

**2021 HOUSE APPROPRIATIONS**

**HB 1024**

**Department 195 - Ethics Commission**  
**House Bill No. 1024**

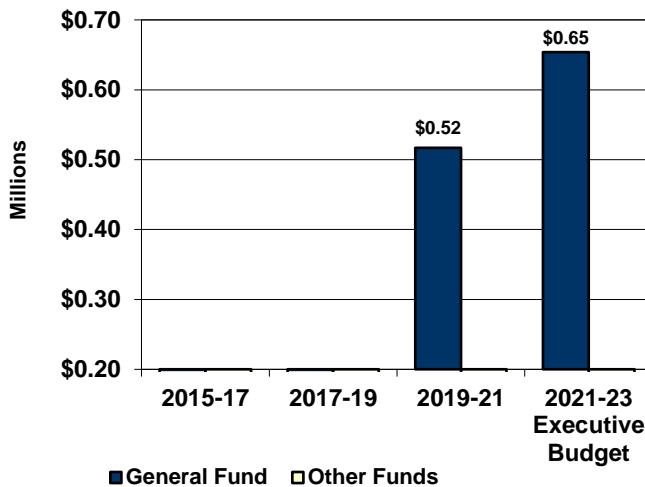
**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	2.00	\$653,674	\$0	\$653,674
2019-21 Legislative Appropriations	2.00	517,155	0	517,155
Increase (Decrease)	0.00	\$136,519	\$0	\$136,519

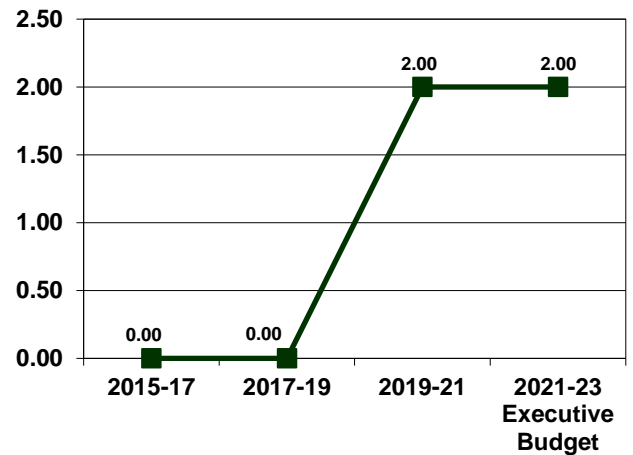
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$653,674	\$0	\$653,674
2019-21 Legislative Appropriations	517,155	0	517,155
Increase (Decrease)	\$136,519	\$0	\$136,519

**Agency Funding**



**FTE Positions**



**Note:** The Ethics Commission was enacted in House Bill No. 1521 (2019) and there are no appropriations for this agency prior to the 2019-21 biennium.

**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$653,674	\$0	\$653,674
2021-23 Base Level	517,155	0	517,155
Increase (Decrease)	\$136,519	\$0	\$136,519

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$9,670 is for salary increases, \$22 is for health insurance increases, and \$2,024 is for retirement contribution increases	\$11,716	\$0	\$11,716
2. Increases funding for salaries to provide funding for a full biennium	\$123,989	\$0	\$123,989
3. Reduces funding for operating expenses	(\$49,847)	\$0	(\$49,847)
4. Adds funding for contingencies	\$50,000	\$0	\$50,000
5. Adds funding for Microsoft Office 365 licensing expenses	\$661	\$0	\$661

**Continuing Appropriations**

There are no continuing appropriations for this agency.

### **Deficiency Appropriation**

There are no deficiency appropriations for this agency.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Major Related Legislation**

**House Bill No. 1043 - Ethics Commission Authority** - Authorizes the Ethics Commission to provide written advisory opinions and adjusts the duties of the commission.

**Senate Bill No. 2034 - Ethics Commission Authority** - Authorizes the Ethics Commission to provide written advisory opinions upon the request of a public official, candidate for elected office, or lobbyist.

**Ethics Commission - Budget No. 195**  
**House Bill No. 1024**  
**Base Level Funding Changes**

**Executive Budget Recommendation**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2021-23 Biennium Base Level</b>	2.00	\$517,155	\$0	\$517,155
<b>2021-23 Ongoing Funding Changes</b>				
Base payroll changes - provide salary funding for full biennium		\$123,989		\$123,989
Salary increase		9,670		9,670
Retirement contribution increase		2,024		2,024
Health insurance increase		22		22
Operating expense reduction		(49,847)		(49,847)
Contingency funding		50,000		50,000
Microsoft Office 365 licensing expenses		661		661
Total ongoing funding changes	0.00	\$136,519	\$0	\$136,519
<b>One-time funding items</b>				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$136,519	\$0	\$136,519
<b>2021-23 Total Funding</b>	2.00	\$653,674	\$0	\$653,674
<i>Total ongoing changes as a percentage of</i>	0.0%	26.4%		26.4%
<i>Total changes as a percentage of base level</i>	0.0%	26.4%		26.4%

**Other Sections in Ethics Commission - Budget No. 195**

**Executive Budget Recommendation**

There are no other sections recommended to be added in the executive budget.

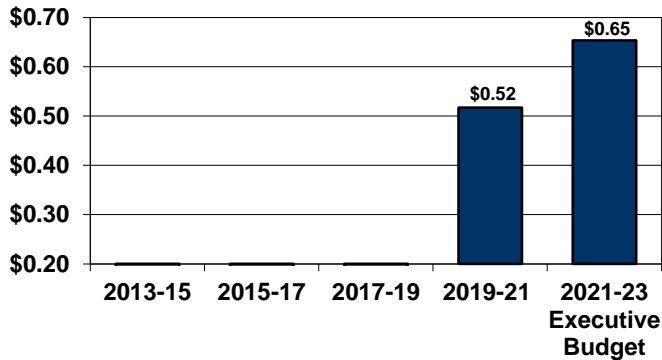


## Department 195 - Ethics Commission

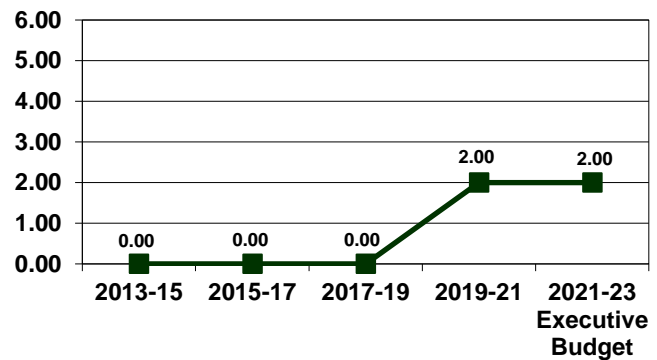
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	N/A	N/A	N/A	\$517,155	\$653,674
Increase (decrease) from previous biennium	N/A	N/A	N/A	N/A	\$136,519
Percentage increase (decrease) from previous biennium	N/A	N/A	N/A	N/A	26.4%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2019-21 Biennium

- |  |           |
|--|-----------|
| 1. Added funding and 2 FTE positions for the Ethics Commission | \$517,155 |
|--|-----------|

#### 2021-23 Biennium (Executive Budget Recommendation)

- |  |            |
|--|------------|
| 1. Increases funding for salaries to provide funding for a full biennium | \$123,989  |
| 2. Reduces funding for operating expenses                                | (\$49,847) |
| 3. Adds funding for contingencies  | \$50,000   |

# GOVERNOR'S RECOMMENDATION FOR THE ETHICS COMMISSION AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury not otherwise appropriated, to the ethics commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Ethics Commission	\$517,155	\$136,519	\$653,674
Total General Fund	\$517,155	\$136,519	\$653,674
Full-time Equivalent Positions	2.00	0.00	2.00

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1024

1/14/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

11:04 **Chairman Vigesaa** called the meeting back to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Kempenich, Representative Howe, Representative Meier, Representative Bellew and Representative Mock.

### Discussion Topics:

- Appropriation request for the 2021-2023 budget.
- Agency update
- Governor's budget comparison

11:05 **Dave Thiele**, Executive Director, ND Ethics Commission presentation – testimony #701.

11:15 **Holly Gaugler**, Office Manager, ND Ethics Commission answered questions.

11:36 **Chairman Vigesaa** adjourned the meeting.

*Sheri Lewis, Committee Clerk*

**TESTIMONY OF DAVE THIELE**  
**EXECUTIVE DIRECTOR, NORTH DAKOTA ETHICS COMMISSION**  
**BEFORE THE**  
**HOUSE APPROPRIATIONS – GOVERNMENT OPERATIONS DIVISION**  
**January 14, 2021**

**Agency Update**

The Ethics Commission was created pursuant to Article XIV of the North Dakota Constitution which became effective January 5, 2019. On August 8, 2019, five Commission members were appointed by the Governor and Senate Majority/Minority leaders: Ron Goodman (Bismarck), Chair; Dr. Cynthia Lindquist (St. Michael), Vice-Chair; Paul Richard (Fargo), Secretary; Ward Koeser (Williston); and David Anderson (Bismarck) with appointments effective September 1, 2019. Allyson Hicks, Assistant Attorney General, has been assigned as legal advisor to the Commission.

