OMB.

OMB addressed the 6.55 percent allotment as follows:

Salaries and Wages	\$ 230,000	
Operating Expenses	\$ 351,525	primarily IT development
Capital Assets	\$ 349,706	projects on Capitol grounds
Contingency Fund	\$ 200,000	relates to the Emergency Commission
Prairie Public Broad.	\$ 100,000	funding for their operations
Health Ins. for Temps	<u>\$1,650,000</u>	costs were less than anticipated
Total Allotment	\$2,881,231	

As requested, following are the budget reductions identified by OMB to meet the Governor's 90 percent budget request guideline:

Salaries and Wages	\$ 498,322	3.5 FTE (Fiscal 1.0, CSD 1.0, and FM 1.5)
Operating	\$ 641,797	includes Council of State Govt dues \$188,000
Contingency Fund	\$ 200,000	relates to Emergency Commission
Capital Assets	\$ 497,847	projects on Capitol grounds
Grants	\$ 500,000	Community Service Grants
Guardianship Grants	\$ 132,860	reduction of 10 percent
Prairie Public Broad.	\$ 500,000	reduced ongoing funding
Student Internship Prg	<u>\$ 200,000</u>	eliminated program
Total 10% Reduction	\$3,170,826	

SECTION 2. I just have two items to discuss in Section 2, for one-time funding. The first item is \$800,000 of special fund money from Surplus Property to either purchase or construct a building for Surplus Property. No general fund money would be used. The rent at the current location has more than doubled in recent years and it is time to look at other options. Sherry Neas and John Boyle will also address this in their testimony.

The second item in Section 2 is a new line called “Cyber Security Remediation Pool”, which is a result of the Cyber Security Task Force. The basic plan for any agency that has experienced a breach and needs remediation as soon as possible is this—if the agency is a general fund agency or does not have access to their own special funds, then ITD will use their borrowing authority from the Bank of North Dakota to access funds and remediate the problem. ITD would then charge back the agency and the agency would have to ask for a deficiency appropriation the following legislative session.

However, if the agency that experiences the breach is a special funded agency and only needs appropriation authority to access their own funds, such as WSI, PERS, RIO, Game and Fish, DOT, etc., we should not borrow money from the Bank, but just give them authority to access their funds for the remediation.

There is no funding behind this line, it is just \$1 million of authority. OMB would simply transfer authority from this line to the appropriate special funded agency.

SECTION 3. Governor Dalrymple recommended fully replenishing the Budget Stabilization Fund. This section transfers \$154,162,971 from the Strategic Investment and Improvements Fund to the Budget Stabilization Fund for this purpose.

SECTION 4. This is the second part of the transfers to replenish the Budget Stabilization Fund. It transfers the \$300 million that is available in the Tax Relief Fund to the Budget Stabilization Fund.

The Tax Relief Fund transfer is a one-time transfer and has traditionally been used to fund the one-time 12 percent property tax buy down program. In Governor Dalrymple’s budget, he assumed the one-time 12 percent property tax buy down program would go away and be replaced with the Social Services property tax relief that had been worked on during the interim. Because this would be a permanent program, it wouldn’t be appropriate to fund it with one-time funding. Therefore, he suggested using that one-time funding to replenish the Budget Stabilization Fund and increase the oil tax revenue to the general fund to pay for the permanent program.

SECTION 5. This section appropriates \$275 million from the general fund to the Social Services Finance Fund, which would be the fund that the Department of Human Services would use for the Social Services property tax relief.

SECTION 6. This section transfers \$30 million from the Strategic Investment and Improvement Fund to the general fund to balance the current biennium.

SECTION 7. This section transfers \$30 million from the Strategic Investment and Improvement Fund to the general fund during the next biennium to provide for a larger ending balance cushion.

SECTION 8. This section is the same as the section in HB 1015 and allows unexpended funds from the Fiscal Management division to be carried forward to be used for continued development and operating costs of the statewide systems, including accounting, management, and payroll during the 2017-19 biennium.

SECTION 9. This section provides authority for certain grants and special items. The boys and girls clubs get \$53,000. State memberships and related expenses amount to \$590,500. I did mention that we eliminated the dues of \$188,000 for the Council of State Governments in our 10 percent reduction. However, a legislator expressed concerns, so we restored that funding in the recommendation, but reduced 10 percent of the travel expenses for the Commission on Uniform Laws, \$30,000 for Western Interstate Commission for Higher Education (WICHE) dues and \$6,000 for Governmental Accounting Standards Board (GASB) dues. I would encourage you to look at some of the organizations that have particularly expensive dues. We have received a statement from Council of State Governments and dues for next biennium will be at least \$195,000. We have held it even at \$188,000, so at a minimum we may have to try to negotiate those dues down.

Unemployment insurance is simply special fund authority for OMB to pay for unemployment claims for state agencies and higher education. In the past we have requested authority of \$1.5 million, however, we believe we need \$2 million of special fund authority for the 2017-19 biennium. OMB collects this money from the agencies and then it is available to pay the unemployment expenses as determined by Job Service North Dakota.

SECTION 10. This is the explanation of the Cyber Security Remediation Pool line. Again, it is merely special fund authority that could be transferred to the appropriate agency in the instance of a cyber breach and the need for remediation.

SECTION 11. Governor Dalrymple recommended a 1 percent increase for the second year of the biennium for state employees whose documented performance meets standards performance. This section explains that.

SECTION 12. This section provides that the 45 percent from the Tobacco Settlement Trust Fund that previously went to the Common Schools Trust Fund instead go to the general fund. The rationale behind this proposal is, considering the revenue situation, it is becoming more and more difficult to pay for Medicaid and a big portion of the Medicaid related expenses are from the consequences of smoking.

SECTION 13. This section deals with the oil and gas revenue buckets. It eliminates any funding going into the Oil and Gas Impact Fund.

It reduces the cap on the amount of money that can go into the North Dakota Heritage Fund from \$20 million in one fiscal year and not exceeding \$40 million a biennium, to \$10 million a biennium.

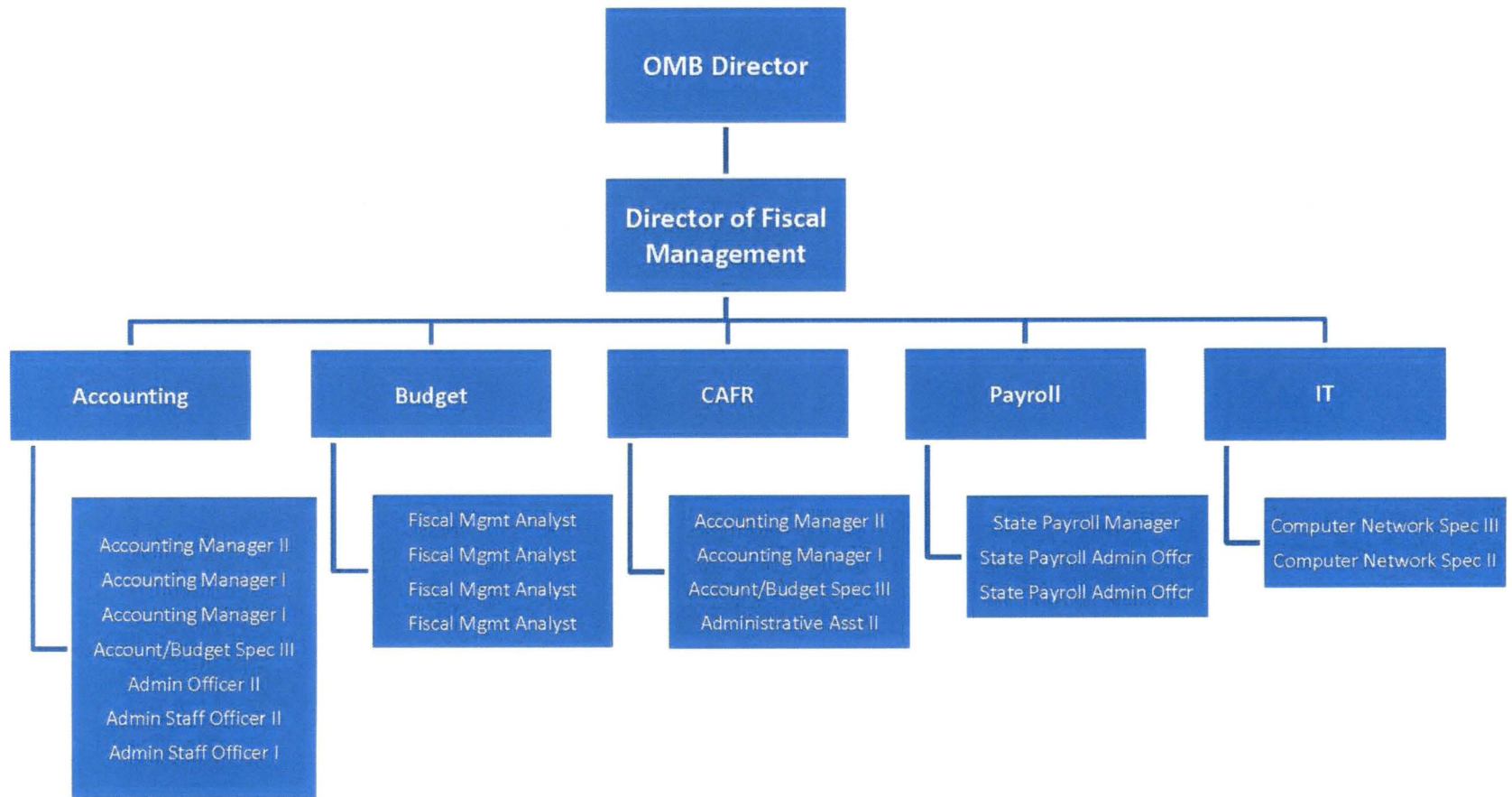
For abandoned oil and gas well plugging and site reclamation, it changes the cap from \$7.5 million in a fiscal year to \$5 million in a fiscal year.

SECTION 14. This section allows \$1 billion dollars to flow into the general fund instead of the \$300 million.

It also allows that if there are any additional revenues that would flow into the Strategic Investment and Improvement Fund, 75 percent would go into the Strategic Investment and Improvement Fund and 25 percent would go into the Lignite Research Fund to be used for advanced energy technology grants, but not an amount that would exceed \$3 million per biennium.

SECTION 15 declares Section 6 to be an emergency measure. Section 6 is the transfer from the Strategic Investment and Improvement Fund to the general fund in the current biennium.

Office of Management and Budget
Fiscal Management Division
 January 2017



9

6

Testimony on HB 1015/1075
Sheila Peterson, Director
OMB Fiscal Management Division
January 11, 2017

Good morning Mr. Chairman and members of the House Appropriations Committee. My name is Sheila Peterson. I am the Director of the Fiscal Management Division of OMB.

The Fiscal Management Division has four major areas of responsibility: budget, accounting, payroll, and financial reporting.

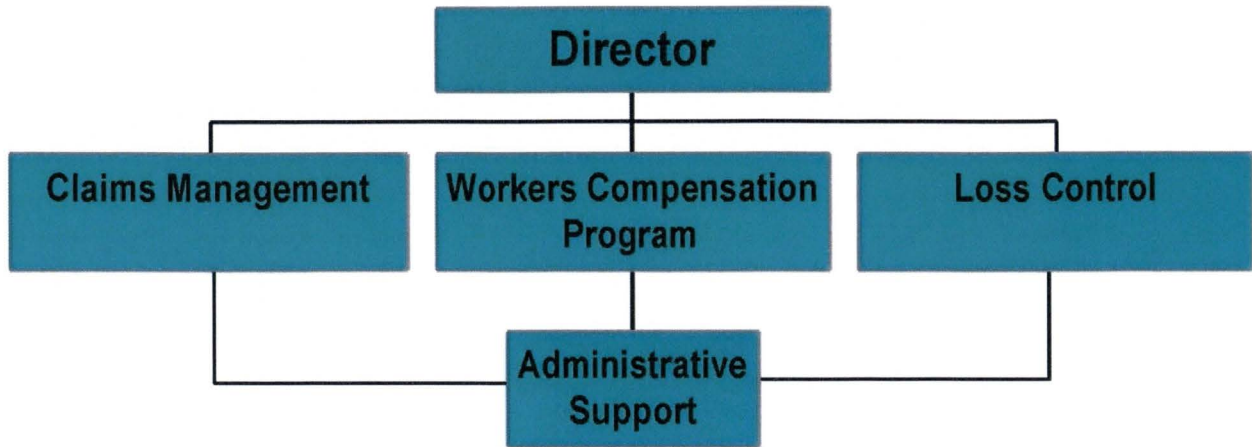
We measure our success in terms of peer evaluation. Our peer evaluations come through the Government Finance Officers Association (GFOA) of the United States and Canada. Our last Comprehensive Annual Financial Report (CAFR) again received the GFOA Certificate of Achievement for Excellence in Financial Reporting. We have received this award every year since 1991. Our last budget documents again received the GFOA Distinguished Budget Presentation Award. We have received this award every biennium since 1993.

Ninety-four percent (94%) of the Fiscal Management budget falls into two categories - data processing and salaries. All of our functions depend on technology and people. The remainder of our bigger expenses includes consultants and printing. Consultants are hired for revenue and economic forecasting, cost allocation, and assisting us in the statewide comprehensive annual financial reports. Printing expenses include the CAFR and the budget documents.

Overall, the Fiscal Management Division budget recommendation for 2017-19 is \$350,000 lower than the 2015-17 budget.

Mr. Chairman, that concludes my remarks. I would be happy to answer any questions.

Office of Management and Budget
Risk Management Division
January 2017



Testimony on HB 1015/1075
Tag Anderson, Director
OMB Risk Management Division
January 11, 2017

Mr. Chairman, and members of the House Appropriations Committee, my name is Tag Anderson. I am the Director of the Risk Management Division of OMB.

The Risk Management Division was established to address the State's exposure to tort liability following the loss of sovereign immunity. The Risk Management Division has also been delegated the responsibility of administering the consolidated state agency workers compensation account.

The Division staff consists of 5.0 FTE - the director, the manager of the risk management workers compensation program, a claims manager, a loss control analyst, and an administrative assistant.

On the tort liability side, the Division administers all claims and lawsuits filed against the State and state employees through the Risk Management Fund. Contribution rates for the Fund are determined by an actuarial review which includes a review of each state entity's loss history. State entities can reduce their required contributions if they can document that they have implemented pro-active loss control procedures pursuant to criteria established by the Division that are designed to reduce the number and severity of claims and lawsuits.

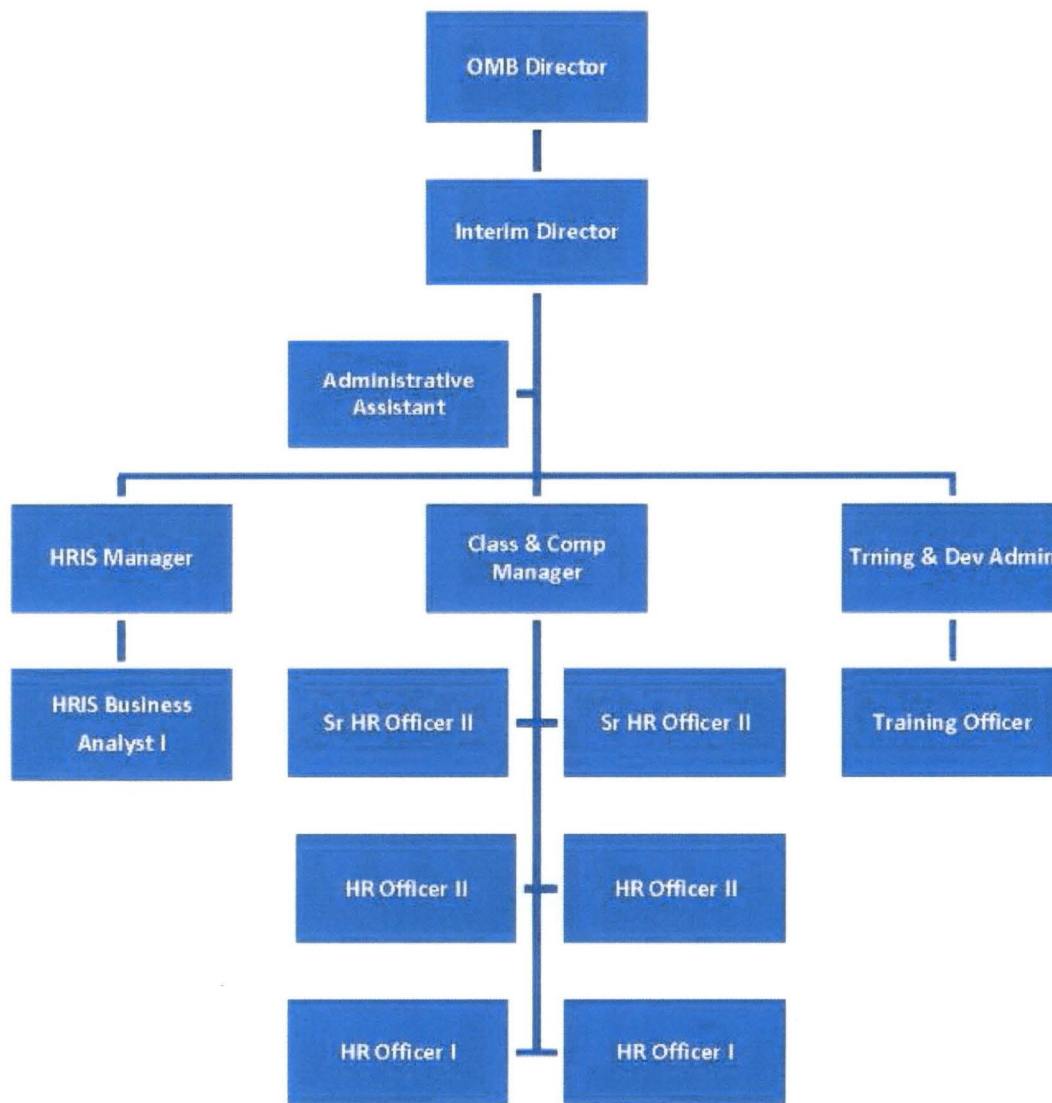
On the workers compensation side, the risk management workers compensation program (RMWCP) continues to save workers compensation premium dollars through the establishment of the account that consolidated 143 state agency accounts, authorized a \$100,000 deductible per claim, and facilitated the cross agency return-to-work program.

The 2015 legislative appropriation was based upon \$1,628,525 for the Division's budget. Our requested budget for 2017-19 biennium is \$1,692,133 all in special funds.

Thank you.

Office of Management and Budget
Human Resource Management Services Division

January 2017



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Testimony HB 1015/1075
Becky Sicble, Interim Director
OMB Human Resource Management Services
January 11, 2017

Good morning, Chairman Brandenburg and members of the House Appropriations Committee. I am Becky Sicble, Interim Director of Human Resource Management Services (HRMS), a Division of the Office of Management and Budget.

HRMS' four primary responsibilities are to:

- provide HR guidance, assistance, training, mediation, and recruitment services for state agencies;
- promote consistent HR practices;
- maintain the state classification and compensation plans; and
- develop and support process and system infrastructure for learning management, performance management, recruitment and HR recordkeeping.

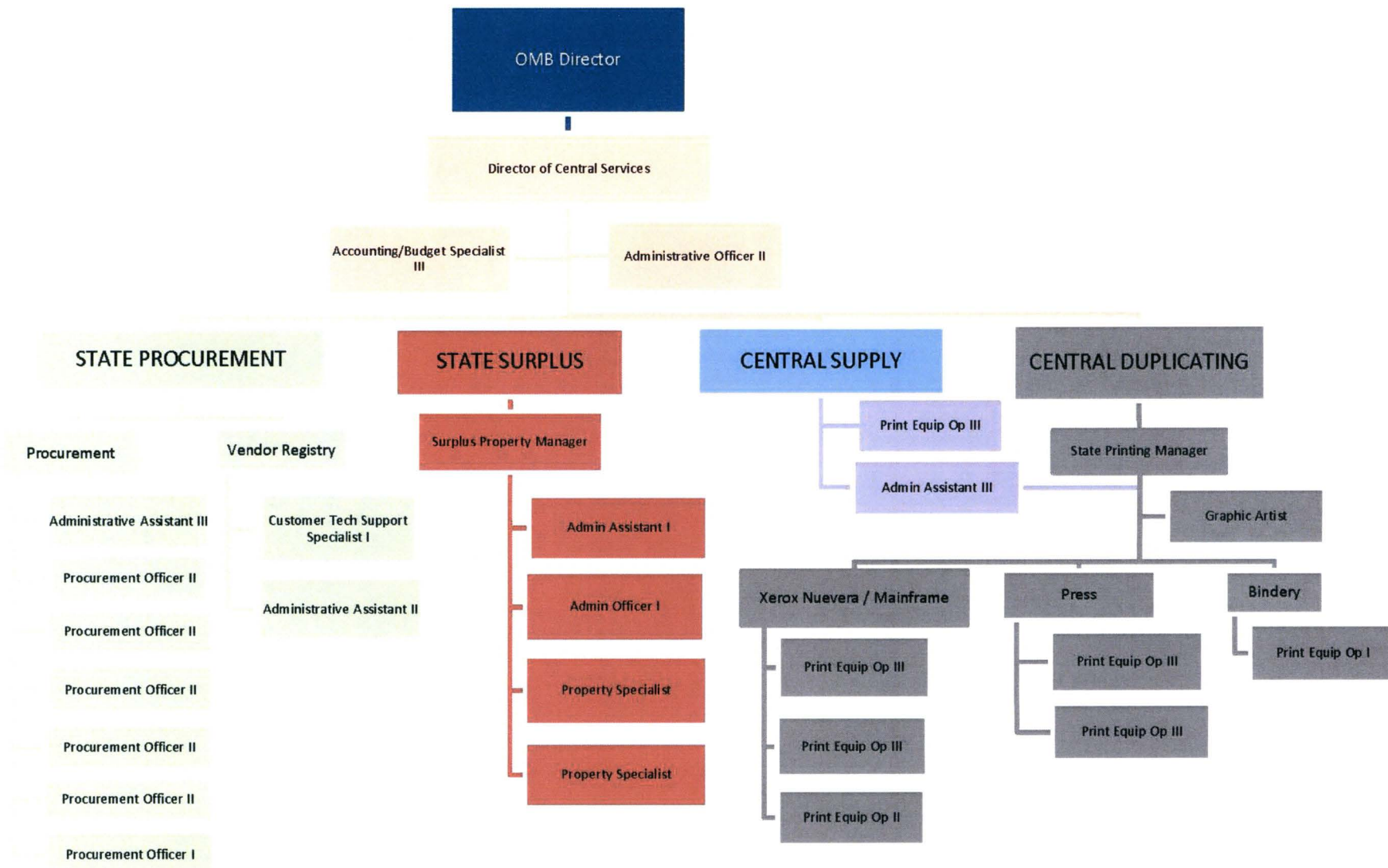
All of the Division's functions overlap and integrate in multiple areas that affect over 7,200 employees currently in the classified service. We provide significant resources and HR support to agencies in their ongoing activities.

The HRMS budget request for the next biennium is \$2,881,274 from the general fund.

- Ninety-four percent (94%) of the Division's budget are salaries and benefits for 13 FTE. All of HRMS' activities and services require human capital.
- Six percent (6%) of the budget are operating expenses. These expenses directly support agencies through printing of resources, providing information, staff training and development, and other supplies and materials.

This concludes my remarks. I would be happy to answer any questions.

Office of Management and Budget
Central Services Division
 January 2017



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Testimony on HB 1015/1075
Sherry Neas, Director
OMB Central Services Division
January 11, 2017

Chairman Brandenburg and members of the committee, my name is Sherry Neas, director of the OMB Central Services Division. Our Division operates four programs.

One program is general funded. The State Procurement Office establishes state contracts for goods and services, assists agencies with their purchases, and hosts a state bidding opportunities website. Its Vendor Registry section administers the PeopleSoft/Oracle vendor database and purchasing module.

Three programs are special funded. These programs are self-supporting, and charge reasonable fees to recover the cost of operations:

- Central Duplicating provides printing and mailing services for state government entities.
- Central Supply provides office supplies and paper products to state agencies in the Capitol Complex.
- State Surplus Property distributes state and federal surplus property to state agencies, political subdivisions, and eligible non-profit entities.

The total budget request for Central Services Division is \$8,520,478. The budget is 23% general fund and 77% special funds. Salaries make up approximately 50% of the total budget.

Central Services gave up one general fund FTE position, reducing the total to 26.0 FTE.

We are requesting \$800,000 for the purchase or construction of a permanent site for State Surplus Property. State Surplus has been leasing a building since the mid-1980s, and we have calculated there will be cost saving to own a building instead. No General Funds will be used for this building. State Surplus will use existing special funds for the building purchase. John Boyle will speak more regarding this during his testimony.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

Office of Management and Budget
Facility Management Division
 January 2017



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Testimony on HB 1015/1075
John Boyle, Director
OMB Facility Management Division
January 11, 2017

Good morning Chairman Brandenburg and members of the House Appropriations committee. My name is John Boyle. I am the Director of the Facility Management Division within the Office of Management and Budget.

The Facility Management Division is comprised of 53.5 full-time employees. As Ms. Sharp mentioned in her testimony, we are decreasing our FTEs by 1.5. The remaining 52 employees provide central mailroom and tour guide services as well as custodial, grounds and landscaping, and maintenance services within the Capitol Complex. These state employees ensure the public, elected officials, appointed officials, and other state employees working within the Capitol Complex are provided a safe, clean and friendly environment.

We are requesting \$11,841,173 in general fund spending authority and \$1,000,000 in special fund spending authority for the next biennium. The amount requested from the general fund is an 80% decrease from the budgeted amount requested two years ago. This decrease is attributable to the reduction in our capital assets portion of our budget for extraordinary repairs and capital projects.

As mentioned earlier, there is a request for \$800,000 in special fund spending authority to either purchase the existing building or build a new building for State Surplus Property resulting in an annual savings of over \$100,000. During the past six years rental rates for industrial/warehouse space in this location have more than doubled due to increased demand. The new Burleigh/Morton County jail is constructed within a few blocks of the current State Surplus location. This new building will continue to create higher demand for this area resulting in rental rates to increase into the future.

Mr. Chairman, this concludes my prepared remarks. At this time, I would be happy to answer any of your questions.

State Surplus Property
 Lease versus Purchase of Existing Building
 January 11, 2017

Current Lease Terms

Proposed Building Purchase

Landlord	Location	Square Feet	Fiscal Year (July - June)	Total Annual Rent (includes Land)	Location	Square Feet	Total Operating Costs	Cumulative Savings
Apple Creek, LLP	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	2018	\$142,770	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	\$54,000	\$88,770
			2019	\$146,344			\$55,620	\$90,724
			2020	\$160,642			\$57,289	\$103,353
			2021	\$164,576			\$59,007	\$105,569
	Igoe Industrial No. One Block One - Lots 5, 6, and 7 Block Two - Lot 7	63,320	2022	\$168,510	Igoe Industrial No. One Block One - Lots 5, 6, and 7 Block Two - Lot 7	63,320	\$60,777	\$107,733
			2023	\$172,625			\$62,601	\$110,024
			2024	\$176,739			\$64,479	\$112,260
			2025	\$180,314			\$66,413	\$113,901
			2026	\$183,708			\$68,406	\$115,302
				\$1,496,228			\$548,592	\$947,636

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January 11, 2017

HB 1015 / HR 1075

Attachment B

Testimony on HB 1015
House Appropriations
Government Operations Division
John Harris, President & CEO
Prairie Public Broadcasting
January 11, 2017

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 educate, involve and inspire the citizens of our entire state from childhood through all phases of life.

We are committed to lifelong learning, respect for our audience and civil discourse.

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 a well-informed citizen.

Also, Prairie Public has embraced our public safety mission with growing impact 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.

As a locally owned and operated media organization in our state, Prairie Public provides public affairs programming, local history and culture, candidate debates, specialized energy reporting, agricultural news and community partnerships that address issues of concern to your constituents and civic information of all kinds to everyone in the state.

The citizens of North Dakota count on Prairie Public for award-winning, non-commercial, primetime television programming and for non-violent, educational children's shows each day. We also provide comprehensive and in-depth coverage of important issues and statewide news on both radio and television.

Families tune to Prairie Public to find the quality programming for which public broadcasting is known and trusted.

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In addition to broadcasting national programs such as *Nature*, *NOVA*, *Masterpiece*, *Morning Edition* and *All Things Considered*, Prairie Public produces an extraordinary amount of quality television and radio programming that focuses on our communities.

Our mission is to educate, involve and inspire the people of our region, to serve our regional audiences, to strengthen our community and to help it prosper.

Education is our priority. Our local productions cover topics ranging from local 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.

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 radio's *Main Street* and weekly on television's *Prairie Pulse*. New in our television schedule is *Flowers of the Church*, a documentary about our region's stained glass.

Our radio network continues to be a vital source of information and music programming for citizens statewide. Through the years Dave Thompson and his team of reporters have been honored with numerous awards including North Dakota Associated Press awards.

Prairie Public's news programs and website are a reliable source for international, regional and local news from the worlds of politics, business, science and the arts. Our coverage of the North Dakota legislature helps you to serve your constituents and communicate the good work you accomplish.

In fact, our network of television, radio and online services were one of the most comprehensive sources for statewide election coverage and debates during the 2016 election.

Prairie Public has a very strong commitment to outreach and community service. By combining public television's greatest assets with local outreach training, Prairie Public has made a positive impact on the lives of our children. No matter how many choices you have on your television, I think you will agree that no one provides a more valued, educational experience for our children than Prairie Public.

The State of North Dakota has, for years, played a vital supporting role in the operation of our television, radio and outreach services. While the appropriation from the state does not cover all these expenses, many of these services would not be possible without state support. The State of North Dakota provides a foundation for support from many other sources.



Below you will see a breakdown of our revenue sources and expenditures, 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.

Prairie Public Broadcasting Revenue Sources

Members/Businesses	28%
Earned Income	21%
CPB	17%
Production/Federal Grants	16%
North Dakota	11%
Minnesota	7%

Prairie Public Broadcasting Expenses

Programs	48%
G & A	15%
Engineering	17%
Fund Raising	9%
Information Services	11%

Our most recent Annual Report and a sample of our program guide are included in your handout.

Prairie Public has more than 15,000 members who contribute annually to help support the programming services and expenses for the organization. These citizens know the importance of a strong and viable Public Broadcasting entity for our communities.

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.

In House Bill 1015 of this biennium's budget, Prairie Public's appropriation is \$1,600,000. We ask that you support the request, as it allows us to continue to operate the infrastructure required to provide public television, public radio and educational 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.

January 11, 2017

#B1015/#B1075 Attachment C

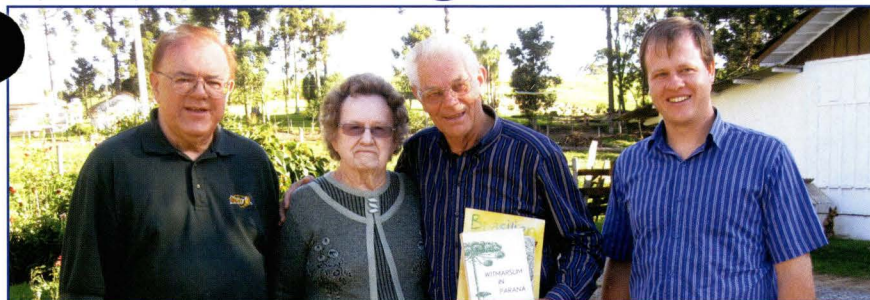
**Prairie
Public**

2015 Annual Report

E D U C A T E



I N V O L V E



I N S P I R E



Prairie Public Broadcasting, Inc.

Fiscal Year 2015 began October 1, 2014, and ended September 30, 2015





Prairie Public Broadcasting provides quality radio, television, and public media services that educate, involve, and inspire the people of the prairie region.

Prairie Public Broadcasting is a trusted public media service dedicated to building an exciting and productive future for our region and its people by offering a window on the world and creating a forum for discussion of important issues.

When you support Prairie Public, your contribution goes to work to make great television and radio programs happen. It works to secure the very best of PBS and NPR programming, along with high-quality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.



PBS

Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.



Collaboration is Key

There has never been a better time to be in the public media industry.

Some may think I'm being overly optimistic. Some may say the competition for the eyes and ears of the public is too fierce—that competing in this hectic new world of digital media is too disheartening.

How does public media cope with competition? We work to make our programs the best they can be. And we take the public at their word when they say our journalistic integrity, the wide range and value of our programming's subject matter, and the production quality are outstanding.

Public media's programming is well crafted. Whether it be a children's show, a documentary, or a live news report from a war zone, public media speaks to the audience with narrative that engages—and with respect.

Besides, public media isn't concerned with competing; public media is more interested in collaborating.

Every day, we collaborate with other public television and radio stations to share ideas and content.

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, and the stewardship of gifts and talents, and good humor.

And of course we collaborate with organizations across our broadcast region—because public input really is the heart of public media.

Our greatest collaborators are our members and supporters. Not a day goes by that we don't recognize and appreciate those partnerships.

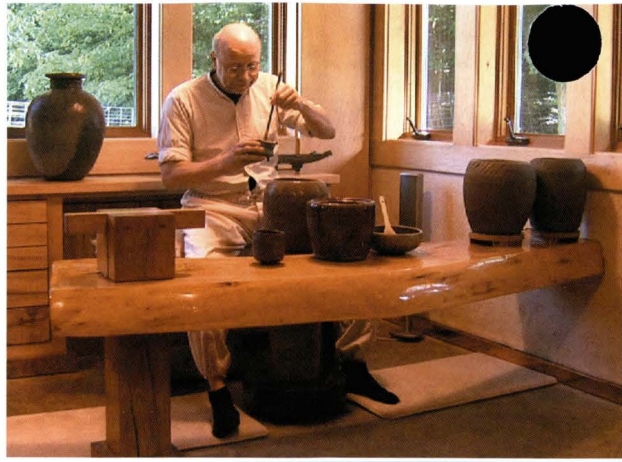
Great technological innovations have resulted in more ways to enjoy media—on-demand television, on-demand radio, streaming radio, and podcasts. We're finding that this convenience brings increased usage.

So I'll repeat: there's never been a better time to be in the public media industry. And I'm glad to have you on board with us. Your support means everything to the future of public media. Together, we're building educational media that will influence generations to come.

John Harris
Prairie Public
President & CEO

Prairie Public's television programming is a shining example of excellence

Public television is a consistent leader in providing the widest variety of television's most highly acclaimed programs from PBS, its member stations, and independent producers—winning accolades and pleasing television's most discriminating viewers. Prairie Public is the only television network in the region that creates full-length documentaries, serving as an important regional storyteller and a historian of local culture and local interests.



Built on Agriculture

pays tribute to Lord Selkirk and the Scottish crofters who helped to seed the Canadian prairies, investigates the growth of agriculture in that region, interviews farmers who carry on the traditions, and considers future trends.

The Civilian Conservation Corps was born from the desperate need of a country in the grips of the Great Depression.

Built To Last: The Legacy of the CCC in Minnesota

tours some of the most beloved projects in Minnesota.

Hay Day: Musical Barns of North Dakota

pays tuneful tribute to the barn, an icon of our Midwestern landscape and agricultural heritage, accompanied by barn dance music from The Radio Stars, Rhythms of the Heart, Tigirlily, The Hay Shakers, and more.



Richard Bresnahan assembled an indigenous pottery studio, utilizing a nearby clay deposit, and built the largest wood-firing kiln of its kind in North America. **Richard Bresnahan: The Taste of the Clay** chronicles his artistic journey. The documentary won two bronze Telly Awards and was nominated for a regional Emmy Award.



Filmed on an imaginative graffiti set in Prairie Public's downtown Fargo studio, the fourth season of

Prairie Musicians

featured folk rock, brass and string quartets, amazing guitarists, and music and poetry fusions.



Prairie Mosaic, now in its sixth season, is a patchwork of stories about the people and places that contribute to the arts, culture, and history of our region—all archived and available for viewing on the Prairie Public Broadcasting YouTube channel.



We (Never) Don't Forget: Germans from Russia in South America, the eighth in Prairie Public's Germans from Russia documentary series, chronicles how the history and culture of this ethnic group is flourishing across continents and generations.

2015 Television Productions

Antiques Roadshow:
Behind the Scenes
in Bismarck

Black Gold Boom

Built on Agriculture

Built to Last:
The Legacy of the
CCC in Minnesota

Face to Face:
North Dakota
Congressional Seat

Face to Face:
North Dakota Public
Service Commission (2)

Face to Face:
North Dakota
Secretary of State

Fargo Film Festival
Preview Show 2015

Hay Day: Musical Barns
of North Dakota

North Dakota Governor's
State of the State
Address and
Democratic Response

North Dakota
Legislative Review

Prairie Public is Golden

Richard Bresnahan:
The Taste of the Clay

We (Never) Don't Forget:
Germans from Russia
in South America

Ongoing Series

Painting with Paulson,
Season Sixteen

Prairie Mosaic,
Season Six

Prairie Musicians,
Season Five

Prairie Pulse,
Season Thirteen

Prairie Public's radio service stands out as a beacon of equanimity on the prairie



Native American Stories of Resilience

Listeners choose Prairie Public for its trusted programming from NPR and independent producers, and they are dedicated to Prairie Public because they appreciate the breadth of award-winning regional programming. On a radio, online, or with the Prairie Public app, listeners can take Prairie Public along wherever they go—and web resources, podcasts, and archived audio open worlds of possibilities.

The voices of Prairie Public



Director of Radio Bill Thomas



News Director Dave Thompson



Reporter Todd McDonald



Reporter Danielle Webster



Inside Energy Reporter Emily Guerin

The walls of Prairie Public's radio studios are crowded with awards for outstanding journalism. Prairie Public's news team delivers with the high standards that listeners come to expect from public radio. The immediacy of live local news woven seamlessly with NPR's national and international coverage provides unequalled news, analysis, and context.

Prairie Public collaborates with other public media stations to magnify reporting capabilities. **Inside Energy** (making, moving, and using energy) and **Harvest Public Media** (food, fuel, and field) provide station resources to expand coverage.

Radio is a valued source of cultural and entertainment programming—combining deep respect for local interests with a spirit of adventure. Adding vibrancy to Prairie Public’s radio schedule are slices of North Dakota history with **Dakota Datebook**, forays into the wild with **Natural North Dakota**, profound conversations with **Why? Philosophical Discussions About Everyday Life**, and special projects like **Native American Stories of Resilience**.



Prebys on Classics and Prebys on Jazz
Host Scott Prebys



Into the Music
Host Mike Olson

Symphonies to brass to folk to zydeco—listeners tune to Prairie Public to hear a rich and varied repertoire of music. Prairie Public’s local hosts are skilled professionals, acknowledged by their peers and with followers not only in the prairie region, but also from around the globe.



Main Street
Host Doug Hamilton,
Co-host/Producer Ashley Thornberg,
and Producer Skip Wood

Main Street and **Main Street Weekend** are where listeners gather to chat. Politicians and newsmakers, business professionals and team leaders, artists, advocates, and your neighbors all come together on **Main Street** to discuss issues, be entertained, and to share information and stories.

Radio Special Productions and Projects 2015

- Black Gold Boom:
 - How Oil Changed North Dakota
- Face to Face: North Dakota Congressional Seat Debate
- Face to Face: North Dakota Public Service Commission Debate (2)
- Face to Face: North Dakota Secretary of State Debate
- Harvest Public Media
- Inside Energy
- Native American Stories of Resilience
- North Dakota Governor’s State of the State Address and Democratic Response
- North Dakota Legislative Review

Ongoing Radio Series

- Daily Newscasts and Reports
- Dakota Datebook
- Friday Night Swing
- Into the Music with Mike Olson
- The Jazz Junket
- The Law of Jazz
- A Little Night Music with Ted Quanrud
- Main Street
- Main Street Weekend
- Mike Olson’s Blues Cruise
- Natural North Dakota
- Notas Latinas
- Plains Folk
- Prebys on Classics
- Prebys on Jazz
- The Red River Ramble
- Travel Explorations
- Why? Philosophical Discussions About Everyday Life

Recognized with Journalism’s Most Prestigious Awards in 2015

Edward R. Murrow Awards

- Saltwater Spills, by Emily Guerin
Hard News
Investigative Reporting
- The Bully Stompers,
by Meg Luther Lindholm
News Documentary

Eric Sevareid Awards

- Saltwater Spills, by Emily Guerin
First Place, Hard Features
- Oil Overtakes Agriculture, by Emily Guerin
Award of Merit, Audio
- Women in the Oil Patch, by Emily Guerin
Award of Merit, Broadcast Writing
- The Bully Stompers,
by Meg Luther Lindholm
Award of Merit, Documentary
- Stand Up North Dakota,
by Meg Luther Lindholm
Award of Merit, Series
- Tribe at a Crossroads, by Emily Guerin
Award of Merit, Hard Features

Radio staff photos credit
Andrew Cullen and Meg Luther Lindholm

Going beyond the impact of broadcasting to educate, involve, and inspire

For families, Prairie Public is a valued friend. For adults, Prairie Public is a source for a lifetime of learning. Prairie Public fulfills every aspect of public media's educational mission by offering hands-on learning, educational television programming, curriculum support, professional development, standards-based learning tools, digital teaching resources, and streaming video capabilities.



We want all children to succeed, and we know that can happen by building a strong educational foundation in their formative years, so we not only broadcast programs into homes, we also travel the region to host Family Literacy Events that feature our online mobile lab, parenting resources, and free books for children.



Video on demand and online lesson resources deliver a world of valuable learning to students who may not otherwise have access to it—including home-schooled children and children in rural schools with limited resources.



North Dakota Studies, PBS LearningMedia, and Learn360 offer more than 100,000 innovative, standards-aligned digital resources, and Prairie Public staff attend teacher and administrative conferences across the region to show education professionals how to utilize these resources in their 21st century classrooms.

Prairie Public Education Services partners with the North Central Council for School Television to provide multimedia resources and professional development for pre-K through grade 12 educators and the families they serve in North Dakota and northwestern Minnesota. Last year, staff traveled more than 22,000 miles to spread the word about these valuable services.



Prairie Public's **Teacher Training Institutes** feature hands-on, interactive breakout sessions on classroom technology use, the elective creation of lesson plans for graduate credit, and motivational keynote presentations from experts in the fields of education technology and PBS educational media.



Prairie Public encourages participation! At events across the region, children befriend beloved PBS characters; hundreds of children write and illustrate their own stories for the **PBS KIDS Writers Contest**; and the **Mister Rogers Sweater Drive**, now in its fourth year, collects sweaters from around the entire broadcast area and redistributes them to people who need a little extra warmth.



Many generations of children have developed intellectual, emotional, and social potential with public television. Prairie Public recognizes the extraordinary influence video has on young minds and the responsibility we assume whenever they spend time with us. Public television's children's programs are the most honored and respected on television—sweeping the Emmy Awards children's category year after year and earning the trust of parents and families.



Online, **PBS Parents** is a trusted resource for parents and caregivers and **PBS KIDS** offers safe, educational online spaces for interactive videos, games, and activities—all encouraging a multimedia, interactive approach to learning.

Prairie Public Broadcasting Boards 2014–2015

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.

Patricia Berger (Chair), Grand Forks, ND
Ken Bull, Winnipeg, MB
Greg Dandewich, Winnipeg, MB
Paul Ebeltoft (Secretary), Dickinson, ND
John E. Harris III (President & CEO), Fargo, ND
Britt Jacobson, Park River, ND
Sharon Johnson, Minot, ND
Rita Kelly (Treasurer), Bismarck, ND
Dick Kloubec, Fargo, ND
Erik Kringlie, Valley City, ND
Andy Maragos (Vice Chair), Minot, ND
Deb Mathern (Past Chair), Fargo, ND
Jerry Nagel, Lake Park, MN
Paul Nyren, Garrison, ND
John Petrik, Minot, ND
Devan Towers, Winnipeg, MB
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.

Rodney Haug, Hawley, MN
Janet Daley Jury (Chair), Bismarck, ND
Samee U. Khan, Fargo, ND
James Kotowich, Winnipeg, MB
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.

Mark Danes (UND), Grand Forks, ND
John E. Harris III (President & CEO), Fargo, ND
Peter Johnson (UND), Grand Forks, ND
Muriel Lippert, Williston, ND
Chuck Lura, Bottineau, ND
Peter Morowski, Dickinson, ND
Paul Nyren (Chair), Streeeter, ND
Susan Podrygula, Minot, ND
Albert Samuelson, Bismarck, ND
Kent Sandstrom (NDSU), Fargo, ND
Connie Triplett, Grand Forks, ND

North Central Council for School Television

NCCST is an organization of public schools in North Dakota and northwest Minnesota that contracts with Prairie Public to create a virtual educational service unit and to provide links between educators and educational resources.

Richard Diegel, Edgeley Public Schools
Brian Duchscherer (Vice Chair),
Carrington Public Schools
Dr. David Flowers, West Fargo Public Schools
Dr. Robert Grosz, (Curriculum Chair),
Fargo Public Schools
Rick Jacobson, Wahpeton Public Schools
Lynn Kovash, Moorhead Public Schools
Jack Maus, Grafton Public Schools
Chris Mills, Stephen-Argyle Central District
Dr. Larry Nybladh, Grand Forks Public Schools
Clarke Ranum, United Public School District 7
Dr. Jeff Schatz, Fargo Public Schools
Kelly Taylor, Mohall-Lansford-Sherwood
Public Schools
Tamara Uselman (Chair),
Bismarck Public Schools
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 9/30/15

Sources	Television		Radio		Total
	Amount	%	Amount	%	
Membership	\$1,405,050	21%	\$474,701	27%	\$1,879,751
Underwriting	\$197,551	3%	\$230,251	13%	\$427,802
Corporation for Public Broadcasting	\$1,397,155	21%	\$184,573	10%	\$1,581,728
Local Production Funding	\$261,037	4%	\$109,955	6%	\$370,992
State of North Dakota	\$666,639	10%	\$272,290	15%	\$938,929
State of Minnesota	\$581,268	9%	\$0	0%	\$581,268
Grants ¹	\$982,997	13%	\$62,592	5%	\$1,045,589
Fees, Rents	\$681,383	10%	\$230,117	13%	\$911,500
Charitable Gaming	\$492,485	7%	\$191,522	11%	\$684,007
Other	\$143,746	2%	\$1,918	0%	\$145,664
TOTAL SOURCES	\$6,809,311	100%	\$1,757,919	100%	\$8,567,230

Uses						
	Amount	%	Amount	%	Amount	%
Programming & Production	\$2,908,805	45%	\$1,153,412	58%	\$4,062,217	
Engineering	\$1,155,760	18%	\$303,276	15%	\$1,459,036	
Administration	\$933,564	14%	\$381,314	19%	\$1,314,878	
Fundraising	\$395,281	6%	\$72,861	4%	\$468,142	
System Upgrade & Other	\$922,588	14%	\$3,233	0%	\$925,821	
Change in Prairie Public Endowment	\$219,287	3%	\$89,568	4%	\$308,855	
TOTAL USES	\$6,535,285	100%	\$2,003,664	100%	\$8,538,949	
EXCESS (DEFICIT) SOURCES OVER USES	\$274,026		(\$245,745)		\$28,281	

Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

¹ Grants include unrestricted support for operations and grants for capital construction and equipment, from the Public Broadcasting Service, totalling \$ 711,296 for television

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.

Investors Circle Support

Prairie Public Broadcasting gratefully thanks its Investors Circle members, a dedicated group of donors who have made annual gifts of \$1,000 or more.



Gold Investors • \$5,000 to \$9,999

Frederick P. Baker, Bismarck, ND
Corwin Wilson LLC, Fargo, ND
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Margaret Garr, East Grand Forks, ND
Terracon Development Ltd., Winnipeg, MB
Anonymous, Jamestown, ND
Anonymous, Minot, ND

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Jane Dynes, Fargo, ND
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Ian and Donna Plant, Winnipeg, MB
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Anne Swanson, Moorhead, MN
Jack Trueman, La Salle, MB
Scott Wisdahl, Alamo, ND

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Gloria Y. Anderson, Sun City, AZ
Jennifer, Cindy and Jay Anderson, Bismarck, ND
Jerry B. Andresen, Minot, ND
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Barbara Bailey, Winnipeg, MB
Gary and Clarice Ballantyne, Westhope, ND
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Dr. Marcus and Margaret Fiechtner, Bismarck, ND
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Bernice Goodman, Grand Forks, ND
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John and Suzanne Harris, Fargo, ND
Marie Harstad, Stanley, ND
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Jonathan and Maniphone Haug, Grand Forks, ND
Brian and Brenda Heitkamp, Bismarck, ND
Carol Holden, Williston, ND
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Rob and Libby Knotts, Lambert, MT
Randy and Karen Kreil, Bismarck, ND
Erik and Susan Kringlie, Valley City, ND
Soizik Laguette, Grand Forks, ND
Carol Jean Larsen, Bismarck, ND
Reuben and Clarice Liechty, Jamestown, ND
Val Lockett, Dickinson, ND
Paul and Sharon Madson, Audubon, MN
Magnum Manufacturing LLC, Fargo, ND
John Magnusson, Roseau, MN
Bill and Darline Mahowald, Bismarck, ND
Deb Mathern, Fargo, ND
Pat Mayer, Mandan, ND
Bill and Sheila Milner, Winnipeg, MB
Cheryl and George Mizell, Bismarck, ND
Drs. Douglas and Laura Munski, Grand Forks, ND
Jerry Nagel, Lake Park, MN
Gerald and Jean Newborg, Bismarck, ND
Mary Newman, Jamestown, ND
Lee and Valerie Nordin, Grand Forks, ND
Paul and Anne Nyren, Garrison, ND
George H. Oelkers, Winnipeg, MB
Derek and Bonnie Oldenburger, Bismarck, ND
Dr. Wayne and Linda Paquin, Winnipeg, MB
Diane L. Paulishyn, Winnipeg, MB
John and Rebecca Petrik, Minot, ND
Richard and Arlette Preston, Fargo, ND
Joslyn Putnam, West Fargo, ND
J. Derek Riley, Winnipeg, MB
John and Kathleen Risch, Bismarck, ND
Jim and Cyndy Robinson, Garrison, ND
John and Jean Rockey, Winnipeg, MB
Dennis and Anita Rohde, New Town, ND
William and Mary Schlossman, Fargo, ND
Elmer and Arlene Schwarz, Washburn, ND
Jerry Shae, Williston, ND
Mukund and Sungja Sibi, Fargo, ND
Elgene Smith, Westby, MT
Mr. and Mrs. Gary Sorenson, Keene, ND
Debbie Spracklin, Winnipeg, MB
Dr. Gus and Mary Staahl, Fargo, ND
Thomas B. Steen and Carol E. Cook, Grand Forks, ND
Rodney Steiman, Winnipeg, MB
Mr. Richard Stevens, Grand Forks, ND
Karen Stoker, Fargo, ND
Ken and Nola Storm, Fargo, ND
Charles Tax, Winnipeg, MB
David Thompson, Bismarck, ND
Marlene Thompson, Keene, ND
Alan Thoren, Winnipeg, MB
Devan Towers, Winnipeg, MB
Constance Triplett and Gerald Groenewold, Grand Forks, ND
Sidney and Joyce Waldron, Winnipeg, MB
Robert and Susan Wefald, Bismarck, ND
Len Weinberg and Addie Jason, Winnipeg, MB
Kay and Joel Weisgram, West Fargo, ND
Patrick and Becky Wheeler, Fairview, MT
Kenneth and Pat Zealand, Winnipeg, MB
Beverly Zimmer, Fargo, ND
Anonymous, Winnipeg, MB (2)
Anonymous, Lake Park, MN
Anonymous, Bismarck, ND (2)
Anonymous, Fargo, ND
Anonymous, Jamestown, ND (2)
Anonymous, Mandan, ND (2)
Anonymous, Minot, ND (2)
Anonymous, Richardton, ND
Anonymous, Stanley, ND
Anonymous, Tioga, ND
Anonymous, Towner, ND
Anonymous, Williston, ND

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Visionary Circle Support

Visionary Circle honors those who have demonstrated exceptional philanthropic leadership and cumulative lifetime annual giving of \$25,000 or more in support of Prairie Public's services. We are grateful for the steadfast, substantial commitment of these Visionary Circle members.



Stewards • \$50,000+

Joyce and Margaret* Beggs,
Winnipeg, MB

Founders • \$25,000 to \$49,999

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
Jane Dynes, Fargo, ND
Paul and Gail Ebeltoft, Dickinson, ND
Noel and Judith Fedje, Fargo, ND
Dr. and Mrs. Calvin K. Fercho, Fargo, ND
Dr. Walter and Carolyn Frank, Bismarck, ND
Dr. Rosanne Gasse, Brandon, MB
Jane Groves, Winnipeg, MB
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Carol Jean Larsen, Bismarck, ND
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John and Rebecca Petrik, Minot, ND
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

T. L. Donat Legacy Circle

Prairie Public Broadcasting extends special appreciation to members of the T. L. Donat Legacy Circle. Named for Dr. Ted Donat, Prairie Public's founder, the Legacy Circle provides an opportunity for donors to leave a thoughtful legacy to our region by making a provision for Prairie Public in their wills, trusts, or other estate plans.

T. L. DONAT
LEGACY
CIRCLE

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
Rev. Mary Hansen, Thief River Falls, MN
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Mary Catherine Miller, Henning, MN
Dr. Douglas C. Munski, Grand Forks, ND
Dr. Laura Munski, Grand Forks, ND
Barbara Owens, Minneapolis, MN
Richard Owens, Minneapolis, MN
Layton Raaen, Fargo, 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 (3)
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, Minot, ND
Anonymous, Richardton, ND
Anonymous, Towner, ND

If you have provided for Prairie Public Broadcasting in your will or other estate plans, please let us know. By doing so, you will help us to plan for the future and will allow us to thank you for your outstanding commitment to the mission of public broadcasting.

