

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2008 - Funding Summary

| | Base Budget | Final Legislative Action | Comparison to Base Budget |
|-----------------------------------|---------------------|---------------------------------|----------------------------------|
| Public Service Commission | | | |
| Salaries and wages | \$9,197,284 | \$9,495,560 | \$298,276 |
| Operating expenses | 1,829,826 | 1,763,826 | (66,000) |
| Capital assets | 10,000 | 25,000 | 15,000 |
| Grants | 20,000 | 20,000 | |
| Abandoned mined lands contractual | 6,000,000 | 6,000,000 | |
| Rail rate complaint case | 900,000 | 900,000 | |
| Railroad safety program | 564,668 | 589,018 | 24,350 |
| Specialized legal services | 94,000 | 430,000 | 336,000 |
| Grain licensing services | | 100,000 | 100,000 |
| Total all funds | \$18,615,778 | \$19,323,404 | \$707,626 |
| Less estimated income | 11,985,016 | 12,608,476 | 623,460 |
| General fund | \$6,630,762 | \$6,714,928 | \$84,166 |
| FTE | 45.00 | 43.00 | (2.00) |
| Bill total | | | |
| Total all funds | \$18,615,778 | \$19,323,404 | \$707,626 |
| Less estimated income | 11,985,016 | 12,608,476 | 623,460 |
| General fund | \$6,630,762 | \$6,714,928 | \$84,166 |
| FTE | 45.00 | 43.00 | (2.00) |

Senate Bill No. 2008 - Public Service Commission - Senate Action

| | Base Budget | Senate Changes | Senate Version |
|-----------------------------------|---------------------|-----------------------|-----------------------|
| Salaries and wages | \$9,197,284 | \$866,541 | \$10,063,825 |
| Operating expenses | 1,829,826 | 54,000 | 1,883,826 |
| Capital assets | 10,000 | 15,000 | 25,000 |
| Grants | 20,000 | | 20,000 |
| Abandoned mined lands contractual | 6,000,000 | | 6,000,000 |
| Rail rate complaint case | 900,000 | | 900,000 |
| Railroad safety program | 564,668 | 24,642 | 589,310 |
| Specialized legal services | 94,000 | 336,000 | 430,000 |
| Total all funds | \$18,615,778 | \$1,296,183 | \$19,911,961 |
| Less estimated income | 11,985,016 | 529,658 | 12,514,674 |
| General fund | \$6,630,762 | \$766,525 | \$7,397,287 |
| FTE | 45.00 | 1.00 | 46.00 |

Department 408 - Public Service Commission - Detail of Senate Changes

| | Adds Funding for Salary and Benefit Increases ¹ | Adds Grain Warehouse Inspector Position and Additional Funding ² | Adds Funding for an Accounting Budget Specialist Position ³ | Increases Funding for Capital Assets ⁴ | Adds Funding for Specialized Legal Services ⁵ | Total Senate Changes |
|-----------------------------------|--|---|--|---|--|----------------------|
| Salaries and wages | \$455,767 | \$245,281 | \$165,493 | | | \$866,541 |
| Operating expenses | | 49,000 | 5,000 | | | 54,000 |
| Capital assets | | | | \$15,000 | | 15,000 |
| Grants | | | | | | |
| Abandoned mined lands contractual | | | | | | |
| Rail rate complaint case | | | | | | |
| Railroad safety program | 24,642 | | | | | 24,642 |
| Specialized legal services | | | | | \$336,000 | 336,000 |
| Grain licensing services | | | | | | |
| Total all funds | \$480,409 | \$294,281 | \$170,493 | \$15,000 | \$336,000 | \$1,296,183 |
| Less estimated income | 193,658 | 0 | 0 | 0 | 336,000 | 529,658 |
| General fund | \$286,751 | \$294,281 | \$170,493 | \$15,000 | \$0 | \$766,525 |
| FTE | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 |

¹ The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

| | General Fund | Other Funds | Total |
|---------------------------|--------------|-------------|-----------|
| Salary increase | \$169,759 | \$118,779 | \$288,538 |
| Health insurance increase | 116,992 | 74,879 | 191,871 |
| Total | \$286,751 | \$193,658 | \$480,409 |

² Funding is added from the general fund for one grain warehouse inspector position, related operating expenses, and an increase in funding for the salaries and wages line item for an existing grain warehouse inspector position underfunded during the 2017-19 biennium.

³ Funding is added for salaries and wages (\$165,493) and related operating expenses (\$5,000) for the reclassification of an existing underfunded FTE position as an accounting budget specialist position.