To date, the Commission has: obtained office space and furniture; hired myself and Office Manager, Holly Gaugler; held 12 public meetings; created and adopted rules relating to the complaint process and gifts between public officials and lobbyists; created a public website <https://www.ethicscommission.nd.gov>; and adopted a mission statement and an internal Code of Ethics. There have been three complaints filed with all dismissed. There are two pending complaints with the Commission that will be reviewed at the end of January.

**Current Budget Status (Attachment #2)**

The 2019-21 biennial budget for the Ethics Commission is \$517,155 in general funds with no one-time funding. As of December 31, 2020, we have spent \$298,365 with a remaining balance of \$218,790. We have attached a current budget update as of December 31, 2020, (Attachment #2). Although our budget is a single budget line, we have included a detailed listing of our expenditures.

Our current budget includes five commission members and two FTE's to include myself as the Executive Director. I was hired in my position in January 2019. We did not fill the administrative position utilizing the second FTE to conserve resources as well as being

uncertain of the required workload. In April of 2019, we hired a temporary part-time office manager as we continue to assess the full administrative requirements.

Due to the delayed hiring and related savings in office costs, we are estimating a general fund turn-back of approximately \$65,000 to \$75,000. The Commission did not receive special or federal funding and we did not receive COVID-19 federal funding.

### **2021-23 Budget (Attachment #3)**

The 2021-23 budget submitted by the Ethics Commission included an adjusted base budget with a 5% general fund reduction (\$25,858) from our 2019-21 base of \$517,155 to \$491,297. Attachment #3 shows the reprioritization to meet that reduction by funding salaries for a full biennium and reducing operating costs to meet that requirement.

Our request also included an optional adjustment of \$150,708 to increase the 2021-23 budget to \$642,005 with \$475,989 in salaries and \$166,016 in operating costs. This is a net increase to the 2019-21 base budget of \$124,850. This included an increase of \$123,989 for salaries and \$861 for operating costs. No individual salary increases were requested in our submittal. The increase in salary costs is simply a reflection of a delay in hiring last biennium and full funding for five commissioners, the executive director and a part-time office manager. The vacant administrative FTE is retained in our budget request but not funded. We did not request any one-time funding.

The 2021-23 budget request funds one FTE, one part-time temporary employee and five commissioners for a total \$475,989. Operating costs consist of office rent (\$52,416); NDIT costs (\$38,900); estimated travel costs (\$37,600); investigative costs (\$20,000); rules notice advertising (\$10,000); and other miscellaneous operating costs (\$7,100) for a total of \$166,016.

The Governor's recommended budget of \$653,674 includes a total increase of \$136,519 to the base budget which fully funds salaries and benefits at \$487,705 with a recommended 2% increase each year of the biennium for the executive director position. This increase also provides \$165,969 in operational costs with \$50,000 of that amount in contingency costs. This contingency was part of the appropriated operating costs due to the uncertainty of overall costs for a full biennium.

In summary, the Governor' recommended budget of \$653,674 was \$11,669 higher than the Ethics Commission request of \$642,005. The Governor's budget included an increase of \$11,716 for the 2% salary increase for both years of the biennium and a net reduction of \$47 in operating expenses.

Mr. Chairman, that concludes my testimony and I will gladly stand for any questions you may have.

**Attachments**

1. Organization chart
2. Budget status as of December 31, 2020
3. Governor's budget comparison

# North Dakota Ethics Commission

## Organization chart

ATTACHMENT #1



## 2019-21 Budget Status as of December 31, 2020

**SUMMARIZED**

<u>Decription</u>	<u>2019-21 Base Budget</u>	<u>Expenditures as of December 31, 2020</u>	<u>Remaining Balance</u>
Salaries and Benefits	\$ 352,000.00	\$ 208,390.00	\$ 143,610.00
Operating Expenses	\$ 165,155.00	\$ 89,975.00	\$ 75,180.00
Total General Funds	\$ 517,155.00	\$ 298,365.00	\$ 218,790.00

**DETAIL**

<u>Decription</u>	<u>Code</u>	<u>2019-21 Base Budget</u>	<u>Expenditures as of December 31, 2020</u>	<u>Remaining Balance</u>
<b>Salaries and Benefits</b>				
Salaries - Permanent	511000	\$ 241,000.00	\$ 144,249.00	\$ 96,751.00
Temporary Salaries	513000	\$ 54,000.00	\$ 25,608.00	\$ 28,392.00
Fringe Benefits	516000	\$ 57,000.00	\$ 38,533.00	\$ 18,467.00
		\$ 352,000.00	\$ 208,390.00	\$ 143,610.00
<b>Operating Expenses</b>				
Travel	521000	\$ 24,000.00	\$ 10,886.00	\$ 13,114.00
Miscellaneous Supplies	535000	\$ 1,000.00	\$ 224.00	\$ 776.00
Office Supplies	536000	\$ 3,500.00	\$ 1,141.00	\$ 2,359.00
Printing	542000	\$ 500.00	\$ 68.00	\$ 432.00
Office Equip & Furn Supplies	553000	\$ 14,999.00	\$ 14,622.00	\$ 377.00
Rentals/Leases-Equip & Other	581000	\$ 2,300.00	\$ 1,331.00	\$ 969.00
Rentals/Leases - Bldg/Land	582000	\$ 39,612.00	\$ 26,508.00	\$ 13,104.00
IT - Data Processing	601000	\$ 40,000.00	\$ 27,961.00	\$ 12,039.00
IT - Communications	602000	\$ 1,500.00	\$ 908.00	\$ 592.00
Professional Development	611000	\$ 6,000.00	\$ 1,935.00	\$ 4,065.00
Operating Fees and Services	621000	\$ 11,744.00	\$ 4,211.00	\$ 7,533.00
Fees - Professional Services	623000	\$ 20,000.00	\$ 180.00	\$ 19,820.00
		\$ 165,155.00	\$ 89,975.00	\$ 75,180.00
Total General Funds		\$ 517,155.00	\$ 298,365.00	\$ 218,790.00

TOTAL AUTHORIZED FTE's

2





# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1024

1/27/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

10:30 **Chairman Vigesaa** brought the meeting to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Howe, Representative Bellew, Representative Mock. Members absent: Representative Kempenich, Representative Meier.

### Discussion Topics:

- Based level funding changes
- 

10:31 Representative Mock explained the bill. Testimony #3132.

10:45 **Chairman Vigesaa** adjourned the meeting.

*Sheri Lewis, Committee Clerk*

**Ethics Commission - Budget No. 195**  
**House Bill No. 1024**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	2.00	\$517,155	\$0	\$517,155	2.00	\$517,155	\$0	\$517,155
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes - provide salary funding for full biennium		\$123,989		\$123,989				\$0
Salary increase		9,670		9,670				0
Retirement contribution increase		2,024		2,024				0
Health insurance increase		22		22				0
Operating expense reduction		(49,847)		(49,847)				0
Contingency funding		50,000		50,000				0
Microsoft Office 365 licensing expenses		661		661				0
Total ongoing funding changes	0.00	\$136,519	\$0	\$136,519	0.00	\$0	\$0	\$0
<b>One-time funding items</b>								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$136,519	\$0	\$136,519	0.00	\$0	\$0	\$0
<b>2021-23 Total Funding</b>	2.00	\$653,674	\$0	\$653,674	2.00	\$517,155	\$0	\$517,155
<i>Total ongoing changes as a percentage of</i>	0.0%	26.4%		26.4%	0.0%	0.0%		0.0%
<i>Total changes as a percentage of base level</i>	0.0%	26.4%		26.4%	0.0%	0.0%		0.0%

**Other Sections in Ethics Commission - Budget No. 195**

Executive Budget Recommendation
There are no other sections recommended to be added in the executive budget.

**House Version**

## 2021 HOUSE STANDING COMMITTEE MINUTES

### Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1024

2/1/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.
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11:14 **Chairman Vigesaa** brought the committee to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Kempenich, Representative Howe, Representative Bellew, Representative Meier, Representative Mock.

#### Discussion Topics:

- Appropriation request for the 2021-2023 biennium budget.
- Green sheet.

11:32 **Chairman Vigesaa** adjourned the meeting.

*Sheri Lewis, Committee Clerk*

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1024

2/8/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

09:31 **Chairman Vigesaa** brought the meeting to order. Members present: Chairman Vigesaa, Representative Kempenich, Representative Howe, Representative Meier, Representative Bellew, Representative Mock. Members absent: Vice Chairman Brandenburg.

### Discussion Topics:

- Location of the ethics committee
- Rent of the agency
- Base budget changes
- Amendments to the budget

09:31 **Representative Mock** explained the agency's bill. Testimony #3132.