Bequests

During fiscal year 2015, the following honored Prairie Public with gifts in their estates. With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of Joyce J. Hallin
Estate of Gordon P. Linney
Estate of Alice L. Marks
Estate of Milton D. Murray
Estate of Dennis N. Nordlinder
Estate of David J. Rasmussen
Estate of Perry Ross

Endowment: Funding the Future

Permanently Restricted Endowment Funds

Through endowed gifts from many sources, Prairie Public has established permanent endowment funds at the four institutions listed below. These professionally managed funds provide annual interest income that helps to ensure the future of Prairie Public and enhance the quality of programming, education services, and outreach it provides to those in our region.

Prairie Public recognizes these institutions for managing these funds and thanks all donors who have established or contributed to these endowed funds.

Endowment funds, as well as endowment gifts of \$25,000 or more, are listed below.

Bremer Trust

Prairie Public Broadcasting Permanent Endowment Fund:
Paul and Gail Ebeltoft
Lloyd and Margaret Thilmoney

Fargo-Moorhead Area Foundation

Dennis L. Falk Local Production Fund
Lucien C. Barnes and Edna Barnes Fund,
a component of the Fargo-Moorhead Area Foundation
Prairie Public Broadcasting Endowment Fund

North Dakota Community Foundation

Bismarck Prairie Public Television Fund:
Ruth Landfield
Otto Bremer Foundation
Bremer Banks Prairie Public Television Fund
Prairie Public Television Fund

The Winnipeg Foundation

Prairie Public Television Programming Endowment Fund:
Anonymous Donor
Prairie Public Television (Manitoba), Inc.
Endowment Fund

Board-Directed Endowment Fund

This fund, established in fiscal year 2007, is composed of unrestricted assets allocated to the fund in accordance with policies adopted by Prairie Public's board of directors. The fund is intended to provide 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

Prairie Public thanks the following for investing in underwriting support for television and radio program services in fiscal year 2015.

7th Avenue Auto Salvage
A Woman's Perspective
A.K. A Coach & Company
AARP North Dakota
Abalon Construction
All Star Collision & Glass
Altru Health System
Amazing Grains
Anne Carlsen Center
for Children Bismarck
Arts Center
Avant Hair & Skin Care Studio
Balcaen & Sons
Balmoral Hall
Basin Electric Power Coop
Bell State Bank & Trust
Benedictine Health System
Bernies Wines & Liquors
Best Western Plus
Charterhouse Hotel
Bethany Retirement Living
Bismarck Cancer Center
Bismarck Sewing & Quilting
Bismarck State College
Bismarck-Mandan Civic Chorus
Bismarck-Mandan Symphony
Blugrass Association
of North Dakota
BNC National Bank
Books on Broadway
Bremer Bank
Browning Arts
Bryant Clinic of
Chiropractic & Acupuncture
Cable One
Cancer Care Manitoba
Capital Credit Union
Capitol Shakespeare
Carellan Sewing Centre
Children's Museum
Cinema 100
Colortech Holdings, LLC
dba Knight Printing
Cottonwood
Creative Kitchen
Dakota Harvest Bakers
Dakota Resource Council
Dakota Stage Ltd
DFC Consultants
Direct Buy
Edward Jones
Eide Bailly
Elim Care
Empire Arts Center
Erickson Motors
Eventide
Fargo Blues Fest
Fargo Moorhead Ballet
Fargo Moorhead
Visual Artists—Studio Crawl
Fargo Psychiatric Clinic
Fargo Public Library
Fargo Theatre
Fargodome
Fargo-Moorhead Convention &
Visitors Bureau
Fargo-Moorhead Opera
Fargo-Moorhead Redhawks
Farmers Union

First Presbyterian
Fine Arts Festival
The Fort Garry Hotel
Fusion Grill
Gate City Bank
Great Big Adventure
Great River Energy
Greater Grand Forks
Community Theatre
Greencrest Pharmacy
Hartz Foundation
High Plains Reader
Historical & Cultural Society
of Clay County
Holiday Inn Fargo
Holiday Inn Minot
Home of Economy
Hornbachers Foods
Hotel Donaldson
House of Color
Imagine Thriving
Independent Living
Resource Centre
Inn at the Forks
Inspirare
International Music Camp
International Peace Gardens
Canada
J & R Vacuum
& Sewing Centers
Jade Presents
JAQ's Garage
Joshua Boschee-Hatch Realty
Josie's Corner Cafe
& Bake Shop
Luna Fargo
Lundeen Foundation/
Victor Lundeen Company
Manitoba Opera
Manitoba Theatre
for Young People
Medora Chamber of Commerce
Messiah Lutheran
Hour of Worship
Mike's Pizza & Pub
Minot Area Council of The Arts
Minot Chamber Chorale
Miraculins
Missouri River Stakeholders
Missouri Valley
Chamber Orchestra
Mohr Family-Dacotah Paper
MSUM College of Arts,
Media and Communication
ND Department of Commerce
ND District of The
Metropolitan Opera
ND Farmers Market
& Growers Association
ND Senior Service Providers
NDSU Development Foundation
NDSU Division
of Performing Arts
NDSU Memorial Union Gallery
Nichole's Fine Pastry
Nodak Mutual Insurance Co
Nordic Culture Clubs
North Dakota Association of
Rural Electric Cooperatives
North Dakota Ballet

North Dakota
Horizons Magazine
North Dakota
Humanities Council
North Dakota Living
North Dakota Museum of Art
North Dakota United
North Dakota
Women's Network
Northern Plains Dance
Old Red Old Ten Scenic Byway
Otter Tail Power Company
Parent Aware
for School Readiness
Park Christian School
Peak of the Market
Plain and Fancy Antique Mall
Plains Art Museum
Prairie Theatre Exchange
Prairie Village Museum
Premier Medical Imaging
Red River Valley
Community Action
Retina Consultants Ltd
Rhombus Guys
River City Jewelers
Roberts Floral & Gifts
Ron Paul Garden Centre
Royal Winnipeg Ballet
Rural Cass Community Theatre
Satrom Travel and Tour
Scan Design
Schmitt Music Fargo
Sleepy Hollow Summer
Special Olympics North
Spirit Room
St Boniface College
Stained Glass Workshop
State Historical Society of ND
Stinson Leonard Street
Tanabe-Badger Dental Group
TD Canada Trust
Theatre B
Theodore Roosevelt
Medora Foundation
True North Sports &
Entertainment Ltd
UND Chester Fritz Auditorium
UND Office
of Extended Learning
UND Summer Programs
& Events
Unitarian Universalist Church
United Tribes Technical College
University of Mary
Urgent Med
Valley City State University
Vogel Law Firm
Wells Fargo Bank—
Fargo/Moorhead/West Fargo
West Acres Shopping Center
Western Minnesota Steam
Threshers Reunion
Western Paint and Wallcovering
Western Plains Opera Company
Whodunit Mystery Bookstore
Winnipeg Art Gallery
Winnipeg Folk Festival
Xcel Energy
Zandbroz Variety

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 536.

Additional Support

A wide base of individual, corporate, and foundation support generates substantial municipal, state, and federal support for Prairie Public's services. Funds support operations, capital improvements, and specific outreach programs and productions. Prairie Public received support from the following in fiscal year 2015.

- AARP
- Altrusa International of Fargo
- American Public Media
- Anonymous (3)
- Bell State Bank and Trust
- The Bicentenary of the Red River Selkirk Settlement Committee
- BNSF Railway Foundation
- Bremer Bank
- Cambrian Credit Union
- Arthur and Shirley Carlson
- Mr. Robert Chabora
- Berdie and Irvin Cohen Memorial Fund through the Jewish Foundation of Manitoba
- Corporation for Public Broadcasting
- 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
- Gate City Bank
- Dr. Gerald H. Groenewold
- Jewish Foundaton of Manitoba
- Arnold Johnson
- Minnesota Industries Ltd.
- Minnesota Agriculture Food and Rural Development—Growing Actions Program
- Margaret A. Cargill Foundation
- Floyd and Harriet Miller Endowment Fund through West Central Initiative
- Michael M. Miller
- Minnesota Arts and Cultural Heritage Fund
- Monsanto Canada Inc.
- North Dakota Council on the Arts
- North Dakota Humanities Council
- North Dakota State University
- Otto Bremer Foundation of St. Paul, Minnesota
- Parrish & Heimbecker Limited
- PCOR Partnership
- Prairie Airwaves
- Public Broadcasting Service
- Richardson Foundation
- John and Kathi Risch
- Gus and Mary Staahl
- State of Minnesota
- State of North Dakota
- Lloyd and Margaret Thilmony

- Dr. Ken and Lorna Thorlakson
- Thrivent Choice through Thrivent Financial for Lutherans
- Town Hall Series
- United Sugars Corporation
- University of North Dakota
- The Winnipeg Foundation
- The Winnipeg Foundation—R. A. Sam and Marie Fabro Family Fund
- The Winnipeg Foundation—Lampe Family Fund
- The Winnipeg Foundation—Alan D. and Phyllis Ann Thoren Fund
- The Winnipeg Foundation—Dr. Ken and Lorna Thorlakson Fund
- Anonymous

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.
- American Crystal Sugar Company
- AETNA, Inc.
- Burlington Northern Santa Fe Foundation
- Caterpillar Foundation
- ExxonMobil Foundation
- Genworth Foundation
- Grainger
- Microsoft Matching Gifts Program
- Ottertail Corporation
- Thrivent Financial for Lutherans
- U.S. Bancorp
- Xcel Energy Foundation

Matching Grants

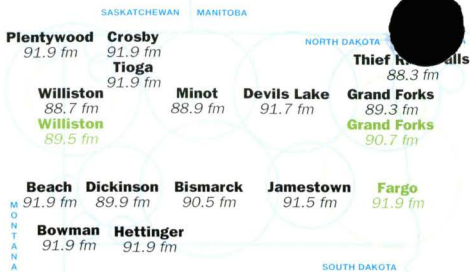
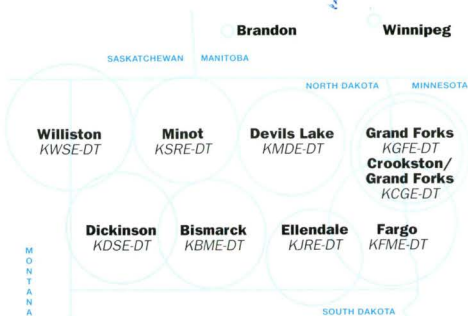
Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you make a contribution to Prairie Public, it is often matched dollar-for-dollar by these grants.



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!

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.



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

With additional digital capabilities, Prairie Public broadcasts four program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and one or more additional program streams.

- Prairie Public** Prairie Public's high-definition schedule.
- World** Nonfiction, science, nature, news, and public affairs programs.
- The MN Channel** Programs produced in and about North Dakota, Manitoba, Minnesota, and the region.
- Lifelong Learning** How-to, travel, cooking, and K-12 classroom programs.



Prairie Public Broadcasting, Inc.

Television
Radio
Education Services
Enterprises

Radio

Beach	91.9 fm
Bismarck	90.5 fm
Bowman	91.9 fm
Crosby	91.9 fm
Devils Lake	91.7 fm
Dickinson	89.9 fm
Fargo	91.9 fm
Grand Forks	89.3 fm
Grand Forks	90.7 fm
Hettinger	91.9 fm
Jamestown	91.5 fm
Minot	88.9 fm
Thief River Falls	88.3 fm
Tioga	91.9 fm
Williston	88.7 fm
Williston	89.5 fm
Plentywood MT	91.9 fm

Listeners can choose from two radio formats and can **access both** schedules with an HD radio, online at www.prairiepublic.org, or on their mobile device with the free Prairie Public app.

Roots, Rock, and Jazz Public radio's signature news and entertainment programs and a diverse schedule of roots, rock, and jazz music.

Classical Public radio's signature news and entertainment programs and a diverse schedule of classical and opera music.

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

Grand Forks Studio
PO Box 8117
Grand Forks ND 58202

Prairie Public Television (Manitoba), Inc.
PO Box 2640
Winnipeg MB R3C 4B3

www.prairiepublic.org
info@prairiepublic.org

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Member News

• YOU'RE INVITED •

Meet other supporters
and express your views

An evening with...



- Cocktail Reception
- Dinner
- Station Updates
- Door Prizes

Kevin Iverson,
North Dakota Census
Office Manager,
will speak on the
changing demographics
of North Dakota.

January 26, 5:30 pm

Ramkota Hotel, Bismarck

\$35

Seating is limited.

RSVP by January 16 to Siobhan Fevig at
sfevig@prairiepublic.org or 800-359-6900 ext 585.

Board to meet

The Prairie Public Board of Directors will meet in Bismarck on
Friday, January 27, beginning at 8 am CT. All meetings are
open to Prairie Public members and to the public. For further
information, please contact Kirstin Lindbergy at 800-359-6900.

Please remember Prairie Public Broadcasting in your will, trust, or general estate plans.

At Your Service

Your gift to Prairie Public helps us qualify for matching
grants from sources including the National Endowment
for the Humanities. When you renew your membership
or give an additional gift, it is often matched dollar-for-
dollar by these grants.

We value your membership in Prairie Public and strive
to provide you with excellent service. Switchboard hours
at Prairie Public are **Monday–Friday, 8 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 www.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.

WAVES is published 12 times a year
by Prairie Public Broadcasting, Inc.
207 North Fifth Street, P.O. Box 3240
Bismarck, ND 58108-3240

Tax Receipts

What you need to know

Contributions to Prairie
Public are tax deductible
to the extent allowed by
law. Your gift is deductible
for the amount of the
contribution minus the
fair market value of any
thank-you gift(s) you
receive.

Receipts are mailed
in mid January for
contributions made during
the previous calendar
year. All Canadian
residents who contribute
to Prairie Public will
receive a tax receipt from
Prairie Public Television
(Manitoba), Inc. United
States residents who
make gifts totaling \$250
or more, or who make
gifts totaling \$75 or more
and acquire a thank-you
gift, will receive a tax
receipt.

Non-profit Org.
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PBS Kids GO! WRITERS CONTEST

SHARPEN YOUR CRAYONS

And get your
imagination in gear,
because Prairie Public
is hosting the **PBS Kids
Go! 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 24.

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.

There is no national contest this year due to the lack of a national sponsor. Maybe next year!

January 11, 2017 #B181511095 Attachment D

WAVES



A program guide for members of
Prairie Public Broadcasting
January 2017

FAMOUS FOR HER CANDOR AND SPIRIT,
she was the first woman who seemed to have it all:
a passionate marriage, nine children, and the job of
being queen of the world's most important nation.
Tune in Sunday evenings beginning January 15.



MASTERPIECE VICTORIA



WEAR YOUR TIARA
OR TOP HAT!

Join us for one of these premiere
screenings on January 8

North Dakota Heritage Center
Bismarck • 2 pm

Fargo Theatre
Fargo • 2 pm

These events are free and
open to the public.
No reservations are required.

January Prime Time Television Programs

Visit www.prairiepublic.org for the most up-to-date schedules, including Prairie Public's multicast schedules. Programming may change with little or no notice. Programs are listed in Central Time. **Prairie Public local television productions are highlighted in blue.**

1 Sunday

Noon Masterpiece Classic *Downton Abbey, Season 5* (episodes 3-8) **PG**
7:00 Lawrence Welk Show *New Years* **G**
8:00 Sherlock Season 4 on Masterpiece *The Six Thatchers* **PG**
9:30 Great Performances *From Vienna: The New Year's Celebration 2017* **G**
11:00 EastEnders **PG**
11:30 EastEnders **PG**

2 Monday

8:00 am Masterpiece Classic *Downton Abbey, Season 5* (episode 9), *Season 6* (episodes 1-9) **PG**
9:00 Rick Steves Special *Luther and the Reformation* **G**
10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

3 Tuesday

7:00 Sidney Lumet: American Masters **PG**
9:00 Frontline *President Trump*
10:00 ND Governor State of the State Address
11:00 Charlie Rose

4 Wednesday

7:00 Nature *Meet the Coywolf* **PG**
8:00 NOVA *Vampire Sky Tombs* **PG**
9:00 Secrets of the Dead *Vampire Legend* **PG**
10:00 Almanac at the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose

5 Thursday

7:00 This Old House Hour **G**
8:00 Sherlock Season 4 on Masterpiece *The Six Thatchers* **PG**
9:30 Give it All Away: Newman's Own Recipe for Success **G**
10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

6 Friday

7:00 Washington Week
7:30 Prairie Pulse *ND outgoing Lt. Governor Drew Wrigley* **G**
8:00 In Jackson Heights **PG**

14 Saturday

7:00 My Hero **PG**
7:30 To the Manor Born **PG**
8:00 Fawly Towers **PG**
8:30 After You've Gone **PG**
9:00 Austin City Limits *Cyndi Lauper* **PG**
10:00 Infinity Hall Live *Ani DiFranco* **G**
11:00 EastEnders **PG**
11:30 EastEnders **PG**

15 Sunday

7:00 Lawrence Welk Show *This Colorful World* **G**
8:00 More Manners of Downton Abbey: A Masterpiece Special **PG**
9:00 Victoria on Masterpiece (part 1 of 7) **PG**
11:00 EastEnders **PG**
11:30 EastEnders **PG**

16 Monday

7:00 Antiques Roadshow *Fort Worth, Hour Three* **G**
8:00 Antiques Roadshow *Santa Clara, Hour One* **G**
9:00 Prairie Mosaic *Itasca Park's Mary Gibbs, Homesteading in Manitoba, and Music from Q5 and Bloom* **G**
9:30 Malcolm Frager: American Pianist **G**

10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

17 Tuesday

7:00 The Assassination of Abraham Lincoln: American Experience **PG**
8:00 Frontline *Divided States of America* (part 1 of 2)
10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

18 Wednesday

7:00 Nature *Moose: Life of a Twig Eater* **PG**
8:00 Frontline *Divided States of America* (part 2 of 2)
10:00 Almanac at the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose

19 Thursday

7:00 This Old House Hour **G**
8:00 Doc Martin **PG**
9:00 Father Brown **PG**
10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

20 Friday

7:00 Washington Week
7:30 Prairie Pulse *CCBL of Moorhead*

10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

27 Friday

7:00 Washington Week
7:30 Prairie Pulse *Retiring NDSU Professor of Anthropology Jeff Clark* **G**
8:00 North Dakota Legislative Review
8:30 Brad Paisley—Landmarks Live in Concert: A Great Performances Special **G**
9:30 Soar **G**
10:30 Nightly Business Report
11:00 Charlie Rose

28 Saturday

7:00 My Hero **PG**
7:30 To the Manor Born **PG**
8:00 Fawly Towers **PG**
8:30 After You've Gone **PG**
9:00 Austin City Limits *Band of Horses/Parker Millsap* **PG**
10:00 Infinity Hall Live *Melissa Etheridge* **G**
11:00 EastEnders **PG**
11:30 EastEnders **PG**

29 Sunday

7:00 Lawrence Welk Show *Musical Masterpieces* **G**
8:00 Mercy Street (part 2 of 6) **T**
9:00 Victoria on Masterpiece (part 3 of 7) **PG**
10:00 Secrets of the Six Wives *Beheaded, Died* (part 2 of 3) **PG**
11:00 EastEnders **PG**
11:30 EastEnders **PG**

30 Monday

7:00 Antiques Roadshow *Indianapolis* **G**
8:00 Antiques Roadshow *Santa Clara, Hour Three* **G**
9:00 The Sound of the Guitar **G**
10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

31 Tuesday

7:00 Great Museums *"Elevated Thinking" The High Line in New York City* **G**
8:00 The Race Underground: American Experience **PG**
9:00 Frontline
10:00 Keeping Up Appearances **PG**
10:30 Nightly Business Report
11:00 Charlie Rose

Overnight Schedule

Programs are listed in Central Time.
After You've Gone Mondays, 2:30 am, except 1/2, 1/9
Alicia Keys—Landmarks Live in Concert:

Brad Paisley—Landmarks Live in Concert: A Great Performances Special 1/29, 2 am
The Central Park Five 1/4, 1 am
Charlie Rose—The Week Sundays, 6:30 am
Command and Control: American Experience 1/12, 2 am
Doc Martin Saturdays, 2 am, except 1/7
Father Brown Saturdays, 3 am, except 1/7
Fawly Towers Mondays, 2 am, except 1/2
Focus on Europe 1/5, 12:30 am
Frontline 1/19, 1/20, 2 am; 1/5, 1/26, 3 am
Give it All Away: Newman's Own Recipe for Success 1/7, 3:30 am
Globe Trekker Sundays, 4 am, except 1/8, 1/15
Great Decisions in Foreign Policy Thursdays, 12:30 am, except 1/5
Great Performances *Bel Canto The Opera* 1/15, 2 am
In Jackson Heights 1/8, 2 am
Infinity Hall Live Mondays, 4 am, except 1/2
Lawrence Welk Show Tuesdays, 1 am
Live from Lincoln Center *New York Philharmonic New Year's Eve* 1/2, 1 am, 2:30 am
Malcolm Frager: American Pianist 1/18, 3:30 am
Masterpiece 1/10, 2 am, 3:30 am
My Hero Mondays, 1 am, except 1/2
Nature Fridays, 1 am
Nazi Mega Weapons 1/12, 1 am
Nightly Business Report Saturdays, 5 am
North Dakota Legislative Review Sundays, 5:30 am, except 1/1, 1/8
NOVA Fridays, 2 am, except 1/20
The Open Mind Mondays, Midnight
Overheard with Evan Smith Mondays, 12:30 am
PBS NewsHour Tuesday through Saturday, 4 am, except 1/10, 1/13
PBS NewsHour Weekend Sundays, 6 am
Prairie Mosaic 1/18, 1/25, 3 am
Prairie Pulse Sundays, 1:30 am, 5 am
Rachel Carson: American Experience 1/26, 1 am
Religion & Ethics Newsweekly Tuesdays, 12:30 am
Richard Bresnahan: The Taste of the Clay 1/25, 3:30 am
Rick Steves Special *Luther and the Reformation* 1/4, 3 am
Scully/The World Show Fridays, 12:30 am; 1/1, 1/8, 5:30 am
Secrets of the Dead 1/6, 3 am
Secrets of the Six Wives 1/24, 1/31, 3 am
Shakespeare Live! From the RSC 1/1, 2 am
Sherlock Season 4 on Masterpiece 1/3,

January Daytime Television Programs

Saturdays

6:00 am Charlie Rose
7:00 *The Cat in the Hat Knows a Lot About That!*
7:30 *Focus On Europe*
Great Decisions in Foreign Policy begins 1/14
8:00 *Consuelo Mack Wealthtrack*
8:30 *Drexel Interview*
9:00 *America's Test Kitchen* from *Cook's Illustrated* **G**
9:30 *Mexico—One Plate at a Time* with Rick Bayless **G**
10:00 *Ellie's Real Good Food* **G**
10:30 *New Scandinavian Cooking* **G**
11:00 *Sara's Weeknight Meals* **G**
11:30 *Moveable Feast with Fine Cooking* **G**
Noon Market to Market
12:30 *Almanac*
1:30 *Scrapbook Soup* **G**
2:00 *Sewing with Nancy* **G**
2:30 *Fons & Porter's Love of Quilting* **G**
3:00 *America's Heartland* **G**
3:30 *Painting with Paulson* **G**
4:00 *Rough Cut—Woodworking* with Tommy Mac **G**
4:30 *This Old House* **G**
5:00 *Prairie Pulse* **G**
5:30 *Scully/The World Show* **G**
North Dakota Legislative Review begins 1/14
6:00 *PBS NewsHour Weekend*
6:30 *Charlie Rose—The Week*

Sundays

7:00 am *Sesame Street* **G**
7:30 *1001 Nights* **T**
8:00 *Bob the Builder* **G**
8:30 *Splash and Bubbles* **T**
9:00 *WordGirl* **T**
9:30 *Thomas & Friends* **T**
10:00 *Martha Speaks* **T**
10:30 *DragonflyTV* **G**
11:00 *Thomas Edison's Secret Lab* **G**
11:30 *Mack & Moxy* **T** except 1/29
11:30 *Great Performances at the Met* *Tristan und Isolde* **PG** (1/29) (4½ hrs)
Noon Odd Squad **T** except 1/1, 1/29
Noon Downton Abbey *Season 5, Episodes 3-8* **PG** (1/1) (7 hrs)
12:30 *Second Opinion* except 1/1, 1/29
1:00 *Independent Lens* *Meet the Patels* **PG** (1/8) (1½ hrs)
1:00 *Independent Lens* *Containment* **PG** (1/15) (1½ hrs)
1:00 *Independent Lens* *Best and Most Beautiful Things* **T** (1/22) (1 hr)
2:00 *Independent Lens* *What Was Ours* **G** (1/22) (1 hr)
2:30 *Joseph Rosendo's Travelscope* **G** (1/8, 1/15)
3:00 *Globe Trekker* **PG** except 1/1, 1/29
4:00 *Doc Martin* **PG** except 1/1
5:00 *Antiques Roadshow* **G** except 1/1
6:00 *Antiques Roadshow* **G** except 1/1

Weekdays

5:00 am *Prairie Public Instructional Resources*

6:30 *Maya & Miguel* **T**
7:00 *WordWorld* **T**
7:30 *The Cat in the Hat Knows a Lot About That!*
8:00 *Downton Abbey* *Season 5, Episode 9; Season 6, Episodes 1-8* **PG** (1/2) (11 hrs)
8:00 *Daniel Tiger's Neighborhood* **T** except 1/2
8:30 *Thomas & Friends* **T** except 1/2
9:00 *Splash and Bubbles* **T** except 1/2, 1/16, 1/20
9:00 *Splash and Bubbles: One Big Ocean* **T** (1/16, 1/20) (1 hr)
9:30 *Sesame Street* **T** except 1/2, 1/16, 1/20
10:00 *Dinosaur Train* **T** except 1/2
10:30 *Peg + Cat* **T** except 1/2
11:00 *Super WHY!* **T** except 1/2
11:30 *Clifford the Big Red Dog* **T** except 1/2
Noon Splash and Bubbles **T** except 1/2, 1/16, 1/20
Noon Splash and Bubbles: One Big Ocean **T** (1/16, 1/20) (1 hr)
12:30 *Martha Speaks* **T** except 1/2, 1/16, 1/20
1:00 *Curious George* **T** except 1/2
1:30 *WordGirl* **T** except 1/2
2:00 *Sid the Science Kid* **T** except 1/2
2:30 *Nature Cat* **T** except 1/2
3:00 *Ready Jet Go!* **T** except 1/2
3:30 *Arthur* **T** except 1/2
4:00 *Wild Kratts* **T** except 1/2
4:30 *Odd Squad* **T** except 1/2
5:00 *BBC World News America* except 1/2
5:30 *PBS NewsHour* except 1/2
6:30 *Keeping Up Appearances* **PG** except 1/2

Symbol Key

G General audience
T Suitable for all children
T Directed to children age 7 and older
PG Parental guidance suggested due to moderate violence (V), some sexual situations (S), infrequent coarse language (L), or some suggestive dialogue (D).



Experience the new production!

Great Performances at the Met is presenting an all new, gritty interpretation of *Tristan und Isolde* with Nina Stemme as Isolde and Australian heldentenor Stuart Skelton as her Tristan. The staging is by Mariusz Treliński, and Sir Simon Rattle conducts. You have front row seats on Sunday, January 29, at 11:30 am CT.

11:09 Charlie Rose

7 Saturday

7:00 My Hero P.G.
7:30 To the Manor Born P.G.
8:00 Fawly Towers P.G.
8:30 As Time Goes By P.G.
9:00 Austin City Limits Ms. Lauryn Hill P.G.
10:00 Infinity Hall Live Great Performances Vol. 1 G
11:00 EastEnders P.G.
11:30 EastEnders P.G.

8 Sunday

7:00 Lawrence Welk Show Transportation G
8:00 Masterpiece to be announced
9:30 Masterpiece to be announced
11:00 EastEnders P.G.
11:30 EastEnders P.G.

9 Monday

7:00 Antiques Roadshow Fort Worth, Hour One G
8:00 Antiques Roadshow Fort Worth, Hour Two G
9:00 The Best of the Boston Pops G
10:00 Keeping Up Appearances P.G.
10:30 Nightly Business Report
11:00 Charlie Rose

10 Tuesday

7:00 Nazi Mega Weapons The Eagles Nest P.G.
8:00 Command and Control: American Experience P.G.
10:00 Keeping Up Appearances P.G.
10:30 Nightly Business Report
11:00 Charlie Rose

11 Wednesday

7:00 Nature Snowbound: Animals of Winter P.G.
8:00 NOVA The Nuclear Option P.G.
9:00 Uranium—Twisting the Dragon's Tail P.G.
11:00 Charlie Rose

12 Thursday

7:00 This Old House Hour G
8:00 Doc Martin P.G.
9:00 Father Brown P.G.
10:00 Keeping Up Appearances P.G.
10:30 Nightly Business Report
11:00 Charlie Rose

13 Friday

7:00 Washington Week
7:30 Prairie Pulse Bismarck Physician Dr. Chuck Allen G
8:00 North Dakota Legislative Review
8:30 Great Performances Bel Canto the Opera P.G.
11:30 Charlie Rose

1:30 Prairie Pulse Center of Woodmenau Development Director Jody Hudson G

8:00 North Dakota Legislative Review

8:30 Alicia Keys—Landmarks Live in Concert: A Great Performances Special P.G.
9:30 Black Ballerina G
10:30 Nightly Business Report
11:00 Charlie Rose

21 Saturday

7:00 My Hero P.G.
7:30 To the Manor Born P.G.
8:00 Fawly Towers P.G.
8:30 After You've Gone P.G.
9:00 Austin City Limits Margo Price/Hayes Carll P.G.
10:00 Infinity Hall Live Covered G
11:00 EastEnders P.G.
11:30 EastEnders P.G.

22 Sunday

7:00 Lawrence Welk Show Indiana G
8:00 Mercy Street (part 1 of 6) T.G.
9:00 Victoria on Masterpiece (part 2 of 7) P.G.
10:00 Secrets of the Six Wives Divorced (part 1 of 3) P.G.
11:00 EastEnders P.G.
11:30 EastEnders P.G.

23 Monday

7:00 Antiques Roadshow The Civil War Years G
8:00 Antiques Roadshow Santa Clara, Hour Two G
9:00 Prairie Mosaic G
9:30 Richard Bresnahan: The Taste of the Clay G
10:00 Keeping Up Appearances P.G.
10:30 Nightly Business Report
11:00 Charlie Rose

24 Tuesday

7:00 Rachel Carson: American Experience P.G.
9:00 Frontline Trump's Road to the White House
10:00 Keeping Up Appearances P.G.
10:30 Nightly Business Report
11:00 Charlie Rose

25 Wednesday

7:00 Nature A Sloth Named Velcro P.G.
8:00 NOVA Sunken Ship Rescue P.G.
9:00 Alzheimer's: Every Minute Counts P.G.
10:00 Almanac at the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose

26 Thursday

7:00 This Old House Hour G
8:00 Doc Martin P.G.
9:00 Father Brown P.G.

Alzheimer's: Every Minute Counts 1/27, 3 am

American Forum Sundays, Midnight, except
Antiques Roadshow Wednesdays, 1 am, 2 am, except 1/4
Arts in Context 1/3, 3:30 am
As Time Goes By 1/9, 2:30 am
Asia Insight Wednesdays, 12:30 am
The Assassination of Abraham Lincoln: American Experience 1/19, 1 am
Austin City Limits Mondays, 3 am, except 1/2; 1/2, 4 am
The Best of the Boston Pops 1/11, 3 am
Black Ballerina 1/22, 3 am

1/7, 2 am
Sidney Lumet: American Masters 1/5, 1 am
Soar 1/29, 3 am
Tavis Smiley Tuesday through Saturday, Midnight, except 1/14; Saturdays, 5:30 am
This Old House Hour Saturdays, 1 am
To the Contrary with Bonnie Erbe Saturdays, 12:30 am
To the Manor Born Mondays, 1:30 am, except 1/2
Uranium—Twisting the Dragon's Tail 1/13, 3 am
Victoria on Masterpiece Tuesdays, 2 am, except 1/3, 1/10
Washington Week Sundays, 1 am
Well Read Sundays, 12:30 am



We're increasing "anytime access" to the most trusted educational content for kids

Beginning January 16, Prairie Public will offer PBS Kids programming on the 4th multicast channel every day, all day! Why? Most children watch television on weeknights and weekends, so we're providing more of the literacy, science, and math programming that helps children succeed.

To accommodate the new programming, beginning January 16, Prairie Public's multicast programs streams will look a bit different. 24/7 PBS Kids will broadcast on the 4th multicast channel, and programming that was on the 4th multicast channel will share timeslots on the 2nd multicast channel.

- 1 Prairie Public** Prairie Public's high definition schedule.
- 2 World/Lifelong Learning** 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).
- 3 The MN Channel** Programs produced in and about North Dakota, Manitoba, Minnesota, and the region.
- 4 PBS Kids** The number one educational media brand for kids offers opportunities to explore new ideas and new worlds through television.

Your household may receive one or more of Prairie Public's four digital program streams. To receive all the program streams, use a digital antenna. If you use a cable or satellite service, your service provider determines the program streams you may receive. Visit prairiepublic.org/television/tv-schedule, choose PROVIDER, and find your service provider to see the program streams you may receive.

AARP
aarp.org/states/nd

Abalon Foundation Specialists
www.abalonwpg.ca

All Star Collision
allstarcollision.ca

Altru Health System
www.altru.org

Amazing Grains
www.amazinggrains.org

Association of Manitoba Museums
www.museumsmnitoba.com

Avant Hair & Skin Care Studio
avanthair.com

Basin Electric Power Cooperative
bepc.com

Bernie's Wines & Liquors
berniesfargo.com

Best Western Charterhouse Hotel
bwcharterhouse.com

Best Western Ramkota Hotel
bestwesternnorthdakota.com

Bethany Retirement Living
bethanynd.org

Bismarck Mandan Symphony Orchestra
bismarckmandansymphony.org

Bismarck State College
www.bismarckstate.edu

Blue Moose Bar & Grill
thebluemoose.net

BNC National Bank
www.bncbank.com

Bremer Bank
www.bremer.com

Cable One Fargo, ND
cableone.net

Cass County Electric Cooperative
www.kwh.com

Creative Kitchen
www.creativekitchenonline.com

The Mohr Family-Dacotah Paper Component Fund of the FM Area Foundation
dacotahpaper.com

Dan's SuperMarket
danssupermarket.com

DFC Consultants Fargo, ND
dfcconsultants.com

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pte.mb.ca

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rwb.org

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www.satromtravel.com

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www.scandesignnd.com

Sleepy Hollow Theatre and Arts Park
www.shst.org

Stained Glass Workshop
stainedglassfargo.com

Stinson Leonard Street LLP
www.leonard.com

Drs. Tanabe, Olson, Korsmo & Badger
drtanabe.com

Theatre B
theatreb.org

Theodore Roosevelt Medora Foundation
medora.com/about/about-tr-medora-foundation

True North Sports & Entertainment
mtscentre.ca

Twin Oaks Health Solutions
TwinOaksHealth.com

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uttc.edu

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westernpaint.ca

Williston Daily Herald
willistonherald.com

Xcel Energy
xcelenergy.com

Sponsor Spotlight



"Rhombus Guys has been a sponsor of public radio for years. We feel it is a valuable asset to our community and the area ... plus we love listening to all of the fun shows. Don't be a square, keep up the good work!"

Matt and Arron— www.rhombuspizza.com

3

Radio Highlights

SHORT and SWEET



Tune your radio to Prairie Public during the **Short and Sweet Membership Drive** **February 1-4**. Contribute at the \$120 level (or more!) and have a box (or boxes) of gourmet chocolate truffles sent to anyone on your Valentine list!



“The Moth reminds me how fascinating, brave, complex, and fragile we are. We have so much in common, yet every StorySLAM is unique.”

ESTABLISHED: 1997

Be in the audience on Thursdays at 8 pm CT

The Moth began on a back porch in small-town Georgia, where poet and novelist George Dawes Green would spend summer evenings swapping tales with a small circle of friends. There was a hole in the screen, which let in moths that were attracted to the light, and the group started calling themselves “The Moths.” When he moved to New York City, George wanted to recreate the feeling of those nights in his adopted city, and the first New York Moth event was in George’s living room. Word spread fast, and the events soon moved to cafes and clubs throughout the city—and soon to popular venues throughout the country and beyond. You’ll understand why people love it ... just tune in for **The Moth Radio Hour**.

The Capitol Steps

Celebrate our country by helping the Capitol Steps make fun of it

You don’t need to win the Electoral College to proclaim laughter is exactly what 2017 needs! Tune in for the **Capitol Steps Year In Review New Year’s Special** on *Monday, January 2, at 3 pm or 7 pm CT*, and let’s unite in laughter! And for goodness’ sake, can someone give Merrick Garland a hug?



Photo: Bobak Ha'eri

North Dakota Politics

Prairie Public is producing radio and television programs to keep you connected with your elected officials.

North Dakota Governor Doug Burgum’s State of the State Address and Democratic Response will air LIVE on radio January 3 at 1 pm and on television January 3 at 10 pm CT.

ND Legislative Review will air beginning January 13 and will continue throughout the session with radio reports Fridays at 6:30 pm and television reports Fridays at 8 pm CT.

Where’s the Radio Schedule? Find Prairie Public’s radio broadcast schedules for you online at www.prairiepublic.org/radio, or call 800-359-6900 and we’ll be happy to send a printed copy.

January Television Highlights

Cumberbatch and Freeman are back on Baker Street

Promising laughter, tears, shocks, surprises, and extraordinary cases, **Sherlock Season 4 on Masterpiece** is back with new episodes! This, the first of three, has been released, and we’re hoping for two more in mid March. The season will begin with the nation’s favorite detective, the mercurial Sherlock Holmes, back once more on British soil, as Doctor Watson and his wife, Mary, prepare for their biggest ever challenge—becoming parents for the first time. *New! January 1, 8pm CT*



Inspired by recent scholarship, **Rachel Carson: American Experience** illuminates the public and private life of the woman whose writings revolutionized how we understand our relationship with the natural world. *New! Tuesday, January 24, 7 pm CT*



Mercy Street returns for a second season! Allegiances blur, loyalties shift, and the drama intensifies as the scope of the war pushes beyond Mansion House, the former hotel commandeered by northern troops to serve as a Union hospital. *New! Sundays at 8 pm CT beginning January 22*



This month on **Nature**, learn about the remarkable new hybrid carnivore that is taking over territories once roamed by wolves (*Meet the Coywolf*, 1/4); and travel across the snow globe with wildlife cameraman Gordon Buchanan to meet animal survivors of winter (*Snowbound: Animals of Winter* 1/11). *Wednesdays at 7 pm CT*



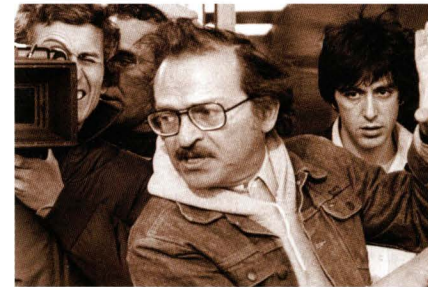
Soar explores the inspiring relationship between two sisters, both dancers. Over the course of three and a half years, the documentary follows the lives of these two remarkable young women, capturing moments of revelation about themselves, and their frustrations with each other as they mature as individuals, dancers, and sisters. *Friday, January 27, 9:30 pm CT*



Command and Control: American Experience, the long-hidden story of a deadly 1980 accident at a Titan II missile complex, features accounts of those who were on the scene, and tells of the efforts to prevent the explosion of a ballistic missile carrying the most powerful nuclear warhead ever built by the United States. *New! Tuesday, January 10, 8 pm CT*



This month on **Frontline**, examine the key moments that shaped President-elect Donald Trump (*President Trump* 1/3); review the partisanship that charged the 2016 presidential campaign (*Divided States of America* 1/17 & 1/18); and learn how Donald Trump defied expectations to win the presidency (*Trump’s Road to the White House* 1/24). *New! Tuesdays and Wednesdays at 8pm & 9pm CT*



Journey through the life’s work of the socially conscious director of “Serpico,” “12 Angry Men,” “Dog Day Afternoon” (pictured) and “Network” in a never-before-seen interview. With candor, humor and grace, **Sidney Lumet: American Masters** reveals what matters to him as an artist and as a human being. *New! Tuesday, January 3, 7 pm CT*



People of the Wind River Indian Reservation in Wyoming wanted to establish a museum, but learned the tribes no longer had possession of many artifacts. In **Independent Lens** *What Was Ours*, a young Northern Arapaho journalist and a teenage powwow princess travel with an Eastern Shoshone elder to get them back. *New! Sunday, January 22, 2 pm CT*

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!



Public Guardianship Funding Public Administrator Support Services (PASS) Program

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.

Reimbursement has been made for a caseload that has grown from 236 wards at the start of the biennium to 300 cases as of December 1st. Reimbursements are made to 7 private agencies and 5 individuals. (Listing in box).

Overall the court assigns an average of an additional 4 cases each month, but the system loses about 1.5/month, for a net increase of 2.5 cases each month. (Chart on reverse)

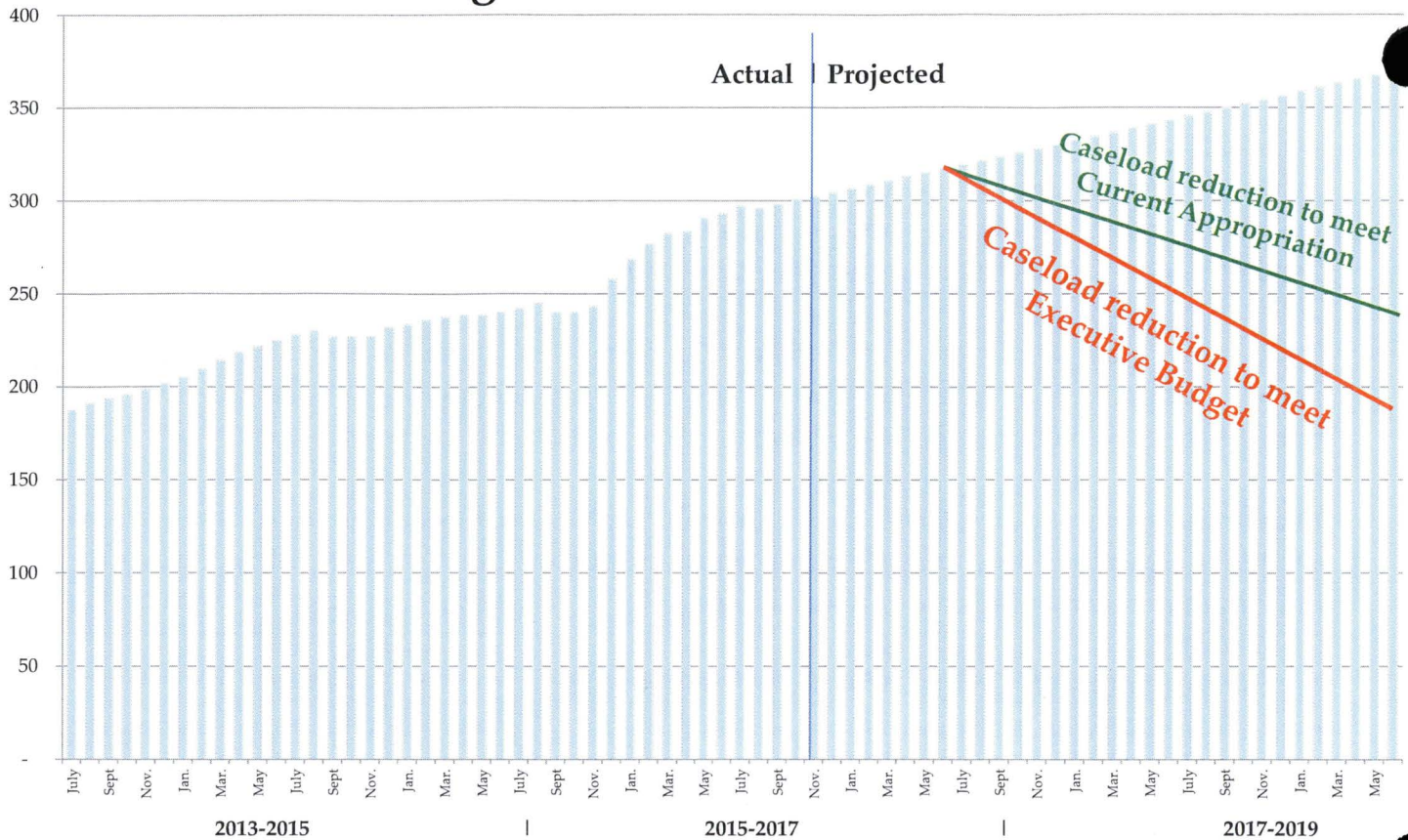
Public Guardians
Bev Robinson
DKK Guardianship
Guardian & Protective Services, Inc.
Guardian Angels Inc.
Kathy Downs
Lighthouse Associates, Inc.
Lutheran Social Services of MN
Opportunity Foundation, Inc.
Schweitzer Consulting
Steve Forde
Tracie Retterath
Veronica Miller

- The current biennial funding level (\$1,328,600) is insufficient to continue program in the next biennium without reducing caseload (down to 230 by the end of the biennium),
- The 10% reduction in the Dalrymple Executive Budget (\$1,195,740) will require reducing 7 cases each month, drawing the total served down to 185.
- An appropriation level of \$1,817,917 is needed to meet the expected caseload growth (370 by June 2019) – even with no change in reimbursement.

The Legislature’s Consultant recommended to the 2013 Session that a reimbursement rate of \$11-12/day would be appropriate in North Dakota, but with the funding constraints and growing caseload, the reimbursement has been limited to the \$8.33/day. If this rate is reduced, (to allow for more cases) a number of Public Guardians have indicated they can no longer afford to continue the service.

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 has been included on the reverse to highlight and contrast these for clarity.

Trend of Indigent Wards at Current Growth Rate



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
 \$0

Guardianship Establishment
 DHS Budget - Private Attorneys/Consultants

Non-Developmentally Disabled	Developmentally Disabled
\$352,500	\$89,555

Public Guardianships

(Non-DD) - PASS OMB/NDACo - Various \$1,195,740	Developmentally Disabled DHS - Catholic Charities \$2,736,075 - 469 Wards
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Testimony to: **House Appropriations Committee - Government Operations**
Representative Mike Brandenburg, Chairman

Testimony by: Audrey Uhrich, Program Director, Guardian and Protective Services
January 11, 2017

Public guardians are needed to serve for vulnerable adults who are found to be incapacitated and have no family or friends able to assist them.

- No family/friends whatsoever
- Family members are not appropriate due to their own health issues; case is too complex for family members to serve; or family members may have exploited them.

What public guardians do:

- Review individual's finances, apply for appropriate benefits, and complete documentation to keep them eligible for benefits or services.
- Address medical, care, and housing needs. Monitor all services being received to ensure that plans are meeting all needs and are adjusted as an individual's needs change.
- Attend medical appointments, care conferences, consult with medical providers, and make important medical decisions as needed.
- Be available 24/7 for all emergent needs.

Without public guardians, vulnerable adults who have no ability to make decisions for themselves:

- May stay at home in unsafe situations because they are unwilling to accept available services in their home.
- Often use the Emergency Room to manage their health instead of following up with their medical providers regularly.
- Are hospitalized longer as there is no legal decision maker to authorize safe placement – home with services or placement in a facility.
- May end up in nursing homes sooner because of inconsistent self-care, inadequate follow-up with their doctors, or noncompliance with prescribed medication.

Public guardians have important work to do. There must be a consistent, stable funding source to ensure that our State will have enough public guardians to meet the needs of our vulnerable adults.

Testimony per the "House Appropriations Committee" via PASS Funds

~ January 11, 2017 ~

- ❖ Greeting ~ Representative Mike Brandenburg, Chairperson and Committee Members
- ❖ Introduction ~ Margo Haut, Director of the Not for Profit Corp of "Guardian Angels, Inc" in Jamestown, ND; I, also am Vice Chair & member of "Guardianship Association of ND" and member of the "National Guardianship Association". In 2014, Joan Martin and I launched this business via the slogan of "Putting People First" with the vision of providing services and being a voice for those who cannot advocate for themselves.
- ❖ Protected People who are served by "Guardian Angels, Inc" via PASS Funds ~
 - Melissa ~ 39-year-old woman who over the course of the past 18 months has experienced success per the Transitional Living Home. Melissa and I attend bimonthly meetings, which has prevented readmissions to the NDSH due to medication non-compliance.
 - Randy ~ 70-year-old man who lived on the streets in Fargo and/or a homeless shelter over the course of the last 4 decades. Due to a change in health conditions, Randy was in need of a placement and recent emotional support after being admitted to Hospice. By us being a part of this process, it's allowed Randy not to be isolated and/or alone in his last days.
 - Cheryl ~ 65-year-old woman who, one year ago, was on a locked unit of a skilled nursing home. Cheryl transitioned to Basic Care, with a recent move to her own apartment, where she is experiencing success with support services, such as Home Health.
 - Arlene ~ 89-year-old woman who has been in placement at a skilled nursing home for over 12 years. Arlene looks forward to our monthly direct contact and/or interactions allowing trust to be established with open communication.
- ❖ Families of Protected People ~ All families of our Protected People, whose payment source is PASS funds, currently reside outside the State of ND. This has resulted in the staff of "Guardian Angels, Inc" needing to offer additional support and/or assist in communication with family members. Please note, there are two families that have offered letters of support via the impact and importance of maintaining these PASS Funds.
- ❖ PASS Funds are vital in the ability of "Guardian Angels, Inc" to meet the needs of Vulnerable Adults. If PASS Funds are cut, it will directly affect "Guardian Angels, Inc" financial status, reducing our capability to serve not only our current caseload, but also those we hope to serve in the future.



Guardian Angels, Inc.
Legacy Center Suite 10
419 5th Street NE
Jamestown, ND 58405

December 28, 2016

RE: PASS Funds

To Whom It May Concern:

This letter is in support of the wonderful services provided the professionals at Guardian Angels to the chronically mentally ill who have been declared incompetent. Alan Blume is one such person. It was a God Send to find them when Alan Blume's mother turned 86 years of age and was no able to serve as a guardian. With their professional expertise they are able to more effectively oversee the care of the chronically mentally ill and negotiate the appropriate services when things come up which easily happens with the chronically mentally ill.

I am therefore requesting that you reconsider proposed funding cuts for the PASS.

Your thoughtful consideration of this will be appreciated.

Respectfully,
Barbara Manakas

Email: info@guardianangelsnd.com

Web: www.guardianangelsnd.com

Office 701-952-6750

Fax 701-952-6751



Guardian Angels, Inc.
Legacy Center Suite 10
419 5th Street NE
Jamestown, ND 58405

From: Pam Larson <l Larsonpa@cableone.net>
Date: December 28, 2016 at 9:20:21 PM CST
To: info@guardianangelsnd.com
Subject: PASS Funds

To preface, our daughter currently has Margo Haut, Director of Guardian Angels, Inc, as a guardian which is paid via the PASS fund. Melissa has struggled with severe mental illness since age 14 and is now 40. She has had numerous stays at the ND State hospital, sometimes for months at a time. As Melissa's guardian, Margo has provided critical support and organization which has been most valuable in helping Melissa be a more productive part of society. Margo's care and expertise have definitely aided in Melissa's stability and hope for the future. Lastly, but very important, is the trust that Margo has built with Melissa. She has had serious trust issues in working with people which has inhibited her care plan in the past. Margo has gained her trust. We cannot emphasize how critical we believe this guardianship is for our daughter.

Respectfully,
Rich & Pam Larson

Sent from my iPad

Email: info@guardianangelsnd.com

Web: www.guardianangelsnd.com

Office 701-952-6750

Fax 701-952-6751

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Jason Bohrer, President & CEO
 Lignite Energy Council
 PO Box 2277
 Bismarck, ND 58502
 Telephone: (701) 258-7117
 Fax: (701) 258-2755

Testimony in Support of HB 1075
Submitted by the Lignite Energy Council before the House Appropriations Committee,
Government Operations Division
January 11, 2017

Mr. Chairman, members of the committee, please accept these comments on behalf of the Lignite Energy Council (LEC) in support of House Bill 1075. In particular, section 14 of this bill provides additional funding to the Lignite Research Fund from the remaining state share of oil and gas taxes after critical state needs have been met. This funding, designated for advanced energy technology research grants, would play a critical role in helping our state's lignite industry develop technological solutions to its single greatest challenge.

By way of background, the lignite R&D program is currently funded through the North Dakota coal severance tax of 37.5 cents on every ton of coal mined in the state, a two-cent per ton R&D tax, and a portion of the coal conversion tax. The focus of the Lignite Research Fund has traditionally revolved around identifying technological solutions to address criteria pollutants, improve power plant efficiency and operation, help launch new lignite conversion facilities, and activities that mutually-benefit the State of North Dakota and lignite industry as a whole. At the same time, our industry has increased its own commitment to the State of North Dakota, adding additional R&D dollars as well as paying a portion of the costs associated with the state's successful Next Generation Act lawsuit.

However, the largest limiting factor impacting the future of the coal-fired power industry is carbon dioxide. Achieving meaningful reductions in carbon dioxide is an enormous effort that will require the development of retrofit technology that can be applied to our existing power plants, as well as a next generation power facility that does not emit any carbon dioxide.

