

**2023 SENATE APPROPRIATIONS**

**SB 2003**

**Department 125 - Attorney General**  
**Senate Bill No. 2003**

**Executive Budget Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 Executive Budget	\$64,587,832	\$43,921,436	\$108,509,268
2023-25 Base Level	42,646,718	42,509,719	85,156,437
Increase (Decrease)	\$21,941,114	\$1,411,717	\$23,352,831

**Selected Budget Changes Recommended in the Executive Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Adds funding for state employee salary and benefit increases of which \$3,800,196 is for salary increases and \$1,207,912 is for health insurance increases	\$3,033,536	\$1,974,572	\$5,008,108
2. Adjusts funding for prior biennium Bureau of Criminal Investigation (BCI), Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory salary equity increases from the Attorney General refund fund to the general fund	\$2,404,289	(\$2,404,289)	\$0
3. Adds funding for 2 FTE attorney positions, of which \$548,296 is for salaries and wages, \$83,540 is for ongoing operating expenses, and \$12,520 is for <b>one-time</b> operating expenses	\$644,356	\$0	\$644,356
4. Adds funding for 2 FTE BCI cybercrime positions, of which \$451,570 is for salaries and wages and \$108,421 is for ongoing operating expenses. The remaining \$185,999 is for <b>one-time</b> operating expenses (\$83,799) and capital assets (\$102,200).	\$745,990	\$0	\$745,990
5. Adds funding for 2 FTE MFCU positions, of which \$508,361 is for salaries and wages and \$91,092 is for ongoing operating expenses. The remaining \$69,273 is for <b>one-time</b> operating expenses (\$18,173) and capital assets (\$51,100). Of the total, \$501,543 is from federal funds, of which \$449,588 is ongoing funding and \$51,955 is <b>one-time funding</b> .	\$167,183	\$501,543	\$668,726
6. Adds funding for 4 FTE State Crime Laboratory positions, of which \$712,904 is for salaries and wages, \$120,365 is for ongoing operating expenses, and \$243,712 is for an ongoing increase in maintenance contracts for equipment. The remaining \$186,338 is for <b>one-time</b> operating expenses.	\$1,263,319	\$0	\$1,263,319
7. Adjusts funding for MFCU salaries and operating expenses by \$341,747 from federal funds to the general fund and for Information Technology Division and Criminal Justice Information System (CJIS) operating expenses by \$856,262 from the Attorney General refund fund to the general fund	\$1,198,009	(\$1,198,009)	\$0
8. Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases, of which \$145,000 is ongoing funding from the general fund (\$125,000) and charitable gaming operating fund (\$20,000) and \$156,463 is <b>one-time funding</b> from the general fund	\$281,463	\$20,000	\$301,463
9. Adds <b>one-time funding</b> for State Crime Laboratory capital assets, including \$754,677 from federal funds	\$886,000	\$754,677	\$1,640,677
10. Adds <b>one-time funding</b> for gaming and consumer protection investigator vehicles and radios (\$102,200), of which \$51,100 is from the Attorney General refund fund and \$51,100 is from the charitable gaming operating fund, and gaming, licensing, and deposit software (\$876,000), of which \$177,000 is from the general fund and \$699,000 is from the charitable gaming operating fund	\$177,000	\$801,200	\$978,200
11. Adds <b>one-time funding</b> to replace 10 undercover BCI vehicles	\$200,000	\$0	\$200,000
12. Adds <b>one-time funding</b> for the statewide litigation funding pool, including \$442,252 of funding remaining in the gaming and excise tax allocation fund	\$4,557,748	\$442,252	\$5,000,000
13. Adds <b>one-time funding</b> for back the blue grants	\$5,000,000	\$0	\$5,000,000

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

### **Selected Bill Sections Recommended in the Executive Budget**

**Exemption - Attorney General refund fund** - Section 4 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

**Appropriation - Transfer - Attorney General refund fund to Department of Health and Human Services - Opioid addiction prevention and treatment program** - Section 5 would authorize the Office of Management and Budget to transfer up to \$30 million from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund to the Department of Health and Human Services (DHHS), which is appropriated to DHHS for an opioid addiction prevention and treatment program. The funding is considered a one-time funding item.

**Transfer - Statewide litigation funding pool to state agencies** - Section 6 would require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item in Section 1 to eligible state agencies for litigation expenses during the 2023-25 biennium.

**Appropriation - Additional federal funds or other funds** - Section 8 would appropriate \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

**Amendment - Lottery fund transfers** - Section 13 would amend North Dakota Century Code Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

**Exemption - Concealed weapon rewrite project** - Section 15 would allow the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

**Exemption - Criminal history improvement project** - Section 16 would allow the Attorney General to continue any remaining funding appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

**Exemption - Coronavirus emergency supplemental funding** - Section 17 would allow the Attorney General to continue any remaining funding appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

**Exemption - Federal State Fiscal Recovery Fund** - Section 18 would allow the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database, the replacement of the prosecuting case management system, and charitable gaming information technology costs into the 2023-25 biennium.

### **Continuing Appropriations**

**Assets forfeiture fund** - Section 54-12-14 - To pay costs related to law enforcement activities of the Attorney General's office.

**Lottery operating fund** - Section 53-12.1-09 - To pay costs of operating the lottery.

**Refund fund** - Section 54-12-18 - To pay costs of the Consumer Protection and Antitrust Division and the Gaming Division.

**Special operations team reimbursement fund** - Section 54-12-23 - To reimburse city and county governments that provide special operations team services to rural areas.

**24/7 sobriety program fund** - Section 54-12-29 - To pay costs of administering and operating the 24/7 sobriety program.

**Multijurisdictional drug task force fund** - Section 54-12-26 - To provide support for the narcotics enforcement efforts of the state.

### **Deficiency Appropriations**

**Prosecution witness fees** - The executive budget includes a recommendation to provide a \$75,000 general fund deficiency appropriation to the Attorney General for prosecution witness fee reimbursements to counties during the 2021-23 biennium.

### **Significant Audit Findings**

**Operational audit** - The operational audit of the Attorney General conducted by the State Auditor's office for the period ending June 30, 2020, identified one finding related to breath alcohol toxicology results. The State Auditor reviewed if toxicology results were accurate and performed by certified operators. The audit revealed the breath alcohol toxicology results were performed by certified operators but 34 of 8,925 tests performed during the audit period were performed using expired or unapproved gas standard canisters, resulting in potentially invalid tests. The State Auditor recommended either the Director of the State Crime Laboratory direct field inspectors to ensure gas canisters are approved and replaced prior to the expiration dates or the Attorney General establish other measures to prevent unapproved or expired gas canisters from being used to perform breath alcohol tests.

The Attorney General disagreed with the audit finding and recommendation. The Attorney General stated corrective actions related to field inspectors ensuring gas canisters are approved and replaced prior to the expiration dates were implemented in prior years.

In Section 4 of House Bill No. 1003 (2021), the Legislative Assembly appropriated \$100,000 from federal funds to the Attorney General for the replacement of 61 of 119 drug analyzers. The funding was to replace Intoxilyzer 8000 models with Intoxilyzer 9000 models that will prevent unapproved or expired gas canisters from being used. The Attorney General reported there may be a request during the 2023 legislative session for funding to replace the remaining 58 Intoxilyzer 8000s.

**Investigative report on lease property** - In response to a June 2022 request from the Legislative Audit and Fiscal Review Committee, the State Auditor issued an investigative report in September 2022 related to a 10-year lease agreement and remodel costs of a facility leased by the Attorney General's office. The State Auditor was asked to investigate the lease and excess costs of approximately \$1.74 million for renovations to the leased facility.

The investigation included a review of the lease entered by the Attorney General for the property located at 1720 Burlington Drive in Bismarck; interviews with representatives of the Attorney General's office, the Office of Management and Budget, Stealth Properties, Parkway Property Management, and Frontier Contracting, LLC; a review of emails made available by each interested party; and other records, including floor plans, invoices, and banking information.

The investigation revealed:

- Attorney General division directors were not consulted in the initial plans to relocate staff to the Burlington Drive facility, resulting in numerous remodeling changes necessary to accommodate staff which increased the cost to the Attorney General.
- The total cost to the Attorney General's office to relocate to the Burlington Drive facility was \$2.4 million. Of the total, \$1.74 million is considered excess costs to renovate and relocate to the facility. Of the \$1.74 million, \$1.34 million was paid by the Attorney General at the end of the 2019-21 biennium from existing funds remaining in the agency's operating expenses (\$470,187), law enforcement (\$197,900), CJIS (\$325,876), and North Dakota Lottery (\$348,247) line items. The remaining \$400,000 has been included in the ongoing lease cost beginning in the 2021-23 biennium.
- The Burlington Drive facility contains 2,600 fewer square feet than facilities the Attorney General leased before relocating.
- Invoices from Frontier Contracting, LLC included building maintenance-related services that appear to be the landlord's responsibility.
- Invoices from Frontier Contracting, LLC were for services that had occurred more than a year prior to the issuance of the invoice and the invoices lacked detail regarding the services performed.
- Parkway Property Management does not have invoices to support renovation costs. The State Auditor considers these questioned costs.
- After the emails of Attorney General Wayne Stenehjem were deleted in January 2021, the Information Technology Department indicated the emails could not be recovered. Information from Microsoft indicated data from the emails may not be completely lost.

### **Major Related Legislation**

**House Bill No. 1114** - This bill amends Section 53-06.1-11.2 related to funding in the charitable gaming operating fund in excess of funding appropriated from the fund for the subsequent biennium being transferred to the general fund and provides the Attorney General a continuing appropriation for the \$10,000 transferred from the charitable gaming operating fund to the gambling disorder prevention and treatment fund each quarter.

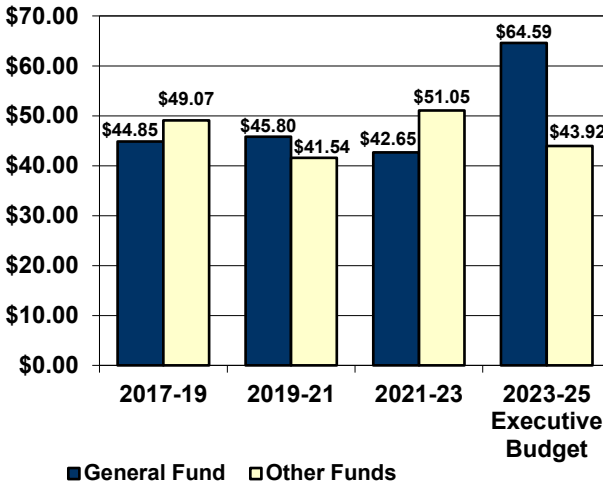
**Senate Bill No. 2131** - This bill amends Section 54-12-24 to remove the requirement for the State Crime Laboratory and BCI to be administered separately.

**Senate Concurrent Resolution No. 3002** - This resolution authorizes sports betting and allows for the licensing and regulation of sports betting by the state.

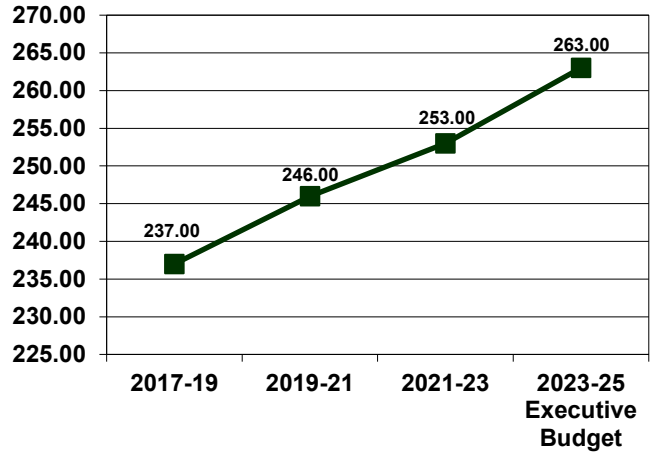
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$48,466,861	\$44,695,840	\$45,604,596	\$42,646,718	\$53,208,446
Increase (decrease) from previous biennium	N/A	(\$3,771,021)	\$908,756	(\$2,957,878)	\$10,561,728
Percentage increase (decrease) from previous biennium	N/A	(7.8%)	2.0%	(6.5%)	24.8%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(7.8%)	(5.9%)	(12.0%)	9.8%

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

#### 2017-19 Biennium

1. Removed 13 FTE undesignated positions (\$130,782)
2. Reduced salaries and wages in anticipation of savings from vacant positions and employee turnover (\$929,297)
3. Changed funding source for 8 FTE positions from the general fund to federal and other funds (\$1,120,322)
4. Reduced funding for CJIS to provide total funding of \$3,391,562 (\$188,741)
5. Reduced funding for law enforcement programs (\$219,348)
6. Added funding to provide grants to organizations involved in providing prevention and treatment services related to human trafficking victims \$125,000

#### 2019-21 Biennium

1. Removed 4 FTE positions, including 1 paralegal position, 1 criminal records specialist II position, 1 assistant attorney general position, and 1 administrative assistant II position (\$641,089)
2. Added 1 FTE forensic scientist position \$224,500
3. Transferred 2 FTE CJIS positions, including \$372,555 of salaries and wages and \$9,388 of operating expenses from the Adjutant General - Department of Emergency Services to BCI. The total amount transferred was \$381,943, including \$111,766 from other funds. \$270,177
4. Added funding for the human trafficking victims grants program to provide total funding of \$1.4 million from the general fund \$1,275,000
5. Added funding for a forensic nurse examiners grant program \$250,000

**2021-23 Biennium**

- 1. Added funding for a State Crime Laboratory data scientist position, of which \$200,162 is for salaries and wages and \$42,570 is for operating expenses \$242,732
- 2. Reduced funding for temporary salaries, including \$146,009 for IT temporary salaries and \$100,000 for agencywide temporary salaries (\$246,009)
- 3. Adjusted funding for the Gaming Division from the general fund to the charitable gaming operating fund to provide total funding of \$5,926,068 from the charitable gaming operating fund for the Gaming Division, of which \$4,125,469 is for salaries and wages, \$1,043,110 is for operating expenses, \$750,000 is for grants to political subdivisions, and \$7,489 is for Gaming Commission expenses (\$1,710,042)
- 4. Adjusted funding for operating expenses, including general fund decreases primarily for IT contractual services and repairs, IT software and supplies, travel, operating fees, rent, and increases from the Attorney General operating fund (\$185,464) and Attorney General refund fund (\$584,373) primarily for IT software, IT supplies, and IT contractual services and repairs (\$1,699,628)
- 5. Reduced funding for human trafficking victims grants to provide a total of \$1,101,879 from the general fund, of which \$1,100,000 is for grants and \$1,879 is for administration of the program (\$300,000)
- 6. Added funding for CJIS, for a common statute tables project (\$40,000), CJIS portal upgrades (\$75,000), broker maintenance costs (\$50,000), and law enforcement records and jail management system maintenance (\$217,662) \$382,662
- 7. Adjusted funding for CJIS IT expenses from the general fund to the Attorney General refund fund to provide total CJIS funding of \$4,074,968, of which \$2,952,761 is from the general fund, \$650,000 is from federal funds, and \$472,207 is from the Attorney General refund fund (\$271,889)
- 8. Adjusted funding from the general fund to the Attorney General refund fund for law enforcement operating expenses, of which \$279,850 relates to BCI, \$34,377 relates to the State Crime Laboratory, and \$26,133 are administrative law enforcement operating expenses. Total funding in the law enforcement line item is \$3,048,927, of which \$2,475,393 is from the general fund, \$229,796 is from federal funds, and \$343,738 is from the Attorney General refund fund. (\$340,360)

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. Adjusts funding for prior biennium BCI, MFCU, and State Crime Laboratory salary equity increases from the Attorney General refund fund to the general fund \$2,404,289
- 2. Adds funding for 2 FTE attorney positions, of which \$548,296 is for salaries and wages and \$83,540 is for operating expenses \$631,836
- 3. Adds funding for 2 FTE BCI cybercrime positions, of which \$451,570 is for salaries and wages and \$108,421 is for operating expenses \$559,991
- 4. Adds funding for 4 FTE State Crime Laboratory positions, of which \$712,904 is for salaries and wages, \$120,365 is for operating expenses, and \$243,712 is for an increase in maintenance contracts for equipment \$1,076,981
- 5. Adjusts funding for MFCU salaries and operating expenses by \$341,747 from federal funds to the general fund and for Information Technology Division and CJIS operating expenses by \$856,262 from the Attorney General refund fund to the general fund \$1,198,009

**One-Time General Fund Appropriations**

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$3,282,824	\$150,000	\$200,000	\$0	\$11,379,386

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

- 1. Prosecution witness fees \$50,000
- 2. DOS-based deposit system rewrite \$100,000

**2019-21 Biennium**

- 1. Undercover vehicles \$200,000

**2021-23 Biennium**

- None \$0

**2023-25 Biennium (Executive Budget Recommendation)**

1. State Crime Laboratory capital assets	\$886,000
2. Replacement of 10 undercover BCI vehicles	\$200,000
3. Statewide litigation funding pool	\$4,557,748
4. Back the blue grants	\$5,000,000

**Attorney General - Budget No. 125**  
**Senate Bill No. 2003**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2023-25 Biennium Base Level</b>	253.00	\$42,646,718	\$42,509,719	\$85,156,437
<b>2023-25 Ongoing Funding Changes</b>				
Adds funding for the cost to continue salary increases		\$392,026	\$151,470	\$543,496
Salary increase		2,297,062	1,503,134	3,800,196
Health insurance increase		736,474	471,438	1,207,912
Retirement contribution increase				0
Adds funding for salary equity increases			22,368	22,368
Adjusts funding for prior biennium BCI, MFCU, and State Crime Laboratory salary equity increases		2,404,289	(2,404,289)	0
Adds funding for FTE attorney positions	2.00	631,836		631,836
Adds funding for FTE BCI cybercrime positions	2.00	559,991		559,991
Adds funding for FTE MFCU positions	2.00	149,865	449,588	599,453
Adjusts funding for the MFCU		341,747	(341,747)	0
Adds funding for FTE State Crime Laboratory positions	4.00	1,076,981		1,076,981
Reduces funding for operating expenses			(22,368)	(22,368)
Adjusts funding for IT Division and CJIS operating expenses		856,262	(856,262)	0
Adds funding for IT rate increases		54,245	7,301	61,546
Adds funding for increased software maintenance and subscription costs		419,297		419,297
Adds funding for sexual assault kit tracking system software maintenance			180,000	180,000
Adds funding for the automated biometric identification system and data extraction software		384,000	144,000	528,000
Adds funding for legal case search software		100,000		100,000
Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses		37,000	37,000	74,000
Adds funding for a new Capitol space rent model		259,708		259,708
Reduces funding for bond payments		(318,055)		(318,055)
Adds funding to replace IT servers		54,000		54,000
Total ongoing funding changes	10.00	\$10,561,728	(\$638,367)	\$9,923,361
<b>One-Time Funding Items</b>				
Adds one-time funding for FTE attorney position operating expenses		\$12,520		\$12,520
Adds one-time funding for BCI cybercrime operating and capital assets		185,999		185,999
Adds one-time funding for MFCU operating and capital assets		17,318	\$51,955	69,273
Adds one-time funding for State Crime Laboratory operating expenses		186,338		186,338
Adds one-time funding for State Crime Laboratory capital assets		886,000	754,677	1,640,677
Adds one-time funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		156,463		156,463
Adds one-time funding for gaming and consumer protection investigator vehicles and radios			102,200	102,200
Adds one-time funding for gaming, licensing, and deposit software		177,000	699,000	876,000
Adds one-time funding to replace undercover BCI vehicles		200,000		200,000
Adds one-time funding for the statewide litigation funding pool		4,557,748	442,252	5,000,000
Adds one-time funding for back the blue grants		5,000,000		5,000,000
Total one-time funding changes	0.00	\$11,379,386	\$2,050,084	\$13,429,470
<b>Total Changes to Base Level Funding</b>	10.00	\$21,941,114	\$1,411,717	\$23,352,831
<b>2023-25 Total Funding</b>	263.00	\$64,587,832	\$43,921,436	\$108,509,268
<i>Federal funds included in other funds</i>			\$14,569,773	
<i>Total ongoing changes as a percentage of base level</i>	4.0%	24.8%	(1.5%)	11.7%
<i>Total changes as a percentage of base level</i>	4.0%	51.4%	3.3%	27.4%

**Other Sections in Attorney General - Budget No. 125**

	<b>Executive Budget Recommendation</b>
Attorney General salary	Section 3 would amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$179,312 effective July 1, 2023, and \$186,484 effective July 1, 2024, to reflect the 6 percent and 4 percent annual recommended salary increases.
Exemption - Attorney General refund fund	Section 4 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.
Appropriation - Transfer - Attorney General refund fund to Department of Health and Human Services - Opioid addiction prevention and treatment program - One-time funding	Section 5 would authorize the Office of Management and Budget to transfer up to \$30 million from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund to DHHS, which is appropriated to DHHS for an opioid addiction prevention and treatment program. The Attorney General is required to notify the Legislative Council and Office of Management and Budget of any lawsuit settlement proceeds that become available for transfer to DHHS for the program. The funding is considered a one-time funding item.



**Other Sections in Attorney General - Budget No. 125**

Transfer - Statewide litigation funding pool to state agencies

Transfer - Statewide litigation funding pool to state agencies - Gaming and excise tax allocation fund - One-time funding

Appropriation - Additional federal funds or other funds

Criminal history record checks - Fees

Estimated income - Charitable gaming technology system - Charitable gaming operating fund

Human trafficking victims grant program - Requirements - Reports

Forensic nurse examiners grant program - Reports

Amendment - Lottery fund transfers

Exemption - Contingent fee arrangement

Exemption - Concealed weapon rewrite project

Exemption - Criminal history improvement project

Exemption - Coronavirus emergency supplemental funding

**Executive Budget Recommendation**

Section 6 would require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item in Section 1 to eligible state agencies for litigation expenses during the 2023-25 biennium.

Section 7 would identify \$442,252 appropriated in the estimated income line item in Section 1 for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund, which the Attorney General shall transfer to eligible state agencies for litigation expenses during the 2023-25 biennium.

Section 8 would appropriate \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

Section 9 would require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Section 10 would identify \$736,000 appropriated in the estimated income line item in Section 1 is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.

Section 11 would identify \$1,102,815 appropriated from the general fund in Section 1 is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General would be allowed to provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.

Section 12 would identify \$250,889 appropriated from the general fund in Section 1 is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Section 13 would amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Section 14 would provide, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multi-state technology litigation, during the period beginning with the effective date of this Act and ending June 30, 2025.

Section 15 would allow the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Section 16 would allow the Attorney General to continue any remaining funding of \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Section 17 would allow the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

**Other Sections in Attorney General - Budget No. 125**

Exemption - Federal State Fiscal Recovery Fund

**Executive Budget Recommendation**

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Section 18 would allow the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

**SENATE BILL NO. 2003  
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the attorney general; to provide exemptions; to provide a transfer; to amend and reenact section 54-12-11 of the North Dakota Century Code, relating to the salary of the attorney general; to amend section 53-12.1-09 of the North Dakota Century Code, relating to the transfer of proceeds.

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

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$50,832,646	\$7,181,207	\$58,013,853
Operating Expenses	15,237,498	2,454,270	17,691,768
Capital Assets	648,055	2,708,122	3,356,177
Grants	3,903,440	0	3,903,440
Human Trafficking Victims Grants	1,101,879	11,339	1,113,218
Forensic Nurse Examiner Grants	250,691	2,579	253,270
Litigation Fees	127,500	0	127,500
Statewide Litigation Pool	0	5,000,000	5,000,000
Medical Examinations	660,000	0	660,000
North Dakota Lottery	5,254,844	212,342	5,467,186
Arrest and Return of Fugitives	8,500	0	8,500
Gaming Commission	7,489	0	7,489
Criminal Justice Info Sharing	4,074,968	488,971	4,563,939
Law Enforcement	<u>3,048,927</u>	<u>5,294,001</u>	<u>8,342,928</u>
Total All Funds	\$85,156,437	\$23,352,831	\$108,509,268
Less Estimated Income	<u>42,509,719</u>	<u>1,411,718</u>	<u>43,921,436</u>
Total General Fund	\$42,646,718	\$21,941,113	\$64,587,832
Full-time Equivalent Positions	253.00	10.00	263.00

**SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Crime Lab Equipment	\$1,111,706	\$ 1,640,677
IT Projects	1,175,000	0
Federal Authority	250,000	0
Undercover Vehicle Replacement	0	200,000
Charitable Gaming Technology	0	876,000
Operating for New FTE	0	351,931
Vehicles for New Agents	0	204,400
Inflationary Increase	0	156,463
Back the Blue Grant	0	5,000,000
Statewide Litigation Pool	<u>4,650,000</u>	<u>5,000,000</u>
Total All Funds	\$3,167,956	\$13,429,471
Total Special Funds	<u>2,967,956</u>	<u>2,050,084</u>
Total General Fund	\$ 200,000	\$11,379,387

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 3. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.** The annual salary of the attorney general is ~~one hundred sixty-five thousand eight hundred forty five dollars through June 30, 2022~~ one hundred seventy-nine thousand three hundred twelve dollars through June 30, 2024, and one hundred sixty-nine thousand one hundred sixty-two dollars one hundred eighty-six thousand four hundred eighty-four dollars thereafter.

**SECTION 4. ATTORNEY GENERAL REFUND TRANSFER TO THE GENERAL FUND - EXEMPTION.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2023.

**SECTION 5. TRANSFER - LAWSUIT SETTLEMENT PROCEEDS - OPIOID ADDICTION PREVENTION AND TREATMENT PROGRAM - APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - ONE-TIME FUNDING - REPORT.** The office of management and budget shall transfer up to \$30,000,000 from opioid-related lawsuit settlement proceeds deposited in the attorney general refund fund to the department of health and human services which is appropriated to the department of health and human services for the purpose of defraying the expenses of an opioid addiction prevention and treatment program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of health and human services shall consult with the attorney general on the use of funding for the program. The attorney general shall notify the legislative council and office of management and budget of any lawsuit settlement proceeds that become available for transfer to the department of health and human services for this program. This funding is considered a one-time funding item.

**SECTION 6. TRANSFER – LITIGATION POOL TO STATE AGENCIES.** The attorney general shall transfer funds from the statewide litigation pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023 and ending June 30, 2025. The attorney general may not use funding from the litigation pool to pay judgments under section 32-12-04.

**SECTION 7. GAMING AND EXCISE TAX ALLOCATION FUND - TRANSFER - ONE-TIME FUNDING.** The statewide litigation funding pool line item in section 1 of this Act includes \$442,252 from the gaming and excise tax allocation fund, which the attorney general shall transfer to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023, and ending June 30, 2025. This funding is considered a one-time funding item.

**SECTION 8. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2023 and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 9. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-sixth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 10. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.** The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION 11. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes \$1,102,815 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the biennium beginning July 1, 2023 and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its program.

**SECTION 12. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.** The forensic nurse examiners grants line item in section 1 of this Act includes \$250,889 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims, which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

**SECTION 13. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;
3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred fifty thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and

- d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

**SECTION 14. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the period beginning with the effective date of this Act and ending June 30, 2025.

**SECTION 15. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 16. EXEMPTION – CRIMINAL HISTORY IMPROVEMENT PROJECT.** The amount appropriated to the attorney general from the attorney general refund fund for a criminal history improvement project as contained in section 1 of chapter 3 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the criminal history improvement project, during the biennium beginning July 1, 2023, and ending June 30, 2025

**SECTION 17. EXEMPTION – CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING.** The amount appropriated to the attorney general from federal funds for coronavirus emergency supplemental funding, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 18. EXEMPTION – STATE FISCAL RECOVERY FUND.** The amount appropriated to the attorney general from federal funds for state fiscal recovery funding, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general during the biennium beginning July 1, 2023, and ending June 30, 2025.

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2003  
1/10/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general
--

1:36pm Chairman Bekkedahl opened the hearing on SB 2003.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, Mathern.

### Discussion Topics:

- 2023-25 Budget Development Process
- Administration Division
- Bureau of Criminal Investigation
- Consumer Protection & Antitrust Division
- Crime Lab
- Criminal Law Division
- Finance Division
- Fire Marshall Division
- Gaming Division
- General Counsel
- Information Technology/Criminal Justice Information Sharing
- Lottery Division
- Medicaid Fraud Control Unit
- Natural Resources & Native American Affairs
- Solicitor General & Civil Litigation
- Comparison of 2021-23 & proposed 2023 budget changes
- 2023 Legislation having fiscal impact on the AGs office
- Optional Adjustments Summary.

1:38 PM - Drew Wrigley, North Dakota Attorney General, introduced SB 2003, provided information, and testified. Testimony #13475

Chairman Bekkedahl assigned this Bill to the Government Operations Division.

**Additional Testimony:** #17067, #21225

3:13PM - Chairman Bekkedahl closed the hearing.

*Susan Huntington, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
1/25/2023

A bill for an act to provide an appropriation for defraying the expenses of the attorney general.
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8:30 AM Chairman Wanzek called the meeting to order.

Senators Wanzek, Erbele, Roers, Dwyer, Vedaa were present.

### Discussion Topics:

- Merit-based pay
- Cost of outside counsel
- Dedicated open-records requests FTE
- BCI backlog/Tribal needs
- ROI-Consumer Protection and Anti-Trust Division
- Crime Lab capabilities/backlog
- Gaming Division needs
- General Counsel backlog
- Statewide law enforcement IT
- Federal/State Medicaid fraud control ROI
- Natural resources/tribal litigators
- BCI retirement multiplier
- FTE requests
- Employee reclassification
- Impact of other bills
- Equity/salary calculations
- Medical examinations/forensic interviews
- Trafficking victims
- State/Federal funding
- Sex/labor trafficking
- Interagency trafficking approach
- Exploitation medical cost
- Agency collections
- Requested budget additions
- Fire Marshall transfer
- Case settlements

8:31 Drew Wrigley, Attorney General, introduced 14 divisions of his office and its needs as outlined in SB 2003 utilizing testimony # 17067 from full Appropriations on January 10, 2023.



9:43 AM Claire Ness, Deputy Attorney General, testified affirmatively verbally. (No written testimony)

9:55 AM Recess

10:11 AM Reconvened

10:12 AM Greg Kasowski, Executive Director, Children's Advocacy Centers, testified in support of SB 2003. Testimony # 16635

10:18 AM Amy Boyd, Youthworks, Anti-Trafficking Program Manager, testified in support of SB 2003. Testimony #16629

10:27 AM Emily Schwartz, Human Trafficking Division, testified in support of SB 2003. Testimony # 16496

10:43 AM Angela Daly, Shelter Services Director, YWCA Cass County, testified affirmatively for SB 2003. #15702

10:50 AM Sarah Matthews, Red River Children's Advocacy Center, testified online in support of SB 2003. Testimony #16615

10:53 AM Paula Condol, Director of Children's Advocacy Centers, testified affirmatively. Testimony #16620

10:59 AM Shayla Davila, trafficking survivor, testified affirmatively. Testimony #16634

11:05 AM Becky Keller, Finance Administrator for the Attorney General, testified, neutral, verbally. (No written testimony)

11:20 AM Claire Ness, Chief Deputy Attorney General, testified affirmatively verbally. (No written testimony)

**Additional Testimony:**

Janelle Moos, Associate State Director of Advocacy, AARP of North Dakota, in favor #16594  
Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, in neutral #21225

11:27 AM Chairman Wanzek closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
1/26/2023

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General.

2:25 PM Vice Chair Erbele called the meeting to order.

Senators Erbele, Roers, Dwyer, and Vedaa are present.

### **Discussion Topics:**

- Equity
- New FTE positions
- Crime lab
- IT funding
- Software
- Sexual assault kit
- Biometrics
- Inflationary increases
- IT servers
- FBI exception to IT unification
- One-time funding
- State-wide litigation pool
- Crime lab
- Lottery fund

2:36 PM Becky Keller, Finance Officer for the Attorney General, testified affirmatively. Testimony # 17067

2:38 PM Levi Kinnis, Legislative Counsel, testified. Neutral (no written testimony)

3:26 Vice Chair Erbele closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
2/14/2023

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General.

9:03 AM Chairman Wanzek called the meeting to order.

Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

### Discussion Topics:

- Cost to continue
- Federal funding change
- Salary changes
- Cost of private litigators
- Cyber security positions
- BCI task force
- Illegal drug trade
- Tribal Nations work process
- Human trafficking
- Interagency cooperation
- Medicaid fraud
- Grant funds
- Provider fraud vs beneficiary fraud
- Crime lab staff
- Case backlog
- Crime lab facility
- Software
- Extra-agency IT support cost
- Inflationary cost increases
- One-time funds
- Vehicle replacements
- Litigation pool
- Costs of Federal overreach
- Back the Blue grants and pass-through funds
- Existing crime lab capacity
- Opioid settlement
- Gaming costs
- Executive budget recommendations

9:06 AM Levi Kinnischtzke, LC Fiscal Analyst, testified. Neutral - Testimony #20787

9:16 AM Claire Ness, ND Chief Deputy Attorney General, testified affirmatively.  
Testimony #20788, #20789, #20826

9:37 AM Lonnie Grabowska, Director of ND Bureau of Criminal Investigation, testified.  
Testimony # 20787

9:46 AM Drew Wrigley, ND Attorney General, testified affirmatively. (No written testimony)

9:53 AM Marina Spahr, Director of Medicaid Fraud Control and Deputy Attorney General testified supportively. Testimony #20788

10:12 AM Jennifer Penner, Interim Crime Lab Director, testified in support of SB 2003.  
Testimony #20788

10:24 AM Becky Keller, Finance Director for the Attorney General, testified affirmatively.  
Testimony #20788

10:31 AM Heidi Smith, IT Criminal Justice Information Sharing (CJIS) Director for the Office of Attorney General, testified. Testimony #20788

11:05 AM Recess

11:30 AM Reconvene

11:30 AM Committee work

11:35 AM Senator Dwyer moved to draft an amendment to change the *Back the Blue* funds from 5 million to 3.5 million and change the fund matching to a 75/25 ratio.  
Senator Roers seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed – 5-0-0

12:17 PM Chairman Wanzek closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
2/16/2023

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General.
---

11:03 AM Chairman Wanzek called the meeting to order.

Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

### Discussion Topics:

- Law Enforcement Resiliency Grant Program
- Opioid Settlement Fund
- State Crime Lab study mandate
- FTE positions
- Back the Blue

11:03 AM Senator Dwyer highlighted changes to SB 2003. Testimony #21006, #21005

11:13 AM Senator Roers moved to adopt amendment 23.0257.01010.

Senator Vedaa seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0

11:14 AM Senator Dwyer moved a Do Pass recommendation of SB 2003 as amended.

Senator Roers seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0

Senator Dwyer will carry the bill.

11:15 AM Chairman Wanzek closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE

## Appropriations

Rough Rider Room, State Capitol

SB 2003  
2/16/2023

Relating to transfers from the lottery operating fund to the multijurisdictional drug task force grant fund and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a report; and to provide for a legislative management study.

6:22 PM **Chairman Bekkedahl** called the hearing to order.

**Senators** Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, Mathern were present.

### Discussion Topics:

- Crime lab
- Committee action

**Senator Dwyer** introduced SB 2003 with proposed amendment LC 23.0257.01010 in favor. #21044

**Senator Dwyer** moved to **ADOPT AMENDMENT** LC 23.0257.01010.

**Senator Roers** seconded.

Roll call vote.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 16-0-0.

Senator Dwyer moved DO PASS as Amended.

Senator Wanzek seconded.

Roll call taken.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 16-0-0.

**Senator Dwyer** will carry SB 2003

6:46 **Chairman Bekkedahl** closed the meeting.

*Patricia Lahr on behalf of Carol Thompson, Committee Clerk*

LA  
2-16-23

PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 1, line 1, after "general" insert "; to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to the creation of an opioid settlement fund; to amend and reenact sections 53-12.1-09 and 54-12-11 of the North Dakota Century Code, relating to transfers from the lottery operating fund to the multijurisdictional drug task force grant fund and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a report; and to provide for a legislative management study"

Page 1, remove lines 8 through 24

Page 2, replace lines 1 through 3 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$50,832,646	\$5,642,965	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440	0	3,903,440
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	<u>3,048,927</u>	<u>4,145,778</u>	<u>7,194,705</u>
Total all funds	\$85,156,437	\$20,814,263	\$105,970,700
Less estimated income	<u>42,509,719</u>	<u>(125,870)</u>	<u>42,383,849</u>
Total general fund	\$42,646,718	\$20,940,133	\$63,586,851
Full-time equivalent positions	253.00	7.00	260.00"

Page 2, line 4, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, line 5, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 7 through 18 with:

"Criminal history improvement system	\$400,000	\$0
Automated biometric identification system	300,000	0
Charitable gaming technology system	475,000	0
Additional income	250,000	0
Missing persons database	300,000	0
Prosecuting case management system	1,000,000	0
Charitable gaming tax information technology costs	50,000	0



Capital assets	1,111,706	2,818,877
Statewide litigation funding pool	4,650,000	5,000,000
Staff operating and equipment costs	0	792,090
Inflationary increases	0	156,463
Back the blue grants	0	3,500,000
Law enforcement resiliency grants	0	400,000
Total all funds	\$8,536,706	\$12,667,430
Total other funds	<u>8,536,706</u>	<u>2,050,084</u>
Total general fund	\$0	\$10,617,346

21  
2-16-23

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 4. TRANSFER - STATEWIDE LITIGATION FUNDING POOL TO STATE AGENCIES - ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND.** The statewide litigation funding pool line item in section 1 of this Act includes \$5,000,000, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund, which the attorney general shall transfer to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may not use funding from the litigation pool to pay judgments under section 32-12-04.

**SECTION 5. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.** The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION 6. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes \$1,111,480 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims and related administrative costs for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2023-24 interim on the status and results of the grant program.

4A  
2-16-23

**SECTION 7. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.** The forensic nurse examiners grants line item in section 1 of this Act includes \$252,872 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs and related administrative costs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

**SECTION 8. BACK THE BLUE GRANT PROGRAM - MATCHING REQUIREMENT - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item in section 1 of this Act includes \$3,500,000 from the general fund for the purpose of providing back the blue grants to assist local law enforcement agencies with workforce recruitment and retention, for the biennium beginning July 1, 2023, and ending June 30, 2025. Of the funding available under this program, \$1,500,000 is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity.

1. To be eligible for a grant under this section, a law enforcement agency must have incurred workforce recruitment and retention-related expenditures. Eligible expenditures include:
  - a. Bonuses paid to new and current law enforcement officers;
  - b. Tuition and fee payments made on behalf of law enforcement trainees; and
  - c. Costs to upgrade law enforcement equipment.
2. Law enforcement agencies seeking reimbursement for workforce recruitment and retention-related expenditures must submit a report of actual expenditures incurred to the attorney general with the grant application.
3. The attorney general:
  - a. May spend the funds for this program only to the extent the applicant has secured one dollar of matching funds from nonstate sources for every four dollars provided by the attorney general;
  - b. Shall reimburse each eligible applicant fifty percent of allowable expenditures;
  - c. May not award funding for this program to state or federal law enforcement entities; and
  - d. Shall report to the sixty-ninth legislative assembly regarding the number of grants awarded under this section.

**SECTION 9. LAW ENFORCEMENT RESILIENCY GRANT PROGRAM - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item

in section 1 of this Act includes \$400,000 from the general fund for the purpose of providing law enforcement resiliency program grants, for the biennium beginning July 1, 2023, and ending June 30, 2025. Funding provided under this Act must be used to defray administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel. The attorney general shall establish guidelines to award funding under this section. Any organization that receives a grant under this section shall report to the attorney general and the attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs.

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**SECTION 10.** A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

**Opioid settlement fund.**

There is created in the state treasury an opioid settlement fund. The fund consists of opioid litigation funds received by the state. Moneys received by the state as a result of opioid litigation must be deposited in the fund. Moneys in the fund may be used as authorized by legislative appropriation. The legislative assembly shall consult with the governor in determining the use of the moneys in the fund. As used in this section, "opioid litigation" means civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

**SECTION 11. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;

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3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred ~~fifty~~ thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and
  - d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

**SECTION 12. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.**

The annual salary of the attorney general is one hundred ~~sixty-five~~seventy-five thousand ~~eight~~nine hundred ~~forty-five~~twenty-eight dollars through June 30, ~~2022~~2024, and one hundred ~~sixty-nine~~eighty-two thousand ~~one~~nine hundred ~~sixty-two~~sixty-five dollars thereafter.

**SECTION 13. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-eighth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the general fund for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 14. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 15. EXEMPTION - ATTORNEY GENERAL REFUND FUND.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2023.

**SECTION 16. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

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**SECTION 17. EXEMPTION - CRIMINAL HISTORY IMPROVEMENT**

**PROJECT.** The amount of \$400,000 appropriated from the attorney general refund fund in the operating expenses line item for the criminal history improvement project in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the project during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 18. EXEMPTION - COVID-19 FUNDS - JUSTICE ASSISTANCE**

**GRANTS.** The amount of \$2,082,871 appropriated from federal funds derived from COVID-19 funds for justice assistance grants during the 2019-21 biennium in section 1 of chapter 27 and continued into the 2021-23 biennium in section 2 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 19. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.**

The amount of \$1,350,000 appropriated from federal funds derived from the state fiscal recovery fund, of which \$300,000 was for a missing persons database, \$1,000,000 was for the replacement of the prosecuting case management system, and \$50,000 was for charitable gaming information technology costs, in subsections 19, 20, and 42 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - STATE CRIME**

**LABORATORY.** During the 2023-24 interim, the legislative management shall study the services and needs of the North Dakota state crime laboratory, including staffing and equipment needs; the need for forensic scientists with training in firearms and fingerprint analysis; the feasibility and desirability of remodeling current state crime laboratory facilities, acquiring other vacant laboratory facilities in the state, and operating additional state crime laboratory facilities in the state; services the state crime laboratory should have the capability of providing to support law enforcement entities in the state; and whether the state crime laboratory should be administratively separate from the bureau of criminal investigation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$50,295,349	\$6,180,262	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440		3,903,440
Litigation fees	127,500		127,500
Medical examinations	660,000		660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500		8,500
Gaming commission	7,489		7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	3,048,927	4,145,778	7,194,705
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872

State Crime Laboratory salary equity	537,297	(537,297)	
Statewide litigation pool		5,000,000	5,000,000
Additional income		250,000	250,000
Total all funds	\$85,156,437	\$21,064,263	\$106,220,700
Less estimated income	42,509,719	124,130	42,633,849
General fund	\$42,646,718	\$20,940,133	\$63,586,851
FTE	253.00	7.00	260.00

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**Department 125 - Attorney General - Detail of Senate Changes**

	Adds Funding for the Cost to Continue Salaries <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Adds Funding for the Medicaid Fraud Control Unit <sup>5</sup>	Transfers the State Fire Marshal <sup>6</sup>
Salaries and wages	\$519,493	\$3,589,614		\$2,615,910	\$715,753	(\$1,797,805)
Operating expenses				772,912	102,419	(365,094)
Capital assets						
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	8,471	156,756				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		76,341				
Law enforcement	14,398	222,387				
Human trafficking victims grants	936	8,665				
Forensic nurse examiners grants	198	1,983				
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Total all funds	\$543,496	\$4,055,746	\$0	\$3,388,822	\$818,172	(\$2,162,899)
Less estimated income	151,470	1,548,160	(2,404,289)	0	271,880	(1,275,214)
General fund	\$392,026	\$2,507,586	\$2,404,289	\$3,388,822	\$546,292	(\$887,685)
FTE	0.00	0.00	0.00	12.00	3.00	(8.00)

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	Adjusts Base Level Funding <sup>7</sup>	Adds Funding for Software Costs <sup>8</sup>	Adds Funding for the Capitol Rent Model <sup>9</sup>	Adds One-Time Funding for FTE Positions <sup>10</sup>	Adds One-Time Funding for Capital Assets <sup>11</sup>	Adds One-Time Funding for Inflationary Increases <sup>12</sup>
Salaries and wages	\$537,297					
Operating expenses	258,439	\$831,700	\$259,708	\$434,390		\$156,463
Capital assets	(264,055)			357,700	\$2,818,877	
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	13,375					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(261)	395,597				
Law enforcement	8,993					
Human trafficking victims grants						
Forensic nurse examiners grants						
State Crime Laboratory salary equity	(537,297)					
Statewide litigation pool						
Additional income						
<b>Total all funds</b>	<b>\$16,491</b>	<b>\$1,227,297</b>	<b>\$259,708</b>	<b>\$792,090</b>	<b>\$2,818,877</b>	<b>\$156,463</b>
Less estimated income	(791,961)	324,000	0	51,955	1,555,877	0
General fund	\$808,452	\$903,297	\$259,708	\$740,135	\$1,263,000	\$156,463
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for the Litigation Funding Pool <sup>13</sup>	Adds One-Time Funding for Law Enforcement Grants <sup>14</sup>	Adds One-Time Funding for Additional Income <sup>15</sup>	Total Senate Changes
Salaries and wages				\$6,180,262
Operating expenses				2,450,937
Capital assets				2,912,522
Grants				
Litigation fees				
Medical examinations				
North Dakota lottery				178,602
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				471,677
Law enforcement		\$3,900,000		4,145,778
Human trafficking victims grants				9,601
Forensic nurse examiners grants				2,181
State Crime Laboratory salary equity				(537,297)
Statewide litigation pool	\$5,000,000			5,000,000
Additional income			\$250,000	250,000
<b>Total all funds</b>	<b>\$5,000,000</b>	<b>\$3,900,000</b>	<b>\$250,000</b>	<b>\$21,064,263</b>
Less estimated income	442,252	0	250,000	124,130
General fund	\$4,557,748	\$3,900,000	\$0	\$20,940,133
FTE	0.00	0.00	0.00	7.00

<sup>1</sup> Funding is added for the cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$1,778,318	\$1,083,827	\$2,862,145
Health insurance increase	<u>729,268</u>	<u>464,333</u>	<u>1,193,601</u>
Total	\$2,507,586	\$1,548,160	\$4,055,746

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<sup>3</sup> Funding of \$2,404,289 is adjusted for prior biennium salary equity increases for Bureau of Criminal Investigation (BCI), Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory positions by reducing funding from the Attorney General refund fund and increasing funding from the general fund.

<sup>4</sup> Funding is added from the general fund for the following FTE positions:

	<u>FTE Positions</u>	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total</u>
Attorney positions	2.00	\$548,296	\$83,540	\$631,836
BCI cybercrime positions	3.00	677,355	162,621	839,976
BCI criminal investigator positions	3.00	677,355	162,674	840,029
State Crime Laboratory positions	<u>4.00</u>	<u>712,904</u>	<u>364,077</u>	<u>1,076,981</u>
Total	12.00	\$2,615,910	\$772,912	\$3,388,822

<sup>5</sup> Funding of \$840,029, including \$715,753 for salaries and wages and \$102,419 for related operating expenses, is added from the general fund for 3 FTE MFCU positions. In addition, funding for MFCU is adjusted by \$341,747 by reducing federal funds and increasing funding from the general fund to reflect a change in the federal-state cost-sharing of the program. Previously, the federal government provided funding for 90 percent of the costs of the MFCU program. The new federal funding rate is 75 percent.

<sup>6</sup> Funding of \$2,162,899 for 8 FTE positions for the State Fire Marshal is transferred from the Attorney General to the Insurance Commissioner. Funding removed in the Attorney General budget includes \$887,685 from the general fund, \$893,085 from the Attorney General operating fund, and \$382,129 from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Transfers \$537,297 from the Attorney General refund fund for prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item	\$0	\$0	\$0
Adds funding for salary equity increases from the Attorney General operating fund	0	22,368	22,368
Reduces funding for operating expenses from the Attorney General operating fund	0	(22,368)	(22,368)
Adjusts funding for Information Technology (IT) Division and Criminal Justice Information Sharing (CJIS) Division operating expenses by reducing funding from the Attorney General refund fund	856,262	(856,262)	0
Adds funding for the BCI, State Crime Laboratory, and Gaming Division inflationary increases, including funding from the charitable gaming operating fund	125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses, including funding from the charitable gaming operating fund	37,000	37,000	74,000
Adds funding for Information Technology Department rate increases	54,245	7,301	61,546
Adds funding to replace Attorney General IT servers	54,000	0	54,000
Reduces funding for bond payments for the State Crime Laboratory	<u>(318,055)</u>	<u>0</u>	<u>(318,055)</u>
Total	\$808,452	(\$791,961)	\$16,491

<sup>8</sup> Funding is added for software upgrades, maintenance, and subscription costs, as follows:



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	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for increased software maintenance and subscription costs	\$419,297	\$0	\$419,297
Adds federal funding for sexual assault kit tracking system software maintenance	0	180,000	180,000
Adds funding for the automated biometric identification system and data extraction software, of which \$144,000 is from federal funds	384,000	144,000	528,000
Adds funding for legal case search software, also known as Discovery software	<u>100,000</u>	<u>0</u>	<u>100,000</u>
<b>Total</b>	<b>\$903,297</b>	<b>\$324,000</b>	<b>\$1,227,297</b>

<sup>9</sup> Funding of \$259,708 is added from the general fund for a new Capitol space rent model.

<sup>10</sup> One-time funding of \$792,090 for operating expenses and capital assets for new FTE positions is added as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
FTE attorney positions operating expenses	\$12,520	\$0	\$12,520
FTE BCI cybercrime positions operating expenses (\$159,717) and capital assets (\$153,300)	313,017	0	313,017
FTE BCI criminal investigator positions operating expenses (\$57,642) and capital assets (\$153,300)	210,942	0	210,942
FTE MFCU positions operating expenses (\$18,173) and capital assets (\$51,100), of which \$51,955 is from federal funds	17,318	51,955	69,273
FTE State Crime Laboratory operating expenses	<u>186,338</u>	<u>0</u>	<u>186,338</u>
<b>Total</b>	<b>\$740,135</b>	<b>\$51,955</b>	<b>\$792,090</b>

<sup>11</sup> One-time funding of \$2,818,877 is added for capital assets, as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
State Crime Laboratory capital assets, including firearms and fingerprint software and testing equipment upgrades and the replacement of intoxilyzers. Of the total, \$754,677 is from federal funds.	\$886,000	\$754,677	\$1,640,677
Gaming Division and Consumer Protection and Antitrust Division vehicles and radios, of which \$51,100 is from the Attorney General refund fund and \$51,100 is from the charitable gaming operating fund	0	102,200	102,200
Gaming, licensing, and deposit software, including \$699,000 from the charitable gaming operating fund	177,000	699,000	876,000
Replacement of 10 undercover BCI vehicles	<u>200,000</u>	<u>0</u>	<u>200,000</u>
<b>Total</b>	<b>\$1,263,000</b>	<b>\$1,555,877</b>	<b>\$2,818,877</b>

<sup>12</sup> One-time funding of \$156,463 is added from the general fund for BCI, State Crime Laboratory, and Gaming Division inflationary increases.