10:03 **Representative Mock** made a motion to adopt the proposed amendment. LC21.0362.01001.

10:03 Representative Meier seconded the motion.

10:05 Voice vote.

10:05 Motion carried.

10:13 Representative Mock made a motion to further amend with a 5% further reduction.

10:14 Representative Meier seconded the motion.

10:16 Voice vote

10:16 Motion carried.

10:17 Representative Mock made a motion for a Do pass as amended.

10:17 Representative Meier seconded the motion.

10:18 Roll call vote: 6 Yeas 0 Nays 1 Absent

10:18 Motion carried.

<b><i>Representatives</i></b>	<b>Yes</b>	<b>No</b>
<i>Chairman Vigesaa</i>	X	
<i>Vice Chairman Brandenburg</i>	A	
<i>Representative Kempenich</i>	X	
<i>Representative Howe</i>	X	
<i>Representative Meier</i>	X	
<i>Representative Bellew</i>	X	
<i>Representative Mock</i>	X	

10:21 Chairman Vigesaa closed the meeting.

*Sheri Lewis, Committee Clerk*

## PROPOSED AMENDMENTS TO HOUSE BILL NO. 1024

Page 1, replace lines 9 through 13 with:

	Base Level	Adjustments or Enhancements	Appropriation
Ethics commission	\$517,155	(\$17,940)	\$499,215
Total general fund	\$517,155	(\$17,940)	\$499,215
Full-time equivalent positions	2.00	0.00	2.00"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1024 - Ethics Commission - House Action

	Base Budget	House Changes	House Version
Ethics Commission	\$517,155	(\$17,940)	\$499,215
Total all funds	\$517,155	(\$17,940)	\$499,215
Less estimated income	0	0	0
General fund	\$517,155	(\$17,940)	\$499,215
FTE	2.00	0.00	2.00

## Department 195 - Ethics Commission - Detail of House Changes

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Microsoft Office 365 Licensing Expenses <sup>2</sup>	Reduces Funding for Operations <sup>3</sup>	Total House Changes
Ethics Commission	\$7,257	\$661	(\$25,858)	(\$17,940)
Total all funds	\$7,257	\$661	(\$25,858)	(\$17,940)
Less estimated income	0	0	0	0
General fund	\$7,257	\$661	(\$25,858)	(\$17,940)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250; and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>
Salary increase	\$7,235
Health insurance increase	22
Total	\$7,257

<sup>2</sup> Funding is added for Microsoft Office 365 licensing expenses.

<sup>3</sup> Funding for operations of the Ethics Commission is reduced by 5 percent.

**Ethics Commission - Budget No. 195**  
**House Bill No. 1024**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	2.00	\$517,155	\$0	\$517,155	2.00	\$517,155	\$0	\$517,155
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes - provide salary funding for full biennium		\$123,989		\$123,989				\$0
Salary increase		9,670		9,670				0
Retirement contribution increase		2,024		2,024				0
Health insurance increase		22		22				0
Operating expense reduction		(49,847)		(49,847)				0
Contingency funding		50,000		50,000				0
Microsoft Office 365 licensing expenses		661		661				0
Total ongoing funding changes	0.00	\$136,519	\$0	\$136,519	0.00	\$0	\$0	\$0
<b>One-time funding items</b>								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$136,519	\$0	\$136,519	0.00	\$0	\$0	\$0
<b>2021-23 Total Funding</b>	2.00	\$653,674	\$0	\$653,674	2.00	\$517,155	\$0	\$517,155
<i>Total ongoing changes as a percentage of</i>	0.0%	26.4%		26.4%	0.0%	0.0%		0.0%
<i>Total changes as a percentage of base level</i>	0.0%	26.4%		26.4%	0.0%	0.0%		0.0%

**Other Sections in Ethics Commission - Budget No. 195**

**Executive Budget Recommendation**  
 There are no other sections recommended to be added in the executive budget.

**House Version**



# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1024  
2/16/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

**10:30 Chairman Delzer-** Opens the meeting for HB 1024;

Representatives	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Amendment

**10:31 Representative Mock-** Explains the budget and the amendment 21.0362.01001

**10:35 Representative Mock** Move the amendment

**Representative Howe-** Second

Further discussion

**10:35 Voice Vote- Motion Carries**

**10:36 Representative Schatz-** Makes a motion to further amend 21.0362.01002

**Representative Martinson-** Second

Further discussion

**10:49 Voice Vote- Roll call vote requested**

**10:50 Roll call vote was taken;**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	Y
Representative Keith Kempenich	N
Representative Bert Anderson	N
Representative Larry Bellew	Y
Representative Tracy Boe	N
Representative Mike Brandenburg	N
Representative Michael Howe	N
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	N
Representative Alisa Mitskog	N
Representative Corey Mock	N
Representative David Monson	N
Representative Mike Nathe	Y
Representative Jon O. Nelson	N
Representative Mark Sanford	N
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	N
Representative Michelle Strinden	N
Representative Don Vigesaa	N

**Motion Failed 7-14-0**

Further Discussion

**10:55 Representative Monson-**Motion to further amend and remove the vacant FTE

**Representative Martinson-**Second

Further discussion

**10:57 Voice Vote Motion Carries**

**10:58 Representative Mock** Do Pass as Amended

**Representative Howe-** Second

Further discussion

**10:58 Roll Call Vote was taken;**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	N
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	N
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigasaa	Y

**Motion Carries 17-4-0 Representative Mock will carry the bill**

Further Discussion

**Additional written testimony:** No Written Testimony

**11:01 Chairman Delzer- Closes the meeting for HB 1024**

*Risa Berube,*

*House Appropriations Committee Clerk*

**PROPOSED AMENDMENTS TO HOUSE BILL NO. 1024**

Page 1, replace lines 9 through 13 with:

	Base Level	Adjustments or Enhancements	Appropriation
Ethics commission	<u>\$517,155</u>	<u>(\$17,940)</u>	<u>\$499,215</u>
Total general fund	\$517,155	(\$17,940)	\$499,215
Full-time equivalent positions	2.00	0.00	2.00"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Ethics Commission - House Action**

	Base Budget	House Changes	House Version
Ethics Commission	\$517,155	(\$17,940)	\$499,215
Total all funds	\$517,155	(\$17,940)	\$499,215
Less estimated income	0	0	0
General fund	\$517,155	(\$17,940)	\$499,215
FTE	2.00	0.00	2.00

**Department 195 - Ethics Commission - Detail of House Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Microsoft Office 365 Licensing Expenses <sup>2</sup>	Reduces Funding for Operations <sup>3</sup>	Total House Changes
Ethics Commission	\$7,257	\$661	(\$25,858)	(\$17,940)
Total all funds	\$7,257	\$661	(\$25,858)	(\$17,940)
Less estimated income	0	0	0	0
General fund	\$7,257	\$661	(\$25,858)	(\$17,940)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250; and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>
Salary increase	\$7,235
Health insurance increase	22
Total	\$7,257

<sup>2</sup> Funding is added for Microsoft Office 365 licensing expenses.

<sup>3</sup> Funding for operations of the Ethics Commission is reduced by 5 percent.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1024

Page 1, replace lines 9 through 13 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Ethics commission	\$517,155	(\$267,547)	\$249,608
Total general fund	\$517,155	(\$267,547)	\$249,608
Full-time equivalent positions	2.00	(1.00)	1.00"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Ethics Commission - House Action**

	<u>Base Budget</u>	<u>House Changes</u>	<u>House Version</u>
Ethics Commission	\$517,155	(\$267,547)	\$249,608
Total all funds	\$517,155	(\$267,547)	\$249,608
Less estimated income	0	0	0
General fund	\$517,155	(\$267,547)	\$249,608
FTE	2.00	(1.00)	1.00

**Department 195 - Ethics Commission - Detail of House Changes**

	<u>Reduces Funding and FTE Positions<sup>1</sup></u>	<u>Total House Changes</u>
Ethics Commission	(\$267,547)	(\$267,547)
Total all funds	(\$267,547)	(\$267,547)
Less estimated income	0	0
General fund	(\$267,547)	(\$267,547)
FTE	(1.00)	(1.00)

<sup>1</sup> Funding for the operations of the Ethics Commission is reduced to \$249,608 and 1 FTE position is removed.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1024

Page 1, replace lines 9 through 13 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Ethics commission	\$517,155	(\$17,940)	\$499,215
Total general fund	\$517,155	(\$17,940)	\$499,215
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Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Ethics Commission - House Action**

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Total all funds	\$517,155	(\$17,940)	\$499,215
Less estimated income	0	0	0
General fund	\$517,155	(\$17,940)	\$499,215
FTE	2.00	(1.00)	1.00

**Department 195 - Ethics Commission - Detail of House Changes**

	<u>Adds Funding for Salary and Benefit Increases<sup>1</sup></u>	<u>Removes Vacant FTE Position<sup>2</sup></u>	<u>Adds Funding for Microsoft Office 365 Licensing Expenses<sup>3</sup></u>	<u>Reduces Funding for Operations<sup>4</sup></u>	<u>Total House Changes</u>
Ethics Commission	\$7,257		\$661	(\$25,858)	(\$17,940)
Total all funds	\$7,257	\$0	\$661	(\$25,858)	(\$17,940)
Less estimated income	0	0	0	0	0
General fund	\$7,257	\$0	\$661	(\$25,858)	(\$17,940)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>
Salary increase	\$7,235
Health insurance increase	22
Total	\$7,257

<sup>2</sup> One vacant unfunded FTE position is removed.