For these reasons, we have increased our focus on R&D funding to tackle this issue, and have asked the state to do the same. Last session, the legislature, and this committee in particular, was instrumental in make a one-time appropriation of \$5 million dedicated to CO2 capture and next-generation power technology.

Over the last two years, the Industrial Commission has put those funds to use in partnership with the EERC on significant research with a new option for power generation known as the Allam Cycle. In many years of trying to crack the code of carbon capture and power production, the Allam Cycle has

emerged as one of the most promising technologies to achieve the often conflicting goals of carbon capture and economic power production. While a pilot plant utilizing natural gas is currently being constructed – on-schedule and on-budget – outside of Houston, Texas, the EERC has been in the process of analyzing coal gasification and metallurgy issues to be ready for the next Allam Cycle plant to be constructed in North Dakota, utilizing North Dakota lignite.

Further, given that the state currently has several billion dollars in existing power plant infrastructure, much of which has many decades of remaining useful life notwithstanding CO2 regulations, the industry has also focused on identifying a retrofit solution to capture CO2 from existing plants. This effort is currently being led by Minnkota Power Cooperative and ALLETE Clean Energy with a potential project for the Milton R. Young Station. Again, the specific technology is based off that which has just been put into operation – on-schedule and on-budget - at the W.A. Parish Generating Station, known as the Petra Nova Project, outside Houston, Texas.

While these projects are two real world examples that our industry is taking a hard look at, the universe of carbon capture technology is continuously evolving and we remain open to new ideas to solve this issue. It is for these reasons the LEC and its members have been working in recent years to expand our partnership with the state and develop a funding stream that is dedicated to advanced energy technology – the next 50 years of our state’s power industry, versus the traditional issues our industry continues to address through the Lignite Research Fund such as regional haze, criteria pollutants, etc.

Section 14 of this legislation is an important step to achieving commercial development of carbon capture technologies that will allow North Dakota to continue enjoying the benefits provided by the lignite industry for the next generation of North Dakotans and beyond. We request your favorable consideration of this provision.



The Allam Cycle

In order for North Dakota's energy future to allow prosperity for future generations and the ability to use our abundant natural resources, it must be able to build **new coal fired power plants** to provide power, jobs and revenue for the state.

What is the Allam Cycle?

- A technology that will allow new coal-fired power plants to be built in North Dakota.
- A new thermodynamic cycle for generating electricity that is smaller, more efficient and has less emissions than traditional steam generation.
- Turbines in an Allam design would be driven by a stream of compressed CO₂, not steam.
- Because the Allam Cycle is a completely new process, it cannot be retrofitted to the existing power plants in North Dakota. It is not a "CO₂ scrubbing" solution.

Why should we pursue the Allam Cycle in order to build new power plants?

- The Allam Cycle captures 100 percent of its CO₂, allowing it to meet or exceed EPA air regulations.
- An Allam Cycle plant would produce electricity at a cost per kilowatt hour that is at or below current technologies.
- As environmental regulations multiply, new technologies are the only way North Dakota can seize control of its own destiny and continue to develop its fossil fuel resources.
- The cycle also captures a stream of pure CO₂ that can be directed to enhanced oil recovery or other purposes.

Who is involved?

- The project is being led in North Dakota by ALLETE, Inc. and Basin Electric Power Cooperative. Research is primarily conducted at the EERC.
- 8 Rivers, Inc. represents the technology ownership as it pertains to coal.
- Net Power, Inc. represents the technology ownership as it pertains to natural gas.

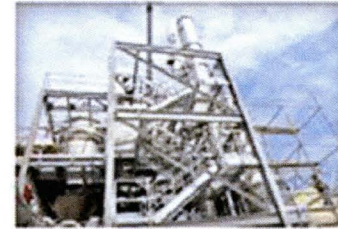
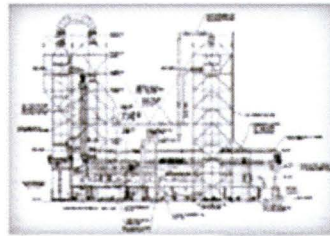
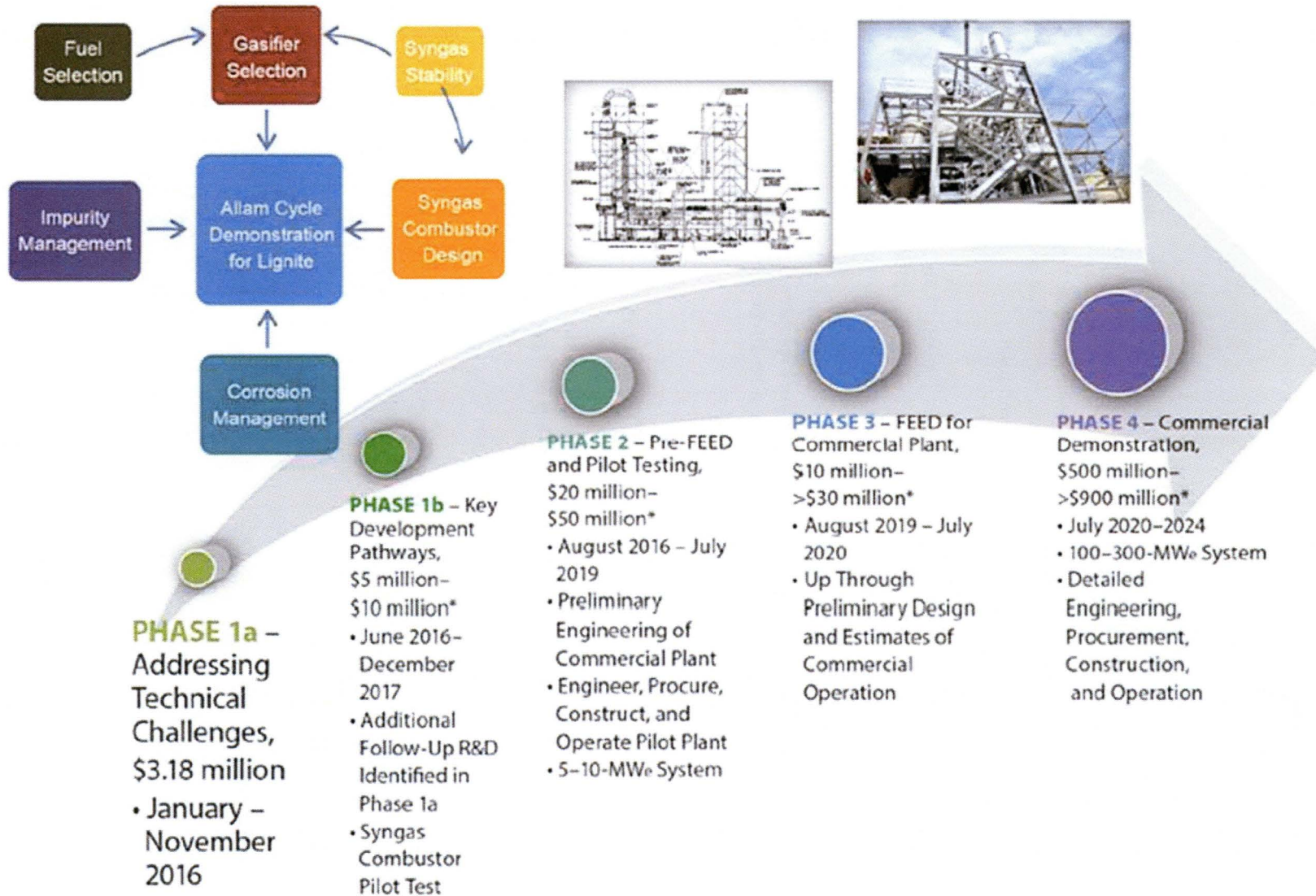
What is the status of development of the Allam Cycle?

- Research, engineering, and modeling has been successfully conducted with assistance from the Lignite Research Council and an additional appropriation from the state.
- A 25 MWe natural gas-fired demonstration plant is being constructed in Texas.
- Although our North Dakota team is following the Texas project, that project is independently funded and managed.
- Once the natural gas cycle has successfully proven the technology, the North Dakota partnership will work on a "fuel switch" to demonstrate the technology with gasified North Dakota lignite.

What will it cost?

- Exact estimates are difficult, but we believe total costs would range from \$500-900M.
- We are working with DOE to secure the largest single part of that amount, with the remainder to be secured by the industry participants, along with the State of North Dakota.

Lignite-Based Allam Cycle Technology Development Road Map





Project Tundra

In order for North Dakota to continue to have a vibrant coal industry that supports thousands of jobs and provides \$100M in tax revenue per year, we must protect our **existing power plants** from premature retirement, which results in billions of stranded assets and economic losses.

What is Project Tundra?

- ALLETE Clean Energy, in partnership with North Dakota-based Minnkota Power Cooperative, are spearheading Project Tundra, a project to capture carbon dioxide emissions from a large, existing coal-fired power plant owned and operated by Minnkota in Center, North Dakota.
- An integrated platform to remove CO2 from the power plant and a new source of CO2 for enhanced oil recovery.

Why should we pursue retrofit solutions like Project Tundra?

- The project builds upon prior federal investments in Petra Nova by scaling up the application to capture more flue gas, and apply to a cold weather climate and low rank (lignite) coal. The ultimate goal is to create a new benchmark – a large-scale demonstration at an existing plant that can be commercially and economically replicated across the region, country and the world.
- Help to provide continued reliability and affordability of electricity from the power plant, while also preserving and creating jobs and economic development opportunities for the state. With billions of dollars invested in our infrastructure over the past decade, premature retirement of power plants will result in lost jobs and lost revenue unless these plants can be saved.
- The Clean Power Plan requires North Dakota to reduce its CO2 emissions by 45 percent.
- The technology required to build new coal plants is not yet fully developed; retrofit solutions offer a bridge to the future while preventing billions in stranded assets and economic losses.

Who is involved?

- ALLETE Clean Energy, BNI Energy and Minnkota Power Cooperative.
- NRG developed the Petra Nova project being explored as a model for Tundra.
- Senator Hoeven is leading efforts to prioritize Department of Energy funding.

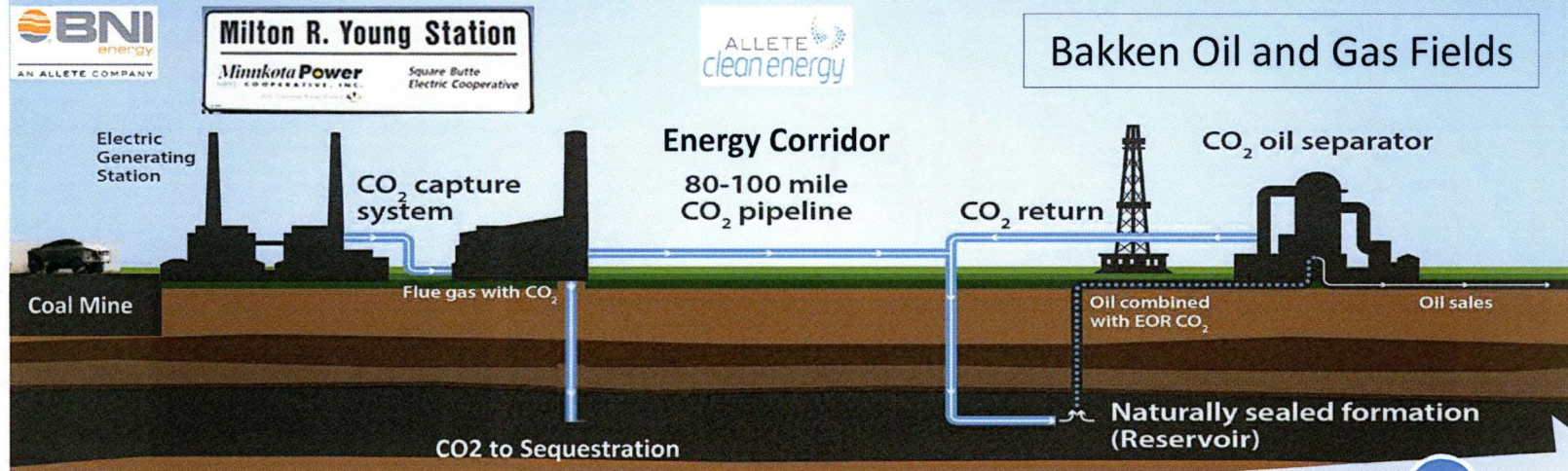
What is the status of development of Project Tundra?

- The technology used in Petra Nova can be adapted to the Young Station, so large scale research is not needed.
- Chemistry challenges specific to North Dakota Lignite remain, including aerosol formation, and must be solved before the project can move forward.
- The DOE has expressed interest in Project Tundra, and the project is pursuing opportunities for funding.

What will it cost?

- A large retrofit solution with the associated EOR infrastructure such as Project Tundra is estimated to cost around \$1.1B.
- In conjunction with federal support, project support will also need to be secured by industry participants, along with the State of North Dakota.

Utility Industry Carbon Solutions – Project Tundra



Project Tundra Roadmap

Key Technology Improvements

Addressing the key technical challenges from recent projects to improve efficiency and performance.

Tundra Design – Gen 2.0 Project

Advance technology: Scale-up and broaden design and its application for industry.

Federal and State, funding, and tax credit support.

CO₂ for EOR and Sequestration

Identify locations & partners; design and test sequestration; permit corridor for CO₂ pipeline and infrastructure for EOR and sequestration.

Pre-FEED and FEED & Pilot Testing

FEED for full project, and agreements for offtake and sequestration.

Pilot testing at MR Young Station.

Finalize Federal and State support.

Commercial Application

Detailed engineering, procurement, & construction.

Operation and affirmation of capture, EOR, and sequestration solutions for industry.

Timeline and Cost Estimate

2015–2016

\$1 million

2016–2017

\$5 million

2017-2018

\$50 million

2018-2019

\$100 million

2020-2022

\$1.1 billion

January 19, 2017

HB1015 / HB 1075

Attachment A

REVISED RECOMMENDED SPENDING FROM S.I.I.F.

Available for Appropriation \$ 345,681,365

2015-17

Deficiency Appropriation	\$ 14,881,979	
Transfer to General Fund for ending Balance	<u>30,000,000</u>	
Total 2015-17		\$ 44,881,979

2017-19

Valley City Fine Arts Building		
Litigation fees	2,800,000	
Commitment to Williston and Dickinson Airports	24,100,000	
DOCR Electronic Medical Records	936,000	
Highway Patrol equipment	514,000	
Unmanned Aerial System	2,000,000	
Base retention	1,000,000	
Challenge Grants	10,000,000	
Lignite Research Fund	3,000,000	
Transfer to General Fund for ending Balance	<u>90,000,000</u>	
Total 2017-19		\$ 134,350,000 \$ 179,231,979

Remainder available for Appropriation \$ 166,449,386

January 19, 2017

HB1015 / HB1075

Attachment B

Summary of Outstanding Bond Indebtedness Issued by ND Bonding Authority

Projects Funded	Bond Issue	Bond Maturity Date	Outstanding Principal June 30, 2017	Debt Service General Fund Payment 2017-19	Debt Service Special Fund Payment 2017-19	Debt Service Energy Savings Payment 2017-19
Authorized in 1997	2006 Series A	12/1/2019	\$2,340,000	\$1,377,801	\$0	\$0
State College of Science - Bute Gym remodeling (\$1,700,000)						
Minot State University Moore Hall renovation (\$4,000,000)						
Youth Correctional Center gymnasium renovation (\$1,400,000)						
Authorized in 1999						
North Dakota State University - Animal facility (\$2,207,500)						
Youth Correctional Center - Pine Cottage (\$1,475,000)						
Authorized in 1999	2006 Series B	12/1/2022	\$5,260,000	\$2,126,367	\$0	\$0
Williston State College - Health and Wellness Center (\$3,000,000)						
Authorized in 2001						
Minot State University - Old Main restoration (\$7,850,000)						
Authorized in 2001	2010 Series AB	12/1/2022	\$2,470,000	\$308,098	\$609,046	\$0
University of North Dakota Energy Conservation Projects (\$3,990,785)						
North Dakota State University Energy Conservation Projects (\$296,348)						
State Department of Health - Laboratory Addition (\$2,700,000)						
Job Service ND - Bismarck service delivery office (\$2,302,000)						
Authorized in 2003	2012 Series A	12/1/2021	\$4,250,000	\$1,793,177	\$0	\$16,285
State Department of Health - Morgue and storage annex (\$960,000)						
James River Correctional Center - Food Service/laundry renovations - Phase II (\$2,662,890)						
Missouri River Correctional Center Energy Conservation Project (\$105,326)						
Dickinson State University - Murphy Hall Phase I (\$5,882,047)						
Mayville State University - Steamline replacement - Phase II (\$1,355,000)						
Valley City State University - Graichen Gymnasium elevator and emergency exits (\$785,300)						

Summary of Outstanding Bond Indebtedness Issued by ND Bonding Authority

Projects Funded	Bond Issue	Bond Maturity Date	Outstanding Principal June 30, 2017	Debt Service General Fund Payment 2017-19	Debt Service Special Fund Payment 2017-19	Debt Service Energy Savings Payment 2017-19
Authorized in 2005	2005 Series A	12/1/2024	\$22,190,000	\$6,050,373	\$33,333	\$491,500
University of North Dakota Energy Conservation Projects (\$2,331,554)						
Office of Management and Budget - Fire suppression system (\$3,155,000)						
Attorney General's Office - Crime Laboratory addition and renovation (\$3,632,691)						
North Dakota State University - Hazardous material handling and storage facility (\$3,500,000)						
North Dakota State College of Science - Electrical Distribution (\$736,000)						
Dickinson State University - Murphy Hall (\$4,100,557)						
Minot State University - Bottineau - Thatcher Hall addition (\$2,500,000)						
James River Correctional Center ET building Improvements (\$980,000)						
James River Correctional Center - Programs building code improvements (\$584,000)						
North Central Research Center - Agronomy laboratory and greenhouse (\$440,000)						
Central Grasslands Research Extension Center - Office addition (\$270,000)						
Main Research Center - Greenhouse Complex (\$2,000,000)						
State Historical Society - Chateau de Mores Interpretive Center (\$1,100,000)						
State Historical Society and Heritage Center - Research collections expansion (\$5,500,000)						
Parks and Recreation Department - Turtle River State Park administrative office (\$350,000)						
Authorized in 2007 and Reauthorized in 2009	2010 Series AB	12/1/2030	\$2,225,000	\$0	\$404,503	\$0
Veterans Home (\$2,575,152)						
Total			\$38,735,000	\$11,655,816	\$1,046,882	\$507,785

January 19, 2017

HB1015/ HB1075

Attachment B

Capital Planning Fund Status Statement

	2013-15 Actual ¹¹	2015-17 Legislative Appropriation	2017-19 Executive Budget
Beginning Balance	\$2,841,003	\$5,903,878 ¹²	\$2,448,041
Revenue:			
Rent, Royalties and Bonuses	4,193,372	2,370,167	1,907,661
Governor's Residence Fundraising		1,000,000	
Investment Income	18,413	161,741	100,000
Total Revenue	\$4,211,785	\$3,531,908 ¹³	\$2,007,661
Expenditures/Transfers:			
Capitol Grounds Continuing Approp	\$0	(\$175,000) ¹⁴	(\$175,000) ¹⁴
Capitol Grounds Planning Meetings	0	(25,000)	(25,000)
Facilities Management Projects	(1,092,000)		
Capitol Building Entrance and Signage		(1,400,000)	
Legislative Electrical and Ceiling Repairs		(310,000)	
Facilities Management Extraordinary Repairs			(1,000,000)
Governor's Residence		(5,000,000) ¹⁵	
Administrative Expense	(50,883)	(70,843)	(84,000)
Income Payments to Counties	(6,027)	(6,902)	(7,266)
Total Expenditures	(\$1,148,910)	(\$6,987,745) ¹⁶	(\$1,291,266)
Ending Balance	\$5,903,878	\$2,448,041	\$3,164,436

¹¹ Final revenues and expenditures per state accounting system reports dated June 30, 2015.

¹² Actual July 1, 2015 balance.

¹³ Based on actual revenues through October 31, 2016 and estimated revenues for the remainder of the biennium using the November 2016 executive revenue forecast.

¹⁴ 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 percent of the unencumbered balance of the fund on the first day of the biennium.

¹⁵ Funding of \$4.0 million was appropriated from the Capitol Building fund in 2015 Senate Bill 2304, for the demolition of the existing Governor's residence and the construction of a new residence. The bill also included an appropriation of \$1.0 million from private donations for a total appropriation of \$5.0 million for the project.

¹⁶ Estimated expenditures for the 2015-17 biennium.

January 25, 2017

HB1015/HB1075

Attachment A

State of North Dakota

Revised Executive Budget Recommendation 2017-2019 Biennium



Christmas 1973, Central Avenue, Valley City ND, Bob Nagle

Governor Doug Burgum

Pam Sharp, Director
Office of Management and Budget

Sheila Peterson, Director
Fiscal Management

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— State of —
North Dakota
Office of the Governor

Doug Burgum
Governor

On January 16, 2017, Governor Doug Burgum presented legislative leaders with an executive budget proposal that recommends additional cuts and realigns spending priorities to spur innovation, creativity and the reinvention of government.

Burgum recommends ongoing spending of \$4.62 billion, or about \$159 million less than the 2017-19 budget proposed by Governor Jack Dalrymple in early December.

“Governor Dalrymple’s budget was a good starting point. Unfortunately, revenues continue to fall short of projections, already lagging more than \$15 million behind November’s revised forecast,” Burgum said. “My budget proposal reflects this reality while prioritizing K-12 education and support for our state’s most vulnerable people.”

The structurally balanced budget would cushion the general fund with an ending balance of approximately \$100 million, including a \$90 million transfer from the Strategic Investment and Improvements Fund (SIIF).

Achieving that positive balance required finding about \$100 million in further savings, including an additional 5 percent, \$31 million reduction to higher education and an additional \$19 million in cuts to state agencies. The total reductions would necessitate eliminating about 633 full-time positions.

To help offset the additional reduction to higher education, Burgum proposes increasing funding from \$3 million to \$10 million for higher education challenge grants, which will generate \$20 million in matching funds through public-private partnerships.

In the second year of the biennium, Burgum’s budget would eliminate 1 percent increases in three areas: state and campus employee salaries, the per-pupil payment for K-12 schools and an inflationary adjustment for Medicaid providers.

State employees would pay 5 percent of their health insurance premiums, saving the state \$11 million and engaging state employees in the rising costs of health care.

“These measures, while difficult in the short term, will position our state for long-term success with a leaner budget that is more adaptable to volatile swings in commodity prices,” Burgum said.

The budget replenishes the rainy-day Budget Stabilization Fund with a \$300 million transfer from the Tax Relief Fund. Dalrymple’s budget had also proposed a \$154 million transfer from the SIIF to the Budget Stabilization Fund, but Burgum’s budget removes that transfer, as well as removes a \$25 million transfer from the SIIF to Valley City State University for a new Communications and Fine Arts building.

“We need to think strategically during the next interim about how we deliver higher education to students through existing infrastructure,” Burgum said.

Burgum also recommends not using the SIIF to repay the \$17 million borrowed from the Bank of North Dakota for costs related to the Dakota Access Pipeline protests. The state will seek reimbursement for those costs from the federal government and other responsible parties.

In addition, his proposed budget reduces the transfer of Bank of North Dakota profits to the general fund from \$200 million to \$140 million, as the state has previously utilized \$100 million to cover revenue shortfalls in the current biennium.

With the flexibility provided by voters through the passage of Measure 2, Burgum also recommends using \$200 million from the Foundation Aid Stabilization Fund to maintain state aid to K-12 schools at current levels – an increase of \$60 million over the previous executive budget.

At the same time, his budget removes a proposed \$200 million transfer from the Foundation Aid Stabilization Fund for school construction loans. Other options are available for school construction financing, including Bank of North Dakota funds, an interest buydown program and bonding.

The budget takes a more conservative approach toward oil, assuming \$337 million less in oil tax revenue and an average price of about \$48 per barrel, compared with \$52 to \$53 per barrel in Dalrymple's budget. The oil production assumption remains unchanged at 900,000 barrels per day.

Oil tax revenue available to the general fund would decrease from \$1 billion in Dalrymple's budget to \$900 million in Burgum's budget.

Highlights from Dalrymple's budget that Burgum has retained include:

- Continued funding of Medicaid expansion.
- Support for a long-term care provider assessment, which is used by more than 40 states and will ensure quality care continues in North Dakota's nursing homes.
- A combined \$250 million to address behavioral health issues, including funding for adult and youth corrections programs.
- SIIF funding for the Williston and Dickinson airports (\$24 million), Unmanned Aerial Systems (\$2 million) and lignite coal research (\$3 million).
- Transferring \$275 million to transition the cost of county social services to the state, ending the 12 percent property tax buydown. The administration will emphasize the need to find efficiencies in social services as the legislation moves forward.

"We recognize this is a collaborative process and will continue to work with the Legislature to find the best solutions that benefit the people of North Dakota," Burgum said.

Policy Initiatives Summary

REVISED Executive Budget Recommendations

Following is a summary of changes from the Executive Recommendation to Governor Burgum's Revised Recommendation:

- Reduces General Fund appropriations by \$159 million (details below and on each agency page).
- Recommends state employees contribute 5 percent of the health insurance premium.
- Recommends elimination of 1 percent increase in the second year of the biennium for:
 - State Employee Compensation
 - K-12 Per Pupil Payment
 - Medicaid Providers
- Reduces transfer from Bank of North Dakota profits from \$200 million to \$140 million.
- Reduces the oil tax revenue to be deposited in the General Fund from \$1 billion to \$900 million.
- Provides a transfer from the Strategic Investment and Improvement Fund of \$90 million.
- Removes funding for the Valley City Fine Arts building.
- Increases funding for the Challenge Grant from \$3 million to \$10 million.
- Recommends eliminating 51.5 FTE.
- Removes transfer from Strategic Investment and Improvement Fund to the Budget Stabilization Fund of \$154 million.

2017-2019 REVISED Executive Recommendation

Category/Agency	2017-2019 Executive Recommendation		Changes		2017-2019 REVISED Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Executive Branch						
101 Office of the Governor	4,026,853	4,026,853	(41,704)	(41,704)	3,985,149	3,985,149
108 Secretary of State	6,428,612	8,872,780	(275,618)	(277,700)	6,152,994	8,595,080
110 Office of Management and Budget	305,497,425	317,750,897	(514,475)	(561,207)	304,982,950	317,189,690
112 Information Technology	20,497,367	217,134,971	(348,909)	(1,802,466)	20,148,458	215,332,505
117 Office of the State Auditor	9,108,071	12,735,041	(194,035)	(227,278)	8,914,036	12,507,763
120 Office of the State Treasurer	1,634,231	1,634,231	(106,241)	(106,241)	1,527,990	1,527,990
125 Office of the Attorney General	46,993,970	76,611,707	(1,435,682)	(1,482,871)	45,558,288	75,128,836
127 Office of State Tax Commissioner	52,226,535	52,351,535	(810,431)	(810,431)	51,416,104	51,541,104
140 Office of Administrative Hearings	0	2,954,315	0	(42,140)	0	2,912,175
188 Commission on Legal Counsel for Indigents	17,907,588	19,828,303	(93,615)	(95,938)	17,813,973	19,732,365
190 Retirement and Investment Office	0	5,494,506	0	(157,466)	0	5,337,040
192 Public Employment Retirement System	0	9,556,106	0	(228,298)	0	9,327,808
Total	464,320,652	728,951,245	(3,820,710)	(5,833,740)	460,499,942	723,117,505
Legislative and Judicial Branches						
150 Legislative Assembly	14,717,768	14,717,768	0	0	14,717,768	14,717,768
160 Legislative Council	12,148,060	12,218,060	6,400	6,400	12,154,460	12,224,460
180 Judicial Branch	102,236,654	104,058,493	(870,538)	(870,538)	101,366,116	103,187,955
Total	129,102,482	130,994,321	(864,138)	(864,138)	128,238,344	130,130,183
Elementary, Secondary & Other Education						
201 Department of Public Instruction	1,602,482,491	2,333,994,313	(77,489,145)	(17,645,228)	1,524,993,346	2,316,349,085
226 Department of Trust Lands	0	37,963,150	0	(579,409)	0	37,383,741
250 State Library	6,072,404	8,322,846	(235,857)	(243,654)	5,836,547	8,079,192
252 School for Deaf/Res Ctr for Deaf and HoH	8,244,864	11,583,689	(277,339)	(276,145)	7,967,525	11,307,544
253 ND Vision Services/School for the Blind	4,695,358	5,870,927	(273,225)	(273,273)	4,422,133	5,597,654
270 Career and Technical Education	30,341,516	39,958,182	1,343,615	1,343,615	31,685,131	41,301,797
Total	1,651,836,633	2,437,693,107	(76,931,951)	(17,674,094)	1,574,904,682	2,420,019,013
Higher Education						
215 ND University System	101,978,375	131,146,449	(301,135)	6,391,724	101,677,240	137,538,173
227 Bismarck State College	32,638,712	105,810,946	(2,230,077)	(2,735,913)	30,408,635	103,075,033
228 Lake Region State College	13,546,533	37,712,099	(925,583)	(1,094,550)	12,620,950	36,617,549
229 Williston State College	8,917,345	28,828,643	(609,289)	(731,654)	8,308,056	28,096,989
230 University of North Dakota	146,747,078	968,582,821	(13,519,045)	(18,040,186)	133,228,033	950,542,635
232 UND Medical Center	56,918,137	196,689,901	0	0	56,918,137	196,689,901
235 North Dakota State University	138,253,912	801,092,401	(9,177,121)	(12,523,403)	129,076,791	788,568,998
238 ND State College of Science	37,426,460	95,169,955	(2,557,204)	(2,933,434)	34,869,256	92,236,521

Category/Agency	2017-2019		Changes		2017-2019 REVISED	
	Executive Recommendation				Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
239 Dickinson State University	21,392,198	51,206,764	(1,258,363)	(1,414,821)	20,133,835	49,791,943
240 Mayville State University	15,199,271	45,600,381	(1,040,710)	(1,342,483)	14,158,561	44,257,898
241 Minot State University	42,400,182	104,656,148	(2,903,184)	(3,450,128)	39,496,998	101,206,020
242 Valley City State University	21,791,025	75,809,775	(1,492,053)	(27,192,012)	20,298,972	48,617,763
243 Dakota College at Bottineau	8,162,660	17,818,132	(557,723)	(646,967)	7,604,937	17,171,165
244 ND Forest Service	4,564,602	15,215,350	(173,057)	(173,057)	4,391,545	15,042,293
Total	649,936,490	2,675,339,765	(36,744,544)	(65,886,884)	613,191,946	2,609,452,881
Health and Human Services						
301 ND Department of Health	45,677,051	197,844,162	(888,844)	(1,908,873)	44,788,207	195,935,289
305 Tobacco Prevention and Control	0	0	0	0	0	0
313 Veterans Home	6,037,327	24,852,597	(94,334)	(276,601)	5,942,993	24,575,996
316 Indian Affairs Commission	1,117,124	1,117,124	(10,181)	(10,181)	1,106,943	1,106,943
321 Department of Veterans Affairs	1,348,978	3,441,525	(145,305)	(147,534)	1,203,673	3,293,991
325 Department of Human Services	1,329,916,312	3,842,355,263	(22,341,697)	(40,238,357)	1,307,574,615	3,802,116,906
360 Protection and Advocacy	3,022,645	6,498,327	(31,113)	(64,438)	2,991,532	6,433,889
380 Job Service North Dakota	949,014	55,244,653	(504,771)	(855,227)	444,243	54,389,426
Total	1,388,068,451	4,131,353,651	(24,016,245)	(43,501,211)	1,364,052,206	4,087,852,440
Regulatory						
401 Office of the Insurance Commissioner	0	25,949,985	0	(275,109)	0	25,674,876
405 Industrial Commission	22,763,880	39,114,376	(700,096)	(716,412)	22,063,784	38,397,964
406 Department of Labor and Human Rights	2,316,868	2,756,784	(30,969)	(30,969)	2,285,899	2,725,815
408 Public Service Commission	6,891,777	19,534,040	(203,197)	(246,794)	6,688,580	19,287,246
412 Aeronautics Commission	900,000	10,742,642	0	(16,273)	900,000	10,726,369
413 Department of Financial Institutions	0	8,659,347	0	(288,192)	0	8,371,155
414 Securities Department	0	2,464,459	0	(21,373)	0	2,443,086
471 Bank of North Dakota	0	60,688,521	0	(1,624,446)	0	59,064,075
473 ND Housing Finance Agency	0	45,022,790	0	(550,688)	0	44,472,102
475 ND Mill and Elevator	0	68,930,168	0	(915,812)	0	68,014,356
485 Workforce Safety and Insurance	0	72,657,598	0	(1,892,309)	0	70,765,289
Total	32,872,525	356,520,710	(934,262)	(6,578,377)	31,938,263	349,942,333
Public Safety						
504 Highway Patrol	43,410,717	57,244,630	(377,296)	(472,112)	43,033,421	56,772,518
530 Department of Corrections and	215,839,290	254,147,552	(8,622,959)	(8,734,935)	207,216,331	245,412,617
540 Office of the Adjutant General	27,256,286	204,490,852	(740,429)	(982,045)	26,515,857	203,508,807
Total	286,506,293	515,883,034	(9,740,684)	(10,189,092)	276,765,609	505,693,942

Category/Agency	2017-2019		Changes		2017-2019 REVISED	
	Executive Recommendation				Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Agriculture and Economic Development						
601 Department of Commerce	32,538,344	95,838,915	(1,086,431)	(1,123,171)	31,451,913	94,715,744
602 Department of Agriculture	9,523,505	31,323,379	(278,130)	(349,998)	9,245,375	30,973,381
627 Upper Great Plains Transportation Institute	3,563,901	22,222,023	(134,060)	(214,749)	3,429,841	22,007,274
628 Branch Research Centers	17,765,103	38,075,213	(720,211)	(789,421)	17,044,892	37,285,792
630 NDSU Extension Service	26,878,116	53,646,705	(1,112,301)	(1,406,750)	25,765,815	52,239,955
638 Northern Crops Institute	1,955,702	3,713,445	(81,912)	(86,227)	1,873,790	3,627,218
640 NDSU Main Research Center	51,329,311	110,541,592	(2,073,291)	(2,366,306)	49,256,020	108,175,286
649 Agronomy Seed Farm	0	1,538,795	0	(6,542)	0	1,532,253
665 ND State Fair	513,000	513,000	(15,390)	(15,390)	497,610	497,610
670 ND Horse Racing Commission	385,489	548,046	(8,452)	(8,452)	377,037	539,594
Total	144,452,471	357,961,113	(5,510,178)	(6,367,006)	138,942,293	351,594,107
Natural Resources						
701 Historical Society	17,149,885	20,311,388	(318,771)	(332,545)	16,831,114	19,978,843
709 Council on the Arts	1,600,648	3,413,570	(27,231)	(27,231)	1,573,417	3,386,339
720 Game and Fish Department	0	83,569,734	0	(1,505,774)	0	82,063,960
750 Parks and Recreation Department	14,816,324	31,720,221	(433,728)	(439,243)	14,382,596	31,280,978
770 Water Commission	0	724,763,589	0	(36,061,156)	0	688,702,433
Total	33,566,857	863,778,502	(779,730)	(38,365,949)	32,787,127	825,412,553
Transportation						
801 Department of Transportation	0	1,276,870,224	0	(2,169,266)	0	1,274,700,958
Total	0	1,276,870,224	0	(2,169,266)	0	1,274,700,958
Total All Categories	4,780,662,854	13,475,345,672	(159,342,442)	(197,429,757)	4,621,320,412	13,277,915,915

NOTE: House Bill 1003, Section 21 amended NDCC 54-44.1-04 to require all entities under the control of the State Board of Higher Education to complete budget requests in the same manner as all other state agencies. As a result, the total state budget increased by over \$2.025 billion from the campus other funds (such as Tuition, Auxiliary and Grants and Contracts) being added into the Executive Budget. Prior to this change, only general fund expenditures were reflected in the Higher Education budget requests.

FTE COMPARISON

2015-17 LEGISLATIVELY AUTHORIZED, 2017-19 EXECUTIVE RECOMMENDATION AND REVISED RECOMMENDATION

Department	2015-17 Legislatively Authorized FTE	Actual Change 2015-17 to 2017-19	Legislative Change 2015-17 to 2017-19	2017-19 Executive Recommendation	Changes	2017-19 Revised Executive Recommendation
General Government						
<i>Executive Branch</i>						
101 Office of the Governor	18.00	0.00		18.00	0.00	18.00
108 Office of the Secretary of State	34.00	(1.00)		33.00	(2.00)	31.00
110 Office of Management and Budget	122.50	(3.50)		119.00	(1.00)	118.00
112 Information Technology Department	350.30	(1.00)		349.30	(5.00)	344.30
117 Office of the State Auditor	59.80	(6.00)		53.80	0.00	53.80
120 Office of the State Treasurer	8.00	0.00		8.00	(1.00)	7.00
125 Office of the Attorney General	250.00	(16.00)		234.00	(2.00)	232.00
127 Office of the State Tax Commissioner	136.00	(3.00)		133.00	0.00	133.00
140 Office of Administrative Hearings	5.00	0.00		5.00	0.00	5.00
188 Commission on Legal Counsel of Indigents	40.00	0.00		40.00	0.00	40.00
190 Retirement and Investment Office	19.00	0.00		19.00	0.00	19.00
192 Public Employees Retirement System	34.50	0.00		34.50	(1.00)	33.50
Total Executive Branch	1,077.10	(30.50)	0.00	1,046.60	(12.00)	1,034.60
<i>Legislative and Judicial Branches</i>						
160 Legislative Council	37.00	(1.00)		36.00	0.00	36.00
180 Judicial Branch	391.00	(36.50)		354.50	0.00	354.50
Total Legislative and Judicial Branches	428.00	(37.50)	0.00	390.50	0.00	1,887.60
Education						
<i>Elementary, Secondary, and Other Education</i>						
201 Department of Public Instruction	99.75	(2.00)		97.75	0.00	97.75
226 Department of Trust Lands	33.00	(1.00)		32.00	(1.00)	31.00
250 State Library	29.75	0.00		29.75	0.00	29.75
252 School for the Deaf	45.61	0.00		45.61	(1.00)	44.61
253 ND Vision Services/School for the Blind	30.00	(0.50)		29.50	0.00	29.50
270 Dept. of Career and Technical Education	26.50	(1.00)		25.50	0.00	25.50
Total Elementary, Secondary and Other Education	264.61	(4.50)	0.00	260.11	(2.00)	2,536.21
<i>Higher Education</i>						
215 North Dakota University System Office	104.39	0.00	44.01	148.40	(2.00)	146.40
227 Bismarck State College	133.53	(19.00)	243.82	358.35	0.00	358.35
228 Lake Region State College	50.19	(5.00)	84.42	129.61	0.00	129.61
229 Williston State College	49.96	(1.00)	51.79	100.75	0.00	100.75
230 University of North Dakota	630.20	(104.67)	1,692.54	2,218.07	0.00	2,218.07
232 UND Medical School	184.58	(17.00)	268.17	435.75	0.00	435.75
235 ND State University	537.10	(95.00)	1,453.56	1,895.66	0.00	1,895.66
238 ND State College of Science	168.30	(1.00)	177.74	345.04	0.00	345.04
239 Dickinson State University	120.26	(14.80)	63.44	168.90	0.00	168.90

FTE COMPARISON

2015-17 LEGISLATIVELY AUTHORIZED, 2017-19 EXECUTIVE RECOMMENDATION AND REVISED RECOMMENDATION

Department	2015-17 Legislatively Authorized FTE	Change from 2015-17 to 2017-19	Legislative Changes	2017-19 Executive Recommendation	Changes	2017-19 Revised Executive Recommendation
240 Mayville State University	66.23	(10.30)	154.60	210.53	0.00	210.53
241 Minot State University	204.10	(24.00)	261.55	441.65	0.00	441.65
242 Valley City State University	105.59	(15.00)	112.16	202.75	0.00	202.75
243 Dakota College at Bottineau	46.96	(8.50)	45.84	84.30	0.00	84.30
244 ND Forest Service	28.96	0.00	(1.96)	27.00	0.00	27.00
Total Higher Education	2,430.35	(315.27)	4,651.68	6,766.76	(2.00)	6,764.76
<u>Health and Human Services</u>						
301 ND Department of Health	365.00	16.00		381.00	(5.00)	376.00
305 Tobacco Prevention and Control Committee	8.00	(8.00)		0.00	0.00	-
313 Veterans Home	120.72	0.00		120.72	0.00	120.72
316 Indian Affairs Commission	5.00	(1.00)		4.00	0.00	4.00
321 Department of Veterans Affairs	9.00	0.00		9.00	(1.00)	8.00
325 Department of Human Services	2,211.08	(6.85)		2,204.23	0.00	2,204.23
360 Protection and Advocacy Project	27.50	0.00		27.50	0.00	27.50
380 Job Service North Dakota	237.76	(56.15)		181.61	0.00	181.61
Total Health and Human Services	2,984.06	(56.00)	0.00	2,928.06	(6.00)	2,922.06
<u>Regulatory</u>						
401 Office of the Insurance Commissioner	49.50	(2.50)		47.00	(1.00)	46.00
405 Industrial Commission	121.75	(16.50)		105.25	(2.00)	103.25
406 Office of the Labor Commissioner	15.00	(1.00)		14.00	0.00	14.00
408 Public Service Commission	46.00	(1.00)		45.00	0.00	45.00
412 Aeronautics Commission	7.00			7.00	0.00	7.00
413 Dept. of Banking and Financial Institutions	30.00	0.00		30.00	0.00	30.00
414 Securities Department	9.00	0.00		9.00	0.00	9.00
471 Bank of North Dakota	181.50	0.00		181.50	0.00	181.50
473 North Dakota Housing Finance Agency	46.00	0.00		46.00	0.00	46.00
475 North Dakota Mill and Elevator Association	147.00	6.00		153.00	(1.00)	152.00
485 Workforce Safety and Insurance	260.14	0.00		260.14	(7.00)	253.14
Total Regulatory	912.89	(15.00)	0.00	897.89	(11.00)	886.89
<u>Public Safety</u>						
504 Highway Patrol	215.00	(9.00)		206.00	0.00	206.00
530 Department of Corrections and Rehabilitation	836.29	10.00		846.29	0.00	846.29
540 Office of the Adjutant General	234.00	0.00		234.00	0.00	234.00
Total Public Safety	1,285.29	1.00	0.00	1,286.29	0.00	1,286.29
<u>Agriculture and Economic Development</u>						
601 Department of Commerce	69.40	(3.00)		66.40	0.00	66.40
602 North Dakota Department of Agriculture	77.00	(2.00)		75.00	0.00	75.00

FTE COMPARISON

2015-17 LEGISLATIVELY AUTHORIZED, 2017-19 EXECUTIVE RECOMMENDATION AND REVISED RECOMMENDATION

Department	2015-17 Legislatively Authorized FTE	Change from 2015-17 to 2017-19	Legislative Changes	2017-19 Executive Recommendation	Changes	2017-19 Revised Executive Recommendation
627 Upper Great Plains Transportation Institute	54.98	(11.10)		43.88	0.00	43.88
628 Branch Research Centers	120.29	(10.00)		110.29	0.00	110.29
630 NDSU Extension Service	265.98	(13.00)		252.98	0.00	252.98
638 Northern Crops Institute	12.00	(0.20)		11.80	0.00	11.80
640 NDSU Main Research Station	361.12	(25.00)		336.12	0.00	336.12
649 Agronomy Seed Farm	3.00	0.00		3.00	0.00	3.00
670 ND Racing Commission	2.00	0.00		2.00	0.00	2.00
Total Agriculture and Economic Development	965.77	(64.30)	0.00	901.47	0.00	901.47
Natural Resources						
701 State Historical Society	78.00	(1.00)		77.00	(2.00)	75.00
709 Council on the Arts	5.00	0.00		5.00	0.00	5.00
720 Game and Fish Department	163.00	0.00		163.00	(6.00)	157.00
750 Department of Parks and Recreation	66.00	(1.00)		65.00	(2.50)	62.50
770 State Water Commission	97.00	(1.00)		96.00	(3.00)	93.00
Total Natural Resources	409.00	(3.00)	0.00	406.00	(13.50)	392.50
Transportation						
801 Department of Transportation	1,080.50	(26.50)		1,054.00	(5.00)	1,049.00
Grand Total FTE	11,837.57	(551.57)	4,651.68	15,937.68	(51.50)	19,661.38

NOTE: The higher education funding formula has decreased an additional 5% in the revised executive budget. With the reduction in funding, there would be additional staff reductions on campuses; however, the change in FTE has not yet been determined.



Status Statements

General Fund Status Statement

	2017-19 Executive Budget	Adjustments	2017-19 REVISED Executive Budget
Beginning Balance	\$10,980,773	\$0	\$10,980,773
Revenue	\$4,813,426,208	(\$100,000,000)	\$4,713,426,208
Expenditures:			
Original Appropriations - One Time			
Contingent Appropriations - One Time			
Special Session Appropriation Adjustment			
Original Appropriations - Ongoing	(4,780,662,854)	159,436,888	(4,621,225,966)
Adjustments for Emergency Clauses			
Authorized Carryover from Previous Biennium			
Supplemental Appropriations			
Transportation Funding Distributions			
Unspent Authority/Adjustments			
Total Expenditures	(4,780,662,854)	\$159,436,888	(4,621,225,966)
Ending Balance Before Transfers	\$43,744,127	\$59,436,888	\$103,181,015
Transfers and Adjustments:			
Transfer to Budget Stabilization Fund			
Adjustments and Cash Certifications			
Total Transfers and Adjustments	\$0	\$0	\$0
Ending Balance	\$43,744,127	\$59,436,888	\$103,181,015

General Fund Revenue Comparison by Tax Type

	2017-19 Biennium		
	Executive Budget	Change	REVISED Executive Forecast
Tax Types			
Sales and Use Tax	\$1,941,225,000	\$0	\$1,941,225,000
Motor Vehicle Excise Tax	215,752,000	-	215,752,000
Individual Income Tax	712,631,000	-	712,631,000
Corporate Income Tax	121,756,000	-	121,756,000
Insurance Premium Tax	128,000,000	-	128,000,000
Financial Inst. Tax	0	-	0
Oil & Gas Production Tax	513,014,882	(50,000,000)	463,014,882
Oil Extraction Tax	486,985,118	(50,000,000)	436,985,118
Gaming	7,301,480	-	7,301,480
Lottery	15,000,000	-	15,000,000
Cigarette and Tobacco Tax	54,086,000	-	54,086,000
Wholesale Liquor Tax	19,438,000	-	19,438,000
Coal Conversion Tax	39,709,000	-	39,709,000
Mineral Leasing Fees	30,500,000	-	30,500,000
Departmental Collections	79,731,684	-	79,731,684
Interest	16,000,000	-	16,000,000
Total Revenues before Transfers	\$4,381,130,164	(\$100,000,000)	\$4,281,130,164
Ongoing Transfers			
Bank of North Dakota	200,000,000	(60,000,000)	140,000,000
Legacy Fund	160,000,000	-	160,000,000
Tobacco Settlement Funds	18,000,000	-	18,000,000
State Mill Profits - Transfer	22,279,924	-	22,279,924
Gas Tax Administration	2,016,120	-	2,016,120
Total Ongoing Transfers	\$402,296,044	(\$60,000,000)	\$342,296,044
One-time Transfers			
Strategic Investment and Improvement Fund	30,000,000	60,000,000	90,000,000
Total One-time Transfers	\$30,000,000	\$60,000,000	\$90,000,000
Total Revenues and Transfers	\$4,813,426,208	(\$100,000,000)	\$4,713,426,208

Oil Tax Revenue Comparison

	2017-19 Executive Estimate	Increase (Decrease)	2017-19 REVISED Executive Estimate
Allocation:			
Counties and Cities	\$532,623,532	(\$26,960,956)	\$505,662,576
Tribal Allocations	221,746,128	(22,059,753)	199,686,375
Legacy Fund	949,187,217	(94,427,068)	854,760,149
Foundation Aid Stabilization Fund	145,424,692	(14,467,143)	130,957,550
Common Schools Trust Fund	145,424,692	(14,467,142)	130,957,550
Resources Trust Fund	286,649,384	(28,934,285)	257,715,099
Renewable Energy Development Fund	3,000,000		3,000,000
Energy Conservation Fund	1,200,000		1,200,000
Research Fund	10,000,000		10,000,000
Oil and Gas Impact Grant Fund			
North Dakota Heritage Fund	10,000,000		10,000,000
Well Plugging and Site Reclamation Fund	10,000,000		10,000,000
General Fund	1,000,000,000	(100,000,000)	900,000,000
Tax Relief Fund			
State Disaster Fund			
Political Subdivision Allocation Fund			
Strategic Investment and Improvements Fund	70,447,874	(35,500,300)	34,947,574
Total Oil and Gas Taxes	\$3,385,703,520	(\$336,816,647)	\$3,048,886,873

North Dakota oil price range for the remainder of the 2017-19 biennium:

\$52-\$53 per barrel

\$47.85 per barrel

Oil production assumption:

900,000 barrels per day

900,000 barrels per day

Foundation Aid Stabilization Fund Status Statement

	2017-19 Executive Budget	Adjustments	2017-19 REVISED Executive Budget
Beginning Balance	\$299,101,714	\$325,794,126	\$624,895,840 \4
Revenue:			
Oil Extraction Tax allocations	\$145,424,692 \1	(\$14,467,142)	\$130,957,550 \5
Transfers:			
Transfer to State School Aid Program	(\$140,000,000) \2	(\$60,000,000)	(\$200,000,000) \6
Ending Balance	<u>\$304,526,406</u>	<u>\$251,326,984</u>	<u>\$555,853,390</u>
15% to be Retained in Fund Balance	<u>\$265,770,900 \3</u>	<u>\$0</u>	<u>\$265,770,900 \3</u>

\1 Revenue estimates based on the November 2016 executive revenue forecast, which assumes oil prices of \$53.00 per barrel and 900,00 barrels of oil per day (BOPD) for FY 2018; and average price of \$53.00 per barrel and 900,000 BOPD for FY 2019.

\2 This amount will be used as an additional funding source for state school aid.

\3 The 15 percent is calculated off of the General Fund appropriation for student aid for the most recently completed biennium. The General Fund amount for the 2015-17 biennium is \$1.77 billion.

\4 Intend to repeal Section 9 and 10 of 2015 SB2039 relating to the transfers to be made to a school construction assistance loan fund and scholarship endowment fund. The elimination of these transfers increases the beginning balance for 2017-19 by \$325.8 million.

\5 Revenue estimates are based on the assumptions of oil prices at \$47.85 per barrel and 900,000 barrels of oil per day (BOPD) for both FY 2018 and FY 2019.

\6 Increases the amount to be used as a funding source for state school aid.

Notes:

The Foundation Aid Stabilization Fund was created in 1994 upon voter approval of Article X, Section 24 of the Constitution of North Dakota. This section was amended with the approval of Measure 2 (from 2015 SCR4003) in the 2016 general election so that oil extraction taxes are to be 10 percent to the Common Schools Trust Fund

10 percent to the Foundation Aid Stabilization Fund

The measure also states that whenever the principal balance of the Foundation Aid Stabilization Fund exceeds 15 percent of the general fund appropriation for state aid to school districts, for the most recently completed biennium, this amount may be used for education-related purposes,

Section 24 also provides that interest from the Foundation Aid Stabilization Fund must be transferred to the General Fund; the principal can only be spent upon order of the Governor to offset foundation aid reductions made by executive action due to a revenue shortfall. North Dakota Century Code Section 54-44.1-12 provides that in the case of an allotment, all agencies that receive monies from a fund must be allotted on a uniform basis. The exception is that appropriations for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the Foundation Aid Stabilization Fund.

Resources Trust Fund Status Statement

	2017-19 Executive Budget	Adjustments	2017-19 REVISED Executive Budget
Beginning Balance	\$259,366,123	(\$7,000,000)	\$252,366,123
Revenue:			
Repayments and Reimbursements	\$12,400,000		\$12,400,000
Oil Extraction Tax Collections	290,849,384	(28,934,285)	261,915,099 ^{\1}
Interest	2,700,000		2,700,000
Total Revenue	<u>\$305,949,384</u>	<u>(\$28,934,285)</u>	<u>\$277,015,099</u>
Expenditures and Transfers:			
Water Commission Expenditures	(\$560,500,000)	\$35,934,285	(\$524,565,715)
Transfer to Renewable Energy Development Fund	(3,000,000) ^{\2}		(3,000,000) ^{\2}
Transfer to Energy Conservation Grant Fund	(1,200,000) ^{\2}		(1,200,000) ^{\2}
Total Expenditures and Transfers	<u>(\$564,700,000)</u>	<u>\$35,934,285</u>	<u>(\$528,765,715)</u>
Ending Balance	<u>\$615,507</u>		<u>\$615,507</u>

\1 REVISED Executive forecast assumes average price of \$47.85 per barrel and 900,000 barrels of oil per day (BOPD) for the 2017-19 biennium.

\2 SB2014, passed by the 2013 legislature, provides that 5.0 percent of oil extraction taxes deposited in the resources trust fund, up to \$3.0 million per biennium, must be transferred quarterly to the Renewable Energy Development Fund. This bill also provides that 0.5 percent of the amount deposited in the Resources Trust Fund, up to \$1.2 million per biennium, must be transferred to the Renewable Energy Conservation Grant Fund.