<sup>13</sup> One-time funding of \$5,000,000 is added for the statewide litigation funding pool, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund.

<sup>14</sup> One-time funding of \$3.9 million is added from the general fund for law enforcement grant programs, including \$3.5 million for a back the blue grant program and \$400,000 for a law enforcement resiliency grant program.

<sup>15</sup> One-time funding of \$250,000 is added from federal funds or other funds received during the 2023-25 biennium, the same amount provided for the 2017-19, 2019-21, and 2021-23 bienniums. This amount is appropriated in a separate section of the bill.

This amendment also adds sections to:

- Require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is from the gaming excise tax allocation fund.

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- Identify \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.
- Identify \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its program.
- Identify \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its programs.
- Identify \$3.5 million appropriated from the general fund in the grants line item is for back the blue grants. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.
- Identify \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.
- Creates a new section to North Dakota Century Code Chapter 50-06 to create an opioid settlement fund and deposit money received by the state as a result of opioid litigation in the fund.
- Amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter. This change will reduce general fund revenue by \$400,000 for the 2023-25 biennium.
- Amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.
- Require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during.
- Authorize the Attorney General to contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.
- Allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming IT costs (\$50,000) into the 2023-25 biennium.
- Provide for a Legislative Management study of the services and needs of the State Crime Laboratory.

**REPORT OF STANDING COMMITTEE**

**SB 2003: Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2003 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after "general" insert "; to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to the creation of an opioid settlement fund; to amend and reenact sections 53-12.1-09 and 54-12-11 of the North Dakota Century Code, relating to transfers from the lottery operating fund to the multijurisdictional drug task force grant fund and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a report; and to provide for a legislative management study"

Page 1, remove lines 8 through 24

Page 2, replace lines 1 through 3 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$50,832,646	\$5,642,965	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440	0	3,903,440
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	<u>3,048,927</u>	<u>4,145,778</u>	<u>7,194,705</u>
Total all funds	\$85,156,437	\$20,814,263	\$105,970,700
Less estimated income	<u>42,509,719</u>	<u>(125,870)</u>	<u>42,383,849</u>
Total general fund	\$42,646,718	\$20,940,133	\$63,586,851
Full-time equivalent positions	253.00	7.00	260.00"

Page 2, line 4, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY**"

Page 2, line 5, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 7 through 18 with:

"Criminal history improvement system	\$400,000	\$0
Automated biometric identification system	300,000	0
Charitable gaming technology system	475,000	0
Additional income	250,000	0
Missing persons database	300,000	0
Prosecuting case management system	1,000,000	0
Charitable gaming tax information technology costs	50,000	0
Capital assets	1,111,706	2,818,877
Statewide litigation funding pool	4,650,000	5,000,000
Staff operating and equipment costs	0	792,090
Inflationary increases	0	156,463
Back the blue grants	0	3,500,000
Law enforcement resiliency grants	<u>0</u>	<u>400,000</u>

Total all funds	\$8,536,706	\$12,667,430
Total other funds	<u>8,536,706</u>	<u>2,050,084</u>
Total general fund	\$0	\$10,617,346

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 4. TRANSFER - STATEWIDE LITIGATION FUNDING POOL TO STATE AGENCIES - ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND.** The statewide litigation funding pool line item in section 1 of this Act includes \$5,000,000, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund, which the attorney general shall transfer to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may not use funding from the litigation pool to pay judgments under section 32-12-04.

**SECTION 5. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.** The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION 6. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes \$1,111,480 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims and related administrative costs for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2023-24 interim on the status and results of the grant program.

**SECTION 7. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.** The forensic nurse examiners grants line item in section 1 of this Act includes \$252,872 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs and related administrative costs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to

sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

**SECTION 8. BACK THE BLUE GRANT PROGRAM - MATCHING REQUIREMENT - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item in section 1 of this Act includes \$3,500,000 from the general fund for the purpose of providing back the blue grants to assist local law enforcement agencies with workforce recruitment and retention, for the biennium beginning July 1, 2023, and ending June 30, 2025. Of the funding available under this program, \$1,500,000 is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity.

1. To be eligible for a grant under this section, a law enforcement agency must have incurred workforce recruitment and retention-related expenditures. Eligible expenditures include:
  - a. Bonuses paid to new and current law enforcement officers;
  - b. Tuition and fee payments made on behalf of law enforcement trainees; and
  - c. Costs to upgrade law enforcement equipment.
2. Law enforcement agencies seeking reimbursement for workforce recruitment and retention-related expenditures must submit a report of actual expenditures incurred to the attorney general with the grant application.
3. The attorney general:
  - a. May spend the funds for this program only to the extent the applicant has secured one dollar of matching funds from nonstate sources for every four dollars provided by the attorney general;
  - b. Shall reimburse each eligible applicant fifty percent of allowable expenditures;
  - c. May not award funding for this program to state or federal law enforcement entities; and
  - d. Shall report to the sixty-ninth legislative assembly regarding the number of grants awarded under this section.

**SECTION 9. LAW ENFORCEMENT RESILIENCY GRANT PROGRAM - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item in section 1 of this Act includes \$400,000 from the general fund for the purpose of providing law enforcement resiliency program grants, for the biennium beginning July 1, 2023, and ending June 30, 2025. Funding provided under this Act must be used to defray administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel. The attorney general shall establish guidelines to award funding under this section. Any organization that receives a grant under this section shall report to the attorney general and the attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs.

**SECTION 10.** A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

**Opioid settlement fund.**

There is created in the state treasury an opioid settlement fund. The fund consists of opioid litigation funds received by the state. Moneys received by the state as a result of opioid litigation must be deposited in the fund. Moneys in the fund may be used as authorized by legislative appropriation. The legislative assembly shall consult with the governor in determining the use of the moneys in the fund. As used in this section, "opioid litigation" means civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

**SECTION 11. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;
3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred ~~fifty~~ thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and
  - d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

**SECTION 12. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.**

The annual salary of the attorney general is one hundred ~~sixty-five~~ ~~seventy-five~~ thousand ~~eight~~ ~~nine~~ hundred ~~forty-five~~ ~~twenty-eight~~ dollars through June 30, ~~2022~~ ~~2024~~, and one hundred ~~sixty-nine~~ ~~eighty-two~~ thousand ~~one~~ ~~nine~~ hundred ~~sixty-two~~ ~~sixty-five~~ dollars thereafter.

**SECTION 13. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-eighth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the general fund for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 14. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 15. EXEMPTION - ATTORNEY GENERAL REFUND FUND.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2023.

**SECTION 16. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 17. EXEMPTION - CRIMINAL HISTORY IMPROVEMENT PROJECT.** The amount of \$400,000 appropriated from the attorney general refund fund in the operating expenses line item for the criminal history improvement project in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the project during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 18. EXEMPTION - COVID-19 FUNDS - JUSTICE ASSISTANCE GRANTS.** The amount of \$2,082,871 appropriated from federal funds derived from COVID-19 funds for justice assistance grants during the 2019-21 biennium in section 1 of chapter 27 and continued into the 2021-23 biennium in section 2 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 19. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$1,350,000 appropriated from federal funds derived from the state fiscal recovery fund, of which \$300,000 was for a missing persons database, \$1,000,000 was for the replacement of the prosecuting case management system, and \$50,000 was for charitable gaming information technology costs, in subsections 19, 20, and 42 of section 1 of chapter 550 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - STATE CRIME LABORATORY.** During the 2023-24 interim, the legislative management shall study the services and needs of the North Dakota state crime laboratory, including staffing

and equipment needs; the need for forensic scientists with training in firearms and fingerprint analysis; the feasibility and desirability of remodeling current state crime laboratory facilities, acquiring other vacant laboratory facilities in the state, and operating additional state crime laboratory facilities in the state; services the state crime laboratory should have the capability of providing to support law enforcement entities in the state; and whether the state crime laboratory should be administratively separate from the bureau of criminal investigation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$50,295,349	\$6,180,262	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440		3,903,440
Litigation fees	127,500		127,500
Medical examinations	660,000		660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500		8,500
Gaming commission	7,489		7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	3,048,927	4,145,778	7,194,705
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872
State Crime Laboratory salary equity	537,297	(537,297)	
Statewide litigation pool		5,000,000	5,000,000
Additional income		250,000	250,000
Total all funds	\$85,156,437	\$21,064,263	\$106,220,700
Less estimated income	42,509,719	124,130	42,633,849
General fund	\$42,646,718	\$20,940,133	\$63,586,851
FTE	253.00	7.00	260.00



Department 125 - Attorney General - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Adds Funding for the Medicaid Fraud Control Unit <sup>5</sup>	Transfers the State Fire Marshal <sup>6</sup>
Salaries and wages	\$519,493	\$3,589,614		\$2,615,910	\$715,753	(\$1,797,805)
Operating expenses				772,912	102,419	(365,094)
Capital assets						
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	8,471	156,756				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		76,341				
Law enforcement	14,398	222,387				
Human trafficking victims grants	936	8,665				
Forensic nurse examiners grants	198	1,983				
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Total all funds	\$543,496	\$4,055,746	\$0	\$3,388,822	\$818,172	(\$2,162,899)
Less estimated income	151,470	1,548,160	(2,404,289)	0	271,880	(1,275,214)
General fund	\$392,026	\$2,507,586	\$2,404,289	\$3,388,822	\$546,292	(\$887,685)
FTE	0.00	0.00	0.00	12.00	3.00	(8.00)

	Adjusts Base Level Funding <sup>7</sup>	Adds Funding for Software Costs <sup>8</sup>	Adds Funding for the Capitol Rent Model <sup>9</sup>	Adds One- Time Funding for FTE Positions <sup>10</sup>	Adds One- Time Funding for Capital Assets <sup>11</sup>	Adds One- Time Funding for Inflationary Increases <sup>12</sup>
Salaries and wages	\$537,297					
Operating expenses	258,439	\$831,700	\$259,708	\$434,390		\$156,463
Capital assets	(264,055)			357,700	\$2,818,877	
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	13,375					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(261)	395,597				
Law enforcement	8,993					
Human trafficking victims grants						
Forensic nurse examiners grants						
State Crime Laboratory salary equity	(537,297)					
Statewide litigation pool						
Additional income						
Total all funds	\$16,491	\$1,227,297	\$259,708	\$792,090	\$2,818,877	\$156,463
Less estimated income	(791,961)	324,000	0	51,955	1,555,877	0
General fund	\$808,452	\$903,297	\$259,708	\$740,135	\$1,263,000	\$156,463
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for the Litigation Funding Pool <sup>13</sup>	Adds One-Time Funding for Law Enforcement Grants <sup>14</sup>	Adds One-Time Funding for Additional Income <sup>15</sup>	Total Senate Changes
Salaries and wages				\$6,180,262
Operating expenses				2,450,937
Capital assets				2,912,522
Grants				
Litigation fees				
Medical examinations				
North Dakota lottery				178,602
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				471,677
Law enforcement		\$3,900,000		4,145,778
Human trafficking victims grants				9,601
Forensic nurse examiners grants				2,181
State Crime Laboratory salary equity				(537,297)
Statewide litigation pool	\$5,000,000			5,000,000
Additional income			\$250,000	250,000
<b>Total all funds</b>	<b>\$5,000,000</b>	<b>\$3,900,000</b>	<b>\$250,000</b>	<b>\$21,064,263</b>
Less estimated income	442,252	0	250,000	124,130
<b>General fund</b>	<b>\$4,557,748</b>	<b>\$3,900,000</b>	<b>\$0</b>	<b>\$20,940,133</b>
FTE	0.00	0.00	0.00	7.00

<sup>1</sup> Funding is added for the cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	General Fund	Other Funds	Total
Salary increase	\$1,778,318	\$1,083,827	\$2,862,145
Health insurance increase	729,268	464,333	1,193,601
<b>Total</b>	<b>\$2,507,586</b>	<b>\$1,548,160</b>	<b>\$4,055,746</b>

<sup>3</sup> Funding of \$2,404,289 is adjusted for prior biennium salary equity increases for Bureau of Criminal Investigation (BCI), Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory positions by reducing funding from the Attorney General refund fund and increasing funding from the general fund.

<sup>4</sup> Funding is added from the general fund for the following FTE positions:

	FTE Positions	Salaries and Wages	Operating Expenses	Total
Attorney positions	2.00	\$548,296	\$83,540	\$631,836
BCI cybercrime positions	3.00	677,355	162,621	839,976
BCI criminal investigator positions	3.00	677,355	162,674	840,029
State Crime Laboratory positions	4.00	712,904	364,077	1,076,981
<b>Total</b>	<b>12.00</b>	<b>\$2,615,910</b>	<b>\$772,912</b>	<b>\$3,388,822</b>

<sup>5</sup> Funding of \$840,029, including \$715,753 for salaries and wages and \$102,419 for related operating expenses, is added from the general fund for 3 FTE MFCU positions. In addition, funding for MFCU is adjusted by \$341,747 by reducing federal funds and increasing funding from the general fund to reflect a change in the federal-state cost-sharing of the program. Previously, the federal government provided funding for 90 percent of the costs of the MFCU program. The new federal funding rate is 75 percent.

<sup>6</sup> Funding of \$2,162,899 for 8 FTE positions for the State Fire Marshal is transferred from the Attorney General to the Insurance Commissioner. Funding removed in the Attorney General budget includes \$887,685 from the general fund, \$893,085 from the Attorney General operating fund, and \$382,129 from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund.

<sup>7</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Transfers \$537,297 from the Attorney General refund fund for prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item	\$0	\$0	\$0
Adds funding for salary equity increases from the Attorney General operating fund	0	22,368	22,368
Reduces funding for operating expenses from the Attorney General operating fund	0	(22,368)	(22,368)
Adjusts funding for Information Technology (IT) Division and Criminal Justice Information Sharing (CJIS) Division operating expenses by reducing funding from the Attorney General refund fund	856,262	(856,262)	0
Adds funding for the BCI, State Crime Laboratory, and Gaming Division inflationary increases, including funding from the charitable gaming operating fund	125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses, including funding from the charitable gaming operating fund	37,000	37,000	74,000
Adds funding for Information Technology Department rate increases	54,245	7,301	61,546
Adds funding to replace Attorney General IT servers	54,000	0	54,000
Reduces funding for bond payments for the State Crime Laboratory	<u>(318,055)</u>	<u>0</u>	<u>(318,055)</u>
Total	\$808,452	(\$791,961)	\$16,491

<sup>8</sup> Funding is added for software upgrades, maintenance, and subscription costs, as follows:

	General Fund	Other Funds	Total
Adds funding for increased software maintenance and subscription costs	\$419,297	\$0	\$419,297
Adds federal funding for sexual assault kit tracking system software maintenance	0	180,000	180,000
Adds funding for the automated biometric identification system and data extraction software, of which \$144,000 is from federal funds	384,000	144,000	528,000
Adds funding for legal case search software, also known as Discovery software	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total	\$903,297	\$324,000	\$1,227,297

<sup>9</sup> Funding of \$259,708 is added from the general fund for a new Capitol space rent model.

<sup>10</sup> One-time funding of \$792,090 for operating expenses and capital assets for new FTE positions is added as follows:

	General Fund	Other Funds	Total
FTE attorney positions operating expenses	\$12,520	\$0	\$12,520
FTE BCI cybercrime positions operating expenses (\$159,717) and capital assets (\$153,300)	313,017	0	313,017
FTE BCI criminal investigator positions operating expenses (\$57,642) and capital assets (\$153,300)	210,942	0	210,942
FTE MFCU positions operating expenses (\$18,173) and capital assets (\$51,100), of which \$51,955 is from federal funds	17,318	51,955	69,273
FTE State Crime Laboratory operating expenses	<u>186,338</u>	<u>0</u>	<u>186,338</u>
Total	\$740,135	\$51,955	\$792,090

<sup>11</sup> One-time funding of \$2,818,877 is added for capital assets, as follows:

	General Fund	Other Funds	Total
State Crime Laboratory capital assets, including firearms and fingerprint software and testing equipment upgrades and the replacement of intoxilyzers. Of the total, \$754,677 is from federal funds.	\$886,000	\$754,677	\$1,640,677
Gaming Division and Consumer Protection and Antitrust Division vehicles and radios, of which \$51,100 is from the Attorney General refund fund and \$51,100 is from the charitable gaming operating fund	0	102,200	102,200
Gaming, licensing, and deposit software, including \$699,000 from the charitable gaming operating fund	177,000	699,000	876,000
Replacement of 10 undercover BCI vehicles	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total	\$1,263,000	\$1,555,877	\$2,818,877

<sup>12</sup> One-time funding of \$156,463 is added from the general fund for BCI, State Crime Laboratory, and Gaming Division inflationary increases.

<sup>13</sup> One-time funding of \$5,000,000 is added for the statewide litigation funding pool, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund.

<sup>14</sup> One-time funding of \$3.9 million is added from the general fund for law enforcement grant programs, including \$3.5 million for a back the blue grant program and \$400,000 for a law

enforcement resiliency grant program.

<sup>15</sup> One-time funding of \$250,000 is added from federal funds or other funds received during the 2023-25 biennium, the same amount provided for the 2017-19, 2019-21, and 2021-23 bienniums. This amount is appropriated in a separate section of the bill.

This amendment also adds sections to:

- Require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is from the gaming excise tax allocation fund.
- Identify \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.
- Identify \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its program.
- Identify \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its programs.
- Identify \$3.5 million appropriated from the general fund in the grants line item is for back the blue grants. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.
- Identify \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.
- Creates a new section to North Dakota Century Code Chapter 50-06 to create an opioid settlement fund and deposit money received by the state as a result of opioid litigation in the fund.
- Amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter. This change will reduce general fund revenue by \$400,000 for the 2023-25 biennium.
- Amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.
- Require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during.
- Authorize the Attorney General to contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation,

during the 2023-25 biennium.

- Allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming IT costs (\$50,000) into the 2023-25 biennium.
- Provide for a Legislative Management study of the services and needs of the State Crime Laboratory.

**2023 HOUSE APPROPRIATIONS**

**SB 2003**

**Department 125 - Attorney General**  
**Senate Bill No. 2003**

**First Chamber Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 First Chamber Version	\$63,586,851	\$42,633,849	\$106,220,700
2023-25 Base Level	42,646,718	42,509,719	85,156,437
Increase (Decrease)	\$20,940,133	\$124,130	\$21,064,263

**First Chamber Changes**

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

**Selected Bill Sections Included in the First Chamber Version**

**Appropriation - Additional federal funds or other funds** - Section 3 appropriates \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

**Transfer - Statewide litigation funding pool to state agencies** - Section 4 requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund.

**Matching funds requirement - Back the blue grant program** - Section 8 identifies \$3.5 million appropriated from the general fund in the law enforcement line item is for a back the blue grant program. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing 10 or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.

**Law enforcement resiliency grant program** - Section 9 identifies \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.

**Amendment - Opioid settlement fund** - Section 10 creates a new section in North Dakota Century Code Chapter 50-06 to create an opioid settlement fund and provides money received by the state as a result of opioid litigation be deposited in the fund.

**Amendment - Lottery fund transfers** - Section 11 amends Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

**Exemption - Attorney General refund fund** - Section 15 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

**Exemption - Concealed weapon rewrite project** - Section 16 allows the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

**Exemption - Criminal history improvement project** - Section 17 allows the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

**Exemption - COVID-19 funds** - Section 18 allows the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

**Exemption - Federal State Fiscal Recovery Fund** - Section 19 allows the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

**Legislative Management study - State Crime Laboratory** - Section 20 provides for a Legislative Management study of the services and needs of the State Crime Laboratory.

**Continuing Appropriations**

**Assets forfeiture fund** - Section 54-12-14 - To pay costs related to law enforcement activities of the Attorney General's office.

**Lottery operating fund** - Section 53-12.1-09 - To pay costs of operating the lottery.

**Refund fund** - Section 54-12-18 - To pay costs of the Consumer Protection and Antitrust Division and the Gaming Division.

**Special operations team reimbursement fund** - Section 54-12-23 - To reimburse city and county governments that provide special operations team services to rural areas.

**24/7 sobriety program fund** - Section 54-12-29 - To pay costs of administering and operating the 24/7 sobriety program.

**Multijurisdictional drug task force fund** - Section 54-12-26 - To provide support for the narcotics enforcement efforts of the state.

**Gambling disorder prevention and treatment fund** - House Bill No. 1114, as approved by the House, provides the Attorney General a continuing appropriation for the \$10,000 transferred from the charitable gaming operating fund to the gambling disorder prevention and treatment fund each quarter.

**Merchant code violation fund** - House Bill No. 1487, as approved by the House, provides the Attorney General a continuing appropriation from a newly created merchant code violation fund for disbursement of funding to individuals harmed by violations of financial entities' use of merchant codes that track firearm- and ammunition-related purchases.

**Charitable gaming technology fund** - Senate Bill No. 2281, as approved by the Senate, provides the Attorney General a continuing appropriation from a newly created charitable gaming technology fund for contracting for and purchasing equipment and software for a charitable gaming technology system, training employees to operate the system, and maintaining and updating the system.

### **Deficiency Appropriations**

**Prosecution witness fees** - Senate Bill No. 2025 includes a \$75,000 general fund deficiency appropriation to the Attorney General for prosecution witness fee reimbursements to counties during the 2021-23 biennium.

### **Significant Audit Findings**

**Operational audit** - The operational audit of the Attorney General conducted by the State Auditor's office for the period ending June 30, 2020, identified one finding related to breath alcohol toxicology results. The State Auditor reviewed if toxicology results were accurate and performed by certified operators. The audit revealed the breath alcohol toxicology results were performed by certified operators but 34 of 8,925 tests performed during the audit period were performed using expired or unapproved gas standard canisters, resulting in potentially invalid tests. The State Auditor recommended either the Director of the State Crime Laboratory direct field inspectors to ensure gas canisters are approved and replaced prior to the expiration dates or the Attorney General establish other measures to prevent unapproved or expired gas canisters from being used to perform breath alcohol tests.

The Attorney General disagreed with the audit finding and recommendation. The Attorney General stated corrective actions related to field inspectors ensuring gas canisters are approved and replaced prior to the expiration dates were implemented in prior years.

In Section 4 of House Bill No. 1003 (2021), the Legislative Assembly appropriated \$100,000 from federal funds to the Attorney General for the replacement of 61 of 119 drug analyzers. The funding was to replace Intoxilyzer 8000 models with Intoxilyzer 9000 models that will prevent unapproved or expired gas canisters from being used. The Attorney General reported there may be a request during the 2023 legislative session for funding to replace the remaining 58 Intoxilyzer 8000s.

**Investigative report on leased property** - In response to a June 2022 request from the Legislative Audit and Fiscal Review Committee, the State Auditor issued an investigative report in September 2022 related to a 10-year lease agreement and remodel costs of a facility leased by the Attorney General's office. The State Auditor was asked to investigate the lease and excess costs of approximately \$1.74 million for renovations to the leased facility.

The investigation included a review of the lease entered by the Attorney General for the property located at 1720 Burlington Drive in Bismarck; interviews with representatives of the Attorney General's office, the Office of Management and Budget, Stealth Properties, Parkway Property Management, and Frontier Contracting, LLC; a review of emails made available by each interested party; and other records, including floor plans, invoices, and banking information.

The investigation revealed:

- Attorney General division directors were not consulted in the initial plans to relocate staff to the Burlington Drive facility, resulting in numerous remodeling changes necessary to accommodate staff which increased the cost to the Attorney General.
- The total cost to the Attorney General's office to relocate to the Burlington Drive facility was \$2.4 million. Of the total, \$1.74 million is considered excess costs to renovate and relocate to the facility. Of the \$1.74 million, \$1.34 million was paid by the Attorney General at the end of the 2019-21 biennium from existing funds remaining in the agency's operating expenses (\$470,187), law enforcement (\$197,900), criminal justice information sharing (CJIS) (\$325,876), and North Dakota Lottery (\$348,247) line items. The remaining \$400,000 has been included in the ongoing lease cost beginning in the 2021-23 biennium.
- The Burlington Drive facility contains 2,600 fewer square feet than facilities the Attorney General leased before relocating.
- Invoices from Frontier Contracting, LLC included building maintenance-related services that appear to be the landlord's responsibility.



- Invoices from Frontier Contracting, LLC were for services that had occurred more than a year prior to the issuance of the invoice and the invoices lacked detail regarding the services performed.
- Parkway Property Management does not have invoices to support renovation costs. The State Auditor considers these questioned costs.
- After the emails of Attorney General Wayne Stenehjem were deleted in January 2021, the Information Technology Department indicated the emails could not be recovered. Information from Microsoft indicated data from the emails may not be completely lost.

### Major Related Legislation

**House Bill No. 1114** - This bill amends Section 53-06.1-11.2 related to funding in the charitable gaming operating fund in excess of funding appropriated from the fund for the subsequent biennium being transferred to the general fund and provides the Attorney General a continuing appropriation for the \$10,000 transferred from the charitable gaming operating fund to the gambling disorder prevention and treatment fund each quarter.

**House Bill No. 1307** - This bill provides a one-time appropriation of \$5 million from the general fund to the Attorney General for a back the blue grant program to assist local law enforcement agencies with workforce recruitment and retention. The funding may be used for providing hiring and retention bonuses to new and current law enforcement and correctional officers and providing tuition and fee payments on behalf of law enforcement trainees.

**House Bill No. 1388** - This bill provides a \$30,000 appropriation from the general fund to the Attorney General for a newly created program to support retired law enforcement dogs.

**House Bill No. 1415** - This bill provides a one-time appropriation of \$480,000 from the general fund to the Attorney General for the purpose of establishing a law enforcement staffing grant program for awarding grants to a local police department located in a southeastern North Dakota community with a population of between 14,000 and 17,000 residents that has recently experienced a significant increase in the number of registered sex offenders living in that community in order to hire additional law enforcement staff. Eligible expenditures under the program include costs related to salaries and overtime, training, and purchases of equipment for existing and newly hired law enforcement staff.

**House Bill No. 1447** - This bill creates an opioid settlement fund and an opioid settlement advisory committee, requires the Attorney General to transfer any funding received from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund during the 2019-21 and 2021-23 bienniums into the opioid settlement fund, and requires the Attorney General to request political subdivisions to return all unobligated opioid-related funds so the Attorney General may deposit those funds in the opioid settlement fund. An appropriation of \$8 million is provided to the Department of Health and Human Services (DHHS) for the purpose of opioid remediation and abatement efforts.

**House Bill No. 1487** - This bill requires the Attorney General to investigate alleged violations relating to financial entities' use of merchant codes to track firearm- and ammunition-related purchases. The Attorney General is provided a continuing appropriation from the newly created merchant code violation fund for disbursement of funding to individuals harmed by violations of financial entities' use of merchant codes that track firearm- and ammunition-related purchases.

**House Bill No. 1528** - This bill relates to the final disposition of records, mandatory records retention policies for state agencies, and the administration of employee accounts upon employee departure from an agency. The bill allows noncompliance with the records management program to be reported to the Attorney General for possible prosecution or referral to the Office of Management and Budget Human Resource Management Services Division for disciplinary action.

**Senate Bill No. 2202** - This bill appropriates one-time funding of \$250,000 from the general fund to the Attorney General to provide domestic violence forensic medical examination program grants to community-based or hospital-based domestic violence examiner programs and related administrative costs.

**Senate Bill No. 2211** - This bill transfers statutory supervision authority for the State Fire Marshal from the Attorney General to the Insurance Commissioner.

**Senate Bill No. 2281** - This bill creates a charitable gaming technology fund, requires the Attorney General to deposit a portion of gaming licensing fees into the new fund, provides the Attorney General a continuing appropriation from the fund for contracting for and purchasing equipment and software for a charitable gaming technology system, training employees to operate the system, and maintaining and updating the system, and transfers \$400,000 from the charitable gaming operating fund to the charitable gaming technology fund.

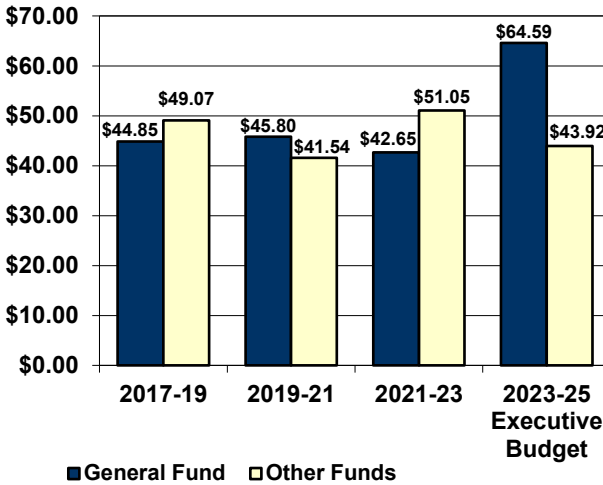
**Senate Bill No. 2299** - This bill requires the Attorney General to provide a certificate of registration for all scrap metal dealers.

**House Concurrent Resolution No. 3002** - This resolution authorizes sports betting and allows for the licensing and regulation of sports betting by the state.

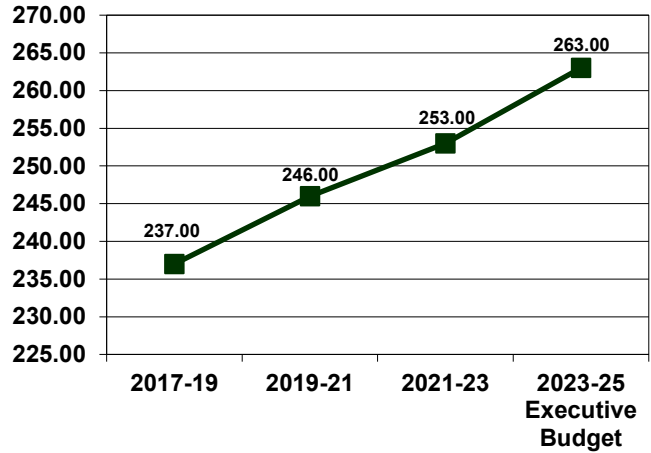
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$48,466,861	\$44,695,840	\$45,604,596	\$42,646,718	\$53,208,446
Increase (decrease) from previous biennium	N/A	(\$3,771,021)	\$908,756	(\$2,957,878)	\$10,561,728
Percentage increase (decrease) from previous biennium	N/A	(7.8%)	2.0%	(6.5%)	24.8%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(7.8%)	(5.9%)	(12.0%)	9.8%

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

#### 2017-19 Biennium

1. Removed 13 FTE undesignated positions (\$130,782)
2. Reduced salaries and wages in anticipation of savings from vacant positions and employee turnover (\$929,297)
3. Changed funding source for 8 FTE positions from the general fund to federal and other funds (\$1,120,322)
4. Reduced funding for CJIS to provide total funding of \$3,391,562 (\$188,741)
5. Reduced funding for law enforcement programs (\$219,348)
6. Added funding to provide grants to organizations involved in providing prevention and treatment services related to human trafficking victims \$125,000

#### 2019-21 Biennium

1. Removed 4 FTE positions, including 1 paralegal position, 1 criminal records specialist II position, 1 assistant attorney general position, and 1 administrative assistant II position (\$641,089)
2. Added 1 FTE forensic scientist position \$224,500
3. Transferred 2 FTE CJIS positions, including \$372,555 of salaries and wages and \$9,388 of operating expenses from the Adjutant General - Department of Emergency Services to the Bureau of Criminal Investigation (BCI). The total amount transferred was \$381,943, including \$111,766 from other funds. \$270,177
4. Added funding for the human trafficking victims grants program to provide total funding of \$1.4 million from the general fund \$1,275,000
5. Added funding for a forensic nurse examiners grant program \$250,000

#### 2021-23 Biennium

1. Added funding for a State Crime Laboratory data scientist position, of which \$200,162 is for salaries and wages and \$42,570 is for operating expenses \$242,732

2. Reduced funding for temporary salaries, including \$146,009 for IT temporary salaries and \$100,000 for agencywide temporary salaries (\$246,009)
3. Adjusted funding for the Gaming Division from the general fund to the charitable gaming operating fund to provide total funding of \$5,926,068 from the charitable gaming operating fund for the Gaming Division, of which \$4,125,469 is for salaries and wages, \$1,043,110 is for operating expenses, \$750,000 is for grants to political subdivisions, and \$7,489 is for Gaming Commission expenses (\$1,710,042)
4. Adjusted funding for operating expenses, including general fund decreases primarily for IT contractual services and repairs, IT software and supplies, travel, operating fees, rent, and increases from the Attorney General operating fund (\$185,464) and Attorney General refund fund (\$584,373) primarily for IT software, IT supplies, and IT contractual services and repairs (\$1,699,628)
5. Reduced funding for human trafficking victims grants to provide a total of \$1,101,879 from the general fund, of which \$1,100,000 is for grants and \$1,879 is for administration of the program (\$300,000)
6. Added funding for CJIS, for a common statute tables project (\$40,000), CJIS portal upgrades (\$75,000), broker maintenance costs (\$50,000), and law enforcement records and jail management system maintenance (\$217,662) \$382,662
7. Adjusted funding for CJIS IT expenses from the general fund to the Attorney General refund fund to provide total CJIS funding of \$4,074,968, of which \$2,952,761 is from the general fund, \$650,000 is from federal funds, and \$472,207 is from the Attorney General refund fund (\$271,889)
8. Adjusted funding from the general fund to the Attorney General refund fund for law enforcement operating expenses, of which \$279,850 relates to BCI, \$34,377 relates to the State Crime Laboratory, and \$26,133 are administrative law enforcement operating expenses. Total funding in the law enforcement line item is \$3,048,927, of which \$2,475,393 is from the general fund, \$229,796 is from federal funds, and \$343,738 is from the Attorney General refund fund. (\$340,360)

**2023-25 Biennium (Executive Budget Recommendation)**

1. Adjusts funding for prior biennium BCI, Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory salary equity increases from the Attorney General refund fund to the general fund \$2,404,289
2. Adds funding for 2 FTE attorney positions, of which \$548,296 is for salaries and wages and \$83,540 is for operating expenses \$631,836
3. Adds funding for 2 FTE BCI cybercrime positions, of which \$451,570 is for salaries and wages and \$108,421 is for operating expenses \$559,991
4. Adds funding for 4 FTE State Crime Laboratory positions, of which \$712,904 is for salaries and wages, \$120,365 is for operating expenses, and \$243,712 is for an increase in maintenance contracts for equipment \$1,076,981
5. Adjusts funding for MFCU salaries and operating expenses by \$341,747 from federal funds to the general fund and for Information Technology Division and CJIS operating expenses by \$856,262 from the Attorney General refund fund to the general fund \$1,198,009

**One-Time General Fund Appropriations**

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$3,282,824	\$150,000	\$200,000	\$0	\$11,379,386

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

1. Prosecution witness fees \$50,000
2. DOS-based deposit system rewrite \$100,000

**2019-21 Biennium**

1. Undercover vehicles \$200,000

**2021-23 Biennium**

- None \$0

**2023-25 Biennium (Executive Budget Recommendation)**

1. State Crime Laboratory capital assets \$886,000
2. Replacement of 10 undercover BCI vehicles \$200,000
3. Statewide litigation funding pool \$4,557,748
4. Back the blue grants \$5,000,000

**Attorney General - Budget No. 125**  
**Senate Bill No. 2003**  
**Base Level Funding Changes**

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2023-25 Biennium Base Level</b>	253.00	\$42,646,718	\$42,509,719	\$85,156,437	253.00	\$42,646,718	\$42,509,719	\$85,156,437
<b>2023-25 Ongoing Funding Changes</b>								
Adds funding for the cost to continue salary increases		\$392,026	\$151,470	\$543,496		\$392,026	\$151,470	\$543,496
Salary increase		2,297,062	1,503,134	3,800,196		1,778,318	1,083,827	2,862,145
Health insurance increase		736,474	471,438	1,207,912		729,268	464,333	1,193,601
Adds funding for salary equity increases			22,368	22,368			22,368	22,368
Transfers \$537,297 of prior biennium State Crime Laboratory salary equity funding from a special line				0				0
Adjusts funding for prior biennium BCI, MFCU, and State Crime Laboratory salary equity increases		2,404,289	(2,404,289)	0		2,404,289	(2,404,289)	0
Adds funding for FTE attorney positions	2.00	631,836		631,836	2.00	631,836		631,836
Adds funding for FTE BCI cybercrime positions	2.00	559,991		559,991	3.00	839,976		839,976
Adds funding for FTE BCI criminal investigator positions				0	3.00	840,029		840,029
Adds funding for FTE State Crime Laboratory positions	4.00	1,076,981		1,076,981	4.00	1,076,981		1,076,981
Adds funding for FTE MFCU positions	2.00	149,865	449,588	599,453	3.00	204,545	613,627	818,172
Adjusts funding for the MFCU		341,747	(341,747)	0		341,747	(341,747)	0
Transfers funding for the State Fire Marshal				0	(8.00)	(887,685)	(1,275,214)	(2,162,899)
Reduces funding for operating expenses			(22,368)	(22,368)			(22,368)	(22,368)
Adjusts funding for IT Division and CJIS operating expenses		856,262	(856,262)	0		856,262	(856,262)	0
Adds funding for IT rate increases		54,245	7,301	61,546		54,245	7,301	61,546
Adds funding for increased software maintenance and subscription costs		419,297		419,297		419,297		419,297
Adds funding for sexual assault kit tracking system software maintenance			180,000	180,000			180,000	180,000
Adds funding for the automated biometric identification system and data extraction software		384,000	144,000	528,000		384,000	144,000	528,000
Adds funding for legal case search software, also known as Discovery software		100,000		100,000		100,000		100,000
Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		125,000	20,000	145,000		125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses		37,000	37,000	74,000		37,000	37,000	74,000
Adds funding for a new Capitol space rent model		259,708		259,708		259,708		259,708
Reduces funding for bond payments		(318,055)		(318,055)		(318,055)		(318,055)
Adds funding to replace IT servers		54,000		54,000		54,000		54,000
<b>Total ongoing funding changes</b>	<b>10.00</b>	<b>\$10,561,728</b>	<b>(\$638,367)</b>	<b>\$9,923,361</b>	<b>7.00</b>	<b>\$10,322,787</b>	<b>(\$2,175,954)</b>	<b>\$8,146,833</b>
<b>One-Time Funding Items</b>								
Adds one-time funding for FTE attorney position operating expenses		\$12,520		\$12,520		\$12,520		\$12,520
Adds one-time funding for BCI cybercrime operating and capital assets		185,999		185,999		313,017		313,017
Adds one-time funding for BCI criminal investigator operating and capital assets				0		210,942		210,942
Adds one-time funding for State Crime Laboratory operating expenses		186,338		186,338		186,338		186,338
Adds one-time funding for State Crime Laboratory capital assets		886,000	\$754,677	1,640,677		886,000	\$754,677	1,640,677
Adds one-time funding for MFCU operating and capital assets		17,318	51,955	69,273		17,318	51,955	69,273
Adds one-time funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		156,463		156,463		156,463		156,463
Adds one-time funding for gaming and consumer protection investigator vehicles and radios			102,200	102,200			102,200	102,200
Adds one-time funding for gaming, licensing, and deposit software		177,000	699,000	876,000		177,000	699,000	876,000
Adds one-time funding to replace undercover BCI vehicles		200,000		200,000		200,000		200,000
Adds one-time funding for the statewide litigation funding pool		4,557,748	442,252	5,000,000		4,557,748	442,252	5,000,000
Adds one-time funding for a back the blue grant program		5,000,000		5,000,000		3,500,000		3,500,000
Adds funding for a law enforcement resiliency grant program				0		400,000		400,000
Adds funding for additional income from federal or other sources				0			250,000	250,000
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$11,379,386</b>	<b>\$2,050,084</b>	<b>\$13,429,470</b>	<b>0.00</b>	<b>\$10,617,346</b>	<b>\$2,300,084</b>	<b>\$12,917,430</b>
<b>Total Changes to Base Level Funding</b>	<b>10.00</b>	<b>\$21,941,114</b>	<b>\$1,411,717</b>	<b>\$23,352,831</b>	<b>7.00</b>	<b>\$20,940,133</b>	<b>\$124,130</b>	<b>\$21,064,263</b>
<b>2023-25 Total Funding</b>	<b>263.00</b>	<b>\$64,587,832</b>	<b>\$43,921,436</b>	<b>\$108,509,268</b>	<b>260.00</b>	<b>\$63,586,851</b>	<b>\$42,633,849</b>	<b>\$106,220,700</b>
<i>Federal funds included in other funds</i>			\$14,569,773				\$14,926,647	
<i>Total ongoing changes as a percentage of base level</i>	4.0%	24.8%	(1.5%)	11.7%	2.8%	24.2%	(5.1%)	9.6%
<i>Total changes as a percentage of base level</i>	4.0%	51.4%	3.3%	27.4%	2.8%	49.1%	0.3%	24.7%

**Other Sections in Attorney General - Budget No. 125**

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Appropriation - Additional federal funds or other funds	Section 8 would appropriate \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.	Section 3 appropriates \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.
Transfer - Statewide litigation funding pool to state agencies - Estimated income - Gaming and excise tax allocation fund	Section 7 would identify \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund, which the Attorney General shall transfer to eligible state agencies for litigation expenses during the 2023-25 biennium.	Section 4 requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund.
Estimated income - Charitable gaming technology system - Charitable gaming operating fund	Section 10 would identify \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.	Section 5 identifies \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.
Human trafficking victims grant program - Requirements - Reports	Section 11 would identify \$1,102,815 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General would be allowed to provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.	Section 6 identifies \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.
Forensic nurse examiners grant program - Reports	Section 12 would identify \$250,889 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.	Section 7 identifies \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.
Matching funds requirement - Back the blue grant program - Report		Section 8 identifies \$3.5 million appropriated from the general fund in the law enforcement line item is for a back the blue grant program. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing 10 or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.
Law enforcement resiliency grant program - Reports		Section 9 identifies \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.
Amendment - Opioid settlement fund		Section 10 creates a new section in Chapter 50-06 to create an opioid settlement fund and provides money received by the state as a result of opioid litigation be deposited in the fund.

**Other Sections in Attorney General - Budget No. 125**

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Amendment - Lottery fund transfers	Section 13 would amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.	Section 11 amends Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.
Attorney General salary	Section 3 would amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$179,312 effective July 1, 2023, and \$186,484 effective July 1, 2024, to reflect the 6 percent and 4 percent annual recommended salary increases.	Section 12 amends Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.
Criminal history record checks - Fees	Section 9 would require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.	Section 13 requires any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.
Exemption - Contingent fee arrangement	Section 14 would provide, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the period beginning with the effective date of this Act and ending June 30, 2025.	Section 14 provides, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.
Exemption - Attorney General refund fund	Section 4 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.	Section 15 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.
Exemption - Concealed weapon rewrite project	Section 15 would allow the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.	Section 16 allows the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.
Exemption - Criminal history improvement project	Section 16 would allow the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.	Section 17 allows the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.
Exemption - COVID-19 funds	Section 17 would allow the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 relief funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.	Section 18 allows the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.
Exemption - Federal State Fiscal Recovery Fund	Section 18 would allow the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.	Section 19 allows the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.
Legislative Management study - State Crime Laboratory		Section 20 provides for a Legislative Management study of the services and needs of the State Crime Laboratory.
Appropriation - Transfer - Attorney General refund fund to DHHS - Opioid addiction prevention and treatment program - One-time funding	Section 5 would authorize the Office of Management and Budget to transfer up to \$30 million from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund to DHHS, which is appropriated to DHHS for an opioid addiction prevention and treatment program. The Attorney General is required to notify the Legislative Council and Office of Management and Budget of any lawsuit settlement proceeds that become available for transfer to DHHS for the program. The funding is considered a one-time funding item.	

**Other Sections in Attorney General - Budget No. 125**

Transfer - Statewide litigation funding pool to state agencies

**Executive Budget Recommendation**

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Section 6 would require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item in Section 1 to eligible state agencies for litigation expenses during the 2023-25 biennium.

**Senate Version**

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# 2023 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Brynhild Haugland Room, State Capitol

SB 2003  
3/6/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.
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**8:37 AM Chairman Vigesaa** Called the meeting to order and roll call was taken-

**Members present;** Chairman Vigesaa, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, and Representative Swiontek.

**Members not Present-** Representative Kempenich, Representative Bellew, Representative B. Anderson and Representative G. Stemen

## **Discussion Topics:**

- Budget Overview
- Employee Compensation
- BCI
- IT Division/ CJIS6
- Crime Lab
- Medicaid Fraud
- Gaming Division

**8:37 AM Drew Wrigley, ND Attorney General-** Starts the Overview for SB 2003 (Testimony #22140)

**8:56 AM Claire J. Ness, Chief Deputy Attorney General-** Continues with the budget requests.

**9:10 AM Mary Kae Kelsch, General Counsel Division-** Continues with attorney requests.

**9:36 AM Lonnie Grabowska, ND Bureau of Criminal Investigation-** Continues with BCI Agency (Testimony #22162)

**10:02 AM Heidi Smith, Director-Information Technology/ CJIS Division-** Continues with IT Division

**10:16 AM Jennifer Penner, Interim Director- Crime Lab Division-** Continues with the Crime Lab Requests



House Appropriations Committee

SB 2003

March 6<sup>th</sup> 2023

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**10:35 AM Marina Spahr, Director- Medicaid Fraud Control Unit-** Continues with Medicaid Fraud. (Testimony #22181)

**10:48 AM Deb McDaniel, Director- Gaming Division-** Continues with gaming division requests.

**11:00 AM Chairman Vigesaa** Closed the meeting for SB 2003

*Risa Berube, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

**SB 2003**  
**3/8/2023**

**A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.**

**8:31 AM Chairman Nathe** started the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek,  
Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

## **Discussion Topics:**

- Merit Based Pay Scale for Attorneys
- Discovery Software
- Civil Litigation
- Cybercrime Agents
- Tribal Task Force
- GrayKey tools
- Cellebrite tools
- National Forensic Academy Training
- Latent Fingerprinting
- Firearms Testing
- Forensic Scientists employees
- Forensic Equipment
- Evidence Vault
- Building Addition to Crime Lab
- Sex Assault Kit Tracking Software
- MFCU Expenses
- IT/CJIS Programmer Analysts
- IT/CJIS Software
- Gaming Division IT Project
- Gaming Licensing Project
- Finance Employee Classifications
- CPAT Enforcement & Investigation
- Criminal Law
- Human Trafficking Task Force
- YWCA Support
- Children's Advocacy Center
- Forensic Medical and Psychological Exams for Sexual Assault
- Child Medical Exams for Sexual Assault Funding
- Trauma Support for Law Enforcement
- Law and Order Resiliency Grant

Claire Ness, Chief Deputy Attorney General, testified in favor of SB 2003 by presenting the 2023- 2025 Budget, #23120.

Becky Kelner, Finance Director of the Attorney General, answered questions regarding SB 2002.

Jennifer Penner, Interim Director of the ND Crime Lab answered questions regarding SB 2002.

Drew Wrigley, Attorney General of ND, spoke in favor of SB 2003.

Emily Schwartz, Director ND Human Trafficking Task Force testified in favor of SB 2003, #22816, #22820.

Amy Boyd, Anti-Trafficking Program Manager, Youthworks, testified in favor of SB 2003, #22846.

Shayla Davila, ND Citizen, testified in favor of SB 2003, #22823.

Erin Prochnow, YWCA Cass Clay, testified in favor of SB 2003, #22361, #23024.

Sargent Mike Bolme, Investigator Bismarck Police Department testified in favor of SB 2003, #22859, #22794.

Greg Kasowski, Children's Advocacy Center of ND, testified in favor of SM 2003, #22891.

Kristie Wolff – Communications and Engagement Coordinator, Central Dakota Forensic Nurse Examiners, testified in favor of SB 2003, #22898.

Robert Vallie, ND Attorney spoke in favor of SB 2003.

Ashley Bates, Officer Cass County Sheriff's Department, testified in favor of SB 2003, #22817.

Jason Kraft, Captain Ward County Sheriff's Department, testified in favor of SB 2003, #22773.

Christina Sambor, Founding Director ND Trafficking Task Force, spoke in favor of SB 2003.

10:52 AM Chairman Nathe called a recess.

11:10 AM Chairman Nathe resumed the meeting.

Levi Kinnischtzke explained the opioid settlement fund from the SB 2003, #23033.

**Additional written testimony:**

Janelle Moos, Associate State Director for Advocacy with AARP, #22615.

**10:15 AM Chairman Nathe** closed the meeting.

*Donna Lynn Knutson, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

**SB 2003**  
**3/21/2023**

<b>A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.</b>
--

**3:06 PM Chairman Nathe** started the meeting.

Members present: Chairman Nathe,  
Representatives: Martinson, Richter, Sanford, Schatz, Hanson.  
Members absent: Vice Chairman Swiontek

## **Discussion Topics:**

- FTE's for Firearms
- FTE's for Fingerprinting Testing
- FTE's for Attorneys
- Litigation Pool
- Deficiency Appropriation
- Programmer Analyst FTE
- Business Analyst FTE
- FBI Requirements for IT
- Constituent Services FTE
- Building Plan for State Lab
- IT Maintenance Contracts
- BCI Agents
- Forensic Nurses Reimbursement
- Forensic Grant Program
- Examinations Performed in Emergency Rooms
- Child Abuse / Domestic Violence

Claire Ness, Chief Deputy Attorney General, answered questions regarding SB 2003.

Committee Discussion using Attorney General Budget No.125, #23033.

Kristie Wolff – Communications and Engagement Coordinator, Central Dakota Forensic Nurse Examiners answered questions regarding SB 2003.

**3:57 PM Chairman Nathe** closed the meeting.

*Donna Lynn Knutson, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

**SB 2003**  
**3/30/2023**

**A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.**

**2:45 PM Chairman Nathe** started the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek,  
Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

## **Discussion Topics:**

- Firearm and Fingerprinting 4 FTE's
- Business Analyst 1 FTE
- Programmer Analysis 1 FTE
- Reclassify Staff Positions
- Maintenance Contract
- Reconfigure Space at the State Lab
- In-house vs. Contract Attorneys
- Statewide Litigation Funding Pool
- Back to Blue
- Anti-methamphetamine Program
- State Fire Marshal
- Forensic Nurses
- Opioid Settlement Fund
- Retired Law Enforcement Dogs
- Concealed Weapon Rewrite Project
- Emergency Clause Requests
- Stop Grant

Claire Ness, Chief Deputy Attorney General answered questions regarding SB 2003.

Becky Kelner, Finance Director of the Attorney General, answered questions regarding SB 2003.

Levi Kinnischtzke addressed Budget No. 125, #27108.

Kristie Wolff – Communications and Engagement Coordinator, Central Dakota Forensic Nurse Examiners, answered questions regarding SB 2003.

Chairman Nathe discussed a gaming amendment to SB 2003, #27105.