<sup>3</sup> Funding is added for Microsoft Office 365 licensing expenses.

<sup>4</sup> Funding for operations of the Ethics Commission is reduced by 5 percent.

**REPORT OF STANDING COMMITTEE**

**HB 1024: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1024 was placed on the Sixth order on the calendar.

Page 1, replace lines 9 through 13 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Ethics commission	\$517,155	(\$17,940)	\$499,215
Total general fund	\$517,155	(\$17,940)	\$499,215
Full-time equivalent positions	2.00	(1.00)	1.00"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Ethics Commission - House Action**

	<u>Base Budget</u>	<u>House Changes</u>	<u>House Version</u>
Ethics Commission	\$517,155	(\$17,940)	\$499,215
Total all funds	\$517,155	(\$17,940)	\$499,215
Less estimated income	0	0	0
General fund	\$517,155	(\$17,940)	\$499,215
FTE	2.00	(1.00)	1.00

**Department 195 - Ethics Commission - Detail of House Changes**

	<u>Adds Funding for Salary and Benefit Increases<sup>1</sup></u>	<u>Removes Vacant FTE Position<sup>2</sup></u>	<u>Adds Funding for Microsoft Office 365 Licensing Expenses<sup>3</sup></u>	<u>Reduces Funding for Operations<sup>4</sup></u>	<u>Total House Changes</u>
Ethics Commission	\$7,257		\$661	(\$25,858)	(\$17,940)
Total all funds	\$7,257	\$0	\$661	(\$25,858)	(\$17,940)
Less estimated income	0	0	0	0	0
General fund	\$7,257	\$0	\$661	(\$25,858)	(\$17,940)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>
Salary increase	\$7,235
Health insurance increase	22
Total	\$7,257

<sup>2</sup> One vacant unfunded FTE position is removed.

<sup>3</sup> Funding is added for Microsoft Office 365 licensing expenses.

<sup>4</sup> Funding for operations of the Ethics Commission is reduced by 5 percent.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1024  
2/23/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

**7:19 AM Chairman Delzer-** Opens the meeting for HB 1024;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Reconsideration

**7:19 Representative Mock-** Makes a motion for Reconsideration

**Representative Howe** Second

**7:20 Voice Vote- Motion Carries**

**Representative Vigesaa-** Reviews what the sub committee recommended

**7:22 Representative Martinson** Makes a motion for a Do Pass

**Representative Boe** Second



Further discussion

**Roll Call Vote was taken;**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	N
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	N
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

**Motion Carries 17-4-0 Representative Mock will carry the bill**

**Additional written testimony:** No written testimony

**7:24 Chairman Delzer** Closes the meeting for HB 1024

*Risa Berube,*

*House Appropriations Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1024, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)**  
recommends **DO PASS** (17 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed HB 1024 was placed on the Eleventh order on the calendar.

**2021 SENATE APPROPRIATIONS**

**HB 1024**

**Department 195 - Ethics Commission**  
**House Bill No. 1024**

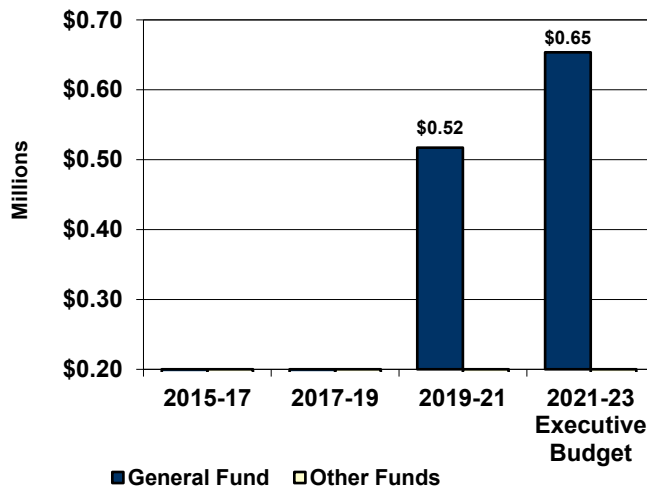
**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	2.00	\$653,674	\$0	\$653,674
2019-21 Legislative Appropriations	2.00	517,155	0	517,155
Increase (Decrease)	0.00	\$136,519	\$0	\$136,519

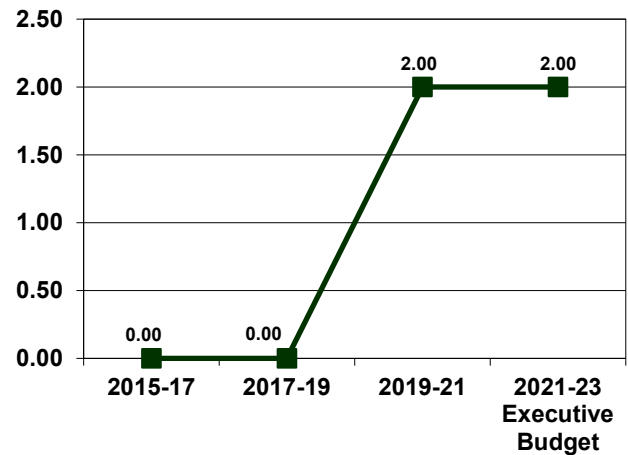
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$653,674	\$0	\$653,674
2019-21 Legislative Appropriations	517,155	0	517,155
Increase (Decrease)	\$136,519	\$0	\$136,519

**Agency Funding**



**FTE Positions**



**Note:** The Ethics Commission was enacted in House Bill No. 1521 (2019) and there are no appropriations for this agency prior to the 2019-21 biennium.

**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$653,674	\$0	\$653,674
2021-23 Base Level	517,155	0	517,155
Increase (Decrease)	\$136,519	\$0	\$136,519

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$9,670 is for salary increases, \$22 is for health insurance increases, and \$2,024 is for retirement contribution increases. <b>The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health insurance premiums from \$1,427 to \$1,429 per month. The House did not add funding for retirement contribution increases.</b>	\$11,716	\$0	\$11,716
2. Increases funding for salaries to provide funding for a full biennium. <b>The House did not add this funding.</b>	\$123,989	\$0	\$123,989

3. Reduces funding for operating expenses. <b>The House reduced funding for operations by 5 percent, or \$25,858.</b>	(\$49,847)	\$0	(\$49,847)
4. Adds funding for contingencies. <b>The House did not add this funding.</b>	\$50,000	\$0	\$50,000
5. Adds funding for Microsoft Office 365 licensing expenses	\$661	\$0	\$661

### **Continuing Appropriations**

There are no continuing appropriations for this agency.

### **Deficiency Appropriation**

There are no deficiency appropriations for this agency.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Major Related Legislation**

**House Bill No. 1043 - Ethics Commission Authority** - Authorizes the Ethics Commission to provide written advisory opinions and adjusts the duties of the commission.

**Senate Bill No. 2034 - Ethics Commission Authority** - Authorizes the Ethics Commission to provide written advisory opinions upon the request of a public official, candidate for elected office, or lobbyist.