Notes:

The Resources Trust Fund was created pursuant to passage of Measure No. 6 in the November 1980 general election. Measure No. 6 established a 6.5 percent oil extraction tax, 10.0 percent of which was distributed to the resources trust fund. Measure No. 2, a constitutional amendment approved in the June 1990 primary election, establishes the Resources Trust Fund as a constitutional trust fund and provides that the principal and income of the fund may be spent pursuant to legislative appropriations for constructing water related projects, including rural water systems, and funding energy conservation programs.

North Dakota Century Code Section 57-51.1-07 provides that the Resources Trust Fund is available for legislative appropriation to the State Water Commission for planning and constructing water-related projects and to the Industrial Commission for energy conversion and waste products utilization programs and studies. The 1995 Legislative Assembly amended Section 57-51.1-07 to provide that 20.0 percent of oil extraction tax collections will be deposited in the Resources Trust Fund.

Strategic Investment and Improvements Fund Status Statement

	2017-19 Executive Budget	Adjustments	2017-19 REVISED Executive Budget
Beginning Balance	\$473,226,165	\$17,079,500	\$490,305,665
Revenue			
Mineral Royalties	\$181,694,250		\$181,694,250
Mineral Rents	400,000		400,000
Mineral Bonus	8,000,000		8,000,000
Oil and Gas Taxes	70,447,874	(\$35,500,300)	34,947,574
Loan Income			
Investment Income	6,258,539		6,258,539
Total Revenues	\$266,800,663	(\$35,500,300)	\$231,300,363
Expenditures:			
Transfer to General Fund	(\$30,000,000)	(\$60,000,000)	(\$90,000,000)
Appropriations	(216,857,971)	172,633,471	(44,224,500) \1
Administrative Expenses	(2,040,000)		(2,040,000)
Total Expenditures and Transfers	(\$248,897,971)	\$112,633,471	(\$136,264,500)
Ending Balance	\$491,128,857	\$94,212,671	\$585,341,528
Less Assigned Fund Balance			
Potential Title Disputes	(\$142,325,049)		(\$142,325,049)
Guarantee Reserve Fund Balance	(17,181,230)		(17,181,230)
Unassigned Fund Balance	\$331,622,578	\$94,212,671	\$425,835,249

\1 2017-19 revised recommended appropriations and transfers include:

- \$2.8 million for potential litigation fees for several agencies;
- \$24.1 million for airports;
- \$936,000 to the Department of Corrections and Rehabilitation for an electronic medical records system;
- \$514,000 to the Highway Patrol for equipment and increased costs;
- \$2.0 million to the Department of Commerce for a grant for unmanned aerial systems;
- \$1.0 million to the Department of Commerce for base retention;
- \$10.0 million for Challenge grants;
- \$3.0 million transfer to the lignite research fund.

Notes:

The Strategic Investment and Improvements Fund was created by the 2011 legislature to replace the lands and minerals trust fund. In addition to income from the sale, lease, and management of certain state owned lands and mineral interests previously allocated to the Lands and Minerals Trust Fund, the Strategic Investment and Improvements Fund receives a portion of state oil and gas taxes.



Agency Budgets

Recommendation Comparison Summary
 101 Office of the Governor
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	3,707,597	(15,466)	(26,238)			(41,704)	3,665,893
Operating Expenses	298,456					0	298,456
Contingency	10,000					0	10,000
Roughrider Awards	10,800					0	10,800
Total Line Items	4,026,853	(15,466)	(26,238)	0	0	(41,704)	3,985,149
By Funding Source							
General Funds	4,026,853	(15,466)	(26,238)			(41,704)	3,985,149
Federal Funds	0					0	0
Special Funds	0					0	0
Total Funding Sources	4,026,853	(15,466)	(26,238)	0	0	(41,704)	3,985,149
Total FTE	18.00			0.00		0.00	18.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 108 Secretary of State
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	4,684,769	(19,334)	(49,476)	(208,890)		(277,700)	4,407,069
Operating Expenses	2,698,118					0	2,698,118
Capital Assets	0					0	0
Petition Review	8,000					0	8,000
Bus Process Modeling Services	0					0	0
Election Reform	1,193,443					0	1,193,443
Public Printing	288,450					0	288,450
Total Line Items	8,872,780	(19,334)	(49,476)	(208,890)	0	(277,700)	8,595,080
By Funding Source							
General Funds	6,428,612	(18,749)	(47,979)	(208,890)		(275,618)	6,152,994
Federal Funds	403,443	(585)	(1,497)			(2,082)	401,361
Special Funds	2,040,725					0	2,040,725
Total Funding Sources	8,872,780	(19,334)	(49,476)	(208,890)	0	(277,700)	8,595,080
Total FTE	33.00			(2.00)		(2.00)	31.00

/1 The 0% and 1% increase for state employee salaries has been removed.
 /2 Employees will be required to pay for 5% of their health insurance premium.
 /3 Remove two additional FTE.
 /4 No additional budget adjustments were made.

Recommendation Comparison Summary
110 Office of Management and Budget
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	22,300,192	(84,292)	(176,915)	(150,000)		(411,207)	21,888,985
Operating Expenses	13,727,488				(150,000)	(150,000)	13,577,488
Contingency Fund	500,000					0	500,000
Capital Assets	2,773,477					0	2,773,477
Grants	54,000					0	54,000
Grants - Guardianship	1,195,740	0				0	1,195,740
Prairie Public Broadcasting	1,200,000					0	1,200,000
Cyber Insurance Pool	1,000,000					0	1,000,000
State Transfers	275,000,000					0	275,000,000
Total Line Items	317,750,897	(84,292)	(176,915)	(150,000)	(150,000)	(561,207)	317,189,690
By Funding Source							
General Funds	305,497,424	(69,297)	(145,177)	(150,000)	(150,000)	(514,474)	304,982,950
Federal Funds	0	0	0			0	0
Special Funds	12,253,473	(14,995)	(31,738)			(46,733)	12,206,740
Total Funding Sources	317,750,897	(84,292)	(176,915)	(150,000)	(150,000)	(561,207)	317,189,690
Total FTE	119.00			(1.00)		(1.00)	118.00

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 Removes 1.00 additional FTE.
- /4 Reduces the general fund appropriation less transfers by 1%.

Recommendation Comparison Summary
112 Information Technology
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	60,487,393	(257,066)	(401,807)	(755,919)		(1,414,792)	59,072,601
Operating Expenses	69,562,998				(10,000)	(10,000)	69,552,998
Capital Assets	8,295,000					0	8,295,000
Center for Distance Ed	8,806,399	(20,855)	(46,478)			(67,333)	8,739,066
Statewide Data Systems	4,497,595	(6,948)	(10,495)		(178,634)	(196,077)	4,301,518
Educational Tech Council	823,677	(1,790)	(2,999)			(4,789)	818,888
EduTech	10,085,433	(26,030)	(47,977)			(74,007)	10,011,426
Wide Area Network	4,539,142	(4,035)	(5,997)			(10,032)	4,529,110
Geographic Info System	1,159,082	(1,159)	(1,499)		(10,000)	(12,658)	1,146,424
Health Info Technology	48,878,252	(5,415)	(5,997)		(1,366)	(12,778)	48,865,474
Total Line Items	217,134,971	(323,298)	(523,249)	(755,919)	(200,000)	(1,802,466)	215,332,505
By Funding Source							
General Funds	20,497,367	(51,456)	(97,453)		(200,000)	(348,909)	20,148,458
Federal Funds	2,875,000					0	2,875,000
Special Funds	193,762,604	(271,842)	(425,796)	(755,919)		(1,453,557)	192,309,047
Total Funding Sources	217,134,971	(323,298)	(523,249)	(755,919)	(200,000)	(1,802,466)	215,332,505
Total FTE	349.30			(5.00)		(5.00)	344.30

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 5.00 additional FTE.

/4 Reduces the general fund appropriation of the executive budget recommendation by 1%.

Recommendation Comparison Summary
 117 Office of the State Auditor
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	11,176,150	(52,374)	(85,459)			(137,833)	11,038,317
Operating Expenses	1,108,891					0	1,108,891
Information Technology Consultants	450,000				(89,445)	(89,445)	360,555
Total Line Items	12,735,041	(52,374)	(85,459)	0	(89,445)	(227,278)	12,507,763
By Funding Source							
General Funds	9,108,071	(39,742)	(64,848)		(89,445)	(194,035)	8,914,036
Federal Funds	1,470,381	(5,526)	(9,016)			(14,542)	1,455,839
Special Funds	2,156,589	(7,106)	(11,595)			(18,701)	2,137,888
Total Funding Sources	12,735,041	(52,374)	(85,459)	0	(89,445)	(227,278)	12,507,763
Total FTE	53.80			0.00		0.00	53.80

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the executive budget recommendation by 1%.

Recommendation Comparison Summary
 120 Treasurer
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	1,382,971	(7,745)	(10,496)	(88,000)		(106,241)	1,276,730
Operating Expenses	251,260					0	251,260
Total Line Items	1,634,231	(7,745)	(10,496)	(88,000)	0	(106,241)	1,527,990
By Funding Source							
General Funds	1,634,231	(7,745)	(10,496)	(88,000)		(106,241)	1,527,990
Federal Funds	0					0	0
Special Funds	0					0	0
Total Funding Sources	1,634,231	(7,745)	(10,496)	(88,000)	0	(106,241)	1,527,990
Total FTE	8.00			(1.00)		(1.00)	7.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 125 Office of the Attorney General
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	41,503,822	(173,241)	(314,880)	(328,300)		(816,421)	40,687,401
Operating Expenses	17,014,819				(595,200)	(595,200)	16,419,619
Capital Assets	2,742,372					0	2,742,372
Grants	2,440,000					0	2,440,000
Litigation Fees	150,000					0	150,000
Intellectual property attorney	428,930	(1,799)	(1,499)			(3,298)	425,632
Medical Examinations	660,000					0	660,000
North Dakota Lottery	5,346,122	(7,355)	(14,243)			(21,598)	5,324,524
Arrest and Return of Fugitives	10,000					0	10,000
Gaming Commission	7,490					0	7,490
CJIS	3,391,562	(3,880)	(7,496)			(11,376)	3,380,186
Law Enforcement	2,916,590	(11,772)	(23,206)			(34,978)	2,881,612
Total Line Items	76,611,707	(198,047)	(361,324)	(328,300)	(595,200)	(1,482,871)	75,128,836
By Funding Source							
General Funds	46,993,970	(181,429)	(330,753)	(328,300)	(595,200)	(1,435,682)	45,558,288
Federal Funds	10,249,364	(1,804)	(3,319)			(5,123)	10,244,241
Special Funds	19,368,373	(14,814)	(27,252)			(42,066)	19,326,307
Total Funding Sources	76,611,707	(198,047)	(361,324)	(328,300)	(595,200)	(1,482,871)	75,128,836
Total FTE	234.00			(2.00)		(2.00)	232.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 2.00 additional FTE.

/4 Reduces executive budget recommendation by 2%.

Recommendation Comparison Summary
 127 Office of the Tax Commissioner
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	22,513,560	(93,503)	(199,404)		(260,942)	(553,849)	21,959,711
Operating Expenses	6,921,775				(27,480)	(27,480)	6,894,295
Capital Assets	6,000					0	6,000
Homestead Tax Credit	16,000,000				(160,000)	(160,000)	15,840,000
Disabled Veteran Credit	6,910,200				(69,102)	(69,102)	6,841,098
Total Line Items	52,351,535	(93,503)	(199,404)	0	(517,524)	(810,431)	51,541,104
By Funding Source							
General Funds	52,226,535	(93,503)	(199,404)		(517,524)	(810,431)	51,416,104
Federal Funds	125,000					0	125,000
Special Funds	0					0	0
Total Funding Sources	52,351,535	(93,503)	(199,404)	0	(517,524)	(810,431)	51,541,104
Total FTE	133.00			0.00		0.00	133.00

/1 The 0% and 1% increase for state employee salaries has been removed.
 /2 Employees will be required to pay for 5% of their health insurance premium.
 /3 No additional FTE were removed.
 /4 Reduces executive budget recommendation by 1%.

Recommendation Comparison Summary
140 Office of Administrative Hearings
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	1,197,988	(5,101)	(7,496)			(12,597)	1,185,391
Operating Expenses	1,756,327				(29,543)	(29,543)	1,726,784
Total Line Items	2,954,315	(5,101)	(7,496)	0	(29,543)	(42,140)	2,912,175
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	2,954,315	(5,101)	(7,496)		(29,543)	(42,140)	2,912,175
Total Funding Sources	2,954,315	(5,101)	(7,496)	0	(29,543)	(42,140)	2,912,175
Total FTE	5.00			0.00		0.00	5.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the special fund appropriation by 1%.

Recommendation Comparison Summary
 150 Legislative Assembly
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	10,719,005					0	10,719,005
Operating Expenses	3,742,591					0	3,742,591
Capital Assets	6,000					0	6,000
Nat'l Conference of State Legislatures	250,172					0	250,172
Total Line Items	14,717,768	0	0	0	0	0	14,717,768
By Funding Source							
General Funds	14,717,768					0	14,717,768
Federal Funds	0					0	0
Special Funds	0					0	0
Total Funding Sources	14,717,768	0	0	0	0	0	14,717,768
Total FTE	0.00					0.00	0.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 160 Legislative Council
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	9,134,725	(34,072)	(53,974)		94,446	6,400	9,141,125
Operating Expenses	3,053,335					0	3,053,335
Capital Assets	30,000					0	30,000
Total Line Items	12,218,060	(34,072)	(53,974)	0	94,446	6,400	12,224,460
By Funding Source							
General Funds	12,148,060	(34,072)	(53,974)		94,446	6,400	12,154,460
Federal Funds	0					0	0
Special Funds	70,000					0	70,000
Total Funding Sources	12,218,060	(34,072)	(53,974)	0	94,446	6,400	12,224,460
Total FTE	36.00					0.00	36.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Adds back \$94,446 funding for the health insurance increase that was missed in the executive budget recommendation.

Recommendation Comparison Summary
180 Supreme Court
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	78,916,484	(335,295)	(535,243)			(870,538)	78,045,946
Operating Expenses	23,538,555					0	23,538,555
Supreme Court-Judges Retirement	80,764					0	80,764
District Court-Judges Retirement	343,290					0	343,290
Judicial Conduct Comm & Disc. Brd	1,179,400					0	1,179,400
Total Line Items	104,058,493	(335,295)	(535,243)	0	0	(870,538)	103,187,955
By Funding Source							
General Funds	102,236,654	(335,295)	(535,243)			(870,538)	101,366,116
Federal Funds	1,339,138					0	1,339,138
Special Funds	482,701					0	482,701
Total Funding Sources	104,058,493	(335,295)	(535,243)	0	0	(870,538)	103,187,955
Total FTE	354.50			0.00		0.00	354.50

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
188 Indigent Defense
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Legal Counsel for Indigents	19,828,303	(30,989)	(64,949)			(95,938)	19,732,365
Total Line Items	19,828,303	(30,989)	(64,949)	0	0	(95,938)	19,732,365
By Funding Source							
General Funds	17,907,588	(30,239)	(63,376)			(93,615)	17,813,973
Federal Funds	0	0	0			0	0
Special Funds	1,920,715	(750)	(1,573)			(2,323)	1,918,392
Total Funding Sources	19,828,303	(30,989)	(64,949)	0	0	(95,938)	19,732,365
Total FTE	40.00			0.00		0.00	40.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
190 Retirement and Investment Office
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	4,505,427	(19,091)	(28,485)		(19,800)	(67,376)	4,438,051
Operating Expenses	900,079				(53,090)	(53,090)	846,989
Capital Assets	9,000				(9,000)	(9,000)	0
Contingency	80,000				(28,000)	(28,000)	52,000
Total Line Items	5,494,506	(19,091)	(28,485)	0	(109,890)	(157,466)	5,337,040
By Funding Source							
General Funds	0	0	0			0	0
Federal Funds	0					0	0
Special Funds	5,494,506	(19,091)	(28,485)		(109,890)	(157,466)	5,337,040
Total Funding Sources	5,494,506	(19,091)	(28,485)	0	(109,890)	(157,466)	5,337,040
Total FTE	19.00			0.00		0.00	19.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the special fund appropriation of the executive budget recommendation by 2%.

Recommendation Comparison Summary
192 ND Public Employees Retirement System
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	6,499,463	(25,900)	(52,398)	(150,000)		(228,298)	6,271,165
Operating Expenses	2,806,643					0	2,806,643
Contingency	250,000					0	250,000
Total Line Items	9,556,106	(25,900)	(52,398)	(150,000)	0	(228,298)	9,327,808
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	9,556,106	(25,900)	(52,398)	(150,000)		(228,298)	9,327,808
Total Funding Sources	9,556,106	(25,900)	(52,398)	(150,000)	0	(228,298)	9,327,808
Total FTE	34.50			(1.00)		(1.00)	33.50

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 1.00 additional FTE.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
201 Department of Public Instruction
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	18,391,170	(77,343)	(148,426)			(225,769)	18,165,401
Operating Expenses	30,204,230				(488,412)	(488,412)	29,715,818
Integrated Formula Payments	1,947,120,547				(9,745,547)	(9,745,547)	1,937,375,000
Grants-Special Education	19,300,000					0	19,300,000
Grants-Transportation	51,300,000				(5,100,000)	(5,100,000)	46,200,000
Grants-Other Grants	262,028,366				(2,085,500)	(2,085,500)	259,942,866
Power School	5,500,000					0	5,500,000
Transportation Efficiency	30,000					0	30,000
National Board Certification	120,000					0	120,000
Total Line Items	2,333,994,313	(77,343)	(148,426)	0	(17,419,459)	(17,645,228)	2,316,349,085
By Funding Source							
General Funds	1,602,482,491	(23,873)	(45,813)		(77,419,459)	(77,489,145)	1,524,993,346
Federal Funds	288,373,485	(53,224)	(102,141)			(155,365)	288,218,120
Special Funds	443,138,337	(246)	(472)		60,000,000	59,999,282	503,137,619
Total Funding Sources	2,333,994,313	(77,343)	(148,426)	0	(17,419,459)	(17,645,228)	2,316,349,085
Total FTE	97.75			0.00		0.00	97.75

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Adjustments are as follows:

\$488,412 - an additional 2% reduction of general fund appropriation without the integrated formula, special education and transportation grants.

\$9,745,547 - remove the 1% second year increase in the integrated formula payment.

\$5,100,000 - reduce transportation grants by an additional 10%.

\$2,085,500 - further reduce the pass-through grants.

\$60,000,000 - increase funding from the Foundation Aid Stabilization Fund to cover the General Fund portion of the integrated formula payments (this has a zero net effect on overall funding).

Recommendation Comparison Summary
 215 North Dakota University Systems
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Capital Assets	6,605,326					0	6,605,326
Student Financial Assistance Grants	21,917,306					0	21,917,306
Veterans Assistance Programs	277,875					0	277,875
ND Scholars Program	1,807,115					0	1,807,115
Title II Grants	1,006,472					0	1,006,472
Native American Scholarships	555,323					0	555,323
Core Technology Services	61,769,818	(118,620)	(181,043)	(398,440)		(698,103)	61,071,715
Education Challenge Fund	3,000,000				7,000,000	7,000,000	10,000,000
Education Incentive Programs	2,863,393					0	2,863,393
Tribal Community College Grants	902,500					0	902,500
Academic and Technical Ed Scholarship	12,016,749					0	12,016,749
Student Exchange Program	3,699,342					0	3,699,342
Open Education Resources	0				150,000	150,000	150,000
Two Year Campus Marketing	607,500					0	607,500
Student Mental Health	284,400					0	284,400
Competitive Research Programs	6,027,750					0	6,027,750
System Governance	7,576,080	(23,819)	(36,354)			(60,173)	7,515,907
Internal Audit Pool	229,500					0	229,500
Total Line Items	131,146,449	(142,439)	(217,397)	(398,440)	7,150,000	6,391,724	137,538,173
By Funding Source							
General Funds	101,978,375	(99,719)	(152,196)	(199,220)	150,000	(301,135)	101,677,240
Federal Funds	1,006,472					0	1,006,472
Special Funds	28,161,602	(42,720)	(65,201)	(199,220)	7,000,000	6,692,859	34,854,461
Total Funding Sources	131,146,449	(142,439)	(217,397)	(398,440)	7,150,000	6,391,724	137,538,173
Total FTE	148.40			(2.00)		(2.00)	146.40

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Remove two additional FTE from the Core Technology Services Line.

/4 Adjustments are as follows:

\$150,000 - adds funding for open education resources (one-time item from the General Fund).

\$7.0 million - adds funding to the Education Challenge Fund for a total of \$10.0 million one-time appropriation from the Strategic Investment and Improvement Fund.

Recommendation Comparison Summary
 226 Department of Trust Lands
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	6,245,692	(117,826)	(46,478)	(200,105)		(364,409)	5,881,283
Operating Expenses	1,775,723					0	1,775,723
Capital Assets	5,520,000				(215,000)	(215,000)	5,305,000
Other Grants	24,100,000					0	24,100,000
Contingency	100,000					0	100,000
Energy Infrastructure & Impact	221,735					0	221,735
Total Line Items	37,963,150	(117,826)	(46,478)	(200,105)	(215,000)	(579,409)	37,383,741
By Funding Source							
General Funds						0	0
Federal Funds						0	0
Special Funds	37,963,150	(117,826)	(46,478)	(200,105)	(215,000)	(579,409)	37,383,741
Total Funding Sources	37,963,150	(117,826)	(46,478)	(200,105)	(215,000)	(579,409)	37,383,741
Total FTE	32.00			(1.00)		(1.00)	31.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 1.00 additional FTE.

/4 Reduces the executive budget recommendation by 3%.

Recommendation Comparison Summary
227 Bismarck State College
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	103,888,385	(268,483)	(576,141)	(1,891,289)	(2,735,913)	101,152,472
Capital Assets	1,922,561				0	1,922,561
Total Line Items	105,810,946	(268,483)	(576,141)	(1,891,289)	(2,735,913)	103,075,033
By Funding Source						
General Funds	32,638,712	(116,534)	(222,254)	(1,891,289)	(2,230,077)	30,408,635
Federal Funds	0				0	0
Special Funds	73,172,234	(151,949)	(353,887)		(505,836)	72,666,398
Total Funding Sources	105,810,946	(268,483)	(576,141)	(1,891,289)	(2,735,913)	103,075,033
Total FTE	358.35				0.00	358.35

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 92.45 per adjusted student credit hour.

Recommendation Comparison Summary
228 Lake Region State College
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	36,957,099	(95,608)	(213,972)	(784,970)	(1,094,550)	35,862,549
Capital Assets	755,000				0	755,000
Total Line Items	37,712,099	(95,608)	(213,972)	(784,970)	(1,094,550)	36,617,549
By Funding Source						
General Funds	13,546,533	(47,238)	(93,375)	(784,970)	(925,583)	12,620,950
Federal Funds	0				0	0
Special Funds	24,165,566	(48,370)	(120,597)		(168,967)	23,996,599
Total Funding Sources	37,712,099	(95,608)	(213,972)	(784,970)	(1,094,550)	36,617,549
Total FTE	129.61				0.00	129.61

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 92.45 per adjusted student credit hour.

Recommendation Comparison Summary
229 Williston State College
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	27,764,476	(79,745)	(135,183)	(516,726)	(731,654)	27,032,822
Capital Assets	1,064,167				0	1,064,167
Total Line Items	28,828,643	(79,745)	(135,183)	(516,726)	(731,654)	28,096,989
By Funding Source						
General Funds	8,917,345	(35,296)	(57,267)	(516,726)	(609,289)	8,308,056
Federal Funds	0				0	0
Special Funds	19,911,298	(44,449)	(77,916)		(122,365)	19,788,933
Total Funding Sources	28,828,643	(79,745)	(135,183)	(516,726)	(731,654)	28,096,989
Total FTE	100.75				0.00	100.75

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 92.45 per adjusted student credit hour.

Recommendation Comparison Summary
 230 University of North Dakota
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	873,171,255	(2,235,065)	(3,947,453)	(11,857,668)	(18,040,186)	855,131,069
Capital Assets	95,411,566				0	95,411,566
Total Line Items	968,582,821	(2,235,065)	(3,947,453)	(11,857,668)	(18,040,186)	950,542,635
By Funding Source						
General Funds	146,747,078	(628,529)	(1,032,848)	(11,857,668)	(13,519,045)	133,228,033
Federal Funds	0				0	0
Special Funds	821,835,743	(1,606,536)	(2,914,605)		(4,521,141)	817,314,602
Total Funding Sources	968,582,821	(2,235,065)	(3,947,453)	(11,857,668)	(18,040,186)	950,542,635
Total FTE	2,218.07				0.00	2,218.07

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 58.37 per adjusted student credit hour.

Recommendation Comparison Summary
235 North Dakota State University
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	743,788,297	(1,610,654)	(2,863,417)	(8,049,332)	(12,523,403)	731,264,894
Capital Assets	57,304,104				0	57,304,104
Total Line Items	801,092,401	(1,610,654)	(2,863,417)	(8,049,332)	(12,523,403)	788,568,998
By Funding Source						
General Funds	138,253,912	(425,800)	(701,989)	(8,049,332)	(9,177,121)	129,076,791
Federal Funds	0				0	0
Special Funds	662,838,489	(1,184,854)	(2,161,428)		(3,346,282)	659,492,207
Total Funding Sources	801,092,401	(1,610,654)	(2,863,417)	(8,049,332)	(12,523,403)	788,568,998
Total FTE	1,895.66				0.00	1,895.66

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 58.37 per adjusted student credit hour.

Recommendation Comparison Summary
238 ND State College of Science
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	94,157,576	(256,753)	(507,960)	(2,168,721)	(2,933,434)	91,224,142
Capital Assets	1,012,379				0	1,012,379
Total Line Items	95,169,955	(256,753)	(507,960)	(2,168,721)	(2,933,434)	92,236,521
By Funding Source						
General Funds	37,426,460	(137,408)	(251,075)	(2,168,721)	(2,557,204)	34,869,256
Federal Funds	0				0	0
Special Funds	57,743,495	(119,345)	(256,885)		(376,230)	57,367,265
Total Funding Sources	95,169,955	(256,753)	(507,960)	(2,168,721)	(2,933,434)	92,236,521
Total FTE	345.04				0.00	345.04

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 92.45 per adjusted student credit hour.

Recommendation Comparison Summary
 239 Dickinson State University
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Adjust 96% Provision ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Campus Operations	50,797,686	(128,449)	(220,675)	(1,099,801)	34,104	(1,414,821)	49,382,865
Capital Assets	409,078					0	409,078
Total Line Items	51,206,764	(128,449)	(220,675)	(1,099,801)	34,104	(1,414,821)	49,791,943
By Funding Source							
General Funds	21,392,198	(69,570)	(123,096)	(1,099,801)	34,104	(1,258,363)	20,133,835
Federal Funds	0					0	0
Special Funds	29,814,566	(58,879)	(97,579)			(156,458)	29,658,108
Total Funding Sources	51,206,764	(128,449)	(220,675)	(1,099,801)	34,104	(1,414,821)	49,791,943
Total FTE	168.90					0.00	168.90

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

/4 Adjust the 96% provision for the reduction of 80% of the formula.

Adjustment of formula to \$ 86.39 per adjusted student credit hour.

Recommendation Comparison Summary
240 Mayville State University
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	45,171,331	(130,120)	(332,267)	(880,096)	(1,342,483)	43,828,848
Capital Assets	429,050				0	429,050
Total Line Items	45,600,381	(130,120)	(332,267)	(880,096)	(1,342,483)	44,257,898
By Funding Source						
General Funds	15,199,271	(51,245)	(109,369)	(880,096)	(1,040,710)	14,158,561
Federal Funds	0				0	0
Special Funds	30,401,110	(78,875)	(222,898)		(301,773)	30,099,337
Total Funding Sources	45,600,381	(130,120)	(332,267)	(880,096)	(1,342,483)	44,257,898
Total FTE	210.53				0.00	210.53

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 86.39 per adjusted student credit hour.

Recommendation Comparison Summary
241 Minot State University
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	103,556,528	(322,563)	(672,433)	(2,455,132)	(3,450,128)	100,106,400
Capital Assets	1,099,620				0	1,099,620
Total Line Items	104,656,148	(322,563)	(672,433)	(2,455,132)	(3,450,128)	101,206,020
By Funding Source						
General Funds	42,400,182	(154,562)	(293,490)	(2,455,132)	(2,903,184)	39,496,998
Federal Funds	0				0	0
Special Funds	62,255,966	(168,001)	(378,943)		(546,944)	61,709,022
Total Funding Sources	104,656,148	(322,563)	(672,433)	(2,455,132)	(3,450,128)	101,206,020
Total FTE	441.65				0.00	441.65

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 86.39 per adjusted student credit hour.

Recommendation Comparison Summary
242 Valley City State University
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Campus Operations	49,700,272	(147,514)	(312,214)	(1,261,784)		(1,721,512)	47,978,760
Capital Assets	26,109,503				(25,470,500)	(25,470,500)	639,003
Total Line Items	75,809,775	(147,514)	(312,214)	(1,261,784)	(25,470,500)	(27,192,012)	48,617,763
By Funding Source							
General Funds	21,791,025	(78,552)	(151,717)	(1,261,784)		(1,492,053)	20,298,972
Federal Funds	0					0	0
Special Funds	54,018,750	(68,962)	(160,497)		(25,470,500)	(25,699,959)	28,318,791
Total Funding Sources	75,809,775	(147,514)	(312,214)	(1,261,784)	(25,470,500)	(27,192,012)	48,617,763
Total FTE	202.75					0.00	202.75

/1 The 0% and 1% increase for state employee salaries has been removed.
/2 Employees will be required to pay for 5% of their health insurance premium.
/3 Reduce the Higher Ed formula to 80%.
/4 Remove the Communication and Fine Arts Building Capital Project.
Adjustment of formula to \$ 86.39 per adjusted student credit hour.

Recommendation Comparison Summary
243 Dakota College at Bottineau
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Reduce to 80% Formula ^{/3}	Change +/-	Revised Executive Recommendation
By Line Item						
Campus Operations	17,731,593	(52,579)	(121,393)	(472,995)	(646,967)	17,084,626
Capital Assets	86,539				0	86,539
Total Line Items	17,818,132	(52,579)	(121,393)	(472,995)	(646,967)	17,171,165
By Funding Source						
General Funds	8,162,660	(27,966)	(56,762)	(472,995)	(557,723)	7,604,937
Federal Funds	0				0	0
Special Funds	9,655,472	(24,613)	(64,631)		(89,244)	9,566,228
Total Funding Sources	17,818,132	(52,579)	(121,393)	(472,995)	(646,967)	17,171,165
Total FTE	84.30				0.00	84.30

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Reduce the Higher Ed formula to 80%.

Adjustment of formula to \$ 92.45 per adjusted student credit hour.

Recommendation Comparison Summary
244 ND Forest Service
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Operations	15,096,622	(17,977)	(40,481)		(114,599)	(173,057)	14,923,565
Capital Assets	118,728					0	118,728
Carryover	0					0	0
Total Line Items	15,215,350	(17,977)	(40,481)		(114,599)	(173,057)	15,042,293
By Funding Source							
General Funds	4,564,602	(17,977)	(40,481)		(114,599)	(173,057)	4,391,545
Federal Funds	0					0	0
Special Funds	10,650,748					0	10,650,748
Total Funding Sources	15,215,350	(17,977)	(40,481)		(114,599)	(173,057)	15,042,293
Total FTE	27.00			0.00	0.00	0.00	27.00

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 No additional FTE were removed.
- /4 Remove 2.5% from Operations.

Recommendation Comparison Summary
 250 State Library
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	4,417,571	(16,503)	(44,979)			(61,482)	4,356,089
Operating Expenses	1,614,075					0	1,614,075
Grants	2,291,200				(182,172)	(182,172)	2,109,028
Total Line Items	8,322,846	(16,503)	(44,979)	0	(182,172)	(243,654)	8,079,192
By Funding Source							
General Funds	6,072,404	(14,410)	(39,275)		(182,172)	(235,857)	5,836,547
Federal Funds	2,158,590	(2,093)	(5,704)			(7,797)	2,150,793
Special Funds	91,852					0	91,852
Total Funding Sources	8,322,846	(16,503)	(44,979)	0	(182,172)	(243,654)	8,079,192
Total FTE	29.75			0.00		0.00	29.75

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduce executive budget recommendation by 3%.

Recommendation Comparison Summary
252 School for the Deaf
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	7,665,571	(18,121)	(63,884)	(120,000)	(29,243)	(231,248)	7,434,323
Operating Expenses	2,021,440				(44,897)	(44,897)	1,976,543
Capital Assets	1,716,678					0	1,716,678
Grants	180,000					0	180,000
Total Line Items	11,583,689	(18,121)	(63,884)	(120,000)	(74,140)	(276,145)	11,307,544
By Funding Source							
General Funds	8,244,864	(17,594)	(61,990)	(120,000)	(77,755)	(277,339)	7,967,525
Federal Funds	340,532	(527)	(1,894)			(2,421)	338,111
Special Funds	2,998,293				3,615	3,615	3,001,908
Total Funding Sources	11,583,689	(18,121)	(63,884)	(120,000)	(74,140)	(276,145)	11,307,544
Total FTE	45.61			(1.00)		(1.00)	44.61

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes one additional FTE.

/4 Adjustments are as follows:

\$151,193 - removed the funding for the teacher composite that was added.

\$121,950 - adds back in funding for the health insurance increase that was missed in the executive budget recommendation.

\$44,897 - reduced the executive recommendation by 2%, \$120,000 was to cover the FTE reduction and the rest was removed from operating.

Recommendation Comparison Summary
 253 ND Vision Services
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	4,953,029	(9,698)	(47,977)		(215,598)	(273,273)	4,679,756
Operating Expenses	743,206					0	743,206
Capital Assets	174,692					0	174,692
Total Line Items	5,870,927	(9,698)	(47,977)	0	(215,598)	(273,273)	5,597,654
By Funding Source							
General Funds	4,695,358	(9,690)	(47,937)		(215,598)	(273,225)	4,422,133
Federal Funds	0					0	0
Special Funds	1,175,569	(8)	(40)			(48)	1,175,521
Total Funding Sources	5,870,927	(9,698)	(47,977)	0	(215,598)	(273,273)	5,597,654
Total FTE	29.50			0.00		0.00	29.50

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Adjustment to executive budget recommendation is as follows:

\$121,691 - removed the teacher composite funds that were included.

\$93,907 - reduces the executive recommendation by an additional 2%.

Recommendation Comparison Summary
 270 Career and Technical Education
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	4,885,208	(20,401)	(35,984)			(56,385)	4,828,823
Operating Expenses	1,240,589					0	1,240,589
Grants	30,065,856				1,400,000	1,400,000	31,465,856
Postsecondary Grants	586,707					0	586,707
Adult Farm Management	579,822					0	579,822
Workforce Training	2,600,000					0	2,600,000
Total Line Items	39,958,182	(20,401)	(35,984)	0	1,400,000	1,343,615	41,301,797
By Funding Source							
General Funds	30,341,516	(20,401)	(35,984)		1,400,000	1,343,615	31,685,131
Federal Funds	9,461,692					0	9,461,692
Special Funds	154,974					0	154,974
Total Funding Sources	39,958,182	(20,401)	(35,984)	0	1,400,000	1,343,615	41,301,797
Total FTE	25.50			0.00		0.00	25.50

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Adds back funding for grants for state aid.

Recommendation Comparison Summary
 301 Department of Health
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	64,811,889	(256,741)	(561,451)	(139,041)		(957,233)	63,854,656
Operating Expenses	38,494,458				(100,000)	(100,000)	38,394,458
Capital Assets	3,446,740					0	3,446,740
Grants	58,135,670					0	58,135,670
Tobacco Prevention and Control	5,697,761	(3,353)	(7,527)			(10,880)	5,686,881
WIC Food Payments	20,200,000					0	20,200,000
Medical Marijuana	7,057,644	(8,990)	(19,492)	(524,278)	(288,000)	(840,760)	6,216,884
Total Line Items	197,844,162	(269,084)	(588,470)	(663,319)	(388,000)	(1,908,873)	195,935,289
By Funding Source							
General Funds	45,677,050	(139,144)	(300,680)	(261,019)	(188,000)	(888,843)	44,788,207
Federal Funds	118,990,680	(105,692)	(234,086)	(27,808)		(367,586)	118,623,094
Special Funds	33,176,432	(24,248)	(53,704)	(374,492)	(200,000)	(652,444)	32,523,988
Total Funding Sources	197,844,162	(269,084)	(588,470)	(663,319)	(388,000)	(1,908,873)	195,935,289
Total FTE	381.00			(5.00)		(5.00)	376.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 5.00 additional FTE.

/4 Reduces the general fund appropriation of the executive budget recommendation by 1%.

Recommendation Comparison Summary
 305 Tobacco Prevention and Control
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Tobacco Prevention	0	0	0	0		0	0
Total Line Items	0	0	0	0	0	0	0
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	0					0	0
Total Funding Sources	0	0	0	0	0	0	0
Total FTE	0.00			0.00		0.00	0.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
313 Veterans Home
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	18,775,055	(60,705)	(215,896)			(276,601)	18,498,454
Operating Expenses	5,517,000					0	5,517,000
Capital Assets	560,542					0	560,542
Total Line Items	24,852,597	(60,705)	(215,896)	0	0	(276,601)	24,575,996
By Funding Source							
General Funds	6,037,330	(20,704)	(73,633)			(94,337)	5,942,993
Federal Funds	0					0	0
Special Funds	18,815,267	(40,001)	(142,263)			(182,264)	18,633,003
Total Funding Sources	24,852,597	(60,705)	(215,896)	0	0	(276,601)	24,575,996
Total FTE	120.72			0.00		0.00	120.72

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 316 Indian Affairs
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	853,420	(4,183)	(5,998)			(10,181)	843,239
Operating Expenses	263,704					0	263,704
Total Line Items	1,117,124	(4,183)	(5,998)	0	0	(10,181)	1,106,943
By Funding Source							
General Funds	1,117,124	(4,183)	(5,998)			(10,181)	1,106,943
Federal Funds	0					0	0
Special Funds	0					0	0
Total Funding Sources	1,117,124	(4,183)	(5,998)	0	0	(10,181)	1,106,943
Total FTE	4.00			0.00		0.00	4.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 321 Department of Veterans Affairs
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Transportation Vans	15,000					0	15,000
Veterans Affairs Administration	1,433,978	(5,541)	(11,993)	(130,000)		(147,534)	1,286,444
State Approving Agency	273,027					0	273,027
Grants - Transportation Program	1,719,520					0	1,719,520
Total Line Items	3,441,525	(5,541)	(11,993)	(130,000)	0	(147,534)	3,293,991
By Funding Source							
General Funds	1,348,978	(4,811)	(10,494)	(130,000)		(145,305)	1,203,673
Federal Funds	2,092,547	(730)	(1,499)			(2,229)	2,090,318
Special Funds	0					0	0
Total Funding Sources	3,441,525	(5,541)	(11,993)	(130,000)	0	(147,534)	3,293,991
Total FTE	9.00			(1.00)		(1.00)	8.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 1.00 additional FTE.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
325 Department of Human Services
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	95,960,367	(366,230)	(837,095)		(604,423)	(1,807,748)	94,152,619
Operating Expenses	283,878,536				(84,383)	(84,383)	283,794,153
Capital Assets	10,000				0	0	10,000
Grants	434,413,143				(670,743)	(670,743)	433,742,400
HSC & Institutions	340,801,561	(1,036,349)	(2,503,253)		(172,193)	(3,711,795)	337,089,766
Grants Medical Assistance	2,412,291,656				(33,963,688)	(33,963,688)	2,378,327,968
Property Tax Relief	275,000,000				0	0	275,000,000
Total Line Items	3,842,355,263	(1,402,579)	(3,340,348)	0	(35,495,430)	(40,238,357)	3,802,116,906
By Funding Source							
General Funds	1,329,916,312	(1,176,800)	(2,802,639)		(18,362,258)	(22,341,697)	1,307,574,615
Federal Funds	2,021,555,171	(224,592)	(534,883)		(17,133,172)	(17,892,647)	2,003,662,524
Special Funds	490,883,780	(1,187)	(2,826)			(4,013)	490,879,767
Total Funding Sources	3,842,355,263	(1,402,579)	(3,340,348)	0	(35,495,430)	(40,238,357)	3,802,116,906
Total FTE	2,204.23			0.00		0.00	2,204.23

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Includes reduction of \$11.3 million general funds needed to access provider assessment revenue.

Recommendation Comparison Summary
 360 Protection and Advocacy
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Protection and Advocacy	6,498,327	(22,456)	(41,982)			(64,438)	6,433,889
Total Line Items	6,498,327	(22,456)	(41,982)	0	0	(64,438)	6,433,889
By Funding Source							
General Funds	3,022,645	(10,843)	(20,270)			(31,113)	2,991,532
Federal Funds	3,475,682	(11,613)	(21,712)			(33,325)	3,442,357
Special Funds	0					0	0
Total Funding Sources	6,498,327	(22,456)	(41,982)	0	0	(64,438)	6,433,889
Total FTE	27.50			0.00		0.00	27.50

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 380 Job Service North Dakota
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	27,298,491	(110,868)	(238,309)			(349,177)	26,949,314
Operating Expenses	10,751,255					0	10,751,255
Capital Assets	20,000					0	20,000
Grants Benefits and Claims	5,458,571					0	5,458,571
Work Force 20/20	502,909	(502)			(502,407)	(502,909)	0
Reed Act - Unemployment	11,213,427	(3,141)				(3,141)	11,210,286
Total Line Items	55,244,653	(114,511)	(238,309)	0	(502,407)	(855,227)	54,389,426
By Funding Source							
General Funds	949,014	(767)	(1,597)		(502,407)	(504,771)	444,243
Federal Funds	53,248,401	(112,888)	(234,931)			(347,819)	52,900,582
Special Funds	1,047,238	(856)	(1,781)			(2,637)	1,044,601
Total Funding Sources	55,244,653	(114,511)	(238,309)	0	(502,407)	(855,227)	54,389,426
Total FTE	181.61			0.00		0.00	181.61

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the executive budget recommendation relating to the Workforce 20/20 program.

Recommendation Comparison Summary
 401 Insurance Department
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	8,731,122	(38,781)	(70,466)	(165,862)		(275,109)	8,456,013
Operating Expenses	2,154,777					0	2,154,777
Capital Assets	0					0	0
Grants to Fire Districts	15,064,086					0	15,064,086
Total Line Items	25,949,985	(38,781)	(70,466)	(165,862)	0	(275,109)	25,674,876
By Funding Source							
General Funds	0					0	0
Federal Funds	629,062	(2,179)	(3,959)			(6,138)	622,924
Special Funds	25,320,923	(36,602)	(66,507)	(165,862)		(268,971)	25,051,952
Total Funding Sources	25,949,985	(38,781)	(70,466)	(165,862)	0	(275,109)	25,674,876
Total FTE	47.00			(1.00)		(1.00)	46.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Remove one additional FTE.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
405 Industrial Commission
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and wages	20,797,113	(96,796)	(172,416)	(380,500)		(649,712)	20,147,401
Operating expenses	5,106,779				(66,700)	(66,700)	5,040,079
Bond Payments	13,210,484					0	13,210,484
Total Line Items	39,114,376	(96,796)	(172,416)	(380,500)	(66,700)	(716,412)	38,397,964
By Funding Source							
General Funds	22,763,880	(90,994)	(161,902)	(380,500)	(66,700)	(700,096)	22,063,784
Federal Funds	238,003					0	238,003
Special Funds	16,112,493	(5,802)	(10,514)			(16,316)	16,096,177
Total Funding Sources	39,114,376	(96,796)	(172,416)	(380,500)	(66,700)	(716,412)	38,397,964
Total FTE	105.25			(2.00)		(2.00)	103.25

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 2.00 additional FTE.

/4 Reduces the executive budget recommendation by 2%.

Recommendation Comparison Summary
 406 Department of Labor
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	2,427,866	(9,979)	(20,990)			(30,969)	2,396,897
Operating Expenses	328,918					0	328,918
Total Line Items	2,756,784	(9,979)	(20,990)	0	0	(30,969)	2,725,815
By Funding Source							
General Funds	2,316,868	(9,979)	(20,990)			(30,969)	2,285,899
Federal Funds	439,916					0	439,916
Special Funds	0					0	0
Total Funding Sources	2,756,784	(9,979)	(20,990)	0	0	(30,969)	2,725,815
Total FTE	14.00			0.00		0.00	14.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 408 Public Service Commission
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	9,438,833	(43,010)	(62,963)		(87,486)	(193,459)	9,245,374
Operating Expenses	1,851,698				(21,872.00)	(21,872.00)	1,829,826
Capital Assets	26,400				(26,400.00)	(26,400.00)	0
Grants	20,000					0.00	20,000
AML Contractual Services	6,000,000					0.00	6,000,000
Rail Rate Complaint Case	900,000					0.00	900,000
Reclamation & Grain Litigation	730,000					0.00	730,000
Railroad Safety Program	567,109	(2,055.00)	(3,008.00)			(5,063.00)	562,046
Weights & Measures Employee	0					0.00	0
Total Line Items	19,534,040	(45,065)	(65,971)	0	(135,758)	(246,794)	19,287,246
By Funding Source							
General Funds	6,891,777	(27,371)	(40,068)		(135,758)	(203,197)	6,688,580
Federal Funds	10,750,154	(15,639.00)	(22,895.00)			(38,534.00)	10,711,620
Special Funds	1,892,109	(2,055.00)	(3,008.00)			(5,063.00)	1,887,046
Total Funding Sources	19,534,040	(45,065)	(65,971)	0	(135,758)	(246,794)	19,287,246
Total FTE	45.00			0.00		0.00	45.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Remove additional 2% amount from the general fund.

Recommendation Comparison Summary
 412 Aeronautics
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	1,438,452	(5,778)	(10,495)			(16,273)	1,422,179
Operating Expenses	2,204,190					0	2,204,190
Capital Assets	100,000					0	100,000
Grants	7,000,000					0	7,000,000
Total Line Items	10,742,642	(5,778)	(10,495)	0	0	(16,273)	10,726,369
By Funding Source							
General Funds	900,000					0	900,000
Federal Funds	1,025,000					0	1,025,000
Special Funds	8,817,642	(5,778)	(10,495)			(16,273)	8,801,369
Total Funding Sources	10,742,642	(5,778)	(10,495)	0	0	(16,273)	10,726,369
Total FTE	7.00			0.00		0.00	7.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 413 Department of Financial Institutions
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	7,034,875	(29,618)	(44,978)		(185,196)	(259,792)	6,775,083
Operating Expenses	1,576,072					0	1,576,072
Contingency	48,400				(28,400)	(28,400)	20,000
Total Line Items	8,659,347	(29,618)	(44,978)	0	(213,596)	(288,192)	8,371,155
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	8,659,347	(29,618)	(44,978)		(213,596)	(288,192)	8,371,155
Total Funding Sources	8,659,347	(29,618)	(44,978)	0	(213,596)	(288,192)	8,371,155
Total FTE	30.00			0.00		0.00	30.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Remove additional 2.5% lump sum from agency budget.

Recommendation Comparison Summary
 414 Securities Department
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	1,858,412	(7,879)	(13,494)			(21,373)	1,837,039
Operating Expenses	606,047					0	606,047
Total Line Items	2,464,459	(7,879)	(13,494)	0	0	(21,373)	2,443,086
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	2,464,459	(7,879)	(13,494)			(21,373)	2,443,086
Total Funding Sources	2,464,459	(7,879)	(13,494)	0	0	(21,373)	2,443,086
Total FTE	9.00			0.00		0.00	9.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
471 Bank of North Dakota
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Capital assets	810,000					0	810,000
Bank of North Dakota operations	59,878,521	(140,619)	(272,869)		(1,210,958)	(1,624,446)	58,254,075
Total Line Items	60,688,521	(140,619)	(272,869)	0	(1,210,958)	(1,624,446)	59,064,075
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	60,688,521	(140,619)	(272,869)		(1,210,958)	(1,624,446)	59,064,075
Total Funding Sources	60,688,521	(140,619)	(272,869)	0	(1,210,958)	(1,624,446)	59,064,075
Total FTE	181.50			0.00		0.00	181.50

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 No additional FTE were removed.
- /4 Reduces the executive budget recommendation by 2%.

Recommendation Comparison Summary
 473 Housing Finance Agency
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	8,258,057	(34,626)	(67,468)			(102,094)	8,155,963
Operating Expenses	4,759,905				(448,594)	(448,594)	4,311,311
Grants	31,904,828					0	31,904,828
HFA Contingency	100,000					0	100,000
Total Line Items	45,022,790	(34,626)	(67,468)	0	(448,594)	(550,688)	44,472,102
By Funding Source							
General Funds	0					0	0
Federal Funds	31,244,828					0	31,244,828
Special Funds	13,777,962	(34,626)	(67,468)		(448,594)	(550,688)	13,227,274
Total Funding Sources	45,022,790	(34,626)	(67,468)	0	(448,594)	(550,688)	44,472,102
Total FTE	46.00			0.00		0.00	46.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the executive budget recommendation by 1%.

Recommendation Comparison Summary
 475 ND Mill and Elevator Association
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	40,025,168		(230,889)	(115,280)	(569,643)	(915,812)	39,109,356
Operating Expenses	28,195,000					0	28,195,000
Agriculture Promotion	210,000					0	210,000
Contingency	500,000					0	500,000
Total Line Items	68,930,168	0	(230,889)	(115,280.00)	(569,643)	(915,812)	68,014,356
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	68,930,168		(230,889)	(115,280.00)	(569,643)	(915,812)	68,014,356
Total Funding Sources	68,930,168	0	(230,889)	(115,280)	(569,643)	(915,812)	68,014,356
Total FTE	153.00			(1.00)		(1.00)	152.00

/1 The Mill and Elevator does not participate in the state compensation plan.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 1 additional FTE.

/4 Reduces the executive budget recommendation by 1%.

Recommendation Comparison Summary
 485 Workforce Safety and Insurance
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
WSI Operations	72,657,598	(194,721)	(406,474)	(1,291,114)		(1,892,309)	70,765,289
Total Line Items	72,657,598	(194,721)	(406,474)	(1,291,114)	0	(1,892,309)	70,765,289
By Funding Source							
General Funds	0					0	0
Federal Funds	0					0	0
Special Funds	72,657,598	(194,721)	(406,474)	(1,291,114)		(1,892,309)	70,765,289
Total Funding Sources	72,657,598	(194,721)	(406,474)	(1,291,114)	0	(1,892,309)	70,765,289
Total FTE	260.14			(7.00)		(7.00)	253.14

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Remove seven additional FTE.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 504 Highway Patrol
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Field Operations	57,244,630	(170,759)	(301,353)			(472,112)	56,772,518
Total Line Items	57,244,630	(170,759)	(301,353)	0.00	0	(472,112)	56,772,518
By Funding Source							
General Funds	43,410,717	(136,465)	(240,831)			(377,296)	43,033,421
Federal Funds	6,439,863	(14,799)	(26,117)			(40,916)	6,398,947
Special Funds	7,394,050	(19,495)	(34,405)			(53,900)	7,340,150
Total Funding Sources	57,244,630	(170,759)	(301,353)	0	0	(472,112)	56,772,518
Total FTE	206.00			0.00		0.00	206.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 530 Department of Corrections and Rehabilitation
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Adult Services	222,523,157	(438,550)	(1,011,789)		(6,748,314)	(8,198,653)	214,324,504
Juvenile Services	31,624,395	(75,975)	(208,621)		(251,686)	(536,282)	31,088,113
Total Line Items	254,147,552	(514,525)	(1,220,410)	0	(7,000,000)	(8,734,935)	245,412,617
By Funding Source							
General Funds	215,839,290	(481,317)	(1,141,642)		(7,000,000)	(8,622,959)	207,216,331
Federal Funds	10,047,799	(7,268)	(17,240)			(24,508)	10,023,291
Special Funds	28,260,463	(25,940)	(61,528)			(87,468)	28,172,995
Total Funding Sources	254,147,552	(514,525)	(1,220,410)	0	(7,000,000)	(8,734,935)	245,412,617
Total FTE	846.29			0.00		0.00	846.29

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces executive budget recommendation relating to salaries and contract housing and programming.

Recommendation Comparison Summary
 540 Adjutant General
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	19,553,424	(71,714)	(157,138)			(228,852)	19,324,572
Operating Expenses	11,135,436				(268,051)	(268,051)	10,867,385
Capital Assets	33,793,046					0	33,793,046
Grants	17,251,712					0	17,251,712
Disaster Costs	51,449,954	(3,052)	(6,687)			(9,739)	51,440,215
Civil Air Patrol	320,278					0	320,278
Tuition Fees	2,617,500					0	2,617,500
Air Guard Contract	8,123,047	(19,836)	(43,463)			(63,299)	8,059,748
Army Guard Contract	57,781,597	(50,352)	(110,331)			(160,683)	57,620,914
Reintegration Program	1,579,685	(4,577)	(10,030)		(227,075)	(241,682)	1,338,003
ND Veterans Cemetery	885,173	(3,052)	(6,687)			(9,739)	875,434
Total Line Items	204,490,852	(152,583)	(334,336)	0	(495,126)	(982,045)	203,508,807
By Funding Source							
General Funds	27,256,286	(61,201)	(134,102)		(545,126)	(740,429)	26,515,857
Federal Funds	162,915,659	(81,776)	(179,185)			(260,961)	162,654,698
Special Funds	14,318,907	(9,606)	(21,049)		50,000	19,345	14,338,252
Total Funding Sources	204,490,852	(152,583)	(334,336)	0	(495,126)	(982,045)	203,508,807
Total FTE	234.00			0.00		0.00	234.00

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 No additional FTE were removed.
- /4 Reduced the general fund of the executive budget recommendation by 2%.