**3:22 PM Chairman Nathe** closed the meeting.

*Donna Lynn Knutson, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

**SB 2003**  
**4/3/2023**

<b>A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.</b>
--

**3:20 PM Chairman Nathe** started the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek,  
Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

## Discussion Topics:

- Forensic Medical and Psychological Exams for Sexual Assault
- Child Medical Exams for Sexual Assault Funding
- Community Health Trust Fund
- Formula for Gaming Revenue
- Gaming Tax Money
- SB 1309 Clarification
- Violent Crime and Narcotic Trafficking

Becky Kelner, Finance Director of the Attorney General, answered questions regarding SB 2003.

Chairman Nathe proposed an amendment related to gaming funds, 23.0257.02002, #27105.

Representative Martinson moved to accept the amendment, 23.0257.02002.

Vice Chairman Swiontek seconded.

Roll Call Vote:

<b>Representatives</b>	<b>Vote</b>
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Levi Kinnischtzke explained the gaming tax funds appropriation.

Claire Ness, Chief Deputy Attorney General, answered questions regarding SB 2003.

**3:38 PM Chairman Nathe** closed the meeting.

*Donna Lynn Knutson, Committee Clerk*



# 2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

**SB 2003**  
**4/4/2023**

**A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.**

**3:03 PM Chairman Nathe** started the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek,  
Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

## **Discussion Topics:**

- Increase Salaries
- Refund Fund
- Adding Attorneys
- FTE for Firearm
- FTE for Fingerprinting
- Crime Lab Building Cost
- Maintenance Contract Costs
- Discovery Software
- Gaming Software
- COPS Anti-Methamphetamine Program
- STOP Grant
- Children Forensic Medical Exams

Levi Kinnischtzke addressed Budget No. 125, #27108, previously sited on 3/30/2023.

Becky Kelner, Finance Director of the Attorney General, answered questions regarding SB 2003.

Vice Chairman Swiontek moved Budget No. 125, #27108, previously sited on 3/30/2023.

Representative Hanson seconded.

Roll Call Vote:

<b>Representatives</b>	<b>Vote</b>
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Representative Richter moved a do pass as amended on SB 2003.

Representative Hanson seconded.

Roll Call Vote:

<b>Representatives</b>	<b>Vote</b>
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N

Motion carried 6-1-0. Chairman Nathe will carry the bill.

**3:16 PM Chairman Nathe** closed the meeting.

*Donna Lynn Knutson, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

SB 2003  
4/6/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.
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**5:12 PM Chairman Vigesaa** Called the meeting to order and roll call was taken-

**Members present;** Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Monson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

**Members not Present-** Representative Bellew

### Discussion Topics:

- Amendment
- Committee Action

**Representative Nathe-** Gives a statement of purpose and the amendment 23.0257.02001 (Testimony #27364)

**Representative Nathe** Moves to adopt amendment 23.0257.02001

**Representative Swiontek-** Seconds the motion.

Committee discussion Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	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	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

**Motion Carries 22-0-1**

**Representative Nathe** Move for a Do Pass as Amended

**Representative Schobinger**- Seconds the motion

Committee discussion- Roll call vote

<b>Representatives</b>	<b>Vote</b>
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	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	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

**Motion Carries 21-1-1 Representative Nathe will carry the bill**

**5:35 PM Chairman Vigesaa** Closed the meeting for SB 2003

House Appropriations Committee

SB 2003

April 6<sup>th</sup> 2023

Page 3

*Risa Berube, Committee Clerk*

JA  
H-6-23

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

Page 1, line 2, replace "50-06" with "54-12"

Page 1, line 3, replace "an opioid settlement fund" with "a retired law enforcement dogs program"

Page 1, line 3, after "sections" insert "53-06.1-11.2,"

Page 1, line 3, after "53-12.1-09" insert a comma

Page 1, line 4, after "to" insert "transfers from the charitable gaming operating fund,"

Page 1, line 5, after "fund" insert a comma

Page 1, line 6, remove "to provide for a report; and"

Page 1, line 7, after "study" insert "; and to declare an emergency"

Page 1, remove lines 16 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$50,832,646	(\$537,204)	\$50,295,442
Operating expenses	15,237,498	3,533,607	18,771,105
Capital assets	648,055	4,585,572	5,233,627
Grants	3,903,440	400,000	4,303,440
Human trafficking victims grants	1,101,879	3,525	1,105,404
Forensic nurse examiners grants	250,691	791	251,482
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's medical examinations	0	304,560	304,560
North Dakota lottery	5,254,844	61,790	5,316,634
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	412,169	4,487,137
Law enforcement	<u>3,048,927</u>	<u>82,770</u>	<u>3,131,697</u>
Total all funds	\$85,156,437	\$13,847,580	\$99,004,017
Less estimated income	<u>42,509,719</u>	<u>4,836,388</u>	<u>47,346,107</u>
Total general fund	\$42,646,718	\$9,011,192	\$51,657,910
Full-time equivalent positions	253.00	13.00	266.00"

Page 2, after line 22, insert

"State crime laboratory capital improvements" 0 250,000"

Page 2, replace line 26 with:

"Anti-methamphetamine program" 0 1,772,038"

Page 2, replace lines 28 through 30 with:

"Total all funds	\$8,536,706	\$11,439,468
Total other funds	<u>8,536,706</u>	<u>6,832,122</u>
Total general fund	\$0	\$4,607,346"

2A  
4-6-23

Page 3, after line 11, insert:

**"SECTION 4. TRANSFER - LOTTERY OPERATING FUND TO GAMING AND EXCISE TAX ALLOCATION FUND - STATEWIDE LITIGATION FUNDING POOL.**

Notwithstanding sections 53-12.1-09 and 53-12.1-10, the attorney general shall transfer \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, for the purpose of defraying litigation expenses of the state through the statewide litigation funding pool during the period beginning with the effective date of this Act, and ending June 30, 2025."

Page 3, line 15, replace "\$4,557,748" with "\$1,797,748"

Page 3, line 15, replace "\$442,252" with "\$3,202,252"

Page 3, line 18, after "the" insert "statewide"

Page 3, line 18, after "litigation" insert "funding"

Page 3, line 26, replace "\$1,111,480" with "\$1,105,404"

Page 4, line 6, replace "\$252,872" with "\$251,482"

Page 4, remove lines 17 through 29

Page 5, remove lines 1 through 12

Page 5, remove lines 24 through 31

Page 6, replace lines 1 through 3 with:

**"SECTION 10. AMENDMENT.** Section 53-06.1-11.2 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-11.2. Charitable gaming operating fund - Attorney general - State treasurer - Allocations - Transfer to the general fund.**

1. There is created in the state treasury the charitable gaming operating fund. The fund consists of all gaming taxes, monetary fines, and interest and penalties collected under this chapter.
2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, the attorney general shall allocate remaining moneys in the charitable gaming operating fund on a quarterly basis as follows:
  - a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
  - b. Subject to legislative appropriations, five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city

limits. If a city or county allocation is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.

JA  
4-6-23

3. ~~On or before June thirtieth of each odd-numbered year~~Before the final accounting has closed for each biennium, the attorney general shall certify to the state treasurer the ~~amount of accumulated funds~~balance in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund to the ~~general fund prior to following funds~~ at the end of each biennium:
  - a. The first twenty-five million dollars to the general fund;
  - b. The next four million dollars to the attorney general operating fund;
  - c. Any remaining amounts to the general fund.

**SECTION 11.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

**Retired law enforcement dogs - Reimbursement.**

1. The attorney general shall create a program to assist local and state law enforcement dogs that are retired by reason of age or medical condition.
2. The attorney general shall reimburse the handler of a law enforcement dog if the handler:
  - a. Is authorized to retain possession of a retired law enforcement dog in a private setting at the handler's home; and
  - b. Submits itemized receipts each quarter for medical bills of the law enforcement dog.
3. Reimbursements under this section may not exceed one thousand dollars per retired law enforcement dog per calendar year.
4. The attorney general shall adopt any rules necessary to implement this section."

Page 7, line 10, replace "seventy-five" with "seventy-nine"

Page 7, line 11, replace "nine" with "three"

Page 7, line 11, replace "twenty-eight" with "twelve"

Page 7, line 12, replace "eighty-two" with "eighty-six"

Page 7, line 12, replace "nine" with "four"

Page 7, line 12, replace "sixty-five" with "eighty-four"

Page 7, after line 21, insert:



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**"SECTION 16. EXEMPTION - GAMING TAX REVENUE GRANTS.**

Notwithstanding section 53-06.1-12, the attorney general may distribute gaming tax revenue grants to cities and counties relating to the seventh and eighth quarters of the 2021-23 biennium through October 31, 2023."

Page 7, after line 31, insert:

**"SECTION 19. EXEMPTION - LEGAL CASE MANAGEMENT SYSTEM.** The amount appropriated to the attorney general from other funds for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim information and notification system, and continued into the 2021-23 biennium for the legal case management system, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the legal case management system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, after line 5, insert:

**"SECTION 21. EXEMPTION - AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM.** The amount of \$300,000 appropriated from federal funds to upgrade the automated biometric identification system during the 2021-23 biennium in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, line 13, replace "\$1,350,000" with "\$1,000,000"

Page 8, line 13, remove ", of"

Page 8, line 14, remove "which \$300,000 was for a missing persons database, \$1,000,000 was"

Page 8, line 15, remove ", and \$50,000 was for charitable gaming information"

Page 8, line 16, replace "technology costs, in subsections 19," with "in subsection"

Page 8, line 16, remove ", and 42"

Page 8, after line 29, insert:

**"SECTION 25. ATTORNEY COST-SAVINGS - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly regarding any cost-savings realized by hiring full-time equivalent attorney positions instead of contracting for third-party legal counsel during the 2023-25 biennium.

**SECTION 26. EMERGENCY.** The \$250,000 appropriated from the general fund in the capital assets line item in section 1 for state crime laboratory capital improvements and sections 4 and 16 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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**Senate Bill No. 2003 - Attorney General - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$50,295,349	\$56,475,611	(\$6,180,169)	\$50,295,442
Operating expenses	15,237,498	17,688,435	1,082,670	18,771,105
Capital assets	648,055	3,560,577	1,673,050	5,233,627
Grants	3,903,440	3,903,440	400,000	4,303,440
Litigation fees	127,500	127,500		127,500
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,254,844	5,433,446	(116,812)	5,316,634
Arrest and return of fugitives	8,500	8,500		8,500
Gaming commission	7,489	7,489		7,489
Criminal justice information sharing	4,074,968	4,546,645	(59,508)	4,487,137
Law enforcement	3,048,927	7,194,705	(4,063,008)	3,131,697
Human trafficking victims grants	1,101,879	1,111,480	(6,076)	1,105,404
Forensic nurse examiners grants	250,691	252,872	(1,390)	251,482
State Crime Laboratory salary equity	537,297			
Statewide litigation pool		5,000,000		5,000,000
Additional income		250,000		250,000
Children's medical examinations			304,560	304,560
<b>Total all funds</b>	<b>\$85,156,437</b>	<b>\$106,220,700</b>	<b>(\$6,966,683)</b>	<b>\$99,254,017</b>
Less estimated income	42,509,719	42,633,849	4,962,258	47,596,107
<b>General fund</b>	<b>\$42,646,718</b>	<b>\$63,586,851</b>	<b>(\$11,928,941)</b>	<b>\$51,657,910</b>
FTE	253.00	260.00	6.00	266.00

**Department 125 - Attorney General - Detail of House Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Salary Equity Increases and Reclassifications <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Removes Salary Funding for Funding Pool <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$701,762	\$258,668		\$1,271,188	(\$8,411,787)	
Operating expenses				447,682		\$64,000
Capital assets						222,000
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	33,740				(150,552)	
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	17,294				(76,802)	
Law enforcement	48,223				(211,231)	
Human trafficking victims grants	1,738				(7,814)	
Forensic nurse examiners grants	398				(1,788)	
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Children's medical examinations						
<b>Total all funds</b>	<b>\$803,155</b>	<b>\$258,668</b>	<b>\$0</b>	<b>\$1,718,870</b>	<b>(\$8,859,974)</b>	<b>\$286,000</b>
Less estimated income	355,283	14,487	1,866,992	0	(2,157,983)	46,881
<b>General fund</b>	<b>\$447,872</b>	<b>\$244,181</b>	<b>(\$1,866,992)</b>	<b>\$1,718,870</b>	<b>(\$6,701,991)</b>	<b>\$239,119</b>
FTE	0.00	0.00	0.00	6.00	0.00	0.00

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	Adds Funding for Children's Medical Examinations <sup>2</sup>	Adjusts One- Time Funding <sup>3</sup>	Adjusts One- Time Funding for the Litigation Funding Pool <sup>4</sup>	Total House Changes
Salaries and wages				(\$6,180,169)
Operating expenses		\$570,988		1,082,670
Capital assets		1,451,050		1,673,050
Grants		400,000		400,000
Litigation fees				
Medical examinations				
North Dakota lottery				(116,812)
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				(59,508)
Law enforcement		(3,900,000)		(4,063,008)
Human trafficking victims grants				(6,076)
Forensic nurse examiners grants				(1,390)
State Crime Laboratory salary equity				
Statewide litigation pool				
Additional income				
Children's medical examinations	\$304,560			304,560
<b>Total all funds</b>	<b>\$304,560</b>	<b>(\$1,477,962)</b>	<b>\$0</b>	<b>(\$6,966,683)</b>
Less estimated income	304,560	1,772,038	2,760,000	4,962,258
General fund	\$0	(\$3,250,000)	(\$2,760,000)	(\$11,928,941)
FTE	0.00	0.00	0.00	6.00

<sup>1</sup> Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$464,271	\$365,724	\$829,995
Health insurance reduction	(16,399)	(10,441)	(26,840)
Total	\$447,872	\$355,283	\$803,155

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

<sup>2</sup> Funding of \$223,000 is added from the general fund for salary equity funding and \$35,668 is added to reclassify employee positions, including \$21,181 from the general fund for finance staff and \$14,487 from the Attorney General refund fund for Consumer Protection and Antitrust Division staff. The Senate did not add funding for these purposes.

<sup>3</sup> Funding of \$1,866,992 for prior biennium salary equity increases for attorneys, Bureau of Criminal Investigation (BCI), and Medicaid Fraud Control Unit (MFCU) positions is transferred from the general fund to the Attorney General refund fund to restore the funding to the base level. The Senate transferred this funding from the Attorney General refund fund to the general fund.

The Senate also transferred \$537,297 for prior biennium salary equity increases for State Crime Laboratory positions from the Attorney General refund fund to the general fund. The House did not adjust this funding.

<sup>4</sup> Funding is added from the general fund for the following FTE positions:

	FTE Positions	Salaries and Wages	Operating Expenses	Total
Attorney positions	2.00	\$461,954	\$96,060	\$558,014
State Crime Laboratory positions	2.00	356,452	262,389	618,841
IT programmers and analyst positions	2.00	452,782	51,761	501,543
MFCU positions authorized by the Senate	0.00	0	37,472	37,472
Total	6.00	\$1,271,188	\$447,682	\$1,718,870

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The House did not change the 15 FTE positions added by the Senate, including 2 FTE attorney positions, 3 FTE BCI cybercrime positions, 3 FTE BCI criminal investigator positions, 4 FTE State Crime Laboratory positions, and 3 FTE MFCU positions, totaling \$4,206,994, of which \$3,593,367 is from the general fund and \$613,627 is from federal funds.

Funding for salaries and wages and operating expenses of 21 new FTE positions, as approved by the House, totals \$5,925,864, of which \$5,312,237 is from the general fund and \$613,627 is from federal funds, prior to the removal of funding for the new and vacant FTE position pool.

<sup>5</sup> Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
New FTE positions	(\$4,066,038)	(\$536,813)	(\$4,602,851)
Vacant FTE positions	<u>(2,635,953)</u>	<u>(1,621,170)</u>	<u>(4,257,123)</u>
Total	(\$6,701,991)	(\$2,157,983)	(\$8,859,974)

<sup>6</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adjusts funding from the Attorney General refund fund as a result of settlement proceeds from the JUUL Labs, Inc. lawsuit no longer being available to the Attorney General for salaries and operating expenses. The Senate did not adjust funding for this purpose.	\$809,381	(\$809,381)	\$0
Adjusts funding for Information Technology Division and Criminal Justice Information Sharing Division operating expenses by adding funding from the Attorney General refund fund to restore funding to the base level. The Senate provided this funding from the general fund.	(856,262)	856,262	0
Adds funding to the \$419,297 from the general fund added by the Senate for increased software maintenance and subscription costs.	34,000	0	34,000
Adds funding for a retired law enforcement dogs program. The Senate did not add funding for this program.	30,000	0	30,000
Adds funding for State Crime Laboratory building and equipment maintenance contract costs. The Senate did not add funding for this purpose.	<u>222,000</u>	<u>0</u>	<u>222,000</u>
Total	\$239,119	\$46,881	\$286,000

<sup>7</sup> Funding of \$304,560 from the insurance regulatory trust fund is added in a new line item for children's medical examinations related to North Dakota Century Code Section 12.1-34-07. This amount is in addition to \$660,000 of base level funding from the insurance regulatory trust fund for medical examinations. The Senate did not add funding for this purpose.

<sup>8</sup> One-time funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for State Crime Laboratory capital improvements. The Senate did not add funding for this purpose.	\$250,000	\$0	\$250,000
Removes funding approved by the Senate for the back the blue grant program.	(3,500,000)	0	(3,500,000)
Transfers \$400,000 from the general fund approved by the Senate for the law enforcement resiliency grant program from the law enforcement line item to the grants line item.	0	0	0
Adds federal funding for the United States Department of Justice Community Oriented Policing Services (COPS) anti-methamphetamine program, of which \$570,988 is for operating expenses and \$1,201,050 is for capital assets. In December 2022, the Emergency Commission and Budget Section approved \$2,000,000 for the program for the 2021-23 biennium, of which approximately \$227,962 will be spent by the end of the 2021-23 biennium. The Senate did not add funding for this purpose.	<u>0</u>	<u>1,772,038</u>	<u>1,772,038</u>
Total	(\$3,250,000)	\$1,772,038	(\$1,477,962)

<sup>9</sup> One-time funding of \$2,760,000 is adjusted for the statewide litigation funding pool by reducing the general fund

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and increasing funding from the gaming and excise tax allocation fund. A section is added to the bill to provide for the transfer of \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund. This will reduce 2021-23 biennium general fund revenues by \$2,760,000.

Total funding for the statewide litigation funding pool as approved by the House is \$5,000,000 of which \$1,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund. The Senate approved \$5,000,000, of which \$4,557,748 was from the general fund and \$442,252 was from the gaming and excise tax allocation fund.

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This amendment also:

- Adds a section to transfer funding from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool.
- Amends a section authorizing the transfer of funding from the gaming and excise tax allocation fund and the general fund to state agencies for litigation expenses through the statewide litigation funding pool.
- Amends a section identifying the amount of funding included in Section 1 for the human trafficking victims grants program.
- Amends a section identifying the amount of funding included in Section 1 for the forensic nurse examiners grant program.
- Removes a section identifying an appropriation for back the blue grants. Funding for this program is proposed in House Bill No. 1307.
- Removes a section creating an opioid settlement fund. The creation of this fund is proposed in House Bill No. 1447.
- Adds a section to amend Section 53-06.1-11.2 to provide up to \$4 million of gaming tax revenues be deposited in the Attorney General operating fund instead of the general fund.
- Adds a section to add a new section to Chapter 54-12 to establish a retired law enforcement dog program.
- Amends a section providing for the salary of the Attorney General reflecting a 6 percent 1<sup>st</sup> year and 4 percent 2<sup>nd</sup> year salary increase.
- Adds a section to provide an exemption allowing the Attorney General to distribute quarters 7 and 8 of 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023.
- Adds a section to allow the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program and into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system. The Attorney General anticipates \$117,000 will be continued into the 2023-25 biennium.
- Adds a section to provide an exemption to allow the Attorney General to continue any remaining funding of the \$300,000 appropriated from federal funds during the 2021-23 biennium for the automated biometric identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.
- Amends a section authorizing the Attorney General an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session.
- Adds a section to require the Attorney General to provide a report to the 69<sup>th</sup> Legislative Assembly regarding cost-savings realized by hiring FTE attorney positions instead of contracting for third-party legal counsel.
- Adds a section to declare \$250,000 appropriated in Section 1 for State Crime Laboratory capital improvements and Sections 4 and 16 to be an emergency measure.

**REPORT OF STANDING COMMITTEE**

**SB 2003, as engrossed: Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed SB 2003 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "50-06" with "54-12"

Page 1, line 3, replace "an opioid settlement fund" with "a retired law enforcement dogs program"

Page 1, line 3, after "sections" insert "53-06.1-11.2,"

Page 1, line 3, after "53-12.1-09" insert a comma

Page 1, line 4, after "to" insert "transfers from the charitable gaming operating fund,"

Page 1, line 5, after "fund" insert a comma

Page 1, line 6, remove "to provide for a report; and"

Page 1, line 7, after "study" insert "; and to declare an emergency"

Page 1, remove lines 16 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$50,832,646	(\$537,204)	\$50,295,442
Operating expenses	15,237,498	3,533,607	18,771,105
Capital assets	648,055	4,585,572	5,233,627
Grants	3,903,440	400,000	4,303,440
Human trafficking victims grants	1,101,879	3,525	1,105,404
Forensic nurse examiners grants	250,691	791	251,482
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's medical examinations	0	304,560	304,560
North Dakota lottery	5,254,844	61,790	5,316,634
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	412,169	4,487,137
Law enforcement	<u>3,048,927</u>	<u>82,770</u>	<u>3,131,697</u>
Total all funds	\$85,156,437	\$13,847,580	\$99,004,017
Less estimated income	<u>42,509,719</u>	<u>4,836,388</u>	<u>47,346,107</u>
Total general fund	\$42,646,718	\$9,011,192	\$51,657,910
Full-time equivalent positions	253.00	13.00	266.00"

Page 2, after line 22, insert

"State crime laboratory capital improvements	0	250,000"
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Page 2, replace line 26 with:

"Anti-methamphetamine program	0	1,772,038"
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Page 2, replace lines 28 through 30 with:

"Total all funds	\$8,536,706	\$11,439,468
Total other funds	<u>8,536,706</u>	<u>6,832,122</u>
Total general fund	\$0	\$4,607,346"

Page 3, after line 11, insert:

**"SECTION 4. TRANSFER - LOTTERY OPERATING FUND TO GAMING AND EXCISE TAX ALLOCATION FUND - STATEWIDE LITIGATION FUNDING POOL.** Notwithstanding sections 53-12.1-09 and 53-12.1-10, the attorney general shall transfer \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, for the purpose of defraying litigation expenses of the state through the statewide litigation funding pool during the period beginning with the effective date of this Act, and ending June 30, 2025."

Page 3, line 15, replace "\$4,557,748" with "\$1,797,748"

Page 3, line 15, replace "\$442,252" with "\$3,202,252"

Page 3, line 18, after "the" insert "statewide"

Page 3, line 18, after "litigation" insert "funding"

Page 3, line 26, replace "\$1,111,480" with "\$1,105,404"

Page 4, line 6, replace "\$252,872" with "\$251,482"

Page 4, remove lines 17 through 29

Page 5, remove lines 1 through 12

Page 5, remove lines 24 through 31

Page 6, replace lines 1 through 3 with:

**"SECTION 10. AMENDMENT.** Section 53-06.1-11.2 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-11.2. Charitable gaming operating fund - Attorney general - State treasurer - Allocations - Transfer to the general fund.**

1. There is created in the state treasury the charitable gaming operating fund. The fund consists of all gaming taxes, monetary fines, and interest and penalties collected under this chapter.
2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, the attorney general shall allocate remaining moneys in the charitable gaming operating fund on a quarterly basis as follows:
  - a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
  - b. Subject to legislative appropriations, five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.

3. ~~On or before June thirtieth of each odd-numbered year~~Before the final accounting has closed for each biennium, the attorney general shall certify to the state treasurer the ~~amount of accumulated funds~~balance in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund to the ~~general fund prior to following funds at~~ the end of each biennium;
  - a. The first twenty-five million dollars to the general fund;
  - b. The next four million dollars to the attorney general operating fund;
  - c. Any remaining amounts to the general fund.

**SECTION 11.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

**Retired law enforcement dogs - Reimbursement.**

1. The attorney general shall create a program to assist local and state law enforcement dogs that are retired by reason of age or medical condition.
2. The attorney general shall reimburse the handler of a law enforcement dog if the handler:
  - a. Is authorized to retain possession of a retired law enforcement dog in a private setting at the handler's home; and
  - b. Submits itemized receipts each quarter for medical bills of the law enforcement dog.
3. Reimbursements under this section may not exceed one thousand dollars per retired law enforcement dog per calendar year.
4. The attorney general shall adopt any rules necessary to implement this section."

Page 7, line 10, replace "seventy-five" with "seventy-nine"

Page 7, line 11, replace "nine" with "three"

Page 7, line 11, replace "twenty-eight" with "twelve"

Page 7, line 12, replace "eighty-two" with "eighty-six"

Page 7, line 12, replace "nine" with "four"

Page 7, line 12, replace "sixty-five" with "eighty-four"

Page 7, after line 21, insert:

**"SECTION 16. EXEMPTION - GAMING TAX REVENUE GRANTS.**

Notwithstanding section 53-06.1-12, the attorney general may distribute gaming tax revenue grants to cities and counties relating to the seventh and eighth quarters of the 2021-23 biennium through October 31, 2023."

Page 7, after line 31, insert:



**"SECTION 19. EXEMPTION - LEGAL CASE MANAGEMENT SYSTEM.**

The amount appropriated to the attorney general from other funds for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim information and notification system, and continued into the 2021-23 biennium for the legal case management system, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the legal case management system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, after line 5, insert:

**"SECTION 21. EXEMPTION - AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM.** The amount of \$300,000 appropriated from federal funds to upgrade the automated biometric identification system during the 2021-23 biennium in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, line 13, replace "\$1,350,000" with "\$1,000,000"

Page 8, line 13, remove ", of"

Page 8, line 14, remove "which \$300,000 was for a missing persons database, \$1,000,000 was"

Page 8, line 15, remove ", and \$50,000 was for charitable gaming information"

Page 8, line 16, replace "technology costs, in subsections 19," with "in subsection"

Page 8, line 16, remove ", and 42"

Page 8, after line 29, insert:

**"SECTION 25. ATTORNEY COST-SAVINGS - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly regarding any cost-savings realized by hiring full-time equivalent attorney positions instead of contracting for third-party legal counsel during the 2023-25 biennium.

**SECTION 26. EMERGENCY.** The \$250,000 appropriated from the general fund in the capital assets line item in section 1 for state crime laboratory capital improvements and sections 4 and 16 of this Act are declared to be an emergency measure."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$50,295,349	\$56,475,611	(\$6,180,169)	\$50,295,442
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Criminal justice information sharing	4,074,968	4,546,645	(59,508)	4,487,137
Law enforcement	3,048,927	7,194,705	(4,063,008)	3,131,697
Human trafficking victims grants	1,101,879	1,111,480	(6,076)	1,105,404

Forensic nurse examiners grants	250,691	252,872	(1,390)	251,482
State Crime Laboratory salary equity	537,297			
Statewide litigation pool		5,000,000		5,000,000
Additional income		250,000		250,000
Children's medical examinations			304,560	304,560
<b>Total all funds</b>	<b>\$85,156,437</b>	<b>\$106,220,700</b>	<b>(\$6,966,683)</b>	<b>\$99,254,017</b>
Less estimated income	42,509,719	42,633,849	4,962,258	47,596,107
General fund	42,646,718	63,586,851	(\$11,928,941)	51,657,910
FTE	253.00	260.00	6.00	266.00

**Department 125 - Attorney General - Detail of House Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Salary Equity Increases and Reclassifications <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Removes Salary Funding for Funding Pool <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$701,762	\$258,668		\$1,271,188	(\$8,411,787)	
Operating expenses				447,682		\$64,000
Capital assets						222,000
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	33,740				(150,552)	
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	17,294				(76,802)	
Law enforcement	48,223				(211,231)	
Human trafficking victims grants	1,738				(7,814)	
Forensic nurse examiners grants	398				(1,788)	
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Children's medical examinations						
<b>Total all funds</b>	<b>\$803,155</b>	<b>\$258,668</b>	<b>\$0</b>	<b>\$1,718,870</b>	<b>(\$8,859,974)</b>	<b>\$286,000</b>
Less estimated income	355,283	14,487	1,866,992	0	(2,157,983)	46,881
General fund	447,872	244,181	(\$1,866,992)	1,718,870	(\$6,701,991)	239,119
FTE	0.00	0.00	0.00	6.00	0.00	0.00

	Adds Funding for Children's Medical Examinations <sup>7</sup>	Adjusts One-Time Funding <sup>8</sup>	Adjusts One-Time Funding for the Litigation Funding Pool <sup>9</sup>	Total House Changes
Salaries and wages				(\$6,180,169)
Operating expenses		\$570,988		1,082,670
Capital assets		1,451,050		1,673,050
Grants		400,000		400,000
Litigation fees				
Medical examinations				
North Dakota lottery				(116,812)
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				(59,508)
Law enforcement		(3,900,000)		(4,063,008)
Human trafficking victims grants				(6,076)
Forensic nurse examiners grants				(1,390)
State Crime Laboratory salary equity				
Statewide litigation pool				
Additional income				
Children's medical examinations	\$304,560			304,560
<b>Total all funds</b>	<b>\$304,560</b>	<b>(\$1,477,962)</b>	<b>\$0</b>	<b>(\$6,966,683)</b>
Less estimated income	304,560	1,772,038	2,760,000	4,962,258
General fund	\$0	(\$3,250,000)	(\$2,760,000)	(\$11,928,941)
FTE	0.00	0.00	0.00	6.00

<sup>1</sup> Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$464,271	\$365,724	\$829,995
Health insurance reduction	(16,399)	(10,441)	(26,840)
Total	\$447,872	\$355,283	\$803,155

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

<sup>2</sup> Funding of \$223,000 is added from the general fund for salary equity funding and \$35,668 is added to reclassify employee positions, including \$21,181 from the general fund for finance staff and \$14,487 from the Attorney General refund fund for Consumer Protection and Antitrust Division staff. The Senate did not add funding for these purposes.

<sup>3</sup> Funding of \$1,866,992 for prior biennium salary equity increases for attorneys, Bureau of Criminal Investigation (BCI), and Medicaid Fraud Control Unit (MFCU) positions is transferred from the general fund to the Attorney General refund fund to restore the funding to the base level. The Senate transferred this funding from the Attorney General refund fund to the general fund.

The Senate also transferred \$537,297 for prior biennium salary equity increases for State Crime Laboratory positions from the Attorney General refund fund to the general fund. The House did not adjust this funding.

<sup>4</sup> Funding is added from the general fund for the following FTE positions:

	FTE Positions	Salaries and Wages	Operating Expenses	Total
Attorney positions	2.00	\$461,954	\$96,060	\$558,014
State Crime Laboratory positions	2.00	356,452	262,389	618,841
IT programmers and analyst positions	2.00	452,782	51,761	501,543
MFCU positions authorized by the Senate	0.00	0	37,472	37,472
Total	6.00	\$1,271,188	\$447,682	\$1,718,870

The House did not change the 15 FTE positions added by the Senate, including 2 FTE attorney positions, 3 FTE BCI cybercrime positions, 3 FTE BCI criminal investigator positions, 4 FTE State Crime Laboratory positions, and 3 FTE MFCU positions, totaling \$4,206,994, of which \$3,593,367 is from the general fund and \$613,627 is from federal funds.

Funding for salaries and wages and operating expenses of 21 new FTE positions, as approved by the House, totals \$5,925,864, of which \$5,312,237 is from the general fund and \$613,627 is from federal funds, prior to the removal of funding for the new and vacant FTE position pool.

<sup>5</sup> Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$4,066,038)	(\$536,813)	(\$4,602,851)
Vacant FTE positions	(2,635,953)	(1,621,170)	(4,257,123)
Total	(\$6,701,991)	(\$2,157,983)	(\$8,859,974)

<sup>6</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding from the Attorney General refund fund as a result of settlement proceeds from the JUUL Labs, Inc. lawsuit no longer being available to the Attorney General for salaries and operating expenses. The Senate did not adjust funding for this purpose.	\$809,381	(\$809,381)	\$0
Adjusts funding for Information Technology Division and Criminal Justice Information Sharing Division operating expenses by adding funding from the Attorney General refund fund to restore funding to the base level. The Senate provided this funding from the general fund.	(856,262)	856,262	0
Adds funding to the \$419,297 from the general fund added by the Senate for increased software maintenance and subscription costs.	34,000	0	34,000
Adds funding for a retired law enforcement dogs program. The Senate did not add funding for this program.	30,000	0	30,000
Adds funding for State Crime Laboratory building and equipment maintenance contract costs. The Senate did not add funding for this purpose.	<u>222,000</u>	<u>0</u>	<u>222,000</u>
Total	\$239,119	\$46,881	\$286,000

<sup>7</sup> Funding of \$304,560 from the insurance regulatory trust fund is added in a new line item for children's medical examinations related to North Dakota Century Code Section 12.1-34-07. This amount is in addition to \$660,000 of base level funding from the insurance regulatory trust fund for medical examinations. The Senate did not add funding for this purpose.

<sup>8</sup> One-time funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for State Crime Laboratory capital improvements. The Senate did not add funding for this purpose.	\$250,000	\$0	\$250,000
Removes funding approved by the Senate for the back the blue grant program.	(3,500,000)	0	(3,500,000)
Transfers \$400,000 from the general fund approved by the Senate for the law enforcement resiliency grant program from the law enforcement line item to the grants line item.	0	0	0
Adds federal funding for the United States Department of Justice Community Oriented Policing Services (COPS) anti-methamphetamine program, of which \$570,988 is for operating expenses and \$1,201,050 is for capital assets. In December 2022, the Emergency Commission and Budget Section approved \$2,000,000 for the program for the 2021-23 biennium, of which approximately \$227,962 will be spent by the end of the 2021-23 biennium. The Senate did not add funding for this purpose.	<u>0</u>	<u>1,772,038</u>	<u>1,772,038</u>
Total	(\$3,250,000)	\$1,772,038	(\$1,477,962)

<sup>9</sup> One-time funding of \$2,760,000 is adjusted for the statewide litigation funding pool by reducing the general fund and increasing funding from the gaming and excise tax allocation fund. A section is added to the bill to provide for the transfer of \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund. This will reduce 2021-23 biennium general fund revenues by \$2,760,000.

Total funding for the statewide litigation funding pool as approved by the House is \$5,000,000 of which \$1,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund. The Senate approved \$5,000,000, of which \$4,557,748 was from the general fund and \$442,252 was from the gaming and excise tax allocation fund.

This amendment also:

- Adds a section to transfer funding from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool.
- Amends a section authorizing the transfer of funding from the gaming and excise tax allocation fund and the general fund to state agencies for litigation expenses through the statewide litigation funding pool.
- Amends a section identifying the amount of funding included in Section 1 for the human trafficking victims grants program.
- Amends a section identifying the amount of funding included in Section 1 for the forensic nurse examiners grant program.
- Removes a section identifying an appropriation for back the blue grants. Funding for this program is proposed in House Bill No. 1307.
- Removes a section creating an opioid settlement fund. The creation of this fund is proposed in House Bill No. 1447.

- Adds a section to amend Section 53-06.1-11.2 to provide up to \$4 million of gaming tax revenues be deposited in the Attorney General operating fund instead of the general fund.
- Adds a section to add a new section to Chapter 54-12 to establish a retired law enforcement dog program.
- Amends a section providing for the salary of the Attorney General reflecting a 6 percent 1<sup>st</sup> year and 4 percent 2<sup>nd</sup> year salary increase.
- Adds a section to provide an exemption allowing the Attorney General to distribute quarters 7 and 8 of 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023.
- Adds a section to allow the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program and into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system. The Attorney General anticipates \$117,000 will be continued into the 2023-25 biennium.
- Adds a section to provide an exemption to allow the Attorney General to continue any remaining funding of the \$300,000 appropriated from federal funds during the 2021-23 biennium for the automated biometric identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.
- Amends a section authorizing the Attorney General an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session.
- Adds a section to require the Attorney General to provide a report to the 69<sup>th</sup> Legislative Assembly regarding cost-savings realized by hiring FTE attorney positions instead of contracting for third-party legal counsel.
- Adds a section to declare \$250,000 appropriated in Section 1 for State Crime Laboratory capital improvements and Sections 4 and 16 to be an emergency measure.

**2023 CONFERENCE COMMITTEE**

**SB 2003**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
4/17/2023  
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General; relating to transfers from the charitable gaming operating fund, transfers from the lottery operating fund to the multijurisdictional drug task force grant fund, and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

4:03 PM Chairman Michael Dwyer opened the meeting.  
Senators Dwyer, J. Roers, Wanzek, and Representatives Nathe, Schatz, and K. Hanson are present.

### Discussion Topics:

- New full-time employees (FTEs)
- Crime Lab – fingerprints and firearms analysis
- Criminal Justice Information Services (CJIS)
- JUUL (electronic cigarette) settlement
- Crime lab space utilization
- Crime lab equipment maintenance
- State litigation funding pool
- Gaming dept funds designations (section 10 of bill)
- Cost comparison study: in-house attorneys – third-party attorneys
- Back the Blue program
- Medicaid Fraud Control Unit (MFCU)
- Anti-meth program
- Rape Kits
- Children’s forensic medical examinations
- Retired law enforcement dogs
- COPS (Concerns of Police Survivors) anti-methamphetamine program
- CJIS funds
- FTE and vacant position pool
- Agency spending priorities

4:06 PM Levi Kinnischtzke, Legislative Council Senior Fiscal Analyst, testified.  
Testimony #27634

4:31 PM Chairman Dwyer closed the meeting

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
4/19/2023 AM  
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General; relating to transfers from the charitable gaming operating fund, transfers from the lottery operating fund to the multijurisdictional drug task force grant fund, and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

8:34 AM Chairman Dwyer opened the meeting.

Senators Dwyer, J. Roers, Wanzek, and Representatives Nathe, Schatz, and K. Hanson are present.

### **Discussion Topics:**

- Cost reductions
- Full-time employees (FTEs)
- Equity

8:35 AM Chairman Dwyer opened the debate. Testimony #27692, #27693

8:48 AM Chairman Dwyer closed the meeting.

*Carol Thompson, Committee Clerk*



# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
4/19/2023 PM  
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General.
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3:00 PM Chairman Dwyer opened the meeting.  
Senators Dwyer, J. Roers, Wanzek, and Representatives Nathe, and K. Hanson are present. Representative Schatz is absent.

### Discussion Topics:

- Charitable gaming revenue forecast
- Distribution of charitable gaming revenue

3:02 PM Representative Nathe distributed information about the Charitable Gaming Operating Fund. Testimony #27721

3:11 PM Legislative Council Senior Fiscal Analyst Levi Kinnischtzke testified.  
(No written testimony)

3:17 PM Office of Management and Budget Fiscal Management Analyst Becky Ulberg testified. (No written testimony)

3:19 PM Becky Keller, Finance Administrator for the Attorney General, testified.  
(No written testimony)

3:32 PM Chairman Dwyer closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
4/20/2023  
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General Office.
--

9:04 AM Chairman Dwyer opened the meeting.  
Senators Dwyer, J. Roers, Wanzek, and Representatives Nathe, Schatz, and K. Hanson are present.

### **Discussion Topics:**

- Charitable Gaming Fund allocation
- Budget reduction
- General Fund impact
- New and vacant full-time employee (FTE) fund

9:15 AM Finance Director for the Attorney General Office Becky Keller testified.  
(No written testimony)

9:19 AM Levi Kinnischtzke, Legislative Council Senior Fiscal Analyst, testified. (No written testimony)

9:23 AM Becky Ulberg, Office of Management and Budget Fiscal Management Analyst, testified. (No written testimony)

9:28 AM Chairman Dwyer closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
4/21/2023  
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General Office.
--

10:34 AM Senator Dwyer opened the meeting.  
Senators Dwyer, J. Roers, Wanzek, and Representatives Nathe, Schatz, and K. Hanson are present.

### **Discussion Topics:**

- Charitable gaming funds
- New full-time employees (FTEs)
- Budget balance
- Medicaid Fraud Unit (MFCU)
- In-house attorneys – contract attorney fees
- Agency litigation pool report

10:37 AM Representative Nathe distributed information. Testimony #27787

10:47 AM Chairman Dwyer closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2003  
4/24/2023  
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the Attorney General Office.
--

4:34 PM Senator Dwyer opened the meeting.  
Senators Dwyer, J. Roers, Wanzek, and Representatives Nathe, Schatz, and K. Hanson are present.

### **Discussion Topics:**

- Proposed amendments

4:41 PM Representative Nathe moved to recede from the House Amendments and further amend SB 2003 by taking the \$4,000,000 gaming funds off the table, removing the funds for retired law enforcement dogs, and leaving the rest of the bill as is.

Representative Hanson seconded the motion.

4:42 PM Roll call vote passed 6-0-0

Senator Dwyer will carry the bill.  
Representative Nathe will carry the bill.

Chairman Dwyer closed the meeting.

*Carol Thompson, Committee Clerk*

YA  
 4-20-23

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

That the House recede from its amendments as printed on pages 1543-1550 of the Senate Journal and pages 1720-1727 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, remove line 2

Page 1, line 3, remove "to the creation of an opioid settlement fund;"

Page 1, line 6, remove "to provide for a report; and"

Page 1, line 7, after "study" insert "; and to declare an emergency"

Page 1, remove lines 16 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$50,832,646	(\$537,204)	\$50,295,442
Operating expenses	15,237,498	3,503,607	18,741,105
Capital assets	648,055	4,585,572	5,233,627
Grants	3,903,440	400,000	4,303,440
Human trafficking victims grants	1,101,879	3,525	1,105,404
Forensic nurse examiners grants	250,691	791	251,482
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's forensic interviews	0	304,560	304,560
North Dakota lottery	5,254,844	61,790	5,316,634
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	412,169	4,487,137
Law enforcement	<u>3,048,927</u>	<u>82,770</u>	<u>3,131,697</u>
Total all funds	\$85,156,437	\$13,817,580	\$98,974,017
Less estimated income	<u>42,509,719</u>	<u>4,836,388</u>	<u>47,346,107</u>
Total general fund	\$42,646,718	\$8,981,192	\$51,627,910
Full-time equivalent positions	253.00	13.00	266.00"

Page 2, line 22, after "2,818,877" insert

"State crime laboratory capital improvements	0	250,000"
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Page 2, replace line 26 with:

"Anti-methamphetamine program	0	1,772,038"
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Page 2, replace lines 28 through 30 with:

"Total all funds	\$8,536,706	\$11,189,468
Total other funds	<u>8,536,706</u>	<u>6,582,122</u>
Total general fund	\$0	\$4,607,346"

Page 3, after line 11, insert:

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4-20-23

**"SECTION 4. TRANSFER - LOTTERY OPERATING FUND TO GAMING AND EXCISE TAX ALLOCATION FUND - STATEWIDE LITIGATION FUNDING POOL.**

Notwithstanding sections 53-12.1-09 and 53-12.1-10, the attorney general shall transfer \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, for the purpose of defraying litigation expenses of the state through the statewide litigation funding pool during the period beginning with the effective date of this Act, and ending June 30, 2025."

Page 3, line 15, replace "\$4,557,748" with "\$1,797,748"

Page 3, line 15, replace "\$442,252" with "\$3,202,252"

Page 3, line 18, after "the" insert "statewide"

Page 3, line 18, after "litigation" insert "funding"

Page 3, line 26, replace "\$1,111,480" with "\$1,105,404"

Page 4, line 6, replace "\$252,872" with "\$251,482"

Page 4, remove lines 17 through 29

Page 5, remove lines 1 through 12

Page 5, line 14, replace "law enforcement" with "grants"

Page 5, remove lines 24 through 31

Page 6, remove lines 1 through 3

Page 7, line 10, replace "seventy-five" with "seventy-nine"

Page 7, line 11, replace "nine" with "three"

Page 7, line 11, replace "twenty-eight" with "twelve"

Page 7, line 12, replace "eighty-two" with "eighty-six"

Page 7, line 12, replace "nine" with "four"

Page 7, line 12, replace "sixty-five" with "eighty-four"

Page 7, after line 21, insert:

**"SECTION 14. EXEMPTION - GAMING TAX REVENUE GRANTS.**

Notwithstanding section 53-06.1-12, the attorney general may distribute gaming tax revenue grants to cities and counties relating to the seventh and eighth quarters of the 2021-23 biennium through October 31, 2023."

Page 7, after line 31, insert:

**"SECTION 17. EXEMPTION - LEGAL CASE MANAGEMENT SYSTEM.**

The amount appropriated to the attorney general from other funds for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim information and notification system, and continued into the 2021-23 biennium for the legal case management system, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the legal case management system during the biennium beginning July 1, 2023, and ending June 30, 2025."

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4-26-23

Page 8, after line 5, insert:

**"SECTION 19. EXEMPTION - AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM.** The amount of \$300,000 appropriated from federal funds to upgrade the automated biometric identification system during the 2021-23 biennium in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, line 13, replace "\$1,350,000" with "\$1,000,000"

Page 8, line 13, remove ", of"

Page 8, line 14, remove "which \$300,000 was for a missing persons database, \$1,000,000 was"

Page 8, line 15, remove ", and \$50,000 was for charitable gaming information"

Page 8, line 16, replace "technology costs, in subsections 19," with "in subsection"

Page 8, line 16, remove ", and 42"

Page 8, after line 29, insert:

**"SECTION 23. ATTORNEY COST-SAVINGS - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly regarding any cost-savings realized by hiring full-time equivalent attorney positions instead of contracting for third-party legal counsel during the 2023-25 biennium.

**SECTION 24. EMERGENCY.** The \$250,000 appropriated from the general fund in the capital assets line item in section 1 for state crime laboratory capital improvements and sections 4 and 14 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$50,295,349	\$56,475,611	(\$6,180,169)	\$50,295,442	\$50,295,442	
Operating expenses	15,237,498	17,688,435	1,052,670	18,741,105	18,771,105	(\$30,000)
Capital assets	648,055	3,560,577	1,673,050	5,233,627	5,233,627	
Grants	3,903,440	3,903,440	400,000	4,303,440	4,303,440	
Litigation fees	127,500	127,500		127,500	127,500	
Medical examinations	660,000	660,000		660,000	660,000	
North Dakota lottery	5,254,844	5,433,446	(116,812)	5,316,634	5,316,634	
Arrest and return of fugitives	8,500	8,500		8,500	8,500	
Gaming commission	7,489	7,489		7,489	7,489	
Criminal justice information sharing	4,074,968	4,546,645	(59,508)	4,487,137	4,487,137	
Law enforcement	3,048,927	7,194,705	(4,063,008)	3,131,697	3,131,697	
Human trafficking victims grants	1,101,879	1,111,480	(6,076)	1,105,404	1,105,404	
Forensic nurse examiners grants	250,691	252,872	(1,390)	251,482	251,482	
State Crime Laboratory salary equity	537,297					
Statewide litigation pool		5,000,000		5,000,000	5,000,000	
Additional income		250,000		250,000	250,000	

Children's medical examinations					304,560	(304,560)
Children's forensic interviews			304,560	304,560		304,560
Total all funds	\$85,156,437	\$106,220,700	(\$6,996,683)	\$99,224,017	\$99,254,017	(\$30,000)
Less estimated income	42,509,719	42,633,849	4,962,258	47,596,107	47,596,107	0
General fund	\$42,646,718	\$63,586,851	(\$11,958,941)	\$51,627,910	\$51,657,910	(\$30,000)
FTE	253.00	260.00	6.00	266.00	266.00	0.00

24  
4-26-23

**Department 125 - Attorney General - Detail of Conference Committee Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Salary Equity Increases and Reclassifications <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Removes Salary Funding for Funding Pool <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$701,762	\$258,668		\$1,271,188	(\$8,411,787)	
Operating expenses				447,682		\$34,000
Capital assets						222,000
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	33,740				(150,552)	
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	17,294				(76,802)	
Law enforcement	48,223				(211,231)	
Human trafficking victims grants	1,738				(7,814)	
Forensic nurse examiners grants	398				(1,788)	
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Children's medical examinations						
Children's forensic interviews						
Total all funds	\$803,155	\$258,668	\$0	\$1,718,870	(\$8,859,974)	\$256,000
Less estimated income	355,283	14,487	1,866,992	0	(2,157,983)	46,881
General fund	\$447,872	\$244,181	(\$1,866,992)	\$1,718,870	(\$6,701,991)	\$209,119
FTE	0.00	0.00	0.00	6.00	0.00	0.00



24  
4-20-23

	Adds Funding for Children's Forensic Interviews <sup>2</sup>	Adjusts One- Time Funding <sup>8</sup>	Adjusts One- Time Funding for the Litigation Funding Pool <sup>3</sup>	Total Conference Committee Changes
Salaries and wages				(\$6,180,169)
Operating expenses		\$570,988		1,052,670
Capital assets		1,451,050		1,673,050
Grants		400,000		400,000
Litigation fees				
Medical examinations				
North Dakota lottery				(116,812)
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				(59,508)
Law enforcement		(3,900,000)		(4,063,008)
Human trafficking victims grants				(6,076)
Forensic nurse examiners grants				(1,390)
State Crime Laboratory salary equity				
Statewide litigation pool				
Additional income				
Children's medical examinations				
Children's forensic interviews	\$304,560			304,560
Total all funds	\$304,560	(\$1,477,962)	\$0	(\$6,996,683)
Less estimated income	304,560	1,772,038	2,760,000	4,962,258
General fund	\$0	(\$3,250,000)	(\$2,760,000)	(\$11,958,941)
FTE	0.00	0.00	0.00	6.00

<sup>1</sup> Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$464,271	\$365,724	\$829,995
Health insurance reduction	(16,399)	(10,441)	(26,840)
Total	\$447,872	\$355,283	\$803,155

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

<sup>2</sup> Funding of \$223,000 is added from the general fund for salary equity funding and \$35,668 is added to reclassify employee positions, including \$21,181 from the general fund for finance staff and \$14,487 from the Attorney General refund fund for Consumer Protection and Antitrust Division staff. The House also added this funding. The Senate did not add funding for these purposes.

<sup>3</sup> Funding of \$1,866,992 for prior biennium salary equity increases for attorneys, Bureau of Criminal Investigation (BCI), and Medicaid Fraud Control Unit (MFCU) positions is transferred from the general fund to the Attorney General refund fund to restore the funding to the base level, the same as provided by the House. The Senate transferred this funding from the Attorney General refund fund to the general fund.

The Senate also transferred \$537,297 for prior biennium salary equity increases for State Crime Laboratory positions from the Attorney General refund fund to the general fund. The House and the Conference Committee did not adjust this funding.