**Ethics Commission - Budget No. 195**  
**House Bill No. 1024**  
**Base Level Funding Changes**

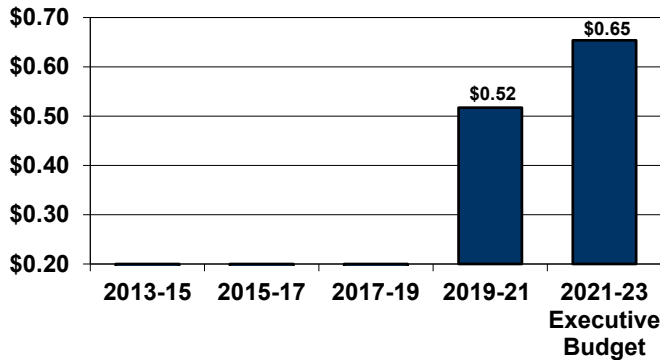
	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	2.00	\$517,155	\$0	\$517,155	2.00	\$517,155	\$0	\$517,155
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes - provide salary funding for full biennium		\$123,989		\$123,989				\$0
Salary increase		9,670		9,670		\$7,235		7,235
Retirement contribution increase		2,024		2,024				0
Health insurance increase		22		22		22		22
Remove vacant FTE position				0	(1.00)			0
Operating expense reduction		(49,847)		(49,847)				0
Contingency funding		50,000		50,000				0
Microsoft Office 365 licensing expenses		661		661		661		661
Five percent operating reduction				0		(25,858)		(25,858)
Total ongoing funding changes	0.00	\$136,519	\$0	\$136,519	(1.00)	(\$17,940)	\$0	(\$17,940)
<b>One-time funding items</b>								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$136,519	\$0	\$136,519	(1.00)	(\$17,940)	\$0	(\$17,940)
<b>2021-23 Total Funding</b>	2.00	\$653,674	\$0	\$653,674	1.00	\$499,215	\$0	\$499,215
<i>Total ongoing changes as a percentage of</i>	0.0%	26.4%		26.4%	(50.0%)	(3.5%)		(3.5%)
<i>Total changes as a percentage of base level</i>	0.0%	26.4%		26.4%	(50.0%)	(3.5%)		(3.5%)

## Department 195 - Ethics Commission

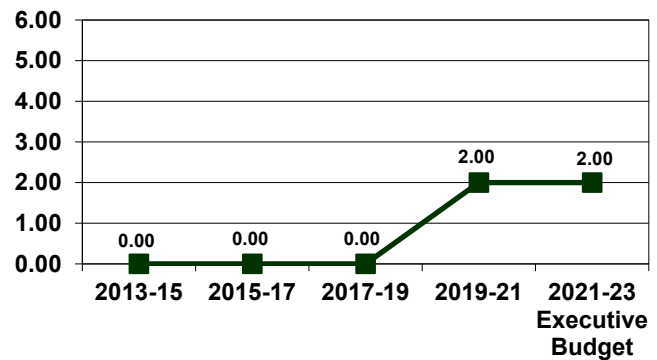
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	N/A	N/A	N/A	\$517,155	\$653,674
Increase (decrease) from previous biennium	N/A	N/A	N/A	N/A	\$136,519
Percentage increase (decrease) from previous biennium	N/A	N/A	N/A	N/A	26.4%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2019-21 Biennium

1. Added funding and 2 FTE positions for the Ethics Commission \$517,155

#### 2021-23 Biennium (Executive Budget Recommendation)

1. Increases funding for salaries to provide funding for a full biennium The House did not add this funding. \$123,989
2. Reduces funding for operating expenses. **The House reduced funding for operations by 5 percent, or \$25,858.** (\$49,847)
3. Adds funding for contingencies. **The House did not add this funding.** \$50,000

# GOVERNOR'S RECOMMENDATION FOR THE ETHICS COMMISSION AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury not otherwise appropriated, to the ethics commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Ethics Commission	\$517,155	\$136,519	\$653,674
Total General Fund	\$517,155	\$136,519	\$653,674
Full-time Equivalent Positions	2.00	0.00	2.00



# 2021 SENATE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

HB 1024  
3/23/2021  
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.
--

**Senator Holmberg** opened the hearing at 2:40 PM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.** **Senator Bekkedahl** was absent.

### **Discussion Topics:**

- Education – Q&A sessions
- Workload during legislation session
- Claims found to be without merit
- FTEs

**David Thiele, Director, North Dakota Ethics Commission** – testified in favor and submitted testimony #10269.

**Paul Richard, Commissioner, North Dakota Ethics Commission** – testified in favor and submitted testimony #10270.

**Additional written testimony:** #10189

**Senator Holmberg** closed the hearing at 3:21 PM.

*Rose Laning, Committee Clerk*

**ENGROSSED HB 1024**  
**TESTIMONY OF DAVE THIELE**  
**EXECUTIVE DIRECTOR, NORTH DAKOTA ETHICS COMMISSION**  
**BEFORE THE**  
**SENATE APPROPRIATIONS**  
**March 23, 2021**

**Agency Update**

The Ethics Commission was created pursuant to Article XIV of the North Dakota Constitution which became effective January 5, 2019. On August 8, 2019, five Commission members were appointed by the Governor and Senate Majority/Minority leaders: Ron Goodman (Bismarck), Chair; Dr. Cynthia Lindquist (St. Michael), Vice-Chair; Paul Richard (Fargo), Secretary; Ward Koeser (Williston); and David Anderson (Bismarck) with appointments effective September 1, 2019.

To date, the Commission has: obtained office space and furniture; hired myself and Office Manager, Holly Gaugler; held 13 public meetings; created and adopted rules relating to the complaint process and gifts between public officials and lobbyists; created a public website <https://www.ethicscommission.nd.gov>; and adopted a mission statement and an internal Code of Ethics. I have presented seven training and educational sessions with various groups and participated on behalf of the Commission in the Interim Judiciary Committee review of Ethics Commission issues. There have been eleven complaints filed with all dismissed.

The complaint rules and gift rules have been carefully created and adopted to ensure the Commission follows the intent and the constitutional mandate set forth in Article XIV of

the Constitution and N.D.C.C. §54-66. The Commission will continue to propose and adopt rules relating to transparency, corruption, elections, and lobbying.

As citizens, public officials and lobbyists become more familiar with the Commission activities, we have received a significant number of requests for guidance to ensure compliance with Article XIV, N.D.C.C .54-66 and our rules. The Commission is committed to properly addressing citizen concerns in a manner that educates and corrects. The Commission has worked to create an environment that is not a “gotcha” entity, but instead focuses on identifying the problem, fixing the problem and then educate so others don’t make the same mistake.

#### **Current Budget Status (Attachment #2)**

The 2019-21 biennial budget for the Ethics Commission is \$517,155 in general funds with no one-time funding. As of February 28, 2021, we have spent \$343,295 with a remaining balance of \$173,860. We have attached a current budget update as of February 28, 2021, (Attachment #2).

Our current budget includes five commission members and two FTE’s to include myself as the Executive Director. The full-time salaries line includes five commissioners as well as the executive director. I was hired in January 2020 and being uncertain of the required workload in April of 2020, we hired a temporary part-time office manager, Holly Gaugler.

The Commission saved approximately \$168,000 this biennium due to delayed hiring and related savings in office costs. This saving also includes approximately \$21,000 in reduced travel costs due to COVID-19 restrictions. We are estimating a general fund turn-back of

approximately \$75,000. The Commission did not receive special or federal funding and we did not receive COVID-19 federal funding.

There were questions raised in the House regarding our budget. Commissioner Paul Richard will discuss staff salaries and requirements. The Constitution in Article XIV mandates the Legislature “adequately fund” the Ethics Commission. The Commission has aggressively reviewed costs to minimize impact to the state budget. As a comparison the Montana Commissioner of Political Practices has a budget of \$751,000 for FY 2021. New Mexico is a good “apples to apples” comparison in that they, like the North Dakota Ethics Commission, were created in 2018 by a constitutional amendment. The New Mexico Ethics Commission has a full-time staff of 6 which includes an Executive Director who is a lawyer and two additional lawyers. Their budget for FY 2021 is \$946,200 and they plan on hiring two additional staff in 2022. That is in comparison to our request of \$642,005 for the biennium or \$321,000 per year. We believe that demonstrates that we are being good stewards of our state resources and we will continue to aggressively monitor costs and strive for savings where appropriate while ensuring we have the resources and staff necessary to accomplish our mission.

### **2021-23 Budget Request (Attachment #3)**

The Ethics Commission closely analyzed its current operating requirements and submitted the 2021-23 budget request at \$642,005. This is an increase of \$124,850 from the 2019-21 base budget of \$517,155 to fund salaries and minimal operating costs for 24 months.

The 2021-23 budget request submitted by the Commission funds one FTE (Executive Director), one part-time temporary employee and five commissioners for a total \$475,989. The vacant administrative FTE is retained in our budget request but is not funded.

Operating costs consist of office rent (\$52,416); NDIT costs (\$38,900); estimated travel costs (\$37,600); investigative costs (\$20,000); rules notice advertising (\$10,000); and other miscellaneous operating costs (\$7,100) for a total of \$166,016. We did not request one-time funding.

The Governor's recommendation of \$653,674 includes a total increase of \$136,519 to the base budget which fully funds salaries and benefits at \$487,705 with a recommended 2% increase each year of the biennium for the executive director position. The vacant unfunded FTE was also retained in the Governor's recommendation. The executive recommendation also provides \$165,969 in operational costs with \$50,000 of that amount in contingency costs. This contingency was part of the appropriated operating costs due to the uncertainty of overall costs for a full biennium.

In summary, the Governor' recommended budget of \$653,674 was \$11,669 higher than the Ethics Commission request of \$642,005. The Governor's budget included an increase of \$11,716 for the 2% salary increase and benefits for both years of the biennium and a net reduction of \$47 in operating expenses but includes Microsoft Office 365 license increase of \$661.