Recommendation Comparison Summary
601 Department of Commerce
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	13,062,486	(53,635)	(94,455)			(148,090)	12,914,396
Operating Expenses	15,212,622				(225,000)	(225,000)	14,987,622
Grants	52,540,386				(614,926)	(614,926)	51,925,460
Discretionary Grants	814,840					0	814,840
Flood Impact Loans/Grants	5,201,752					0	5,201,752
Ag Products Util Comm (APUC)	3,154,929	(1,599)	(2,999)			(4,598)	3,150,331
North Dakota Trade Office	2,352,060				(70,562)	(70,562)	2,281,498
Partner Programs	1,999,840				(59,995)	(59,995)	1,939,845
Entrepreneurship grants	1,500,000					0	1,500,000
Total Line Items	95,838,915	(55,234)	(97,454)	0	(970,483)	(1,123,171)	94,715,744
By Funding Source							
General Funds	32,538,344	(41,994)	(73,954)		(970,483)	(1,086,431)	31,451,913
Federal Funds	48,272,568	(6,199)	(10,917)			(17,116)	48,255,452
Special Funds	15,028,003	(7,041)	(12,583)			(19,624)	15,008,379
Total Funding Sources	95,838,915	(55,234)	(97,454)	0	(970,483)	(1,123,171)	94,715,744
Total FTE	66.40			0.00		0.00	66.40

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces executive budget recommendation as follows:

- \$130,557 from partner programs.
 - \$59,995 reduction to the Partner Programs line.
 - \$70,562 reduction to the North Dakota Trade Office line.
- \$300,000 removal of the Childcare Grants.
- \$225,000 reduction in Operation Intern.
- \$314,926 from Pre-K Community Grants.

Recommendation Comparison Summary
602 Department of Agriculture
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	12,661,634	(50,082)	(109,446)			(159,528)	12,502,106
Operating Expenses	7,466,098				(190,470)	(190,470)	7,275,628
Capital Assets	13,000					0	13,000
Grants	8,823,774						8,823,774
Board of Animal Health	866,473					0	866,473
Wildlife Services	1,417,400					0	1,417,400
Crop Harmonization Board	75,000					0	75,000
Total Line Items	31,323,379	(50,082)	(109,446)	0	(190,470)	(349,998)	30,973,381
By Funding Source							
General Funds	9,523,505	(27,520)	(60,140)		(190,470)	(278,130)	9,245,375
Federal Funds	12,095,703	(10,242)	(22,382)			(32,624)	12,063,079
Special Funds	9,704,171	(12,320)	(26,924)			(39,244)	9,664,927
Total Funding Sources	31,323,379	(50,082)	(109,446)	0	(190,470)	(349,998)	30,973,381
Total FTE	75.00			0.00		0.00	75.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the general fund appropriation in the executive budget recommendation by 2%.

Recommendation Comparison Summary
 627 Upper Great Plains Transportation Institute
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Transportation Institute	22,222,023	(46,362)	(61,470)		(106,917)	(214,749)	22,007,274
Total Line Items	22,222,023	(46,362)	(61,470)	0	(106,917)	(214,749)	22,007,274
By Funding Source							
General Funds	3,563,901	(11,670)	(15,473)		(106,917)	(134,060)	3,429,841
Federal Funds	12,319,272	(24,189)	(32,071)			(56,260)	12,263,012
Special Funds	6,338,850	(10,503)	(13,926)			(24,429)	6,314,421
Total Funding Sources	22,222,023	(46,362)	(61,470)	0	(106,917)	(214,749)	22,007,274
Total FTE	43.88			0.00		0.00	43.88

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the general fund appropriation in the executive budget recommendation by 3%.

Recommendation Comparison Summary
628 Branch Research Centers
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Dickinson Research Center	6,919,269	(16,210)	(35,083)		(106,591)	(157,884)	6,761,385
Central Grasslands Research Center	3,491,643	(8,916)	(19,296)		(58,625)	(86,837)	3,404,806
Hettinger Research Center	5,057,686	(10,537)	(22,804)		(69,284)	(102,625)	4,955,061
Langdon Research Center	3,020,832	(7,294)	(15,788)		(47,965)	(71,047)	2,949,785
North Central Research Center	5,025,587	(8,916)	(19,296)		(58,625)	(86,837)	4,938,750
Williston Research Center	5,221,703	(12,968)	(28,067)		(85,272)	(126,307)	5,095,396
Carrington Research Center	9,338,493	(16,210)	(35,083)		(106,591)	(157,884)	9,180,609
Total Line Items	38,075,213	(81,051)	(175,417)	0	(532,953)	(789,421)	37,285,792
By Funding Source							
General Funds	17,765,103	(59,179)	(128,079)		(532,953)	(720,211)	17,044,892
Federal Funds	0					0	0
Special Funds	20,310,110	(21,872)	(47,338)			(69,210)	20,240,900
Total Funding Sources	38,075,213	(81,051)	(175,417)	0	(532,953)	(789,421)	37,285,792
Total FTE	110.29			0.00		0.00	110.29

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the general fund appropriation of the executive budget recommendation by 3%.

Recommendation Comparison Summary
 630 NDSU Extension Service
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
NDSU Extension Service	52,555,185	(192,092)	(408,315)		(806,343)	(1,406,750)	51,148,435
Soil Conservation Committee	1,091,520					0	1,091,520
Total Line Items	53,646,705	(192,092)	(408,315)	0	(806,343)	(1,406,750)	52,239,955
By Funding Source							
General Funds	26,878,116	(97,887)	(208,071)		(806,343)	(1,112,301)	25,765,815
Federal Funds	7,877,801	(27,090)	(57,583)			(84,673)	7,793,128
Special Funds	18,890,788	(67,115)	(142,661)			(209,776)	18,681,012
Total Funding Sources	53,646,705	(192,092)	(408,315)	0	(806,343)	(1,406,750)	52,239,955
Total FTE	252.98			0.00		0.00	252.98

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 No additional FTE were removed.
- /4 Reduces the general fund appropriation of the executive budget recommendation by 3%.

Recommendation Comparison Summary
 638 Northern Crops Institute
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Northern Crops Institute	3,713,445	(9,865)	(17,991)		(58,371)	(86,227)	3,627,218
Total Line Items	3,713,445	(9,865)	(17,991)	0	(58,371)	(86,227)	3,627,218
By Funding Source							
General Funds	1,955,702	(8,337)	(15,204)		(58,371)	(81,912)	1,873,790
Federal Funds	0	0	0			0	0
Special Funds	1,757,743	(1,528)	(2,787)			(4,315)	1,753,428
Total Funding Sources	3,713,445	(9,865)	(17,991)	0	(58,371)	(86,227)	3,627,218
Total FTE	11.80			0.00		0.00	11.80

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 No additional FTE were removed.
- /4 Reduces the general fund appropriation of the executive budget recommendation by 3%.

Recommendation Comparison Summary
 640 Main Research Center
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Main Research Center	110,541,592	(284,521)	(541,906)		(1,539,879)	(2,366,306)	108,175,286
Total Line Items	110,541,592	(284,521)	(541,906)	0	(1,539,879)	(2,366,306)	108,175,286
By Funding Source							
General Funds	51,329,311	(183,642)	(349,770)		(1,539,879)	(2,073,291)	49,256,020
Federal Funds	8,567,308	(31,936)	(60,826)			(92,762)	8,474,546
Special Funds	50,644,973	(68,943)	(131,310)			(200,253)	50,444,720
Total Funding Sources	110,541,592	(284,521)	(541,906)	0	(1,539,879)	(2,366,306)	108,175,286
Total FTE	336.12	0.00		0.00		0.00	336.12

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 No additional FTE were removed.
- /4 Reduces the general fund appropriation of the executive budget recommendation by 3%.

Recommendation Comparison Summary
 649 Agronomy Seed Farm
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Agronomy Seed Farm	1,538,795	(2,044)	(4,498)			(6,542)	1,532,253
Total Line Items	1,538,795	(2,044)	(4,498)	0	0	(6,542)	1,532,253
By Funding Source							
General Funds	0	0	0			0	0
Federal Funds	0	0	0			0	0
Special Funds	1,538,795	(2,044)	(4,498)			(6,542)	1,532,253
Total Funding Sources	1,538,795	(2,044)	(4,498)	0	0	(6,542)	1,532,253
Total FTE	3.00			0.00		0.00	3.00

/1 The 0% and 1% increase for state employee salaries has been removed.
 /2 Employees will be required to pay for 5% of their health insurance premium.
 /3 No additional FTE were removed.
 /4 No additional budget adjustments were made.

Recommendation Comparison Summary
 665 State Fair
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Premiums	513,000				(15,390)	(15,390)	497,610
Total Line Items	513,000	0	0	0	(15,390)	(15,390)	497,610
By Funding Source							
General Funds	513,000				(15,390)	(15,390)	497,610
Federal Funds	0					0	0
Special Funds	0					0	0
Total Funding Sources	513,000	0	0	0	(15,390)	(15,390)	497,610
Total FTE	0.00			0.00		0.00	0.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the general fund appropriation of the executive budget recommendation by 3%.

Recommendation Comparison Summary
 670 Racing Commission
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Racing Commission	548,046	(1,598)	(2,999)		(3,855)	(8,452)	539,594
Total Line Items	548,046	(1,598)	(2,999)	0	(3,855)	(8,452)	539,594
By Funding Source							
General Funds	385,489	(1,598)	(2,999)		(3,855)	(8,452)	377,037
Federal Funds	0					0	0
Special Funds	162,557					0	162,557
Total Funding Sources	548,046	(1,598)	(2,999)	0	(3,855)	(8,452)	539,594
Total FTE	2.00			0.00		0.00	2.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 No additional FTE were removed.

/4 Reduces the general fund appropriation of the executive budget recommendation by 1%.

Recommendation Comparison Summary
 701 Historical Society
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	13,906,341	(51,598)	(109,447)	0		(161,045)	13,745,296
Operating Expenses	3,885,894					0	3,885,894
Capital Assets	1,919,153				(171,500)	(171,500)	1,747,653
Grants-Gift-Donations	600,000					0	600,000
Total Line Items	20,311,388	(51,598)	(109,447)	0	(171,500)	(332,545)	19,978,843
By Funding Source							
General Funds	17,149,885	(47,185)	(100,086)		(171,500)	(318,771)	16,831,114
Federal Funds	3,161,503	(4,413)	(9,361)			(13,774)	3,147,729
Special Funds	0					0	0
Total Funding Sources	20,311,388	(51,598)	(109,447)	0	(171,500)	(332,545)	19,978,843
Total FTE	77.00			(2.00)		(2.00)	75.00

/1 The 0% and 1% increase for state employee salaries has been removed.
 /2 Employees will be required to pay for 5% of their health insurance premium.
 /3 Removes 2.00 additional FTE.
 /4 Reduces the general fund appropriation of the executive budget recommendation by 2%.

Recommendation Comparison Summary
709 Council on the Arts
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	918,219	(3,729)	(7,496)			(11,225)	906,994
Operating Expenses	412,857				(16,006)	(16,006)	396,851
Grants	2,082,494					0	2,082,494
Total Line Items	3,413,570	(3,729)	(7,496)	0	(16,006)	(27,231)	3,386,339
By Funding Source							
General Funds	1,600,648	(3,729)	(7,496)		(16,006)	(27,231)	1,573,417
Federal Funds	1,675,407					0	1,675,407
Special Funds	137,515					0	137,515
Total Funding Sources	3,413,570	(3,729)	(7,496)	0	(16,006)	(27,231)	3,386,339
Total FTE	5.00			0.00		0.00	5.00

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 No additional FTE were removed.
- /4 Reduces the general fund appropriation of the executive budget recommendation by 1%.

Recommendation Comparison Summary
720 Game and Fish
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	30,000,177	(114,972)	(218,620)	(1,143,174.00)		(1,476,766)	28,523,411
Operating Expenses	15,338,130					0	15,338,130
Capital Assets	6,630,956					0	6,630,956
Grants-Game and Fish	9,650,184					0	9,650,184
Land Habitat & Deer Depredation	17,832,057	(6,249)	(11,881)			(18,130)	17,813,927
Noxious Weed Control	725,000					0	725,000
Missouri River Enforcement	283,932					0	283,932
Grant-Gift-Donation	803,451	(1,250)	(2,376)			(3,626)	799,825
Nongame Wildlife Conservation	120,000					0	120,000
Lonetree Reservoir	1,801,447	(2,499)	(4,753)			(7,252)	1,794,195
Wildlife Services	384,400					0	384,400
Total Line Items	83,569,734	(124,970)	(237,630)	(1,143,174.00)	0	(1,505,774)	82,063,960
By Funding Source							
General Funds	0					0	0
Federal Funds	38,170,086	(46,852)	(89,090)			(135,942)	38,034,144
Special Funds	45,399,648	(78,118)	(148,540)	(1,143,174.00)		(1,369,832)	44,029,816
Total Funding Sources	83,569,734	(124,970)	(237,630)	(1,143,174.00)	0	(1,505,774)	82,063,960
Total FTE	163.00			(6.00)		(6.00)	157.00

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Remove 6 additional FTE.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
750 Parks and Recreation
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Administration	2,674,700	(5,217)	(10,732)			(15,949)	2,658,751
Natural Resources	20,096,935	(37,130)	(76,376)	(233,750)		(347,256)	19,749,679
Recreation	7,042,938	(2,953)	(6,074)			(9,027)	7,033,911
Peace Garden	876,329					0	876,329
LCIC	1,029,319	(2,805)	(5,769)	(58,437)		(67,011)	962,308
Total Line Items	31,720,221	(48,105)	(98,951)	(292,187)	0	(439,243)	31,280,978
By Funding Source							
General Funds	14,816,324	(46,301)	(95,240)	(292,187)		(433,728)	14,382,596
Federal Funds	5,256,712	(666)	(1,370)			(2,036)	5,254,676
Special Funds	11,647,185	(1,138)	(2,341)			(3,479)	11,643,706
Total Funding Sources	31,720,221	(48,105)	(98,951)	(292,187)	0	(439,243)	31,280,978
Total FTE	65.00			(2.50)		(2.50)	62.50

/1 The 0% and 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Remove 2.5 additional FTE.

/4 No additional budget adjustments were made.

Recommendation Comparison Summary
 770 State Water Commission
 Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Administrative and Support Services	5,660,639	(11,988)	(17,991)		(10,000)	(39,979)	5,620,660
Water and Atmospheric Resources	719,102,950	(70,782)	(127,438)	(507,743)	(35,315,214)	(36,021,177)	683,081,773
Total Line Items	724,763,589	(82,770)	(145,429)	(507,743)	(35,325,214)	(36,061,156)	688,702,433
By Funding Source							
General Funds							
Federal Funds	27,473,887	(2,909)	(5,112)	(118,850)		(126,871)	27,347,016
Special Funds	697,289,702	(79,861)	(140,317)	(388,893)	(35,325,214)	(35,934,285)	661,355,417
Total Funding Sources	724,763,589	(82,770)	(145,429)	(507,743)	(35,325,214)	(36,061,156)	688,702,433
Total FTE	96.00			(3.00)		(3.00)	93.00

- /1 The 0% and 1% increase for state employee salaries has been removed.
- /2 Employees will be required to pay for 5% of their health insurance premium.
- /3 Removes 3.00 additional FTE.
- /4 Removes funding related to lower revised funding estimates from the Resources Trust Fund.

Recommendation Comparison Summary
801 Department of Transportation
Biennium 2017-2019

Description	Executive Budget Recommendation	Remove Compensation ^{/1}	5% Health Insurance ^{/2}	Remove FTE ^{/3}	Adjustments ^{/4}	Change +/-	Revised Executive Recommendation
By Line Item							
Salaries and Wages	204,829,354	(807,704)	(1,526,251)	(1,935,958)		(4,269,913)	200,559,441
Operating Expenses	234,395,372				(3,487,475)	(3,487,475)	230,907,897
Capital Assets	770,117,468				588,122	588,122	770,705,590
Grants	67,528,030				5,000,000	5,000,000	72,528,030
Total Line Items	1,276,870,224	(807,704)	(1,526,251)	(1,935,958)	2,100,647	(2,169,266)	1,274,700,958
By Funding Source							
General Funds	0					0	0
Federal Funds	673,386,592	(121,881)	(230,309)	(212,339)	564,529	0	673,386,592
Special Funds	603,483,632	(685,823)	(1,295,942)	(1,723,619)	1,536,118	(2,169,266)	601,314,366
Total Funding Sources	1,276,870,224	(807,704)	(1,526,251)	(1,935,958)	2,100,647	(2,169,266)	1,274,700,958
Total FTE	1054.00			(5.00)		(5.00)	1049.00

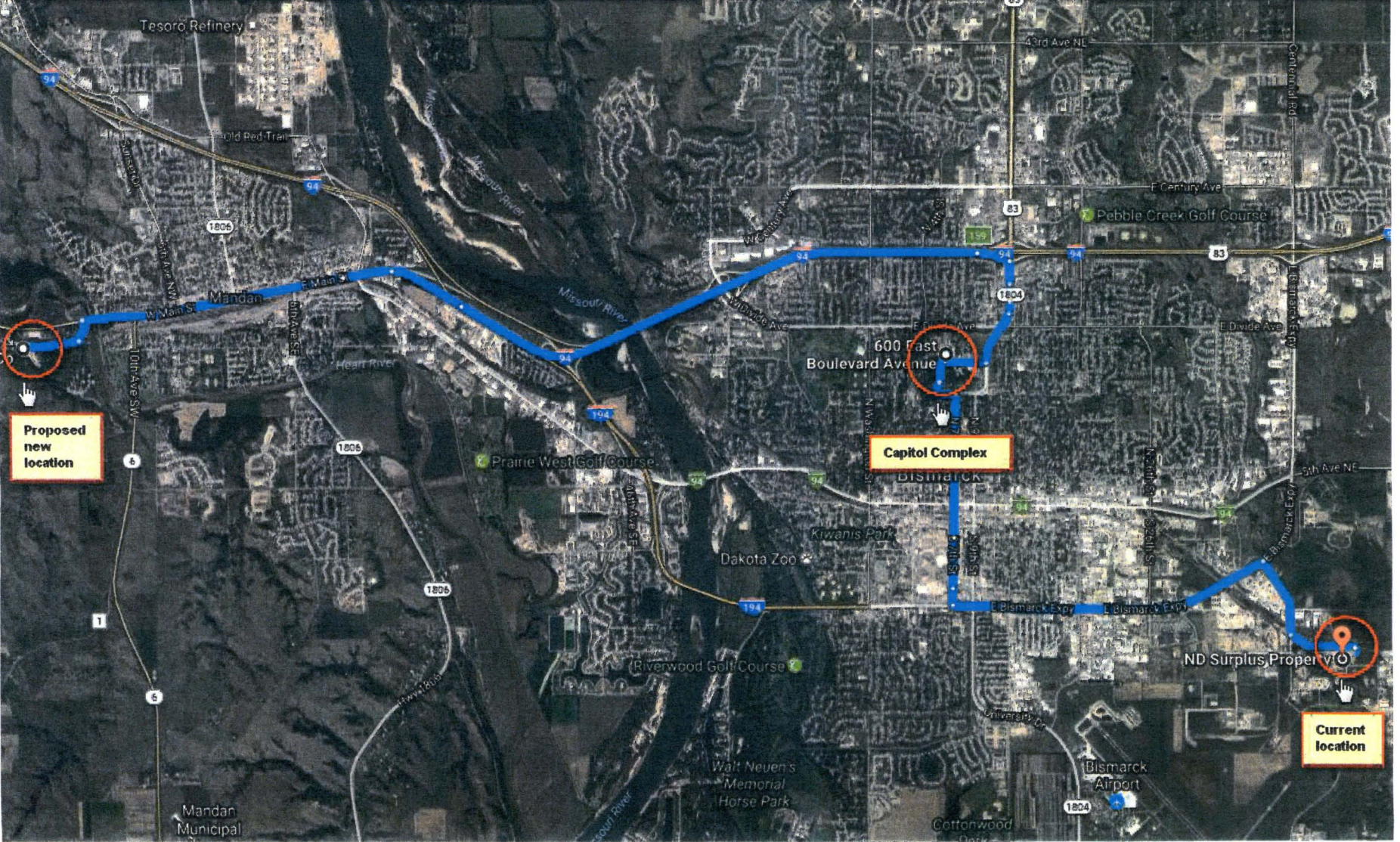
/1 The 1% increase for state employee salaries has been removed.

/2 Employees will be required to pay for 5% of their health insurance premium.

/3 Removes 5.00 additional FTE.

/4 Additional adjustments include \$5 million for a North Dakota Community Enhancement program and a reduction in operating expenses.

January 25, 2011



AB1015 / HB1075

Attachment B

1



2

State Surplus Property
 Lease versus Constructing New 7,000 SF Building
 January 25, 2017

Current Lease Terms					Proposed Building Purchase				
Landlord	Location	Square Feet	Fiscal Year (July - June)	Total Annual Rent (includes Land)	Location	Square Feet	Total Operating Costs	Annual Savings	
Apple Creek, LLP	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	2018	\$142,770	DOCR land next to YCC Building Twelve Bismarck, ND	7,000	\$21,000	\$121,770	
			2019	\$146,344			\$21,630	\$124,714	
			2020	\$160,642			\$22,279	\$138,363	
			2021	\$164,576			\$22,947	\$141,629	
	Igoe Industrial No. One Block One - Lots 5, 6, and 7 Block Two - Lot 7	63,320	2022	\$168,510	2.5 acres of land at no cost	87,120	\$23,636	\$144,874	
			2023	\$172,625			\$24,345	\$148,280	
			2024	\$176,739			\$25,075	\$151,664	
			2025	\$180,314			\$25,827	\$154,487	
			2026	\$183,708			\$26,602	\$157,106	
					\$1,496,228			\$213,341	\$1,282,887

W

State Surplus Property
 Lease versus Purchase of Existing Building
 January 25, 2017

Current Lease Terms

Proposed Building Purchase

Landlord	Location	Square Feet	Fiscal Year (July - June)	Total Annual Rent (includes Land)	Location	Square Feet	Total Operating Costs	Annual Savings
Apple Creek, LLP	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	2018	\$142,770	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	\$54,000	\$88,770
			2019	\$146,344			\$55,620	\$90,724
			2020	\$160,642			\$57,289	\$103,353
	Igoe Industrial No. One Block One - Lots 5, 6, and 7 Block Two - Lot 7	63,320	2021	\$164,576	Igoe Industrial No. One Block One - Lots 5, 6, and 7 Block Two - Lot 7	63,320	\$59,007	\$105,569
			2022	\$168,510			\$60,777	\$107,733
			2023	\$172,625			\$62,601	\$110,024
			2024	\$176,739			\$64,479	\$112,260
			2025	\$180,314			\$66,413	\$113,901
			2026	\$183,708			\$68,406	\$115,302
							<u>\$1,496,228</u>	

7

Investment Return Over 10 Year Term
 Purchase or Build Cashflow
 January 25, 2017

	Purchase	Build
Initial Equity Investment	(\$800,000)	(\$800,000)
Annual savings Year 1	\$88,770	\$121,770
Annual savings Year 2	\$90,724	\$124,714
Annual savings Year 3	\$103,353	\$138,363
Annual savings Year 4	\$105,569	\$141,629
Annual savings Year 5	\$107,733	\$144,874
Annual savings Year 6	\$110,024	\$148,280
Annual savings Year 7	\$112,260	\$151,664
Annual savings Year 8	\$114,496	\$155,048
Annual savings Year 9	\$115,302	\$157,106
Annual savings Year 10	\$115,302	\$157,106
Future value of land & building	\$800,000	\$800,000
Annualized rate of return	12.31%	16.71%

January 25, 2017

HB 1015 / HB 1075

Attachment C

OMB Capital Assets Line
House Government Operations

Capital Asset	General Fund	Special Fund	Total Funds	Description
Extraordinary Repairs	108,066	1,000,000	1,108,066	Electrial and Mechanical Improvements and Small Renovation Projects
Other Capital Payments	665,411		665,411	Bond Payments for Fire Suppression System, pay off 12/1/2024
Equipment Over \$5000		75,000	75,000	Central Services Material Handling Equipment
IT Equipment Over \$5000		125,000	125,000	Central Services Duplicating Equipment
Capital Projects		800,000	800,000	Surplus Property Building
	<u>773,477</u>	<u>2,000,000</u>	<u>2,773,477</u>	

1.

**2015-2017 BASE BUDGET
EXTRAORDINARY REPAIRS NARRATIVE**

Mechanical Improvements

Chiller overhaul at Judicial Wing and Heritage Center	\$ 75,000
Engineering to design the replacement of domestic water system in the Capitol Tower	\$ 25,000
Plumbing upgrades in restrooms	\$100,000
Chiller Cooling Tower Replacement – 400 ton cooling tower exceed its useful life by 10 years.	\$525,000

Electrical Improvements

Includes various small electrical projects throughout the Capitol buildings and grounds. **\$163,000**

Small Renovation

Fire suppression 2 nd and 3 rd floors in the Judicial Wing	\$100,000
Replace tables, chairs, carpet and ceiling in Pioneer Room	\$ 80,000
Replace elevator floor in south Judicial Wing elevator	\$ 40,066

Total **\$1,108,066**

February 3, 2017

HB 1015 / HB 1075

Attachment A

Office of Management Budget Contingency Fund Summary

Biennium	9-11	11-13	13-15	15-17
Original Appropriation	700,000.00	700,000.00	700,000.00	700,000.00
Allotment				(200,000.00)
Transfers to Agencies	(191,180.20)	(642,165.50)	(533,825.02)	(2,000.00)
Ending Balance/Turnback	508,819.80	57,834.50	166,174.98	498,000.00
<u>Transfer Recipients</u>				
Secretary of State	18,421.00	15,000.00	33,543.02	2,000.00
OMB	759.20	651.50	-	-
State Treasurer	25,000.00	-	-	-
Attorney General	92,000.00	346,200.00	287,500.00	-
Williston State College	55,000.00	-	-	-
Department of Health	-	280,314.00	-	-
ND Council On the Arts	-	-	12,782.00	-
Legal Council for Indigents			200,000.00	-
				-
	191,180.20	642,165.50	533,825.02	2,000.00

Note

15-17 Biennium data is current through January 30, 2017.

/.

February 3, 2017

HB1015 / HB1075

Attachment B

**Office of Management and Budget - Budget No. 110
House Bill No. 1015
Base Level Funding Changes**

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version				House Changes to Revised Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	122.50	\$30,826,724	\$7,210,390	\$38,037,114	122.50	\$30,826,724	\$7,210,390	\$38,037,114	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Base payroll changes		\$202,890	\$141,002	\$343,892				\$0		(\$202,890)	(\$141,002)	(\$343,892)
Salary increase - Performance				0				0				0
Health insurance increase		279,990	60,586	340,576				0		(279,990)	(60,586)	(340,576)
Employee portion of health insurance		(145,177)	(31,738)	(176,915)				0		145,177	31,738	176,915
Adjusts funding for FTE positions	(3.50)	(268,321)	1,499	(266,822)				0	3.50	268,321	(1,499)	266,822
Removes FTE position	(1.00)	(150,000)		(150,000)				0	1.00	150,000		150,000
Adds funding for unemployment claims payments			2,000,000	2,000,000				0			(2,000,000)	(2,000,000)
Adjusts funding for operating expenses		(152,772)	25,000	(127,772)				0		152,772	(25,000)	127,772
Reduces operating expenses		(150,000)		(150,000)				0		150,000		150,000
Adds funding for extraordinary repairs		108,066	1,000,000	1,108,066				0		(108,066)	(1,000,000)	(1,108,066)
Adds funding for bond payments		665,411		665,411				0		(665,411)		(665,411)
Reduces grant funding		(501,000)		(501,000)				0		501,000		501,000
Reduces guardianship grants		(132,860)		(132,860)				0		132,860		132,860
Reduces funding for Prairie Public Broadcasting		(400,000)		(400,000)				0		400,000		400,000
Removes funding for internship program		(200,000)		(200,000)				0		200,000		200,000
Total ongoing funding changes	(4.50)	(\$843,773)	\$3,196,349	\$2,352,576	0.00	\$0	\$0	\$0	4.50	\$843,773	(\$3,196,349)	(\$2,352,576)
One-time funding items												
Surplus property building			\$800,000	\$800,000				\$0			(\$800,000)	(\$800,000)
Cybersecurity risk insurance			1,000,000	1,000,000				0			(1,000,000)	(1,000,000)
Total one-time funding changes	0.00	\$0	\$1,800,000	\$1,800,000	0.00	\$0	\$0	\$0	0.00	\$0	(\$1,800,000)	(\$1,800,000)
Total Changes to Base Level Funding	(4.50)	(\$843,773)	\$4,996,349	\$4,152,576	0.00	\$0	\$0	\$0	4.50	\$843,773	(\$4,996,349)	(\$4,152,576)
2017-19 Total Funding	118.00	\$29,982,951	\$12,206,739	\$42,189,690	122.50	\$30,826,724	\$7,210,390	\$38,037,114	4.50	\$843,773	(\$4,996,349)	(\$4,152,576)
										2.8%	(40.9%)	(9.8%)

Other Sections in Office of Management and Budget - Budget No. 110

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Strategic investment and improvements fund transfer to budget stabilization fund	Section 3 provides for a transfer of \$154.2 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium. (The Burgum recommendation removes this section.)	
Tax relief fund transfer to budget stabilization fund	Section 4 provides for a transfer of \$300 million from the tax relief fund to the budget stabilization fund during the 2017-19 biennium.	

Other Sections in Office of Management and Budget - Budget No. 110

**Burgum Executive Budget Recommendation
(Changes to Dalrymple Budget in Bold)**

House Version

General fund transfer to social services finance fund	Section 5 provides for a transfer of \$275 million from the general fund to the social services finance fund during the 2017-19 biennium.
Strategic investment and improvements fund transfer to general fund	Section 6 provides for a transfer of \$30 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium. Section 15 provides an emergency clause for the transfer in Section 6. Section 7 provides for a transfer of \$30 million from the strategic investment and improvements fund to the general fund during the 2017-19 biennium. (The Burgum budget recommendation increases the transfer in Section 7 by \$60 million, from \$30 million to \$90 million.)
Unexpended appropriation continuation	Section 8 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.
Legislative intent	Section 9 identifies items that are included in the appropriations in Section 1 of the bill.
Cybersecurity remediation funding pool	Section 10 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies.
State employee compensation adjustments	Section 11 provides legislative intent that funding provided for state employee salary increases be used to provide a 1 percent salary increase to eligible state employees during the 2017-19 biennium. Employees whose documented performance does not meet standards are not eligible for compensation adjustments. (The Burgum budget recommendation removes this section.)
Tobacco settlement trust fund transfer to general fund	Section 12 amends Section 54-27-25 to transfer 45 percent of the tobacco settlement trust fund revenues to the general fund rather than the common schools trust fund.

Other Sections in Office of Management and Budget - Budget No. 110

Burgum Executive Budget Recommendation

(Changes to Dalrymple Budget in Bold)

House Version

Oil and gas tax allocation formula changes

Section 13 amends Section 57-51-15 to remove the allocations to the oil and gas impact grant fund, to decrease the allocations to the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$10 million per biennium, and to decrease the allocations to the abandoned oil and gas well plugging and site reclamation fund from \$7.5 million per fiscal year to \$5 million per fiscal year. Section 14 amends Section 57-51.1-07.5 related to the state's share of oil and gas tax allocations to increase the general fund allocation from \$300 million to \$1 billion, to remove the allocation of \$300 million to the tax relief fund, and to provide up to \$3 million to the lignite research fund from the remaining allocations. **(The Burgum budget recommendation increases the general fund allocation from \$300 million to \$900 million, rather than \$1 billion.)**

February 3, 2017

HB 1015 / HB 1075

Attachment C

Government Operations - Appropriations Requested Reductions

Office of Management and Budget

Governor Dalrymple budget level		<u>30,497,425</u>
5% requested by Government Ops		1,524,871
Statewide Dues	(590,500)	
Burgum Decreases		
Remove 1% compensation	(69,297)	
Remove FTE	(150,000)	
Operating	(150,000)	
Remove from Contingency Fund	(150,000)	
Prairie Pubic Broadcasting	(60,000)	
Guardianship Grants	(60,000)	
General Fund Extraordinary Repairs	(108,066)	
Salaries	<u>(187,000)</u>	
Proposed reductions	(1,524,863)	

February 3, 2017

HB1015 / HB1075

Attachment D

**CHAPTER 54-55
COMMISSION ON UNIFORM STATE LAWS**

54-55-01. Commission on uniform state laws - Membership.

The commission on uniform state laws consists of an individual engaged in the practice of law in this state, the dean or a full-time member of the faculty of the law school of the university of North Dakota, a law-trained judge of a court of record in this state, a member of the house of representatives and a member of the senate of the legislative assembly, and a member of the legislative council. The attorney general may appoint a member of the commission. The commission also consists of any residents of this state who, because of long service in the cause of uniformity of state legislation, have been elected life members of the national conference of commissioners on uniform state laws, and may also consist of any residents of this state who have been previously appointed to at least five years of service on the commission. Except for the member appointed by the attorney general, the members of the legislative assembly, the member of the legislative council, and life members, commissioners must be appointed by the governor for terms of four years each, commencing on the first day of September following each presidential election, and shall serve until their respective successors are appointed. Commissioners first appointed after July 21, 2011, must be residents of the state. The members of the legislative assembly on the commission must be appointed by the legislative management for a term not to exceed four years as prescribed by the legislative management, and the member of the legislative council must be appointed by the chairman of the legislative management. The term of the member appointed by the attorney general may not extend beyond the term of that attorney general.

54-55-02. Vacancies.

The office of any appointed commissioner becomes vacant upon death, resignation, or failure or refusal to serve. The appointing authority shall make an appointment to fill the vacancy for the unexpired term of the former appointee.

54-55-03. Meeting and organization.

The commissioners shall meet at least once each two-year period and shall organize by electing one of their number as chairman and another as secretary. The chairman and secretary shall hold their respective offices for a term of two years and until their successors are elected.

54-55-04. Duties of commissioners and commission.

Each commissioner shall attend the annual meeting of the national conference of commissioners on uniform state laws and shall promote uniformity in state laws on those subjects where uniformity may be deemed desirable and practicable. The commission shall also promote as far as practicable the uniform judicial application and construction of all uniform state laws. During the interim between legislative sessions, the commission may submit its recommendations for enactment of uniform and model laws to the legislative management for its review and recommendation. Commissioners shall provide such assistance to the legislative management as the legislative management requests with respect to its review of uniform and model laws. During each biennial legislative session, and at any other time as the commission may deem proper, the commission shall report to the legislative assembly an account of its transactions and its advice and recommendations for legislation. The report must include the recommendations of the legislative management with respect to uniform and model laws recommended by the commission.

54-55-05. No compensation for commissioners.

The commissioners shall serve without compensation for services as commissioners. The commissioners who are appointed to the commission and the commissioners who have been elected life members of the national conference, except those who are appointed by virtue of having served five years on the commission but who have not served at least twenty years in the legislative assembly, are entitled to be reimbursed, from moneys appropriated for that purpose, for necessary expenses incurred in performing their duties at the rates provided in sections 44-08-04 and 54-06-09. Warrant-checks for expense reimbursement must be prepared by the office of management and budget upon vouchers submitted by the commissioners.

February 10, 2017

HB1015 / HR1075

Attachment A

Prepared for Representative Brandenburg
February 8, 2017

HOUSE BILL NO. 1015 - OFFICE OF MANAGEMENT AND BUDGET
LISTING OF PROPOSED CHANGES

Description	FTE	General Fund	Special Funds	Total
1 Base payroll changes		\$202,890	\$141,002	\$343,892
2 Health insurance increase		\$279,990	\$60,586	\$340,576
3 Adjusts funding for FTE positions	(3.50)	(\$268,321)	\$1,499	(\$266,822)
4 Reduces funding for an FTE position		(\$70,000)		(\$70,000)
5 Removes 1 FTE state architect position	(1.00)	(\$232,709)		(\$232,709)
6 Removes 3 FTE human resource officer positions	(3.00)	(\$548,683)		(\$548,683)
7 Reduces funding for salaries and wages		(\$187,000)		(\$187,000)
8 Adds funding for unemployment claims payments			\$2,000,000	\$2,000,000
9 Adjusts funding for operating expenses		(\$152,772)	\$25,000	(\$127,772)
10 Reduces operating expenses		(\$150,000)		(\$150,000)
11 Removes funding for statewide memberships and dues (Committee action)		(\$590,500)		(\$590,500)
12 Adds funding for extraordinary repairs (This proposal does not include \$1 million from the capitol building fund, which had been included in both executive recommendations.)		\$108,066		\$108,066
13 Adds funding for bond payments		\$665,411		\$665,411
14 Reduces grant funding		(\$501,000)		(\$501,000)
15 Reduces guardianship grants		(\$132,860)		(\$132,860)
16 Reduces funding for Prairie Public Broadcasting		(\$800,000)		(\$800,000)
17 Removes funding for internship program		(\$200,000)		(\$200,000)
18 Reduces funding for the Emergency Commission contingency fund		(\$150,000)		(\$150,000)
19 Surplus property building repairs or lease payments - One-time funding			\$800,000	\$800,000
20 Cybersecurity risk insurance funding pool - One-time funding			\$1,000,000	\$1,000,000
Total proposed funding changes	<u>(7.50)</u>	<u>(\$2,727,488)</u>	<u>\$4,028,087</u>	<u>\$1,300,599</u>
Reduction to base level needed for a 5 percent reduction to the Dalrymple recommendation		(\$1,854,170)		

Other proposed changes:

- Section 3 provides for a transfer of \$100 million from the strategic investment and improvements fund to the budget stabilization fund during the 2015-17 biennium. Section 8 provides an emergency clause for this transfer.
- Section 4 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.
- Section 5 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.

- 4 Section 6 identifies the funding for surplus property building repairs or lease payments (\$800,000) and prohibits the purchase or construction of a new building for surplus property.
- 5 Section 7 identifies the funding for boys and girls club work (\$53,000), unemployment insurance (\$2,000,000), and the capitol grounds planning commission (\$25,000) that are included in the appropriations in Section 1 of the bill.

February 10, 2017

HB 1015 / HB 1075

Attachment B

17.0500.01001
Title.

Prepared by the Legislative Council staff for
Representative Nathe
February 2, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to amend and reenact section 54-06-04.3 of the North Dakota Century Code, relating to state agency publication fees"

Page 2, after line 29, insert:

"SECTION 6. AMENDMENT. Section 54-06-04.3 of the North Dakota Century Code is amended and reenacted as follows:

54-06-04.3. Joint publication and distribution of information by state agencies - Fees.

Any state agency may cooperate with any other state agency to jointly publish and distribute information and may arrange to have the joint publication or distribution, or both, coordinated by a private entity. Any state agency may provide information it has collected or developed, including mailing lists, to each other or to any private entity for the purpose of distributing jointly or individually issued publications or other information. If a state agency publication is available on the agency's internet website or otherwise available in an electronic format and any person requests a paper copy of the publication, the state agency may charge a reasonable fee for providing the paper copy and for mailing the paper copy of the publication."

Renumber accordingly

February 10, 2017

HB1015 / HB1075 Attachment C

17.0500.01002
Title.

Prepared by the Legislative Council staff for
Representative Carlson
February 3, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 2, after line 29, insert:

"SECTION 6. SALARIES AND WAGES SAVINGS FROM VACANT POSITIONS AND EMPLOYEE TURNOVER - PROHIBITION - BUDGET SECTION REPORT. Any salaries and wages savings resulting from vacant positions and employee turnover within 2017-19 biennium appropriations for executive branch state agencies and institutions may not be spent but must be retained and included as part of the agency or institution's unspent appropriation authority under section 54-44.1-11 for the biennium beginning July 1, 2017, and ending June 30, 2019. Each agency and institution, including institutions under the control of the state board of higher education, shall report its savings and supporting information to the office of management and budget. The office of management and budget shall report to each meeting of the budget section during the 2017-18 interim and to the appropriations committees of the sixty-sixth legislative assembly upon request regarding the number of vacant positions by agency and institution, the duration of each vacancy, and related salaries and wages savings by funding source for each agency and institution."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a new section to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

February 10, 2017

HB 1015 / HB 1075

attachment 8

HOUSE GOVERNMENT OPERATIONS DIVISION

Wednesday, February 08, 2017

PLEASE BE NICE TO BIG BIRD!!

In OMB's budget, HB 1015, Prairie Public's funding has already been reduced from 2015's \$1.7 million to \$1.6 million by the allotment and then to \$1.2 in HB 1015 and then to \$1.14 million in subsequent cuts last week. These cuts, coupled with reduced funding for a co-op television program in DPI's budget, reduces Prairie Public's funding by nearly \$500,000 and will result in the probable reduction of 3 or 4 FTEs.



WE RESPECTFULLY ASK THAT YOU DO NOT FURTHER REDUCE PRAIRIE PUBLIC'S FUNDING IN HB 1015.

Many Thanx!!

Jack McDonald

February 13, 2017

HB1015 / HB1075

Attachment A

Prepared for House Government Operations

February 10, 2017

HOUSE BILL NO. 1015 - OFFICE OF MANAGEMENT AND BUDGET
LISTING OF PROPOSED CHANGES

Description	FTE	General Fund	Special Funds	Total
1 Base payroll changes		\$202,890	\$141,002	\$343,892
2 Health insurance increase		\$279,990	\$60,586	\$340,576
3 Adjusts funding for FTE positions	(3.50)	(\$268,321)	\$1,499	(\$266,822)
4 Reduces funding for an FTE position		(\$70,000)		(\$70,000)
5 Removes 1 FTE state architect position	(1.00)	(\$232,709)		(\$232,709)
6 Removes 3 FTE human resource officer positions	(3.00)	(\$548,683)		(\$548,683)
7 Reduces funding for salaries and wages		(\$187,000)		(\$187,000)
8 Adds funding for unemployment claims payments			\$2,000,000	\$2,000,000
9 Adjusts funding for operating expenses		(\$152,772)	\$25,000	(\$127,772)
10 Reduces operating expenses		(\$150,000)		(\$150,000)
11 Removes funding for statewide memberships and dues		(\$590,500)		(\$590,500)
12 Adds funding for extraordinary repairs		\$108,066		\$108,066
13 Adds funding for bond payments		\$665,411		\$665,411
14 Reduces grant funding		(\$501,000)		(\$501,000)
15 Reduces funding for Prairie Public Broadcasting		(\$800,000)		(\$800,000)
16 Removes funding for internship program		(\$200,000)		(\$200,000)
17 Reduces funding for the Emergency Commission contingency fund		(\$150,000)		(\$150,000)
18 Surplus property building repairs or lease payments - One-time funding			\$800,000	\$800,000
19 Cybersecurity risk insurance funding pool - One-time funding			\$1,000,000	\$1,000,000
Total proposed funding changes	<u>(7.50)</u>	<u>(\$2,594,628)</u>	<u>\$4,028,087</u>	<u>\$1,433,459</u>
Reduction to base level needed for a 5 percent reduction to the Dalrymple recommendation		(\$1,854,170)		

Other proposed changes:

- Section 2 identifies the funding increase for health insurance premium increases.
- Section 4 provides for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium. Section 11 provides an emergency clause for this transfer.
- Section 5 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.
- Section 6 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.

- 5 Section 7 identifies the funding for rent or lease payments or for repairs related to a building for surplus property (\$800,000) and prohibits the purchase or construction of a new building for surplus property.
- 6 Section 8 identifies the funding for boys and girls club work (\$53,000), unemployment insurance (\$2,000,000), and the capitol grounds planning commission (\$25,000) that are included in the appropriations in Section 1 of the bill.
- 7 Section 9 allows state agencies to collect fees from individuals who request to have publications printed and mailed if the publications are available electronically.
- 8 Section 10 restricts state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

17.0500.01003

Sixty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

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 provide for
 3 transfers; to amend and reenact section 54-06-04.3 of the North Dakota Century Code, relating
 4 to state agency publication fees; to provide an exemption; and to provide a statement of
 5 ~~legislative intent~~ to provide statements of legislative intent; to provide for a budget section report;
 6 and to declare an emergency.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds
 9 as may be necessary, are appropriated out of any moneys in the general fund in the state
 10 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 11 other income, to the office of management and budget for the purpose of defraying the
 12 expenses of the office of management and budget, for the biennium beginning July 1, 2017,
 13 and ending June 30, 2019, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
16 Salaries and wages	\$19,798,254	\$0	\$19,798,254
17 Operating expenses	13,855,260	0	13,855,260
18 Emergency commission contingency fund	500,000	0	500,000
19 Capital assets	200,000	0	200,000
20 Grants	555,000	0	555,000
21 Guardianship grants	1,328,600	0	1,328,600
22 Prairie public broadcasting	1,600,000	0	1,600,000
23 State student internship program	200,000	0	200,000
24 Total all funds	\$38,037,114	\$0	\$38,037,114

Sixty-fifth
Legislative Assembly

1	Less estimated income	7,210,390	0	7,210,390
2	Total general fund	\$30,826,724	\$0	\$30,826,724
3	Full-time equivalent positions	122.50	0	122.50
4	Salaries and wages	\$19,798,254	\$1,379,254	\$21,177,508
5	Operating expenses	13,855,260	(68,272)	13,768,988
6	Emergency commission contingency fund	500,000	(150,000)	350,000
7	Capital assets	200,000	773,477	973,477
8	Grants	555,000	(501,000)	54,000
9	Guardianship grants	1,328,600	0	1,328,600
10	Prairie public broadcasting	1,600,000	(800,000)	800,000
11	State student internship program	200,000	(200,000)	0
12	Cybersecurity remediation pool	0	1,000,000	1,000,000
13	Total all funds	\$38,037,114	\$1,433,459	\$39,470,573
14	Less estimated income	7,210,390	4,028,087	11,238,477
15	Total general fund	\$30,826,724	(\$2,594,628)	\$28,232,096
16	Full-time equivalent positions	122.50	(7.50)	115.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$340,576, of which \$279,990 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

24	One-Time Funding Description	2015-17	2017-19
25	Student internship	\$50,000	\$0
26	Facilities projects	205,000	0
27	Signage on the capitol grounds	1,400,000	0
28	West parking lot repair	50,000	0
29	Affordable Care Act health insurance pool	3,350,000	0
30	Facilities projects	1,475,303	0
31	Legislative electrical	310,000	0

Sixty-fifth
Legislative Assembly

1	Energy pool	7,965,000	0
2	Environmental impact committee - HB 1432	1,500,000	0
3	Total all funds	\$16,305,303	\$0
4	Less estimated income	9,775,000	0
5	Total general fund	\$6,530,303	\$0
6	Student internship	\$50,000	\$0
7	Facilities projects	205,000	0
8	Signage on the capitol grounds	1,400,000	0
9	West parking lot repair	50,000	0
10	Affordable Care Act health insurance pool	3,350,000	0
11	Facilities projects	1,475,303	0
12	Legislative electrical	310,000	0
13	Energy pool	7,965,000	0
14	Environmental impact committee - HB 1432	1,500,000	0
15	Surplus property building rent or lease payments or repairs	0	800,000
16	Cybersecurity remediation pool	0	1,000,000
17	Total all funds	\$16,305,303	\$1,800,000
18	Less estimated income	9,775,000	1,800,000
19	Total general fund	\$6,530,303	\$0

20 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for
 21 the 2019-21 biennium. The office of management and budget shall report to the appropriations
 22 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the
 23 biennium beginning July 1, 2017, and ending June 30, 2019.

24 **SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
 25 **GENERAL FUND.** The office of management and budget shall transfer the sum of
 26 \$100,000,000 from the strategic investment and improvements fund to the general fund during
 27 the period beginning with the effective date of this Act, and ending June 30, 2017.

28 **SECTION 5. TRANSFER - CYBERSECURITY REMEDIATION POOL.** The office of
 29 management and budget may transfer appropriation authority from the cybersecurity
 30 remediation pool line item in section 1 of this Act to each eligible agency during the biennium
 31 beginning July 1, 2017, and ending June 30, 2019. Transfers may be made for the purpose of

1 providing remediation services resulting from an information technology security breach. The
2 office of management and budget shall notify the legislative council of any transfers made from
3 the cybersecurity remediation pool.

4 **SECTION 6. EXEMPTION.** The amount appropriated for the fiscal management division, as
5 contained in section 1 of chapter 49 of the 2015 Session Laws is not subject to the provisions of
6 section 54-44.1-11. Any unexpended funds from this appropriation are available for continued
7 development and operating costs of the statewide systems, including accounting, management,
8 and payroll, during the biennium beginning July 1, 2017, and ending June 30, 2019.

9 ~~**SECTION 6. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The estimated income
10 line item in section 1 of this Act includes \$1,710,000 from the capitol building fund for repairs
11 and projects in the capitol building.~~

12 **SECTION 7. ESTIMATED INCOME - SURPLUS PROPERTY SPECIAL FUND -**
13 **PROHIBITION.** The estimated income line item in section 1 of this Act includes \$800,000 from
14 the surplus property special fund for rent or lease payments or for repairs related to a building
15 for surplus property. The office of management and budget may not purchase or construct a
16 new building for surplus property during the biennium beginning July 1, 2017, and ending
17 June 30, 2019.

18 **SECTION 8. INTENT.** Within the authority included in section 1 of this Act are the following
19 grants and special items:

20 Boys and girls club work	\$53,000
21 State memberships and related expenses	\$611,000
22 Unemployment insurance	\$1,500,000
23 Capitol grounds planning commission	\$25,000
24 <u>Boys and girls club work</u>	<u>\$53,000</u>
25 <u>Unemployment insurance</u>	<u>\$2,000,000</u>
26 <u>Capitol grounds planning commission</u>	<u>\$25,000</u>

27 **SECTION 9. AMENDMENT.** Section 54-06-04.3 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **54-06-04.3. Joint publication and distribution of information by state agencies - Fees.**

30 Any state agency may cooperate with any other state agency to jointly publish and
31 distribute information and may arrange to have the joint publication or distribution, or both,

1 coordinated by a private entity. Any state agency may provide information it has collected or
2 developed, including mailing lists, to each other or to any private entity for the purpose of
3 distributing jointly or individually issued publications or other information. If a state agency
4 publication is available on the agency's website or otherwise available in an electronic format
5 and any person requests a paper copy of the publication, the state agency may charge a
6 reasonable fee for providing the paper copy and for mailing the paper copy of the publication.

7 **SECTION 10. SALARIES AND WAGES SAVINGS FROM VACANT POSITIONS AND**
8 **EMPLOYEE TURNOVER - PROHIBITION - BUDGET SECTION REPORT.** Any salaries and
9 wages savings resulting from vacant positions and employee turnover within 2017-19 biennium
10 appropriations for executive branch state agencies and institutions may not be spent but must
11 be retained and included as part of the agency or institution's unspent appropriation authority
12 under section 54-44.1-11 for the biennium beginning July 1, 2017, and ending June 30, 2019.
13 Each agency and institution, including institutions under the control of the state board of higher
14 education, shall report its savings and supporting information to the office of management and
15 budget. The office of management and budget shall report to each meeting of the budget
16 section during the 2017-18 interim and to the appropriations committees of the sixty-sixth
17 legislative assembly upon request regarding the number of vacant positions by agency and
18 institution, the duration of each vacancy, and related salaries and wages savings by funding
19 source for each agency and institution.

20 **SECTION 11. EMERGENCY.** Section 4 of this Act is declared to be an emergency
21 measure.

17.0500.01003
Title.

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations Division Committee
February 10, 2017

Fiscal No. 1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 2, after the semicolon insert "to provide for transfers; to amend and reenact section 54-06-04.3 of the North Dakota Century Code, relating to state agency publication fees;"

Page 1, line 3, replace "and to provide a statement of legislative intent" with "to provide statements of legislative intent; to provide for a budget section report; and to declare an emergency"

Page 1, replace lines 13 through 24 with:

"Salaries and wages	\$19,798,254	\$1,379,254	\$21,177,508
Operating expenses	13,855,260	(68,272)	13,786,988
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	773,477	973,477
Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(800,000)	800,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$1,433,459	\$39,470,573
Less estimated income	7,210,390	4,028,087	11,238,477
Total general fund	\$30,826,724	(\$2,594,628)	\$28,232,096
Full-time equivalent positions	122.50	(7.50)	115.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$340,576, of which \$279,990 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, line 1, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 2, line 2, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 4 through 15 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building rent or lease payments or repairs	0	800,000
Cybersecurity remediation pool	0	1,000,000
Total all funds	\$16,305,303	\$1,800,000

Less estimated income	<u>9,775,000</u>	<u>1,800,000</u>
Total general fund	\$6,530,303	\$0

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 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, 2017, and ending June 30, 2019.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$100,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 5. TRANSFER - CYBERSECURITY REMEDIATION POOL. The office of management and budget may transfer appropriation authority from the cybersecurity remediation pool line item in section 1 of this Act to each eligible agency during the biennium beginning July 1, 2017, and ending June 30, 2019. Transfers may be made for the purpose of providing remediation services resulting from an information technology security breach. The office of management and budget shall notify the legislative council of any transfers made from the cybersecurity remediation pool."

Page 2, replaces lines 21 through 23 with:

"SECTION 7. ESTIMATED INCOME - SURPLUS PROPERTY SPECIAL FUND - PROHIBITION. The estimated income line item in section 1 of this Act includes \$800,000 from the surplus property special fund for rent or lease payments or for repairs related to a building for surplus property. The office of management and budget may not purchase or construct a new building for surplus property during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, replace lines 26 through 29 with:

"Boys and girls club work	\$53,000
Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000

SECTION 9. AMENDMENT. Section 54-06-04.3 of the North Dakota Century Code is amended and reenacted as follows:

54-06-04.3. Joint publication and distribution of information by state agencies - Fees.