<sup>4</sup> Funding is added from the general fund for the following FTE positions, the same as provided by the House:

4-20-23

	<u>FTE Positions</u>	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total</u>
Attorney positions	2.00	\$461,954	\$96,060	\$558,014
State Crime Laboratory positions	2.00	356,452	262,389	618,841
IT programmers and analyst positions	2.00	452,782	51,761	504,543
MFCU positions authorized by the Senate	<u>0.00</u>	<u>0</u>	<u>37,472</u>	<u>37,472</u>
Total	6.00	\$1,271,188	\$447,682	\$1,718,870

The Conference Committee did not change the 15 FTE positions added by the Senate, including 2 FTE attorney positions, 3 FTE BCI cybercrime positions, 3 FTE BCI criminal investigator positions, 4 FTE State Crime Laboratory positions, and 3 FTE MFCU positions, totaling \$4,206,994, of which \$3,593,367 is from the general fund and \$613,627 is from federal funds. This is the same as provided by the House.

Funding for salaries and wages and operating expenses of 21 new FTE positions, as approved by the Conference Committee, totals \$5,925,864, of which \$5,312,237 is from the general fund and \$613,627 is from federal funds, prior to the removal of funding for the new and vacant FTE position pool. This is the same as provided by the House.

<sup>5</sup> Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
New FTE positions	(\$4,066,038)	(\$536,813)	(\$4,602,851)
Vacant FTE positions	<u>(2,635,953)</u>	<u>(1,621,170)</u>	<u>(4,257,123)</u>
Total	(\$6,701,991)	(\$2,157,983)	(\$8,859,974)

The House also removed this funding. The Senate did not remove funding for the new and vacant FTE funding pool.

<sup>6</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adjusts funding from the Attorney General refund fund as a result of settlement proceeds from the JUUL Labs, Inc. lawsuit no longer being available to the Attorney General for salaries and operating expenses. The Senate did not adjust funding for this purpose.	\$809,381	(\$809,381)	\$0
Adjusts funding for Information Technology Division and Criminal Justice Information Sharing Division operating expenses by adding funding from the Attorney General refund fund to restore funding to the base level. The Senate provided this funding from the general fund.	(856,262)	856,262	0
Adds funding to the \$419,297 from the general fund added by the Senate for increased software maintenance and subscription costs.	34,000	0	34,000
Adds funding for State Crime Laboratory building and equipment maintenance contract costs. The Senate did not add funding for this purpose.	<u>222,000</u>	<u>0</u>	<u>222,000</u>
Total	\$209,119	\$46,881	\$256,000

The Conference Committee adjusted each of these items the same as the House adjustments. The House also added \$30,000 from the general fund for a retired law enforcement dogs program. The Conference Committee did not add funding for this program.

<sup>7</sup> Funding of \$304,560 from the insurance regulatory trust fund is added in a new line item for children's forensic interviews related to North Dakota Century Code Section 12.1-34-07, the same as provided by the House. This amount is in addition to \$660,000 of base level funding from the insurance regulatory trust fund for medical examinations. The Senate did not add funding for this purpose. The Conference Committee amendment renames the line item "children's forensic interviews" rather than "children's medical examinations."

<sup>8</sup> One-time funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for State Crime Laboratory capital improvements. The Senate did not add funding for this purpose.	\$250,000	\$0	\$250,000
Removes funding approved by the Senate for the back the blue grant program.	(3,500,000)	0	(3,500,000)
Transfers \$400,000 from the general fund approved by the Senate for the law enforcement resiliency grant program from the law enforcement line item to the grants line item.	0	0	0
Adds federal funding for the United States Department of Justice Community Oriented Policing Services (COPS) anti-methamphetamine program, of which \$570,988 is for operating expenses and \$1,201,050 is for capital assets. In December 2022, the Emergency Commission and Budget Section approved \$2,000,000 for the program for the 2021-23 biennium, of which approximately \$227,962 will be spent by the end of the 2021-23 biennium. The Senate did not add funding for this purpose.	<u>0</u>	<u>1,772,038</u>	<u>1,772,038</u>
Total	(\$3,250,000)	\$1,772,038	(\$1,477,962)

JA  
H-26-23

The Conference Committee adjusted each of these items the same as the House adjustments.

<sup>9</sup> One-time funding of \$2,760,000 is adjusted for the statewide litigation funding pool by reducing the general fund and increasing funding from the gaming and excise tax allocation fund, the same as provided by the House. A section is added to the bill to provide for the transfer of \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund. This will reduce 2021-23 biennium general fund revenues by \$2,760,000. This section was also added by the House.

Total funding for the statewide litigation funding pool as approved by the Conference Committee and the House is \$5,000,000 of which \$1,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund. The Senate approved \$5,000,000, of which \$4,557,748 was from the general fund and \$442,252 was from the gaming and excise tax allocation fund.

The Conference Committee:

- Did not add a section previously added by the House to amend Section 53-06.1-11.2 to provide up to \$4 million of gaming tax revenues be deposited in the Attorney General operating fund instead of the general fund.
- Did not add a section previously added by the House to add a new section to Chapter 54-12 to establish a retired law enforcement dog program.

This amendment also provides for the following, the same as provided by the House:

- Adds a section to transfer funding from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool.
- Amends a section authorizing the transfer of funding from the gaming and excise tax allocation fund and the general fund to state agencies for litigation expenses through the statewide litigation funding pool. This section is declared an emergency measure.
- Amends a section identifying the amount of funding included in Section 1 for the human trafficking victims grants program.
- Amends a section identifying the amount of funding included in Section 1 for the forensic nurse examiners grant program.
- Removes a section identifying an appropriation for back the blue grants. Funding for this program is included in House Bill No. 1307.
- Removes a section creating an opioid settlement fund. The creation of this fund is proposed in House Bill No. 1447.
- Amends a section providing for the salary of the Attorney General reflecting a 6 percent 1<sup>st</sup> year and 4 percent 2<sup>nd</sup> year salary increase.
- Adds a section to provide an exemption allowing the Attorney General may distribute quarters 7 and 8 of 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023. This section is declared an emergency measure.
- Adds a section to allow the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program and into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system. The Attorney General anticipates \$117,000 will be continued into the 2023-25 biennium.
- Adds a section to provide an exemption to allow the Attorney General to continue any remaining funding of the \$300,000 appropriated from federal funds during the 2021-23 biennium for the automated biometric

identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.

- Amends a section authorizing the Attorney General an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session.
- Adds a section to require the Attorney General to provide a report to the 69<sup>th</sup> Legislative Assembly regarding cost-savings realized by hiring FTE attorney positions instead of contracting for third-party legal counsel.
- Adds a section to declare \$250,000 appropriated in Section 1 for State Crime Laboratory capital improvements and Sections 4 and 14 to be an emergency measure.

JA  
4-20-23

2023 SENATE CONFERENCE COMMITTEE  
 ROLL CALL VOTES

SB 2003 as engrossed

Senate Appropriations Government Operations Committee

- Action Taken  SENATE accede to House Amendments  
 SENATE accede to House Amendments and further amend  
 HOUSE recede from House amendments  
 HOUSE recede from House amendments and amend as follows
- Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Nathe Seconded by: Representative Hanson

Senators	4/21 AM	4/21 PM	4/24	Yes	No	Representatives	4/21 AM	4/21 PM	4/24	Yes	No
Michael Dwyer	X	X	X	X		Mike Nathe	X	X	X	X	
Jim P. Roers	X	X	X	X		Mike Schatz	X	X	X	X	
Terry M Wanzek	X	X	X	X		Karla Rose Hanson	X	X	X	X	
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Senator Dwyer House Carrier Representative Nathe

LC Number 23.0257 . .02004 of amendment

LC Number 23.0257 . 04000 of engrossment

Statement of purpose of amendment

Recede from the House Amendments and further amend SB 2003 by taking the \$4,000,000 gaming funds off the table, removing the funds for retired law enforcement dogs, and leaving the rest of the bill as is.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2003, as engrossed:** Your conference committee (Sens. Dwyer, J. Roers, Wanzek and Reps. Nathe, Schatz, Hanson) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1543-1550, adopt amendments as follows, and place SB 2003 on the Seventh order:

That the House recede from its amendments as printed on pages 1543-1550 of the Senate Journal and pages 1720-1727 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, remove line 2

Page 1, line 3, remove "to the creation of an opioid settlement fund;"

Page 1, line 6, remove "to provide for a report; and"

Page 1, line 7, after "study" insert "; and to declare an emergency"

Page 1, remove lines 16 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$50,832,646	(\$537,204)	\$50,295,442
Operating expenses	15,237,498	3,503,607	18,741,105
Capital assets	648,055	4,585,572	5,233,627
Grants	3,903,440	400,000	4,303,440
Human trafficking victims grants	1,101,879	3,525	1,105,404
Forensic nurse examiners grants	250,691	791	251,482
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's forensic interviews	0	304,560	304,560
North Dakota lottery	5,254,844	61,790	5,316,634
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	412,169	4,487,137
Law enforcement	<u>3,048,927</u>	<u>82,770</u>	<u>3,131,697</u>
Total all funds	\$85,156,437	\$13,817,580	\$98,974,017
Less estimated income	<u>42,509,719</u>	<u>4,836,388</u>	<u>47,346,107</u>
Total general fund	\$42,646,718	\$8,981,192	\$51,627,910
Full-time equivalent positions	253.00	13.00	266.00"

Page 2, line 22, after "2,818,877" insert

"State crime laboratory capital improvements	0	250,000"
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Page 2, replace line 26 with:

"Anti-methamphetamine program	0	1,772,038"
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Page 2, replace lines 28 through 30 with:

"Total all funds	\$8,536,706	\$11,189,468
Total other funds	<u>8,536,706</u>	<u>6,582,122</u>
Total general fund	\$0	\$4,607,346"

Page 3, after line 11, insert:

**"SECTION 4. TRANSFER - LOTTERY OPERATING FUND TO GAMING AND EXCISE TAX ALLOCATION FUND - STATEWIDE LITIGATION FUNDING POOL.** Notwithstanding sections 53-12.1-09 and 53-12.1-10, the attorney general shall transfer \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, for the purpose of defraying litigation expenses of the state through the statewide litigation funding pool during the period beginning with the effective date of this Act, and ending June 30, 2025."

Page 3, line 15, replace "\$4,557,748" with "\$1,797,748"

Page 3, line 15, replace "\$442,252" with "\$3,202,252"

Page 3, line 18, after "the" insert "statewide"

Page 3, line 18, after "litigation" insert "funding"

Page 3, line 26, replace "\$1,111,480" with "\$1,105,404"

Page 4, line 6, replace "\$252,872" with "\$251,482"

Page 4, remove lines 17 through 29

Page 5, remove lines 1 through 12

Page 5, line 14, replace "law enforcement" with "grants"

Page 5, remove lines 24 through 31

Page 6, remove lines 1 through 3

Page 7, line 10, replace "seventy-five" with "seventy-nine"

Page 7, line 11, replace "nine" with "three"

Page 7, line 11, replace "twenty-eight" with "twelve"

Page 7, line 12, replace "eighty-two" with "eighty-six"

Page 7, line 12, replace "nine" with "four"

Page 7, line 12, replace "sixty-five" with "eighty-four"

Page 7, after line 21, insert:

**"SECTION 14. EXEMPTION - GAMING TAX REVENUE GRANTS.**

Notwithstanding section 53-06.1-12, the attorney general may distribute gaming tax revenue grants to cities and counties relating to the seventh and eighth quarters of the 2021-23 biennium through October 31, 2023."

Page 7, after line 31, insert:

**"SECTION 17. EXEMPTION - LEGAL CASE MANAGEMENT SYSTEM.**

The amount appropriated to the attorney general from other funds for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim information and notification system, and continued into the 2021-23 biennium for the legal case management system, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this

appropriation are available to the attorney general for the legal case management system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, after line 5, insert:

**"SECTION 19. EXEMPTION - AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM.** The amount of \$300,000 appropriated from federal funds to upgrade the automated biometric identification system during the 2021-23 biennium in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, line 13, replace "\$1,350,000" with "\$1,000,000"

Page 8, line 13, remove ", of"

Page 8, line 14, remove "which \$300,000 was for a missing persons database, \$1,000,000 was"

Page 8, line 15, remove ", and \$50,000 was for charitable gaming information"

Page 8, line 16, replace "technology costs, in subsections 19," with "in subsection"

Page 8, line 16, remove ", and 42"

Page 8, after line 29, insert:

**"SECTION 23. ATTORNEY COST-SAVINGS - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly regarding any cost-savings realized by hiring full-time equivalent attorney positions instead of contracting for third-party legal counsel during the 2023-25 biennium.

**SECTION 24. EMERGENCY.** The \$250,000 appropriated from the general fund in the capital assets line item in section 1 for state crime laboratory capital improvements and sections 4 and 14 of this Act are declared to be an emergency measure."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$50,295,349	\$56,475,611	(\$6,180,169)	\$50,295,442	\$50,295,442	
Operating expenses	15,237,498	17,688,435	1,052,670	18,741,105	18,771,105	(\$30,000)
Capital assets	648,055	3,560,577	1,673,050	5,233,627	5,233,627	
Grants	3,903,440	3,903,440	400,000	4,303,440	4,303,440	
Litigation fees	127,500	127,500		127,500	127,500	
Medical examinations	660,000	660,000		660,000	660,000	
North Dakota lottery	5,254,844	5,433,446	(116,812)	5,316,634	5,316,634	
Arrest and return of fugitives	8,500	8,500		8,500	8,500	
Gaming commission	7,489	7,489		7,489	7,489	
Criminal justice information sharing	4,074,968	4,546,645	(59,508)	4,487,137	4,487,137	
Law enforcement	3,048,927	7,194,705	(4,063,008)	3,131,697	3,131,697	
Human trafficking victims grants	1,101,879	1,111,480	(6,076)	1,105,404	1,105,404	
Forensic nurse examiners grants	250,691	252,872	(1,390)	251,482	251,482	



Insert LC: 23.0257.02004  
 Senate Carrier: Dwyer  
 House Carrier: Monson

State Crime Laboratory salary equity	537,297					
Statewide litigation pool		5,000,000		5,000,000	5,000,000	
Additional income		250,000		250,000	250,000	
Children's medical examinations					304,560	(304,560)
Children's forensic interviews			304,560	304,560		304,560
Total all funds	\$85,156,437	\$106,220,700	(\$6,996,683)	\$99,224,017	\$99,254,017	(\$30,000)
Less estimated income	42,509,719	42,633,849	4,962,258	47,596,107	47,596,107	0
General fund	\$42,646,718	\$63,586,851	(\$11,958,941)	\$51,627,910	\$51,657,910	(\$30,000)
FTE	253.00	260.00	6.00	266.00	266.00	0.00

**Department 125 - Attorney General - Detail of Conference Committee Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Salary Equity Increases and Reclassifications <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Removes Salary Funding for Funding Pool <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$701,762	\$258,668		\$1,271,188	(\$8,411,787)	
Operating expenses				447,682		\$34,000
Capital assets						222,000
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	33,740				(150,552)	
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	17,294				(76,802)	
Law enforcement	48,223				(211,231)	
Human trafficking victims grants	1,738				(7,814)	
Forensic nurse examiners grants	398				(1,788)	
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Children's medical examinations						
Children's forensic interviews						
Total all funds	\$803,155	\$258,668	\$0	\$1,718,870	(\$8,859,974)	\$256,000
Less estimated income	355,283	14,487	1,866,992	0	(2,157,983)	46,881
General fund	\$447,872	\$244,181	(\$1,866,992)	\$1,718,870	(\$6,701,991)	\$209,119
FTE	0.00	0.00	0.00	6.00	0.00	0.00

Insert LC: 23.0257.02004  
 Senate Carrier: Dwyer  
 House Carrier: Monson

	Adds Funding for Children's Forensic Interviews <sup>2</sup>	Adjusts One-Time Funding <sup>3</sup>	Adjusts One-Time Funding for the Litigation Funding Pool <sup>3</sup>	Total Conference Committee Changes
Salaries and wages				(\$6,180,169)
Operating expenses		\$570,988		1,052,670
Capital assets		1,451,050		1,673,050
Grants		400,000		400,000
Litigation fees				
Medical examinations				
North Dakota lottery				(116,812)
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				(59,508)
Law enforcement		(3,900,000)		(4,063,008)
Human trafficking victims grants				(6,076)
Forensic nurse examiners grants				(1,390)
State Crime Laboratory salary equity				
Statewide litigation pool				
Additional income				
Children's medical examinations				
Children's forensic interviews	\$304,560			304,560
<b>Total all funds</b>	<b>\$304,560</b>	<b>(\$1,477,962)</b>	<b>\$0</b>	<b>(\$6,996,683)</b>
Less estimated income	304,560	1,772,038	2,760,000	4,962,258
General fund	\$0	(\$3,250,000)	(\$2,760,000)	(\$11,958,941)
FTE	0.00	0.00	0.00	6.00

<sup>1</sup> Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$464,271	\$365,724	\$829,995
Health insurance reduction	(16,399)	(10,441)	(26,840)
Total	\$447,872	\$355,283	\$803,155

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

<sup>2</sup> Funding of \$223,000 is added from the general fund for salary equity funding and \$35,668 is added to reclassify employee positions, including \$21,181 from the general fund for finance staff and \$14,487 from the Attorney General refund fund for Consumer Protection and Antitrust Division staff. The House also added this funding. The Senate did not add funding for these purposes.

<sup>3</sup> Funding of \$1,866,992 for prior biennium salary equity increases for attorneys, Bureau of Criminal Investigation (BCI), and Medicaid Fraud Control Unit (MFCU) positions is transferred from the general fund to the Attorney General refund fund to restore the funding to the base level, the same as provided by the House. The Senate transferred this funding from the Attorney General refund fund to the general fund.

The Senate also transferred \$537,297 for prior biennium salary equity increases for State Crime Laboratory positions from the Attorney General refund fund to the general fund. The House and the Conference Committee did not adjust this funding.

<sup>4</sup> Funding is added from the general fund for the following FTE positions, the same as provided by the House:

**Insert LC: 23.0257.02004**  
**Senate Carrier: Dwyer**  
**House Carrier: Monson**

	<u>FTE Positions</u>	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total</u>
Attorney positions	2.00	\$461,954	\$96,060	\$558,014
State Crime Laboratory positions	2.00	356,452	262,389	618,841
IT programmers and analyst positions	2.00	452,782	51,761	504,543
MFCU positions authorized by the Senate	<u>0.00</u>	<u>0</u>	<u>37,472</u>	<u>37,472</u>
Total	6.00	\$1,271,188	\$447,682	\$1,718,870

The Conference Committee did not change the 15 FTE positions added by the Senate, including 2 FTE attorney positions, 3 FTE BCI cybercrime positions, 3 FTE BCI criminal investigator positions, 4 FTE State Crime Laboratory positions, and 3 FTE MFCU positions, totaling \$4,206,994, of which \$3,593,367 is from the general fund and \$613,627 is from federal funds. This is the same as provided by the House.

Funding for salaries and wages and operating expenses of 21 new FTE positions, as approved by the Conference Committee, totals \$5,925,864, of which \$5,312,237 is from the general fund and \$613,627 is from federal funds, prior to the removal of funding for the new and vacant FTE position pool. This is the same as provided by the House.

<sup>5</sup> Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
New FTE positions	(\$4,066,038)	(\$536,813)	(\$4,602,851)
Vacant FTE positions	<u>(2,635,953)</u>	<u>(1,621,170)</u>	<u>(4,257,123)</u>
Total	(\$6,701,991)	(\$2,157,983)	(\$8,859,974)

The House also removed this funding. The Senate did not remove funding for the new and vacant FTE funding pool.

<sup>6</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adjusts funding from the Attorney General refund fund as a result of settlement proceeds from the JUUL Labs, Inc. lawsuit no longer being available to the Attorney General for salaries and operating expenses. The Senate did not adjust funding for this purpose.	\$809,381	(\$809,381)	\$0
Adjusts funding for Information Technology Division and Criminal Justice Information Sharing Division operating expenses by adding funding from the Attorney General refund fund to restore funding to the base level. The Senate provided this funding from the general fund.	(856,262)	856,262	0
Adds funding to the \$419,297 from the general fund added by the Senate for increased software maintenance and subscription costs.	34,000	0	34,000
Adds funding for State Crime Laboratory building and equipment maintenance contract costs. The Senate did not add funding for this purpose.	<u>222,000</u>	<u>0</u>	<u>222,000</u>
Total	\$209,119	\$46,881	\$256,000

The Conference Committee adjusted each of these items the same as the House adjustments. The House also added \$30,000 from the general fund for a retired law enforcement dogs program. The Conference Committee did not add funding for this program.

<sup>7</sup> Funding of \$304,560 from the insurance regulatory trust fund is added in a new line item for children's forensic interviews related to North Dakota Century Code Section 12.1-34-07, the same as provided by the House. This amount is in addition to \$660,000 of base level funding from the insurance regulatory trust fund for medical examinations. The Senate did not add funding for this purpose. The Conference Committee amendment renames the line item

"children's forensic interviews" rather than "children's medical examinations."

<sup>8</sup> One-time funding is adjusted as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Adds funding for State Crime Laboratory capital improvements. The Senate did not add funding for this purpose.	\$250,000	\$0	\$250,000
Removes funding approved by the Senate for the back the blue grant program.	(3,500,000)	0	(3,500,000)
Transfers \$400,000 from the general fund approved by the Senate for the law enforcement resiliency grant program from the law enforcement line item to the grants line item.	0	0	0
Adds federal funding for the United States Department of Justice Community Oriented Policing Services (COPS) anti-methamphetamine program, of which \$570,988 is for operating expenses and \$1,201,050 is for capital assets. In December 2022, the Emergency Commission and Budget Section approved \$2,000,000 for the program for the 2021-23 biennium, of which approximately \$227,962 will be spent by the end of the 2021-23 biennium. The Senate did not add funding for this purpose.	0	1,772,038	1,772,038
<b>Total</b>	<b>(\$3,250,000)</b>	<b>\$1,772,038</b>	<b>(\$1,477,962)</b>

The Conference Committee adjusted each of these items the same as the House adjustments.

<sup>9</sup> One-time funding of \$2,760,000 is adjusted for the statewide litigation funding pool by reducing the general fund and increasing funding from the gaming and excise tax allocation fund, the same as provided by the House. A section is added to the bill to provide for the transfer of \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund. This will reduce 2021-23 biennium general fund revenues by \$2,760,000. This section was also added by the House.

Total funding for the statewide litigation funding pool as approved by the Conference Committee and the House is \$5,000,000 of which \$1,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund. The Senate approved \$5,000,000, of which \$4,557,748 was from the general fund and \$442,252 was from the gaming and excise tax allocation fund.

The Conference Committee:

- Did not add a section previously added by the House to amend Section 53-06.1-11.2 to provide up to \$4 million of gaming tax revenues be deposited in the Attorney General operating fund instead of the general fund.
- Did not add a section previously added by the House to add a new section to Chapter 54-12 to establish a retired law enforcement dog program.

This amendment also provides for the following, the same as provided by the House:

- Adds a section to transfer funding from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool.
- Amends a section authorizing the transfer of funding from the gaming and excise tax allocation fund and the general fund to state agencies for litigation expenses through the statewide litigation funding pool. This section is declared an emergency measure.
- Amends a section identifying the amount of funding included in Section 1 for the human trafficking victims grants program.
- Amends a section identifying the amount of funding included in Section 1 for the forensic nurse examiners grant program.
- Removes a section identifying an appropriation for back the blue grants. Funding for this program is included in House Bill No. 1307.
- Removes a section creating an opioid settlement fund. The creation of this fund is proposed in House Bill No. 1447.
- Amends a section providing for the salary of the Attorney General reflecting a 6 percent 1<sup>st</sup> year and 4 percent 2<sup>nd</sup> year salary increase.

- Adds a section to provide an exemption allowing the Attorney General may distribute quarters 7 and 8 of 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023. This section is declared an emergency measure.
- Adds a section to allow the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program and into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system. The Attorney General anticipates \$117,000 will be continued into the 2023-25 biennium.
- Adds a section to provide an exemption to allow the Attorney General to continue any remaining funding of the \$300,000 appropriated from federal funds during the 2021-23 biennium for the automated biometric identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.
- Amends a section authorizing the Attorney General an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session.
- Adds a section to require the Attorney General to provide a report to the 69<sup>th</sup> Legislative Assembly regarding cost-savings realized by hiring FTE attorney positions instead of contracting for third-party legal counsel.
- Adds a section to declare \$250,000 appropriated in Section 1 for State Crime Laboratory capital improvements and Sections 4 and 14 to be an emergency measure.

Engrossed SB 2003 was placed on the Seventh order of business on the calendar.

**TESTIMONY**

**SB 2003**

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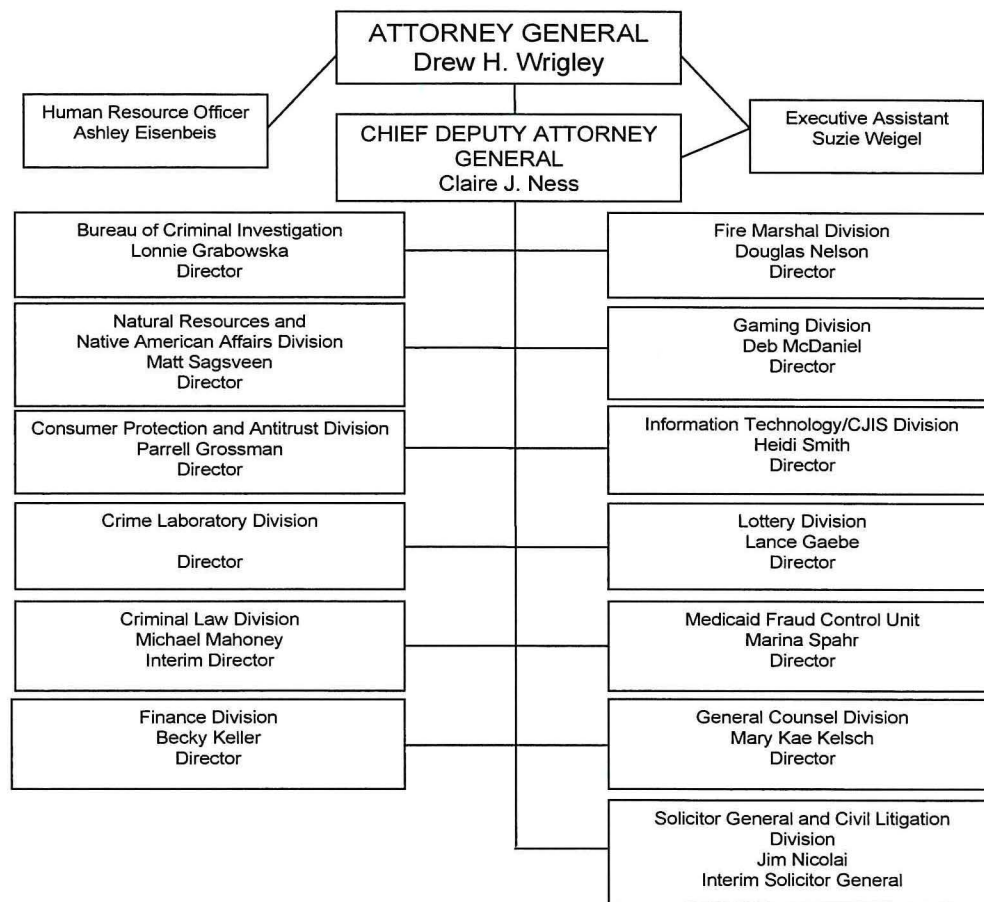
# NORTH DAKOTA OFFICE OF THE ATTORNEY GENERAL

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2023-25 BIENNIUM  
68<sup>TH</sup> LEGISLATIVE SESSION

BUDGET PRESENTATION  
SUPPLEMENTARY MATERIALS

NORTH DAKOTA OFFICE OF ATTORNEY GENERAL  
December 2022





# BUDGET DEVELOPMENT

Process for developing the 2023-25 budget request:

- ❖ Review of current budget
- ❖ Analysis of special funds
- ❖ Division director input
- ❖ Prioritization of needs

# OPTIONAL REQUESTS

## 1. Attorney Equity and Merit-Based Pay and Promotion Package

- Assistant Attorneys General (AAGs) earn less than attorneys assigned to many other state agencies and local government entities.
  - A new Assistant States Attorney can earn up to \$20,000 per year more than a new AAG.
  - A junior AAG recently accepted a position at another state agency that will pay \$30,000 more per year.
- AAGs are currently paid on a schedule based on their years of service.
- Our proposed package would:
  - Allow us to implement a plan to pay AAGs on merit and achievement of specified criteria;
  - Provide AAGs the possibility of promotions;
  - Improve recruitment and retention; and
  - Reduce turnover costs and loss of legal expertise for the state.
- \$1,078,781 (\$974,392 General Fund)

# OPTIONAL REQUESTS (con't)

## 2. Staff Equity Package

- Office leaderships evaluated the pay of non-attorney staff based on objective HRMS criteria.
- Division Directors provided input regarding underpaid staff.
- Our proposed package would allow the office to remedy salaries that diverge the most from where they should be based on objective analysis.
- \$307,613 (\$295,377 General Fund)

# OPTIONAL REQUESTS (con't)

## 3. Attorneys – Civil Litigation (2.00 FTE) and General Counsel (2.00 FTE)

- Our office has hundreds of clients.
- Civil Litigation Division has just 7 attorneys.
  - 4.5 litigators have specified portfolios (State employment; DHHS economic benefits, child protective services, daycare licensing, foster parenting; tobacco settlement; Job Service; DOT implied consent; and other matters).
  - Only 2.5 litigators are available for other litigation on behalf of the state.
- General Counsel Division has just 14 attorneys responsible for:
  - Legal services to state agencies, the university system, boards, and commissions;
  - Open records/open meetings guidance to state and local government entities;
  - All open records/open meetings opinions; and
  - All Attorney General opinions.

## OPTIONAL REQUESTS (con't)

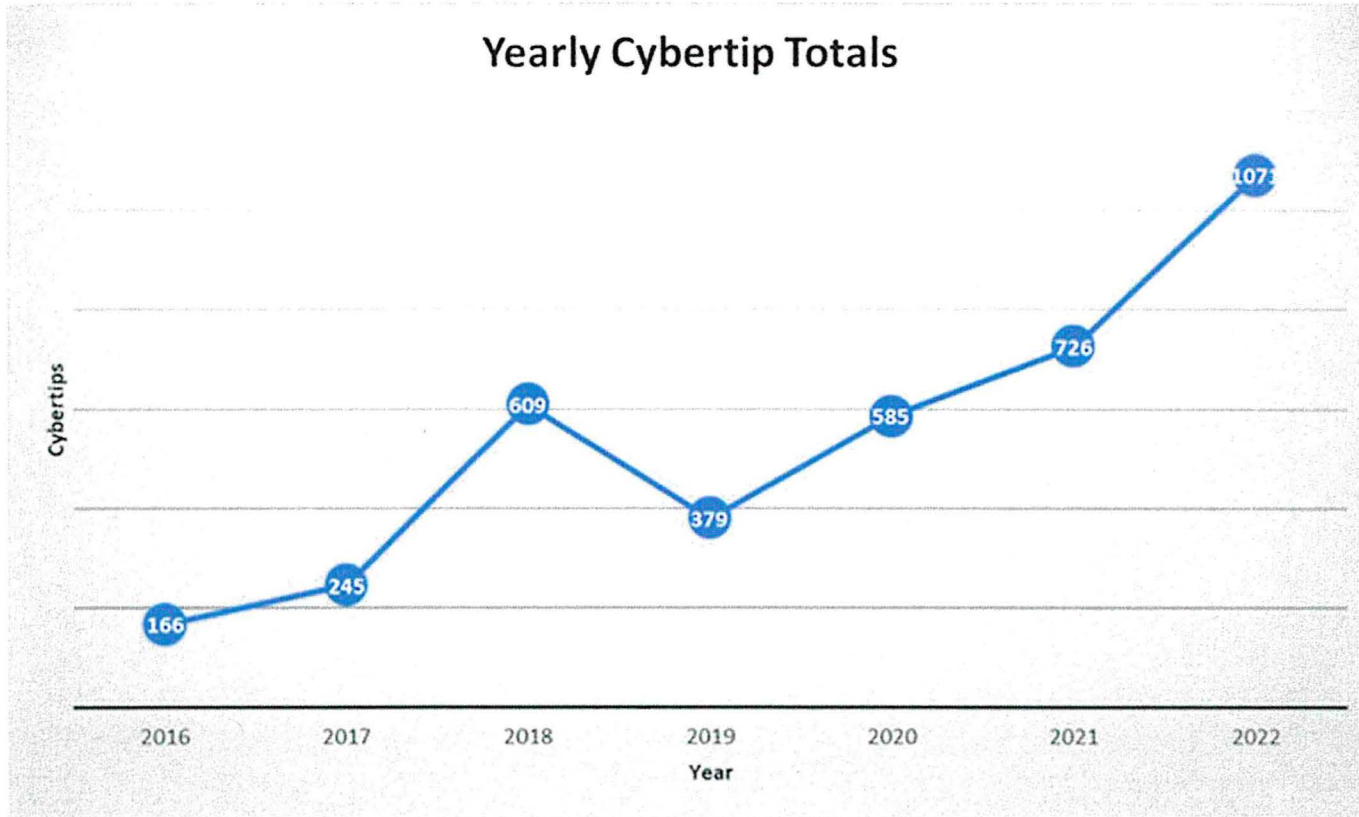
- North Dakota has relied on very costly Special Assistant Attorneys General (SAAGs), who are private attorneys hired to represent state entities.
  - Cost of private attorneys is generally \$250-\$600 per hour;
  - The state litigation pool does not cover a significant proportion of SAAGs; and
  - Some state entities pay for SAAGS from their own budget.
- AAGs are provided at no cost or minimal cost to clients (\$141 per hour).
- \$1,202,370 – General Fund

# OPTIONAL REQUESTS (con't)

## 4. BCI Agents

- 3.00 FTE to lead taskforces to provide law enforcement on tribal lands.
  - BCI executed an MOU with the Spirit Lake Nation to operate a task force for law enforcement on the Spirit Lake Nation's 405 square miles of tribal lands.
  - BCI is working on similar agreements with the leaders of other tribal nations, totaling:
    - More than 5,388 square miles; and
    - At least 19,963 Native American residents living on reservations.
- 4.00 FTE for Cyber Crime
  - Cyber crime agents are needed to investigate many categories of crime, including drug trafficking, fraud, child pornography, child sexual abuse, and others.
- \$2,610,967 – General Fund

# Increase in Cybertips from NCMEC to ND



# OPTIONAL REQUESTS (con't)

## 5. Crime Lab

- Restores firearms testing – 2.00 FTE
- Restores fingerprint testing – 2.00 FTE
- Evidence Vaults
  - Currently, there is one vault of insufficient capacity.
  - Additional space is needed for security and separation of evidence.
- Building addition - \$4.25 million
  - Additional lab space for current and additional forensic scientists is needed.
  - Additional workspace for writing and processing reports is needed.
- \$8,375,168 (\$7,620,491 General Fund)



# OPTIONAL REQUESTS (con't)

## 6. North Dakota Medicaid Fraud Control Unit (MFCU)

- 3.00 FTE – 1 Attorney, 1 Investigator, and 1 Paralegal.
- Current staff includes only 1 attorney/division director, 2 investigators, 1 auditor, 1 nurse auditor, and 1 administrative assistant.
- Federal government pays 75% of MFCU costs. (25 percent general fund)
- MFCU recovered more money than the state budgeted for the Unit since inception in October 2019.
  - State general fund expenditures for the 2019-21 and 2021-23 bienniums = \$343,991.
  - State received \$512,433 in MFCU recoveries to date.
  - Judges ordered an additional \$185,144 in MFCU recoveries to date.
- MFCU received 132 referrals for cases over which the Unit has jurisdiction.
  - At least 20 cases provided potential recoveries but could not yet be started due to lack of staff.
- MFCU cases typically involve complex financial and medical issues and thousands of pages of documents.
- \$932,915 (\$233,229 General Fund)

# OPTIONAL REQUESTS (con't)

## 7. Funding Source Changes for BCI, Crime Lab, and IT/CJIS

- This is a truth-in-budgeting measure to increase transparency and sustainability.
  - Recurring costs of salary increases, and operating expenses should be moved to the general fund and out of special funds that fluctuate.
- \$3,260,551 – General Fund

# OPTIONAL REQUESTS (con't)

## 8. Information Technology

- Programmer Analysts – 2.00 FTE
  - Will reduce intractable backlog and delays for high priority projects for BCI and other divisions.
- Business Analyst – 1.00 FTE
  - Will reduce the need for expensive contract IT support.
- Two contractors at a cost of \$970,826 for the biennium will be needed if these FTEs are not authorized, resulting in \$253,120 excess expense and inefficiency.
- \$717,706 – General Fund

# OPTIONAL REQUESTS (con't)

## 9. Public Services FTE

- This position would assist with intake and responses to mandates and communications from legislators, the public, executive branch officials, and other state employees to ensure the office's responses are timely and accurate.
  - Legislators' and Legislative Council's requests for information;
  - Open records requests;
  - Requests for open records/open meetings opinions;
  - Requests for Attorney General Opinions;
  - Other executive branch agencies' requests for data or statistics;
  - Comments and inquires from the public; and
  - Other communications.
- \$186,108 – General Fund

# OPTIONAL REQUESTS (con't)

## 10. Funding Source Changes for Criminal Law Division and MFCU

- Criminal Law Division – replace \$114, 250 in unavailable federal grant.
- MFCU – replace \$227,497 in federal funds due to the general fund cost share increasing from 10% to 25%.
  - This is the only reduction in federal cost share for MFCU.
- \$341,747 – General Fund

# OPTIONAL REQUESTS (con't)

## 11. IT/CJIS Software and Maintenance

- IT/CJIS provides essential support for 75 law enforcement agencies as well as the Office of Attorney General.
- IT/CJIS maintains over 70 systems necessary for its mission, many of which require software licenses and maintenance.
- NDIT is increasing the cost of state accounts by 1300 percent.
  - These accounts are provided to law enforcement agencies so they can access the CJIS system.
- \$489,297 – General Fund
  - \$300,000 of this request is to cover the increased cost for law enforcement agencies.

# OPTIONAL REQUESTS (con't)

## 12. BCI Forensic Equipment

- MAFIN, GrayKey, and Cellebrite software is needed to forensically analyze mobile phones seized from suspects believed to be storing child pornography, information about drug trafficking, associated violent crimes, and other offenses.
- \$528,000 (\$486,000 General Fund)

# OPTIONAL REQUESTS (con't)

## 13. Inflationary Increases

- This request is to cover inflationary increases in the cost of ammunition, supplies, services, buy fund, rent at remote locations, and utilities.
- \$376,463 (\$356,463 General Fund)



# OPTIONAL REQUESTS (con't)

## 14. Civil Litigation Discovery Software

- Civil Litigation division uses software to manage complex discovery documents.
- Currently, the division has a license for a minimal number of cases. The software has proven essential for support of state litigation.
- Additional licenses are needed to save countless hours of staff time and avoid even further division expansion.
- \$100,000 – General Fund

# OPTIONAL REQUESTS (con't)

## 15. Gaming and CPAT Investigator Equipment

- The Gaming and CPAT Divisions have BCI agents assigned to them to assist their investigations.
- This request is to equip the agents with the standard BCI vehicles and radios.
- \$102,000 – Special Funds

# OPTIONAL REQUESTS (con't)

## 16. Gaming IT Solutions

- ND Gaming Distributor solution is an external application for distributors of gaming equipment to facilitate licensing, data submissions, online payments, deposits, and other activities.
- Enhancements to the external applications for charitable gaming organizations and an internal application for the Gaming Division to manage licensing, open records requests, oversee gaming machines, and other improvements are needed.
- The general fund portion will provide enhancements for the office's licensing division for licensing applications and deposits.
- \$950,000 (\$214,000 General Fund, \$736,000 from gaming tax fund)

# OPTIONAL REQUESTS (con't)

## 17. IT Servers

- 8 servers are necessary to run the office's IT systems.
  - 2 of the 8 servers must be replaced each year to ensure operations continue.
- This request is to replace 4 servers in the 2023-25 biennium, per the replacement cycle.
- \$54,000 - General Fund

# OPTIONAL REQUESTS (con't)

## 18. Employee Reclassifications

- This request is to cover the cost of employee reclassifications for employees who met state HRMS requirements to advance in their career with the office.
- \$92,995 (\$78,508 General Fund)

# OPTIONAL REQUESTS (con't)

## 19. BCI Agent Multiplier

- BCI have a dangerous and extremely physically demanding job.
- The average age of hire for a BCI agent is 34 due to BCI's enhanced qualification criteria, including a four year degree and five years of experience.
  - A BCI agent hired at 34 (before 1/1/20) would have to work until 64 to achieve 60% retirement pay.
  - A BCI agent hired at 34 (after 1/1/20) would have to work until 68 or 69 to achieve 60% retirement pay.
- The request is to raise the BCI agent multiplier so agents can retire after 20 years of service with 60% retirement pay.
  - The multiplier would increase from 2.0 (if in PERS already) or 1.75 (if a new employee with no PERS history) to 3.0 for an agent's first 20 years of service.
  - The multiplier would then fall to 1.75 after 20 years of service to promote retirement and safety for the agent and the public.
- Current estimate - \$543,580 (\$407,685 General Fund)

# OPTIONAL REQUESTS (con't)

## 20. BCI Agent Training

- Each year, up to 2 BCI agents may be admitted to the National Forensic Academy, an intensive, 400-hour training program on crime scene processing and forensic investigation.
  - Unique field experience and classroom instruction by national experts.
  - Improves agents' abilities to collect, identify, preserve, and analyze evidence.
  - Improves public safety by elevating agents' skillsets and exposure to emerging best practices.
- \$50,000 - General Fund

# OPTIONAL REQUESTS (con't)

## 21. Renovation to Internet Crimes Against Children (ICAC) Lab in Fargo

- The renovation would remove walls and use modular work surface to provide for up to six digital forensic labs in the BCI's Fargo location.
  - Currently, an area in the Fargo location is separated into two digital forensic labs.
  - Increases in case numbers and possible increases in FTEs require additional lab space.
- \$75,000 - General Fund



# OPTIONAL REQUESTS (con't)

## 22. Sex Assault Kit Tracking Software

- The legislatively mandated sexual assault kit tracking system will go live in 2023.
- A yearly maintenance fee of \$85,000 is required for hosting the software, backups, user support, and updates. A federal grant will cover the cost for the 2023-25 biennium.
- \$180,000 - Federal Funds

# OPTIONAL REQUESTS (con't)

## 23. Undercover Vehicle Replacement For BCI Agents

- BCI has a 6-year replacement cycle for undercover vehicles, per actuarial assessments.
  - 15 vehicles should be replaced each biennium.
  - The net price of each vehicle after trade-in and with a six-year warranty is \$20,000.
- \$300,000 - General Fund

# LEGISLATIVELY REQUESTED SUPPLEMENTS

Several legislators requested we supplement our request for BCI.

- 4.00 additional FTE for task forces for tribal lands, background checks, cold cases, and other duties;
- 1.00 additional FTE for criminal intelligence analyst for the Internet Crimes Against Children (ICAC) task force;
- 1.00 additional FTE for an administrative assistant to support additional agents.
- \$2,116,420 – General Fund

**JANUARY 23, 2023**

## **YWCA CASS CLAY SUPPORTS SB 2003**

eliminating racism  
empowering women  
**ywca**  
cass clay

Good morning, Mr. Chairman and members of the committee, my name is Angela Daly Shelter Services Director at YWCA Cass Clay. Our agency offers the largest Emergency Shelter for women and their children escaping domestic violence and homelessness in North Dakota and northwestern Minnesota. We have done so for 45 years. We also operate a sizeable Supportive Housing Program serving 80 households in Fargo and West Fargo, that, after emergency shelter, is the long-term solution for healing, stability, and independence - diminishing the likelihood women will return to abusive partners or return to homelessness.

**YWCA Cass Clay supports the North Dakota Attorney General Budget line item 14 relating to human trafficking victim grants proposed in SB 2003 at the governor's recommendation of \$1,113,218.**

YWCA Cass Clay created North Dakota's first dedicated housing units for trafficking victims and their children in 2015. Since opening an emergency shelter in 1978, we have encountered a recurring narrative of partners who groom women romantically, then eventually force or manipulate them into commercial sex. Others have traffickers who are family. Some entered the sex trade as their only means for survival.

Decades-deep experience informs YWCA service delivery, and we participate in North Dakota's Human Trafficking Task Force. In a culture where survivors face criminalization and shame, YWCA brings compassion and nonjudgement to women who've been maltreated, dehumanized, and are now shaping new lives.

Since the program was established through collaborative partnerships with other service providers, state support through this grant funding and federal sources through the Office of Victims of Crime of the US Justice Department, YWCA has provided over 200 survivors of human trafficking more than 8,300 nights of safe shelter in the dedicated two units. In this biennium, an estimated 40 survivors will be provided approximately 1,400 nights of safe shelter through a grant from the Attorney General's Office of just under \$90,000 per biennium.

At YWCA, this funding supports a part time advocate position, funds the operations of the two units, a one-bedroom apartment and a two-bedroom apartment. Referrals for service come from across North Dakota. Providing supportive services to human trafficking survivors is different than providing services to a domestic violence survivor. **These dedicated units and support staff have been essential in helping 200 survivors over the past seven years move forward with their lives and work towards recovering from the trauma of being sold for sex.**

**This is the true life experience of one woman we served in our Human Trafficking Program.**

Her name is Jodi.

Homeless, she came to YWCA. During intake, she was closed off and gave short answers. It's not unusual. We experience it all the time. In that first hour, we don't force answers past "Are you actively using drugs?" — the sort of questions that ensure safety of others we serve.

Jodi asked about the room where she would sleep: would she have it to herself? And furtive questions about the beds.

We came to discover Jodi had night terrors and incontinence. Bedwetting is something most grow out of as kids. But not Jodi.

**We came to understand that many had let Jodi down in her past, including systems meant to help her.**

You see, Jodi had grown up in the foster system in western North Dakota. At age 8, when most girls have Barbie dolls and second-grade giggles, Jodi was sex trafficked for the first time by her foster family. **Sex trafficked at age 8.**

For years, her body was repeatedly exploited and frequently sold to adult men.

Bedwetting was her body and mind's manifestation of trauma, distressed by assault as a young girl. Trauma to the soul beyond Jodi's deep brown eyes was compounded by many hurts and suffering.

After years of trafficking, Jodi found that drugs and alcohol were a reliable antidote to numb the pain of her existence. She became pregnant and had a baby. Then lost custody because no one ever properly cared for her or taught her how to care for a child.

**Once inside YWCA, we quickly saw it best to move Jodi to our Human Trafficking Unit and programming where her advocate hit the ground running.**



Her YWCA Advocate Sonya made an appointment and went along with her to the Homeless Health clinic in downtown Fargo to address her bedwetting and night terrors. Jodi saw an exceptional Nurse Practitioner named Whitney Fear, who's Native American like Jodi.

A scared Jodi asked Sonya to go along to all appointments. Our Human Trafficking Advocate prefers this, sometimes helping head off probing questions about STDs or others tinged with judgement when asked by even the most compassionate medical professionals. Jodi had been given many diagnoses over the years, but her trauma had never been addressed.

With this care, Jodi's esteem and health gradually grew. Sonya was her collaborator. Not an expert on Jodi's life, but someone alongside her to empower her. Empowerment is woven into everything we do at YWCA.

**Jodi worked hard to heal and plan for the future, and she was able to apply for housing while staying in our programming.** Sonya helped her move into her place and furnish it through a referral to a partner agency.

Today, Jodi lives on her own in her apartment and remains connected to many community-based services. She has worked toward regular visitation with her daughter.

Two generations move forward with pasts no longer overshadowing their futures.

**We don't do this work alone, and we need your continued partnership.** YWCA was here for Jodi and other survivors because the Attorney General and state funding made our work possible. I urge you to continue investing in changing the lives of women and children who have been victimized and deserve better.

Testimony in support of SB 2003

Senate Appropriations Committee

Emily Schwartz, North Dakota Human Trafficking Task Force

January 23, 2023

Chairman and Members of the Committee:

I come before you today, along with several colleagues, to highlight the work in North Dakota to combat human trafficking during the last biennium, to provide a summary of how funds appropriated in the 2021 Legislative Session were utilized, and to urge this committee to recommend a “do pass” on SB 2003, which will continue funding for anti-trafficking work in North Dakota. Attached to this summary you will find a description of the North Dakota Human Trafficking Task Force’s (NDHTTF) work in the state, statistics on victim services and investigations data, and a map illustrating the communities in North Dakota where NDHTTF multidisciplinary teams operate and where victims were located. Human trafficking, including labor and sex trafficking, occurs statewide and affects rural and urban communities alike. The data we have collected since 2016 demonstrates that human trafficking continues to be a significant problem in North Dakota. The State’s financial support is critical to the success that victim service organizations and law enforcement have had in building a coordinated, effective response, and in collecting data to support this work. We therefore ask that you recommend a “do pass” on SB 2003, allowing this important work to continue.

Some background information on the utilization of funds appropriated in the 2021 biennium are as follows:

- Human trafficking services were funded at \$1,101,879 in the 2021 session, \$1,400,000 in 2019, \$825,000 in 2017, and \$1,250,000 in 2015.

- The Attorney General’s Drug and Violent Crime Policy Board distributed funds. The Attorney General’s Office created an application and held hearings with the Board, granting money to nine organizations.
  - Agencies receiving funding include the Abused Adult Resource Center (AARC), Community Violence Intervention Center (CVIC), Dakota Children’s Advocacy Center (DCAC), Domestic Violence and Rape Crisis Center (DVRCC), Family Crisis Shelter (FCS), Red River Children’s Advocacy Center (RRCAC), Youthworks, Young Women’s Christian Association (YWCA), and Prevent Child Abuse North Dakota (PCAND) on behalf of the North Dakota Human Trafficking Task Force (NDHTTF). The funding predominantly supports direct services to suspected and confirmed trafficked individuals located in their home communities. This includes:
    - Specialized services, case managers and advocates, Regional Navigators, a Labor Trafficking Specialist, NDHTTF Director and Grant Tech positions, training and travel support, supplies for victim survivors, and contracts with Survivor Leader Advisors who can best inform the work done in the state.
    - A Human Trafficking Fund (HT Fund), administered through the NDHTTF, which was created to support victim survivors throughout their healing, from first point of contact through long-term healing. Some examples of eligible services include medical, mental health supports, housing, job training, and legal needs. Any organization in North Dakota serving a survivor can request funding by submitting a reimbursement request form. Any request over \$250.00 goes through review by a



multidisciplinary team for approval prior to being submitted to the Attorney General's Office for final approval.