#### **House Amendment (Attachment #4)**

The House reduced the 2019-21 base budget of \$517,155 by 5% to \$491,297. The House also added salary and benefit increases for \$7,257 and Microsoft Office 365 license increase of \$661 for a total amended appropriation of \$499,215 which is \$17,940 less than our current 2019-21 funding. The vacant unfunded FTE was also removed by the House.

If salaries are fully funded at \$483,246, the decrease of \$17,940 of the current base budget of \$517,155 to \$499,215, would leave \$15,969 in operating costs creating an operating shortfall of \$150,708.

Mr. Chairman, that concludes my testimony and I will gladly stand for any questions you may have.

**Attachments**

1. Organization chart
2. Budget status as of February 28, 2021
3. Governor's budget comparison
4. House amendments

# North Dakota Ethics Commission

## Organization chart

ATTACHMENT #1



## 2019-21 Budget Status as of February 28, 2021

## SUMMARIZED

<u>Decription</u>	<u>2019-21 Base Budget</u>	<u>Expenditures as of February 28, 2021</u>	<u>Remaining Balance</u>
Salaries and Benefits	\$ 352,000.00	\$ 246,090.00	\$ 105,910.00
Operating Expenses	\$ 165,155.00	\$ 97,205.00	\$ 67,950.00
Total General Funds	\$ 517,155.00	\$ 343,295.00	\$ 173,860.00

## DETAIL

<u>Decription</u>	<u>Code</u>	<u>2019-21 Base Budget</u>	<u>Expenditures as of February 28, 2021</u>	<u>Remaining Balance</u>
<b>Salaries and Benefits</b>				
Salaries - Permanent	511000	\$ 241,000.00	\$ 168,609.00	\$ 72,391.00
Temporary Salaries	513000	\$ 54,000.00	\$ 32,406.00	\$ 21,594.00
Fringe Benefits	516000	\$ 57,000.00	\$ 45,075.00	\$ 11,925.00
		\$ 352,000.00	\$ 246,090.00	\$ 105,910.00
<b>Operating Expenses</b>				
Travel	521000	\$ 24,000.00	\$ 10,886.00	\$ 13,114.00
Miscellaneous Supplies	535000	\$ 1,000.00	\$ 390.00	\$ 610.00
Office Supplies	536000	\$ 3,500.00	\$ 1,172.00	\$ 2,328.00
Printing	542000	\$ 500.00	\$ 68.00	\$ 432.00
Office Equip & Furn Supplies	553000	\$ 14,999.00	\$ 14,622.00	\$ 377.00
Rentals/Leases-Equip & Other	581000	\$ 2,300.00	\$ 1,626.00	\$ 674.00
Rentals/Leases - Bldg/Land	582000	\$ 39,612.00	\$ 30,876.00	\$ 8,736.00
IT - Data Processing	601000	\$ 40,000.00	\$ 30,173.00	\$ 9,827.00
IT - Communications	602000	\$ 1,500.00	\$ 1,066.00	\$ 434.00
Professional Development	611000	\$ 6,000.00	\$ 1,935.00	\$ 4,065.00
Operating Fees and Services	621000	\$ 11,744.00	\$ 4,211.00	\$ 7,533.00
Fees - Professional Services	623000	\$ 20,000.00	\$ 180.00	\$ 19,820.00
		\$ 165,155.00	\$ 97,205.00	\$ 67,950.00
Total General Funds		\$ 517,155.00	\$ 343,295.00	\$ 173,860.00

TOTAL AUTHORIZED FTE's

2



## 2021-23 Budget - Agency Request &amp; Recommendation

## SUMMARIZED

	2019-21 Base Budget	Agency 2021-23 Total Budget Request	2021-23 Governor's Recommendation	Governor's Recommendation Change Amount
Salaries and Benefits	\$ 352,000.00	\$ 475,989.00	\$ 487,705.00	\$ 11,716.00
Operating Expenses	\$ 165,155.00	\$ 166,016.00	\$ 165,969.00	\$ (47.00)
<b>Totals</b>	<b>\$ 517,155.00</b>	<b>\$ 642,005.00</b>	<b>\$ 653,674.00</b>	<b>\$ 11,669.00</b>

## DETAILED

	2019-21 Base Budget	Agency 2021-23 Total Budget Request	2021-23 Governor's Recommendation *	
<b>Salaries and Benefits</b>				
Salaries - Permanent	\$ 241,000.00	\$ 292,320.00	\$ 292,320.00	\$ -
Salary Increase	\$ -	\$ -	\$ 8,154.00	\$ 8,154.00
Benefit Increase	\$ -	\$ -	\$ 1,516.00	\$ 1,516.00
Health Increase	\$ -	\$ -	\$ 22.00	\$ 22.00
Retirement Increase	\$ -	\$ -	\$ 2,024.00	\$ 2,024.00
Temporary Salaries	\$ 54,000.00	\$ 102,960.00	\$ 102,960.00	\$ -
Fringe Benefits	\$ 57,000.00	\$ 80,709.00	\$ 80,709.00	\$ -
	<b>\$ 352,000.00</b>	<b>\$ 475,989.00</b>	<b>\$ 487,705.00</b>	<b>\$ 11,716.00</b>

\*Governor's recommendation added \$11,716 which included \$9,670 for salary/benefit increases, \$22 for health insurance increases, and \$2,024 for retirement contribution increases.

	2019-21 Base Budget	Agency 2021-23 Total Budget Request	2021-23 Governor's Recommendation **	
<b>Operating Expenses</b>				
Travel	\$ 24,000.00	\$ 37,600.00	\$ -	\$ (37,600.00)
Miscellaneous Supplies	\$ 1,000.00	\$ -	\$ -	\$ -
Office Supplies	\$ 3,500.00	\$ 3,500.00	\$ 1,000.00	\$ (2,500.00)
Printing	\$ 500.00	\$ -	\$ -	\$ -
Office Equip & Furn Supplies	\$ 15,000.00	\$ -	\$ -	\$ -
Rentals/Leases-Equip & Other	\$ 2,300.00	\$ 3,600.00	\$ -	\$ (3,600.00)
Rentals/Leases - Bldg/Land	\$ 39,612.00	\$ 52,416.00	\$ -	\$ (52,416.00)
IT - Data Processing	\$ 40,000.00	\$ 36,000.00	\$ 4,969.00	\$ (31,031.00)
IT - Communications	\$ 1,500.00	\$ 2,900.00	\$ -	\$ (2,900.00)
Professional Development	\$ 6,000.00	\$ -	\$ -	\$ -
Operating Fees and Services	\$ 11,743.00	\$ 10,000.00	\$ 10,000.00	\$ -
Fees - Professional Services	\$ 20,000.00	\$ 20,000.00	\$ -	\$ (20,000.00)
Misc Expenses - Contingency	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00
Operating Budget Adjustment	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00
	<b>\$ 165,155.00</b>	<b>\$ 166,016.00</b>	<b>\$ 165,969.00</b>	<b>\$ (47.00)</b>
<b>Totals</b>	<b>\$ 517,155.00</b>	<b>\$ 642,005.00</b>	<b>\$ 653,674.00</b>	<b>\$ 11,669.00</b>
<b>TOTAL AUTHORIZED FTE's</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>

\*Governor's recommendation for operating expenses was a net decrease of \$47 from agency budget request. The recommendation includes \$661 for MS 365 increases and as shown above, a \$50,000 contingency appropriation.

**House Adjustments:**

<b><u>2019-21 Base Budget</u></b>	<b><u>2019-21 Base Reduced by 5%</u></b>	<b><u>House Salary &amp; Benefit Increases</u></b>	<b><u>MS Office 365 Increases</u></b>	<b><u>Total House Funding</u></b>
\$ 517,155.00	\$ 491,297.00	\$ 7,257.00	\$ 661.00	\$ 499,215.00

House adjustments reduced the 2019-21 base budget by 5% - from \$517,155 to \$491,297; added salary increase of \$7,235 and \$22 health insurance increase for a total of \$7,257 along with MS Office 365 license increase for \$661. Total House funding in amended HB 1024 is \$499,215.

**Funding Comparisons:**

<b><u>2019-21 Base Budget</u></b>	<b><u>Agency 2021-23 Total Budget Request</u></b>	<b><u>2021-23 Governor's Recommendation</u></b>	<b><u>House Version</u></b>	<b><u>House Comparison To Governor's Recommendation</u></b>
\$ 517,155.00	\$ 642,005.00	\$ 653,674.00	\$ 499,215.00	\$ (154,459.00)
FTE	2	2	2	1 (1)

House version reduced FTE count by one eliminating a vacant administrative FTE. This vacant FTE position is unfunded in the agency budget request and the Governor's recommendation. This position is currently filled with a temporary part-time administrative employee.

The House amendment creates an operational shortfall of \$150,708 with \$483,246 funding salaries and \$15,969 funding operations.