Any state agency may cooperate with any other state agency to jointly publish and distribute information and may arrange to have the joint publication or distribution, or both, coordinated by a private entity. Any state agency may provide information it has collected or developed, including mailing lists, to each other or to any private entity for the purpose of distributing jointly or individually issued publications or other information. If a state agency publication is available on the agency's website or otherwise available in an electronic format and any person requests a paper copy of the publication, the state agency may charge a reasonable fee for providing the paper copy and for mailing the paper copy of the publication.

SECTION 10. SALARIES AND WAGES SAVINGS FROM VACANT POSITIONS AND EMPLOYEE TURNOVER - PROHIBITION - BUDGET SECTION REPORT. Any salaries and wages savings resulting from vacant positions and employee turnover within 2017-19 biennium appropriations for executive branch state agencies and institutions may not be spent but must be retained and included as part of the agency or institution's unspent appropriation authority under section 54-44.1-11 for the biennium beginning July 1, 2017, and ending June 30, 2019. Each agency and institution, including institutions under the control of the state board of higher education, shall report its savings and supporting information to the office of management and budget. The office of management and budget shall report to each meeting of the budget section during the 2017-18 interim and to the appropriations committees of the sixty-sixth legislative assembly upon request regarding the number of vacant positions by agency and institution, the duration of each vacancy, and related salaries and wages savings by funding source for each agency and institution.

SECTION 11. EMERGENCY. Section 4 of this Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$19,798,254	\$1,379,254	\$21,177,508
Operating expenses	13,855,260	(68,272)	13,786,988
Capital assets	200,000	773,477	973,477
Grants	555,000	(501,000)	54,000
Emergency commission contingency fund	500,000	(150,000)	350,000
Guardianship grants	1,328,600		1,328,600
Prairie public broadcasting	1,600,000	(800,000)	800,000
State student internship program	200,000	(200,000)	
Cybersecurity remediation pool		1,000,000	1,000,000
Total all funds	\$38,037,114	\$1,433,459	\$39,470,573
Less estimated income	7,210,390	4,028,087	11,238,477
General fund	\$30,826,724	(\$2,594,628)	\$28,232,096
FTE	122.50	(7.50)	115.00

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

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Health Insurance Increases ²	Adjusts Funding for FTE Positions ³	Adds Funding for Unemployment Claims Payments ⁴	Adjusts Funding for Operating Expenses ⁵	Adds Funding for Capital Assets ⁶
Salaries and wages	\$343,892	\$340,576	(\$1,305,214)	\$2,000,000		
Operating expenses					(868,272)	
Capital assets						773,477
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie public broadcasting						
State student internship program						
Cybersecurity remediation pool						
Total all funds	\$343,892	\$340,576	(\$1,305,214)	\$2,000,000	(\$868,272)	\$773,477

Less estimated income	141,002	60,586	1,499	2,000,000	25,000	0
General fund	\$202,890	\$279,990	(\$1,306,713)	\$0	(\$893,272)	\$773,477
FTE	0.00	0.00	(7.50)	0.00	0.00	0.00

	Reduces Funding for Grant Programs ⁷	Reduces Funding for Emergency Commission Contingency Fund ⁸	Adds One-Time Funding ⁹	Total House Changes
Salaries and wages				\$1,379,254
Operating expenses			800,000	(68,272)
Capital assets				773,477
Grants	(501,000)			(501,000)
Emergency commission contingency fund		(150,000)		(150,000)
Guardianship grants				
Prairie public broadcasting	(800,000)			(800,000)
State student internship program	(200,000)			(200,000)
Cybersecurity remediation pool			1,000,000	1,000,000
Total all funds	(\$1,501,000)	(\$150,000)	\$1,800,000	\$1,433,459
Less estimated income	0	0	1,800,000	4,028,087
General fund	(\$1,501,000)	(\$150,000)	\$0	(\$2,594,628)
FTE	0.00	0.00	0.00	(7.50)

¹ Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ Funding for FTE positions and other salaries and wages changes is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding for FTE positions, including the removal of 1.5 administrative assistant FTE positions, 1 maintenance FTE position, and 1 computer and networking specialist FTE position	(\$268,321)	\$1,499	(\$266,822)
Reduces funding for an FTE position (unspecified)	(\$70,000)		(\$70,000)
Removes 1 FTE state architect position	(\$232,709)		(\$232,709)
Removes 3 FTE human resource officer positions	(\$548,683)		(\$548,683)
Reduces funding for salaries and wages	(\$187,000)		(\$187,000)
Total	(\$1,306,713)	\$1,499	(\$1,305,214)

⁴ Funding is added for unemployment claims payments, which are made pursuant to North Dakota Century Code Section 54-44-04.2.

⁵ Funding for operating expense changes is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding operating expenses	(\$152,772)	\$25,000	(\$127,772)
Additional reduction to operating expenses	(\$150,000)		(\$150,000)
Removes funding for statewide memberships and dues	(\$590,500)		(\$590,500)
Total	(\$893,272)	\$25,000	(\$868,272)

⁶ Funding is added from the general fund for extraordinary repairs (\$108,066) and for bond payments (\$665,411).

⁷ Funding for grant programs is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Removes funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000)	(\$501,000)		(\$501,000)
Reduces funding for Prairie Public Broadcasting, from \$1,600,000 to \$800,000	(\$800,000)		(\$800,000)
Removes funding for the state internship program	(\$200,000)		(\$200,000)
Total	(\$1,501,000)	\$0	(\$1,501,000)

⁸ Funding is reduced from the general fund for the Emergency Commission contingency fund by \$150,000, from \$500,000 to \$350,000.

⁹ One-time funding of \$800,000 is added from the surplus property special fund (Section 54-44-04.5 or Section 54-44-04.6) for rent or lease payments or for repairs related to a building for surplus property. One-time funding authority of \$1,000,000 is added for a cybersecurity remediation pool.

This amendment also adds sections to provide the following:

- Identifies the funding increase for health insurance premium increases.
- Provides for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provides an emergency clause for this transfer.
- Authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.
- Identifies the funding for rent or lease payments or for repairs related to a building for surplus property (\$800,000) and prohibits the purchase or construction of a new building for surplus property.
- Identifies the funding for boys and girls club work (\$53,000), unemployment insurance (\$2,000,000), and the Capitol Grounds Planning Commission (\$25,000) that are included in the appropriations in Section 1 of the bill.
- Allows state agencies to collect fees from individuals who request to have publications printed and mailed if the publications are available electronically.
- Restricts state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

**Department 110 - Office of Management and Budget
House Bill No. 1015**

Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	119.00	\$30,497,425	\$12,253,472	\$42,750,897
2015-17 Adjusted Legislative Appropriations ¹	122.50	37,357,027	21,985,390	59,342,417
Increase (Decrease)	(3.50)	(\$6,859,602)	(\$9,731,918)	(\$16,591,520)

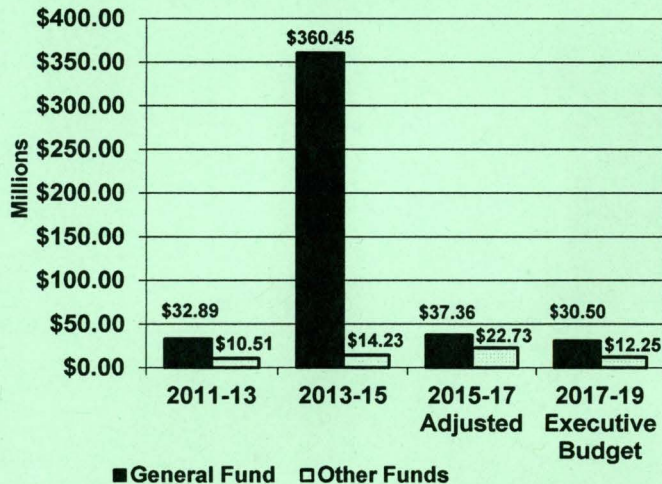
¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include the following:

- Additional special funds authority of \$1,500,000 resulting from Emergency Commission action during the 2015-17 biennium.
- General fund authority of \$3,750,000 and special funds authority of \$740,000 which was distributed to state agencies from a targeted market equity funding pool included in the original appropriation to the Office of Management and Budget.

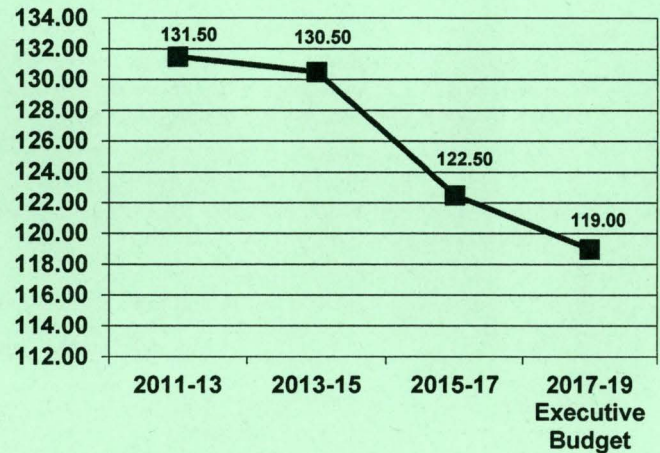
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	\$30,497,425	\$0	\$30,497,425
2015-17 Adjusted Legislative Appropriations	30,826,724	6,530,303	37,357,027
Increase (Decrease)	(\$329,299)	(\$6,530,303)	(\$6,859,602)

Agency Funding



FTE Positions



Dalrymple Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$30,497,425	\$12,253,472	\$42,750,897
2017-19 Base Level	30,826,724	7,210,390	38,037,114
Increase (Decrease)	(\$329,299)	\$5,043,082	\$4,713,783

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Dalrymple and Burgum Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$84,292 is for salary increases and \$340,576 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) The House removed funding for the salary increases.	\$349,287	\$75,581	\$424,868

2. Adjusts funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, and 1 FTE computer and networking specialist position. (The Burgum budget removed 1 FTE position and \$150,000 from the general fund.) In addition, the House removed 3 FTE positions and \$888,392 from the general fund.	(\$268,321)	\$1,499	(\$266,822)
3. Adds funding for unemployment claims payments		\$2,000,000	\$2,000,000
4. Adjusts funding for operating expenses. (The Burgum budget reduced operating expenses by \$150,000 from the general fund.) The House also removed \$590,500 from the general fund for statewide membership dues and \$77,000 from the general fund for revenue forecasting.	(\$152,772)	\$25,000	(\$127,772)
5. Adds funding for extraordinary repairs, including chiller replacement and plumbing upgrades. The House did not include \$1 million from the capitol building fund.	\$108,066	\$1,000,000	\$1,108,066
6. Adds funding to continue bond payments	\$665,411		\$665,411
7. Removes funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000)	(\$501,000)		(\$501,000)
8. Reduces funding for guardianship grants, from \$1,328,600 to \$1,195,740. The House did not reduce funding for guardianship grants.	(\$132,860)		(\$132,860)
9. Reduces funding for Prairie Public Broadcasting, from \$1,600,000 to \$1,200,000. The House reduced funding for Prairie Public Broadcasting by \$800,000, from \$1,600,000 to \$800,000.	(\$400,000)		(\$400,000)
10. Removes funding for the state internship program	(\$200,000)		(\$200,000)
11. Adds one-time funding to purchase or to build a surplus property building. The House did not include funding to purchase or build a surplus property building.		\$800,000	\$800,000
12. Adds one-time funding for a cybersecurity insurance funding pool to provide other funds authority which can be transferred to agencies with other funds available to address a cybersecurity incident		\$1,000,000	\$1,000,000

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships		
	2015-17 Biennium	2017-19 Biennium
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$145,000	\$130,500
Council of State Governments	188,000	188,000
Governmental Accounting Standards Board	6,000	0
Western Governors' Association	74,300	74,300
National Governors Association	81,500	81,500
National Lieutenant Governors Association	1,200	1,200
Education Commission of the States	115,000	115,000
Western Interstate Commission for Higher Education	30,000	0
Total dues and memberships	\$641,000	\$590,500¹

¹The House removed the funding for statewide dues and memberships.

Other Sections in House Bill No. 1015

Health insurance increase - Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.

Strategic investment and improvements fund transfer to general fund - Section 4 provides for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium. Section 11 provides an emergency clause for the transfer. **The emergency clause did not carry; therefore, the transfer is ineffective.**

Cybersecurity remediation funding pool - Section 5 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.

Unexpended appropriation continuation - Section 6 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.

Legislative intent - Section 7 prohibits the purchase or construction of a new building for surplus property. Section 8 identifies items that are included in the appropriations in Section 1 of the bill.

Publication printing fees - Section 9 allows state agencies to collect fees from individuals who request to have publications printed and mailed if the publications are available electronically.

Salaries and wages savings - Section 10 restricts state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

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 the Office of Management and Budget conducted by the State Auditor's office during the 2015-16 interim identified the following significant audit findings:

- Insufficient independent reconciliations in the Surplus Property Division (This finding was also identified in the operational audit during the 2013-14 interim).
- Noncompliance with procurement laws due to a lack of proper training in procurement policies and procedures.

The operational audit also included the following informal recommendations:

- All distributions of community service supervision grants should be performed in a timely manner as required by legislation.
- Retention bonus policies should identify eligible positions and the criteria for receiving the bonuses.

Major Related Legislation

House Bill No. 1054 - The bill amends Section 54-44.1-11 to allow the legislative majority leaders and the chairmen of the appropriations committees to approve the continuation of unexpended appropriations and requires the Office of Management and Budget to provide the appropriation continuation requests to the Legislative Council.

House Bill No. 1088 - The bill adds a new section to Chapter 32-12.2 to provide for an information technology security incident response and limits the expenditures from the risk management fund to \$250,000 per incident.

House Bill No. 1090 - The bill clarifies state holidays, removes a provision relating to long-distance telephone calls, and removes the requirement for agencies to provide annual reports to the Office of Management and Budget on procured services.

House Bill No. 1155 - The bill increases the budget stabilization fund balance limit from 9.5 to 15 percent of the current biennial general fund budget and changes the requirements for allotments and transfers from the budget stabilization fund in the event of a revenue shortfall.

Senate Bill No. 2224 - The bill appropriates \$500,000 from the general fund to the Office of Management and Budget to provide community service supervision grants.

Office of Management and Budget - Budget No. 110
House Bill No. 1015
Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	122.50	\$30,826,724	\$7,210,390	\$38,037,114	122.50	\$30,826,724	\$7,210,390	\$38,037,114
2017-19 Ongoing Funding Changes								
Base payroll changes		\$202,890	\$141,002	\$343,892		\$202,890	\$141,002	\$343,892
Salary increase - Performance				0				0
Health insurance increase		279,990	60,586	340,576		279,990	60,586	340,576
Employee portion of health insurance		(145,177)	(31,738)	(176,915)				0
Adjusts funding for FTE positions	(3.50)	(268,321)	1,499	(266,822)	(3.50)	(268,321)	1,499	(266,822)
Removes additional FTE positions and salary funding	(1.00)	(150,000)		(150,000)	(4.00)	(1,038,392)		(1,038,392)
Adds funding for unemployment claims payments			2,000,000	2,000,000			2,000,000	2,000,000
Adjusts funding for operating expenses		(152,772)	25,000	(127,772)		(152,772)	25,000	(127,772)
Reduces operating expenses		(150,000)		(150,000)		(150,000)		(150,000)
Removes statewide membership dues				0		(590,500)		(590,500)
Removes funding for revenue forecasting				0		(77,000)		(77,000)
Adds funding for extraordinary repairs		108,066	1,000,000	1,108,066		108,066		108,066
Adds funding for bond payments		665,411		665,411		665,411		665,411
Reduces grant funding		(501,000)		(501,000)		(501,000)		(501,000)
Reduces guardianship grants		(132,860)		(132,860)				0
Reduces funding for Prairie Public Broadcasting		(400,000)		(400,000)		(800,000)		(800,000)
Removes funding for internship program		(200,000)		(200,000)		(200,000)		(200,000)
Reduces funding for Emergency Commission fund				0		(150,000)		(150,000)
Transfer to county social services fund				0				0
Total ongoing funding changes	(4.50)	(\$843,773)	\$3,196,349	\$2,352,576	(7.50)	(\$2,671,628)	\$2,228,087	(\$443,541)
One-time funding items								
Surplus property building			\$800,000	\$800,000				\$0
Cybersecurity risk insurance			1,000,000	1,000,000			1,000,000	1,000,000
Total one-time funding changes	0.00	\$0	\$1,800,000	\$1,800,000	0.00	\$0	\$1,000,000	\$1,000,000
Total Changes to Base Level Funding	(4.50)	(\$843,773)	\$4,996,349	\$4,152,576	(7.50)	(\$2,671,628)	\$3,228,087	\$556,459
2017-19 Total Funding	118.00	\$29,982,951	\$12,206,739	\$42,189,690	115.00	\$28,155,096	\$10,438,477	\$38,593,573

Other Sections in Office of Management and Budget - Budget No. 110

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version			
Health insurance increase								
								Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.

Other Sections in Office of Management and Budget - Budget No. 110

Burgum Executive Budget Recommendation

(Changes to Dalrymple Budget in Bold)

House Version

Strategic investment and improvements fund transfer to budget stabilization fund	Section 3 provides for a transfer of \$154.2 million from the strategic investment and improvements fund to the budget stabilization fund during the 2017-19 biennium. (The Burgum budget recommendation removes this section.)	
Tax relief fund transfer to budget stabilization fund	Section 4 provides for a transfer of \$300 million from the tax relief fund to the budget stabilization fund during the 2017-19 biennium.	
General fund transfer to social services finance fund	Section 5 provides for a transfer of \$275 million from the general fund to the social services finance fund during the 2017-19 biennium.	
Strategic investment and improvements fund transfer to general fund	Section 6 provides for a transfer of \$30 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium. Section 15 provides an emergency clause for the transfer in Section 6. Section 7 provides for a transfer of \$30 million from the strategic investment and improvements fund to the general fund during the 2017-19 biennium. (The Burgum budget recommendation increases the transfer in Section 7 by \$60 million, from \$30 million to \$90 million.)	Section 4 provides for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium. Section 11 provides an emergency clause for this transfer. The emergency clause did not carry; therefore, the transfer is ineffective.
Cybersecurity remediation funding pool	Section 10 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies.	Section 5 authorizes the Office of Management and Budget to transfer funds appropriated from the cybersecurity remediation funding pool line item to other agencies. This section also requires the Office of Management and Budget to notify the Legislative Council of any transfers made from the cybersecurity remediation pool.
Unexpended appropriation continuation	Section 8 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.	Section 6 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 49 of the 2015 Session Laws are not subject to the provisions of North Dakota Century Code Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.
Legislative intent	Section 9 identifies items that are included in the appropriations in Section 1 of the bill.	Section 7 prohibits the purchase or construction of a new building for surplus property. Section 8 identifies other items that are included in the appropriations in Section 1 of the bill.
State employee compensation adjustments	Section 11 provides legislative intent that funding provided for state employee salary increases be used to provide a 1 percent salary increase to eligible state employees during the 2017-19 biennium. Employees whose documented performance does not meet standards are not eligible for compensation adjustments. (The Burgum budget recommendation removes this section.)	

Other Sections in Office of Management and Budget - Budget No. 110

**Burgum Executive Budget Recommendation
(Changes to Dalrymple Budget in Bold)**

House Version

Tobacco settlement trust fund transfer to general fund

Section 12 amends Section 54-27-25 to transfer 45 percent of the tobacco settlement trust fund revenues to the general fund rather than the common schools trust fund.

Oil and gas tax allocation formula changes

Section 13 amends Section 57-51-15 to remove the allocations to the oil and gas impact grant fund, to decrease the allocations to the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$10 million per biennium, and to decrease the allocations to the abandoned oil and gas well plugging and site reclamation fund from \$7.5 million per fiscal year to \$5 million per fiscal year. Section 14 amends Section 57-51.1-07.5 related to the state's share of oil and gas tax allocations to increase the general fund allocation from \$300 million to \$1 billion, to remove the allocation of \$300 million to the tax relief fund, and to provide up to \$3 million to the lignite research fund from the remaining allocations. **(The Burgum budget recommendation increases the general fund allocation from \$300 million to \$900 million, rather than \$1 billion.)**

Publication printing fees

Section 9 allows state agencies to collect fees from individuals who request to have publications printed and mailed if the publications are available electronically.

Salaries and wages savings

Section 10 restricts state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.

Department 110 - Office of Management and Budget

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$31,708,249	\$8,530,009	\$40,238,258
General fund reductions	(881,525)	(1,999,706)	(2,881,231)
Adjusted 2015-17 appropriations	\$30,826,724	\$6,530,303	\$37,357,027
Dalrymple Executive Budget changes	(329,299)	(6,530,303)	(6,859,602)
2017-19 Dalrymple Executive Budget	\$30,497,425	\$0	\$30,497,425

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Vacant FTE position savings	(\$230,000)		(\$230,000)
Operating expense reductions related to information technology services	(351,525)		(351,525)
Emergency commission contingency fund	(200,000)		(200,000)
Prairie Public Broadcasting	(100,000)		(100,000)
Health insurance for temporary employees funding pool		(\$1,650,000)	(1,650,000)
Facility management projects, including approximately \$200,000 for small renovation projects, \$120,000 for electrical replacements, and \$30,000 for mailroom equipment upgrades		(349,706)	(349,706)
Total reductions	(\$881,525)	(\$1,999,706)	(\$2,881,231)
Percentage reduction to ongoing and one-time general fund appropriations	2.78%	23.44%	7.16%

¹The percentage reduction is greater than 6.55 percent because the targeted equity funding pool amounts were transferred to other agencies' appropriations.

2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

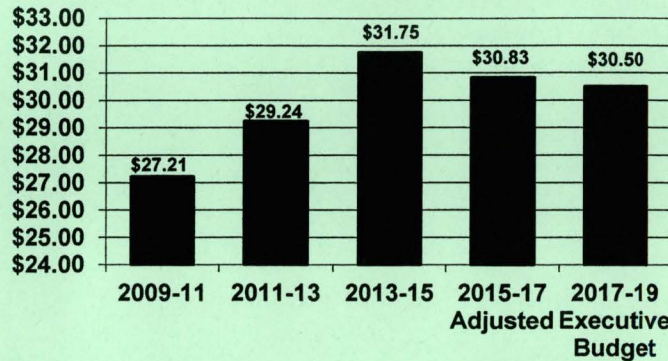
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Provides funding for base payroll changes	\$202,890		\$202,890
Adds funding for state employee salary and benefit increases	349,287		349,287
Adjusts funding for FTE positions	(498,321)	\$230,000	(268,321)
Adjusts funding for operating expenses	(504,297)	351,525	(152,772)
Adds funding for extraordinary repairs, including chiller replacement and plumbing upgrades	108,066		108,066
Adds funding to continue bond payments	665,411		665,411
Adjusts funding for emergency commission contingency fund	(200,000)	200,000	0
Removes funding for community service supervision grants	(501,000)		(501,000)
Reduces funding for guardianship grants	(132,860)		(132,860)
Reduces funding for Prairie Public Broadcasting	(500,000)	100,000	(400,000)
Removes funding for the state internship program	(200,000)		(200,000)
Total	(\$1,210,824)	\$881,525	(\$329,299)

Department 110 - Office of Management and Budget

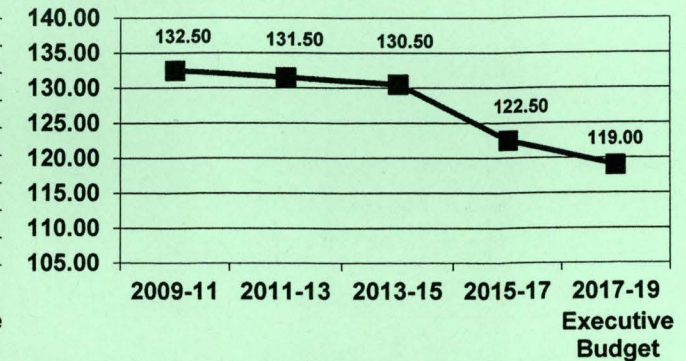
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11

Agency Funding (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing general fund appropriations	\$27,213,055	\$29,238,699	\$31,746,688	\$30,826,724	\$30,497,425
Increase (decrease) from previous biennium	N/A	\$2,025,644	\$2,507,989	(\$919,964)	(\$329,299)
Percentage increase (decrease) from previous biennium	N/A	7.44%	8.58%	(2.90%)	(1.07%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	7.44%	16.66%	13.28%	12.07%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- Added funding for fiscal management information technology costs \$875,000
- Added funding for additional maintenance funding related to the Heritage Center expansion project \$279,250
- Added funding for human resources management information technology software costs \$54,000
- Added funding for community service supervision grants \$375,000

2013-15 Biennium

- Added funding for Prairie Public Broadcasting \$337,138
- Added funding for contracts with external auditors for certain audits \$300,000
- Added funding for ConnectND human resources modules \$171,348
- Added funding for guardianship grants \$828,600

2015-17 Biennium

- Decreased funding for operating expenses (\$150,003)
- 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)

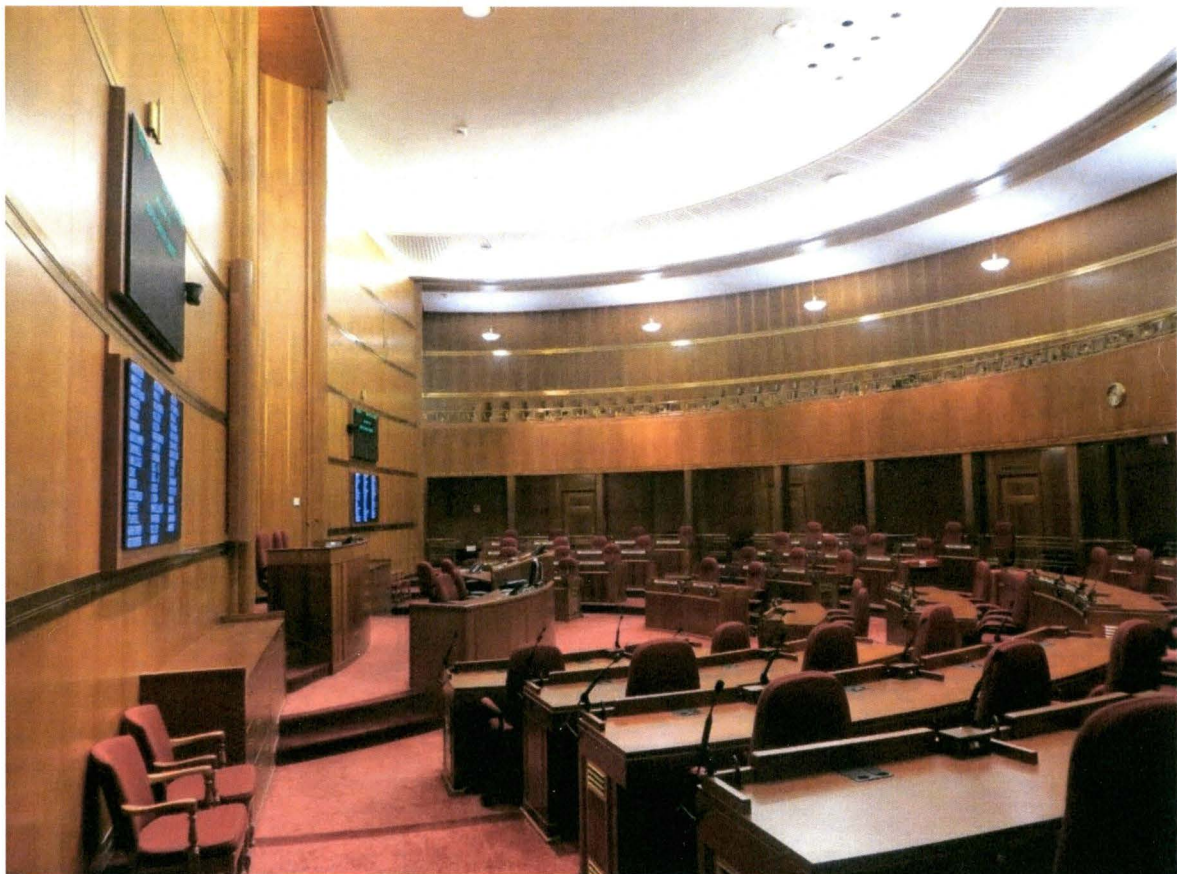
2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

- Adjusts funding for FTE positions, including the removal of 3.5 FTE positions. (The Burgum budget removed 1 FTE position and \$150,000 from the general fund.) (In addition, the House removed 3 FTE positions and \$888,392 from the general fund.) (\$268,322)
- Adjusts funding for operating expenses (The Burgum budget reduced operating expenses by \$150,000 from the general fund.) (The House also removed \$590,500 from the general fund for statewide membership dues and \$77,000 from the general fund for revenue forecasting.) (\$152,772)
- Adds funding for extraordinary repairs, including chiller replacement and plumbing upgrades \$108,066

- | | |
|--|-------------|
| 4. Adds funding to continue bond payments | \$665,411 |
| 5. Removes funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) | (\$501,000) |
| 6. Reduces funding for guardianship grants, from \$1,328,600 to \$1,195,740. (The House did not reduce funding for guardianship grants.) | (\$132,860) |
| 7. Reduces funding for Prairie Public Broadcasting from \$1,600,000 to \$1,200,000. (The House reduced funding for Prairie Public Broadcasting by \$800,000, from \$1,600,000 to \$800,000.) | (\$400,000) |
| 8. Removes funding for the state internship program | (\$200,000) |

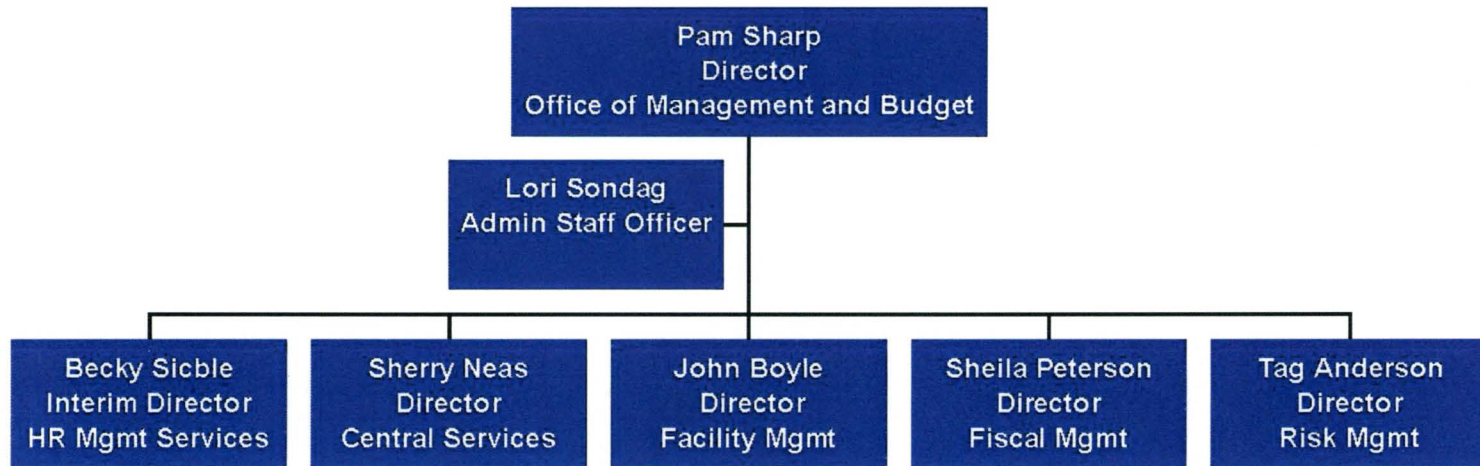
Office of Management and Budget

Testimony on House Bill 1015



Senate Appropriations Committee
March 20, 2017

Office of Management and Budget Organizational Chart



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P2

Testimony on HB 1015
Pam Sharp, Director
Office of Management and Budget
March 20, 2017

Good morning Chairman Holmberg and members of the Senate Appropriations Committee. For the record, my name is Pam Sharp and I am the Director of the Office of Management and Budget.

Before each of the division directors of OMB provides testimony on their respective divisions, I will go over the items you requested in your letter and give you an overview of HB 1015.

Budget Reductions Identified by OMB to Meet the Governor's 90 Percent Budget Request Guideline

Salaries and Wages	\$ 498,322	3.5 FTE (Fiscal 1.0, CSD 1.0, and FM 1.5)
Operating	\$ 641,797	primarily IT related costs
Contingency Fund	\$ 200,000	relates to Emergency Commission
Capital Assets	\$ 497,847	projects on Capitol grounds
Grants	\$ 500,000	Community Service Grants
Guardianship Grants	\$ 132,860	reduction of 10 percent
Prairie Public Broad.	\$ 500,000	reduced ongoing funding
Student Internship Pr.	<u>\$ 200,000</u>	eliminated program
Total 10% Reduction	\$3,170,826	

Optional Adjustment – Requested and Included in Executive Recommendation

OMB's only optional request is authority to spend \$800,000 of special fund money from Surplus Property to either purchase or construct a building for Surplus Property. No general fund money would be used. The rent at the current location has more than doubled in recent years and it is time to look at other options. Sherry Neas and John Boyle will also address this in their testimony.

Summary of Changes Recommended by Governor Burgum

- Removed compensation increase for second year.
- Recommended employee pay 5% of health insurance premium.
- Eliminated 1.0 FTE, along with funding of \$150,000.
- Reduced \$150,000 from operating.

Summary of Changes Made by House

- Eliminated additional 3.0 FTEs along with funding of \$888,392.
- Reduced operating by \$667,500 which includes:

- \$590,500 to remove all statewide memberships and expenses; and
- \$77,000 to remove funding for revenue forecasting.
- Decreased funding to Prairie Public to \$800,000 (additional \$400,000 reduction).
- Funded the Contingency Fund for the Emergency Commission at \$350,000 (additional \$150,000 reduction).
- Funds extraordinary repairs for the Capitol Complex at \$108,066 (removed \$1 million from Capitol Building Trust Fund).

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Changes requested by OMB to HB 1015

- Restore funding to the level of Governor Burgum’s recommendation:
 - Add 3.0 FTE and \$888,392.
- Do not specify specific positions for FTE cuts.
- Add \$1 million special fund authority from the Capitol Building Trust Fund to provide for extraordinary repairs to the capitol complex.
- Allow Surplus Property to consider either purchasing or constructing a building for Surplus Property.
- Remove Section 10 from Re-engrossed HB 1015.
- Restore dues in Section 8 for National Governors Association, Western Governors Association and Lt. Governors Association.

Explanation of Re-engrossed House Bill 101

SECTION 4. This section transfers \$100 million from the Strategic Investment and Improvement Fund to the general fund to balance the current biennium.

SECTION 5. Cyber Security Remediation Pool

The “Cyber Security Remediation Pool” is the result of a recommendation from the Cyber Security Task Force. The basic plan for any agency that has experienced a breach and needs remediation as soon as possible is this—if the agency is a general fund agency or does not have access to their own special funds, then ITD will use their borrowing authority from the Bank of North Dakota to access funds and remediate the problem. ITD would then charge back the agency and the agency would have to ask for a deficiency appropriation the following legislative session.

However, if the agency that experiences the breach is a special funded agency and only needs appropriation authority to access their own funds, such as WSI, PERS, RIO, Game and Fish, DOT, etc., we should not borrow money from the Bank, but just give them authority to access their funds for the remediation.

There is no funding behind this line, it is just \$1 million of authority. OMB would simply transfer authority from this line to the appropriate special funded agency.

SECTION 6. Allows for unexpended funds from the Fiscal Management division to be carried forward to be used for continued development and operating costs of the statewide systems, including accounting, management, and payroll during the 2017-19 biennium. #1 PH

SECTION 7. Prohibits OMB from purchasing or constructing a new building for surplus property. We ask that this be reconsidered.

SECTION 8. Provides authority for certain grants and special items. The boys and girls clubs get \$53,000. State memberships and related expenses amount to \$590,500.

The House amendments remove all of those dues and expenses. I am particularly concerned about the dues to the National Governors Association, Western Governors Association and the Lt. Governors Association; and ask that these be restored.

The Legislative Assembly is the primary user of the Council of State Governments and the Education Commission of the States.

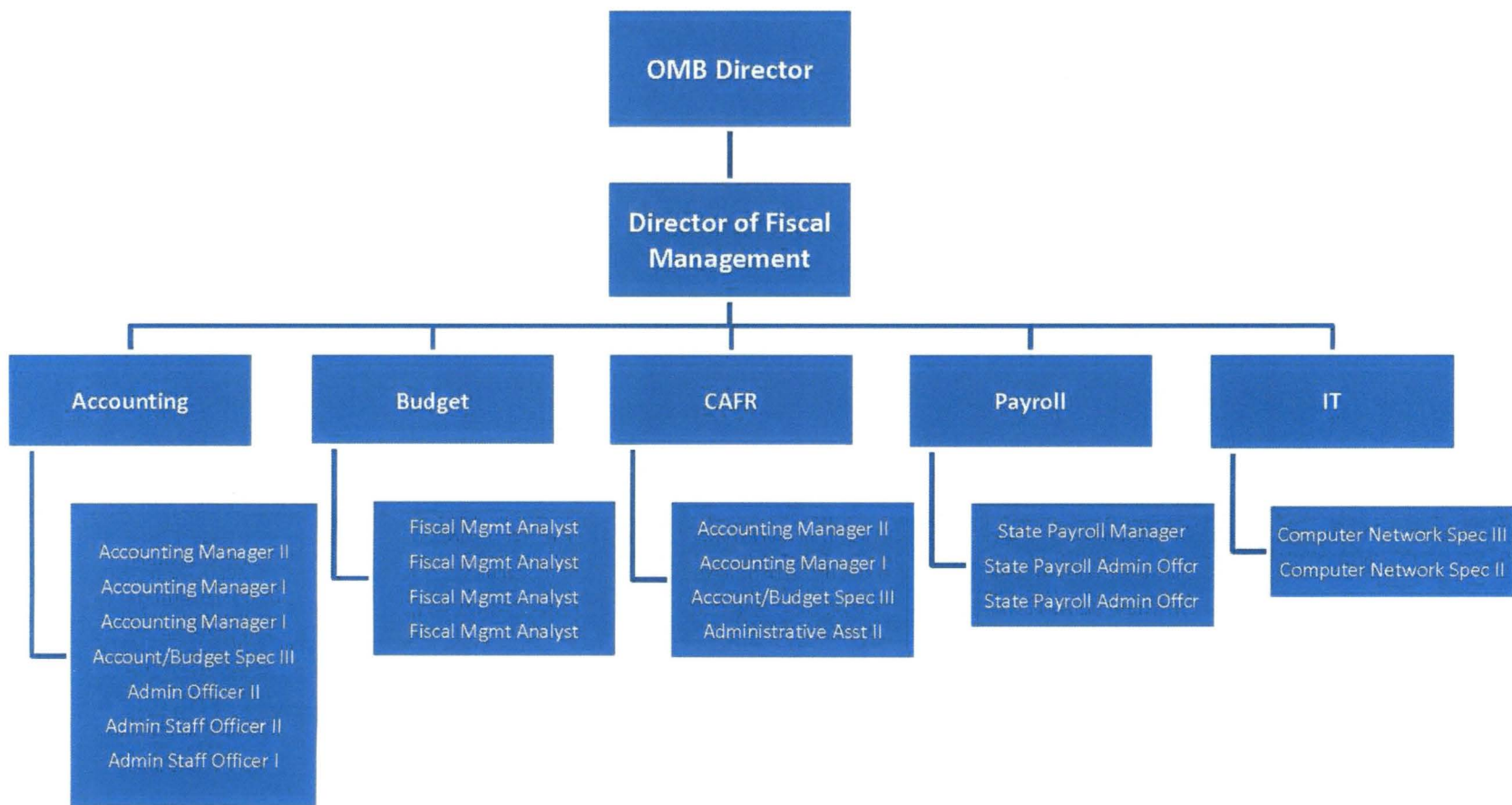
Regarding the Commission on Uniform State laws, NDCC 54-55-05 requires OMB to provide reimbursement of expenses for this commission. If you chose not to restore funding for dues and expenses, we request that an amendment be added to this bill removing the requirement for OMB to pay expenses.

Unemployment insurance is simply special fund authority for OMB to pay for unemployment claims for state agencies and higher education. In the past we have requested authority of \$1.5 million, however, we believe we need \$2 million of special fund authority for the 2017-19 biennium. OMB collects this money from the agencies and then it is available to pay the unemployment expenses as determined by Job Service North Dakota.

SECTION 9. Added in House amendments.

SECTION 10. Added in House amendments. Request this section be deleted.

Office of Management and Budget
Fiscal Management Division
 January 2017



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Testimony on HB 1015
Sheila Peterson, Director
OMB Fiscal Management Division
March 20, 2017

Good morning Mr. Chairman and members of the Senate Appropriations Committee. My name is Sheila Peterson. I am the Director of the Fiscal Management Division of OMB.

The Fiscal Management Division has four major areas of responsibility: budget, accounting, payroll, and financial reporting.

We measure our success in terms of peer evaluation. Our peer evaluations come through the Government Finance Officers Association (GFOA) of the United States and Canada. Our last Comprehensive Annual Financial Report (CAFR) again received the GFOA Certificate of Achievement for Excellence in Financial Reporting. We have received this award every year since 1991. Our last budget documents again received the GFOA Distinguished Budget Presentation Award. We have received this award every biennium since 1993.

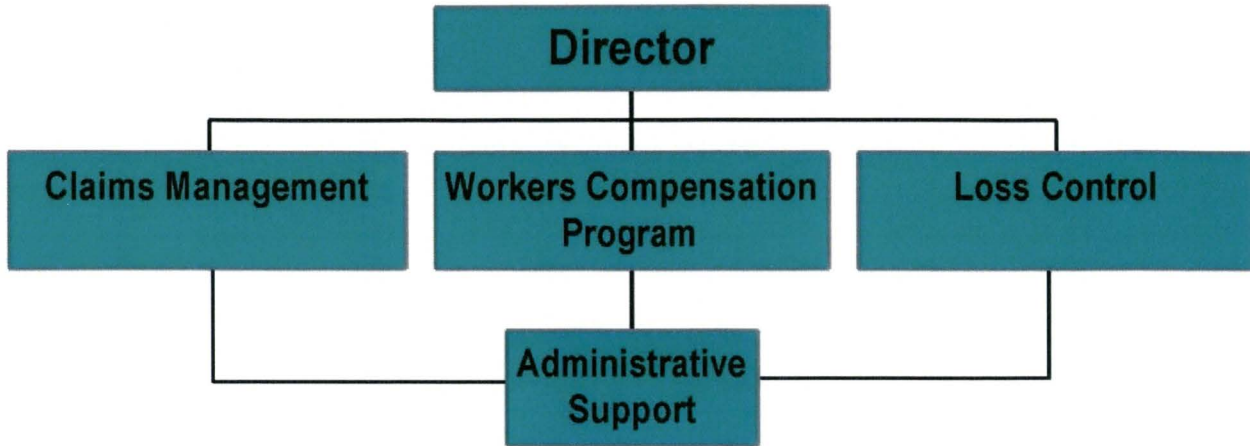
Ninety-four percent (94%) of the Fiscal Management budget falls into two categories - data processing and salaries. All of our functions depend on technology and people. The remainder of our bigger expenses includes consultants and printing. Consultants are hired for revenue and economic forecasting, cost allocation, and assisting us in the statewide comprehensive annual financial reports. Printing expenses include the CAFR and the budget documents.

Overall, the Fiscal Management Division budget recommendation for 2017-19 is \$350,000 lower than the 2015-17 budget. In order to achieve this reduction, we looked at the major spending categories of salaries and data processing. One FTE was reduced last February through a reduction-in-force, and the responsibilities of that position distributed among other staff. The remaining reductions were taken from data processing, where we continually and very carefully monitor expenditures.

Mr. Chairman, that concludes my remarks. I would be happy to answer any questions.

Office of Management and Budget
Risk Management Division
January 2017

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Testimony on HB 1015
Tag Anderson, Director
OMB Risk Management Division
March 20, 2017

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Mr. Chairman, and members of the Senate Appropriations Committee, my name is Tag Anderson. I am the Director of the Risk Management Division of OMB.

The Risk Management Division was established to address the State's exposure to tort liability following the loss of sovereign immunity. The Risk Management Division has also been delegated the responsibility of administering the consolidated state agency workers compensation account.

The Division staff consists of 5.0 FTE - the director, the manager of the risk management workers compensation program, a claims manager, a loss control analyst, and an administrative assistant.

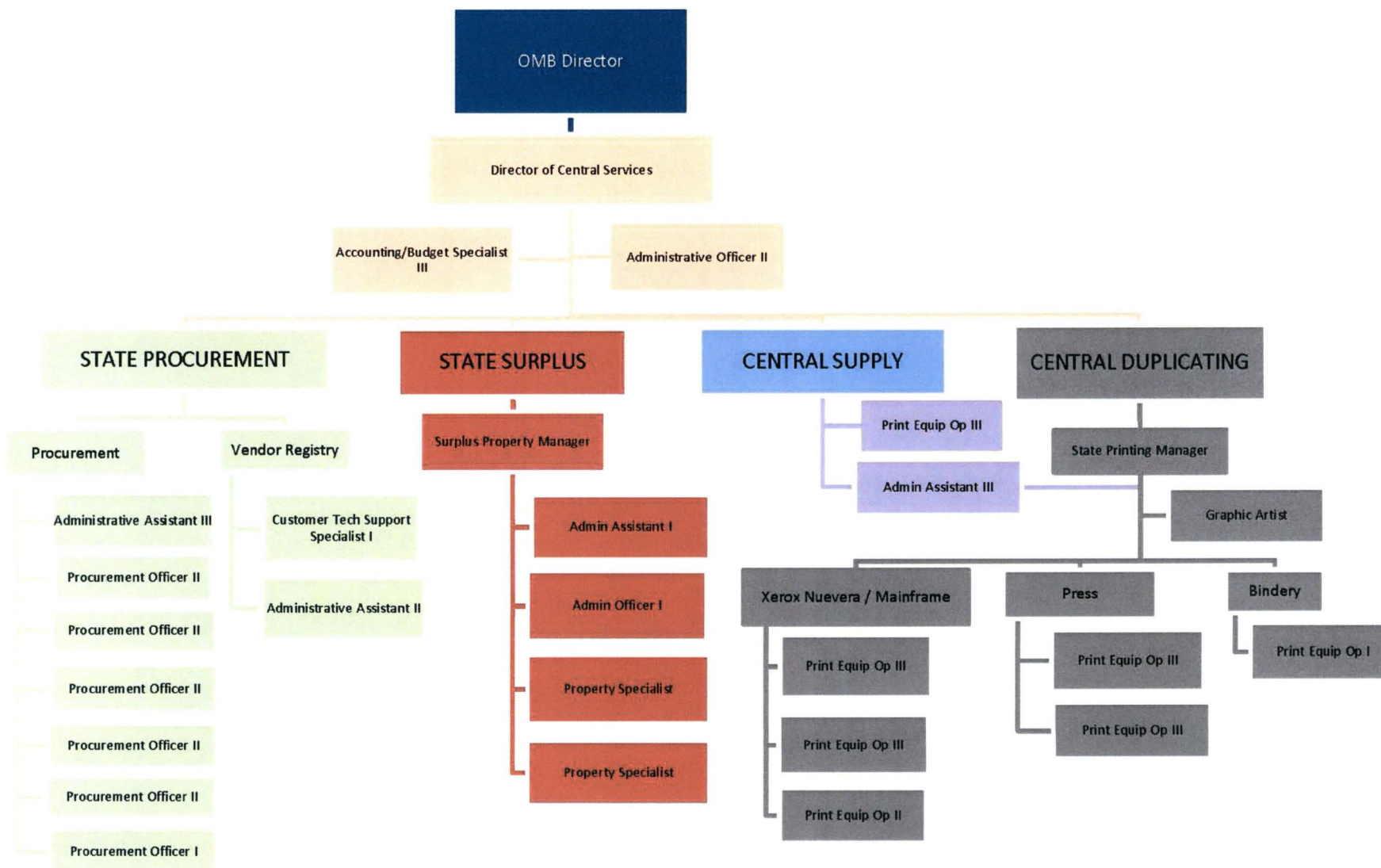
On the tort liability side, the Division administers all claims and lawsuits filed against the State and state employees through the Risk Management Fund. Contribution rates for the Fund are determined by an actuarial review which includes a review of each state entity's loss history. State entities can reduce their required contributions if they can document that they have implemented pro-active loss control procedures pursuant to criteria established by the Division that are designed to reduce the number and severity of claims and lawsuits.

On the workers compensation side, the risk management workers compensation program (RMWCP) continues to save workers compensation premium dollars through the establishment of the account that consolidated 143 state agency accounts, authorized a \$100,000 deductible per claim, and facilitated the cross agency return-to-work program.

The 2015 legislative appropriation was based upon \$1,628,525 for the Division's budget. Our requested budget for 2017-19 biennium is \$1,692,133 all in special funds.

Thank you.

Office of Management and Budget
Central Services Division
 January 2017



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Testimony on HB 1015
Sherry Neas, Director
OMB Central Services Division
March 20, 2017

Chairman Holmberg and members of the Committee, my name is Sherry Neas, director of the OMB Central Services Division. Our Division operates four programs.

One program is general funded. The State Procurement Office establishes state contracts for goods and services, assists agencies with their purchases, and hosts a state bidding opportunities website. Its Vendor Registry section administers the PeopleSoft/Oracle vendor database and purchasing module.

Three programs are special funded. These programs are self-supporting, and charge reasonable fees to recover the cost of operations:

- Central Duplicating provides printing and mailing services for state government entities.
- Central Supply provides office supplies and paper products to state agencies in the Capitol Complex.
- State Surplus Property distributes state and federal surplus property to state agencies, political subdivisions, and eligible non-profit entities.

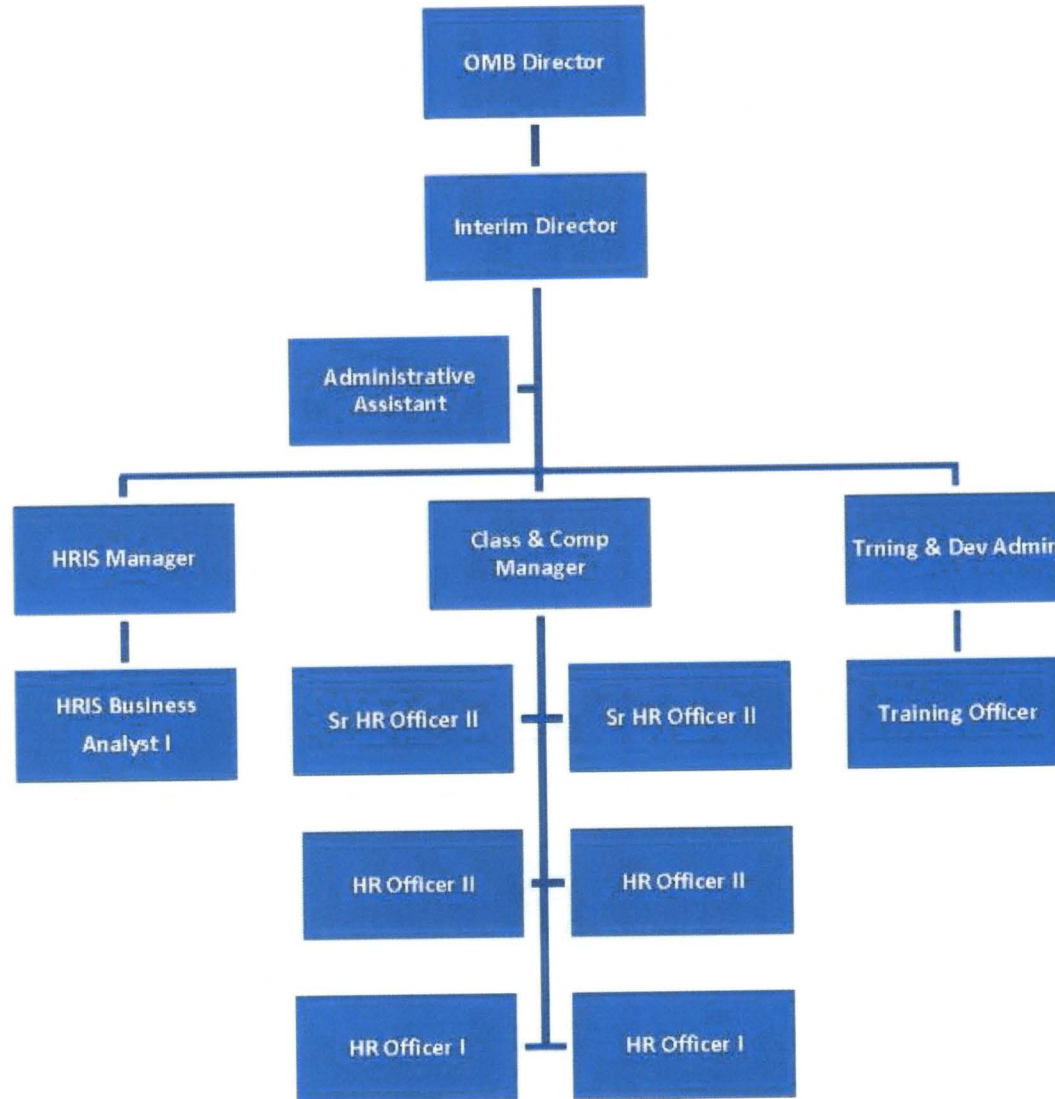
The total budget request for Central Services Division is \$8,520,478. The budget is 23% general fund and 77% special funds. Salaries make up approximately 50% of the total budget. Central Services gave up one general fund FTE position, reducing the total to 26.0 FTE.