- Funding appropriated through the Attorney General's Office is only available on a reimbursement basis. Organizations are required to provide documentation, receipts, and activity logs for employees, and the submitted costs are evaluated by the Attorney General's Office for allowability before they are reimbursed with state funds.
- The Attorney General's office reaches out to grantees to ensure that money is obligated and will be spent within the allotted timeframe. Reallocations have historically been made to move funds between grantees from those who indicated they would not be able to spend their funding to the grantees that indicated they needed additional funding.
- State funds were utilized as match funding for federal grants. The NDHTTF has received the Enhanced Collaborative Model Task Force grant through the Department of Justice, a key source of funding to support statewide work, and utilizes this state funding to support the match requirement.
  - State dollars are critical to accessing federal funding opportunities as almost all programs have 25% match requirement.
  - Significant delays in releasing the awarded federal funds have occurred. Without these state funds, employees would have been furloughed or laid off, and the HT Fund would not have funding to serve victim survivors' needs.
- I'd like to highlight some key data points found in the supporting documents I've submitted today for testimony:
  - Since the NDHTTF began collecting data on January 1, 2016 through December 31, 2022 , the NDHTTF has served 700 suspected and confirmed victim survivors of trafficking.

- Youth comprise 29% of our caseload, and adults 71%.
- Sex trafficking is 85% of the caseload, labor trafficking 5%, sex and labor 9%, and other 1%.
- The NDHTTF Operational Team has assisted in 4,440 instances of technical assistance requests.
- 257 investigations into trafficking have been conducted.
  - 93% of investigations were for sex trafficking, 5% were labor trafficking, and sex and labor were 2%.
- The number of trainings conducted statewide is 507, with the NDHTTF specifically targeting key sectors to include medical professionals, law enforcement, EMS, social services, domestic violence and sexual assault service providers, and other key agencies likely to come into contact with victim survivors and screen for identification and referral.
- 82% of victims served were North Dakota residents.

The NDHTTF is recognized as a national leader by other task forces, especially those being developed statewide with rural populations, and regularly mentors newer task forces across the nation seeking to develop similar coordinated programming between victim serving agencies and law enforcement. Since beginning this work in 2015, developing partnerships, protocols, and enhancing services, the NDHTTF has collectively done incredible work with this funding in a short period of time. It is imperative that we continue to build upon the lessons we learn to consistently find innovative ways to better meet the needs for all victim survivors of trafficking. I appreciate the opportunity to share the important work of the North Dakota Human Trafficking Task Force, and our partners, with you. Thank you, and I am happy to answer any questions.



## *media talking points*

### **Who We Are**

The North Dakota Human Trafficking Task Force is a collaborative team made up of law enforcement, prosecution, and service providers at federal, state, and local levels.

### **What We Do**

We are a team that responds to victims of sex and labor trafficking; providing comprehensive services, investigating traffickers and solicitors, and prosecuting offenders. The NDHTTF is the nexus for a network of law enforcement and service providers to work in tandem to build capacity and combat trafficking statewide.

### **Who We Serve**

All trafficking victims regardless of immigration status, gender, or form of trafficking receive support in accessing the services they need.

### **Where We Serve**

NDHTTF serves the entire state of North Dakota.

### **Why We Exist**

NDHTTF exists to prevent, detect, disrupt, and dismantle human trafficking.

### **How We Do It**

- Train communities to identify exploitation and trafficking and provide points of contact
- Train local multidisciplinary teams to respond to victims and investigate trafficking-related crime
- Assist response agencies and communities with the development of response protocol
- Provide technical assistance to local response teams upon request
- Investigate trafficking related crime
- Prosecute offenders and provide victims with restitution
- Engagement in national anti-trafficking best practices and sharing of resources
- Build networks for victims to access services and resources





700

Number of Human Trafficking Victims Served in North Dakota

Youth: 29%

Adults: 71%

Sex: 85%

Labor: 5%

Sex & Labor: 9%

Other 1%

257

Number of Investigations

Sex: 93%

Labor: 5%

Sex & Labor: 2%

507

Number of Trainings conducted Statewide

4,440

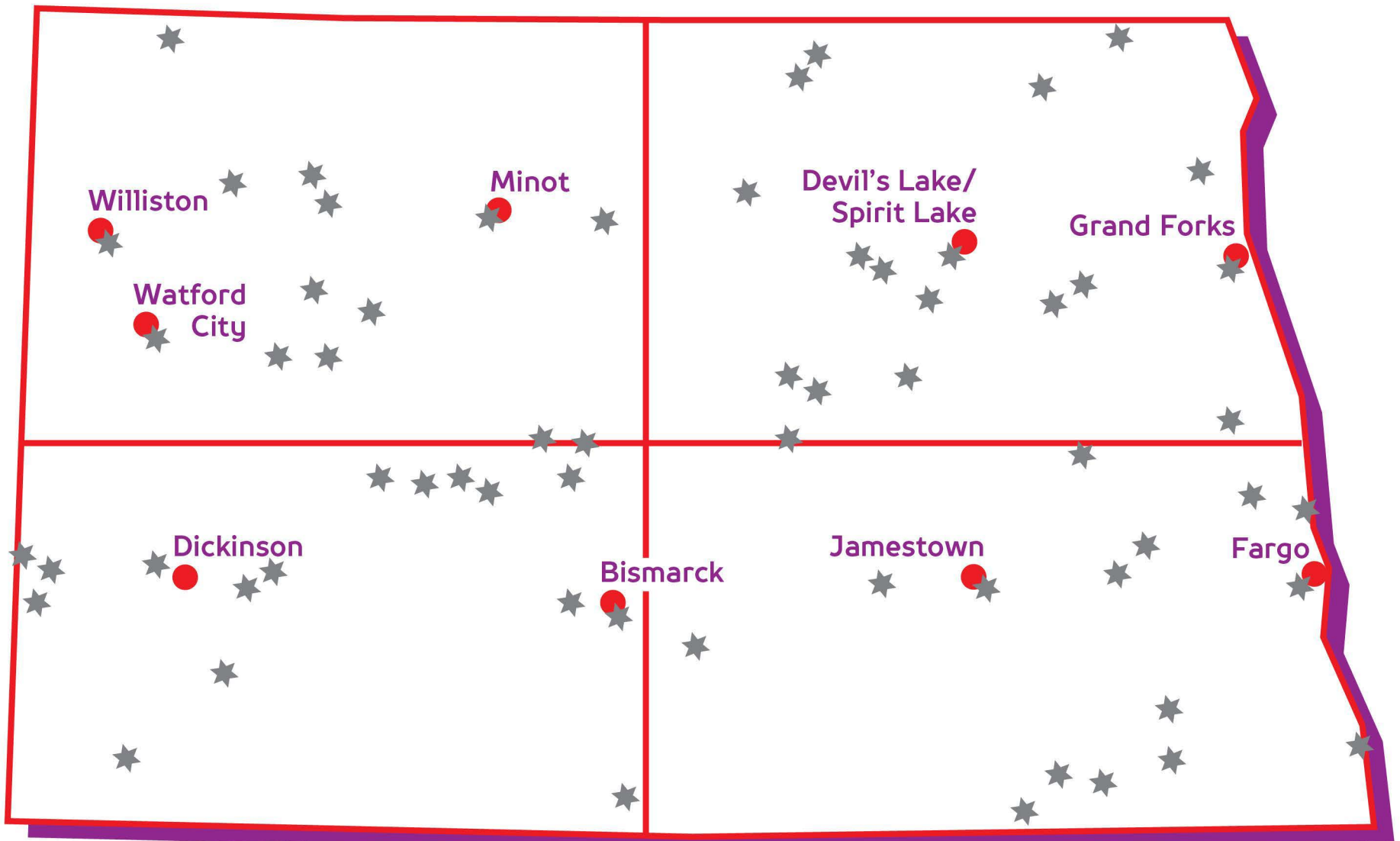
Number of Technical Assistance Calls to NDHTTF Operational Team

Data provided: January 1st, 2016 through December 31st, 2022

## results of ndhttf work

- The NDHTTF operates nine multi-disciplinary teams (MDTS) to provide local response to exploited and trafficked individuals. Locations include Williston, Watford City, Dickinson, Minot, Bismarck, Devils Lake/Spirit Lake, Jamestown, Grand Forks, and Fargo.
- The NDHTTF hosts a human trafficking fund that provides short and long-term resources to any victim in the state. The most requested services are for housing, behavioral health, medical/dental, legal assistance, basic needs and transportation.
- Training has yielded better, more accurate identification of suspected and confirmed labor and sex trafficking victims by law enforcement, community providers, and the public. Training includes best practices when working with victims and how to successfully investigate trafficking.
- Service providers and law enforcement have demonstrated continued commitment to survivors. Ongoing access to services is critical as approximately 80% of victims served are North Dakota residents.

# NORTH DAKOTA HUMAN TRAFFICKING MDT & TRAFFICKING CASES MAP



● MDT Community    ★ Communities Where Trafficking has been Identified



**IN SUPPORT-SB 2003**

January 25, 2023

Janelle Moos, AARP North Dakota  
[jmoos@aarp.org](mailto:jmoos@aarp.org) – (701) 355-3641

Chairman Wanzek and Members of the Senate Government Operations Division of the Appropriations Committee-

My name is Janelle Moos, Associate State Director for Advocacy with AARP North Dakota. I'm here to provide support for SB 2003.

AARP supports reasonable protections against fraud, identity theft and other scams and has a long history of fighting for protections against financial abuse. That is why we launched the Fraud Watch Network ([www.fraudwatchnetwork.org](http://www.fraudwatchnetwork.org)). That is why AARP has put consumer education at the core of its approach to fraud prevention. AARP set up the Fraud Watch Network (FWN) in 2013, a nationally acclaimed program to help protect older adults and their loved ones. The response has been overwhelming. In 2019 alone, AARP experts fielded tens of thousands of calls from people seeking advice from the Fraud Watch Network helpline. The network has reached out to consumers in many other ways, such as with a fully updated fraud resource and information center on the AARP website. It has also established critical links to federal and state law enforcement organizations, to make sure it is giving people the most up-to-date information. In addition to an impressive array of tools and resources, FWN is leading an initiative to change how people respond to fraud, with a focus on treating fraud as the crime that it is.

AARP also has strong relationships with local partners to educate and fight against consumer fraud. Roughly ten states, including North Dakota have tapped into a national relationship with the influential International Association of Financial Crimes Investigators (IAFCI), whose members are police, detectives, federal agents, and private company fraud investigators. IAFCI members participate with state offices in community outreach events. About two thirds of state offices also have active relationships with the state Attorney General or consumer advocate. We also have collaborated with the ND Securities Office to highlight how to spot securities fraud, steps to report it and how securities fraud is investigated. Other state partners include elder justice coalitions, US Attorneys, local FBI offices, and many local nonprofits. Fraud and other financial crimes, including Medicaid fraud, create real financial devastation — billions of dollars are lost each year, and it's a crime we don't pay enough attention. More is needed to combat this problem.

AARP supports the additional enhancements in SB 2003, the Attorney General's budget that includes additional protections against fraud and scams including 3 additional FTEs including an additional attorney, investigator and paralegal.

The impact on victims and their families is wide reaching and can be financially and emotionally devastating, especially for older Americans. These additional enhancements in the budget will aid in prosecution and additional support for victims and their families and therefore, urge you to support SB 2003. Thank you.



100 4<sup>th</sup> St. S. Suite 302  
Fargo, ND 58103

Senate Appropriations Committee  
Testimony In Support of Senate Bill 2003  
January 25<sup>th</sup>, 2023

Chairman and Members of the Committee.

For the record, my name is Sarah Matthews, I am the director of the Red River Children's Advocacy Center (RRCAC), with offices in Fargo and Grand Forks. We serve children who are the victims of sexual and physical abuse, neglect and exploitation from up and down the Red River Valley. I am testifying today in support of Senate Bill 2003.

Some of you may know, Children's Advocacy Center's (CAC) play an important role in criminal justice and mental health but also rely on the help of our medical partners. This proposed legislation would aid our states CAC's and the victims we serve tremendously. By increasing funding our partners can help victims receive the care and treatment they need after sexual assault, domestic violence, child abuse, human trafficking and other crimes. They are specially trained and catalog evidence that may be used in a court case or proceeding which greatly assists our mission to seek justice for victims. These professionals educate our team, families and public about sexual assault and its effects on victims. They help CAC's in the important victim advocacy and support work we provide. This increase in funding would help our medical partners maintain their training and continue to provide necessary exams for our CAC's.

In 2022 our center saw a 25% increase in services and the numbers continue to climb for all CAC's. As frontline responders to child abuse, neglect and



exploitation these exams are an absolute necessity in some cases. In fact 1 in 7 children will be abused before their 18th birthday and sometimes the only way to stop the abuser is to find physical evidence which these exams can provide.

With these staggering statistics we want to continue to make an impact in our state. We are glad that more children are being referred to us and we want to be able to provide them with exceptional services. We can only do this with the help of our medical partners and the proper funding to help them succeed.

I respectfully ask the committee to recommend a DO PASS on SB 2003.

Chairman and Members of the Committee, thank you for allowing me the opportunity to testify before you today and I will be happy to answer any questions you may have.

Thank You.

Senate Appropriations Committee  
Testimony In Support SB 2003  
1-25-23

Chairman and Members of the Committee.

For the record, my name is Paula Condol. I am the Director of the Dakota Children's Advocacy Center, here in Bismarck, Dickinson, McKenzie County, and Standing Rock. I am here today to ask for your support for appropriations run through the Attorney Generals Office, specifically SANE funds that cover the cost of sexual assault exams and forensic interviews of children and funding for those providing services for Human Trafficking in ND.

The Children's Advocacy Centers in North Dakota are committed to improving the response to child abuse. Each CAC is a community partnership that utilizes a comprehensive multidisciplinary team approach in supporting alleged victims and investigations of child abuse. Professionals from social services, law enforcement, prosecution, victim advocacy and the medical and mental health communities meet under one roof so that a child only has to tell of his or her abuse one time. Sensitivity to the needs and abilities of children is the hallmark of the children's advocacy center model which is utilized at nearly 900 Children's Advocacy Centers, in all 50 states across the country. Including eight sites here in North Dakota.

Child abuse happens in North Dakota. In 2022 Children's Advocacy Centers in ND served 2,690 people and provided 44,969 services to them. Every year our centers see children that are repeatedly sexually abused, often by those they know and trust. Some have beaten, sustained broken bones, and sometimes lifelong head injuries. Many have witnessed violence and at times been exploited through pornography and trafficking. Children's Advocacy Centers offer environments that are safe, friendly,

and warm. This welcoming atmosphere makes the situation less stressful for the child and as a result they may be more open to sharing their horrific experiences.

One of the services we offer is a forensic interview. The forensic interview process allows the child to tell their experience in a safe, child friendly environment and is used a child's statement in an investigation. The process is unique because all investigative parties participate in a single interview with the child. At Children's Advocacy Centers, one professional interviews the child in a child-friendly room. Law enforcement, prosecution and social services participate in the interview via a closed-circuit television. They contribute to the interview by prompting the interviewer to ask specific questions during breaks. With all parties involved, the interviewer can gain all necessary information to protect the child and assure that the proper steps have been followed where legal action is necessary. After a forensic interview a SANE exam is offered to the child and family to ensure that their body is okay, provide treatment and referrals if it is not and to collect evidence for criminal proceedings. Both of these services are extremely vital to not only victims but those who investigate cases.

Funding for evidence collection for SANE exams and forensic interviews flowthrough the Attorney General's budget, however, during the last biennium funding allocated to this program ran out and we were not able to recover over \$70,000 of services already provided. This has caused significant strain on CAC's, who are all small non-profits and rely on funding to continue to provide services. Unfortunately, services for both SANE exams and forensic interviews continue to increase, and we are here today to request and increase for this funding so that victims receive the expert care they need while our team partners are able to obtain forensic evidence.

I would also like to provide support for funding of programs through the Attorney Generals Office to provide services to trafficking victims in our state. As stated before, children's advocacy centers provide services to youth and young adults who have been trafficked. These cases are extremely difficult and complicated and the team response provided by the ND agencies is incredible. These teams are dedicated, passionate and selfless in their work to try and assist these youth. Funding through the Attorney Generals Office helps provide services to these youth such as counseling, advocacy, and basic needs.

Children's Advocacy Centers in ND play a critical role in ensuring the safety of abused children in our state. We greatly appreciate the support and confidence the Legislature has in the services we provide. I am the first to wish our centers could close our doors and go out of business, but until we can do so knowing that NO child in North Dakota needs our help, I ask you for your support.

Chairman and Members of the Committee, thank you for allowing me the opportunity to testify before you today and I am happy to try and answer any of your questions.

January 25, 2023

SB 2003

North Dakota Senate Appropriations Committee

Testimony from Amy Boyd, Anti-Trafficking Program Manager, Youthworks

Chairman and Members of the Committee:

My name is Amy Boyd; I am the Anti-Trafficking Program Manager for Youthworks; a private, non-profit agency that serves youth, ages twelve to twenty-four. I have come before you today in support of SB 2003.

The funds that Youthworks receives from the Attorney General's budget are critical to ensuring that all of North Dakota's youth victims of human trafficking receive the care and support they deserve. As a non-profit, Youthworks leverages its Attorney General funds as "match" money for federal grants- essentially tripling the impact of state dollars. In simple terms, for every \$1 Youthworks receives in Attorney General funds, the agency receives an additional \$2 in federal funds. This ensures that victims have access to a comprehensive human trafficking service model, regardless of where they live, including in rural areas of the state. These funds support the anti-trafficking efforts of eight professionals across the state who provide support, therapy, mentorship, and shelter to youth victims of trafficking. Currently, Youthworks has anti-trafficking program personnel in Dickinson, Minot, Grand Forks, Bismarck and Fargo. One-quarter (25.8%) of the youth served in Youthworks anti-trafficking program live in our rural communities. During the 2019-2021 biennium, Youthworks provided 1,082 days of shelter (emergency and transitional) to 38 youth and young adults (0-24 years old). This project was

supported by Attorney General funding, as well as Youthworks' federal grants from the Office for Victims of Crime (OVC). Thus far in the 2021-2023 biennium, Youthworks has provided 364 nights of emergency shelter to trafficked youth.

For the past eight years, I have worked directly with survivors of sexual exploitation and Human Trafficking and would like to tell you a little about them. Most of them were victimized when they were young. Most have been sexually abused, most have been physically abused, most struggle with feeling suicidal. Most of them have at some point either been given drugs or alcohol as a tool to manipulate them. Most of them have experienced food being withheld from them as a tool to control them. All of them have trauma, which affects their ability to make safe choices. All of them have a distorted view of their worth, seeing themselves only as an object of sexual pleasure. Because many of them have a history of abuse and neglect, they are especially vulnerable. We know that the trafficker selects them because of this vulnerability. Many of our youth have been trafficked by a parent or other relative. As you can imagine, the impact of this kind of trauma and betrayal is devastating.

The dollars that we have received from the Attorney General's budget has allowed us to walk alongside these youth as they start the journey of healing, and to support them as they cooperate with Law Enforcement investigations during their trafficker's prosecution. In the words of one of our staff, "Supported victims make good witnesses."

I'd like to tell you their stories, because they deserve to be heard; they deserve to have you be proud of them for what they've accomplished. I'd like to tell

you about \*Jane, who was trafficked by her family and has experienced unimaginable trauma, and in spite of all of that is enrolled in school, goes to therapy, is an incredible artist, and when she's in our office, is an absolute ray of sunshine for everyone that she meets. Because of these funds, there are youth in our community like Jane who you would never know had been trafficked. They are productive members of our society and for some of them, are on the road to helping others that have experienced trafficking.

We are seeing the fruits of our dedication in this work, and to the well-being of trafficking survivors. Continued funding and support for the work we do is absolutely critical. We now have a coordinated system in place, with capable professionals who work together to prevent trafficking, support survivors, and assist Law Enforcement in bringing traffickers to justice. I ask today that you recommend a "do pass" on SB 2003 so we can continue the important work we're doing on behalf of extraordinarily vulnerable North Dakotans.

Testimony in support of SB 2003  
Senate Appropriations Committee  
Shayla Davila, Lived Experience Advisor  
January 22, 2023

Chairman and Members of the Committee:

For the record my name is Shayla Davila and I am a survivor of human trafficking. I come to you today to share some of my experience in the hope that it will help another survivor.

I had a great childhood with two loving parents who provided and cared for me. I was an athlete whose parents attended every game, I was in choir, I did martial arts, and excelled in school including taking Advanced Placement classes. I had every support and indicator for success that a parent would hope for.

I became a single mom who worked hard to make ends meet. One of my jobs was as a bartender, and this is where I first met my trafficker. He looked like any other businessman that came in on any given night. We began dating, he treated me well, and I saw a future together. When he offered the opportunity to move out-of-state and support me in getting my real estate license, I jumped at the chance and envisioned a better life for myself and children.

I packed up all of our belongings and moved with him to a new state. The first day there, I met my trafficker's family since his mother and sister lived at his house. I didn't know until later that there was a reason for that; they seemed like a nice family and were very welcoming. The first night I was there, I was abused and forced to do things I never would have imagined. I quickly realized that our relationship was not what I thought it was. It was like Dr. Jekyll and Mr. Hyde, his sister and mother were involved, and I was isolated from everything I knew.

People wonder why you don't leave. I was across the country in a strange place where I didn't know anyone. My trafficker took my identification and his mother and sister had my kids.



At that point I was never left alone with my kids. I continued to be abused by my trafficker because I am a very stubborn individual and traffickers do not like that. I'm sure many of you are parents, and the best response to why I didn't just leave is because of my kids. I would give my life for my kids and if that meant enduring physical, sexual, and emotional abuse to keep them safe that is exactly what I did. Eventually, my trafficker started to trust me and the very first time he left me alone with my children I left.

Many people think that after you leave you can just pick your life back up from where it was before, but that could not be further from the truth. My life after leaving was probably harder than it was while being trafficked. There were many prostitution-related charges on my record that were not mine to be accountable for. I was forced into this, and yet I was the one burdened with the consequences of someone else's actions. I was unable to get a decent job, I was denied a job flipping burgers at Sonic because they said I had moral charges on my background, although the manager had felony drug charges. I couldn't find decent housing with my record so I ended up renting from slum lords, who were more than happy to exploit the situation because they knew I had no other options. Landlords were happy to rent to people with other felonies on their record, just not me. The worst day of my life was losing custody of my children due to what I was forced to do by my trafficker. After losing them, it felt like my life was not worth living and I spiraled. Without my kids I lost myself and was not me anymore, I'm sure any parent can relate to this.

It took four years to get my kids back and now I am a blessed mother, wife, and grandmother. I brag about my kids endlessly and am so proud of the people they have become, despite the hand they were dealt. They are all doing great things and are all in the medical field

helping others. I overcame so much and am grateful today. Where I used to be angry about what had happened, today I appreciate the life that I have made for myself and my family.

When I got out of the life there weren't any programs for me like there are now. So here I am, working in partnership with the North Dakota Human Trafficking Task Force to bring awareness of sex and labor trafficking in the state. I've become close to a great group of survivors that have helped me heal more than I thought I needed to. The services provided in North Dakota would have helped me immensely and that is why I am here. The State helps so many people with the things I never had, or struggled to get; including housing, job training, and mental health issues. I speak out about these topics because if I can help one individual to not have to go through what I went through then I have done my job.

I leave you with this, set the bar high for every other state to strive to be. North Dakota is making big waves when it comes to human trafficking and let's work together to try and squash this problem. Thank you all for your time and I'm happy to answer any questions you may have.



Senate Appropriations - Government Operations Division Committee Hearing  
Testimony In Support of Senate Bill #2003  
1-25-23

Mister Chairman, members of the committee, my name is Greg Kasowski, and I am the executive director of the Children's Advocacy Centers of North Dakota. I appear today in support of Senate Bill 2003, along with the amendment proposed by Senator Lee.

As many of you know, Children's Advocacy Centers provide services to children who are victims of physical abuse, sexual abuse, neglect, and other forms of child maltreatment. Two core services we provide for victims of child abuse are medical exams (also called "SANE [sexual assault nurse examiner] exams") and forensic medical examinations (also called "forensic interviews").

These services are key components of child abuse investigations, and directors of our Children's Advocacy Centers will provide further testimony about the importance of providing these services.

The funding for the evidence collection from these child medical exams and forensic interviews are listed in the Attorney General's budget under line 18 "**Medical examinations**" for \$660,000. The statute to provide for this funding is 12.1-34-07. Our understanding is that this \$660,000 fund is managed by a trust under the Insurance Department called the Insurance Regulatory Trust Fund.

In the 19-21 biennium, the medical examinations budget was depleted and Children's Advocacy Centers did not receive \$73,058 in needed reimbursements for forensic interviews.

For the 21-23 biennium, we also expect a shortage for the funding, but we are working on a solution to cover that projected depletion.

For the 23-25 biennium, we respectfully request a budget of \$1,059,000. This would cover the projected cost for SANE exams (\$754,000) and forensic interviews (\$304,500). This amount is based on 1) the fact that the needed funding has increased each year to meet the increased demand for these services, and 2) that the Red River Children's Advocacy Centers, which serves children and families in Fargo, Grand Forks and

Children's Advocacy Centers of North Dakota

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**CHILDREN'S  
ADVOCACY  
CENTERS**  
OF NORTH DAKOTA

surrounding counties, has not requested forensic interview reimbursements interviews in the past and would begin doing so.

To provide some background about the process for these reimbursements from the Attorney General's office:

Reimbursements for **SANE exams** from the Attorney General's office are straightforward. Our medical provider partners submit reimbursement requests to the Attorney General at time of service.

Reimbursements for **forensic interviews** go through a process whereby reimbursements are submitted:

1. First, to private health insurance companies
2. Second, to Medicaid
3. Third, through the Crime Victims Compensation fund
4. And fourth, once a biennium (April) through the Attorney General's office

Finally, thank you for voting in favor of SB 2067, which passed the Senate Floor (43-0) on Jan. 6. The bill makes two policy changes to step 4 (Attorney General's forensic interview reimbursement) by:

1. Removing the April reimbursement window requirement so CACs can bill at the time of service.
2. Removing the private health insurance submission requirement, as health insurers do not reimburse for evidence collection of a crime, which is going to save us hundreds of hours in unnecessary paperwork.

Thank you for your time and I will stand for questions.

Sincerely,

Greg Kasowski  
Executive Director

Children's Advocacy Centers of North Dakota

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# **2023-25 BUDGET**

Office of Attorney General  
State of North Dakota

Drew H. Wrigley  
Attorney General

**For the Government Operations  
Section of the Senate  
Appropriations Committee**

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# INTRODUCTION

## Office of Attorney General

The Office of Attorney General represents and defends the interests of the citizens of North Dakota by executing the responsibilities charged to the North Dakota Attorney General by the North Dakota Constitution, state statutes and administrative rules, North Dakota and federal case law, and common law. The Attorney General is the chief legal counsel and advisor to state government providing legal representation to all facets of state government, including the Governor, all departments of state government, local government and all state agencies, boards, and commissions.

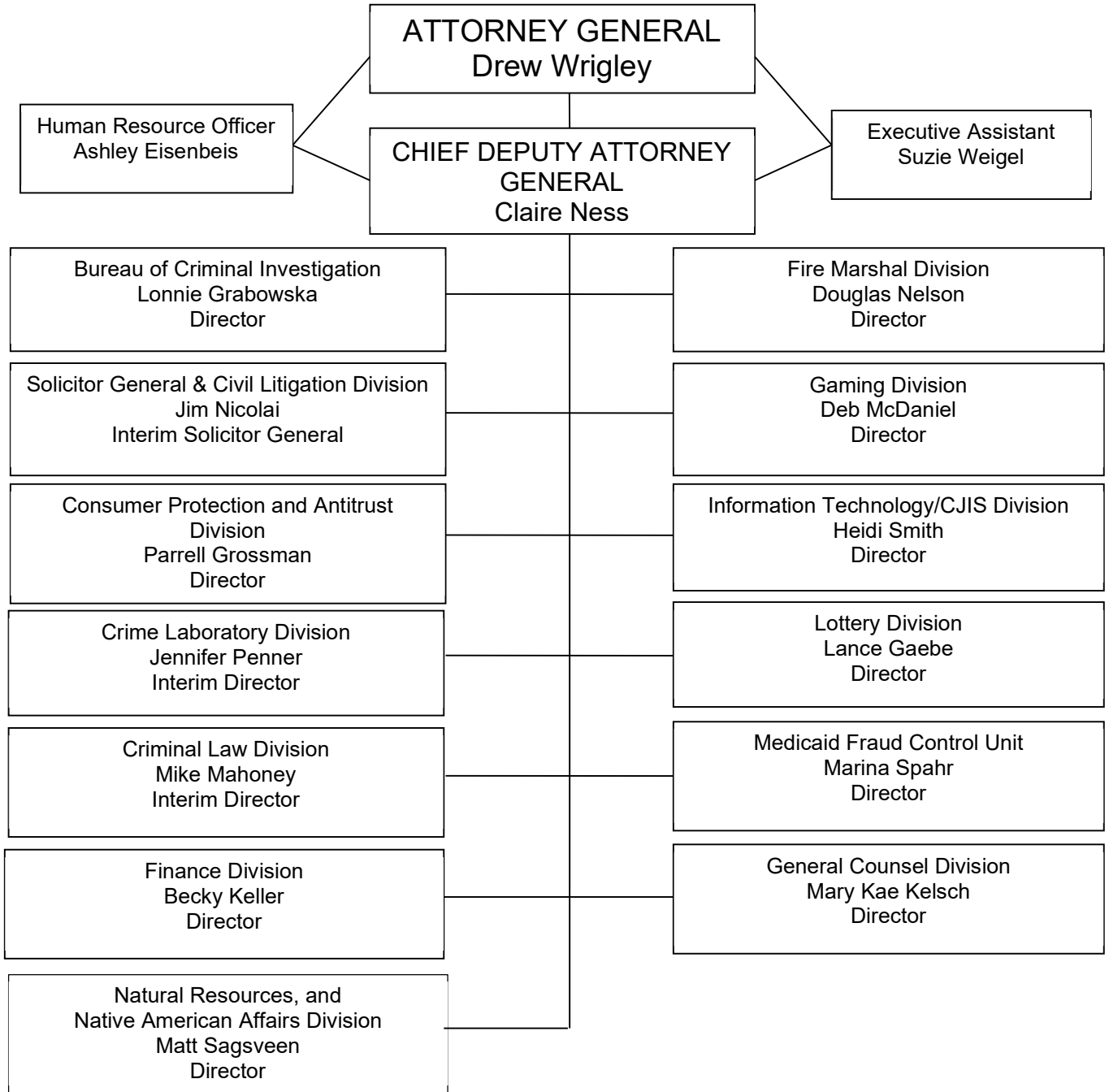
The Attorney General has primary authority to act on behalf of the state of North Dakota in other areas, including criminal investigations; full arrest and law enforcement authority; sex offender risk assessment and registration; Medicaid fraud control; evidence examination and testimony; consumer protection and antitrust; administration, regulation, and enforcement of charitable gaming and lottery activity; and fire inspections, investigations, and mitigation of hazardous materials incidents. Attorney General staff members provided a significant amount of training to North Dakota citizens and others, including law enforcement and the fire services.

The office consists of 14 divisions:

- Administration
- Bureau of Criminal Investigation (BCI)
- Consumer Protection and Antitrust (CPAT)
- Crime Laboratory (Crime Lab)
- Criminal Law
- Criminal Justice Information Sharing (CJIS) and Information Technology (IT)
- Finance
- Fire Marshal
- Gaming
- General Counsel
- Lottery
- Medicaid Fraud Control Unit (MFCU)
- Natural Resources & Native American Affairs
- Solicitor General and Civil Litigation



NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL  
January 2023



# **SUMMARY OF OFFICE OF ATTORNEY GENERAL DIVISIONS**

## **OFFICE OF ATTORNEY GENERAL ADMINISTRATION**

The Administration Division of the office includes the Attorney General, the Chief Deputy Attorney General, the Human Resources Director, and the Executive Assistant to the Attorney General.

The Administrative Division provides legal, administrative, and human resource support services to the other office divisions, and informational services to citizens and other state agencies.

## **BUREAU OF CRIMINAL INVESTIGATION**

The Bureau of Criminal Investigation (BCI) division is comprised of 92 FTE positions including 53 sworn personnel, and 39 support personnel consisting of criminal intelligence analysts (6), administrative services (4), uniform crime reporting and statistics (1), offender registration (3), information processing (4), concealed weapons (4), criminal history (13), CJIS Systems Officers (3), and Peace Officer Standards and Training and 24/7 Sobriety Program (1). The salary for the director is also included. The Bureau of Criminal Investigation's primary duties are as follows:

- Assist local law enforcement agencies with general and specialized investigations including cyber-crime, homicide, sexual assault, human trafficking, organized crime, child abuse, arson, and terrorism
- Provide drug trafficking reduction support through participation in 10 narcotics task forces, including supervision of 9 of the task forces
- Maintain a statewide sex offender and offenders against children registration system and a registered offenders' website for lifetime registrants and high-risk offenders
- Maintain the statewide criminal history record information system and provide this information to the federal criminal history database
- Maintain the ABIS for identification and criminal investigation purposes
- Provide training for law enforcement and corrections officers, maintain officer training records, and issue peace officer licenses
- Provide training to children and the general public about the dangers of drugs and criminal activity
- Facilitate the 24/7 sobriety program
- As the Criminal Justice Information Services (CJIS) Systems Agency (CSA), BCI is responsible for planning and providing the necessary hardware, software, funding, quality assurance and training for complete access to all FBI CJIS data services for all authorized agencies within the state

- The Concealed Weapons Licensing (CWL) Division is the only agency in the state of North Dakota that processes applications for a North Dakota Concealed Weapons License. NDBCI offers two concealed weapons licenses (Class 1 or Class 2)

Among BCI's many responsibilities and achievements in the 2021-23 biennium, BCI:

1. Expanded the technical expertise in crime scene reconstruction that consists of crime scene mapping, utilization of drones, video enhancement, and agents attending the National Forensic Academy at the University of Tennessee to become crime scene experts.
2. Created the Victim Services Unit consisting of two Victim Witness Coordinators that respond to crime scenes and offer victims and families guidance and support during complex investigations. Each coordinator (currently funded by federal grants) is assigned half of the state which covers a large geographical area. The coordinators also work with the States Attorney's Offices to provide witness services in preparation for court hearings.
3. Expanded the NDBCI Internet Crimes Against Children (ICAC) task force to include the use of two electronic detection K-9's. This supports the growing statewide cyber-crime expansion to include affiliate agencies from police departments and sheriff's offices across the state.

## **CONSUMER PROTECTION AND ANTI-TRUST DIVISION**

The Consumer Protection and Antitrust Division staff consists of the Division director, 3 consumer investigators, 2 assistant attorneys general, 1 paralegal and 2 administrative assistants for a total of 9 FTE positions. Services provided by the Division include:

- Investigating consumer complaints and violations of antitrust, consumer fraud, transient merchant, identity theft, data security breach, privacy, nonprofit corporations, charitable solicitations, and do-not-call laws, etc., and taking legal action to obtain injunctive relief, civil penalties, restitution, and other equitable relief
- Investigation, participation, and prosecution referral of criminal violations
- Statewide consumer fraud and education presentations to the elderly, students, civic, and professional groups, etc., and providing consumer warnings
- Coordinating consumer protection investigations, enforcement, and education with other federal, state and local law enforcement and regulatory agencies, including participation in multi-state investigations and legal actions
- Consumer fraud training for law enforcement
- Researching state and federal consumer fraud law and issues and assisting state and federal legislators in the development and implementation of consumer and antitrust issues legislation

The division's major accomplishments include:

1. Opioids Investigations and Legal Actions (Including Manufacturers, Distributors and Pharmacies) --The Division was involved in the investigation and legal actions regarding the nations opioids settlements regarding the deceptive, misleading, and unconscionable acts or practices of Opioids at the manufacturing, marketing, distribution and retail levels, thereby contributing to the creation of a nationwide opioid epidemic including impacting many North Dakota victims with addiction and, in some instances, death.

The Consumer Protection Division entered into 11 national settlements of approximately \$62M to be paid over terms ranging from 1 to 18 years. To date, the Division has received \$9.1M.

2. North Dakota and 7 other states sued multiple defendants in federal court for making millions of robocalls in our state, and as much as a billion spoofed calls combined in all states, selling health insurance and auto warranties. We have settled with some of the defendants and are proceeding to trial with others. In addition to significant civil penalties, the success of this case will eliminate for our citizens hundreds of thousands or more of unwanted robocalls for health insurance and auto warranty solicitations, and deter other bad actors engaged in robocalls.
3. Dental Office Investigation and Legal Action --The Division investigated a North Dakota dental practice that engaged in the deceptive practice of unauthorized interrupted service fees and unauthorized “interrupted service fees” during COVID-19 and otherwise, unauthorized administrative service fees without the knowledge or consent of the patients. The Division’s legal action recovered \$235,000 for consumer refunds to 504 patients, and resulted in \$25,000 in civil penalties, attorney’s fees and investigation costs.

## **CRIME LABORATORY DIVISION**

The Crime Laboratory Division consists of 25 FTE positions including 22 forensic scientists, a state toxicologist, 1 evidence technician, and 1 administrative assistant. The staff members are responsible for analyzing evidence, preparation of laboratory reports, certified documents, data collection, law enforcement training and certification, courtroom testimony, and associated administrative duties.

The Crime Laboratory's objective is to provide scientific support to the state's law enforcement and criminal justice system by use of accepted techniques in the analysis, identification, and comparison of physical and toxicological evidence involved in the investigation and prosecution of criminal offenses.

Over the 2021-23 biennium, the Crime Lab participated in the launch of the North Dakota Roadside Oral Fluid Drug Screening Pilot Project. Thirty SoToxa Oral Fluid Drug Screening Devices were purchased with Federal DOT funds and thirty-one Drug Recognition Officers (DREs) have been trained on the use of this device. All of the devices are placed in the field and 20 samples have been collected for the pilot project.

The lab accomplished several validations and brought new software and instruments online. One of the instruments is a robotic system that will assist analysts in pipetting and setting up samples to save time and make the processing of cases more efficient.

## **CRIMINAL LAW DIVISION**

The Criminal Law Division includes 7 attorneys and 1 legal assistant to prosecute criminal cases statewide, at the request of the county state’s attorneys. The objectives of the Criminal Law Division are to efficiently and impartially provide quality legal and informational services to the North Dakota government. The program also assists other Office of Attorney General's divisions to provide quality law enforcement, regulatory, and investigatory services, and provides prosecutorial assistance to the

53 county state's attorneys upon request. In addition, the Division handles prosecutions of child sexual abuse offenses.

The division assisted Morton County in the prosecution of Chad Isaak who was charged with four counts of murder, burglary, unlawful entry and unauthorized use of a motor vehicle. Division counsel worked closely with Morton County prosecutors and Isaak was convicted after a three-week jury trial. Isaak was sentenced to life without parole.

When Williams County had a conflict in a vehicular homicide case involving two deaths, division attorneys assumed the prosecution. As the case proceeded towards jury trial, Mark Bearce changed his pleas to guilty on the two most serious charges. Bearce was sentenced to twelve years in prison on each count to be served consecutively.

Division lawyers assist local states attorney's offices by assuming the defense of federal court habeas corpus matters. These cases are brought by inmates arguing a federal constitutional violation. During the biennium, the division defended the state in ten federal habeas corpus cases at the U.S. District Court, seven cases at the 8<sup>th</sup> Circuit Court of Appeals and one case that was declined to be heard at the U.S. Supreme Court.

The Criminal Law Division provides general counsel to the Peace Officer Standards & Training (POST) Board, which licenses and regulates law enforcement officers. During the biennium, the POST Board conducted 18 administrative hearings relating to licensure of officers. Discipline was imposed for reasons ranging from shoplifting to utilizing a confidential informant without the proper training. In two instances, the incidents were found not to violate POST Board rules, but in the other 16 cases, the officer received some form of license sanction, from probation to revocation, including: The license revocations of two former Dunseith PD officers for conducting a controlled narcotics delivery utilizing a confidential informant when neither officer had the proper training as required by state statute.

## **FINANCE DIVISION**

The Finance Division consists of 14 FTE positions including the financial administrator, 1 accounting manager, 4 grants staff, 3 payroll and accounting staff, 2 licensing staff, 2 administrative assistants and 1 purchasing agent. The division staff provide technical, budget, finance, payroll, grants administration, records management, purchasing, licensing, reception, and other administrative services for the entire office.

## **FIRE MARSHAL DIVISION**

The Fire Marshal's Division's 8 FTE positions consist of the State Fire Marshal, 1 chief deputy fire marshal, 5 deputy fire marshals, and 1 administrative assistant. The Division is responsible for issuance of the fire safety codes and rules for the state, fire investigations, fire inspections, and public fire safety education. The Division is also responsible for a number of special programs including fire reporting, existence of fire departments, delegation of authority, property loss insurance reporting, fire safer cigarettes and emergency response guidebooks.

Among its many duties and achievements during the 2021-23 biennium, the State Fire Marshals Division conducted 196 fire investigations. The State Fire Marshals Division worked with the Bureau of Criminal Investigation and the Bureau of Alcohol, Tobacco and Firearms to establish a team approach to fire investigation to ensure every fire is communicated and collaborated on from the start.

The division also fulfilled its responsibility, pursuant to the North Dakota Century Code, to inspect all schools and state buildings. The division carries out those inspections on a rotating schedule, and the inspections are all up-to-date. The division also completed 225 fire inspections requested by local fire departments.

The division also reviewed 300 new construction plans for compliance with fire code compliance. This is a new service provided by the division, and the reviews resulted in improved code compliance, identification of potential problems during the planning phase of construction, and collaboration with local fire departments.

The division also teamed with the North Dakota Firefighters Association to help develop a fire investigator training class and certification for North Dakota firefighters. The class already proved popular, and there is a waiting list of class participants.

## **GAMING DIVISION**

The Gaming Division consists of the Division Director, 13 auditors, 2 audit technicians, 2 investigators, 1 training and communications specialist and 1 administrative assistant for a total of 20 FTE positions. The Division's duties include:

- Administration, regulation, and provision of enforcement for the charitable gaming industry
- Assistance to local law enforcement officials, gaming organizations, distributors, manufacturers, and the general public regarding gaming laws and rules, recordkeeping, and preparation of tax returns
- State Gaming Commission assistance in drafting proposed gaming laws and rules and conducting public hearings
- Conducting gaming training sessions for organization board members, gaming employees and volunteers
- Developing standard recordkeeping systems and model systems of internal control for gaming organizations
- Gaming compliance and financial office and field audits of gaming, distributor, and manufacturer licensees
- Reviews and processing of Gaming distributor records and gaming tax returns
- Collection of delinquent gaming taxes, interest, penalties, and monetary fines
- Coordination and application of investigations into illegal gaming activity and thefts
- Laboratory testing of pull-tab dispensing devices, electronic pull-tab dispensing devices, electronic bingo devices, bingo card marking devices, and electronic 50/50 raffle systems
- Inspections of gaming businesses manufacturing pull-tabs and paper bingo cards
- Gaming legislative research and legislative testimony at hearings
- Gaming administrative complaints, assessing monetary fines, and imposing appropriate sanctions
- Inspections of tribal casinos to ensure compliance with tribal-state gaming compacts

The division regulates over 350 gaming organizations conducting gaming in over 1,050 sites and has completed over 75 comprehensive and in-office audits and investigated over 197 complaints. The current e-tab activity includes 4,491 devices, 798 sites, and 268 organizations.

## **GENERAL COUNSEL DIVISION**

The General Counsel Division has 14 attorneys, 1 paralegal, 1 legal assistant, and 2 administrative assistants. The General Counsel Division provides general counsel legal services to approximately 100 state agencies, boards, and commissions.

Each legal opinion requires many hours of legal research and analysis as well as drafting time. Each open record or open meeting opinion also requires many hours of communications and analysis in addition to drafting time. The division has issued 7 legal opinions and 13 open records and open meetings opinions so far in this biennium.

General Counsel Division attorneys are relied upon by their many clients to provide guidance on an extremely wide range of day-to-day legal issues. The scope of legal advice provided by the division attorneys covers everything from open records, state procurement requirements, constitutional questions, legislation, occupational licensing, construction contracts, private-public partnerships, board governance, and many other topics. In addition, these attorneys need to be subject matter experts in their particular clients' fields of specialization.

The division draft Attorney General opinions, review all administrative rules adopted by state agencies, and assist client agencies and members of the Legislative Assembly by drafting bills and amendments, explaining the ramifications of proposed legislation, and testifying before legislative committees.

## **INFORMATION TECHNOLOGY/CRIMINAL JUSTICE INFORMATION SYSTEM**

The Information Technology and Criminal Justice Information Sharing (IT/CJIS) Division has 17 FTE positions including the Division Director, 1 architect associate, 1 IT manager, 1 CJIS manager, 1 project manager, 3 business analysts, 3 programmer analysts, 2 system administrators, 1 database design analyst, 1 computer and network specialist, 1 customer tech support specialist, and 1 administrative assistant. IT/CJIS staff provide the following services:

- Support for computer equipment and network needs of all the divisions of the Office of Attorney General with several locations within the Bismarck area as well as 17 remote locations across the state
- Desktop support and troubleshooting for all office staff and several task force personnel
- Administration of servers housed in a secured room within the Division's office area, including maintenance, disaster recovery, and security
- Staff and management of a help desk that supports office staff, as well as any external customers that utilize the office's applications or equipment
- 24 hour, 7 days a week support for computer applications utilized by law enforcement and other criminal justice personnel statewide on a rotating on-call schedule

- On-going support, enhancements, changes, additional functionality, and upgrades to all business applications on a regular basis
- Management and support for several statewide criminal justice systems, including a case management system for North Dakota state's attorneys; a records management system used by 71 local law enforcement agencies and 9 correctional facilities; an information sharing hub for criminal justice personnel; and a statewide victim notification system used for incarceration, court, parole and probation, commitment and protection order notifications as well as a statewide database used to track victim rights assertions
- Access to office records through the CJIS portal to North Dakota criminal justice personnel and through BCI to law enforcement across the entire country
- Audit participation in FBI, Sex Offender, Security, Gaming, grants and other audits, as needed, providing information as needed, determining changes needed, and developing timelines for changes

During the 2021-23 biennium, the division has executed many initiatives. For example, the division implemented the core gaming system and the missing persons database, updated the sex offender website, and signed a contract with a vendor for the new legal case management system. The division also is working with ND BCI and the Crime Lab to implement a new sex assault kit tracking system.

## **LOTTERY DIVISION**

Eight FTE positions make up the Lottery Division, including the Division Director, an account budget specialist, 1 security officer, 2 customer service specialists, 1 sales and marketing manager and two administrative assistants. The Division also has three temporary draw operators.

The North Dakota Lottery is responsible for administering, regulating, enforcing, and promoting the state's lottery. The North Dakota Lottery conducts 5 games: Powerball, Lucky for Life, Mega Millions, Lotto America, and 2by2. The Lottery Division transfers net proceeds annually to the state general fund, and makes quarterly transfers to the multijurisdictional drug task force grant fund and compulsive gambling prevention and treatment fund.

During the 2021-23 biennium:

1. The Lottery transferred \$5.6 million of revenue to the State General Fund, \$800,000 to the Multi-Jurisdictional Drug Task Force Grant Fund, and \$320,000 to the Compulsive Gambling Prevention and Treatment Fund in the first year of the biennium. Similar transfers are underway and anticipated in the second year
2. Due in part to interest generated by three world record level lottery jackpots including \$2 billion Powerball and two separate \$1.3 billion Mega Millions jackpots, lottery ticket sales in the second year of the biennium are 150% of preceding year sales
1. The number of verified members in the North Dakota Lottery Players Club® grew to more than 50,000 and one North Dakota Powerball player participated in the First Millionaire of the Year® promotion in New York City with Dick Clark Productions.



## **MEDICAID FRAUD CONTROL UNIT**

The Medicaid Fraud Control Unit (MFCU) was established by the 2019 Legislative Assembly and is funded jointly by federal and state government but administered by the state in accordance with federal requirements. The program contains salaries and wages for 6 FTEs, including the Unit Director who is an attorney, two investigators that are also BCI agents, two auditors, and one administrative support staff. MFCU investigates and prosecutes health care providers who defraud the ND Medicaid Program. The unit also investigates and prosecutes any provider who abuses, neglects, or financially exploits a patient in any facility that accepts Medicaid funds.

During the 2021-23 biennium, MFCU concluded several investigations and completed their first cases. The cases involved both criminal and civil settlements as well as participating in a weeklong criminal jury trial, all with excellent outcomes and recoveries for the State. Due to these case completions MFCU recovered and received into the State \$512,833.30, which is more than the State has expended on the Unit since its inception in 2019. There is also a deterrent effect that these cases had that is not measurable in dollar amounts. The main challenges for the Unit in the next 3 to 4 years is the need for additional employees to be able to keep pace with the rising number of complaints and referrals received by MFCU and the increasing complexities of the investigations.

## **NATURAL RESOURCES AND NATIVE AMERICAN AFFAIRS**

The Natural Resources and Native American Affairs Division includes 6 attorneys and one paralegal. The Division provides legal advice to state agencies with responsibilities towards the state's natural resources. This includes assisting the Land Department in managing state-owned lands and minerals; the State Engineer in regulating the appropriation of water, regulating dams, dikes, and drains, and managing the beds of navigable rivers and lakes; the Water Commission in developing water resources; the Industrial Commission in regulating the exploration and development of mineral resources and administering grant programs for the lignite and oil and gas industries; the Department of Environmental Quality in protecting our environment; the Game and Fish Department in managing wildlife and wildlife habitat; the Parks and Recreation Department in managing public recreation areas; and the State Mill and Elevator. The division also administers the state's anti-corporate farming law and represents other Boards and Commissions including the Board of Animal Health, and commodity boards. Lastly, the division advises state as well as local officials on Native American law issues.

Division attorneys provided legal counsel to multiple state agencies to resolve the ongoing litigation over mineral ownership and the Missouri River. The division also anticipates being heavily involved in litigation and other legal issues concerning the proposed new Waters of the United States (WOTUS) rule.

Counsel has also assisted the North Dakota Department of Environmental Quality with *NDDEQ, et al. v. Summit Midstream, et al.*, a 2015 joint federal-state case for a pipeline spill of over 700,000 barrels of produced water. NDDEQ, Game and Fish, and the Industrial Commission were all involved. The parties' August 2021 settlement included \$20 million in civil penalties (split between federal and state), comprehensive injunctive relief, and \$1.25 million in natural resource damages.

## **SOLICITOR GENERAL AND CIVIL LITIGATION**

The Civil Litigation Division is led by the Solicitor General and includes 17 FTE positions. In addition to the Solicitor General, the division has 8 attorneys, 4 paralegals, 3 legal assistants and 1 administrative staff officer. The Division represents the State, as well as all elected and appointed officials, the Legislature, state employees, agencies, boards, commissions, and councils in all litigation except when specialized litigation counsel is appointed. The Solicitor General oversees and manages the litigation of Special Assistant Attorneys General.