**ENGROSSED HB 1024**  
**TESTIMONY OF COMMISSIONER, PAUL RICHARD**  
**NORTH DAKOTA ETHICS COMMISSION**  
**BEFORE THE**  
**SENATE APROPRIATIONS March 23, 2021**

Mr. Chairman and Members of the Government Operations Division, my name is Paul Richard, Commissioner for the North Dakota Ethics Commission. Prior to my appointment as Commissioner with the ND Ethics Commission, I served as the Executive Vice President of Sanford Health Fargo until my retirement in 2018. I began my career with Sanford Health as General Counsel of MeritCare Health System (now Sandford Health) in 1998. Prior to that I practiced law for 20 years with Serkland Law Firm in Fargo.

I would like to provide some additional information on the North Dakota Ethics Commission in addition to an [email](#) to House appropriation members provided by Ronald Goodman, Chair of the North Dakota Ethics Commission, regarding the Ethics Commission's executive director salary. It is our understanding that during discussion of the Ethics Commission's budget in the House, concerns were expressed regarding the level of compensation paid to the executive director. In addition to the information provided by Ethics Commission Chair Goodman, we would like to offer the following information for your consideration.

When the Ethics Commission began its work in September 2019, we identified that one of the first orders of business would be to recruit and hire an experienced executive director to be located in Bismarck. We needed an executive director who could "hit the ground running" and guide the Commissioners in their work to implement Article XIV of the North Dakota Constitution, North Dakota Century Code Chapter 54-66, and other laws applicable to the work of the Commission. As the Commission discussed and planned for the work that needed to be accomplished, we concluded that the executive director must be a licensed attorney with extensive legal and legislative experience. We found that individual in Dave Thiele. His background as an

experienced lawyer, in particularly state experience, made him uniquely qualified to serve as the first executive director of the Ethics Commission, ([resume attached](#)). It has now been a little over one year since Mr. Thiele was hired and his performance has been exemplary. His legal skills, state work experience and knowledge, have enabled the Commission to complete the work that needed to be accomplished.

Given Mr. Thiele's background and experience, in March 2020, working with HRMS the Commission was comfortable setting Mr. Thiele's annual salary at \$135,000 which equates to \$64.90 per hour and does not exceed the HRMS salary range for a similar classified position- Attorney III position or a grade of 108. In addition, Mr. Thiele waived State employee medical benefits which would be approximately \$34,000 per biennium. To put this in perspective a contract Administrative Law Judge is reimbursed at a rate of \$150 per hour and investigators for WSI are reimbursed at \$85 per hour. ITD charges state agencies for their data processing services at various [hourly rates](#), the lowest of which is \$76 per hour with most services being charges at \$99 per hour or higher.

It is also important to highlight the nature and extent of the work performed, and to be performed, by Mr. Thiele in the position of executive director. While the following examples do not provide a complete list of what the Commissioners expect by way of performance, we believe they do illustrate why a lawyer with Mr. Thiele's background and experience is necessary for the executive director position.

1. In order to fulfill the Ethics Commission's duties as outlined in Article XIV of the North Dakota Constitution and North Dakota Century Code Chapter 54-66, the Commission needed to create the rules, procedures and documents needed for the receipt and processing of complaints. Similarly, under Article XIV, the Ethics Commission evaluated and considered exceptions to the lobbyist gift restrictions. Mr. Thiele's experience in research and drafting of proposed rules, procedures and forms, guided the Commission. His knowledge and experience with the administrative rules

processes assured that the final Commission rules were adopted and approved in a timely manner.

2. The Commission considers education to be an important function to be carried out by the executive director to inform the public of the Commission's role. Mr. Thiele's communication skills and ability have been invaluable to assure North Dakota citizens receive timely responses to their inquiries. The executive director must be comfortable with public speaking and communicate in a clear manner. Mr. Thiele has done an excellent job in his communication with members of the public.
3. The Commission has the expectation that complaints that warrant further investigation will be investigated by the executive director rather than employed or contracted investigators. With the exception of situations where Mr. Thiele may have a conflict, it is expected that he will conduct the investigations that may be needed to evaluate complaints. His background as a lawyer and compliance investigations were important considerations in the Commission's selection of Mr. Thiele. Mr. Thiele brought to the executive director role the integrity, common sense, and focus needed to conduct the evaluation and investigation of complaints filed with the Commission.
4. The Commission has been asked to provide advisory opinions to individuals to assist them in compliance with the requirements of Article XIV, North Dakota Century Code Chapter 54-66 and other State laws dealing with transparency, corruption, elections and lobbying. It is the Commission's expectation that the executive director will evaluate, research, and draft advisory opinions that will be considered by the Commission. As a North Dakota attorney, Mr. Thiele is familiar with a similar procedure used by the North Dakota Supreme Court to provide advisory opinions to licensed lawyers as they seek guidance to assure compliance with the North Dakota Rules of Professional Conduct.

5. Article XIV of the North Dakota Constitution identifies the authority of the Ethics Commission to adopt ethics rules related to transparency, corruption, elections and lobbying. Mr. Thiele is expected to research existing North Dakota laws as well as rules, regulations and laws from other states and jurisdictions to provide guidance to the Commission on potential ethics rules that may be appropriate.

The Ethics Commission strongly believed that the hiring of an executive director with the education, training and experience of Mr. Thiele was pivotal in assuring that the Ethics Commission achieved the expectations implemented in Article XIV of the North Dakota Constitution and North Dakota Century Code Chapter 54-66. Working with HRMS, Mr. Thiele's compensation was set within the normal salary range for an appointed position based on the level of responsibility and experience necessary to be successful. Mr. Thiele has performed in an exemplary manner and accomplished much in his first year as executive director.

The Commission appreciates the opportunity to present information to the Committee regarding the Commission's overall budget and, specifically, the executive director's compensation. Thank you.

**Senator,**

I move to amend this bill to defund the so called Ethics commission until it follows the peoples initiated mandate to investigate all complaints sent to them.

They currently have dismissed ALL complaints sent to them and it is clear they are a do nothing committee.

I have sent many complaints with the evidence and the laws that were broken and they will not send them to the AG or BCI for investigation and for charges.

This commission was set up so we the people did not have to spend our time and money in court filing charges for illegal activity in our government. We all know the courts just dismiss cases brought by citizens anyway!

This commission is already going to face legal charges due to its criminal behavior **NOT** to do its mandated job by the people!

Thank you,

--

**Mitchell S. Sanderson**

# 2021 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1024  
3/30/2021  
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.
--

**Senator Holmberg** opened the committee work at 4:05 PM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

### Discussion Topics:

- Vote

**Senator Hogue** presented and moved amendment LC 21.0362.02003 - #11083.  
**Senator Wanzek** second.

<i>Senators</i>		<i>Senators</i>	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll Call vote 14-0-0. Motion passed.

**Senator Hogue** moved Do Pass as Amended on HB 1024.  
**Senator Wanzek** second.

<i>Senators</i>		<i>Senators</i>	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll Call vote 14-0-0. Motion passed.

**Senator Holmberg** closed the committee work at 4:09 PM.

*Rose Laning, Committee Clerk*



March 29, 2021

SK  
1061  
3/31

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1024

Page 1, replace lines 11 and 12 with:

"Ethics commission	<u>\$517,155</u>	<u>\$106,829</u>	<u>\$623,984</u>
Total general fund	\$517,155	\$106,829	\$623,984"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Ethics Commission - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Ethics Commission	<u>\$517,155</u>	<u>\$499,215</u>	<u>\$124,769</u>	<u>\$623,984</u>
Total all funds	\$517,155	\$499,215	\$124,769	\$623,984
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	<u>\$517,155</u>	<u>\$499,215</u>	<u>\$124,769</u>	<u>\$623,984</u>
FTE	2.00	1.00	0.00	1.00

**Department 195 - Ethics Commission - Detail of Senate Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds Salary Funding <sup>2</sup>	Total Senate Changes
Ethics Commission	<u>\$780</u>	<u>\$123,989</u>	<u>\$124,769</u>
Total all funds	\$780	\$123,989	\$124,769
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	<u>\$780</u>	<u>\$123,989</u>	<u>\$124,769</u>
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> Funding is added to provide salary funding for a full biennium.

**REPORT OF STANDING COMMITTEE**

**HB 1024, 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 1024 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 and 12 with:

"Ethics commission	<u>\$517,155</u>	<u>\$106,829</u>	<u>\$623,984</u>
Total general fund	\$517,155	\$106,829	\$623,984"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Ethics Commission - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Ethics Commission	<u>\$517,155</u>	<u>\$499,215</u>	<u>\$124,769</u>	<u>\$623,984</u>
Total all funds	\$517,155	\$499,215	\$124,769	\$623,984
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	<u>\$517,155</u>	<u>\$499,215</u>	<u>\$124,769</u>	<u>\$623,984</u>
FTE	2.00	1.00	0.00	1.00

**Department 195 - Ethics Commission - Detail of Senate Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds Salary Funding <sup>2</sup>	Total Senate Changes
Ethics Commission	<u>\$780</u>	<u>\$123,989</u>	<u>\$124,769</u>
Total all funds	\$780	\$123,989	\$124,769
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	<u>\$780</u>	<u>\$123,989</u>	<u>\$124,769</u>
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> Funding is added to provide salary funding for a full biennium.