The original budget request included \$800,000 in special fund appropriation authority for the purchase or construction of a permanent site for State Surplus Property. The House removed these funds, and we respectfully request that the Senate Appropriations Committee consider reinstating appropriation for this capital project. State Surplus has been leasing a building since the mid-1980s, and have calculated there will be cost savings to own a building rather than lease.

Establishing a permanent location for State Surplus will ensure its sustainability. No general fund dollars would be used for this building. One of the primary missions of CSD is to find ways to save money, and finding a permanent location for State Surplus will reduce long-range operation costs. John Boyle will speak more regarding this issue during his testimony.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

Office of Management and Budget
Human Resource Management Services Division
January 2017



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Testimony HB 1015
Becky Sicble, Interim Director
OMB Human Resource Management Services
March 20, 2017

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Good morning, Chairman Holmberg and members of the Senate Appropriations Committee. I am Becky Sicble, Interim Director of Human Resource Management Services (HRMS), a Division of the Office of Management and Budget.

The HRMS division has a total of 13 FTE. All of our staff functions and division responsibilities overlap and integrate multiple business areas affecting over 7,200 state employees in the classified service. We provide significant resources and professional human resources (HR) leadership to state agencies in four primary areas:

1. **Provide HR guidance, assistance, training, mediation, and recruitment services for state agencies.** We pride ourselves on being the HR experts in state government, and actively partner with others to resolve whatever question, concern, or issues arise. Although we have a decentralized HR structure, **90%** of state agencies do not have their own professional HR staff in-house. Therefore, they rely on us to provide them with the information and training they need to make the critical business and employment decisions necessary.
2. **Promote consistent HR practices.** HRMS is responsible for providing information, advice, and resources to other state agencies to further develop a unified system of HR administration. A large part of HR is related to compliance efforts, whether that be to state or federal laws, administrative rules, or agency specific policies. Many times we are asked to advise agencies on employee relations, employment law, organizational change, and performance management issues.
3. **Maintain the state classification and compensation plans.** HRMS has statutory responsibility and authority to adopt policies and rules relating to a unified system of personnel administration in three key areas:
 - establish general policies, rules, and regulations that apply to all employees in the classified service to ensure fairness, enhance greater uniformity in HR matters, and include rules on establishing and maintaining the classification and compensation plans. (NDCC 54-44.3-12-01)
 - develop procedures regarding salary administration for all employees in the classified service. (NDCC 54-44.3-12-07)
 - adopt rules to ensure compliance with and resolve compliance issues relating to agencies subject to a merit personnel system. (NDCC 54-44.3-12-13)

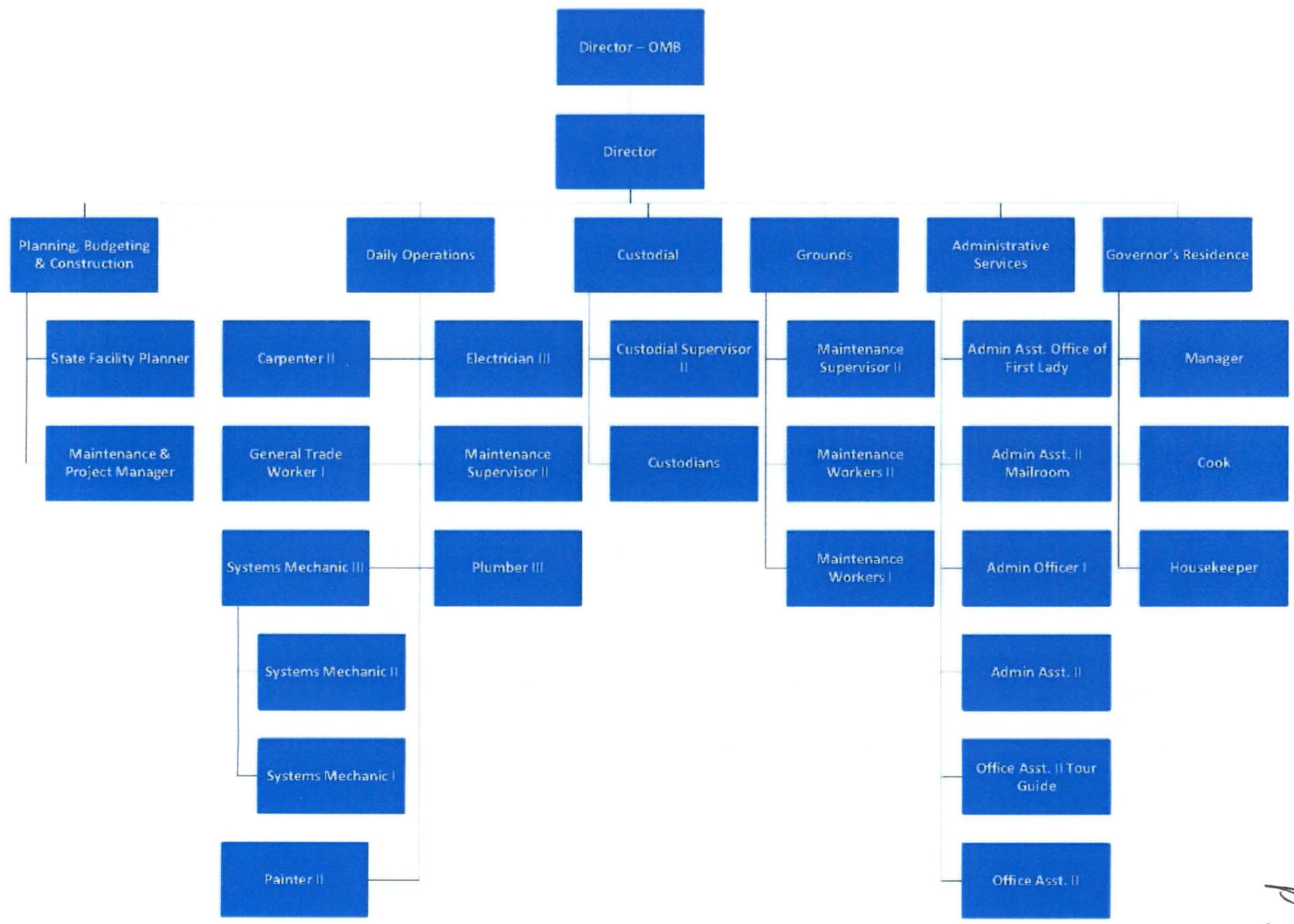
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4. **Develop and support process and system infrastructure for learning management, performance management, recruitment and human resource recordkeeping.** HRMS is responsible to plan, develop, implement, administer, and evaluate statewide HR programs and systems within the enterprise PeopleSoft business application. The current system modules include Enterprise Learning Management (ELM), Talent Management, Recruiting Solutions, Human Capital Management (HCM), and the Job Description Questionnaire (JDQ) System.

The HRMS general fund budget request for the next biennium is \$2,881,274.

- 94% for salaries and benefits for 13 FTE
- 6% covers divisional operating expenses

This concludes my remarks. I would be happy to answer any questions.

Office of Management and Budget
Facility Management Division
 January 2017



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Testimony on HB 1015
John Boyle, Director
OMB Facility Management Division
March 20, 2017

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Good morning Chairman Holmberg and members of the Senate Appropriations Committee. My name is John Boyle. I am the Director of the Facility Management Division within the Office of Management and Budget.

The Facility Management Division has 53.5 full-time employees. As Ms. Sharp mentioned in her testimony, FTEs will be decreased by 1.5, and the House removed an additional 1.0 FTE by eliminating the state architect position. Facility Management employees provide central mailroom and tour guide services, as well as custodial, grounds and landscaping, and maintenance services within the Capitol Complex. These employees ensure the public, elected and appointed officials, and state employees are provided a safe, clean and friendly environment while on the Capitol Complex.

We are requesting \$11,841,173 in general fund spending authority and \$1,000,000 in special fund spending authority for the next biennium. The House removed the \$1,000,000 in special fund authority. The amount requested from the general fund is an 80% decrease from the budgeted amount requested two years ago. This decrease is due to the reduction in the capital assets portion of our budget for extraordinary repairs and capital projects.

As Ms. Sharp mentioned earlier, the original request included \$800,000 in special fund spending authority to either purchase the existing State Surplus Property building, or construct a new building. A new building would result in an annual savings of over \$100,000. Over the past six years, rental rates for industrial and warehouse space in the current location have more than doubled due to increased demand. And, with the new Burleigh/Morton County jail located just a few blocks from the current State Surplus location, there will be even greater demand and higher rental rates for this area.

I sincerely request the committee restore the state architect position and the \$1,000,000 in special fund spending authority that were removed by the House.

Mr. Chairman, this concludes my prepared remarks. I would be happy to answer your questions at this time.

**HB 1015 - Office of Mangement and Budget
Governor's 90 Percent General Fund Budget Request**

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<u>Line</u>	<u>General Fund</u>	<u>Description</u>
Salaries and Wages	\$ (498,322)	(3.50) FTE: Fiscal (1.00), CSD (1.00), FM (1.5)
Operating	(641,797)	Primarily IT Related Costs
Contingency Fund	(200,000)	Relates to Emergency Commission
Capital Assets	(497,847)	Projects on Capitol Grounds
Grants	(500,000)	Community Service Grants
Guardianship Grants	(132,860)	10% Reduction
Prairie Public Broadcasting	(500,000)	Reduces Ongoing Funding
Student Internship	(200,000)	Eliminates Program
Total 90% Budget Reductions	\$ (3,170,826)	

HB 1015
3-20-17

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**HB 1015 - Office of Mangement and Budget
Optional Requests - Included in Executive Recommendation**

	<u>General Fund</u>		<u>Special Funds</u>		<u>Total Funds</u>
Surplus Property Building	-	\$	800,000	\$	800,000

OMB's only optional request is authority to spend \$800,000 of special fund money from Surplus Property to either purchase or construct a building for Surplus Property. No general fund money would be used. The rent at the current location has more than doubled in recent years and it is time to look at other options. Sherry Neas and John Boyle will also address this in their testimony.

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**HB 1015 - Office of Mangement and Budget
Governor Burgum's Recommendation Reductions**

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>	<u>FTE</u>
Remove 0/1% Salary Increase	\$ (69,297)	\$ (14,995)	\$ (84,292)	
5% Employee Paid Health Insurance	(145,177)	(31,738)	(176,915)	
Salary Reduction	(150,000)		(150,000)	(1.00)
Operating Reduction	(150,000)		(150,000)	
Total	\$ (514,474)	\$ (46,733)	\$ (561,207)	(1.00)

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HB 1015 - Office of Mangement and Budget Summary of Changes Made by House

	<u>General Fund</u>	<u>Special Funds</u>	<u>Total Funds</u>	<u>FTE</u>
Eliminated Additional 3.00 FTE	\$ (888,392)		\$ (888,392)	(3.00)
Reduced Operating (dues \$590,500 and revenue forecasting contract \$77,000)	(667,500)		(667,500)	
Decreased funding for Prairie Public to \$800,000 (2015-17 original appropriation - \$1.7 million)	(400,000)		(400,000)	
Funds Contingency Fund for Emergency Commission at \$350,000 (2015-17 original appropriation - \$700,000)	(150,000)		(150,000)	
Decreased extraordinary repairs for the Capitol Complex to \$108,066 (a \$1 million reduction from the Capitol Building Trust Fund)		(1,000,000)	(1,000,000)	
Total House Changes	\$ (2,105,892)	\$ (1,000,000)	\$ (3,105,892)	(\$3.00)

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HB 1015 - Office of Mangement and Budget Changes Requested of the Senate Appropriations Committee

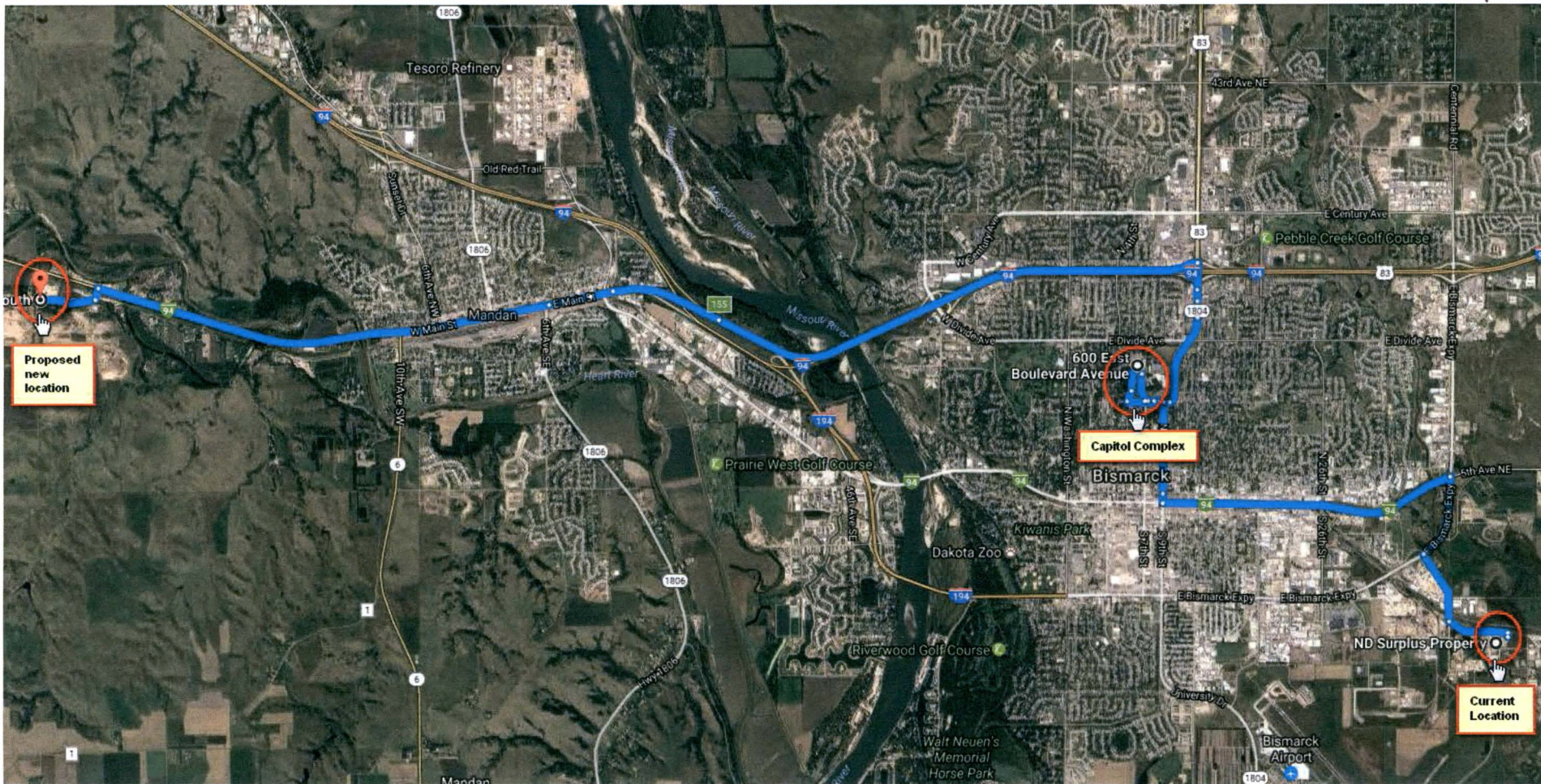
OMB Requests to be Restored in HB 1015	<u>General Fund</u>	<u>Special Funds</u>	<u>Total Funds</u>	<u>FTE</u>
Restore funding to the level of Governor Burgum's recommendation.	\$ 888,392		\$ 888,392	3.00
Restore special fund authority from the Capitol Building Trust Fund to provide for extraordinary repairs to the capitol complex.		\$ 1,000,000	1,000,000	
Allow Surplus Property to consider either purchasing or building a building for Surplus Property.		800,000	800,000	
Restore National Governor's Association dues.	81,500		81,500	
Restore Western Governor's Association dues.	74,300		74,300	
Restore National Lt. Governor's Association dues.	1,200		1,200	
Total Restoration Request	\$ 1,045,392	\$ 1,800,000	\$ 2,845,392	3.00

Other Requests:

- Do not specify specific positions for FTE cuts.
- Remove Section 10 from Engrossed HB 1015.
- Amendment regarding Expenses - Commission on Uniform State Laws.

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P1



BY John Boyle,
Director, Facility
Management-OMB

HB 1015
3-20-17 #3
P1

State Surplus Property
 Lease versus Purchase of Existing Building
 January 25, 2017

#3
 P2

Current Lease Terms

Proposed Building Purchase

Landlord	Location	Square Feet	Fiscal Year (July - June)	Total Annual Rent (includes Land)	Location	Square Feet	Total Operating Costs	Cumulative Savings
Apple Creek, LLP	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	2018	\$142,770	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	\$54,000	\$88,770
			2019	\$146,344			\$55,620	\$90,724
			2020	\$160,642			\$57,289	\$103,353
			2021	\$164,576			\$59,007	\$105,569
	Igoe Industrial No. One Block One - Lots 5, 6, and 7 Block Two - Lot 7	63,320	2022	\$168,510	Igoe Industrial No. One Block One - Lots 5, 6, and 7 Block Two - Lot 7	63,320	\$60,777	\$107,733
			2023	\$172,625			\$62,601	\$110,024
			2024	\$176,739			\$64,479	\$112,260
			2025	\$180,314			\$66,413	\$113,901
			2026	\$183,708			\$68,406	\$115,302
							\$1,496,228	\$548,592

#3
 P2

State Surplus Property
 Lease versus Build Analysis for 7,000 sf building
 January 25, 2017

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 P 3

Current Lease Terms

Proposed Owned Building

Landlord	Location	Square Feet	Current Lease Terms		Proposed Owned Building			Annual Savings	
			Fiscal Year (July - June)	Total Annual Rent (includes Land)	Square Feet	Rent (psf)	Total Operating Costs		
Apple Creek, LLP	Igoe Industrial No. One Building Twelve Bismarck, ND	18,000	2018	\$142,770	DOCR Parcel 2.5 acres	7,000	2018	\$21,000	\$121,770
			2019	\$146,344		2019	\$21,630	\$124,714	
			2020	\$160,642		2020	\$22,279	\$138,363	
	2021	\$164,576	2021	\$22,947		\$141,629			
	2022	\$168,510	2022	\$23,636		\$144,874			
	2023	\$172,625	2023	\$24,345		\$148,280			
	2024	\$176,739	2024	\$25,075		\$151,664			
	2025	\$180,314	2025	\$25,827		\$155,048			
	2026	\$183,708	2026	\$26,602		\$157,106			
				<u>\$1,496,228</u>				<u>\$213,341</u>	<u>\$1,283,448</u>

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 W 3

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#3
p21

Investment Return Over 10 Year Term
Purchase or Build Cashflow
January 25, 2017

	Purchase	Build
Initial Equity Investment	(\$800,000)	(\$800,000)
Annual savings Year 1	\$88,770	\$121,770
Annual savings Year 2	\$90,724	\$124,714
Annual savings Year 3	\$103,353	\$138,363
Annual savings Year 4	\$105,569	\$141,629
Annual savings Year 5	\$107,733	\$144,874
Annual savings Year 6	\$110,024	\$148,280
Annual savings Year 7	\$112,260	\$151,664
Annual savings Year 8	\$114,496	\$155,048
Annual savings Year 9	\$115,302	\$157,106
Annual savings Year 10	\$115,302	\$157,106
Future value of land & building	\$800,000	\$800,000
Annualized rate of return	12.31%	16.71%

Testimony on HB 1015
Senate Appropriations
John Harris, President & CEO
Prairie Public Broadcasting
March 20th, 2017

HB 1015
3-20-17
#4
p1

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's mission is to provide public radio, television, and media services that educate, involve, and inspire the people of the prairie region. Public media strengthens communities and helps them to prosper.

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 educators, parents, counselors, librarians, and tech coordinators, and we conduct free trainings to help them use those tools.

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 television's greatest assets with outreach to make a positive impact on the lives of our children. No matter how many choices you have on your television, 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 2016 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 television and radio 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.

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 radio's *Main Street* and weekly on television's *Prairie Pulse*. We cover energy news with *Inside Energy*. New in our television schedule is *Flowers of the Church*, a documentary about our region's stained glass.

More than 27,000 people have contributed to Prairie Public in the last three years to help support the programming services and expenses for the organization. These citizens know the importance of a strong and viable public broadcasting entity for our communities.

The state of North Dakota has, for years, played a vital supporting role in the operation of our television, radio, and outreach services. While the appropriation from the state does not cover all these expenses, many of these services would not be possible without state funding, which provides a foundation for support from many other sources. The question of federal funding for public media is in the news lately. In these uncertain times, it is especially 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 2015 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.

Prairie Public Broadcasting Revenue Sources

Members/Businesses	28%
Earned Income	21%
CPB	17%
Production/Federal Grants	16%
North Dakota	11%
Minnesota	7%

Prairie Public Broadcasting Expenses

Programs	48%
G & A	15%
Engineering	17%
Fund Raising	9%
Information Services	11%

Our most recent Annual Report and a sample of our program guide are included in your handout.

In House Bill 1015 of this biennium's budget, we ask that you restore the recommended amount in the Governor's budget at \$1.2 million for Prairie Public, as it allows us to continue to operate the infrastructure required to provide public television, public radio and educational 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.



HB 1015
3-20-17

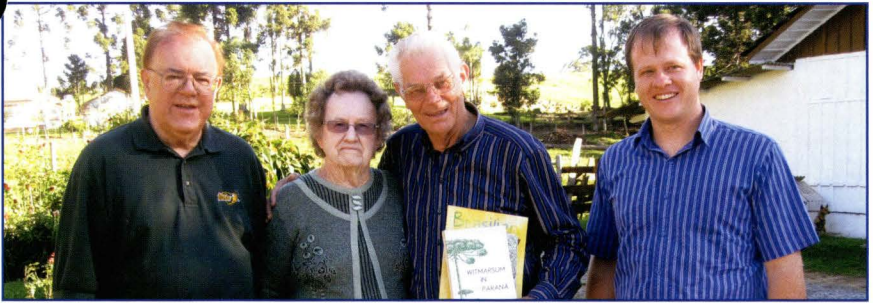
2015 Annual Report

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E D U C A T E



I N V O L V E



I N S P I R E



Prairie Public Broadcasting, Inc.

Fiscal Year 2015 began October 1, 2014, and ended September 30, 2015



Prairie Public Broadcasting provides quality radio, television, and public media services that educate, involve, and inspire the people of the prairie region.

Prairie Public Broadcasting is a trusted public media service dedicated to building an exciting and productive future for our region and its people by offering a window on the world and creating a forum for discussion of important issues.

When you support Prairie Public, your contribution goes to work to make great television and radio programs happen. It works to secure the very best of PBS and NPR programming, along with high-quality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.



PBS

Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.



Collaboration is Key

There has never been a better time to be in the public media industry.

Some may think I'm being overly optimistic. Some may say the competition for the eyes and ears of the public is too fierce—that competing in this hectic new world of digital media is too disheartening.

How does public media cope with competition? We work to make our programs the best they can be. And we take the public at their word when they say our journalistic integrity, the wide range and value of our programming's subject matter, and the production quality are outstanding.

Public media's programming is well crafted. Whether it be a children's show, a documentary, or a live news report from a war zone, public media speaks to the audience with narrative that engages—and with respect.

Besides, public media isn't concerned with competing; public media is more interested in collaborating.

Every day, we collaborate with other public television and radio stations to share ideas and content.

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, and the stewardship of gifts and talents, and good humor.

And of course we collaborate with organizations across our broadcast region—because public input really is the heart of public media.

Our greatest collaborators are our members and supporters. Not a day goes by that we don't recognize and appreciate those partnerships.

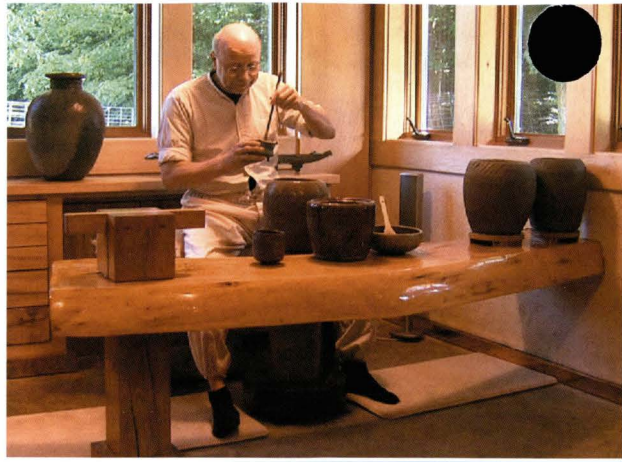
Great technological innovations have resulted in more ways to enjoy media—on-demand television, on-demand radio, streaming radio, and podcasts. We're finding that this convenience brings increased usage.

So I'll repeat: there's never been a better time to be in the public media industry. And I'm glad to have you on board with us. Your support means everything to the future of public media. Together, we're building educational media that will influence generations to come.

John Harris
Prairie Public
President & CEO

Prairie Public's television programming is a shining example of excellence

Public television is a consistent leader in providing the widest variety of television's most highly acclaimed programs from PBS, its member stations, and independent producers—winning accolades and pleasing television's most discriminating viewers. Prairie Public is the only television network in the region that creates full-length documentaries, serving as an important regional storyteller and a historian of local culture and local interests.



Built on Agriculture

pays tribute to Lord Selkirk and the Scottish crofters who helped to seed the Canadian prairies, investigates the growth of agriculture in that region, interviews farmers who carry on the traditions, and considers future trends.



The Civilian Conservation Corps was born from the desperate need of a country in the grips of the Great Depression.

Built To Last: The Legacy of the CCC in Minnesota

tours some of the most beloved projects in Minnesota.



Hay Day: Musical Barns of North Dakota

pays tuneful tribute to the barn, an icon of our Midwestern landscape and agricultural heritage, accompanied by barn dance music from The Radio Stars, Rhythms of the Heart, Tigirlily, The Hay Shakers, and more.



Richard Bresnahan assembled an indigenous pottery studio, utilizing a nearby clay deposit, and built the largest wood-firing kiln of its kind in North America. **Richard Bresnahan: The Taste of the Clay** chronicles his artistic journey. The documentary won two bronze Telly Awards and was nominated for a regional Emmy Award.



Filmed on an imaginative graffiti set in Prairie Public's downtown Fargo studio, the fourth season of

Prairie Musicians

featured folk rock, brass and string quartets, amazing guitarists, and music and poetry fusions.



Prairie Mosaic, now in its sixth season, is a patchwork of stories about the people and places that contribute to the arts, culture, and history of our region—all archived and available for viewing on the Prairie Public Broadcasting YouTube channel.



We (Never) Don't Forget: Germans from Russia in South America, the eighth in Prairie Public's Germans from Russia documentary series, chronicles how the history and culture of this ethnic group is flourishing across continents and generations.

2015 Television Productions

Antiques Roadshow:
Behind the Scenes
in Bismarck

Black Gold Boom

Built on Agriculture

Built to Last:
The Legacy of the
CCC in Minnesota

Face to Face:
North Dakota
Congressional Seat

Face to Face:
North Dakota Public
Service Commission (2)

Face to Face:
North Dakota
Secretary of State

Fargo Film Festival
Preview Show 2015

Hay Day: Musical Barns
of North Dakota

North Dakota Governor's
State of the State
Address and
Democratic Response

North Dakota
Legislative Review

Prairie Public is Golden

Richard Bresnahan:
The Taste of the Clay

We (Never) Don't Forget:
Germans from Russia
in South America

Ongoing Series

Painting with Paulson,
Season Sixteen

Prairie Mosaic,
Season Six

Prairie Musicians,
Season Five

Prairie Pulse,
Season Thirteen

Prairie Public's radio service stands out as a beacon of equanimity on the prairie



Native American Stories of Resilience

Listeners choose Prairie Public for its trusted programming from NPR and independent producers, and they are dedicated to Prairie Public because they appreciate the breadth of award-winning regional programming. On a radio, online, or with the Prairie Public app, listeners can take Prairie Public along wherever they go—and web resources, podcasts, and archived audio open worlds of possibilities.

The voices of Prairie Public



Director of Radio Bill Thomas



News Director Dave Thompson



Reporter Todd McDonald



Reporter Danielle Webster



Inside Energy Reporter Emily Guerin

The walls of Prairie Public's radio studios are crowded with awards for outstanding journalism. Prairie Public's news team delivers with the high standards that listeners come to expect from public radio. The immediacy of live local news woven seamlessly with NPR's national and international coverage provides unequalled news, analysis, and context.

Prairie Public collaborates with other public media stations to magnify reporting capabilities. **Inside Energy** (making, moving, and using energy) and **Harvest Public Media** (food, fuel, and field) provide station resources to expand coverage.

Radio is a valued source of cultural and entertainment programming—combining deep respect for local interests with a spirit of adventure. Adding vibrancy to Prairie Public’s radio schedule are slices of North Dakota history with **Dakota Datebook**, forays into the wild with **Natural North Dakota**, profound conversations with **Why? Philosophical Discussions About Everyday Life**, and special projects like **Native American Stories of Resilience**.



Prebys on Classics and Prebys on Jazz
Host Scott Prebys



Into the Music
Host Mike Olson

Symphonies to brass to folk to zydeco—listeners tune to Prairie Public to hear a rich and varied repertoire of music. Prairie Public’s local hosts are skilled professionals, acknowledged by their peers and with followers not only in the prairie region, but also from around the globe.



Main Street
Host Doug Hamilton,
Co-host/Producer Ashley Thornberg,
and Producer Skip Wood

Main Street and **Main Street Weekend** are where listeners gather to chat. Politicians and newsmakers, business professionals and team leaders, artists, advocates, and your neighbors all come together on **Main Street** to discuss issues, be entertained, and to share information and stories.

Radio Special Productions and Projects 2015

- Black Gold Boom:
 - How Oil Changed North Dakota
- Face to Face: North Dakota Congressional Seat Debate
- Face to Face: North Dakota Public Service Commission Debate (2)
- Face to Face: North Dakota Secretary of State Debate
- Harvest Public Media
- Inside Energy
- Native American Stories of Resilience
- North Dakota Governor’s State of the State Address and Democratic Response
- North Dakota Legislative Review

Ongoing Radio Series

- Daily Newscasts and Reports
- Dakota Datebook
- Friday Night Swing
- Into the Music with Mike Olson
- The Jazz Junket
- The Law of Jazz
- A Little Night Music with Ted Quanrud
- Main Street
- Main Street Weekend
- Mike Olson’s Blues Cruise
- Natural North Dakota
- Notas Latinas
- Plains Folk
- Prebys on Classics
- Prebys on Jazz
- The Red River Ramble
- Travel Explorations
- Why? Philosophical Discussions About Everyday Life

Recognized with Journalism’s Most Prestigious Awards in 2015

Edward R. Murrow Awards

- Saltwater Spills, by Emily Guerin
Hard News
Investigative Reporting
- The Bully Stompers,
by Meg Luther Lindholm
News Documentary

Eric Sevareid Awards

- Saltwater Spills, by Emily Guerin
First Place, Hard Features
- Oil Overtakes Agriculture, by Emily Guerin
Award of Merit, Audio
- Women in the Oil Patch, by Emily Guerin
Award of Merit, Broadcast Writing
- The Bully Stompers,
by Meg Luther Lindholm
Award of Merit, Documentary
- Stand Up North Dakota,
by Meg Luther Lindholm
Award of Merit, Series
- Tribe at a Crossroads, by Emily Guerin
Award of Merit, Hard Features

Radio staff photos credit
Andrew Cullen and Meg Luther Lindholm

Going beyond the impact of broadcasting to educate, involve, and inspire

For families, Prairie Public is a valued friend. For adults, Prairie Public is a source for a lifetime of learning. Prairie Public fulfills every aspect of public media's educational mission by offering hands-on learning, educational television programming, curriculum support, professional development, standards-based learning tools, digital teaching resources, and streaming video capabilities.



We want all children to succeed, and we know that can happen by building a strong educational foundation in their formative years, so we not only broadcast programs into homes, we also travel the region to host Family Literacy Events that feature our online mobile lab, parenting resources, and free books for children.



Video on demand and online lesson resources deliver a world of valuable learning to students who may not otherwise have access to it—including home-schooled children and children in rural schools with limited resources.



North Dakota Studies, PBS LearningMedia, and Learn360 offer more than 100,000 innovative, standards-aligned digital resources, and Prairie Public staff attend teacher and administrative conferences across the region to show education professionals how to utilize these resources in their 21st century classrooms.

Prairie Public Education Services partners with the North Central Council for School Television to provide multimedia resources and professional development for pre-K through grade 12 educators and the families they serve in North Dakota and northwestern Minnesota. Last year, staff traveled more than 22,000 miles to spread the word about these valuable services.



Prairie Public's **Teacher Training Institutes** feature hands-on, interactive breakout sessions on classroom technology use, the elective creation of lesson plans for graduate credit, and motivational keynote presentations from experts in the fields of education technology and PBS educational media.



Prairie Public encourages participation! At events across the region, children befriend beloved PBS characters; hundreds of children write and illustrate their own stories for the **PBS KIDS Writers Contest**; and the **Mister Rogers Sweater Drive**, now in its fourth year, collects sweaters from around the entire broadcast area and redistributes them to people who need a little extra warmth.



Many generations of children have developed intellectual, emotional, and social potential with public television. Prairie Public recognizes the extraordinary influence video has on young minds and the responsibility we assume whenever they spend time with us. Public television's children's programs are the most honored and respected on television—sweeping the Emmy Awards children's category year after year and earning the trust of parents and families.



Online, **PBS Parents** is a trusted resource for parents and caregivers and **PBS KIDS** offers safe, educational online spaces for interactive videos, games, and activities—all encouraging a multimedia, interactive approach to learning.

Prairie Public Broadcasting Boards 2014–2015

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.

Patricia Berger (Chair), Grand Forks, ND
Ken Bull, Winnipeg, MB
Greg Dandewich, Winnipeg, MB
Paul Ebeltoft (Secretary), Dickinson, ND
John E. Harris III (President & CEO), Fargo, ND
Britt Jacobson, Park River, ND
Sharon Johnson, Minot, ND
Rita Kelly (Treasurer), Bismarck, ND
Dick Kloubec, Fargo, ND
Erik Kringlie, Valley City, ND
Andy Maragos (Vice Chair), Minot, ND
Deb Mathern (Past Chair), Fargo, ND
Jerry Nagel, Lake Park, MN
Paul Nyren, Garrison, ND
John Petrik, Minot, ND
Devan Towers, Winnipeg, MB
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.

Rodney Haug, Hawley, MN
Janet Daley Jury (Chair), Bismarck, ND
Samee U. Khan, Fargo, ND
James Kotowich, Winnipeg, MB
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.

Mark Danes (UND), Grand Forks, ND
John E. Harris III (President & CEO), Fargo, ND
Peter Johnson (UND), Grand Forks, ND
Muriel Lippert, Williston, ND
Chuck Lura, Bottineau, ND
Peter Morowski, Dickinson, ND
Paul Nyren (Chair), Streeeter, ND
Susan Podrygula, Minot, ND
Albert Samuelson, Bismarck, ND
Kent Sandstrom (NDSU), Fargo, ND
Connie Triplett, Grand Forks, ND

North Central Council for School Television

NCCST is an organization of public schools in North Dakota and northwest Minnesota that contracts with Prairie Public to create a virtual educational service unit and to provide links between educators and educational resources.

Richard Diegel, Edgeley Public Schools
Brian Duchscherer (Vice Chair),
Carrington Public Schools
Dr. David Flowers, West Fargo Public Schools
Dr. Robert Grosz, (Curriculum Chair),
Fargo Public Schools
Rick Jacobson, Wahpeton Public Schools
Lynn Kovash, Moorhead Public Schools
Jack Maus, Grafton Public Schools
Chris Mills, Stephen-Argyle Central District
Dr. Larry Nybladh, Grand Forks Public Schools
Clarke Ranum, United Public School District 7
Dr. Jeff Schatz, Fargo Public Schools
Kelly Taylor, Mohall-Lansford-Sherwood
Public Schools
Tamara Uselman (Chair),
Bismarck Public Schools
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 9/30/15

Sources	Television		Radio		Total
	Amount	%	Amount	%	
Membership	\$1,405,050	21%	\$474,701	27%	\$1,879,751
Underwriting	\$197,551	3%	\$230,251	13%	\$427,802
Corporation for Public Broadcasting	\$1,397,155	21%	\$184,573	10%	\$1,581,728
Local Production Funding	\$261,037	4%	\$109,955	6%	\$370,992
State of North Dakota	\$666,639	10%	\$272,290	15%	\$938,929
State of Minnesota	\$581,268	9%	\$0	0%	\$581,268
Grants ¹	\$982,997	13%	\$62,592	5%	\$1,045,589
Fees, Rents	\$681,383	10%	\$230,117	13%	\$911,500
Charitable Gaming	\$492,485	7%	\$191,522	11%	\$684,007
Other	\$143,746	2%	\$1,918	0%	\$145,664
TOTAL SOURCES	\$6,809,311	100%	\$1,757,919	100%	\$8,567,230

Uses						
	Amount	%	Amount	%	Amount	%
Programming & Production	\$2,908,805	45%	\$1,153,412	58%	\$4,062,217	
Engineering	\$1,155,760	18%	\$303,276	15%	\$1,459,036	
Administration	\$933,564	14%	\$381,314	19%	\$1,314,878	
Fundraising	\$395,281	6%	\$72,861	4%	\$468,142	
System Upgrade & Other	\$922,588	14%	\$3,233	0%	\$925,821	
Change in Prairie Public Endowment	\$219,287	3%	\$89,568	4%	\$308,855	
TOTAL USES	\$6,535,285	100%	\$2,003,664	100%	\$8,538,949	
EXCESS (DEFICIT) SOURCES OVER USES	\$274,026		(\$245,745)		\$28,281	

Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

¹ Grants include unrestricted support for operations and grants for capital construction and equipment, from the Public Broadcasting Service, totalling \$ 711,296 for television

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.

Investors Circle Support

Prairie Public Broadcasting gratefully thanks its Investors Circle members, a dedicated group of donors who have made annual gifts of \$1,000 or more.



Gold Investors • \$5,000 to \$9,999

Frederick P. Baker, Bismarck, ND
Corwin Wilson LLC, Fargo, ND
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Margaret Garr, East Grand Forks, ND
Terracon Development Ltd., Winnipeg, MB
Anonymous, Jamestown, ND
Anonymous, Minot, ND

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Jim Davis, Mandan, ND
Jane Dynes, Fargo, ND
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Walter Christensen, Kenmare, ND
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Robert Fink, Lambert, MT
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Michael and Debra Jensen, Glenburn, ND
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Beverly Kadmas, Dickinson, ND
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Soizik Laguette, Grand Forks, ND
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Magnum Manufacturing LLC, Fargo, ND
John Magnusson, Roseau, MN
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Deb Mathern, Fargo, ND
Pat Mayer, Mandan, ND
Bill and Sheila Milner, Winnipeg, MB
Cheryl and George Mizell, Bismarck, ND
Drs. Douglas and Laura Munski, Grand Forks, ND
Jerry Nagel, Lake Park, MN
Gerald and Jean Newborg, Bismarck, ND
Mary Newman, Jamestown, ND
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Paul and Anne Nyren, Garrison, ND
George H. Oelkers, Winnipeg, MB
Derek and Bonnie Oldenburger, Bismarck, ND
Dr. Wayne and Linda Paquin, Winnipeg, MB
Diane L. Paulishyn, Winnipeg, MB
John and Rebecca Petrik, Minot, ND
Richard and Arlette Preston, Fargo, ND
Joslyn Putnam, West Fargo, ND
J. Derek Riley, Winnipeg, MB
John and Kathleen Risch, Bismarck, ND
Jim and Cyndy Robinson, Garrison, ND
John and Jean Rockey, Winnipeg, MB
Dennis and Anita Rohde, New Town, ND
William and Mary Schlossman, Fargo, ND
Elmer and Arlene Schwarz, Washburn, ND
Jerry Shae, Williston, ND
Mukund and Sungja Sibi, Fargo, ND
Elgene Smith, Westby, MT
Mr. and Mrs. Gary Sorenson, Keene, ND
Debbie Spracklin, Winnipeg, MB
Dr. Gus and Mary Staahl, Fargo, ND
Thomas B. Steen and Carol E. Cook, Grand Forks, ND
Rodney Steiman, Winnipeg, MB
Mr. Richard Stevens, Grand Forks, ND
Karen Stoker, Fargo, ND
Ken and Nola Storm, Fargo, ND
Charles Tax, Winnipeg, MB
David Thompson, Bismarck, ND
Marlene Thompson, Keene, ND
Alan Thoren, Winnipeg, MB
Devan Towers, Winnipeg, MB
Constance Triplett and Gerald Groenewold, Grand Forks, ND
Sidney and Joyce Waldron, Winnipeg, MB
Robert and Susan Wefald, Bismarck, ND
Len Weinberg and Addie Jason, Winnipeg, MB
Kay and Joel Weisgram, West Fargo, ND
Patrick and Becky Wheeler, Fairview, MT
Kenneth and Pat Zealand, Winnipeg, MB
Beverly Zimmer, Fargo, ND
Anonymous, Winnipeg, MB (2)
Anonymous, Lake Park, MN
Anonymous, Bismarck, ND (2)
Anonymous, Fargo, ND
Anonymous, Jamestown, ND (2)
Anonymous, Mandan, ND (2)
Anonymous, Minot, ND (2)
Anonymous, Richardton, ND
Anonymous, Stanley, ND
Anonymous, Tioga, ND
Anonymous, Towner, ND
Anonymous, Williston, ND

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Visionary Circle Support

Visionary Circle honors those who have demonstrated exceptional philanthropic leadership and cumulative lifetime annual giving of \$25,000 or more in support of Prairie Public's services. We are grateful for the steadfast, substantial commitment of these Visionary Circle members.



Stewards • \$50,000+

Joyce and Margaret* Beggs,
Winnipeg, MB

Founders • \$25,000 to \$49,999

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
Jane Dynes, Fargo, ND
Paul and Gail Ebeltoft, Dickinson, ND
Noel and Judith Fedje, Fargo, ND
Dr. and Mrs. Calvin K. Fercho, Fargo, ND
Dr. Walter and Carolyn Frank, Bismarck, ND
Dr. Rosanne Gasse, Brandon, MB
Jane Groves, Winnipeg, MB
Richard and Audrey Kloubec, Fargo, ND
Carol Jean Larsen, Bismarck, ND
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Richard and Barbara Owens, Minneapolis, MN
John and Rebecca Petrik, Minot, ND
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

T. L. Donat Legacy Circle

Prairie Public Broadcasting extends special appreciation to members of the T. L. Donat Legacy Circle. Named for Dr. Ted Donat, Prairie Public's founder, the Legacy Circle provides an opportunity for donors to leave a thoughtful legacy to our region by making a provision for Prairie Public in their wills, trusts, or other estate plans.

T. L. DONAT
LEGACY
CIRCLE

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
Rev. Mary Hansen, Thief River Falls, MN
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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 (3)
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, Minot, ND
Anonymous, Richardton, ND
Anonymous, Towner, ND

If you have provided for Prairie Public Broadcasting in your will or other estate plans, please let us know. By doing so, you will help us to plan for the future and will allow us to thank you for your outstanding commitment to the mission of public broadcasting.

Bequests

During fiscal year 2015, the following honored Prairie Public with gifts in their estates. With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of Joyce J. Hallin
Estate of Gordon P. Linney
Estate of Alice L. Marks
Estate of Milton D. Murray
Estate of Dennis N. Nordlinder
Estate of David J. Rasmussen
Estate of Perry Ross

Endowment: Funding the Future

Permanently Restricted Endowment Funds

Through endowed gifts from many sources, Prairie Public has established permanent endowment funds at the four institutions listed below. These professionally managed funds provide annual interest income that helps to ensure the future of Prairie Public and enhance the quality of programming, education services, and outreach it provides to those in our region.

Prairie Public recognizes these institutions for managing these funds and thanks all donors who have established or contributed to these endowed funds.

Endowment funds, as well as endowment gifts of \$25,000 or more, are listed below.

Bremer Trust

Prairie Public Broadcasting Permanent Endowment Fund:
Paul and Gail Ebeltoft
Lloyd and Margaret Thilmoney

Fargo-Moorhead Area Foundation

Dennis L. Falk Local Production Fund
Lucien C. Barnes and Edna Barnes Fund,
a component of the Fargo-Moorhead Area Foundation
Prairie Public Broadcasting Endowment Fund

North Dakota Community Foundation

Bismarck Prairie Public Television Fund:
Ruth Landfield
Otto Bremer Foundation
Bremer Banks Prairie Public Television Fund
Prairie Public Television Fund

The Winnipeg Foundation

Prairie Public Television Programming Endowment Fund:
Anonymous Donor
Prairie Public Television (Manitoba), Inc.
Endowment Fund

Board-Directed Endowment Fund

This fund, established in fiscal year 2007, is composed of unrestricted assets allocated to the fund in accordance with policies adopted by Prairie Public's board of directors. The fund is intended to provide 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

Prairie Public thanks the following for investing in underwriting support for television and radio program services in fiscal year 2015.

7th Avenue Auto Salvage
A Woman's Perspective
A.K. A Coach & Company
AARP North Dakota
Abalon Construction
All Star Collision & Glass
Altru Health System
Amazing Grains
Anne Carlsen Center
for Children Bismarck
Arts Center
Avant Hair & Skin Care Studio
Balcaen & Sons
Balmoral Hall
Basin Electric Power Coop
Bell State Bank & Trust
Benedictine Health System
Bernies Wines & Liquors
Best Western Plus
Charterhouse Hotel
Bethany Retirement Living
Bismarck Cancer Center
Bismarck Sewing & Quilting
Bismarck State College
Bismarck-Mandan Civic Chorus
Bismarck-Mandan Symphony
Blugrass Association
of North Dakota
BNC National Bank
Books on Broadway
Bremer Bank
Browning Arts
Bryant Clinic of
Chiropractic & Acupuncture
Cable One
Cancer Care Manitoba
Capital Credit Union
Capitol Shakespeare
Carellan Sewing Centre
Children's Museum
Cinema 100
Colortech Holdings, LLC
dba Knight Printing
Cottonwood
Creative Kitchen
Dakota Harvest Bakers
Dakota Resource Council
Dakota Stage Ltd
DFC Consultants
Direct Buy
Edward Jones
Eide Bailly
Elim Care
Empire Arts Center
Erickson Motors
Eventide
Fargo Blues Fest
Fargo Moorhead Ballet
Fargo Moorhead
Visual Artists—Studio Crawl
Fargo Psychiatric Clinic
Fargo Public Library
Fargo Theatre
Fargodome
Fargo-Moorhead Convention &
Visitors Bureau
Fargo-Moorhead Opera
Fargo-Moorhead Redhawks
Farmers Union

First Presbyterian
Fine Arts Festival
The Fort Garry Hotel
Fusion Grill
Gate City Bank
Great Big Adventure
Great River Energy
Greater Grand Forks
Community Theatre
Greencrest Pharmacy
Hartz Foundation
High Plains Reader
Historical & Cultural Society
of Clay County
Holiday Inn Fargo
Holiday Inn Minot
Home of Economy
Hornbachers Foods
Hotel Donaldson
House of Color
Imagine Thriving
Independent Living
Resource Centre
Inn at the Forks
Inspirare
International Music Camp
International Peace Gardens
Canada
J & R Vacuum
& Sewing Centers
Jade Presents
JAQ's Garage
Joshua Boschee-Hatch Realty
Josie's Corner Cafe
& Bake Shop
Luna Fargo
Lundeen Foundation/
Victor Lundeen Company
Manitoba Opera
Manitoba Theatre
for Young People
Medora Chamber of Commerce
Messiah Lutheran
Hour of Worship
Mike's Pizza & Pub
Minot Area Council of The Arts
Minot Chamber Chorale
Miraculins
Missouri River Stakeholders
Missouri Valley
Chamber Orchestra
Mohr Family-Dacotah Paper
MSUM College of Arts,
Media and Communication
ND Department of Commerce
ND District of The
Metropolitan Opera
ND Farmers Market
& Growers Association
ND Senior Service Providers
NDSU Development Foundation
NDSU Division
of Performing Arts
NDSU Memorial Union Gallery
Nichole's Fine Pastry
Nodak Mutual Insurance Co
Nordic Culture Clubs
North Dakota Association of
Rural Electric Cooperatives
North Dakota Ballet

North Dakota
Horizons Magazine
North Dakota
Humanities Council
North Dakota Living
North Dakota Museum of Art
North Dakota United
North Dakota
Women's Network
Northern Plains Dance
Old Red Old Ten Scenic Byway
Otter Tail Power Company
Parent Aware
for School Readiness
Park Christian School
Peak of the Market
Plain and Fancy Antique Mall
Plains Art Museum
Prairie Theatre Exchange
Prairie Village Museum
Premier Medical Imaging
Red River Valley
Community Action
Retina Consultants Ltd
Rhombus Guys
River City Jewelers
Roberts Floral & Gifts
Ron Paul Garden Centre
Royal Winnipeg Ballet
Rural Cass Community Theatre
Satrom Travel and Tour
Scan Design
Schmitt Music Fargo
Sleepy Hollow Summer
Special Olympics North
Spirit Room
St Boniface College
Stained Glass Workshop
State Historical Society of ND
Stinson Leonard Street
Tanabe-Badger Dental Group
TD Canada Trust
Theatre B
Theodore Roosevelt
Medora Foundation
True North Sports &
Entertainment Ltd
UND Chester Fritz Auditorium
UND Office
of Extended Learning
UND Summer Programs
& Events
Unitarian Universalist Church
United Tribes Technical College
University of Mary
Urgent Med
Valley City State University
Vogel Law Firm
Wells Fargo Bank—
Fargo/Moorhead/West Fargo
West Acres Shopping Center
Western Minnesota Steam
Threshers Reunion
Western Paint and Wallcovering
Western Plains Opera Company
Whodunit Mystery Bookstore
Winnipeg Art Gallery
Winnipeg Folk Festival
Xcel Energy
Zandbroz Variety

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 536.

Additional Support

A wide base of individual, corporate, and foundation support generates substantial municipal, state, and federal support for Prairie Public's services. Funds support operations, capital improvements, and specific outreach programs and productions. Prairie Public received support from the following in fiscal year 2015.

AARP
 Altrusa International of Fargo
 American Public Media
 Anonymous (3)
 Bell State Bank and Trust
 The Bicentenary of the Red River Selkirk Settlement Committee
 BNSF Railway Foundation
 Bremer Bank
 Cambrian Credit Union
 Arthur and Shirley Carlson
 Mr. Robert Chabora
 Berdie and Irvin Cohen Memorial Fund through the Jewish Foundation of Manitoba
 Corporation for Public Broadcasting
 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
 Gate City Bank
 Dr. Gerald H. Groenewold
 Jewish Foundaton of Manitoba
 Arvid Johnson
 Minnesota Industries Ltd.
 Minnesota Agriculture Food and Rural Development—Growing Actions Program
 Margaret A. Cargill Foundation
 Floyd and Harriet Miller Endowment Fund through West Central Initiative
 Michael M. Miller
 Minnesota Arts and Cultural Heritage Fund
 Monsanto Canada Inc.
 North Dakota Council on the Arts
 North Dakota Humanities Council
 North Dakota State University
 Otto Bremer Foundation of St. Paul, Minnesota
 Parrish & Heimbecker Limited
 PCOR Partnership
 Prairie Airwaves
 Public Broadcasting Service
 Richardson Foundation
 John and Kathi Risch
 Gus and Mary Staahl
 State of Minnesota
 State of North Dakota
 Lloyd and Margaret Thilmony

Dr. Ken and Lorna Thorlakson
 Thrivent Choice through Thrivent Financial for Lutherans
 Town Hall Series
 United Sugars Corporation
 University of North Dakota
 The Winnipeg Foundation
 The Winnipeg Foundation—
 R. A. Sam and Marie Fabro Family Fund
 The Winnipeg Foundation—Lampe Family Fund
 The Winnipeg Foundation—
 Alan D. and Phyllis Ann Thoren Fund
 The Winnipeg Foundation—
 Dr. Ken and Lorna Thorlakson Fund
 Anonymous

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.
 American Crystal Sugar Company
 AETNA, Inc.
 Burlington Northern Santa Fe Foundation
 Caterpillar Foundation
 ExxonMobil Foundation
 Genworth Foundation
 Grainger
 Microsoft Matching Gifts Program
 Ottetail Corporation
 Thrivent Financial for Lutherans
 U.S. Bancorp
 Xcel Energy Foundation

Matching Grants

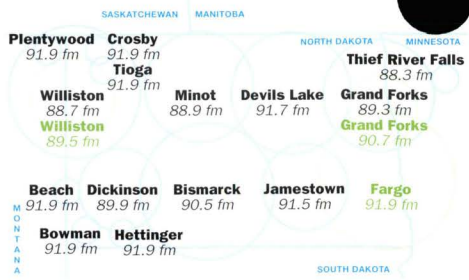
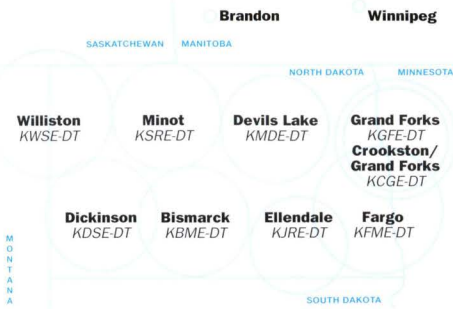
Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you make a contribution to Prairie Public, it is often matched dollar-for-dollar by these grants.