⁴ Funding is increased for capital assets to provide a total of \$25,000.

⁵ One-time funding from federal funds is added for specialized legal services.

This amendment also:

- Provides the statutory changes to increase the Public Service Commissioners' salaries. The Public Service Commissioners' annual salaries are increased from the current level of \$108,656 to \$110,829, effective July 1, 2019, and to \$114,154, effective July 1, 2020, to reflect the 2 percent and 3 percent salary increases.
- Amends North Dakota Century Code Section 57-43.2-19 relating to the distribution of funds in the highway tax distribution fund to continue the allocation to the rail safety fund and to increase the allocation amount from \$285,000 per year to \$294,655 per year.

Senate Bill No. 2008 - Public Service Commission - House Action

| | Base Budget | Senate Version | House Changes | House Version |
|-----------------------------------|---------------------|-----------------------|----------------------|----------------------|
| Salaries and wages | \$9,197,284 | \$10,063,825 | (\$733,758) | \$9,330,067 |
| Operating expenses | 1,829,826 | 1,883,826 | (125,000) | 1,758,826 |
| Capital assets | 10,000 | 25,000 | | 25,000 |
| Grants | 20,000 | 20,000 | | 20,000 |
| Abandoned mined lands contractual | 6,000,000 | 6,000,000 | | 6,000,000 |
| Rail rate complaint case | 900,000 | 900,000 | | 900,000 |
| Railroad safety program | 564,668 | 589,310 | (292) | 589,018 |
| Specialized legal services | 94,000 | 430,000 | | 430,000 |
| Total all funds | \$18,615,778 | \$19,911,961 | (\$859,050) | \$19,052,911 |
| Less estimated income | 11,985,016 | 12,514,674 | (6,198) | 12,508,476 |
| General fund | \$6,630,762 | \$7,397,287 | (\$852,852) | \$6,544,435 |
| FTE | 45.00 | 46.00 | (3.00) | 43.00 |

Department 408 - Public Service Commission - Detail of House Changes

| | Adjusts Funding for Salary Increases¹ | Transfers Grain Warehouse Inspection Program to the Agriculture Commissioner² | Total House Changes |
|-----------------------------------|---|---|----------------------------|
| Salaries and wages | (\$5,259) | (\$728,499) | (\$733,758) |
| Operating expenses | | (125,000) | (125,000) |
| Capital assets | | | |
| Grants | | | |
| Abandoned mined lands contractual | | | |
| Rail rate complaint case | | | |
| Railroad safety program | (292) | | (292) |
| Specialized legal services | | | |
| Grain licensing services | | | |
| Total all funds | (\$5,551) | (\$853,499) | (\$859,050) |
| Less estimated income | (6,198) | 0 | (6,198) |
| General fund | \$647 | (\$853,499) | (\$852,852) |
| FTE | 0.00 | (3.00) | (3.00) |

¹ Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² Transfers the grain warehouse license and inspection program to the Agriculture Commissioner as follows:

| | Salaries and Wages | Operating Expenses | Total General Fund |
|---|---------------------------|---------------------------|---------------------------|
| Removes 3 FTE grain warehouse inspectors | \$563,006 | \$120,000 | \$683,006 |
| Removes funding for an accounting budget specialist | 165,493 | 5,000 | 170,493 |
| Total removed | \$728,499 | \$125,000 | \$853,499 |

This amendment also:

- Provides the statutory changes to increase the Public Service Commissioners' salaries. The Public Service Commissioners' annual salaries would increase from the current level of \$108,656 to \$110,829, effective July 1, 2019, and to \$113,600, effective July 1, 2020, to reflect the 2 percent and 2.5 percent salary increases. The Senate proposed salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Amends Section 57-43.2-19 relating to the distribution of funds in the highway tax distribution fund to provide for the allocation to the rail safety fund to continue until June 30, 2021, and to increase the allocation amount from \$285,000 per year to \$294,509 per year. The Senate removed the expiration date and provided an increase to \$294,655 per year.

- Requires the Public Service Commission to study, during the 2019-20 interim, technology available to create efficiencies to reduce costs for railroad equipment and track inspections. The commission shall report its findings and related budget recommendations to the 67th Legislative Assembly.