Despite the small number of attorneys in the division, the division has handled more than 400 cases so far this biennium and saved or obtained millions of dollars for the state. Division attorneys practice in administrative, state, and federal courts on behalf of the state in many different types of litigation. Division attorneys also provide some general counsel services such as advising all state agencies on employment-related matters. In fact, almost all the employment-related legal advice and litigation for state agencies and entities is managed by just one litigator in this division. Among the many other types of litigation the division handles are:

- Implied consent cases for the Department of Transportation;
- Tort cases, including cases involving the state's Risk Management Fund;
- Construction litigation;
- Appeals of economic (e.g. Medicaid) and non-economic program determinations by the Department of Health and Human Services;
- Housing discrimination and wage claims for the Department of Labor and Human Rights;
- Unemployment benefit cases for Job Service;
- Contract claims;
- Cases regarding constitutional questions and the constitutionality of state statutes;
- Cases involving challenges to other types of state regulation; and
- Many others.

### **CURRENT AND FUTURE CRITICAL ISSUES**

The Attorney General's office continues to struggle with structurally engrained salary equity issues. As a result, the office is at significant disadvantage for recruitment and retention of qualified staff across several divisions. The legal divisions, BCI, IT and the Crime Lab struggle to fill and maintain positions because the salaries the office can offer are not competitive with other state agencies and outside entities. Legal cases are becoming more complicated and, coupled with increased workloads and demand for services in these divisions, existing staff are feeling the strain. For many years, the Attorney General's office has been forced to secure millions of dollars to secure outside counsel to meet the legal needs of the state. In its 2023-26 budget request, the Office has requested salary equity funding and several FTE positions to address these issues.

Because of experience requirements, the NDBCI hires Special Agents at approximately age 33-35. Because of the current retirement parameters, these agents and current Senior Agents are required to work beyond the safe and effective age of 55. On average, NDBCI agents are required to work until 67 or 68 years of age to be able to retire. This is directly affected by the low multiplier of 2.0% for sworn personnel (1.75% if hired after 2019 and without previous PERS enrollment). NDBCI is working with Attorney General's office Senior leadership and support the group of legislators to pass HB 1309 which increases the multiplier to 3.0% allowing agents to retire at the safe age of 55.

National Center of Missing and Exploited Children (NCMEC) cyber-tips have increased **545%** since 2016, which has caused an increased demand on all NDBCI Agents. Any of these cyber-tips can be a live child victim inside of ND being assaulted, molested, or abused. The NDBCI Cyber-Crime Unit needs a significant number of additional Agents trained as forensic examiners to meet this important demand.

Consumer fraud and antitrust violations have reached a volume that is increasingly more difficult to effectively combat, as well as the complexity of many of the consumer fraud or antitrust violations. The investigations typically involve the review of thousands of financial transactions or records, or complex technical information such as with data breaches. Similarly, investigations and legal actions involving big tech firms or drug companies engaged in anticompetitive practices, such as price-fixing or elimination of competitive products or services, are significantly more complicated and time and resource intensive.

## **STATUS OF AUDIT FINDINGS**

During the operational audit of the Office for the period ending June 30, 2022, the State Auditor's office identified one finding relating to the use of expired or unapproved gas standards canisters for breath alcohol toxicology results.

The Office has begun the replacement of Intoxilyzer 8000s with Intoxilyzer 9000s. The 9000s are capable of preventing operators from performing tests with expired gas standard canisters. Through December 2022, the Office has purchased forty-two 9000s. The Office's 2023-25 budget request includes funding through a federal grant for fifty-eight 9000s.

## **STATUS OF 2021-23 BIENNIUM ONE-TIME APPROPRIATIONS**

### **Capital Assets**

These funds have been allocated and will be spent.

### **Statewide Litigation Funding Pool**

These funds have been allocated and will be spent.

### **Criminal History Improvement Project**

These funds have been allocated and work on the project continues. It is anticipated the office will request carryover authority for any unspent appropriation.

### **Missing Persons Database**

The missing persons database will be completed this biennium and any unused funds will be turned back.

### **Automated Fingerprint Identification System**

This project is in development and includes an update from a fingerprint identification system to a biometric identification system. Approximately \$176,000 has been spent to date during the 2021-23 biennium. If unforeseen challenges arise, the office may need to request carryover for any unspent appropriation.

### **Charitable Gaming Technology System**

The \$475,000 appropriation will be spent during the 2021-23 biennium. Funding of \$736,000 from gaming taxes and \$214,000 from the general fund has been requested to complete the project in the 2023-25 biennium. The general fund share will be used to complete licensing and deposit solutions for the office.

### **Charitable Gaming Technology System Updates for Tax Changes**

The \$50,000 appropriation will be spent and the project will be completed during the 2021-23 biennium.

### **Concealed Weapon Rewrite Carryover**

\$55,000 of the \$143,531 carryover has been allocated for the 2023-25 biennium. The remaining funding will be requested as carryover to continue the project in the 2023-25 biennium.

### **Prosecuting Case Management System**

These funds have been allocated and work on the project continues. It is anticipated the office will request carryover authority for any unspent appropriation.

# 2023-25 BIENNIUM ONE-TIME APPROPRIATION REQUESTS

## **New FTE operating - \$739,492**

All new FTE requests include a one-time request for computer equipment and furniture. In addition, specialized FTE such as cyber-crime agents and investigators require start up equipment including forensic computers and weapons. Forensic scientists performing firearms and friction ridge analysis will require specialized training.

## **Litigation Pool - \$4,650,000**

The Office requested one-time funding to continue the litigation pool to assist other agencies in paying for legal services. This request would require a transfer of \$4.65 million from the strategic investment and improvements fund. The Executive Recommendation

## **Crime Lab Equipment - \$1,640,677**

This request includes \$886,000 from the general fund for equipment needed to restore the firearms and friction ridge analysis functions at the Lab; and \$754,677 in federal funding for 52 Intoxilyzer 9000s, one evidence vault and two mass spectrometers.

## **Crime Lab Expansion - \$4,253,600**

This request from the general fund is to expand the existing crime laboratory to provide sufficient space for forensic testing and evidence storage.

## **New Agent FTE Vehicles and radios - \$511,000**

This request will provide vehicles for 7 new BCI agents, 1 Medicaid Fraud agent, 1 CPAT agent and 1 Gaming agent. This request would be funded by \$370,475 from the general fund, \$38,325 in federal funds, \$51,100 from the refund fund and \$51,100 from the charitable gaming operating fund.

## **Undercover Vehicle replacement - \$200,000**

This request includes funding from the general fund to replace 10 undercover agent vehicles.

## **ICAC Lab Renovation - \$75,000**

This request from the general fund is to renovate the ICAC lab space in Fargo to combine two separate digital forensic labs into one lab that will accommodate up to six forensic labs.

## **Gaming and Licensing Project – \$876,000**

This request includes \$177,000 from the general fund and \$699,000 from the charitable gaming operating fund for completion of the Gaming Distributor Solution and enhancements to add the licensing and deposit functions to connect with the gaming system instead of requiring users to go into the Progress system for licensing and deposit information.

## **SUPPLEMENTAL COVID FUNDING**

In January 2020, the Office was awarded \$2.08 million in Coronavirus Emergency Supplemental Funding (CESF) through the Justice Assistance Grant program to assist local law enforcement, victim services, and emergency ambulance services across the state through grants. The Office has expended \$1.67 million since the grant was awarded for the following purposes:

- Grants to local law enforcement agencies and political subdivisions
- Administration of the grant
- Purchase of personal protection equipment including gloves, masks, disinfectants
- Purchase of additional equipment or supplies to prevent the spread of the Covid-19 virus.
- Purchase of laptops and other information technology equipment to allow for teleworking and remote meetings.
- Purchase of additional storage discs due to the increase in online file management.

The Office received authority from the federal government to continue the grant through December 2023 and is requesting carryover authority for the 2023-25 biennium.

## **FEDERAL STATE FISCAL RECOVERY FUNDING**

The Office of Attorney General was authorized to use \$1 million for replacement of the legal case management system, \$300,000 for a missing persons database, and \$50,000 for upgrades to the gaming system for tax rate changes implemented by the legislature.

The Office has implemented the missing persons database at a cost of \$9,558. The cost for the gaming system upgrades was \$45,821. The remaining funding for both of these projects will be returned at the end of the biennium.

The Information Technology Division has signed a contract with a vendor for the new legal case management system. The Office has requested a section be included in SB 2003 to continue this funding in the 2023-25 biennium.

# AGENCY COLLECTIONS

The table below provides a summary of agency collection estimates for major funds:

<b>General Fund</b>	<b>2021-23 Estimated Collections</b>	<b>2023-25 Estimated Collections</b>
Beer Licenses	\$306,600	\$300,000
Liquor Licenses	290,200	289,800
Tobacco Wholesale and Retail License	49,575	49,500
Transient Merchant License	18,000	15,000
Wholesale Fireworks License	10,750	11,250
Coin Operated Amusement Machine License	21,975	22,100
Coin Operated Amusement Machine Operator Lic	37,000	38,000
Detection of Deception License	1,400	1,400
Fair Board License	650	650
Gaming Licenses and Stamps	456,530	560,200
Non-Criminal justice record checks	1,167,500	1,167,500
Fines-Forfeitures-Escheat	75,000	75,000
Copier Revenue	<u>800</u>	<u>800</u>
<b>Total General Fund Collections</b>	<b>\$2,435,980</b>	<b>\$2,531,200</b>

<b>Refund Fund</b>	<b>2021-23 Estimated Collections</b>	<b>2023-25 Estimated Collections</b>
Transient Merchant License	\$10,000	\$5,000
Background Checks	30,000	30,000
Opioid Settlements	8,291,921	23,000,000
Unrestricted Settlements	8,500,000	3,000,000
Dental Consumer Refunds (redistributed)	237,414	0
Bis Man Autism Families Refund (redistributed)	<u>25,399</u>	<u>0</u>
<b>Total Refund Fund Collections</b>	<b>\$17,094,734</b>	<b>\$26,035,000</b>

<b>AG Operating Fund</b>	<b>2021-23 Estimated Collections</b>	<b>2023-25 Estimated Collections</b>
Gaming Licenses	\$69,300	\$69,000
Misc License Fees	763,500	700,000
Background Checks	31,315	26,000
Fire Marshal Services	200,000	200,000
Legal Services	<u>4,125,000</u>	<u>4,000,000</u>
<b>Total AG Operating Fund Collections</b>	<b>\$5,189,115</b>	<b>\$4,995,000</b>

<b>Charitable Gaming Operating Fund</b>	<b>2021-23 Estimated Collections</b>	<b>2023-25 Estimated Collections</b>
Gaming Taxes	\$42,525,000	\$43,300,000
Fines – Forfeitures	75,000	54,000
Misc Sales and Services	<u>230,000</u>	<u>150,000</u>
<b>Total AG Operating Fund Collections</b>	<b>\$42,830,000</b>	<b>\$43,504,000</b>

## COMPARISON OF BUDGET REQUEST TO BASE BUDGET

<b>Line Item</b>	<b>Base Budget Request</b>	<b>OAG Budget Request</b>	<b>Incr (Decr)</b>
Salaries and Wages	\$51,352,139	\$58,894,806	\$7,542,667
Operating Expenses	15,276,937	19,644,323	4,367,386
Capital Assets	330,000	7,965,277	7,635,277
Grants	3,903,440	3,903,440	-
Human Traffic	1,102,815	1,102,815	-
Victims Grants			
Forensic Nurse	250,889	250,889	-
Examiner Grants			
Litigation Fees	127,500	127,500	-
Litigation Funding Pool	-	4,650,000	4,650,000
Medical Examinations	660,000	660,000	-
North Dakota Lottery	5,276,690	5,288,926	12,236
Arrest & Return Of Fugitives	8,500	8,500	-
Gaming Commission	7,489	7,489	-
Criminal Justice Info Sharing	4,074,707	4,470,304	395,597
Law Enforcement	<u>3,072,318</u>	<u>3,072,318</u>	<u>-</u>
	\$85,443,424	\$110,046,587	\$24,603,163
General Fund	\$42,774,934	\$63,528,825	\$20,753,891
Federal Fund	13,013,260	14,416,567	1,403,307
Other Funds	<u>29,655,230</u>	<u>32,101,195</u>	<u>2,445,965</u>
	\$85,443,424	\$110,046,587	\$24,603,163
FTE Positions	253.00	279.00	26.00



## PROPOSED CHANGES TO 2023 SENATE BILL 2003

The Office's optional adjustments requested in the submitted budget and as approved in the Executive Recommendation are shown below.

Description	Priority	General Fund	Federal Fund	Other Funds	Total	FTE
Civil Litigation Attorney	3	\$644,356			\$644,356	2.00
Cybercrime investigators	4	745,990			745,990	2.00
Firearm/fric ridge FTE	5	1,927,321			1,927,321	4.00
Crime lab equipment, vault	5		\$754,677		754,677	
Crime lab equipment maint agreements	5	200,000			200,000	
Crime lab building maint	5	22,000			22,000	
Medicaid Fraud Unit FTE	6	178,549	535,647		714,196	2.00
Fund source change – equity	7	2,060,551		(\$2,060,551)		
Fund source change – operating	7	1,200,000		(1,200,000)		
Replace federal fund grants	10	341,747	(341,747)			
Increase tech fees	11	12,000			12,000	
Increase software maint, subscriptions, active directory	11	407,297			407,297	
MAFIN, GrayKey, Cellebrite	12	384,000	144,000		528,000	
Inflation – ammo, buy fund, rent, utilities, supplies	13	281,463		20,000	301,463	
Discovery software	14	100,000			100,000	
Vehicles, radios for Gaming, CPAT investigators	15			102,200	102,000	
Gaming, licensing, deposit project	16	214,000		736,000	950,000	
IT Servers	17	54,000			54,000	
Sex assault kit tracking software	22		180,000		180,000	
Undercover vehicle replacement (10)	23	200,000			200,000	
Litigation Pool	24	4,557,748		442,252	5,000,000	
<b>Total</b>		<b>\$13,531,022</b>	<b>\$1,272,577</b>	<b>(\$1,960,099)</b>	<b>\$12,843,500</b>	<b>10.00</b>

The Office is requesting the following optional adjustments requested in the submitted budget and **not included** in the Executive Recommendation be restored.

Description	Priority	General Fund	Federal Fund	Other Funds	Total	FTE
Attorney pay schedule	1	974,392	41,512	62,877	1,078,781	
Staff equity	2	295,377		12,236	307,613	
General Counsel FTE	3	558,014			558,014	2.00
Cybercrime agents	4	814,006			814,006	2.00
Criminal Investigators	4	1,050,971			1,050,971	3.00
Forensic Scientists	5	688,658			688,658	3.00
Operating – firearms FTE		152,556			152,556	
Crime lab admin	5	154,356			154,356	1.00
Crime lab building addition	5	4,253,600			4,253,600	
Crime lab equipment maint agreements	5	200,000			200,000	
Crime lab building maint	5	22,000			22,000	
Medicaid Fraud FTE	6	54,680	164,039		218,719	1.00
IT programmers, analysts	8	717,706			717,706	3.00
AG admin FTE	9	186,108			186,108	1.00
IT maintenance, subscriptions	11	70,000			70,000	
Inflation – ammo, rent	13	75,000			75,000	
Reclassifications	18	78,508		14,487	92,995	
Agent multiplier	19	407,685	27,179	108,716	543,580	
Forensic Academy	20	50,000			50,000	
ICAC lab renovation	21	75,000			75,000	
Contingent IT maintenance	25	700,000			700,000	
<b>Total</b>		<b>\$11,578,617</b>	<b>\$232,730</b>	<b>\$198,316</b>	<b>\$12,009,663</b>	<b>16.00</b>

The Governor’s recommendation includes two budget items that were not included in the Office’s request:

1. \$5 million general fund appropriation from the general fund for a Back the Blue grant.
2. \$259,708 general fund appropriation for a rent model change.

The Governor’s recommendation also increased the Office’s request for the litigation pool from \$4.65 million to \$5 million and changed the funding source to \$4.6 million from the general fund and \$442,252 from gaming taxes. The Office’s request included \$4.65 million from the strategic improvement and investments fund.

The following sections are requested to be added to Senate Bill 2003:

**SECTION . EXEMPTION - ATTORNEY GENERAL REFUND FUND.**

Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2023.

**SECTION . ADDITIONAL INCOME - APPROPRIATION - REPORT.**

In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the

biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION \_\_. CRIMINAL HISTORY RECORD CHECKS - FEES.**

Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-sixth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION \_\_. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.**

The human trafficking victims grants line item in section 1 of this Act includes \$1,101,879 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-seventh legislative assembly on the use of the funds received and the outcomes of its program.

**SECTION \_\_. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.**

The forensic nurse examiners grants line item in section 1 of this Act includes \$250,691 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-seventh legislative assembly on the use of the funds received and the outcomes of its programs.

**SECTION \_\_. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.**

The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION \_\_. EXEMPTION – CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING.**

The amount appropriated to the attorney general from federal funds for coronavirus emergency supplemental funding, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION \_\_. EXEMPTION – STATE FISCAL RECOVERY FUND.**

The amount appropriated to the attorney general from federal funds for state fiscal recovery funding, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION \_\_. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.**

The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION \_\_. EXEMPTION – CRIMINAL HISTORY IMPROVEMENT PROJECT.**

The amount appropriated to the attorney general from the attorney general refund fund for a criminal history improvement project as contained in section 1 of chapter 3 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the criminal history improvement project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION \_\_. EXEMPTION - CONTINGENT FEE ARRANGEMENT.**

Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the period beginning with the effective date of this Act and ending June 30, 2025.

**SECTION \_\_. TRANSFER - LAWSUIT SETTLEMENT PROCEEDS - OPIOID ADDICTION PREVENTION AND TREATMENT PROGRAM - APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - ONE-TIME FUNDING - REPORT.**

The office of management and budget shall transfer up to \$30,000,000 from opioid-related lawsuit settlement proceeds deposited in the attorney general refund fund to the department of health and human services which is appropriated to the department of health and human services for the purpose of defraying the expenses of an opioid addiction prevention and treatment program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of health and human services shall consult with the attorney general on the use of funding for the program. The attorney general shall notify the legislative council and office of management and budget of any lawsuit settlement proceeds that become available for transfer to the department of health and human services for this program. This funding is considered a one-time funding item.

**SECTION \_\_. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer,

and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;
3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred fifty thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and

The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

## **2023 Legislation Having a Fiscal Impact on the Office of Attorney General**

Two legislative bills have been introduced thus far, that impact the Office of Attorney General.

- House Bill 1184 provides an \$18 million general fund appropriation to the Office for a peace officer appreciation grant program.
- House Bill 1307 provides a \$5 million general fund appropriation to the Office for a 'Back the Blue' grant program.
- House Bill 1388 provides a \$30,000 general fund appropriation to the Office to create a program to assist local and state law enforcement dogs that are retired by reason of age or medical condition.

- House Bill 1415 provides a \$980,000 general fund appropriation to the Office for a law enforcement staffing grant program.
- Senate Bill 2025 provides a supplemental general fund appropriation of \$75,000 to the Office for the 2021-23 biennium for prosecution witness fees.
- Senate Bill 2124 increases the per diem rate for all state employees from \$35 per day to \$42 dollars per day.
- Senate Bill 2213 provides a \$400,000 general fund appropriation to the Office to provide a grant to a local children’s advocacy center to defray administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.

These bills require the Office to administer grant programs that total millions of dollars. The Office would need additional grants staff to successfully implement these grant programs.

## Optional Adjustments Summary

### **01 Attorney Pay Schedule and Merit-Based Tiering System**

The Attorney General’s office cannot currently compete with attorney salaries offered by state entities, local government entities, or the private sector. The existing attorney pay schedule for our office is significantly less than the attorney pay schedules for most other state agencies and even some political subdivisions, not to mention private law firms and businesses. For example:

- Some counties pay entry-level attorneys up to \$20,000 more annually than this office can pay them under its current budget, which has historically been based on a longevity pay schedule.
- Several attorneys in the past 2 years left this office to make higher salaries in other state agencies. One state agency hired a second-year attorney from our office by offering him a raise of more than \$30,000 per year, or more than 40% of his salary in this office.
- Multiple attorneys in the past several months have received higher-paying job offers from other state and local government employers. We have not remained competitive within the government.
- At least one attorney doubled his salary by accepting a job for a private company and is now able to work from home.

Additionally, unlike in other state agencies, the Attorney General’s office has no tiering system for attorneys to earn promotions. For many years, an Assistant Attorney General’s salary was based on the number of years the attorney had practiced law, regardless of merit. These factors significantly impair recruitment and retention of legal talent to this office. Newer and mid-level attorneys are most affected by this pre-existing lack of inter-governmental equity, and there is too much inefficient turnover in these ranks as a result.

To improve recruitment and retention, this office plans to adopt a reasonable increase to the attorney pay schedule and implement a merit based tiering system to promote attorneys based on proven ability and achievement of specified goals. Under the new system, an Assistant Attorney General will have to master identified criteria in order to move up from one tier to the next. This system will reward talented, motivated, hard-working attorneys and give them an avenue for advancement based on excellence in legal representation of North Dakota's interests.

## **02 Staff Equity**

The Attorney General's office carefully reviewed classified staff members' salaries based on the state's pay schedules established by the Office of Management and Budget. Far too many staff members, especially some administrative staff, are paid significantly below the midpoints of their relative classifications' pay schedules. These staff members' supervisors were consulted on the reasons for their pay inequities and for input on the appropriate salaries based on the staff members' ability, work capacity, and years of service. The office plans to use this equity funding to increase salaries for the staff members whose salaries diverge the most negatively from the appropriate merit-based salaries for them.

## **03 New Attorney FTEs (4.0)**

The legal matters facing North Dakota continue to unavoidably increase in complexity, expense, and volume. Attorneys in the General Counsel Division and the Solicitor General/Civil Litigation Division of the Office of Attorney General are responsible for the legal representation and litigation impacting the most pressing and important legal matters facing the state. Assistant Attorneys General in both divisions carry extremely large client portfolios and heavy workloads. An attorney in the General Counsel Division typically serves as general counsel for multiple state agencies, boards, and commissions, and each client generates a large volume of legal matters for the attorney to handle. Litigators in the Attorney General's office manage several cases at any given time, many of which are highly complex and often appealed to the North Dakota Supreme Court or Eighth Circuit Court of Appeals. The large workloads have contributed to burn outs, turnovers, loss of expertise and institutional knowledge, and difficulty recruiting new attorneys. Meanwhile, state entities understandably must continuously demand their attorneys acquire more specialized expertise, which takes time to develop and requires workloads be spread among more attorneys. We are at a critical juncture.

The work of the General Counsel Division and Solicitor General/Civil Litigation Division are highly specialized. Attorneys in these divisions must have deep and seasoned understanding of state government as well as the relevant subject matters administered by their clients. Moreover, in lawsuits and contract negotiations, other parties often have teams of attorneys opposing just one of our Assistant Attorneys General, who is representing the state's interests. In particularly specialized cases or when this office's attorneys are unable to take on a new matter, this office must hire outside private attorneys, who are much more expensive and more difficult to supervise than attorneys in this office. Over the past several bienniums, this office was forced by circumstances to expend tens of millions of dollars on outside attorneys. A small portion of those resources could be used to hire more attorneys for the office. If some portion of those funds had instead been used to hire additional in-house Assistant Attorneys General, there would have been substantial short and long-term savings, with an overall positive impact on legal service to North Dakota. We plan to change this trend over the next several years, but that altered course will require the legislative support we are now requesting.

Increasing the number of attorneys in these divisions will:

- Allow Assistant Attorneys General to develop deeper subject matter expertise to better serve state entities;
- Reduce expensive turnover rates and the loss of expertise and institutional knowledge;
- Reduce premature staff burn out;
- Improve recruitment; and
- Significantly reduce the amount of money the state currently expends on outside attorneys.

#### **04 BCI Cyber Crime Agents and Criminal Investigators**

BCI's Cyber Crime Unit (CCU) receives and reviews leads of suspected child exploitation from the National Center for Missing and Exploited Children. The number of leads originating from illicit activity in North Dakota is growing at an alarming rate, growing to 1,071 in 2022, compared to 166 in 2016. In 2021, the CCU forensic agents conducted over 899 forensic examinations totaling over 217,554 gigabytes of data, and assisted or investigated 429 in-state cases. BCI currently has just six agents with the specialized training to conduct these investigations. To manage the dramatically escalating number of exploitation tips and investigations requiring digital forensics, BCI needs four additional cybercrime agents. Without these additional agents, child sexual exploitation case investigations will be delayed beyond current backlogs. Put bluntly, without these additional investigative resources, BCI will face increasing difficulty finding and stopping sexual exploitation of children, among other cybercrimes. The salary request is \$74,000 plus benefits for each specially trained agent.

The requested three additional BCI criminal investigators will assist BIA and tribal law enforcement with narcotics investigations on and off reservations, under a new BCI initiative that is already creating unprecedented cooperative investigative/enforcement agreements between tribal, federal, state, county and local law enforcement entities near North Dakota's Indian reservations. The plan establishes BCI-coordinated narcotics task forces in Legislative Districts 2, 9, and 31 with local and tribal officers and jurisdiction on and off tribal lands. Those BCI agents will require all standard equipment assigned to each agent to conduct investigations.

#### **05 Crime Lab FTE, Operating, Equipment**

After the 2017 legislative session, the North Dakota State Crime Lab (NDCL) incurred budgetary cuts that led to the reduction in force (RIF) of several NDCL positions, including the forensic scientists trained in firearms and fingerprint analysis. These positions were not resurrected in the 2019 nor 2021 legislative sessions. As a result of the RIF, North Dakota lost the capacity for firearms testing and fingerprint processing. These are essential investigative functions, and law enforcement agencies across the state routinely implore this office to urge that the Legislature fund these disciplines and return this investigative capacity to the NDCL.

After firearm and fingerprint testing capabilities were cut from the NDCL, the NDCL was initially able to contract with the South Dakota Crime Lab for firearms testing. However, after a year, the South Dakota Division of Criminal Investigation ended that contract because of its own workload. As a result, North Dakota's political subdivisions now need to send firearm and fingerprint cases to out-of-state private labs for testing, at significantly elevated expense. Investigations and prosecutions are



negatively impacted by the lack of these capabilities and approving these changes will enhance public safety in our state.

By funding these four new FTEs, the NDCL will be able to hire, train, and fill the requirement of scientists tasked with re-establishing accreditation in firearms and friction ridge/fingerprint disciplines. At the same time, an additional three forensic scientist FTE are needed to handle escalating testing volumes and surmount existing case backlogs and lagging turnaround time at the NDCL. One administrative assistant is needed to assist all crime lab staff.

#### **06 Medicaid Fraud Unit FTE, Operating, Equipment**

The Medicaid Fraud Control Unit (MFCU) retrieves more fraud-loss funds for the state than it expends. The more cases it handles, the greater the amount of funds brought into the state. Surprisingly, the MFCU has only one attorney who is also the Unit's director. That person now handles all civil, criminal, and global litigation cases and all administrative duties. The Unit has six employees, so the administrative workload also is significant for the director and detracts from time for her other duties.

The director's responsibilities include the ongoing work of establishing this still-new Unit while also initiating detailed working policies and procedures that support the 12 mandatory performance standards set forth by the federal Department of Health and Human Services. Compliance with those performance standards is mandatory for yearly recertification and qualifying for the yearly federal grant that pays 75% of the MFCU budget. The director also supervises and trains all Unit staff and opens and closes all cases after careful reviews. As the Unit's only attorney, the director also must develop investigative plans and legal work (search warrants, administrative subpoenas, trial prep, trial, etc.). If the director is preparing for trial, in trial, drafting court documents, writing settlement letters, or other legal work, then all the director's administrative work stops. Conversely, if the director is at a mandatory training, supplying recertification statistics and documents, meeting with the Attorney General or stakeholders, training a new staff member, etc., then all attorney work stops. This large workload and start-stop work process means that cases cannot get reviewed, charged, or settled when appropriate. The director has had as many as 40 cases open at one time and now has 15 very large, active cases open. When the MFCU was first established, the Office of Attorney General recommended seven MFCU staff which included the additional attorney now requested.

An additional Special Agent for the MFCU also is imperative. Currently, the Unit is staffed by just two special agents. The cases being investigated by MFCU are extremely document- and medical record-intensive. Each case has several thousand documents to review. Most of these fraud cases take more than a year to investigate fully. Additionally, there is an increasing volume of case referrals to the Unit. During MFCU's first year, the Unit had to issue an informal directive that only felony matters would be charged, and fraud cases would be taken only if they involve fraudulent billings greater than \$10,000.00. When one of our agents is in court, actively investigating a case, at mandatory training, on leave, or ill, the other agent must maintain his/her own case load and address all new cases and situations that occur. The lack of essential resources means that North Dakota is unable to immediately address fraud cases that are detected, and money due to the state is not being returned.

Additionally, the increase in attorneys and investigators will then require that a paralegal be authorized to provide essential legal assistance to the attorneys and investigators.

## **07 Funding Source Change for Operating and Equity**

During the 2021 legislative session and the November 2021 special session, the Legislative Assembly authorized equity increases for BCI agents and Crime Lab scientists. However, the equity increases totaling \$2.06 million were funded through the Attorney General refund fund, an unpredictable, one-time funding source. The refund fund is not able to sustain these increases because a significant number of settlement dollars are legally restricted to specified purposes.

Similarly, the 2021 Legislative Assembly restored \$1.2 million in funding for operating expenses for BCI and IT/CJIS but changed the funding source from general fund to the Attorney General refund fund as explained in the previous paragraph.

## **08 IT Analysts and Operating**

As the responsibilities of the Attorney General's office grow, so do the IT needs of the agency. Demands for IT projects increase every year. With every system that is developed, additional maintenance is also required. In order to sustain the current IT needs of the agency, the IT/CJIS division must increase staffing levels to support and maintain over seventy current systems and several more in development. By adding two Programmer Analyst III FTEs, IT/CJIS will be able to complete projects more efficiently and maintain the current systems at a more manageable level.

A full-time business analyst is needed within the IT/CJIS division. The Attorney General's office has several divisions with IT projects and needs. Lack of IT/CJIS resources causes project delays and workflow bottlenecks. Having a business analyst is vital to provide accurate and efficient IT programs. Doing proper analysis beforehand allows for more detailed requirements and eliminates the risk of rework due to missed requirements. This role also will assist with project management on small- and mid-level projects, eliminating the need to contract additional roles, which reduces project costs.

## **09 Public Services FTE**

The volume of mandates, comments, and requests (including requests for open records) made to the office is increasing rapidly, and the office has a responsibility to respond to the general public and others in a transparent and thorough manner. The position would manage inquiries, comments, and requests made to the office (including those made to the office via the general information email account) by legislators, state residents, state agencies, and others; respond to and track open records requests; track requests for Attorney General opinions and ensure timely opinions are issued to legislators and others; and assist with other mandates and projects as required by a burgeoning officewide workload.

## **10 Federal Fund Change**

The general fund match for the Medicaid Fraud Control Unit has increased from 10 percent to 25 percent. Federal funds available under the High Intensity Drug Trafficking Areas grant have decreased, requiring additional general funds to maintain two attorneys' salaries in the Special Prosecution Unit.

## **11 Software Maintenance, Subscription Increases**

The Attorney General's office utilizes several software systems across each division as well as part of our server infrastructure. Each software system requires support or a maintenance agreement. The

cost for these systems typically increases each year. To continue to use several application or software tools needed to perform daily tasks, an additional \$16,000 in maintenance costs and an additional \$20,000 in subscription costs is needed. These costs include programs like Adobe Acrobat Pro, Nessus (vulnerability scanner), Windows Server Enterprise, SQL Server Standard, VMWare, Atlassian JIRA, and Visual Studio.

The North Dakota Information Technology agency (NDIT) is changing its fee structure (technology fee and Office 365 fee) for state agencies. NDIT's technology fee is tied to the number of Office 365 Premium Users. IT/CJIS pays the fee for this office's staff and task force employees. The technology fee has decreased, but the number of users will increase slightly. This will result in a savings of \$41,000. However, NDIT increased the Office 365 fee from 36.00/user to 43.25/user. The total Office 365 fee increase for this office is \$51,852. The total increase needed for the technology fee and Office 365 fee is \$12,000.

IT/CJIS provide support and maintain the legal case management system, currently JustWare, for this office and several county state's attorneys. The maintenance and support for JustWare increases 5% each year, per the current contract. IT/CJIS anticipates this increase to be \$34,000 from the current budget for the next biennium.

The Atlassian Software subscription recently increased. AGIT uses this product for all help desk support tickets and software development tickets, as well as project and document tracking. This product is an essential tool for an IT department to do daily work. The increase of license for this system is \$11,000 a year, \$22,000 a biennium.

CJIS provides a statewide law enforcement records management and jail management system. The program is the Premiere One (P1) system. P1 maintenance and support increases approximately 5% each year, per the contract. The estimated increase is approximately \$23,282 for the biennium.

The maintenance and support for the ND Statewide Automated Victim Information and Notification system (ND SAVIN) that CJIS supports will increase 5% each year, per the contract. The anticipated increase will be \$38,314.84 for the biennium.

Our conferencing equipment requires maintenance and support. We currently have ten Polycom systems throughout this office which were purchased during 2021-23 biennium. The maintenance on the ten systems is \$12,000.

The yearly subscription cost of the Crime Lab's Failure Analysis - Laboratory Information Management System is increasing, per the contract. For the first year of the next biennium, the cost will increase \$4,500, and the second year's increase will be \$7,200. The total increase for the biennium will be \$11,700.

CJIS provides Active Directory (AD) accounts (state government accounts) for users who need access to the CJIS systems but would otherwise not need an AD account. For example, political subdivisions' law enforcement agencies often need CJIS accounts, which require CJIS to provide them AD accounts. CJIS does this at no cost to the political subdivisions. NDIT informed this office it will increase the monthly price for an AD account from \$1.35 to approximately \$7.10. We currently have 1,620

accounts for users that need access to CJIS programs only, and this number is subject to change. CJIS will need an increase of approximately \$300,000 to be able to continue to allow agencies to use our systems with no cost impact to the users.

## **12 MAFIN, GrayKey, and Cellebrite**

The shared Automated Fingerprint Identification System (AFIS) operated through a partnership with Minnesota known as the Midwest Automated Fingerprint Identification Network (MAFIN) is being upgraded to a new Automated Biometric Identification System (ABIS). This system receives, stores, and analyzes all fingerprint records for North Dakota and Minnesota. This new system will be completed by approximately August of 2023. Once the new system is completed there will be ongoing maintenance costs for North Dakota of \$92,000 per year associated with this cloud-based system.

Mobile devices are more than two-thirds of the devices the NDBCI Cyber Crime Unit (CCU) receives for data extraction. These devices are frequently locked with facial recognition, fingerprints, or pin codes. Opening these devices and extracting the data for law enforcement is paramount to the success of cases. Currently, the two major vendors in this market are Cellebrite Premium and Graykey, but they do not do exactly the same thing. GrayKey is the best tool to open and extract Apple iOS devices, and Cellebrite Premium is the best tool to open and extract Android devices. The annual cost of GrayKey for our three CCU sites (Minot, Bismarck, and Fargo) is \$102,000, and the annual cost of Cellebrite Premium is \$72,000 per year. Achieving the maximum capability and coverage for the state will require \$174,000 per year or \$348,000 per biennium.

## **13 Inflationary Increases**

NDBCI uses ammunition for the qualification, training, and effective carrying of handguns, shotguns, and rifles in the performance of field operations and legislatively assigned duties. NDBCI requires each sworn agent to qualify with their handgun on a minimum of two occasions per year and shoot qualifying scores related to shotgun and rifles on one occasion per year. Successful qualifications for firearms are required for each agent to maintain ND Peace Officer Standards and Training (POST) licensure. NDBCI is moving to a mandatory quarterly range requirement for agents to shoot in every quarter throughout the year. This will help keep the agents proficient in firearms handling and shooting, diagnose any shooting issues, and verify there are no equipment malfunctions.

NDBCI is responsible for supplying undercover buy funds for NDBCI narcotics investigations and multi-jurisdictional drug task force operations. The State of North Dakota currently supports ten narcotic task forces related to buy funds. This responsibility, coupled with a decrease in Byrne/JAG funding, has led NDBCI to closely monitor narcotics buy fund transaction across the State.

Office lease costs have increased for Civil Litigation and BCI's locations in other cities. Crime lab equipment and supply costs continue to increase for supplies and materials required for testing.

## **14 Discovery Software**

The Attorney General's office has tested the Discovery software with a license allowing attorneys to use it for a very limited number of cases. The software has proven to be extremely helpful in managing cases. It searches, sorts, and classifies legal documents in a more reliable and efficient manner than doing so manually. This request will increase the number of cases that can be managed by the software.

## **15 Gaming and CPAT Investigator Vehicles and Radios**

Vehicles and radios are needed for NDBCI investigators located in the Gaming and Consumer Protection and Antitrust divisions.

## **16 Gaming, Licensing, and Deposit Projects**

The Attorney General's office requests these funds for completion of the Gaming Distributor Solution, which includes enhancements for manufacturers, gaming machine management (keeping track of the e-tab devices), the ability to respond to open record requests (requests of tax return copies), and management for bingo paper for distributors. The technology enhancements also will include adding the licensing and deposit functions to connect with the gaming system instead of requiring users to go into the Progress system for licensing and deposit information. These projects will help our staff and gaming industry employees communicate and share data more efficiently and quickly. This will benefit both our regulators and the regulated charitable organizations, manufacturers, and distributors.

## **17 IT Servers**

IT/CJIS currently support and maintain 8 servers, which are critical to the operation of the entire agency. The servers must be replaced every four years, on a rotational basis. The cost to replace these servers has never been funded in this office's base budget. It is important to build the cost into the base budget, so this office has reliable funding each biennium for this necessary equipment. The estimated total cost is \$54,000 per biennium. That amount would allow IT/CJIS to replace two servers each year for a total rotational period of four years.

## **18 Staff Reclassifications**

Pursuant to applicable HRMS guidance, the Consumer Protection and Antitrust Division needs to reclassify 2 consumer fraud investigators from a I to a II in the 2023-25 biennium. The cost for the two reclassifications is \$14,430.

Similarly, NDBCI needs to reclassify 18 agents and analysts throughout the 2023-25 biennium as they meet the requirements for the next step in their careers. The cost for the reclassifications is \$57,327.

Under the very same guidance, the Finance Division will reclassify an account budget specialist II to a III and an administrative assistant from a I to a II. The cost for the two reclassifications is \$21,181.

## **19 BCI Agent Multiplier**

The Attorney General's office is requesting an increase in the multiplier for NDBCI agents' retirement formula. The requested increase is from 2.0 (if the agent is in PERS already) or 1.75 (if the agent is a new employee with no PERS history) to 3.0. Under our new plan, the multiplier would fall to 1.75 after 20 years of service, in order to promote retirement and enhance safety for all agents involved in field operations.

NDBCI requires new applicant Special Agents to have a four-year degree and five years of investigative experience. This is because NDBCI acts as North Dakota's "Detective Division" similarly to the way detectives operate within police departments and sheriffs' offices. The primary duties of an NDBCI agent include supporting political subdivisions on felony level crimes such as homicides, sexual assaults, robberies, theft, suicide, etc., as well as the detection, disruption, and

dismantling of illegal narcotics trafficking (manufacturing and sale) across the state. As a result, the average age of an NDBCI agent at the time of hire is 33 to 35 years of age, as opposed to the significantly lower age of a new officer in a different law enforcement agency. Changing the BCI agent multiplier to 3 would provide target retirement age in-line with parallel law enforcement organizations and would enhance operations and safety.

## **20 BCI Agents' Attendance at the National Forensic Academy**

The National Forensic Academy provides 400 hours of specialized training focused on crime scene processing, evidence collection, and crime scene photography. Currently, 25 agents have successfully completed this 10-week course in Tennessee. NDBCI sends two agents each year at a total cost of \$50,000 (\$25,000 each). The need for this type of training is becoming more evident each day, as North Dakota's population and crime rates increase. Violent crimes are on the rise, and the need to solve them expeditiously is paramount. NDBCI has investigated murders-for-hire, body dumps, aggravated assaults, officer involved shootings, and violent sexual assaults – all of which require the kind of skills and training the National Forensic Academy provides.

## **21 ICAC Lab Renovation**

BCI has been working with the Fargo area law enforcement agencies to create a regional office for investigating crimes against children. This group is responsible for digital forensic analysis of devices seized during investigations. As officers are assigned to assist with the crimes against children unit, they require forensic lab space in the Fargo BCI office. Currently there is an area in the Fargo BCI building built into two separate digital forensic labs, and this office plans to remove walls and use modular work surfaces to allow the space to accommodate up to six forensic labs, all aimed at meeting the demands from the dramatically escalating number of child exploitation and drug trafficking investigations.

## **22 Sex Assault Kit Tracking System Software Support**

The Attorney General's office has been working to implement a sexual assault kit tracking system mandated by the Legislature in 2021 and that will go live in 2023. A yearly maintenance fee of \$85,000 is required to host the software and provide backups, user support, and updates. A federal grant will cover the cost for the 2023-25 biennium.

## **23 BCI Undercover Vehicle Replacement**

As of May 16, 2022, NDBCI has 56 agents who need undercover vehicles. Nine of the agents receive a vehicle from the unit or a federal program in which they work. The remaining 47 vehicles need to be funded through the general fund. NDBCI also would like to purchase warranties for 6 years or 85,000 miles on all vehicles to mitigate costly repairs. To maintain the 6-year replacement cycle on the 47 vehicles, NDBCI must replace 15 vehicles per biennium. The average cost of the 6-year warranty is \$2,000. The average cost of a new vehicle being purchased has been \$35,000. The average trade value of the vehicle being replaced has been \$17,000. This leaves the cost of a vehicle replacement at \$20,000 per vehicle for 15 vehicles, or a total of \$300,000.

## **24 Litigation Pool from SIFF**

The litigation pool has covered a relatively small share of litigation costs for eligible state agencies during the 2023-25 biennium. As the number and complexity of cases for the state increase, the litigation costs likely will increase as well, especially if the state continues to rely on outside counsel rather than hiring additional Assistant Attorneys General for the Civil Litigation, and Natural Resources/Indian Affairs divisions of this office. (The hourly rate for Assistant Attorneys General is less than half the hourly rate of Bismarck private practice attorneys and an even smaller percentage of the hourly rate of attorneys in many out of state markets.) This request to provide litigation funding for state agencies for another biennium would require a transfer of \$4.65 million from the strategic investment and improvements fund to the AG operating fund.

## **25 Contingent IT Maintenance Increase**

If the requested business analyst FTE for IT/CJIS is not authorized, this office will need additional funds to pay for third parties to help maintain equipment and systems.

## **26 Legislatively Requested Supplement**

During meetings and conversations about the budget for the Attorney General's office, several legislators urged the office leadership to include additional FTEs for NDBCI in this appropriations request. In support of their request, legislators identified the importance of public safety, elevated crime rates, the need for additional agents to serve on task forces for reservations pursuant to agreements with tribal nations, the dramatically increased incidence of internet crimes against children, the need to process background checks and cold cases more promptly, and the NDBCI's mission to support local law enforcement agencies. The Attorney General's office thoroughly evaluated these areas of concern to identify targeted FTEs – above those requested in the office's budget submission to OMB – who could improve NDBCI's performance in the noted areas. As a result, this office is requesting an addition 4 NDBCI agents, 1 criminal intelligence analyst for the internet crimes against children unit, and 1 administrative assistant to support NDBCI agents and analysts.

APPENDIX A

**Attorney General Responsibilities in the N.D.C.C.**

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**Attorney General - Budget No. 125  
Senate Bill No. 2003  
Base Level Funding Changes**

Prepared for: 2/14/2023

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease) - Executive Budget			
									FTE Positions	General Fund	Other Funds	Total
<b>2023-25 Biennium Base Level</b>	253.00	\$42,646,718	\$42,509,719	\$85,156,437	253.00	\$42,646,718	\$42,509,719	\$85,156,437	0.00	\$0	\$0	\$0
<b>2023-25 Ongoing Funding Changes</b>												
Adds funding for the cost to continue salary increases		\$392,026	\$151,470	\$543,496				\$0		(\$392,026)	(\$151,470)	(\$543,496)
Salary increase		2,297,062	1,503,134	3,800,196				0		(2,297,062)	(1,503,134)	(3,800,196)
Health insurance increase		736,474	471,438	1,207,912				0		(736,474)	(471,438)	(1,207,912)
Adds funding for salary equity increases			22,368	22,368				0			(22,368)	(22,368)
Adjusts funding for prior biennium BCI, MFCU, and State Crime Laboratory salary equity increases		2,404,289	(2,404,289)	0				0		(2,404,289)	2,404,289	0
Adds funding for FTE attorney positions	2.00	631,836		631,836				0	(2.00)	(631,836)		(631,836)
Adds funding for FTE BCI cybercrime positions	2.00	559,991		559,991				0	(2.00)	(559,991)		(559,991)
Adds funding for FTE MFCU positions	2.00	149,865	449,588	599,453				0	(2.00)	(149,865)	(449,588)	(599,453)
Adjusts funding for the MFCU		341,747	(341,747)	0				0		(341,747)	341,747	0
Adds funding for FTE State Crime Laboratory positions	4.00	1,076,981		1,076,981				0	(4.00)	(1,076,981)		(1,076,981)
Reduces funding for operating expenses			(22,368)	(22,368)				0			22,368	22,368
Adjusts funding for IT Division and CJIS operating expenses		856,262	(856,262)	0				0		(856,262)	856,262	0
Adds funding for IT rate increases		54,245	7,301	61,546				0		(54,245)	(7,301)	(61,546)
Adds funding for increased software maintenance and subscription costs		419,297		419,297				0		(419,297)		(419,297)
Adds funding for sexual assault kit tracking system software maintenance			180,000	180,000				0			(180,000)	(180,000)
Adds funding for the automated biometric identification system and data extraction software		384,000	144,000	528,000				0		(384,000)	(144,000)	(528,000)
Adds funding for legal case search software		100,000		100,000				0		(100,000)		(100,000)
Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		125,000	20,000	145,000				0		(125,000)	(20,000)	(145,000)
Adds funding for gaming, licensing, and deposit projects operating expenses		37,000	37,000	74,000				0		(37,000)	(37,000)	(74,000)
Adds funding for a new Capitol space rent model		259,708		259,708				0		(259,708)		(259,708)
Reduces funding for bond payments		(318,055)		(318,055)				0		318,055		318,055
Adds funding to replace IT servers		54,000		54,000				0		(54,000)		(54,000)
<b>Total ongoing funding changes</b>	<b>10.00</b>	<b>\$10,561,728</b>	<b>(\$638,367)</b>	<b>\$9,923,361</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(10.00)</b>	<b>(\$10,561,728)</b>	<b>\$638,367</b>	<b>(\$9,923,361)</b>
<b>One-Time Funding Items</b>												
Adds one-time funding for FTE attorney position operating expenses		\$12,520		\$12,520				\$0		(\$12,520)		(\$12,520)
Adds one-time funding for BCI cybercrime operating and capital assets		185,999		185,999				0		(185,999)		(185,999)
Adds one-time funding for MFCU operating and capital assets		17,318	\$51,955	69,273				0		(17,318)	(51,955)	(69,273)
Adds one-time funding for State Crime Laboratory operating expenses		186,338		186,338				0		(186,338)		(186,338)
Adds one-time funding for State Crime Laboratory capital assets		886,000	754,677	1,640,677				0		(886,000)	(754,677)	(1,640,677)
Adds one-time funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		156,463		156,463				0		(156,463)		(156,463)
Adds one-time funding for gaming and consumer protection investigator vehicles and radios			102,200	102,200				0			(102,200)	(102,200)
Adds one-time funding for gaming, licensing, and deposit software		177,000	699,000	876,000				0		(177,000)	(699,000)	(876,000)
Adds one-time funding to replace undercover BCI vehicles		200,000		200,000				0		(200,000)		(200,000)
Adds one-time funding for the statewide litigation funding pool		4,557,748	442,252	5,000,000				0		(4,557,748)	(442,252)	(5,000,000)
Adds one-time funding for back the blue grants		5,000,000		5,000,000				0		(5,000,000)		(5,000,000)
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$11,379,386</b>	<b>\$2,050,084</b>	<b>\$13,429,470</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>(\$11,379,386)</b>	<b>(\$2,050,084)</b>	<b>(\$13,429,470)</b>
<b>Total Changes to Base Level Funding</b>	<b>10.00</b>	<b>\$21,941,114</b>	<b>\$1,411,717</b>	<b>\$23,352,831</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(10.00)</b>	<b>(\$21,941,114)</b>	<b>(\$1,411,717)</b>	<b>(\$23,352,831)</b>
<b>2023-25 Total Funding</b>	<b>263.00</b>	<b>\$64,587,832</b>	<b>\$43,921,436</b>	<b>\$108,509,268</b>	<b>253.00</b>	<b>\$42,646,718</b>	<b>\$42,509,719</b>	<b>\$85,156,437</b>	<b>(10.00)</b>	<b>(\$21,941,114)</b>	<b>(\$1,411,717)</b>	<b>(\$23,352,831)</b>
<i>Federal funds included in other funds</i>			<i>\$14,569,773</i>				<i>\$12,989,284</i>				<i>(\$1,580,489)</i>	
<i>Total ongoing changes as a percentage of base level</i>	<i>4.0%</i>	<i>24.8%</i>	<i>(1.5%)</i>	<i>11.7%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>				
<i>Total changes as a percentage of base level</i>	<i>4.0%</i>	<i>51.4%</i>	<i>3.3%</i>	<i>27.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>				

Other Sections in Attorney General - Budget No. 125

Attorney General salary	Executive Budget Recommendation	Senate Version
Exemption - Attorney General refund fund	Section 3 would amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$179,312 effective July 1, 2023, and \$186,484 effective July 1, 2024, to reflect the 6 percent and 4 percent annual recommended salary increases.	
Appropriation - Transfer - Attorney General refund fund to Department of Health and Human Services - Opioid addiction prevention and treatment program - One-time funding	Section 4 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.	
Transfer - Statewide litigation funding pool to state agencies	Section 5 would authorize the Office of Management and Budget to transfer up to \$30 million from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund to DHHS, which is appropriated to DHHS for an opioid addiction prevention and treatment program. The Attorney General is required to notify the Legislative Council and Office of Management and Budget of any lawsuit settlement proceeds that become available for transfer to DHHS for the program. The funding is considered a one-time funding item.	
Transfer - Statewide litigation funding pool to state agencies - Gaming and excise tax allocation fund - One-time funding	Section 6 would require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item in Section 1 to eligible state agencies for litigation expenses during the 2023-25 biennium.	
Appropriation - Additional federal funds or other funds	Section 7 would identify \$442,252 appropriated in the estimated income line item in Section 1 for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund, which the Attorney General shall transfer to eligible state agencies for litigation expenses during the 2023-25 biennium.	
Criminal history record checks - Fees	Section 8 would appropriate \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.	
Estimated income - Charitable gaming technology system - Charitable gaming operating fund	Section 9 would require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.	
Human trafficking victims grant program - Requirements - Reports	Section 10 would identify \$736,000 appropriated in the estimated income line item in Section 1 is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.	
	Section 11 would identify \$1,102,815 appropriated from the general fund in Section 1 is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General would be allowed to provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.	