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!

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

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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	KWSE-DT
Manitoba, Canada	Via cable

With additional digital capabilities, Prairie Public broadcasts four program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and one or more additional program streams.

- 1 **Prairie Public** Prairie Public's high-definition schedule.
- 2 **World** Nonfiction, science, nature, news, and public affairs programs.
- 3 **The MN Channel** Programs produced in and about North Dakota, Manitoba, Minnesota, and the region.
- 4 **Lifelong Learning** How-to, travel, cooking, and K-12 classroom programs.



Prairie Public Broadcasting, Inc.

- Television
- Radio
- Education Services
- Enterprises

Radio

Beach	91.9 fm
Bismarck	90.5 fm
Bowman	91.9 fm
Crosby	91.9 fm
Devils Lake	91.7 fm
Dickinson	89.9 fm
Fargo	91.9 fm
Grand Forks	89.3 fm
Grand Forks	90.7 fm
Hettinger	91.9 fm
Jamestown	91.5 fm
Minot	88.9 fm
Thief River Falls	88.3 fm
Tioga	91.9 fm
Williston	88.7 fm
Williston	89.5 fm
Plentywood MT	91.9 fm

Listeners can choose from two radio formats and can **access both** schedules with an HD radio, online at www.prairiepublic.org, or on their mobile device with the free Prairie Public app.

Roots, Rock, and Jazz Public radio's signature news and entertainment programs and a diverse schedule of roots, rock, and jazz music.

Classical Public radio's signature news and entertainment programs and a diverse schedule of classical and opera music.

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

Grand Forks Studio
 PO Box 8117
 Grand Forks ND 58202

Prairie Public Television (Manitoba), Inc.
 PO Box 2640
 Winnipeg MB R3C 4B3

www.prairiepublic.org
info@prairiepublic.org

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Public Guardianship Funding

Public Administrator Support Services (PASS) Program

BY Terry Traynor

HB1013

3-20-17

5

p 1

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.

Reimbursement has been made for a caseload that has grown from 236 wards at the start of the biennium to 320 cases as of March 1st. Reimbursements are made to 7 private agencies and 5 individuals. (Listing in box).

Overall the court assigns an average of an additional 4 cases each month, but the system loses about 1.5/month, for a net increase of 2.5 cases each month. (Chart on reverse)

Public Guardians
Bev Robinson
DKK Guardianship
Guardian & Protective Services, Inc.
Guardian Angels Inc.
Kathy Downs
Lighthouse Associates, Inc.
Lutheran Social Services of MN
Opportunity Foundation, Inc.
Schweitzer Consulting
Steve Forde
Tracie Retterath
Veronica Miller

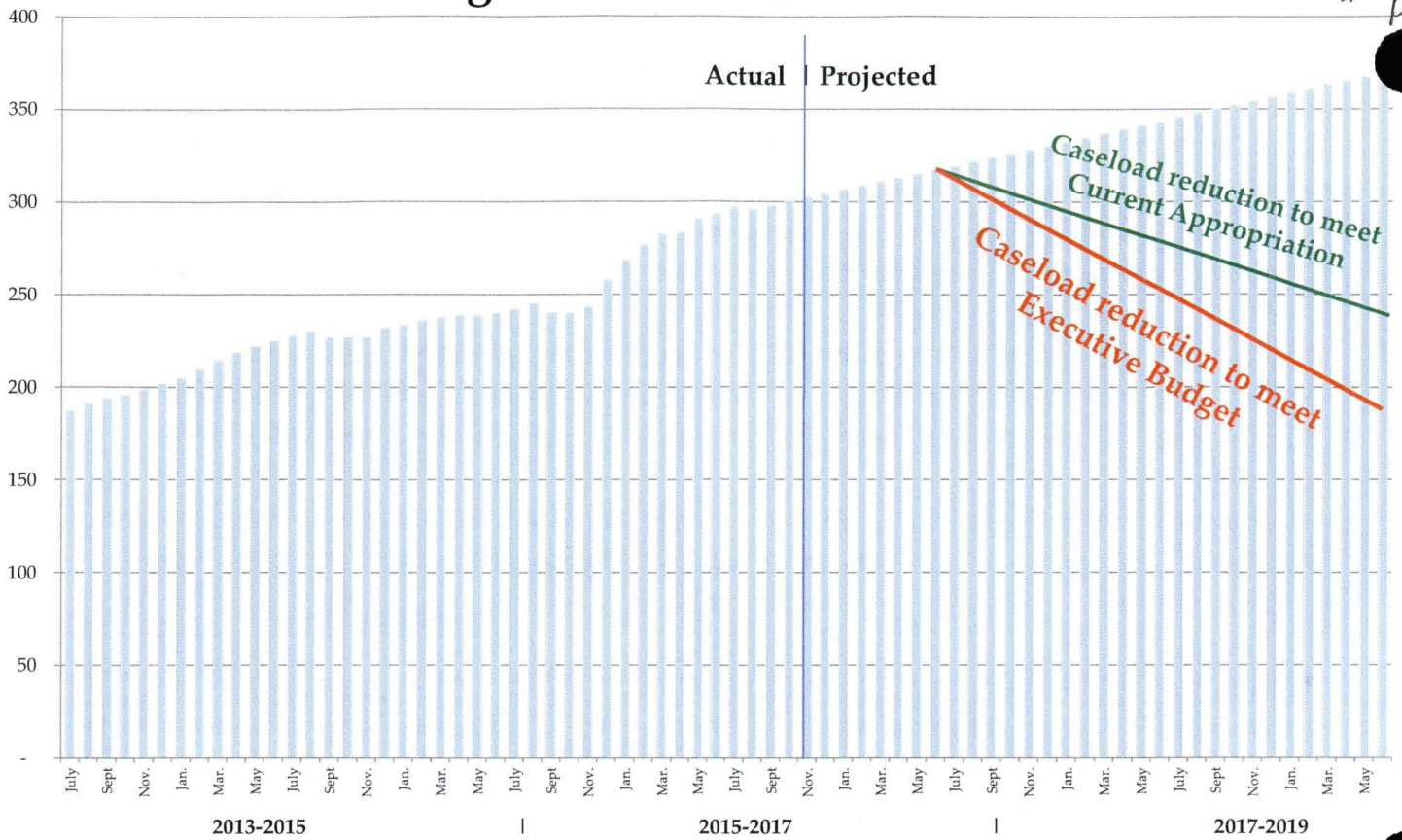
- The current biennial funding level (\$1,328,600) is insufficient to continue program in the next biennium without reducing caseload (down to 230 by the end of the biennium),
- The 10% reduction in the Dalrymple Executive Budget (\$1,195,740) will require reducing 7 cases each month, drawing the total served down to 185.
- An appropriation level of \$1,817,917 is needed to meet the expected caseload growth (370 by June 2019) – even with no change in reimbursement.

The Legislature’s Consultant recommended to the 2013 Session that a reimbursement rate of \$11-12/day would be appropriate in North Dakota, but with the funding constraints and growing caseload, the reimbursement has been limited to the \$8.33/day. If this rate is reduced, (to allow for more cases) a number of Public Guardians have indicated they can no longer afford to continue the service.

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 has been included on the reverse to highlight and contrast these for clarity.

Trend of Indigent Wards at Current Growth Rate

5
02



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
 \$0

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
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Testimony - House Bill 1015
Senate Appropriations Committee
Senator Ray Holmberg, Chairman
March 20th, 2017

HB 1015
3-20-17

6

p 1

Chairman Holmberg and member's of the Senate Appropriations Committee, I am Alex C. Schweitzer, President and Owner of Schweitzer Consulting. I provide management and leadership consultation, client budget and money management services, and guardianship services for court ordered clients in my business.

I appear today in support of House Bill 1015 and specifically the section of the bill that provides general funds for distribution to private agencies and private individuals that serve as public guardians for indigent adults. These funds are administered by the Association of Counties through the Public Administrator Support Services (PASS) program.

I currently serve a small caseload of 25 clients and within this number are guardianship services for 13 indigent clients. Much to my surprise, this is the part of my business that has grown the most in terms of clients and time spent. The demand for guardianship services for indigent clients is high throughout the state and guardian caseloads are full. The demand for my services has come from a great distance from my home base. I have three clients in Minot, one in Watford City, three in Bismarck, three in Valley City and three in the Fargo area. In most cases these referrals resulted from existing guardians having full caseloads of indigent clients in these specific areas of the state. If I did not provide these services, the clients in these areas of the state would go unserved. I can only anticipate that the demand for this service will continue to grow.

Page Two: Testimony - House Bill 1015

#6
p2

This work has been an eye opener, as my clients in most cases are often vulnerable to medical, psychological, fiscal and legal issues, as well as exploitation. Frequent travel and time are a necessity to properly serve these people and there are significant costs that are incurred.

I fully appreciate the budget shortfall faced by this committee and the legislature, but also request your kind consideration to adequately fund caseload levels and the growth of the caseloads for this program. This program is vital if we are to adequately serve and support the state's most vulnerable citizens.

I would be happy to answer any questions.

HB 1015
3-20-17 #1
P1

Testimony
House Bill 1015: Senate Appropriations Committee
Senator Ray Holmberg, Chairman
March 20, 2017

Testimony by: Audrey Uhrich, Program Director, Guardian and Protective Services

Public guardians are needed to serve for vulnerable adults whose capacity to make decisions is compromised, who are at risk for neglect, abuse or exploitation, and have no family or friends able to assist them.

- No family/friends whatsoever
- Family members are not appropriate due to their own health issues; case is too complex for family members to serve; or family members may have exploited the vulnerable person.

What public guardians do:

- Review an individual's finances, apply for appropriate benefits/services, and complete documentation as needed to keep eligibility current.
- Address medical, care, and housing needs. Monitor all services being received, to ensure that plans are meeting all the individual's needs and are adjusted as those needs change.
- Attend medical appointments and care conferences, consult with medical providers, and make important medical decisions as needed.
- Be available 24/7 for all emergent needs.

Without public guardians, vulnerable adults without decision-making capacity:

- May stay at home in unsafe situations because they are unwilling to accept available services in their home.
- Often use the Emergency Room to manage their health instead of following up with their medical providers regularly.
- Are hospitalized longer, as there is no legal decision maker to authorize safe placement – home with services or placement in a facility.
- May need nursing homes sooner because of inconsistent self-care, inadequate follow-up with their doctors, or noncompliance with prescribed medication.

Public guardians have important work to do. There must be a consistent, stable funding source to ensure that our state will have enough public guardians to meet the needs of our vulnerable adults.

HB1015
3-20-17

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p 1

Testimony per the "Senate Appropriations Committee" via PASS Funds

~ March 20, 2017 ~

- ❖ Greeting ~ Senator Ray Holmberg, Chairman and Committee Members
- ❖ Introduction ~ Margo Haut, Director of the Not for Profit Corp of "Guardian Angels, Inc" in Jamestown, ND; I, also am Vice Chair & member of "Guardianship Association of ND" and member of the "National Guardianship Association". In 2014, Joan Martin and I launched this business via the slogan of "Putting People First" with the vision of providing services and being a voice for those who cannot advocate for themselves.
- ❖ Examples of Protected Persons served by "Guardian Angels, Inc" via PASS Funds in the Past Year. It's been a Privilege to be their Guardian by performing the court appointed responsibilities and/or duties making any combination of informed personal and/or financial decisions twenty four hours a day, seven days a week, three hundred sixty five days a year; from our perspective ~ Prevention is Key with Least Restrictive Environment!
 - Melissa ~ 39-year-old woman who over the course of the past 18 months has experienced success per the Transitional Living Home. Melissa and I attend bimonthly meetings, which has prevented readmissions to the NDSH due to medication non-compliance.
 - Randy ~ 70-year-old man who lived on the streets in Fargo and/or a homeless shelter over the course of the last 4 decades. Due to a change in health conditions, Randy was in need of a placement and recent emotional support after being admitted to Hospice. By us being a part of this process, it's allowed Randy not to be isolated and/or alone in his last days.
 - Cheryl ~ 65-year-old woman who, one year ago, was on a locked unit of a skilled nursing home. Cheryl transitioned to Basic Care, with a recent move to her own apartment, where she is experiencing success with support services, such as Home Health.
 - Arlene ~ 89-year-old woman who has been in placement at a skilled nursing home for over 12 years. Arlene looks forward to our monthly direct contact and/or interactions allowing trust to be established with open communication in meeting her needs.

- #8
p2
- ❖ **Agencies serving Vulnerable Adults** ~ “Adult Protective Services” is just one of many agencies that “Guardian Angels, Inc” is in continuous communication to potential serve the Individuals that are abused, neglected and/or financially exploited by family and/or friends. Sharon Kleeman, LCSW via Adult Protective Services of Cass County Social Services is one of many who are advocating via PASS Funds due to the reality that if third party Guardianship organizations are declining to serve, Agencies such as APS don’t have options to meet the needs of these Vulnerable Adults ~ please see Sharon’s letter per the attached information.
 - ❖ **PASS Funds** are vital in the ability of “Guardian Angels, Inc” to meet the needs of Vulnerable Adults. Over the course of the past four weeks, “Guardian Angels, Inc” as had to decline services to Three potential Guardianships due to the need to travel over two to three hundred miles distance to serve these Protected Persons along with the current freeze via PASS funds resulted in the lack of a payment source. It should be noted that “Guardian Angels, Inc” currently has Four potential Guardianships that lack funds via a payment source with the need of a decision in the near future. As a Director, it is extremely difficult to refuse and/or decline services due to the knowledge of the impact the lack of support and/or resources has on these Vulnerable Adults, their Families, Agencies and/or Facilities.
 - ❖ **Families of Protected Persons** ~ Communication occurs with Families of Protected Persons served by “Guardian Angels, Inc” on a regular basis. Please note, there are two families that have offered letters of support via the impact and importance of maintaining these PASS Funds.
 - ❖ **Impact via Insufficient PASS Funds** ~ If PASS Funds aren’t allocated for potential Protected Persons , it will result in “Guardian Angels, Inc” needing to decline services to those Protected Persons whom were the purpose of why “Guardian Angels, Inc” opened their doors! Chairman Holmberg and Committee Members, You have a difficult task in balancing the OMB Budget, I ask that potential funds be appropriated via PASS Funds to allow “Guardian Angels, Inc” the opportunity to serve those Protected Persons in the future.

Introduction of Anita Carow, Family Member of potential Protected Person that “Guardian Angels, Inc” may have to decline due to the current freeze via PASS Funds ~ Please find attached her Letter per today’s presentation.

Thank You, again for the opportunity to advocate for PASS Funds and your Time!

Whom It May Concern:

My name is Anita Carow. I am writing in behalf of my family and my 25 year old nephew who was diagnosed with Schizophrenia 4 years ago. My nephew was an ordinary kid that did well in school and loved to play basketball and hang out at the local YMCA. He had hopes and dreams of going to college and pursuing a degree and becoming an active member of society. When he was 20 he developed Paranoia Schizophrenia. Because he is no longer a minor, our family can not help him get the proper medical care he deserves. He is not cognitively aware he has a mental illness, he therefore is in complete denial, and continues to get angry at our family when we ask him if we can help him. In the last 4 years we have tried every angle to find resources that will help us help him. Because we are not guardians and he is not a minor, we are pushed away by the Human Service Center. We are unable to get him a case worker, medication management, and safe living conditions. He is on many levels a vulnerable adult. My nephew has been in and out of the NDSH, he has had some unusual thoughts that have caused unusual behaviors out in the community. One example I can share with you is on March 6th 2017, my nephew took a taxi cap to a rural school 12 miles from his residence. He went into the school and into a class room, looking for his two children. He does not have any children! I can assure you this was a very scary situation for all that where in that school. I feel if he had been properly medicated this situation could have been avoided. He is currently at the NDSH, our family has no clue how he is doing. He will not come to the phone or come out of his room when my family has stopped to visit. It saddens me as today was his 25th Birthday, and he spent it alone on a Psyche ward.

My nephew receives \$885 per month from Disability benefits. We are very thankful this benefit is available to him, as he cannot carry a job of any sort. Of that \$885 he pays rent, utilities and necessities for the month and little spending money is left.

Though he continues to be in denial with his mental illness, it has been very difficult as he will not comply with any family help or requests to take medication. I have currently been speaking with vulnerable adult resources, where they have helped me consult with a Guardianship Agency. The agency has been very helpful on many levels. They have addressed concern about funding for his guardianship as he has very little income. I feel we are now back at square one, no money to pay for a guardianship, then released back into the community, no case worker assigned and no medical care for medication management, and the pattern continues. He will be out in the community and we don't know what's next without proper care. Our family is absolutely exhausted and frustrated. It is very heart wrenching to watch an innocent young man whom we love dearly, fall through the cracks again,

Every time he is admitted to the State Hospital, he is there for several weeks at a time. Every hospital stay is far more expensive then guardianship fees. I feel with a guardianship in place it will be a win win situation for everyone involved. With a guardianship in place, he will be given the opportunity to live a normal life again, He will be given the guidance he needs to get medicated properly, a case worker to assist him with programs in the community to rehabilitate him, and to develop a normal relationship with family and friends again. At this time I am asking that you reconsider your decision to limit or decline funds for guardianship fees, I feel it will help so many individuals get or continue with the guidance they need. Thank You for taking the time to hear my concerns.

Sincerely, Anita Carow

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p3



Guardian Angels, Inc.
Legacy Center Suite 10
419 5th Street NE
Jamestown, ND 58405

#8
pdf

From: Pam Larson <larsonpa@cableone.net>
Date: December 28, 2016 at 9:20:21 PM CST
To: info@guardianangelsnd.com
Subject: PASS Funds

To preface, our daughter currently has Margo Haut, Director of Guardian Angels, Inc, as a guardian which is paid via the PASS fund. Melissa has struggled with severe mental illness since age 14 and is now 40. She has had numerous stays at the ND State hospital, sometimes for months at a time. As Melissa's guardian, Margo has provided critical support and organization which has been most valuable in helping Melissa be a more productive part of society. Margo's care and expertise have definitely aided in Melissa's stability and hope for the future. Lastly, but very important, is the trust that Margo has built with Melissa. She has had serious trust issues in working with people which has inhibited her care plan in the past. Margo has gained her trust. We cannot emphasize how critical we believe this guardianship is for our daughter.

Respectfully,
Rich & Pam Larson

Sent from my iPad

Email: info@guardianangelsnd.com

Web: www.guardianangelsnd.com

Office 701-952-6750

Fax 701-952-6751



Guardian Angels, Inc.
Legacy Center Suite 10
419 5th Street NE
Jamestown, ND 58405

#8
P5

December 28, 2016

RE: PASS Funds

To Whom It May Concern:

This letter is in support of the wonderful services provided the professionals at Guardian Angels to the chronically mentally ill who have been declared incompetent. Alan Blume is one such person. It was a God Send to find them when Alan Blume's mother turned 86 years of age and was no able to serve as a guardian. With their professional expertise they are able to more effectively oversee the care of the chronically mentally ill and negotiate the appropriate services when things come up which easily happens with the chronically mentally ill.

I am therefore requesting that you reconsider proposed funding cuts for the PASS.

Your thoughtful consideration of this will be appreciated.

Respectfully,

Barbara Manakas

Email: info@guardianangelsnd.com

Web: www.guardianangelsnd.com

Office 701-952-6750

Fax 701-952-6751

March 17, 2017
Public Guardian PASS Funds

#8
p6

In Region V, Traill, Steele, Cass, Sargent, Ransom and Richland counties, Adult Protective Services (out of Cass County Social Services), utilizes the Guardianship Establishment fund to initiate the guardianship court proceedings for incapacitated and indigent adults. Most often there is not an appropriate family or friend to take the role of guardian and we depend on Agency Guardianship programs. With the removal of the funding support for guardians appointed by the state court, we are finding agencies declining indigent adults needing guardianship. If there is not a guardian available, we cannot proceed with initiating the guardianship.

Reports come to us of people who are being abused, neglected or financially exploited. These are people who are putting themselves or others in harm's way. These are incapacitated adults as defined by the North Dakota Century Code, 30.1-26-01. These are North Dakotans who need the protection of a guardian and with the removal of the Public Administrator Support Services (PASS) funds, this protection will not be available to indigent adults in our state.

In 2016, APS in Region V, initiated twenty guardianships. They included:

A retired local college professor with dementia being financially exploited and abused by his "friend".

A women retired from the banking field, sending money overseas to someone she thought was the FBI, depleting most of her retirement.

A veteran with dementia and health issues, allowing "friends" to stay in his apartment, causing multiple evictions.

A woman with multiple health issues, remained in a local hospital for four months until a guardian was appointed and a skilled nursing facility would then accept her.

Sharon Kleeman, LCSW
Adult Services
Cass County Social Services

*HB 1015
Subcommittee
4-4-17 #1
P1*

**HB 1015 - Office of Mangement and Budget
Changes Requested of the Senate Appropriations Committee**

OMB Requests to be Restored in HB 1015	<u>General Fund</u>	<u>Special Funds</u>	<u>Total Funds</u>	<u>FTE</u>
Restore funding to the level of Governor Burgum's recommendation.	\$ 888,392		\$ 888,392	3.00
Restore special fund authority from the Capitol Building Trust Fund to provide for extraordinary repairs to the capitol complex.		\$ 1,000,000	1,000,000	
Allow Surplus Property to consider either purchasing or building a building for Surplus Property.		800,000	800,000	
Restore Revenue Forecasting Contract	77,000		77,000	
Restore National Governor's Association dues.	81,500		81,500	
Restore Western Governor's Association dues.	74,300		74,300	
Restore National Lt. Governor's Association dues.	1,200		1,200	
Total Restoration Request	\$ 1,122,392	\$ 1,800,000	\$ 2,922,392	3.00

Other Requests:

- Do not specify specific positions for FTE cuts.
- Remove Section 10 from Engrossed HB 1015.
- Amendment regarding Expenses - Commission on Uniform State Laws.

PROPOSED AMENDMENTS TO HB1015 FOR DAPL COSTS

4-4-17
 HB1015
 Subcommittee #2
 p1

SECTION 1. BORROWING AUTHORITY – APPROPRIATION – ADJUTANT

GENERAL. The office of the adjutant general may borrow the sum of \$15,000,000, or so much of the sum as may be necessary from the Bank of North Dakota, for law enforcement support costs related to the activity associated with the construction of the Dakota access pipeline, for the period beginning January 1, 2017 and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support related to activity associated with the construction of the Dakota access pipeline for the period beginning January 1, 2017 and ending June 30, 2019. The office of the adjutant general shall request from the legislative assembly a deficiency appropriation sufficient for the repayment of the amount borrowed plus interest.

SECTION 2. APPROPRIATION.

There is provided out of money borrowed by the adjutant general in Section 1 of this Act, increased spending authority to the state departments for the purpose of defraying their expenses of law enforcement support related to activity associated with the Dakota access pipeline for the period beginning January 1, 2017 and ending June 30, 2019.

Subdivision 1.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$1,420,000</u>
Total special funds	<u>\$1,420,000</u>

Subdivision 2.

PARKS AND RECREATION DEPARTMENT

Natural Resources	<u>\$200,000</u>
Total special funds	<u>\$200,000</u>

Subdivision 3.

DEPARTMENT OF TRANSPORTATION

Salaries and wages	\$287,000
Operating expenses	<u>422,000</u>
Total special funds	<u>\$709,000</u>

Subdivision 4.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$500,000</u>
Total special funds	<u>\$500,000</u>

Subdivision 5.

HIGHWAY PATROL

Field operations	<u>\$3,234,000</u>
Total special funds	<u>\$3,234,000</u>

#2

Subdivision 6.

GAME AND FISH DEPARTMENT

Salaries and wages	\$221,795
Operating expenses	<u>201,929</u>
Total special funds	<u>\$423,724</u>

p2

Subdivision 7.

OFFICE OF THE ATTORNEY GENERAL

Salaries and wages	<u>\$200,000</u>
Total special funds	<u>\$200,000</u>

SECTION 2 TOTAL

Grand total special funds	\$6,686,724
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SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

17.0500.03018
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
Senate Appropriations Committee
April 21, 2017

#1
P1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, after the semicolon insert "to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as enacted by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"

Page 1, line 3, after "section" insert "6-09-15.1, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as enacted by the sixty-fifth legislative assembly, and section"

Page 1, line 4, after "to" insert "temporary loans to the general fund, criminal history record checks, and"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, replace "and" with "to provide for legislative management studies and reports;"

Page 1, line 5, after "report" insert "; and to provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$2,242,970	\$22,041,224
Operating expenses	13,855,260	213,178	14,068,438
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	(200,000)	1,400,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,178,625	\$42,215,739
Less estimated income	7,210,390	4,023,697	11,234,087
Total general fund	\$30,826,724	\$154,928	\$30,981,652
Full-time equivalent positions	122.50	(4.50)	118.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0

Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	<u>1,000,000</u>
Total all funds	\$16,305,303	\$1,800,000
Less estimated income	<u>9,775,000</u>	<u>1,800,000</u>
Total general fund	\$6,530,303	\$0"

#1
P2

Page 2, remove lines 29 and 30

Page 3, remove lines 1 and 2

Page 3, line 10, after "EXEMPTION" insert "- FISCAL MANAGEMENT"

Page 3, replace lines 15 through 17 with:

"SECTION 6. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, 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, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 8. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, execute and issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceed the total principal amount of ~~ten~~ one hundred million dollars with principal maturity of not more than twelve months. As a condition precedent to the issuance and sale of the evidences of indebtedness, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year in which the evidences of indebtedness are to be issued will exceed the principal amount and interest on the evidences of indebtedness to be issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer shall establish a fund for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.

SECTION 9. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as enacted by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments thereto, is not subject to the requirements under this section.

#1
P3

SECTION 10. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee."

Page 4, replace lines 3 through 15 with:

"SECTION 12. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - c. The majority leader of the house of representatives and the majority leader of the senate;
 - d. The minority leader of the house of representatives and the minority leader of the senate; and
 - e. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits

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to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds. As the agenda demands, the chairman of the committee may invite the tribal chairman and other appropriate tribal members to actively participate in a committee meeting.

5. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - INTERNET SERVICE PROVIDERS. During the 2017-18 interim, the legislative management shall consider studying the privacy policies of telecommunications service providers and internet service providers, and identifying potential issues for legislation. The study must include an evaluation of the process, procedure, and practice by telecommunications service providers and internet service providers in the collection of personal information from a customer resulting from the customer's use of the telecommunications service provider or internet service provider, and an evaluation of the sale, distribution, or use of the personal information collected by the telecommunications service provider or internet service provider. The study must include consideration of rules relating to the privacy rights of telecommunications and internet customers and the enforcement of any such rules by the public service commission. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAX DISTRIBUTIONS. During the 2017-18 interim, the legislative management shall consider studying the distribution of tax collections related to wind energy. The study must include consideration of the current and historical distribution formulas; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 15. EFFECTIVE DATE. Section 9 of this Act is effective for property tax incentives approved after July 31, 2017."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$19,798,254	\$21,177,508	\$863,716	\$22,041,224
Operating expenses	13,855,260	12,909,988	1,158,450	14,068,438
Capital assets	200,000	973,477	800,000	1,773,477
Grants	555,000	54,000		54,000
Emergency commission contingency fund	500,000	350,000		350,000
Guardianship grants	1,328,600	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	800,000	600,000	1,400,000
State student internship	200,000			

program				
Cybersecurity remediation pool		1,000,000		1,000,000
Total all funds	\$38,037,114	\$38,593,573	\$3,622,166	\$42,215,739
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$2,826,556	\$30,981,652
FTE	122.50	115.00	3.00	118.00

#1
P5

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Grants ⁶
Salaries and wages	(\$24,676)	\$888,392				
Operating expenses			550,000	531,450	77,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						200,000
Prairie public broadcasting						600,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
FTE	0.00	3.00	0.00	0.00	0.00	0.00

	Adds Funding for Surplus Property Building ⁷	Total Senate Changes
Salaries and wages		\$863,716
Operating expenses		1,158,450
Capital assets	800,000	800,000
Grants		
Emergency commission contingency fund		
Guardianship grants		200,000
Prairie public broadcasting		600,000
State student internship program		
Cybersecurity remediation pool		
Total all funds	\$800,000	\$3,622,166
Less estimated income	800,000	795,610
General fund	\$0	\$2,826,556
FTE	0.00	3.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding for FTE positions and other salaries and wages changes are added as follows:

	General Fund	Other Funds	Total
Adds funding for an FTE position (unspecified)	\$70,000		\$70,000
Adds 1 FTE state architect position	232,709		232,709
Adds 1 FTE human resource officer position	174,380		174,380
Adds 1 FTE position (unspecified)	374,303		374,303

Reduces funding for salaries and wages
Total

37,000	37,000
\$888,392	\$0 \$888,392

#1
p6

- ³ Funding of \$550,000 is added for utility rate increases.
- ⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses.
- ⁵ Funding is added for revenue forecasting contract and travel expenses.
- ⁶ Funding of \$200,000 is added for guardianship grants to provide total funding of \$1,532,000, and funding of \$600,000 is added for Prairie Public Broadcasting to provide \$1,400,000.
- ⁷ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building.

This amendment also includes the following changes:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provide an emergency clause for this transfer.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000).
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cash flow purposes, from \$10 million to \$100 million.
- Adds a section to create a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection.
- Adds a section to amend newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.
- Adds a section to create a Legislative Management committee to study tribal taxation issues.
- Adds a section to provide for a Legislative Management study regarding Internet service providers and the collection of personal information.
- Adds a section to provide for a Legislative Management study regarding wind energy tax distributions.

HB1015

4-21-17

#2

P1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, replace "section" with "sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"

Page 1, line 4, after "fees" insert "and the abstract of a county tax list and a statewide property tax increase report; to repeal section 57-20-05 of the North Dakota Century Code, relating to certification of taxes levied by taxing districts"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to provide for a report to the legislative management"

Page 4, after line 2, insert:

"SECTION 10. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall ~~make prepare~~ and transmit to the ~~state~~ tax commissioner, ~~in such form as the tax commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 11. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed."

Renumber accordingly

2
P2

HB 1015
4-21-17
#3
p1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, replace "section" with "sections 15-18.2-06 and"

Page 1, line 4, after the first "to" insert "the minimum amount payable through the higher education funding formula and"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, remove "and"

Page 1, line 5, after "report" insert "; and to declare an emergency"

Page 3, after line 9, insert:

"SECTION 6. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,309,626 or so much of the sum as may be necessary, to Dickinson state university for campus operations payments resulting from the minimum amount payable through the higher education funding formula, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. EXEMPTION - DICKINSON STATE UNIVERSITY - USE OF 2013-15 BIENNIUM APPROPRIATIONS. The amounts appropriated to Dickinson state university for the Theodore Roosevelt center project in section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 of the 2013 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these sections are available to be used by the institution as provided in this section during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the unexpended appropriations available under this section, Dickinson state university shall use the funding as follows:

1. \$4,800,000 must be used for the operations of the institution.
2. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities center. The funds under this subsection may be used only if the funding provided under this subsection will result in final satisfaction of any obligation associated with the facility.
3. \$500,000 must be used to provide a grant to the Theodore Roosevelt presidential library foundation for the digitization of documents related to the library.
4. Any remaining funds must be provided as a grant to the Theodore Roosevelt presidential library foundation for operations, construction, and other costs of the library.

SECTION 8. EXEMPTION - HIGHER EDUCATION CHALLENGE GRANTS. The unexpended amount remaining for the education challenge fund line item in section 1 of chapter 34 of the 2013 Session Laws is not subject to section 54-44.1-11 and the state board of higher education shall transfer any unexpended funds in this line item to Dickinson state university for operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 22, insert:

"**SECTION 12. AMENDMENT.** Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (~~Effective through June 30, 2017~~) Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each fiscal year, ~~beginning with 2014-15~~biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous fiscal year."

Page 4, after line 15, insert:

"**SECTION 15. EMERGENCY.** Section 12 of this Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Amends Section 15-18.2-06 to remove the sunset clause on the minimum amount payable through the higher education funding formula. An appropriation of \$2,309,626 from the general fund is provided to Dickinson State University relating to the formula minimum payment amount.
- Adds a section to authorize Dickinson State University to carryover approximately \$11.5 million of unexpended general fund appropriations from the 2013-15 biennium related to the Theodore Roosevelt Center project. The section provides for various uses of the funding, including campus operations, debt repayment, and grants to the Theodore Roosevelt Presidential Library Foundation.
- Adds a section to authorize the State Board of Higher Education to carryover approximately \$950,000 of unexpended general fund appropriations from the 2013-15 biennium related to challenge grants. The section requires the board to transfer the funds to Dickinson State University for operations of the institution.

#3
p2

HB 1015
4-21-17 #4
p1

Amendment Explanation

1. DSU Operations

This biennium DSU had nearly \$29 million for operations. (Including one time funding). This session with the hold harmless passed by the Senate they are at \$20,133,000 or \$8,764,000 less a 30.3% reduction. DSU has gone through some turbulent times due to poor leadership and a foundation that collapsed.

DSU has a positive outlook due to the fact a new foundation was established over a year ago and has raised over \$4,000,000 for scholarships. In addition, a local group purchased the foundation and alumni house, its contents and a fund to provide for operations and maintenance for six years. The amount raised was \$900,000. The community is strongly supportive.

The amendment asks for \$4,800,000 from the TR Library fund. In addition, we are asking the \$950,000 matching grant balance for DSU be reallocated for operations for the coming biennium. For a total of \$5,750,000.

2017-2019 with hold harmless	20,133,000
Amendment Request	5,750,000
Total	25,883,000
2015-2017 Funding with one time	28,897,000
2017-2019 Funding with amendment	25,883,000
Shortfall with amendment	(3,014,000)

Even with the additional \$5,750,000 and the Senate hold harmless the university would still be \$3,014,000 short of last biennium. Therefore, the university would still have to implement all the Phase I cuts and part of the Phase II cuts. Going beyond this would start to adversely affect future revenues. The university is comfortable in taking the matching grant dollars for operations as when the June 2017 lawsuit for the other creditors of the foundation are settled, the old foundation will be getting restricted fund dollars that will go to the new foundation.

2. Biesiot Activities Center Lawsuit - the state of North Dakota is a defendant in a lawsuit where the banks which bonded for the football stadium are owed \$3,809,000 in principal and with interest is nearly \$4,000,000.00. The trial is set for March 2018 and we will not be back in session until 2019 at which point it may reach \$4,200,000 and \$4,400,000. The assistant attorney general plus two attorneys have told me they believe the state will lose due to "unjust enrichment."

The banks have already agreed to accept \$3,100,000 as a full settlement of all claims against the university.

3. Theodore Roosevelt Digitization Project - to date the university has digitized 40,000 out of 123,000 total documents from Theodore Roosevelt. In previous biennium's \$800,000 have been allocated. This will allow them to continue the project.

#4
P2

4. Theodore Roosevelt Presidential Library - this project has had some progress; however, the need dollars need to be allocated differently for them to be successful. The amendment reallocates the balance of the dollars to be used for operations and other areas. The library board is confident they will be able to use those dollars to hire a top-notch fundraising company to raise the dollars to build the structure to provide for an endowment for the operations and maintenance of the building.

The amendment is the result of two years of my looking into the financial status of Dickinson State University and it's foundation. I believe if this amendment is passed you will see DSU soar to new levels of success as the president of the university knows full well he needs to run a lean ship and earn new revenues to make the university successful.

I would respectfully request the amendment be passed in it's entirety as I strongly believe this will position the university, the foundation and the presidential library for success. The city of Dickinson will put additional dollars into the project as well as they have \$2,700,000 which will be disbursed when serious dollars are being raised. An additional \$5,000,000 has been pledged from the city. The dollars in this amendment will give them the start they need.

I have worked with each one of these groups, Dickinson State University, the new foundation, the attorney general's office, the banks, the library board, the city of Dickinson and every group fully supports the amendment.

Attached, you will find supporting documentation. Thank you for your consideration.

Respectfully,

Rep. Mike Lefor

PROPOSED 2017-19 DSU FUNDING BASED ON CURRENT SENATE RECOMMENDATION

2015-17	2015-17	2015-17		2017-19	2017-19
Base	One time and operating carryover	Total DSU funding		Senate recommendation <i>(includes hold harmless clause)</i>	Change from 2015-17 funding
\$26,215,931	\$2,681,844	\$28,897,775		\$20,133,835	-\$8,763,940

\$8,763,940 = 30.3% reduction

*In preparation for the 2017-19 funding changes
DSU has prepared three phases of reductions:*

Phase I Reduction = \$2,501,859

Phase II Reduction = \$5,003,718

Phase III Reduction = \$8,763,940

PS #4

Strengthen

Increase and stabilize enrollment

Enrollment Data

DSU offers a wide range of academic programs to meet the growing needs of traditional and non-traditional students. Students can choose from a bachelor's, associate's or certificate program to customize their educational experience based on their goals.

2016 DSU Programs

40 Bachelor Degrees
4 Associate Degrees
2 Certificate Programs

2013 DSU Programs

55 Bachelor Degrees
4 Associate Degrees
2 Certificate Programs

While DSU's historic main campus in Dickinson is the hub of classroom activity, DSU also offers classes in Bismarck and Williston; 81 courses are on-line. Enrollment initiatives, including a new online RN to BSN program and a Master of Arts in Teaching, are under consideration at DSU to address student and community needs. Utilizing indirect cost funds, DSU recently hired a grant writer to explore opportunities for external program support.



"Attending DSU was probably the best decision I have ever made in my life. I can say with absolute certainty that there is a huge amount of pride in being able to call myself a Blue Hawk. When I left Dickinson State University I knew that the sky was truly the limit."

Matthew Perdue '16
Political Science & Secondary Education
2015 Truman Scholar

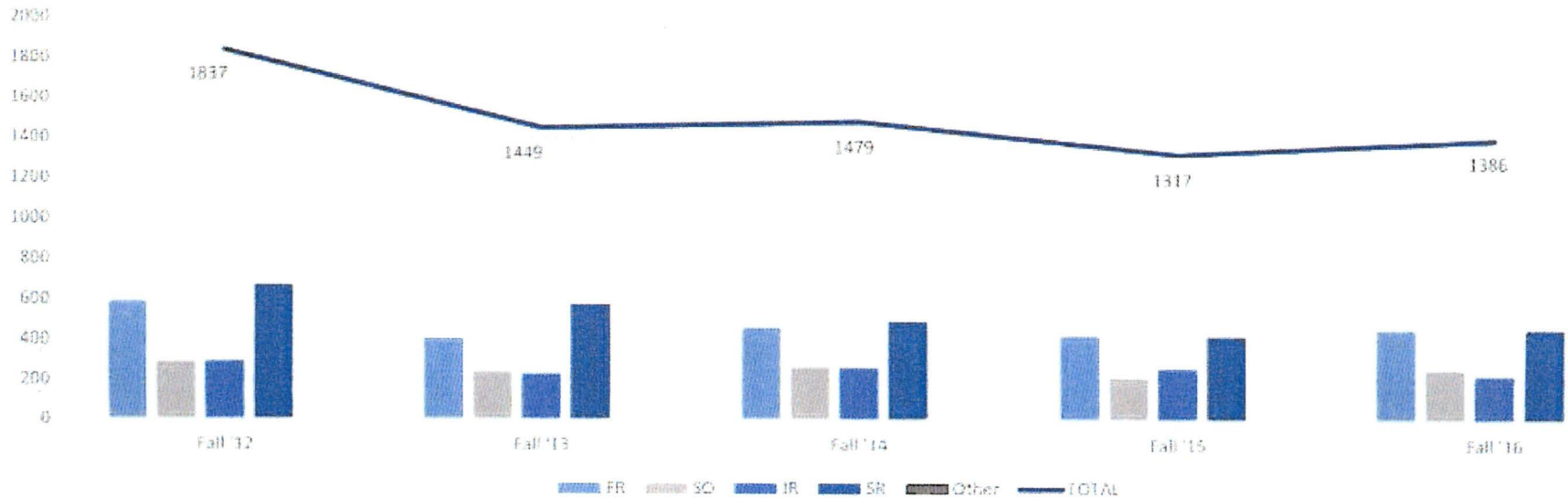
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Strengthen

Fall 2016 Enrollment - 1386 students

- North Dakota - 939
- US (other) - 393
- International - 54 (from 19 countries)

- 5% increase in overall enrollment
- 7% increase in first year students
- 14% increase in student meal plans purchased
- 16% increase in on-campus occupancy



#4
P5

PROPOSED REDUCTIONS TO MEET BUDGET GUIDELINE

PHASE I REDUCTION = \$2,506,854/biennium

<u>Contract changes and salary savings</u>	<u>\$440,000</u>
<ul style="list-style-type: none">- 10 month contracts for some staff members- Early retirement- Shared services position for Institutional Research	
<u>Elimination of Administrative Vice President Position</u>	<u>\$170,000</u>
<u>Reduction in Operating Budgets</u>	<u>\$170,824</u>
<ul style="list-style-type: none">- Partial building closures	
<u>Position Reductions</u>	<u>\$1,026,480</u>
<ul style="list-style-type: none">- 5 faculty positions- 1 library director- 1 financial aid support	
<u>Reduction to Academic Instructional Support</u>	<u>\$17,872</u>
<ul style="list-style-type: none">- Reduced equipment for science labs, fine arts, and technology supports	
<u>Building closures</u>	<u>\$200,000</u>
<ul style="list-style-type: none">- DSU South Art Building	
<u>Reduce institutional waivers</u>	<u>\$300,000</u>
<u>Reduction in Library Supplies</u>	<u>\$181,678</u>
<ul style="list-style-type: none">- Databases, journals and professional resources	
PHASE I REDUCTION TOTAL PER BIENNIUM	\$2,506,854

92 #4

PHASE II REDUCTION = \$2,540,588/biennium

<u>Reduction to Academic Instructional Support</u>	<u>\$150,306</u>
- Reduced equipment for science labs, fine arts, and technology supports	
<u>Reduction in Student Affairs and Enrollment Management Budget</u>	<u>\$73,400</u>
<u>Reduction in marketing and outreach</u>	<u>\$402,400</u>
<u>Personnel Reduction</u>	<u>\$1,210,088</u>
- 1 director position	
- 3 faculty positions	
- 6 staff positions	
<u>Reduce student employment pool</u>	<u>\$50,000</u>
<u>Reduce dependent tuition benefit</u>	<u>\$42,000</u>
<u>Reduce custodial services</u>	<u>\$40,000</u>
<u>Combine academic departments</u>	<u>\$60,000</u>
<u>Reduce faculty professional development</u>	<u>\$160,790</u>
<u>Eliminate STEM initiative</u>	<u>\$351,604</u>
- Operational cost and 1 staff position	

PHASE II REDUCTION TOTAL

\$2,540,588

PH

PHASE III REDUCTION = \$3,716,498/biennium

Eliminate 7 Athletic Teams \$1,300,824

Eliminate 2 Academic Departments \$2,415,674

- Faculty and staff positions

PS #4

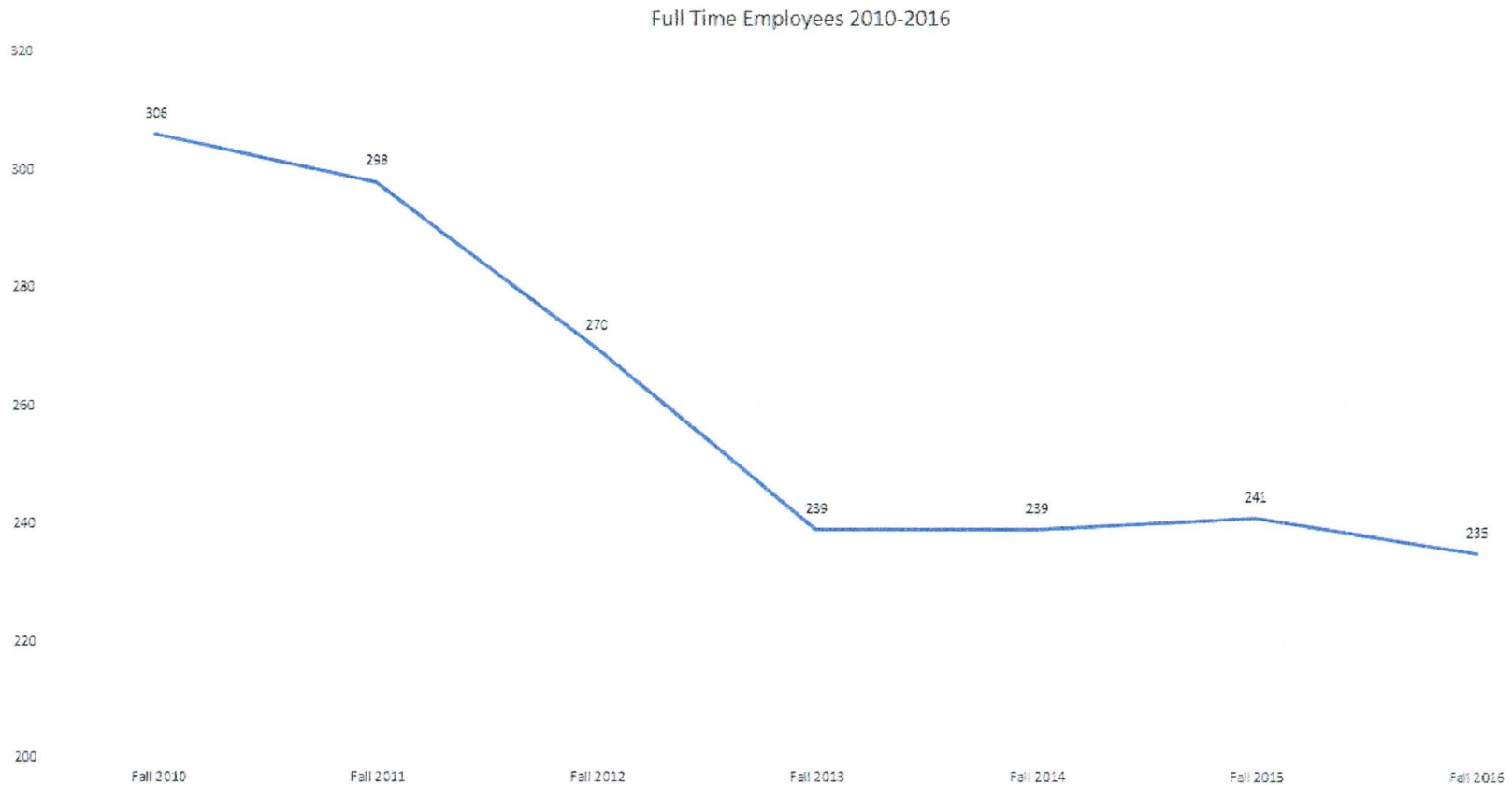
PHASE III REDUCTION TOTAL

\$3,716,498

PERSONNEL REDUCTIONS

Currently, DSU has 101 faculty and 134 staff serving 1386 students and working on outreach to prospects and the region.

Since 2010 DSU has been proactively reducing operating expenses through collaboration and consolidation, resulting in a decrease in the number of personnel (FTE) from 306 to 235.



#4
pg

IMPACT OF ALLOTMENT

	Totals	Allotment at 6.55%	SB2063 Base Level GF
2015-17 Base General Fund Appropriation 1/31/16	\$ 26,215,931	\$ (1,688,698)	\$ 24,527,233

Reduction in library staff and operating expenses	(78,233.00)
Reduction in student labor and operating	(153,361.00)
Reduction in divisional operating budgets	(160,709.00)
Return of capital asset allotment	(409,078.00)
Salary savings (positions filled at lower salary levels)	(57,422.00)
7 faculty lines eliminated or reduced	(610,059.00)
1 dean position eliminated	(194,836.00)
1 staff position eliminated	(25,000.00)

010
#4

RAMIFICATION OF PROGRAM REDUCTIONS

The additional reductions to personnel and programs required to implement the currently proposed budget would result in a negative impact on students and may result in a “domino” effect that might not be reversible.

By cutting academic programs, athletic programs, and services to students DSU may see a reduction in student enrollment which would result in a loss of more than **\$2.8 million** in revenue over the next biennium.

For example:

- Elimination of 2 academic departments may result in a reduction of **100 full time enrolled students**
- Elimination of 7 athletic teams may result in reduction of **150 full time enrolled students**

$$\begin{array}{r}
 \$7,300 \quad \approx \text{tuition and fees per year} \\
 \times 250 \quad \approx \text{students} \\
 \hline
 \$1,825,000 \quad \approx \text{revenue lost per year}
 \end{array}$$

$$\begin{array}{r}
 \$6,459 \quad \approx \text{room and board per year} \\
 \times 150 \quad \approx \text{students} \\
 \hline
 \$968,850 \quad \approx \text{revenue lost per year}
 \end{array}$$

$$\begin{array}{r}
 \$2,793,850 \quad \approx \text{total revenue lost per year} \quad \text{or} \quad \$5,587,700 \quad \approx \text{total revenue lost in the biennium}
 \end{array}$$

Additionally, this may result in reduced student credit hour production which would have a negative impact for DSU in future biennia, if the current funding formula were to remain in effect.

P11 #4

ONE MORE BIENNIAL BOOST

Current Senate Recommendation - \$20,133,835

To provide high-quality, accessible programs which are needed in our region to support and sustain the economy, health and quality of life we are asking the legislature for one more biennial boost for 2017-19.

In addition, the Theodore Roosevelt Center, which is housed at DSU, received a separate one time appropriation in the past. This appropriation was given in 2015-2017 for \$800,000, and is not accounted for in the current governor's budget recommendation or funding formula.

2015-17	2015-17	2015-17		2017-19	2017-19
Base	One time and operating carryover	Total DSU funding		Current recommendation <i>(includes hold harmless clause)</i>	Change from 2015-17 funding
\$26,215,931	\$2,681,844	\$28,897,775		\$20,133,835	-\$8,763,940

\$8,763,940 = 30.3% reduction

pld #4

April 27, 2017

Attachment A

17-19

**2015-2017 BASE BUDGET
EXTRAORDINARY REPAIRS NARRATIVE**

Mechanical Improvements

Chiller overhaul at Judicial Wing and Heritage Center \$ 75,000

Engineering to design the replacement of domestic water system in the Capitol Tower \$ 25,000

Plumbing upgrades in restrooms \$100,000

Chiller Cooling Tower Replacement – 400 ton cooling tower exceed its useful life by 10 years. \$525,000

Electrical Improvements

Includes various small electrical projects throughout the Capitol buildings and grounds. \$163,000

Small Renovation

Fire suppression 2nd and 3rd floors in the Judicial Wing \$100,000

Replace tables, chairs, carpet and ceiling in Pioneer Room \$ 80,000

Replace elevator floor in south Judicial Wing elevator \$ 40,066

Total \$1,108,066

April 27, 2017

Attachment B

2

6-09-15.1. Loans to general fund authorized - Continuing appropriation.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, borrow from the bank of North Dakota in an amount ~~execute and~~ issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceeds the total principal amount of ten one hundred million dollars with principal maturity not to extend beyond the biennium in which the borrowing occurs ~~of not more~~ than twelve months. As a condition precedent to the issuance and sale of the evidences of indebtedness loan, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the biennium fiscal year in which the loan is taken ~~evidences of indebtedness are to~~ be issued will exceed the principal amount and interest on the loan ~~evidences of indebtedness to be~~ issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer and director of the office of management and budget shall establish a repayment plan fund for the repayment of the principal upon maturity and the interest when due. ~~The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.~~

504

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April 21, 2017

HB 1015
4/27/17
AA #1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

Page 3, after line 17, insert:

"SECTION 8. LEGISLATIVE INTENT - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. It is the intent of the sixty-fifth legislative assembly that the public employees retirement system board adjusts the state employee health insurance plan design benefits as necessary to provide that health insurance premium rates do not exceed \$1,309 per month per participating employee during the biennium beginning July 1, 2019, and ending June 30, 2021. It is also the intent of the sixty-fifth legislative assembly that the health insurance premium rate calculation of \$1,309 be based on the average of all single and family health insurance plans anticipated to be in effect during the biennium beginning July 1, 2019, and ending June 30, 2021.

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section of legislative intent that the Public Employees Retirement System Board adjust the health insurance plan design benefits for state employees for the 2019-21 biennium to provide that health insurance premiums do not exceed \$1,309 per month.

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE www.nd.gov/sos



SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

April 13, 2017

HB 1015
4/27/17
AH #2

PHONE (701) 328-2900

FAX (701) 328-2992

E-MAIL sos@nd.gov

TO: Senator Wardner, Representative Carlson

FR: Al Jaeger, Secretary of State *WJ*

RE: Brakebill v. Jaeger, Case No. 1:16-cv-8 (Voter ID lawsuit)

I met with the Attorney General this afternoon related to a briefing memorandum he received from the Deputy Solicitor General related to the subject lawsuit.

Although with the ultimate passage of HB 1369 and a motion that will be filed with the federal judge to dissolve the preliminary injunction against the Secretary of State, the case could take many twists and turns. Depending on the federal judge's decision (whether for or against the state), the case could result in appeals by either party, the need to hire expert witnesses, possibility of having to pay plaintiff's attorney fees, discovery costs, etc.

According to the Deputy Solicitor General, it is difficult to predict and it is not known if significant costs will be incurred in the next two years, nevertheless he is estimating under the "worst-case" scenario, the costs to the state could likely surpass \$200,000 and could reach \$400,000 to \$500,000.

Obviously, neither my budget nor the Attorney General's has the funding to cover these costs.

I do not know what the options might be at this point. But, based on what I learned this afternoon, I am informing you of the possibility of these costs so that you are aware of them now while you are in session.

I suppose it could be an appropriation now or maybe authority to borrow from the BND if funds are needed to cover costs prior to the next legislative session.