21.0362.02003  
Title.

Prepared by the Legislative Council staff for  
Senator Hogue

March 29, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1024

Page 1, replace lines 11 and 12 with:

"Ethics commission	\$517,155	\$106,829	\$623,984
Total general fund	\$517,155	\$106,829	\$623,984"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Ethics Commission - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Ethics Commission	\$517,155	\$499,215	\$124,769	\$623,984
Total all funds	\$517,155	\$499,215	\$124,769	\$623,984
Less estimated income	0	0	0	0
General fund	\$517,155	\$499,215	\$124,769	\$623,984
FTE	2.00	1.00	0.00	1.00

**Department 195 - Ethics Commission - Detail of Senate Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds Salary Funding <sup>2</sup>	Total Senate Changes
Ethics Commission	\$780	\$123,989	\$124,769
Total all funds	\$780	\$123,989	\$124,769
Less estimated income	0	0	0
General fund	\$780	\$123,989	\$124,769
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> Funding is added to provide salary funding for a full biennium.

Sixty-seventh  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1024

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the ethics  
2 commission.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
5 as may be necessary, are appropriated out of any moneys in the general fund in the state  
6 treasury, not otherwise appropriated, to the ethics commission for the purpose of defraying the  
7 expenses of the ethics commission, for the biennium beginning July 1, 2021, and ending  
8 June 30, 2023, as follows:

9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	<del>Ethics commission</del>	<del>\$517,155</del>	<del>(\$17,940)</del>	<del>\$499,215</del>
12	<del>Total general fund</del>	<del>\$517,155</del>	<del>(\$17,940)</del>	<del>\$499,215</del>
13	Ethics commission	\$517,155	\$106,829	\$623,984
14	Total general fund	\$517,155	\$106,829	\$623,984
15	Full-time equivalent positions	2.00	(1.00)	1.00

**2021 CONFERENCE COMMITTEE**

**HB 1024**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1024

4/15/2021

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

2:30 **Chairman Howe** brought the conference committee to order. Members present: Chairman Howe, Representative Mock, Representative Meier, Senator Hogue, Senator Rust, Senator Davison.

### Discussion Topics:

- Ethics Commissioner salary
- Rent

2:31 **Senator Hogue** explained the Senate changes. Testimony #11535.

2:48 **Chairman Howe** adjourned the conference committee.

*Sheri Lewis, Committee Clerk*

Ethics Commission - Budget No. 195  
House Bill No. 1024  
Base Level Funding Changes

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	2.00	\$517,155	\$0	\$517,155	2.00	\$517,155	\$0	\$517,155	0.00	\$0	\$0	\$0
2021-23 Ongoing Funding Changes												
Base payroll changes - provide salary funding for full biennium				\$0		\$123,989		\$123,989		\$123,989		\$123,989
Salary increase		\$7,235		7,235		8,015		8,015		780		780
Health insurance increase		22		22		22		22				0
Remove vacant FTE position	(1.00)			0	(1.00)			0				0
Microsoft Office 365 licensing expenses		661		661		661		661				0
Five percent operating reduction		(25,858)		(25,858)		(25,858)		(25,858)				0
Total ongoing funding changes	(1.00)	(\$17,940)	\$0	(\$17,940)	(1.00)	\$106,829	\$0	\$106,829	0.00	\$124,769	\$0	\$124,769
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(1.00)	(\$17,940)	\$0	(\$17,940)	(1.00)	\$106,829	\$0	\$106,829	0.00	\$124,769	\$0	\$124,769
2021-23 Total Funding	1.00	\$499,215	\$0	\$499,215	1.00	\$623,984	\$0	\$623,984	0.00	\$124,769	\$0	\$124,769
Total ongoing changes as a percentage of	(50.0%)	(3.5%)		(3.5%)	(50.0%)	20.7%		20.7%				
Total changes as a percentage of base level	(50.0%)	(3.5%)		(3.5%)	(50.0%)	20.7%		20.7%				

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1024

4/20/2021

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

2:42 **Chairman Howe** brought the conference committee to order. Members present: Chairman Howe, Representative Mock, Representative Meier, Senator Hogue, Senator Rust, Senator Davison.

### Discussion Topics:

- Salary package
- Rent

2:42 **Chairman Howe** discussed the differences.

2:54 **Senator Hogue** made a motion for the House to accede to the Senate amendments and further amend to add intent language that the ethics commission would explore state owned office space and to identify a line item that can only be used for rent.

2:54 **Senator Davison** seconded the motion.

3:00 **Representative Mock** explained his proposed amendment.

3:01 Roll call vote 4 Yeas 2 Nays 0 Absent.

3:02 Motion failed for lack of support from the House side.

3:03 **Representative Mock** made a motion for the Senate to recede from the Senate amendments and amend by making the total appropriation \$601,258.00 and adding the previous intent language.

3:03 **Representative Meier** seconded the motion.

3:03 Roll call vote 3 Yeas 3 Nays 0 Absent

3:03 Motion failed.

3:04 **Chairman Howe** adjourned the meeting.

*Sheri Lewis, Committee Clerk*



**2021 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1024 as (re) engrossed

**House Government Operations 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: Senator Hogue                      Seconded by: Senator Davison

Representatives	4/15	4/20		Yes	No		Senators	4/15	4/20		Yes	No
Chairman Howe	X	X		X			Senator Hogue	X	X			X
Representative Mock	X	X			X		Senator Rust	X	X			X
Representative Meier	X	X			X		Senator Davison	X	X			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- to add intent language that the ethics commission would explore state owned office space and to identify a line item that can only be used for rent.  
Motion failed for lack of support from the House.

**2021 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1024 as (re) engrossed

**House Government Operations 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 Mock      Seconded by: Representative Meier

Representatives	4/15	4/20		Yes	No		Senators	4/15	4/20		Yes	No
Chairman Howe	X	X		X			Senator Hogue	X	X			X
Representative Mock	X	X		X			Senator Rust	X	X			X
Representative Meier	X	X		X			Senator Davison	X	X			X
Total Rep. Vote				3			Total Senate Vote					3

Vote Count      Yes: 3      No: 3      Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ . \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment- making the total appropriation \$601,258.00 and adding the previous intent language.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1024

4/21/2021

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the ethics commission.

5:08 **Chairman Howe** brought the conference committee to order. Members present: Chairman, Representative Mock, Representative Meier, Senator Hogue, Senator Rust, Senator Davison.

### Discussion Topics:

- Rent

5:11 **Representative Mock** explained his proposed amendment. Testimony #11598.

5:25 **Senator Hogue** made a motion to set the budget to \$613,984.00.

5:26 **Senator Rust** seconded the motion.

5:28 Voice vote

5:28 Motion failed.

5:28 **Representative Mock** made a motion to make the appropriation \$601,258.00.

5:29 **Representative Meier** seconded the motion.

5:29 Voice vote.

5:30 Motion failed.

5:30 **Representative Mock** made a motion to accede to the Senate amendments and send the bill back to the House floor. 5:30 **Representative Meier** seconded the motion.

5:30 Roll call vote 6 Yeas 0 Nays 0 Absent

5:30 Motion carried.

5:30 **Chairman Howe** closed the conference committee.

*Sheri Lewis, Committee Clerk*

**2021 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1024 as (re) engrossed

**House Government Operations 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 Mock      Seconded by: Representative Meier

<b>Representatives</b>	4/15	4/20	4/21	<b>Yes</b>	<b>No</b>		<b>Senators</b>	4/15	4/20	4/21	<b>Yes</b>	<b>No</b>
Chairman Howe	X	X	X	X			Senator Hogue	X	X	X	X	
Representative Mock	X	X	X	X			Senator Rust	X	X	X	X	
Representative Meier	X	X	X	X			Senator Davison	X	X	X	X	
Total Rep. Vote				3			Total Senate Vote				3	

Vote Count      Yes: 6      No: 0      Absent: 0

House Carrier Representative Howe      Senate Carrier Senator Hogue

LC Number \_\_\_\_\_ . \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**REPORT OF CONFERENCE COMMITTEE**

**HB 1024, as engrossed:** Your conference committee (Sens. Hogue, Rust, Davison and Reps. Howe, Mock, Meier) recommends that the **HOUSE ACCEDE** to the Senate amendments and place HB 1024 on the Seventh order.

Engrossed HB 1024 was placed on the Seventh order of business on the calendar.

**SECTION 2. LEGISLATIVE INTENT - OFFICE SPACE.** The sum of \$52,416 requested by the ethics commission for building rentals and leases is not included in the agency appropriation. It is the intent of the sixty-seventh legislative assembly that the ethics commission discontinue any existing building lease agreement and seek office space in a state-owned facility.