Other Sections in Attorney General - Budget No. 125

Forensic nurse examiners grant program - Reports

**Executive Budget Recommendation**

**Senate Version**

Section 12 would identify \$250,889 appropriated from the general fund in Section 1 is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Amendment - Lottery fund transfers

Section 13 would amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Exemption - Contingent fee arrangement

Section 14 would provide, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multi-state technology litigation, during the period beginning with the effective date of this Act and ending June 30, 2025.

Exemption - Concealed weapon rewrite project

Section 15 would allow the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Exemption - Criminal history improvement project

Section 16 would allow the Attorney General to continue any remaining funding of \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Exemption - Coronavirus emergency supplemental funding

Section 17 would allow the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

Exemption - Federal State Fiscal Recovery Fund

Section 18 would allow the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

## Impacts of OAG Requests

#20788

No.	OAG Request	Included in Governor's budget?	Impact if not approved
1	Attorney Pay Schedule	<i>Yes, at \$446,394 less than needed for 1+2</i>	If the difference between the Attorney General's requested amount and the equity package provided through OMB is not approved, the OAG will not be able to implement a merit-based pay schedule for attorneys. Attorneys' pay will have to continue to be based primarily on years of experience, regardless of merit.
2	Staff Equity		If the difference between the Attorney General's requested amount and the equity package provided through OMB is not approved, high performing, nonattorney staff members whose pay is below the HRMS midpoints for their positions cannot be brought up to those midpoints.
3a	Civil Litigation Attorneys (2.0)	<i>Governor's budget includes 1.0.</i>	<p>The state will have to continue contracting with high-priced, private attorneys to handle cases on behalf of state entities including cases protecting the state's interests in energy development, water rights, land use, election laws, protecting against federal overreach, and other vital interests.</p> <p>Instead of expending approximately \$548,000 in the upcoming biennium, the state will expend millions of dollars in the biennium, based on past experience. The state litigation fund will require additional funds.</p>
3b	General Counsel Attorneys (2.0)	<i>Governor's budget includes 1.0.</i>	<p>The hundreds of state agencies, boards, and commissions served by the General Counsel Division will continue to receive less attorney time than they need or will have to pay high-priced, private attorneys to handle administrative, regulatory, and general counsel matters.</p> <p>Also, Attorney General opinions and open records/open meetings opinions will continue to take significant time to complete.</p>
4a	BCI Cyber Crime Agents (4.0)	<i>Governor's budget includes 2.0.</i>	<p>Investigations of evidence of child sexual exploitation and sexual abuse will be delayed, and the crimes may not be stopped as quickly as they could be with adequate resources. The number of cyber tips of child sexual exploitation and sexual abuse from <u>one source alone increased more than 545% in 6 years</u>. That one source now sends BCI more than 1,070 tips per year.</p> <p>In an era of increasing drug trafficking, investigations of cell phones, computers, USB drives, and other digital equipment used to facilitate narcotics trafficking will be delayed, as will prosecutions of drug crimes.</p>

## Impacts of OAG Requests

4b	BCI Criminal Investigators for narcotics task forces for reservations (3.0)	No	The narcotics task forces being formed with local law enforcement agencies (police departments and sheriffs' offices) and tribal leaders near 3 reservations likely will not come to fruition. Many legislators have voiced strong support for these task forces and encouraged BCI to work with tribal leaders to establish these task forces to help stop narcotics crimes in and around the reservations.
5	Crime Lab Forensic Scientists (7.0) and Equipment	<i>Governor's budget includes 4.0 and the equipment.</i>	<p>The Crime Lab will not be able to reestablish firearms testing and fingerprint testing, despite widespread demand from law enforcement agencies around the state. Law enforcement agencies and prosecutors will continue to have to send firearms to labs outside North Dakota to be tested for a significant fee – or else not prosecute certain crimes.</p> <p>Backlogs in testing narcotics, sexual assault kits, fire debris, and other evidence at the Crime Lab likely will continue, despite lab personnel continuing to work overtime.</p>
6	<p>Medicaid Fraud Control Unit (MFCU) Attorney, Investigator, and Paralegal</p> <p>75% of MFCU's costs are paid by a federal grant.</p>	<i>Governor's budget includes 2.0.</i>	<p>Investigations and prosecutions of Medicaid fraud, including neglect and abuse of nursing home residents and diversion of opioids, will be delayed or not carried out. The MFCU's Director is the unit's only attorney, and the unit does not have any paralegals. Many cases reported to the unit cannot even be opened due to a lack of staffing.</p> <p>The state will not be able to recoup its Medicaid funds lost through fraud.</p> <p>MFCU has recouped <u>more</u> than enough funds this biennium to cover all the state's share of the unit's costs. The unit more than pays for itself.</p>
7	Funding Source Change for BCI and the Crime Lab	Yes	Legislatively appropriated equity increases for Crime Lab personnel and BCI agents, as well as operating costs for BCI and IT/CJIS, will continue to be paid out of an unsustainable special fund with no regular source of funding, rather than the general fund.
8	IT/CJIS Programmer Analysts and Business Analyst (3.0)	No	The state will have to choose between continuing to have to pay high fees to IT contractors or having delayed IT projects that are necessary for BCI and local law enforcement agencies around the state.
9	Public Services Specialist (1.0)	No	Requests for open records and requests for information from state and local government employees will be delayed due to staff limitations.

## Impacts of OAG Requests

10	Federal Fund Change	Yes	The MFCU – addressed in request #6 – will not be able to continue operations. The MFCU recoups much more money than it costs, but the state must provide a match for the federal grant it receives. As with the MFCUs in every other state, the federal share of the unit’s costs has settled at 75% from its initial 90%. The difference in the match needs to be included in the budget for MFCU.
11	Software Maintenance and Subscription Increases	Yes – at \$70,000 less than requested	Several software applications that the Office of Attorney General and law enforcement agencies around the state depend upon will not continue. The maintenance costs for these applications has increased beyond what is currently appropriated. Also, NDIT has increased its fees for vital services and accounts significantly.
12	MAFIN, GrayKey, Cellebrite	Yes	BCI’s shared fingerprint identification system with Minnesota will not continue, and BCI’s Cyber Crime agents will not be able to investigate evidence of crimes on mobile phones.
13	Inflationary Increases	Yes – at \$75,000 less than requested	BCI will not have as much ammunition for training and the performance of their duties and supplies for undercover agents and multijurisdictional narcotics task forces. The office will have to find other sources of funds for the increased lease costs for the 3 off-site office locations.
14	Discovery Software	Yes	The Civil Litigation Division and the Natural Resources and Native American Affairs Division will not be able to use their discovery records management software for as many cases as they need. The divisions will have to manage thousands of pages of discovery records by hand.
15	Vehicles and Radios for BCI Agents assigned to Gaming and CPAT Divisions	Yes	The BCI agents assigned to the Gaming and CPAT Divisions will not have BCI vehicles or radios to use in their investigations. The agents will have to continue renting state fleet vehicles, which is inefficient.
16	Gaming, Licensing, and Deposit Projects	Yes	The software development projects for gaming manufacturers and distributors, the Gaming Division, and the Finance Division will be halted before completion. Licensing, record submission, responses to records requests, deposits, and other functions will be by hand and less efficient.
17	IT Servers	Yes	The necessary replacement of 2 of the 8 IT servers for the office will not be funded.

## Impacts of OAG Requests

18	Staff Reclassifications	No	The salaries for the employees who have been reclassified according to the state's HRMS criteria will not be fully funded.
19	BCI Agent Multiplier	No	The change in the PERS multiplier for BCI agents in House Bill No. 1309 will be an unfunded mandate.
20	National Forensics Academy for BCI Agents	No	BCI agents will not be able to attend the National Forensics Academy for specialized training.
21	Internet Crimes Against Children (ICAC) Lab Renovation	No	Modular walls will not be added to the current Internet Crimes Against Children location in Fargo to increase the number of work spaces / labs.
22	Sexual Assault Kit Tracking System Software Support	Yes	The yearly maintenance fee for the sexual assault kit tracking system mandated by Legislative Assembly will not be included in the base budget. A federal grant should cover the cost for the 2023-2025 biennium, but the office must have an appropriation to use the funds.
23	BCI Undercover Vehicle Replacement	Yes	BCI will not be able to maintain the 6-year replacement cycle for undercover vehicles. Using that cycle, 15 vehicles are replaced each biennium.
24	Litigation Pool	Yes	State agencies, boards, and commissions will have to find the funds to pay for legal services that otherwise are covered by the litigation pool, which was established by the Legislative Assembly to more efficiently manage the costs of legal services.
25	Contingent IT Maintenance Increase	No	If request #8 and this request both are denied, the office will not be able to maintain all of the IT systems that this office and local law enforcement agencies around the state rely on.
26	Legislatively Requested Supplement	No	Legislators requested these supplements to ensure BCI has the resources it needs to address the increase in violent crimes, narcotics trafficking, and crimes against children.



**Civil Litigation and General Counsel Assistant Attorneys General FTEs**  
**Request No. 3**

Based on data accessible to our office<sup>1</sup>:

Amount spent by <b>some</b> state entities <sup>2</sup> on private attorneys (July 2015-July 2022):	at least <b>\$74,418,184</b>
Average amount spent by those entities on private attorneys per biennium (July 2015-July 2022):	at least <b>\$21,262,338 per biennium</b>
Amount spent by all other state agencies, boards, and commissions on private attorneys:	<b>Unknown</b>

To reduce those expenditures, this office is requesting:

2.0 Civil Litigation attorneys:	\$644,356
2.0 General Counsel attorneys:	+ \$558,014
	<b>\$1,202,370 per biennium for 4.0 attorneys</b>

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<sup>1</sup> The data obtained by the Office of Attorney General may not represent the total costs of private attorneys contracted by the subset of state entities for which we have data.

<sup>2</sup> The state agencies included in the analysis include: Office of Management and Budget, Governor's Office, Department of Transportation, Information Technology Department, Secretary of State's Office, Auditor's Office, Tax Department, Office of Administrative Hearings, Legal Counsel for Indigents, Attorney General's Office, Retirement Investment Office, Public Employees Retirement System, Department of Public Instruction, Trust Lands Department, School for the Deaf, School for the Blind, Department of Health, Department of Environmental Quality, Department of Human Services, Veterans' Home, Job Service, Insurance Commissioner's Office, Industrial Commission, Department of Labor, Public Service Commission, Aeronautics Commission, Department of Financial Institutions, Workforce Safety Insurance, Highway Patrol, Department of Corrections and Rehabilitation, Adjutant General, Department of Commerce, Agriculture Department, Ethanol Council, State Water Commission, and others.

Cyber Crime Agent FTEs and Modular Walls for Lab Space  
Requests No. 4a and 21

Cyber crime agents investigate child pornography, child sexual abuse, narcotics trafficking, and other crimes involving digital devices and data.

Current number of cyber crime agents: **5 agents + 1 supervisory special agent**

Number of forensic examinations conducted by cyber crime agents in 2021: 899 forensic examinations  
(approximately 180 per agent)

Amount of data reviewed in those examinations: 217,554 gigabytes  
(equivalent to approximately 3,352 cell phones)

Number of cases cyber crime agents assisted in 2021: 429 cases  
(approximately 86 per agent)

The number of cyber crime tips just from the National Center for Missing and Exploited Children (NCMEC) increased over 545% in the past 6 years.

Number of NCMEC tips to NDBCI in 2016:	166
Number of NCMEC tips to NDBCI in 2022:	<b>1,071</b>

**Medicaid Fraud Control Unit (MFCU) FTEs**

**Request No. 6**

The North Dakota MFCU recoups state money from Medicaid contractors who submit fraudulent claims or who abuse, neglect, or misappropriate money from their patients.

75% of the costs for each state's MFCU are paid by a federal grant.

***Costs:***

State costs for the MFCU for the 2019-21 biennium:	\$118,101
<u>State costs for the MFCU for the 2021-23 biennium:</u>	+ <u>\$225,888</u>
Total state costs for the MFCU since operations began:	<u>\$343,991</u>

***Recoveries for the state:***

MFCU recoveries ordered for the state:	<u>\$888,815</u>
MFCU recoveries received for the state to date:	<u>\$512,433 (+ two recent recoveries)</u>

The MFCU has recouped for the state more than 149% of its state costs to date, even though it began operations less than 3 ½ years ago.

The MFCU receives many more cases than it can investigate and litigate due to staffing shortages.

Total number of tips/potential cases reported to the MFCU:	132+
Number of cases completed:	6
Number of additional investigations completed with cases not yet resolved:	3
Average number of major cases per MFCU investigator:	8-10
Number of major cases being investigated:	20

**Software Maintenance Increases**

**Request No. 11**

The cost to continue licensing and maintaining necessary software and systems for 2023-25:

Adobe, Nessus, Windows Server Enterprise, VMWare, Atlassian JIRA, Visual Studio, SQL Server Standard:	\$36,000
ND IT fee increases (other than for Active Directories):	\$12,000
JustWare	\$34,000
Atlassian Software	\$22,000
Premiere One (for law enforcement agencies and jails)	\$23,282
Statewide Automated Victim Information and Notification (SAVIN)	\$38,314
Polycom systems	\$12,000
Crime Lab – LIMS	\$11,700
Active Directory accounts for law enforcement agencies <sup>3</sup> (due to ND IT fee increase)	<u>\$300,000</u>
<b>Total</b>	<b>\$489,296</b>

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<sup>3</sup> These accounts are necessary for law enforcement agencies to use CJIS systems maintained by IT/CJIS. IT/CJIS obtains the Active Directory accounts for the law enforcement agencies. ND IT informed us the fee for one account will increase from \$1.35 to \$7.10 per month. We provide 1,620 accounts for CJIS system users across the state.

**Information Technology FTEs or Maintenance Contract Increases**

**Request No. 11 or 25**

Increase in the state's investment in law enforcement software maintained by IT/CJIS since 2013: \$5,000,000  
Increase in FTEs in IT/CJIS since 2013: 0

Current cost of long-term contracts for 2-3 programmers to help maintain IT/CJIS software: \$970,826 per biennium and increasing

Cost to hire 2 programmers to maintain IT/CJIS software: \$475,626 per biennium

Cost to hire 1 business analyst to manage large IT/CJIS projects: \$237,412 per biennium

Replacing 2 long-term contract programmers with 3 FTEs would save the state \$257,788 per biennium.

**MAFIN, GrayKey, and Cellebrite**  
**Request No. 12**

BCI agents require these tools to identify fingerprints (for background checks or otherwise) and to access digital evidence of child pornography, child sexual abuse, narcotics trafficking, and other crimes.

Annual MAFIN maintenance costs:	\$92,000
Annual GrayKey costs:	\$102,000
Annual Cellebrite costs:	+ <u>\$72,000</u>
<b>Total annual costs</b>	<b>\$266,000</b>

**Staff Reclassifications**

**Request No. 18**

Pursuant to the state's HRMS criteria, the Office of Attorney General has to reclassify 22 employees to maintain compliance with state law.

Consumer Protection and Antitrust Division

2 consumer fraud investigators from class I to class II: \$14,430

Bureau of Criminal Investigations

18 agents and analysts: \$57,327

Finance Division

1 account budget specialist from class II to class III + 1 administrative assistant from class I to class II: \$21,181

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2/14/23

The Office is requesting the following optional adjustments requested in the submitted budget and **not included** in the Executive Recommendation be restored.

Description	Priority	General Fund	Federal Fund	Other Funds	Total	FTE
<del>Attorney pay schedule</del>	1	974,392	41,512	62,877	1,078,781	
<del>Staff equity</del>	2	295,377		12,236	307,613	
General Counsel FTE	3	558,014			558,014	2.00
Cybercrime agents	4	814,006			814,006	2.00
Criminal Investigators	4	1,050,971			1,050,971	3.00
Forensic Scientists	5	688,658			688,658	3.00
Operating – firearms FTE		152,556			152,556	
Crime lab admin	5	154,356			154,356	1.00
Crime lab building addition	5	4,253,600			4,253,600	
Crime lab equipment maint agreements	5	200,000			200,000	
Crime lab building maint	5	22,000			22,000	
Medicaid Fraud FTE	6	54,680	164,039		218,719	1.00
IT programmers, analysts	8	717,706			717,706	3.00
AG admin FTE	9	186,108			186,108	1.00
IT maintenance, subscriptions	11	70,000			70,000	
Inflation – ammo, rent	13	75,000			75,000	
Reclassifications	18	78,508		14,487	92,995	
Agent multiplier	19	407,685	27,179	108,716	543,580	
Forensic Academy	20	50,000			50,000	
ICAC lab renovation	21	75,000			75,000	
Contingent IT maintenance	25	700,000			700,000	
<b>Total</b>		<b>\$11,578,617</b>	<b>\$232,730</b>	<b>\$198,316</b>	<b>\$12,009,663</b>	<b>16.00</b>

The Governor’s recommendation includes two budget items that were not included in the Office’s request:

1. \$5 million general fund appropriation from the general fund for a Back the Blue grant.
2. \$259,708 general fund appropriation for a rent model change.

The Governor’s recommendation also increased the Office’s request for the litigation pool from \$4.65 million to \$5 million and changed the funding source to \$4.6 million from the general fund and \$442,252 from gaming taxes. The Office’s request included \$4.65 million from the strategic improvement and investments fund.

The following sections are requested to be added to Senate Bill 2003:

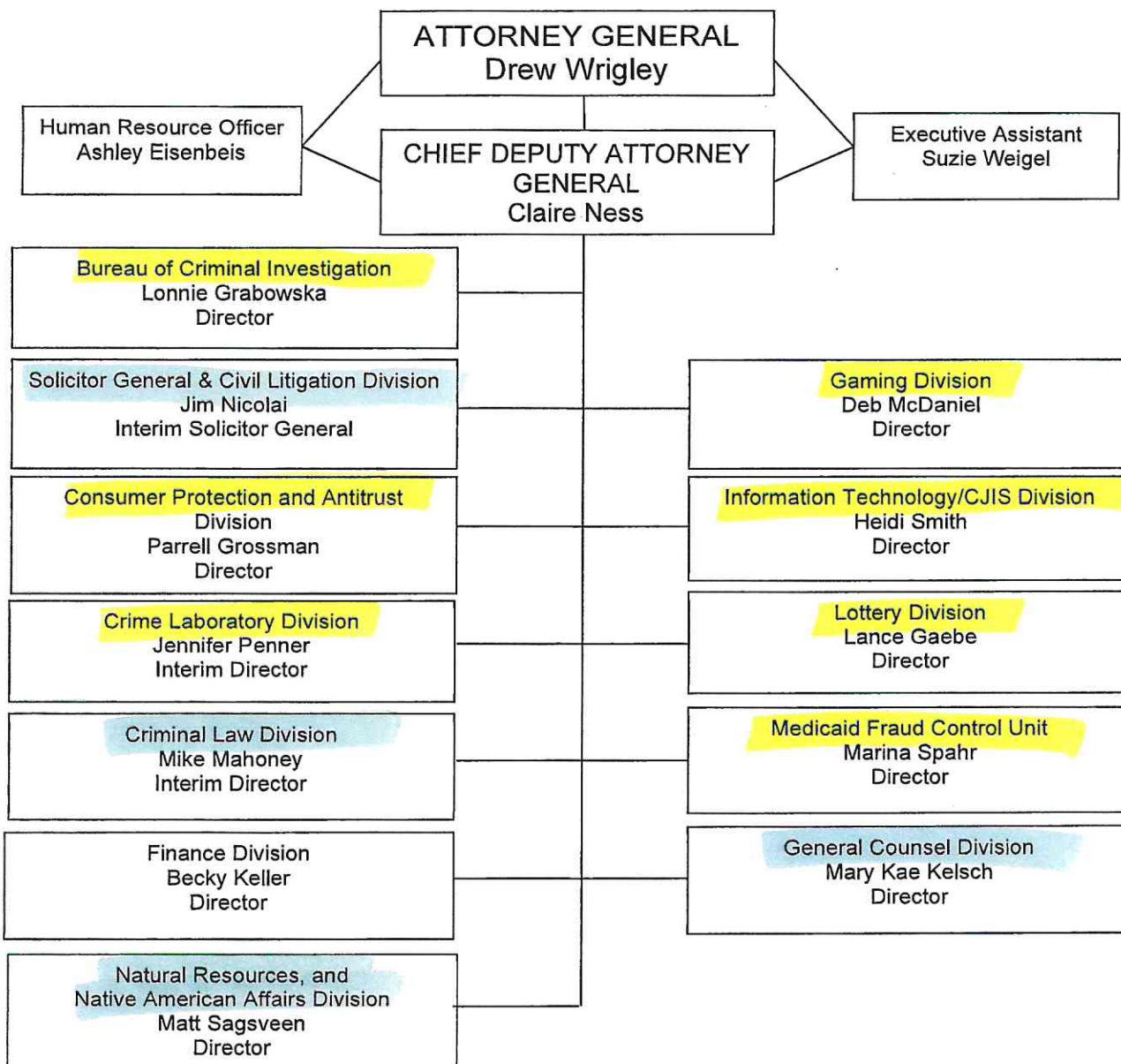
**SECTION . EXEMPTION - ATTORNEY GENERAL REFUND FUND.**

Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2023.

**SECTION . ADDITIONAL INCOME - APPROPRIATION - REPORT.**

In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the





23.0257.01010  
Title.

Prepared by the Legislative Council staff for  
the Senate Appropriations - Government  
Operations Division Committee  
February 15, 2023

Fiscal No. 1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 1, line 1, after "general" insert "; to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to the creation of an opioid settlement fund; to amend and reenact sections 53-12.1-09 and 54-12-11 of the North Dakota Century Code, relating to transfers from the lottery operating fund to the multijurisdictional drug task force grant fund and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a report; and to provide for a legislative management study"

Page 1, remove lines 8 through 24

Page 2, replace lines 1 through 3 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$50,832,646	\$5,642,965	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440	0	3,903,440
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	<u>3,048,927</u>	<u>4,145,778</u>	<u>7,194,705</u>
Total all funds	\$85,156,437	\$20,814,263	\$105,970,700
Less estimated income	<u>42,509,719</u>	<u>(125,870)</u>	<u>42,383,849</u>
Total general fund	\$42,646,718	\$20,940,133	\$63,586,851
Full-time equivalent positions	253.00	7.00	260.00"

Page 2, line 4, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, line 5, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 7 through 18 with:

"Criminal history improvement system	\$400,000	\$0
Automated biometric identification system	300,000	0
Charitable gaming technology system	475,000	0
Additional income	250,000	0
Missing persons database	300,000	0
Prosecuting case management system	1,000,000	0
Charitable gaming tax information technology costs	50,000	0

Capital assets	1,111,706	2,818,877
Statewide litigation funding pool	4,650,000	5,000,000
Staff operating and equipment costs	0	792,090
Inflationary increases	0	156,463
Back the blue grants	0	3,500,000
Law enforcement resiliency grants	0	400,000
Total all funds	\$8,536,706	\$12,667,430
Total other funds	<u>8,536,706</u>	<u>2,050,084</u>
Total general fund	\$0	\$10,617,346

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 4. TRANSFER - STATEWIDE LITIGATION FUNDING POOL TO STATE AGENCIES - ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND.** The statewide litigation funding pool line item in section 1 of this Act includes \$5,000,000, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund, which the attorney general shall transfer to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may not use funding from the litigation pool to pay judgments under section 32-12-04.

**SECTION 5. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.** The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION 6. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes \$1,111,480 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims and related administrative costs for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2023-24 interim on the status and results of the grant program.

**SECTION 7. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.** The forensic nurse examiners grants line item in section 1 of this Act includes \$252,872 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs and related administrative costs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

**SECTION 8. BACK THE BLUE GRANT PROGRAM - MATCHING REQUIREMENT - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item in section 1 of this Act includes \$3,500,000 from the general fund for the purpose of providing back the blue grants to assist local law enforcement agencies with workforce recruitment and retention, for the biennium beginning July 1, 2023, and ending June 30, 2025. Of the funding available under this program, \$1,500,000 is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity.

1. To be eligible for a grant under this section, a law enforcement agency must have incurred workforce recruitment and retention-related expenditures. Eligible expenditures include:
  - a. Bonuses paid to new and current law enforcement officers;
  - b. Tuition and fee payments made on behalf of law enforcement trainees; and
  - c. Costs to upgrade law enforcement equipment.
2. Law enforcement agencies seeking reimbursement for workforce recruitment and retention-related expenditures must submit a report of actual expenditures incurred to the attorney general with the grant application.
3. The attorney general:
  - a. May spend the funds for this program only to the extent the applicant has secured one dollar of matching funds from nonstate sources for every four dollars provided by the attorney general;
  - b. Shall reimburse each eligible applicant fifty percent of allowable expenditures;
  - c. May not award funding for this program to state or federal law enforcement entities; and
  - d. Shall report to the sixty-ninth legislative assembly regarding the number of grants awarded under this section.

**SECTION 9. LAW ENFORCEMENT RESILIENCY GRANT PROGRAM - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item

in section 1 of this Act includes \$400,000 from the general fund for the purpose of providing law enforcement resiliency program grants, for the biennium beginning July 1, 2023, and ending June 30, 2025. Funding provided under this Act must be used to defray administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel. The attorney general shall establish guidelines to award funding under this section. Any organization that receives a grant under this section shall report to the attorney general and the attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs.

**SECTION 10.** A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

**Opioid settlement fund.**

There is created in the state treasury an opioid settlement fund. The fund consists of opioid litigation funds received by the state. Moneys received by the state as a result of opioid litigation must be deposited in the fund. Moneys in the fund may be used as authorized by legislative appropriation. The legislative assembly shall consult with the governor in determining the use of the moneys in the fund. As used in this section, "opioid litigation" means civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

**SECTION 11. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;

3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred ~~fifty~~ thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and
  - d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

**SECTION 12. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.**

The annual salary of the attorney general is one hundred ~~sixty-five~~seventy-five thousand ~~eight~~nine hundred ~~forty-five~~twenty-eight dollars through June 30, ~~2022~~2023, and one hundred ~~sixty-nine~~eighty-two thousand ~~one~~nine hundred ~~sixty-two~~sixty-five dollars thereafter.

**SECTION 13. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the ~~sixty-eighth~~ legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the general fund for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 14. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 15. EXEMPTION - ATTORNEY GENERAL REFUND FUND.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2023.

**SECTION 16. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 17. EXEMPTION - CRIMINAL HISTORY IMPROVEMENT**

**PROJECT.** The amount of \$400,000 appropriated from the attorney general refund fund in the operating expenses line item for the criminal history improvement project in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the project during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 18. EXEMPTION - COVID-19 FUNDS - JUSTICE ASSISTANCE**

**GRANTS.** The amount of \$2,082,871 appropriated from federal funds derived from COVID-19 funds for justice assistance grants during the 2019-21 biennium in section 1 of chapter 27 and continued into the 2021-23 biennium in section 2 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 19. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.**

The amount of \$1,350,000 appropriated from federal funds derived from the state fiscal recovery fund, of which \$300,000 was for a missing persons database, \$1,000,000 was for the replacement of the prosecuting case management system, and \$50,000 was for charitable gaming information technology costs, in subsections 19, 20, and 42 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - STATE CRIME**

**LABORATORY.** During the 2023-24 interim, the legislative management shall study the services and needs of the North Dakota state crime laboratory, including staffing and equipment needs; the need for forensic scientists with training in firearms and fingerprint analysis; the feasibility and desirability of remodeling current state crime laboratory facilities, acquiring other vacant laboratory facilities in the state, and operating additional state crime laboratory facilities in the state; services the state crime laboratory should have the capability of providing to support law enforcement entities in the state; and whether the state crime laboratory should be administratively separate from the bureau of criminal investigation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$50,295,349	\$6,180,262	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440		3,903,440
Litigation fees	127,500		127,500
Medical examinations	660,000		660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500		8,500
Gaming commission	7,489		7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	3,048,927	4,145,778	7,194,705
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872

State Crime Laboratory salary equity	537,297	(537,297)	
Statewide litigation pool		5,000,000	5,000,000
Additional income		250,000	250,000
Total all funds	\$85,156,437	\$21,064,263	\$106,220,700
Less estimated income	42,509,719	124,130	42,633,849
General fund	\$42,646,718	\$20,940,133	\$63,586,851
FTE	253.00	7.00	260.00

**Department 125 - Attorney General - Detail of Senate Changes**

	Adds Funding for the Cost to Continue Salaries <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Adds Funding for the Medicaid Fraud Control Unit <sup>5</sup>	Transfers the State Fire Marshal <sup>6</sup>
Salaries and wages	\$519,493	\$3,589,614		\$2,615,910	\$715,753	(\$1,797,805)
Operating expenses				772,912	102,419	(365,094)
Capital assets						
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	8,471	156,756				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		76,341				
Law enforcement	14,398	222,387				
Human trafficking victims grants	936	8,665				
Forensic nurse examiners grants	198	1,983				
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Total all funds	\$543,496	\$4,055,746	\$0	\$3,388,822	\$818,172	(\$2,162,899)
Less estimated income	151,470	1,548,160	(2,404,289)	0	271,880	(1,275,214)
General fund	\$392,026	\$2,507,586	\$2,404,289	\$3,388,822	\$546,292	(\$887,685)
FTE	0.00	0.00	0.00	12.00	3.00	(8.00)



	Adjusts Base Level Funding <sup>7</sup>	Adds Funding for Software Costs <sup>8</sup>	Adds Funding for the Capitol Rent Model <sup>9</sup>	Adds One-Time Funding for FTE Positions <sup>10</sup>	Adds One-Time Funding for Capital Assets <sup>11</sup>	Adds One-Time Funding for Inflationary Increases <sup>12</sup>
Salaries and wages	\$537,297					
Operating expenses	258,439	\$831,700	\$259,708	\$434,390		\$156,463
Capital assets	(264,055)			357,700	\$2,818,877	
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	13,375					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(261)	395,597				
Law enforcement	8,993					
Human trafficking victims grants						
Forensic nurse examiners grants						
State Crime Laboratory salary equity	(537,297)					
Statewide litigation pool						
Additional income						
<b>Total all funds</b>	<b>\$16,491</b>	<b>\$1,227,297</b>	<b>\$259,708</b>	<b>\$792,090</b>	<b>\$2,818,877</b>	<b>\$156,463</b>
Less estimated income	(791,961)	324,000	0	51,955	1,555,877	0
General fund	\$808,452	\$903,297	\$259,708	\$740,135	\$1,263,000	\$156,463
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for the Litigation Funding Pool <sup>13</sup>	Adds One-Time Funding for Law Enforcement Grants <sup>14</sup>	Adds One-Time Funding for Additional Income <sup>15</sup>	Total Senate Changes
Salaries and wages				\$6,180,262
Operating expenses				2,450,937
Capital assets				2,912,522
Grants				
Litigation fees				
Medical examinations				
North Dakota lottery				178,602
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				471,677
Law enforcement		\$3,900,000		4,145,778
Human trafficking victims grants				9,601
Forensic nurse examiners grants				2,181
State Crime Laboratory salary equity				(537,297)
Statewide litigation pool	\$5,000,000			5,000,000
Additional income			\$250,000	250,000
<b>Total all funds</b>	<b>\$5,000,000</b>	<b>\$3,900,000</b>	<b>\$250,000</b>	<b>\$21,064,263</b>
Less estimated income	442,252	0	250,000	124,130
General fund	\$4,557,748	\$3,900,000	\$0	\$20,940,133
FTE	0.00	0.00	0.00	7.00

<sup>1</sup> Funding is added for the cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$1,778,318	\$1,083,827	\$2,862,145
Health insurance increase	<u>729,268</u>	<u>464,333</u>	<u>1,193,601</u>
Total	\$2,507,586	\$1,548,160	\$4,055,746

<sup>3</sup> Funding of \$2,404,289 is adjusted for prior biennium salary equity increases for Bureau of Criminal Investigation (BCI), Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory positions by reducing funding from the Attorney General refund fund and increasing funding from the general fund.

<sup>4</sup> Funding is added from the general fund for the following FTE positions:

	<u>FTE Positions</u>	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total</u>
Attorney positions	2.00	\$548,296	\$83,540	\$631,836
BCI cybercrime positions	3.00	677,355	162,621	839,976
BCI criminal investigator positions	3.00	677,355	162,674	840,029
State Crime Laboratory positions	<u>4.00</u>	<u>712,904</u>	<u>364,077</u>	<u>1,076,981</u>
Total	12.00	\$2,615,910	\$772,912	\$3,388,822

<sup>5</sup> Funding of \$840,029, including \$715,753 for salaries and wages and \$102,419 for related operating expenses, is added from the general fund for 3 FTE MFCU positions. In addition, funding for MFCU is adjusted by \$341,747 by reducing federal funds and increasing funding from the general fund to reflect a change in the federal-state cost-sharing of the program. Previously, the federal government provided funding for 90 percent of the costs of the MFCU program. The new federal funding rate is 75 percent.

<sup>6</sup> Funding of \$2,162,899 for 8 FTE positions for the State Fire Marshal is transferred from the Attorney General to the Insurance Commissioner. Funding removed in the Attorney General budget includes \$887,685 from the general fund, \$893,085 from the Attorney General operating fund, and \$382,129 from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Transfers \$537,297 from the Attorney General refund fund for prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item	\$0	\$0	\$0
Adds funding for salary equity increases from the Attorney General operating fund	0	22,368	22,368
Reduces funding for operating expenses from the Attorney General operating fund	0	(22,368)	(22,368)
Adjusts funding for Information Technology (IT) Division and Criminal Justice Information Sharing (CJIS) Division operating expenses by reducing funding from the Attorney General refund fund	856,262	(856,262)	0
Adds funding for the BCI, State Crime Laboratory, and Gaming Division inflationary increases, including funding from the charitable gaming operating fund	125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses, including funding from the charitable gaming operating fund	37,000	37,000	74,000
Adds funding for Information Technology Department rate increases	54,245	7,301	61,546
Adds funding to replace Attorney General IT servers	54,000	0	54,000
Reduces funding for bond payments for the State Crime Laboratory	<u>(318,055)</u>	<u>0</u>	<u>(318,055)</u>
Total	\$808,452	(\$791,961)	\$16,491

<sup>8</sup> Funding is added for software upgrades, maintenance, and subscription costs, as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for increased software maintenance and subscription costs	\$419,297	\$0	\$419,297
Adds federal funding for sexual assault kit tracking system software maintenance	0	180,000	180,000
Adds funding for the automated biometric identification system and data extraction software, of which \$144,000 is from federal funds	384,000	144,000	528,000
Adds funding for legal case search software, also known as Discovery software	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total	\$903,297	\$324,000	\$1,227,297

<sup>9</sup> Funding of \$259,708 is added from the general fund for a new Capitol space rent model.

<sup>10</sup> One-time funding of \$792,090 for operating expenses and capital assets for new FTE positions is added as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
FTE attorney positions operating expenses	\$12,520	\$0	\$12,520
FTE BCI cybercrime positions operating expenses (\$159,717) and capital assets (\$153,300)	313,017	0	313,017
FTE BCI criminal investigator positions operating expenses (\$57,642) and capital assets (\$153,300)	210,942	0	210,942
FTE MFCU positions operating expenses (\$18,173) and capital assets (\$51,100), of which \$51,955 is from federal funds	17,318	51,955	69,273
FTE State Crime Laboratory operating expenses	<u>186,338</u>	<u>0</u>	<u>186,338</u>
Total	\$740,135	\$51,955	\$792,090

<sup>11</sup> One-time funding of \$2,818,877 is added for capital assets, as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
State Crime Laboratory capital assets, including firearms and fingerprint software and testing equipment upgrades and the replacement of intoxilyzers. Of the total, \$754,677 is from federal funds.	\$886,000	\$754,677	\$1,640,677
Gaming Division and Consumer Protection and Antitrust Division vehicles and radios, of which \$51,100 is from the Attorney General refund fund and \$51,100 is from the charitable gaming operating fund	0	102,200	102,200
Gaming, licensing, and deposit software, including \$699,000 from the charitable gaming operating fund	177,000	699,000	876,000
Replacement of 10 undercover BCI vehicles	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total	\$1,263,000	\$1,555,877	\$2,818,877

<sup>12</sup> One-time funding of \$156,463 is added from the general fund for BCI, State Crime Laboratory, and Gaming Division inflationary increases.

<sup>13</sup> One-time funding of \$5,000,000 is added for the statewide litigation funding pool, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund.

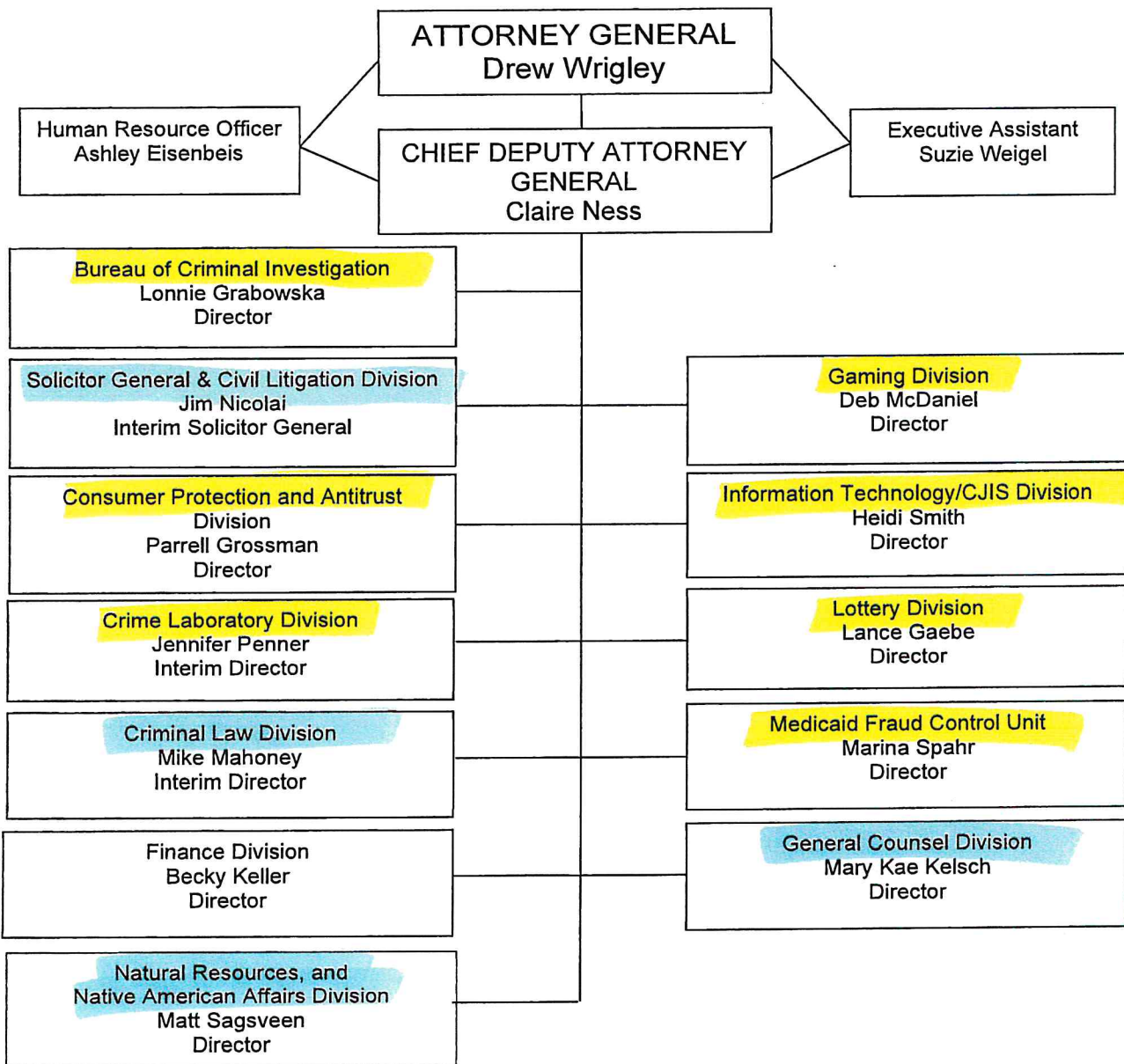
<sup>14</sup> One-time funding of \$3.9 million is added from the general fund for law enforcement grant programs, including \$3.5 million for a back the blue grant program and \$400,000 for a law enforcement resiliency grant program.

<sup>15</sup> One-time funding of \$250,000 is added from federal funds or other funds received during the 2023-25 biennium, the same amount provided for the 2017-19, 2019-21, and 2021-23 bienniums. This amount is appropriated in a separate section of the bill.

This amendment also adds sections to:

- Require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is from the gaming excise tax allocation fund.

- Identify \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.
- Identify \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its program.
- Identify \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its programs.
- Identify \$3.5 million appropriated from the general fund in the grants line item is for back the blue grants. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.
- Identify \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.
- Creates a new section to North Dakota Century Code Chapter 50-06 to create an opioid settlement fund and deposit money received by the state as a result of opioid litigation in the fund.
- Amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter. This change will reduce general fund revenue by \$400,000 for the 2023-25 biennium.
- Amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.
- Require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during.
- Authorize the Attorney General to contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.
- Allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming IT costs (\$50,000) into the 2023-25 biennium.
- Provide for a Legislative Management study of the services and needs of the State Crime Laboratory.



PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 1, line 1, after "general" insert "; to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to the creation of an opioid settlement fund; to amend and reenact sections 53-12.1-09 and 54-12-11 of the North Dakota Century Code, relating to transfers from the lottery operating fund to the multijurisdictional drug task force grant fund and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a report; and to provide for a legislative management study"

Page 1, remove lines 8 through 24

Page 2, replace lines 1 through 3 with:

"

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$50,832,646	\$5,642,965	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440	0	3,903,440
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	<u>3,048,927</u>	<u>4,145,778</u>	<u>7,194,705</u>
Total all funds	\$85,156,437	\$20,814,263	\$105,970,700
Less estimated income	<u>42,509,719</u>	<u>(125,870)</u>	<u>42,383,849</u>
Total general fund	\$42,646,718	\$20,940,133	\$63,586,851
Full-time equivalent positions	253.00	7.00	260.00"

Page 2, line 4, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, line 5, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 7 through 18 with:

"Criminal history improvement system	\$400,000	\$0
Automated biometric identification system	300,000	0
Charitable gaming technology system	475,000	0
Additional income	250,000	0
Missing persons database	300,000	0
Prosecuting case management system	1,000,000	0
Charitable gaming tax information technology costs	50,000	0

Capital assets	1,111,706	2,818,877
Statewide litigation funding pool	4,650,000	5,000,000
Staff operating and equipment costs	0	792,090
Inflationary increases	0	156,463
Back the blue grants	0	3,500,000
Law enforcement resiliency grants	<u>0</u>	<u>400,000</u>
Total all funds	\$8,536,706	\$12,667,430
Total other funds	<u>8,536,706</u>	<u>2,050,084</u>
Total general fund	\$0	\$10,617,346

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 4. TRANSFER - STATEWIDE LITIGATION FUNDING POOL TO STATE AGENCIES - ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND.** The statewide litigation funding pool line item in section 1 of this Act includes \$5,000,000, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund, which the attorney general shall transfer to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may not use funding from the litigation pool to pay judgments under section 32-12-04.

**SECTION 5. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.** The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION 6. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes \$1,111,480 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims and related administrative costs for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2023-24 interim on the status and results of the grant program.

**SECTION 7. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.** The forensic nurse examiners grants line item in section 1 of this Act includes \$252,872 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs and related administrative costs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

**SECTION 8. BACK THE BLUE GRANT PROGRAM - MATCHING REQUIREMENT - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item in section 1 of this Act includes \$3,500,000 from the general fund for the purpose of providing back the blue grants to assist local law enforcement agencies with workforce recruitment and retention, for the biennium beginning July 1, 2023, and ending June 30, 2025. Of the funding available under this program, \$1,500,000 is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity.

1. To be eligible for a grant under this section, a law enforcement agency must have incurred workforce recruitment and retention-related expenditures. Eligible expenditures include:
  - a. Bonuses paid to new and current law enforcement officers;
  - b. Tuition and fee payments made on behalf of law enforcement trainees; and
  - c. Costs to upgrade law enforcement equipment.
2. Law enforcement agencies seeking reimbursement for workforce recruitment and retention-related expenditures must submit a report of actual expenditures incurred to the attorney general with the grant application.
3. The attorney general:
  - a. May spend the funds for this program only to the extent the applicant has secured one dollar of matching funds from nonstate sources for every four dollars provided by the attorney general;
  - b. Shall reimburse each eligible applicant fifty percent of allowable expenditures;
  - c. May not award funding for this program to state or federal law enforcement entities; and
  - d. Shall report to the sixty-ninth legislative assembly regarding the number of grants awarded under this section.

**SECTION 9. LAW ENFORCEMENT RESILIENCY GRANT PROGRAM - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The law enforcement line item



in section 1 of this Act includes \$400,000 from the general fund for the purpose of providing law enforcement resiliency program grants, for the biennium beginning July 1, 2023, and ending June 30, 2025. Funding provided under this Act must be used to defray administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel. The attorney general shall establish guidelines to award funding under this section. Any organization that receives a grant under this section shall report to the attorney general and the attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs.

**SECTION 10.** A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

**Opioid settlement fund.**

There is created in the state treasury an opioid settlement fund. The fund consists of opioid litigation funds received by the state. Moneys received by the state as a result of opioid litigation must be deposited in the fund. Moneys in the fund may be used as authorized by legislative appropriation. The legislative assembly shall consult with the governor in determining the use of the moneys in the fund. As used in this section, "opioid litigation" means civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

**SECTION 11. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;

3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred ~~fifty~~ thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and
  - d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

**SECTION 12. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.**

The annual salary of the attorney general is one hundred ~~sixty-five~~seventy-five thousand ~~eight~~nine hundred ~~forty-five~~twenty-eight dollars through June 30, ~~2022~~2023, and one hundred ~~sixty-nine~~eighty-two thousand ~~one~~nine hundred ~~sixty-two~~sixty-five dollars thereafter.

**SECTION 13. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-eighth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the general fund for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 14. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 15. EXEMPTION - ATTORNEY GENERAL REFUND FUND.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2023.

**SECTION 16. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 17. EXEMPTION - CRIMINAL HISTORY IMPROVEMENT**

**PROJECT.** The amount of \$400,000 appropriated from the attorney general refund fund in the operating expenses line item for the criminal history improvement project in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the project during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 18. EXEMPTION - COVID-19 FUNDS - JUSTICE ASSISTANCE**

**GRANTS.** The amount of \$2,082,871 appropriated from federal funds derived from COVID-19 funds for justice assistance grants during the 2019-21 biennium in section 1 of chapter 27 and continued into the 2021-23 biennium in section 2 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 19. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.**

The amount of \$1,350,000 appropriated from federal funds derived from the state fiscal recovery fund, of which \$300,000 was for a missing persons database, \$1,000,000 was for the replacement of the prosecuting case management system, and \$50,000 was for charitable gaming information technology costs, in subsections 19, 20, and 42 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - STATE CRIME**

**LABORATORY.** During the 2023-24 interim, the legislative management shall study the services and needs of the North Dakota state crime laboratory, including staffing and equipment needs; the need for forensic scientists with training in firearms and fingerprint analysis; the feasibility and desirability of remodeling current state crime laboratory facilities, acquiring other vacant laboratory facilities in the state, and operating additional state crime laboratory facilities in the state; services the state crime laboratory should have the capability of providing to support law enforcement entities in the state; and whether the state crime laboratory should be administratively separate from the bureau of criminal investigation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$50,295,349	\$6,180,262	\$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440		3,903,440
Litigation fees	127,500		127,500
Medical examinations	660,000		660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500		8,500
Gaming commission	7,489		7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	3,048,927	4,145,778	7,194,705
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872

State Crime Laboratory salary equity	537,297	(537,297)	
Statewide litigation pool		5,000,000	5,000,000
Additional income		250,000	250,000
Total all funds	\$85,156,437	\$21,064,263	\$106,220,700
Less estimated income	42,509,719	124,130	42,633,849
General fund	\$42,646,718	\$20,940,133	\$63,586,851
FTE	253.00	7.00	260.00

**Department 125 - Attorney General - Detail of Senate Changes**

	Adds Funding for the Cost to Continue Salaries <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Funding for Prior Biennium Salary Equity Increases <sup>3</sup>	Adds Funding for FTE Positions <sup>4</sup>	Adds Funding for the Medicaid Fraud Control Unit <sup>5</sup>	Transfers the State Fire Marshal <sup>6</sup>
Salaries and wages	\$519,493	\$3,589,614		\$2,615,910	\$715,753	(\$1,797,805)
Operating expenses				772,912	102,419	(365,094)
Capital assets						
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	8,471	156,756				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		76,341				
Law enforcement	14,398	222,387				
Human trafficking victims grants	936	8,665				
Forensic nurse examiners grants	198	1,983				
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Total all funds	\$543,496	\$4,055,746	\$0	\$3,388,822	\$818,172	(\$2,162,899)
Less estimated income	151,470	1,548,160	(2,404,289)	0	271,880	(1,275,214)
General fund	\$392,026	\$2,507,586	\$2,404,289	\$3,388,822	\$546,292	(\$887,685)
FTE	0.00	0.00	0.00	12.00	3.00	(8.00)

	Adjusts Base Level Funding <sup>2</sup>	Adds Funding for Software Costs <sup>1</sup>	Adds Funding for the Capitol Rent Model <sup>1</sup>	Adds One-Time Funding for FTE Positions <sup>1a</sup>	Adds One-Time Funding for Capital Assets <sup>11</sup>	Adds One-Time Funding for Inflationary Increases <sup>12</sup>
Salaries and wages	\$537,297					
Operating expenses	258,439	\$831,700	\$259,708	\$434,390		\$156,463
Capital assets	(264,055)			357,700	\$2,818,877	
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	13,375					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(261)	395,597				
Law enforcement	8,993					
Human trafficking victims grants						
Forensic nurse examiners grants						
State Crime Laboratory salary equity	(537,297)					
Statewide litigation pool						
Additional income						
Total all funds	\$16,491	\$1,227,297	\$259,708	\$792,090	\$2,818,877	\$156,463
Less estimated income	(791,961)	324,000	0	51,955	1,555,877	0
General fund	\$808,452	\$903,297	\$259,708	\$740,135	\$1,263,000	\$156,463
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for the Litigation Funding Pool <sup>13</sup>	Adds One-Time Funding for Law Enforcement Grants <sup>14</sup>	Adds One-Time Funding for Additional Income <sup>15</sup>	Total Senate Changes
Salaries and wages				\$6,180,262
Operating expenses				2,450,937
Capital assets				2,912,522
Grants				
Litigation fees				
Medical examinations				
North Dakota lottery				178,602
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				471,677
Law enforcement		\$3,900,000		4,145,778
Human trafficking victims grants				9,601
Forensic nurse examiners grants				2,181
State Crime Laboratory salary equity				(537,297)
Statewide litigation pool	\$5,000,000			5,000,000
Additional income			\$250,000	250,000
Total all funds	\$5,000,000	\$3,900,000	\$250,000	\$21,064,263
Less estimated income	442,252	0	250,000	124,130
General fund	\$4,557,748	\$3,900,000	\$0	\$20,940,133
FTE	0.00	0.00	0.00	7.00

<sup>1</sup> Funding is added for the cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$1,778,318	\$1,083,827	\$2,862,145
Health insurance increase	729,268	464,333	1,193,601
Total	\$2,507,586	\$1,548,160	\$4,055,746

<sup>3</sup> Funding of \$2,404,289 is adjusted for prior biennium salary equity increases for Bureau of Criminal Investigation (BCI), Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory positions by reducing funding from the Attorney General refund fund and increasing funding from the general fund.