Senate Bill No. 2008 - Public Service Commission - Conference Committee Action

| | Base Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------------------|---------------------|---------------------|------------------------------|------------------------------|---------------------|---------------------|
| Salaries and wages | \$9,197,284 | \$10,063,825 | (\$568,265) | \$9,495,560 | \$9,330,067 | \$165,493 |
| Operating expenses | 1,829,826 | 1,883,826 | (120,000) | 1,763,826 | 1,758,826 | 5,000 |
| Capital assets | 10,000 | 25,000 | | 25,000 | 25,000 | |
| Grants | 20,000 | 20,000 | | 20,000 | 20,000 | |
| Abandoned mined lands contractual | 6,000,000 | 6,000,000 | | 6,000,000 | 6,000,000 | |
| Rail rate complaint case | 900,000 | 900,000 | | 900,000 | 900,000 | |
| Railroad safety program | 564,668 | 589,310 | (292) | 589,018 | 589,018 | |
| Specialized legal services | 94,000 | 430,000 | | 430,000 | 430,000 | |
| Grain licensing services | | | 100,000 | 100,000 | | 100,000 |
| Total all funds | \$18,615,778 | \$19,911,961 | (\$588,557) | \$19,323,404 | \$19,052,911 | \$270,493 |
| Less estimated income | 11,985,016 | 12,514,674 | 93,802 | 12,608,476 | 12,508,476 | 100,000 |
| General fund | \$6,630,762 | \$7,397,287 | (\$682,359) | \$6,714,928 | \$6,544,435 | \$170,493 |
| FTE | 45.00 | 46.00 | (3.00) | 43.00 | 43.00 | 0.00 |

Department 408 - Public Service Commission - Detail of Conference Committee Changes

| | Adjusts Funding for Salary Increases ¹ | Transfers Grain Warehouse Inspection Program to the Agriculture Commissioner ² | Adds Funding for an Accounting Budget Specialist Position ³ | Adds Funding for Grain Licensing Services ⁴ | Total Conference Committee Changes |
|-----------------------------------|---|---|--|--|------------------------------------|
| Salaries and wages | (\$5,259) | (\$728,499) | \$165,493 | | (\$568,265) |
| Operating expenses | | (125,000) | 5,000 | | (120,000) |
| Capital assets | | | | | |
| Grants | | | | | |
| Abandoned mined lands contractual | | | | | |
| Rail rate complaint case | | | | | |
| Railroad safety program | (292) | | | | (292) |
| Specialized legal services | | | | | |
| Grain licensing services | | | | \$100,000 | 100,000 |
| Total all funds | (\$5,551) | (\$853,499) | \$170,493 | \$100,000 | (\$588,557) |
| Less estimated income | (6,198) | 0 | 0 | 100,000 | 93,802 |
| General fund | \$647 | (\$853,499) | \$170,493 | \$0 | (\$682,359) |
| FTE | 0.00 | (3.00) | 0.00 | 0.00 | (3.00) |

¹ Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² Transfers the grain warehouse license and inspection program to the Agriculture Commissioner, the same as the House version, as follows:

| | Salaries and Wages | Operating Expenses | Total General Fund |
|---|--------------------|--------------------|--------------------|
| Removes 3 FTE grain warehouse inspectors | \$563,006 | \$120,000 | \$683,006 |
| Removes funding for an accounting budget specialist | 165,493 | 5,000 | 170,493 |
| Total removed | \$728,499 | \$125,000 | \$853,499 |

³ Adds funding for the repurposing of an existing unfunded FTE position to an accounting budget specialist position (\$165,493) and related operating expenses (\$5,000), to assist with accounting duties of the agency.

⁴ Adds a section to provide one-time funding from special funds to continue providing services related to grain insolvency litigation initiated prior to July 1, 2019. The funding will be provided by the Agriculture Commissioner. Neither the House nor the Senate version included this section.

This amendment also:

- Provides the statutory changes to increase the Public Service Commissioners' salaries. The Public Service Commissioners' annual salaries would increase from the current level of \$108,656 to \$110,829, effective July 1, 2019, and to \$113,600, effective July 1, 2020, to reflect the 2 percent and 2.5 percent salary increases, the same as the House version. The Senate adjusted salaries by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Amends North Dakota Century Code Section 57-43.2-19 relating to the distribution of funds in the highway tax distribution fund to provide for the allocation to the rail safety fund to continue until June 30, 2021, and to increase the allocation amount from \$285,000 per year to \$294,509 per year, the same as the House version. The Senate removed the expiration date and provided an increase to \$294,655 per year.
- Requires the Public Service Commission to study, during the 2019-20 interim, technology available to create efficiencies to reduce costs for railroad equipment and track inspections. The commission is to report its findings and related budget recommendations to the 67th Legislative Assembly. The House also included this section.