<sup>4</sup> Funding is added from the general fund for the following FTE positions:

	<u>FTE Positions</u>	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total</u>
Attorney positions	2.00	\$548,296	\$83,540	\$631,836
BCI cybercrime positions	3.00	677,355	162,621	839,976
BCI criminal investigator positions	3.00	677,355	162,674	840,029
State Crime Laboratory positions	<u>4.00</u>	<u>712,904</u>	<u>364,077</u>	<u>1,076,981</u>
Total	12.00	\$2,615,910	\$772,912	\$3,388,822

<sup>5</sup> Funding of \$840,029, including \$715,753 for salaries and wages and \$102,419 for related operating expenses, is added from the general fund for 3 FTE MFCU positions. In addition, funding for MFCU is adjusted by \$341,747 by reducing federal funds and increasing funding from the general fund to reflect a change in the federal-state cost-sharing of the program. Previously, the federal government provided funding for 90 percent of the costs of the MFCU program. The new federal funding rate is 75 percent.

<sup>6</sup> Funding of \$2,162,899 for 8 FTE positions for the State Fire Marshal is transferred from the Attorney General to the Insurance Commissioner. Funding removed in the Attorney General budget includes \$887,685 from the general fund, \$893,085 from the Attorney General operating fund, and \$382,129 from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Transfers \$537,297 from the Attorney General refund fund for prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item	\$0	\$0	\$0
Adds funding for salary equity increases from the Attorney General operating fund	0	22,368	22,368
Reduces funding for operating expenses from the Attorney General operating fund	0	(22,368)	(22,368)
Adjusts funding for Information Technology (IT) Division and Criminal Justice Information Sharing (CJIS) Division operating expenses by reducing funding from the Attorney General refund fund	856,262	(856,262)	0
Adds funding for the BCI, State Crime Laboratory, and Gaming Division inflationary increases, including funding from the charitable gaming operating fund	125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses, including funding from the charitable gaming operating fund	37,000	37,000	74,000
Adds funding for Information Technology Department rate increases	54,245	7,301	61,546
Adds funding to replace Attorney General IT servers	54,000	0	54,000
Reduces funding for bond payments for the State Crime Laboratory	<u>(318,055)</u>	<u>0</u>	<u>(318,055)</u>
Total	\$808,452	(\$791,961)	\$16,491

<sup>8</sup> Funding is added for software upgrades, maintenance, and subscription costs, as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for increased software maintenance and subscription costs	\$419,297	\$0	\$419,297
Adds federal funding for sexual assault kit tracking system software maintenance	0	180,000	180,000
Adds funding for the automated biometric identification system and data extraction software, of which \$144,000 is from federal funds	384,000	144,000	528,000
Adds funding for legal case search software, also known as Discovery software	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total	\$903,297	\$324,000	\$1,227,297

<sup>9</sup> Funding of \$259,708 is added from the general fund for a new Capitol space rent model.

<sup>10</sup> One-time funding of \$792,090 for operating expenses and capital assets for new FTE positions is added as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
FTE attorney positions operating expenses	\$12,520	\$0	\$12,520
FTE BCI cybercrime positions operating expenses (\$159,717) and capital assets (\$153,300)	313,017	0	313,017
FTE BCI criminal investigator positions operating expenses (\$57,642) and capital assets (\$153,300)	210,942	0	210,942
FTE MFCU positions operating expenses (\$18,173) and capital assets (\$51,100), of which \$51,955 is from federal funds	17,318	51,955	69,273
FTE State Crime Laboratory operating expenses	<u>186,338</u>	<u>0</u>	<u>186,338</u>
Total	\$740,135	\$51,955	\$792,090

<sup>11</sup> One-time funding of \$2,818,877 is added for capital assets, as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
State Crime Laboratory capital assets, including firearms and fingerprint software and testing equipment upgrades and the replacement of intoxilyzers. Of the total, \$754,677 is from federal funds.	\$886,000	\$754,677	\$1,640,677
Gaming Division and Consumer Protection and Antitrust Division vehicles and radios, of which \$51,100 is from the Attorney General refund fund and \$51,100 is from the charitable gaming operating fund	0	102,200	102,200
Gaming, licensing, and deposit software, including \$699,000 from the charitable gaming operating fund	177,000	699,000	876,000
Replacement of 10 undercover BCI vehicles	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total	\$1,263,000	\$1,555,877	\$2,818,877

<sup>12</sup> One-time funding of \$156,463 is added from the general fund for BCI, State Crime Laboratory, and Gaming Division inflationary increases.

<sup>13</sup> One-time funding of \$5,000,000 is added for the statewide litigation funding pool, of which \$4,557,748 is from the general fund and \$442,252 is from the gaming and excise tax allocation fund.

<sup>14</sup> One-time funding of \$3.9 million is added from the general fund for law enforcement grant programs, including \$3.5 million for a back the blue grant program and \$400,000 for a law enforcement resiliency grant program.

<sup>15</sup> One-time funding of \$250,000 is added from federal funds or other funds received during the 2023-25 biennium, the same amount provided for the 2017-19, 2019-21, and 2021-23 bienniums. This amount is appropriated in a separate section of the bill.

This amendment also adds sections to:

- Require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is from the gaming excise tax allocation fund.

- Identify \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.
- Identify \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its program.
- Identify \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69<sup>th</sup> Legislative Assembly on the use of the funds received and the outcomes of its programs.
- Identify \$3.5 million appropriated from the general fund in the grants line item is for back the blue grants. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.
- Identify \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.
- Creates a new section to North Dakota Century Code Chapter 50-06 to create an opioid settlement fund and deposit money received by the state as a result of opioid litigation in the fund.
- Amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter. This change will reduce general fund revenue by \$400,000 for the 2023-25 biennium.
- Amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.
- Require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during.
- Authorize the Attorney General to contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.
- Allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming IT costs (\$50,000) into the 2023-25 biennium.
- Provide for a Legislative Management study of the services and needs of the State Crime Laboratory.



## Prepared for the Senate Appropriations Committee

**Department 125 - Attorney General**  
**Senate Bill No. 2003**

**Executive Budget Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 Executive Budget	\$64,587,832	\$43,921,436	\$108,509,268
2023-25 Base Level	42,646,718	42,509,719	85,156,437
Increase (Decrease)	\$21,941,114	\$1,411,717	\$23,352,831

**Selected Budget Changes Recommended in the Executive Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Adds funding for state employee salary and benefit increases of which \$3,800,196 is for salary increases and \$1,207,912 is for health insurance increases	\$3,033,536	\$1,974,572	\$5,008,108
2. Adjusts funding for prior biennium Bureau of Criminal Investigation (BCI), Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory salary equity increases from the Attorney General refund fund to the general fund	\$2,404,289	(\$2,404,289)	\$0
3. Adds funding for 2 FTE attorney positions, of which \$548,296 is for salaries and wages, \$83,540 is for ongoing operating expenses, and \$12,520 is for <b>one-time</b> operating expenses	\$644,356	\$0	\$644,356
4. Adds funding for 2 FTE BCI cybercrime positions, of which \$451,570 is for salaries and wages and \$108,421 is for ongoing operating expenses. The remaining \$185,999 is for <b>one-time</b> operating expenses (\$83,799) and capital assets (\$102,200).	\$745,990	\$0	\$745,990
5. Adds funding for 2 FTE MFCU positions, of which \$508,361 is for salaries and wages and \$91,092 is for ongoing operating expenses. The remaining \$69,273 is for <b>one-time</b> operating expenses (\$18,173) and capital assets (\$51,100). Of the total, \$501,543 is from federal funds, of which \$449,588 is ongoing funding and \$51,955 is <b>one-time funding</b> .	\$167,183	\$501,543	\$668,726
6. Adds funding for 4 FTE State Crime Laboratory positions, of which \$712,904 is for salaries and wages, \$120,365 is for ongoing operating expenses, and \$243,712 is for an ongoing increase in maintenance contracts for equipment. The remaining \$186,338 is for <b>one-time</b> operating expenses.	\$1,263,319	\$0	\$1,263,319
7. Adjusts funding for MFCU salaries and operating expenses by \$341,747 from federal funds to the general fund and for Information Technology Division and Criminal Justice Information System (CJIS) operating expenses by \$856,262 from the Attorney General refund fund to the general fund	\$1,198,009	(\$1,198,009)	\$0
8. Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases, of which \$145,000 is ongoing funding from the general fund (\$125,000) and charitable gaming operating fund (\$20,000) and \$156,463 is <b>one-time funding</b> from the general fund	\$281,463	\$20,000	\$301,463
9. Adds <b>one-time funding</b> for State Crime Laboratory capital assets, including \$754,677 from federal funds	\$886,000	\$754,677	\$1,640,677
10. Adds <b>one-time funding</b> for gaming and consumer protection investigator vehicles and radios (\$102,200), of which \$51,100 is from the Attorney General refund fund and \$51,100 is from the charitable gaming operating fund, and gaming, licensing, and deposit software (\$876,000), of which \$177,000 is from the general fund and \$699,000 is from the charitable gaming operating fund	\$177,000	\$801,200	\$978,200
11. Adds <b>one-time funding</b> to replace 10 undercover BCI vehicles	\$200,000	\$0	\$200,000
12. Adds <b>one-time funding</b> for the statewide litigation funding pool, including \$442,252 of funding remaining in the gaming and excise tax allocation fund	\$4,557,748	\$442,252	\$5,000,000
13. Adds <b>one-time funding</b> for back the blue grants	\$5,000,000	\$0	\$5,000,000

January 10, 2023

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

### **Selected Bill Sections Recommended in the Executive Budget**

**Exemption - Attorney General refund fund** - Section 4 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

**Appropriation - Transfer - Attorney General refund fund to Department of Health and Human Services - Opioid addiction prevention and treatment program** - Section 5 would authorize the Office of Management and Budget to transfer up to \$30 million from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund to the Department of Health and Human Services (DHHS), which is appropriated to DHHS for an opioid addiction prevention and treatment program. The funding is considered a one-time funding item.

**Transfer - Statewide litigation funding pool to state agencies** - Section 6 would require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item in Section 1 to eligible state agencies for litigation expenses during the 2023-25 biennium.

**Appropriation - Additional federal funds or other funds** - Section 8 would appropriate \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

**Amendment - Lottery fund transfers** - Section 13 would amend North Dakota Century Code Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

**Exemption - Concealed weapon rewrite project** - Section 15 would allow the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

**Exemption - Criminal history improvement project** - Section 16 would allow the Attorney General to continue any remaining funding appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

**Exemption - Coronavirus emergency supplemental funding** - Section 17 would allow the Attorney General to continue any remaining funding appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

**Exemption - Federal State Fiscal Recovery Fund** - Section 18 would allow the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database, the replacement of the prosecuting case management system, and charitable gaming information technology costs into the 2023-25 biennium.

### **Continuing Appropriations**

**Assets forfeiture fund** - Section 54-12-14 - To pay costs related to law enforcement activities of the Attorney General's office.

**Lottery operating fund** - Section 53-12.1-09 - To pay costs of operating the lottery.

**Refund fund** - Section 54-12-18 - To pay costs of the Consumer Protection and Antitrust Division and the Gaming Division.

**Special operations team reimbursement fund** - Section 54-12-23 - To reimburse city and county governments that provide special operations team services to rural areas.

**24/7 sobriety program fund** - Section 54-12-29 - To pay costs of administering and operating the 24/7 sobriety program.

**Multijurisdictional drug task force fund** - Section 54-12-26 - To provide support for the narcotics enforcement efforts of the state.

### **Deficiency Appropriations**

**Prosecution witness fees** - The executive budget includes a recommendation to provide a \$75,000 general fund deficiency appropriation to the Attorney General for prosecution witness fee reimbursements to counties during the 2021-23 biennium.

### **Significant Audit Findings**

**Operational audit** - The operational audit of the Attorney General conducted by the State Auditor's office for the period ending June 30, 2020, identified one finding related to breath alcohol toxicology results. The State Auditor reviewed if toxicology results were accurate and performed by certified operators. The audit revealed the breath alcohol toxicology results were performed by certified operators but 34 of 8,925 tests performed during the audit period were performed using expired or unapproved gas standard canisters, resulting in potentially invalid tests. The State Auditor recommended either the Director of the State Crime Laboratory direct field inspectors to ensure gas canisters are approved and replaced prior to the expiration dates or the Attorney General establish other measures to prevent unapproved or expired gas canisters from being used to perform breath alcohol tests.

The Attorney General disagreed with the audit finding and recommendation. The Attorney General stated corrective actions related to field inspectors ensuring gas canisters are approved and replaced prior to the expiration dates were implemented in prior years.

In Section 4 of House Bill No. 1003 (2021), the Legislative Assembly appropriated \$100,000 from federal funds to the Attorney General for the replacement of 61 of 119 drug analyzers. The funding was to replace Intoxilyzer 8000 models with Intoxilyzer 9000 models that will prevent unapproved or expired gas canisters from being used. The Attorney General reported there may be a request during the 2023 legislative session for funding to replace the remaining 58 Intoxilyzer 8000s.

**Investigative report on lease property** - In response to a June 2022 request from the Legislative Audit and Fiscal Review Committee, the State Auditor issued an investigative report in September 2022 related to a 10-year lease agreement and remodel costs of a facility leased by the Attorney General's office. The State Auditor was asked to investigate the lease and excess costs of approximately \$1.74 million for renovations to the leased facility.

The investigation included a review of the lease entered by the Attorney General for the property located at 1720 Burlington Drive in Bismarck; interviews with representatives of the Attorney General's office, the Office of Management and Budget, Stealth Properties, Parkway Property Management, and Frontier Contracting, LLC; a review of emails made available by each interested party; and other records, including floor plans, invoices, and banking information.

The investigation revealed:

- Attorney General division directors were not consulted in the initial plans to relocate staff to the Burlington Drive facility, resulting in numerous remodeling changes necessary to accommodate staff which increased the cost to the Attorney General.
- The total cost to the Attorney General's office to relocate to the Burlington Drive facility was \$2.4 million. Of the total, \$1.74 million is considered excess costs to renovate and relocate to the facility. Of the \$1.74 million, \$1.34 million was paid by the Attorney General at the end of the 2019-21 biennium from existing funds remaining in the agency's operating expenses (\$470,187), law enforcement (\$197,900), CJIS (\$325,876), and North Dakota Lottery (\$348,247) line items. The remaining \$400,000 has been included in the ongoing lease cost beginning in the 2021-23 biennium.
- The Burlington Drive facility contains 2,600 fewer square feet than facilities the Attorney General leased before relocating.
- Invoices from Frontier Contracting, LLC included building maintenance-related services that appear to be the landlord's responsibility.
- Invoices from Frontier Contracting, LLC were for services that had occurred more than a year prior to the issuance of the invoice and the invoices lacked detail regarding the services performed.
- Parkway Property Management does not have invoices to support renovation costs. The State Auditor considers these questioned costs.
- After the emails of Attorney General Wayne Stenehjem were deleted in January 2021, the Information Technology Department indicated the emails could not be recovered. Information from Microsoft indicated data from the emails may not be completely lost.

### **Major Related Legislation**

**House Bill No. 1114** - This bill amends Section 53-06.1-11.2 related to funding in the charitable gaming operating fund in excess of funding appropriated from the fund for the subsequent biennium being transferred to the general fund and provides the Attorney General a continuing appropriation for the \$10,000 transferred from the charitable gaming operating fund to the gambling disorder prevention and treatment fund each quarter.

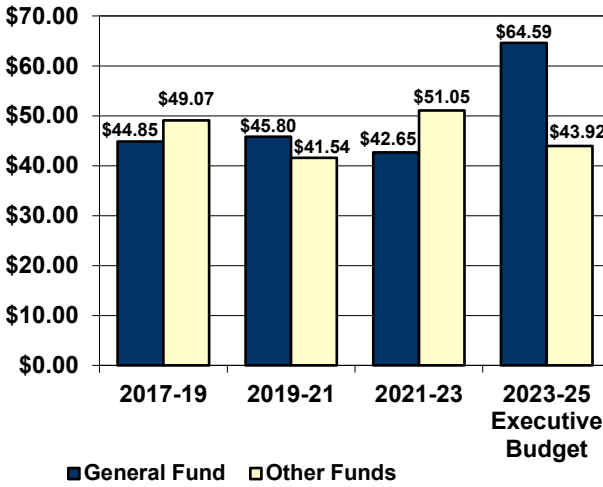
**Senate Bill No. 2131** - This bill amends Section 54-12-24 to remove the requirement for the State Crime Laboratory and BCI to be administered separately.

**Senate Concurrent Resolution No. 3002** - This resolution authorizes sports betting and allows for the licensing and regulation of sports betting by the state.

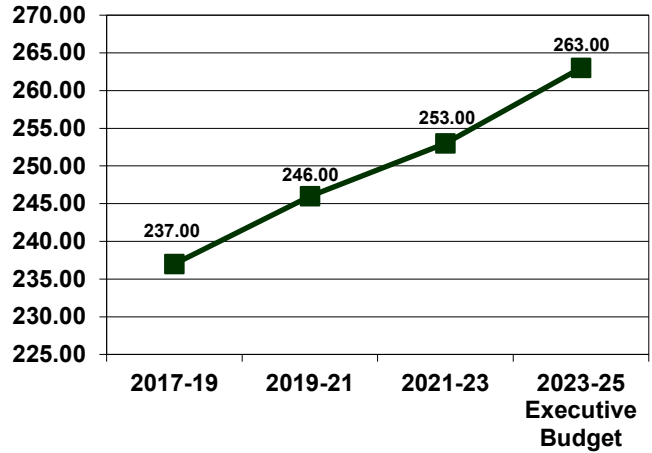
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$48,466,861	\$44,695,840	\$45,604,596	\$42,646,718	\$53,208,446
Increase (decrease) from previous biennium	N/A	(\$3,771,021)	\$908,756	(\$2,957,878)	\$10,561,728
Percentage increase (decrease) from previous biennium	N/A	(7.8%)	2.0%	(6.5%)	24.8%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(7.8%)	(5.9%)	(12.0%)	9.8%

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

#### 2017-19 Biennium

1. Removed 13 FTE undesignated positions (\$130,782)
2. Reduced salaries and wages in anticipation of savings from vacant positions and employee turnover (\$929,297)
3. Changed funding source for 8 FTE positions from the general fund to federal and other funds (\$1,120,322)
4. Reduced funding for CJIS to provide total funding of \$3,391,562 (\$188,741)
5. Reduced funding for law enforcement programs (\$219,348)
6. Added funding to provide grants to organizations involved in providing prevention and treatment services related to human trafficking victims \$125,000

#### 2019-21 Biennium

1. Removed 4 FTE positions, including 1 paralegal position, 1 criminal records specialist II position, 1 assistant attorney general position, and 1 administrative assistant II position (\$641,089)
2. Added 1 FTE forensic scientist position \$224,500
3. Transferred 2 FTE CJIS positions, including \$372,555 of salaries and wages and \$9,388 of operating expenses from the Adjutant General - Department of Emergency Services to BCI. The total amount transferred was \$381,943, including \$111,766 from other funds. \$270,177
4. Added funding for the human trafficking victims grants program to provide total funding of \$1.4 million from the general fund \$1,275,000
5. Added funding for a forensic nurse examiners grant program \$250,000

**2021-23 Biennium**

- 1. Added funding for a State Crime Laboratory data scientist position, of which \$200,162 is for salaries and wages and \$42,570 is for operating expenses \$242,732
- 2. Reduced funding for temporary salaries, including \$146,009 for IT temporary salaries and \$100,000 for agencywide temporary salaries (\$246,009)
- 3. Adjusted funding for the Gaming Division from the general fund to the charitable gaming operating fund to provide total funding of \$5,926,068 from the charitable gaming operating fund for the Gaming Division, of which \$4,125,469 is for salaries and wages, \$1,043,110 is for operating expenses, \$750,000 is for grants to political subdivisions, and \$7,489 is for Gaming Commission expenses (\$1,710,042)
- 4. Adjusted funding for operating expenses, including general fund decreases primarily for IT contractual services and repairs, IT software and supplies, travel, operating fees, rent, and increases from the Attorney General operating fund (\$185,464) and Attorney General refund fund (\$584,373) primarily for IT software, IT supplies, and IT contractual services and repairs (\$1,699,628)
- 5. Reduced funding for human trafficking victims grants to provide a total of \$1,101,879 from the general fund, of which \$1,100,000 is for grants and \$1,879 is for administration of the program (\$300,000)
- 6. Added funding for CJIS, for a common statute tables project (\$40,000), CJIS portal upgrades (\$75,000), broker maintenance costs (\$50,000), and law enforcement records and jail management system maintenance (\$217,662) \$382,662
- 7. Adjusted funding for CJIS IT expenses from the general fund to the Attorney General refund fund to provide total CJIS funding of \$4,074,968, of which \$2,952,761 is from the general fund, \$650,000 is from federal funds, and \$472,207 is from the Attorney General refund fund (\$271,889)
- 8. Adjusted funding from the general fund to the Attorney General refund fund for law enforcement operating expenses, of which \$279,850 relates to BCI, \$34,377 relates to the State Crime Laboratory, and \$26,133 are administrative law enforcement operating expenses. Total funding in the law enforcement line item is \$3,048,927, of which \$2,475,393 is from the general fund, \$229,796 is from federal funds, and \$343,738 is from the Attorney General refund fund. (\$340,360)

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. Adjusts funding for prior biennium BCI, MFCU, and State Crime Laboratory salary equity increases from the Attorney General refund fund to the general fund \$2,404,289
- 2. Adds funding for 2 FTE attorney positions, of which \$548,296 is for salaries and wages and \$83,540 is for operating expenses \$631,836
- 3. Adds funding for 2 FTE BCI cybercrime positions, of which \$451,570 is for salaries and wages and \$108,421 is for operating expenses \$559,991
- 4. Adds funding for 4 FTE State Crime Laboratory positions, of which \$712,904 is for salaries and wages, \$120,365 is for operating expenses, and \$243,712 is for an increase in maintenance contracts for equipment \$1,076,981
- 5. Adjusts funding for MFCU salaries and operating expenses by \$341,747 from federal funds to the general fund and for Information Technology Division and CJIS operating expenses by \$856,262 from the Attorney General refund fund to the general fund \$1,198,009

**One-Time General Fund Appropriations**

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$3,282,824	\$150,000	\$200,000	\$0	\$11,379,386

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

- 1. Prosecution witness fees \$50,000
- 2. DOS-based deposit system rewrite \$100,000

**2019-21 Biennium**

- 1. Undercover vehicles \$200,000

**2021-23 Biennium**

- None \$0

**2023-25 Biennium (Executive Budget Recommendation)**

1. State Crime Laboratory capital assets	\$886,000
2. Replacement of 10 undercover BCI vehicles	\$200,000
3. Statewide litigation funding pool	\$4,557,748
4. Back the blue grants	\$5,000,000

**Attorney General - Budget No. 125**  
**Senate Bill No. 2003**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2023-25 Biennium Base Level</b>	253.00	\$42,646,718	\$42,509,719	\$85,156,437
<b>2023-25 Ongoing Funding Changes</b>				
Adds funding for the cost to continue salary increases		\$392,026	\$151,470	\$543,496
Salary increase		2,297,062	1,503,134	3,800,196
Health insurance increase		736,474	471,438	1,207,912
Retirement contribution increase				0
Adds funding for salary equity increases			22,368	22,368
Adjusts funding for prior biennium BCI, MFCU, and State Crime Laboratory salary equity increases		2,404,289	(2,404,289)	0
Adds funding for FTE attorney positions	2.00	631,836		631,836
Adds funding for FTE BCI cybercrime positions	2.00	559,991		559,991
Adds funding for FTE MFCU positions	2.00	149,865	449,588	599,453
Adjusts funding for the MFCU		341,747	(341,747)	0
Adds funding for FTE State Crime Laboratory positions	4.00	1,076,981		1,076,981
Reduces funding for operating expenses			(22,368)	(22,368)
Adjusts funding for IT Division and CJIS operating expenses		856,262	(856,262)	0
Adds funding for IT rate increases		54,245	7,301	61,546
Adds funding for increased software maintenance and subscription costs		419,297		419,297
Adds funding for sexual assault kit tracking system software maintenance			180,000	180,000
Adds funding for the automated biometric identification system and data extraction software		384,000	144,000	528,000
Adds funding for legal case search software		100,000		100,000
Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses		37,000	37,000	74,000
Adds funding for a new Capitol space rent model		259,708		259,708
Reduces funding for bond payments		(318,055)		(318,055)
Adds funding to replace IT servers		54,000		54,000
Total ongoing funding changes	10.00	\$10,561,728	(\$638,367)	\$9,923,361
<b>One-Time Funding Items</b>				
Adds one-time funding for FTE attorney position operating expenses		\$12,520		\$12,520
Adds one-time funding for BCI cybercrime operating and capital assets		185,999		185,999
Adds one-time funding for MFCU operating and capital assets		17,318	\$51,955	69,273
Adds one-time funding for State Crime Laboratory operating expenses		186,338		186,338
Adds one-time funding for State Crime Laboratory capital assets		886,000	754,677	1,640,677
Adds one-time funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		156,463		156,463
Adds one-time funding for gaming and consumer protection investigator vehicles and radios			102,200	102,200
Adds one-time funding for gaming, licensing, and deposit software		177,000	699,000	876,000
Adds one-time funding to replace undercover BCI vehicles		200,000		200,000
Adds one-time funding for the statewide litigation funding pool		4,557,748	442,252	5,000,000
Adds one-time funding for back the blue grants		5,000,000		5,000,000
Total one-time funding changes	0.00	\$11,379,386	\$2,050,084	\$13,429,470
<b>Total Changes to Base Level Funding</b>	10.00	\$21,941,114	\$1,411,717	\$23,352,831
<b>2023-25 Total Funding</b>	263.00	\$64,587,832	\$43,921,436	\$108,509,268
<i>Federal funds included in other funds</i>			\$14,569,773	
<i>Total ongoing changes as a percentage of base level</i>	4.0%	24.8%	(1.5%)	11.7%
<i>Total changes as a percentage of base level</i>	4.0%	51.4%	3.3%	27.4%

**Other Sections in Attorney General - Budget No. 125**

	<b>Executive Budget Recommendation</b>
Attorney General salary	Section 3 would amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$179,312 effective July 1, 2023, and \$186,484 effective July 1, 2024, to reflect the 6 percent and 4 percent annual recommended salary increases.
Exemption - Attorney General refund fund	Section 4 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.
Appropriation - Transfer - Attorney General refund fund to Department of Health and Human Services - Opioid addiction prevention and treatment program - One-time funding	Section 5 would authorize the Office of Management and Budget to transfer up to \$30 million from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund to DHHS, which is appropriated to DHHS for an opioid addiction prevention and treatment program. The Attorney General is required to notify the Legislative Council and Office of Management and Budget of any lawsuit settlement proceeds that become available for transfer to DHHS for the program. The funding is considered a one-time funding item.

**Other Sections in Attorney General - Budget No. 125**

Transfer - Statewide litigation funding pool to state agencies

Transfer - Statewide litigation funding pool to state agencies - Gaming and excise tax allocation fund - One-time funding

Appropriation - Additional federal funds or other funds

Criminal history record checks - Fees

Estimated income - Charitable gaming technology system - Charitable gaming operating fund

Human trafficking victims grant program - Requirements - Reports

Forensic nurse examiners grant program - Reports

Amendment - Lottery fund transfers

Exemption - Contingent fee arrangement

Exemption - Concealed weapon rewrite project

Exemption - Criminal history improvement project

Exemption - Coronavirus emergency supplemental funding

**Executive Budget Recommendation**

Section 6 would require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item in Section 1 to eligible state agencies for litigation expenses during the 2023-25 biennium.

Section 7 would identify \$442,252 appropriated in the estimated income line item in Section 1 for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund, which the Attorney General shall transfer to eligible state agencies for litigation expenses during the 2023-25 biennium.

Section 8 would appropriate \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

Section 9 would require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Section 10 would identify \$736,000 appropriated in the estimated income line item in Section 1 is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.

Section 11 would identify \$1,102,815 appropriated from the general fund in Section 1 is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General would be allowed to provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.

Section 12 would identify \$250,889 appropriated from the general fund in Section 1 is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Section 13 would amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Section 14 would provide, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multi-state technology litigation, during the period beginning with the effective date of this Act and ending June 30, 2025.

Section 15 would allow the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Section 16 would allow the Attorney General to continue any remaining funding of \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Section 17 would allow the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.



**Other Sections in Attorney General - Budget No. 125**

Exemption - Federal State Fiscal Recovery Fund

**Executive Budget Recommendation**

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Section 18 would allow the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

**SENATE BILL NO. 2003  
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the attorney general; to provide exemptions; to provide a transfer; to amend and reenact section 54-12-11 of the North Dakota Century Code, relating to the salary of the attorney general; to amend section 53-12.1-09 of the North Dakota Century Code, relating to the transfer of proceeds.

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

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$50,832,646	\$7,181,207	\$58,013,853
Operating Expenses	15,237,498	2,454,270	17,691,768
Capital Assets	648,055	2,708,122	3,356,177
Grants	3,903,440	0	3,903,440
Human Trafficking Victims Grants	1,101,879	11,339	1,113,218
Forensic Nurse Examiner Grants	250,691	2,579	253,270
Litigation Fees	127,500	0	127,500
Statewide Litigation Pool	0	5,000,000	5,000,000
Medical Examinations	660,000	0	660,000
North Dakota Lottery	5,254,844	212,342	5,467,186
Arrest and Return of Fugitives	8,500	0	8,500
Gaming Commission	7,489	0	7,489
Criminal Justice Info Sharing	4,074,968	488,971	4,563,939
Law Enforcement	<u>3,048,927</u>	<u>5,294,001</u>	<u>8,342,928</u>
Total All Funds	\$85,156,437	\$23,352,831	\$108,509,268
Less Estimated Income	<u>42,509,719</u>	<u>1,411,718</u>	<u>43,921,436</u>
Total General Fund	\$42,646,718	\$21,941,113	\$64,587,832
Full-time Equivalent Positions	253.00	10.00	263.00

**SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Crime Lab Equipment	\$1,111,706	\$ 1,640,677
IT Projects	1,175,000	0
Federal Authority	250,000	0
Undercover Vehicle Replacement	0	200,000
Charitable Gaming Technology	0	876,000
Operating for New FTE	0	351,931
Vehicles for New Agents	0	204,400
Inflationary Increase	0	156,463
Back the Blue Grant	0	5,000,000
Statewide Litigation Pool	<u>4,650,000</u>	<u>5,000,000</u>
Total All Funds	\$3,167,956	\$13,429,471
Total Special Funds	<u>2,967,956</u>	<u>2,050,084</u>
Total General Fund	\$ 200,000	\$11,379,387

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 3. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.** The annual salary of the attorney general is ~~one hundred sixty-five thousand eight hundred forty five dollars through June 30, 2022~~ one hundred seventy-nine thousand three hundred twelve dollars through June 30, 2024, and one hundred sixty-nine thousand one hundred sixty-two dollars one hundred eighty-six thousand four hundred eighty-four dollars thereafter.

**SECTION 4. ATTORNEY GENERAL REFUND TRANSFER TO THE GENERAL FUND - EXEMPTION.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2023.

**SECTION 5. TRANSFER - LAWSUIT SETTLEMENT PROCEEDS - OPIOID ADDICTION PREVENTION AND TREATMENT PROGRAM - APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - ONE-TIME FUNDING - REPORT.** The office of management and budget shall transfer up to \$30,000,000 from opioid-related lawsuit settlement proceeds deposited in the attorney general refund fund to the department of health and human services which is appropriated to the department of health and human services for the purpose of defraying the expenses of an opioid addiction prevention and treatment program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of health and human services shall consult with the attorney general on the use of funding for the program. The attorney general shall notify the legislative council and office of management and budget of any lawsuit settlement proceeds that become available for transfer to the department of health and human services for this program. This funding is considered a one-time funding item.

**SECTION 6. TRANSFER – LITIGATION POOL TO STATE AGENCIES.** The attorney general shall transfer funds from the statewide litigation pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023 and ending June 30, 2025. The attorney general may not use funding from the litigation pool to pay judgments under section 32-12-04.

**SECTION 7. GAMING AND EXCISE TAX ALLOCATION FUND - TRANSFER - ONE-TIME FUNDING.** The statewide litigation funding pool line item in section 1 of this Act includes \$442,252 from the gaming and excise tax allocation fund, which the attorney general shall transfer to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023, and ending June 30, 2025. This funding is considered a one-time funding item.

**SECTION 8. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2023 and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 9. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-sixth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 10. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.** The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION 11. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes \$1,102,815 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the biennium beginning July 1, 2023 and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its program.

**SECTION 12. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.** The forensic nurse examiners grants line item in section 1 of this Act includes \$250,889 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims, which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

**SECTION 13. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;
3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred fifty thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and

- d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

**SECTION 14. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the period beginning with the effective date of this Act and ending June 30, 2025.

**SECTION 15. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 16. EXEMPTION – CRIMINAL HISTORY IMPROVEMENT PROJECT.** The amount appropriated to the attorney general from the attorney general refund fund for a criminal history improvement project as contained in section 1 of chapter 3 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the criminal history improvement project, during the biennium beginning July 1, 2023, and ending June 30, 2025

**SECTION 17. EXEMPTION – CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING.** The amount appropriated to the attorney general from federal funds for coronavirus emergency supplemental funding, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 18. EXEMPTION – STATE FISCAL RECOVERY FUND.** The amount appropriated to the attorney general from federal funds for state fiscal recovery funding, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general during the biennium beginning July 1, 2023, and ending June 30, 2025.

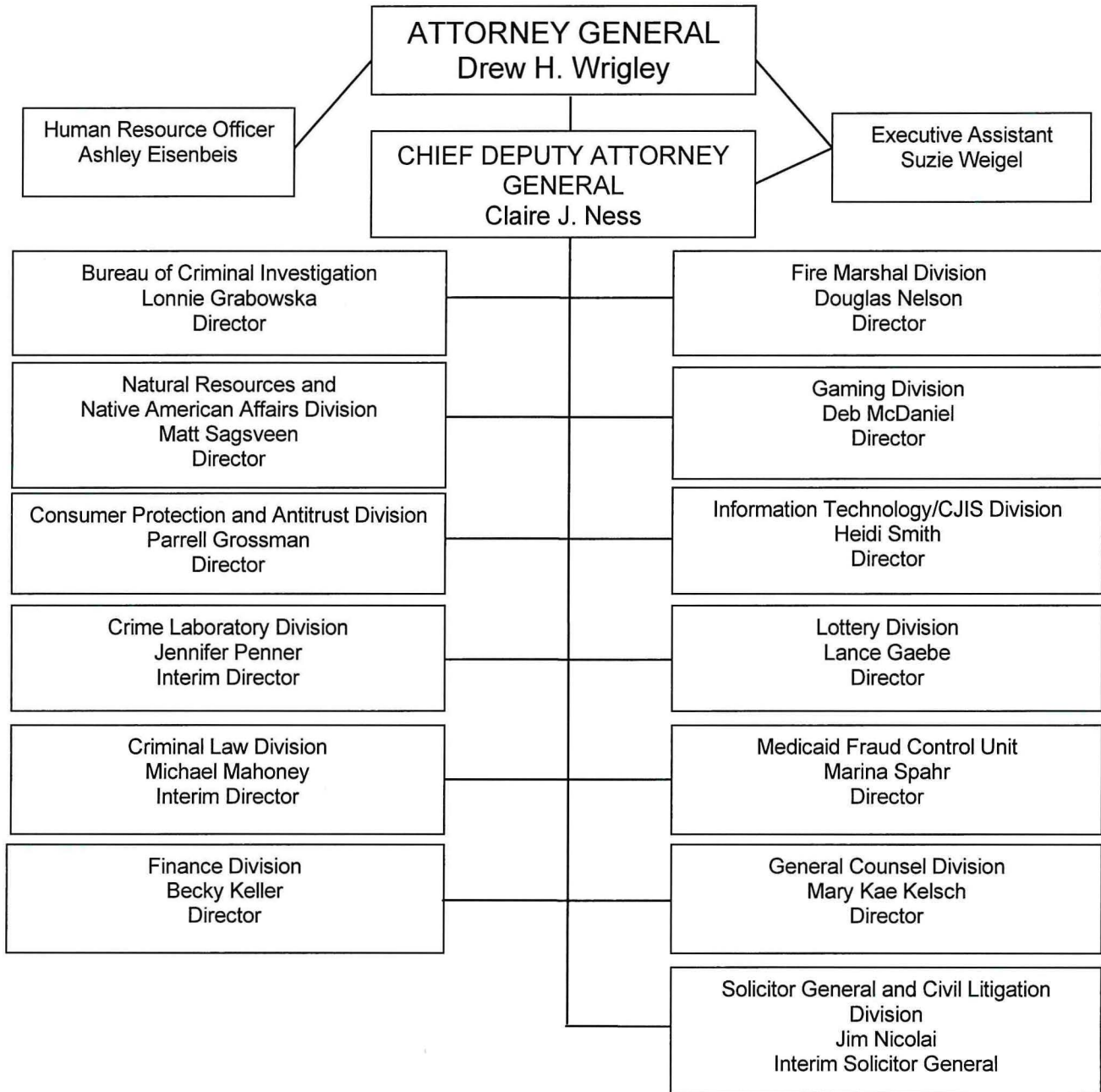
Office of the Attorney General

Supplemental Information for the  
Presentation to the House Appropriations  
Committee

March 6, 2023

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NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL  
February 2023



### BCI Statistics

Number of Cases for BCI Agents 2017-2022: **4,758 Total Cases**  
2,512 Criminal Cases  
2,117 Narcotics Cases  
129 Other Cases

During 2017-2022, each agent had up to 48 cases per year. Numbers of cases per agent vary by complexity and other factors.



**Cyber Crime Agent FTEs and Modular Walls for Lab Space**  
**Requests No. 4a and 21**

Cyber crime agents investigate child pornography, child sexual abuse, narcotics trafficking, and other crimes involving digital devices and data.

Current number of cyber crime agents: **5 agents + 1 supervisory special agent**

Number of forensic examinations conducted by cyber crime agents in 2021: **899 forensic examinations**  
**(approximately 180 per agent)**

Amount of data reviewed in those examinations: **217,554 gigabytes**  
**(equivalent to approximately 3,352 cell phones)**

Number of cases cyber crime agents assisted in 2021: **429 cases**  
**(approximately 86 per agent)**

The number of cyber crime tips just from the National Center for Missing and Exploited Children (NCMEC) **increased more than 545% in the past 6 years.**

Number of NCMEC tips to NDBCI in 2016: **166**  
Number of NCMEC tips to NDBCI in 2022: **1,071**

Cybercrime agents in Fargo currently have work stations for 2.0 FTEs. With the addition of new FTEs, BCI is requesting **\$75,000 to acquire modular walls** to reorganize the current space into a sufficient number of workstations.

**MAFIN, GrayKey, and Cellebrite**  
**Request No. 12**

BCI agents require these tools to identify fingerprints (for background checks or otherwise) and to access digital evidence of child pornography, child sexual abuse, narcotics trafficking, and other crimes.

Annual MAFIN maintenance costs:	\$92,000
Annual GrayKey costs:	\$102,000
Annual Cellebrite costs:	+ <u>\$72,000</u>
<b>Total annual costs</b>	<b><u>\$266,000</u></b>

Civil Litigation and General Counsel Assistant Attorneys General FTEs  
Request No. 3

Based on data accessible to our office<sup>1</sup>:

Amount spent by <u>some</u> state entities <sup>2</sup> on private attorneys (July 2015-July 2022):	at least \$74,418,184
Average amount spent by those entities on private attorneys <u>per biennium</u> :	at least \$21,262,338 per biennium
Amount spent by all other state agencies, boards, and commissions on private attorneys:	Unknown

To reduce those expenditures, this office is requesting:

2.0 Civil Litigation attorneys:	\$644,356
2.0 General Counsel attorneys:	+ \$558,014
	\$1,202,370 per biennium for 4.0 attorneys

<sup>1</sup> The data obtained by the Office of Attorney General may not represent the total costs of private attorneys contracted by the subset of state entities for which we have data.

<sup>2</sup> The state agencies included in the analysis include: Office of Management and Budget, Governor’s Office, Department of Transportation, Information Technology Department, Secretary of State’s Office, Auditor’s Office, Tax Department, Office of Administrative Hearings, Legal Counsel for Indigents, Attorney General’s Office, Retirement Investment Office, Public Employees Retirement System, Department of Public Instruction, Trust Lands Department, School for the Deaf, School for the Blind, Department of Health, Department of Environmental Quality, Department of Human Services, Veterans’ Home, Job Service, Insurance Commissioner’s Office, Industrial Commission, Department of Labor, Public Service Commission, Aeronautics Commission, Department of Financial Institutions, Workforce Safety Insurance, Highway Patrol, Department of Corrections and Rehabilitation, Adjutant General, Department of Commerce, Agriculture Department, Ethanol Council, State Water Commission, and others.

**Civil Litigation and General Counsel Assistant Attorneys General FTEs**  
**Request No. 3**

OAG attorneys are paid less than other government attorneys and are unable to use their annual leave and comp time.

- Legal experience required to earn \$85,000 as an Assistant State’s Attorney: **2 years**<sup>1</sup>
  - Legal experience required to earn \$90,699 as a McKenzie County Assistant State’s Attorney: **0 years**<sup>2</sup>
- Legal experience required to earn \$87,648.00 as a staff attorney for the ND court system: **2 years**<sup>3</sup>
- Legal experience required to earn \$85,000 as an Assistant Attorney General: **11 years**<sup>4</sup>
  
- A junior Assistant Attorney General accepted a position at another state agency that pays him \$30,000 more per year.
  - Instead of providing legal services to several state entities, he now provides legal services to 1 state entity.
  
- 7 current OAG Civil Litigation attorneys: **1530.20 hours of unused leave**
  - 1324.13 hours of Annual Leave
  - 206.07 hours of Comp Time
  
- 12 current OAG General Counsel attorneys: **2158.73 hours of unused leave**
  - 2013.40 hours of Annual Leave
  - 145.33 hours of Comp Time

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<sup>1</sup> Recent State’s Attorneys’ job postings advertise salaries of \$85,000-100,000 for new Assistant State’s Attorneys with as little as 2 years’ legal experience.

<sup>2</sup> This is based on a current job posting advertising a salary between \$90,699 and \$105,729.

<sup>3</sup> This is based on a January 2023 job posting.

<sup>4</sup> This is based on the pre-existing pay scale for our base budget which factors in only the number of years an AAG has had a license to practice law.

**Cost Office of the Attorney General Legal Services**  
**Request No. 3**

The Office of the Attorney General charges:

- Typically, \$0/hour for state entities funded by the general fund; or
- \$141/hour for 2021-23 and \$118/hour for 2023-25.<sup>1</sup>

We do not charge:

Commerce Department (with exceptions)	Highway Patrol	Office of Management and Budget (except Risk Management and Surplus Property)	University of North Dakota	North Dakota State University
Council on the Arts	Department of Mineral Resources	Parks and Recreation	Lake Region State College	Minot State University
Career and Technical Education	Historical Society	Protection and Advocacy	Bismarck State College	Williston State College
Department of Corrections and Rehabilitation (except Prison Industries and Rough Rider)	Indian Affairs Commission	Securities Dept	Dickinson State University	Valley City State University
Department of Public Instructions (except Special Education)	Labor Department	Supreme Court	North Dakota State College of Sciences	Forest Service
Governor's office	Legal Counsel for Indigents	Tax Commissioner	Dakota College at Bottineau	State Library
State Fair Association	Legislators and the Legislative Assembly	Treasurer	Mayville State University	State Board of Higher Education
School for the Deaf	School for the Blind	Northern Crop Institute	Secretary of State (except General Services)	Department of Veterans Affairs
Ethics Commission	Racing Commission	Research Stations		

<sup>1</sup> The hourly rate is based on a formula required by law. The formula for the 2023-25 rate is based on 2019-21 data, so factors related to COVID-19 reduced the rate.

**Information Technology FTEs or Maintenance Contract Increases**  
**Request No. 11 or 25**

Increase in the state's investment in law enforcement software maintained by IT/CJIS since 2013:	\$5,000,000
Increase in FTEs in IT/CJIS since 2013:	0

Cost to hire 2 programmer FTEs to maintain IT/CJIS software:	\$475,626 per biennium
Cost of contracts for programmers if FTEs are not provided: (\$115 per hour)	\$883,200 per biennium

Cost to hire 1 business analyst FTE to manage large IT/CJIS projects:	\$237,412 per biennium
Cost of contract for business analyst if FTE is not provided: (\$120-130 per hour)	\$460,800 - 499,200 per biennium

If the 3.0 FTEs are not approved, IT/CJIS is requesting \$700,000 for contract services to help maintain and develop required systems. However, this amount is still significantly less than the \$1,344,000 - \$1,382,400 it would cost to contract with 2 programmers and 1 business analyst.

**IT/CJIS Responsibilities and Workload**  
**Request No. 8, 11, 25**

<b>Criminal Justice Information System (CJIS) 5 FTEs</b>	<b>IT Operations 5 FTEs</b>	<b>Software Development 6 FTEs + 2 Contractors</b>	
Supports <b>68 Law Enforcement Agencies</b> that use our records management system	Supports all 250+ OAG employees	Supports all divisions of OAG by developing and providing business and desktop applications	
Supports <b>20 State's Attorneys offices</b> that use our case management system	Maintains <b>8 physical servers</b>	Provides business analysis to oversee IT projects	
Supports <b>3,317 criminal justice users</b> of the CJIS portal	Maintains <b>72 virtual servers</b>	<u>Supports and maintains the following systems:</u> <ul style="list-style-type: none"> <li>• Sex Offender and Offenders Against Children Registry</li> <li>• Sex Offender website</li> <li>• Sex Offender assessment</li> <li>• Concealed Weapon License issuance</li> <li>• Lottery website</li> <li>• Consumer complaints</li> <li>• BCI Case Management</li> <li>• BCI and State and Local Intelligence Center (SLIC) intelligence systems</li> <li>• Fingerprint submissions and processing</li> <li>• Fingerprint Rapid Identification</li> <li>• Crime Lab information management system</li> <li>• Crime Lab online training</li> <li>• Crime Lab DNA kit tracking system</li> <li>• Protection Order Repository</li> <li>• Record checks/payments processing</li> <li>• 24/7 Sobriety Program</li> <li>• Warrants – Wanted Person Repository</li> <li>• Crime statistics reporting</li> <li>• Criminal History Repository</li> <li>• Criminal History Automated Disposition application</li> </ul>	<u>Current development projects:</u> <ul style="list-style-type: none"> <li>• Concealed weapons online payment project</li> <li>• Sexual assault kit tracking system Legal case management system</li> <li>• Midwest Automated Fingerprint Identification Network (MAFIN)</li> <li>• Warrant Management Information System (WMIS)</li> <li>• Consumer protection records management system rewrite</li> </ul>

**IT/CJIS Responsibilities and Workload**  
**Request No. 8, 11, 25**

In addition to other duties, the IT/CJIS employees address “tickets” that identify issues or problems they need to address.

2021

	Opened Tickets	Closed/Completed Tickets
CJIS	1,503	1,423
IT Operations	3,189	3,183
Software Development	1,821	1,621
<b>Total</b>	<b>6,513</b>	<b>6,227</b>

2022

	Opened Tickets	Closed/Completed Tickets
CJIS	1,488	1,438
IT Operations	2,877	2,877
Software Development	1,670	1,719 <sup>1</sup>
<b>Total</b>	<b>6,035</b>	<b>6,034</b>

<sup>1</sup> The number of 2022 closed tickets is higher than the number of 2022 opened tickets because some tickets opened in 2021 were closed in 2022.



**Software Maintenance Increases**  
**Request No. 11**

The cost to continue licensing and maintaining necessary software and systems for 2023-25:

Adobe, Nessus, Windows Server Enterprise, VMWare, Atlassian JIRA, Visual Studio, SQL Server Standard:	\$36,000
ND IT fee increases (other than for Active Directories):	\$12,000
JustWare	\$34,000
Atlassian Software	\$22,000
Premiere One (for law enforcement agencies and jails)	\$23,282
Statewide Automated Victim Information and Notification (SAVIN)	\$38,314
Polycom systems	\$12,000
Crime Lab – LIMS	\$11,700
Active Directory accounts for law enforcement agencies <sup>1</sup> (due to ND IT fee increase)	<u>\$300,000</u>
<b>Total</b>	<b><u>\$489,296</u></b>

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<sup>1</sup> These accounts are necessary for law enforcement agencies to use CJIS systems maintained by IT/CJIS. IT/CJIS obtains the Active Directory accounts for the law enforcement agencies. ND IT informed us the fee for one account will increase from \$1.35 to \$7.10 per month. We provide 1,620 accounts for CJIS system users across the state.

**Crime Lab Overtime Hours and Reductions in Backlogs**  
**Request No. 5**

The Crime Lab backlogs are large, but employees are working hard to reduce them. Additional FTEs are necessary to eliminate the backlogs and prevent new backlogs from developing.

For example, **three** DNA Unit Employees put in **446.5 OVERTIME hours** in just **12 weeks** (12/1/22 – 2/18/23).

Type of Evidence with Backlog	Backlog 2020	Backlog 2021	Backlog 2022	% CHANGE from 2021
DNA	472	713	585	↓17.95%
Controlled Substances	1556	2520	2181	↓13.45%
Fire Debris	3	11	4	↓63.64%
Toxicology (Biological Section)			254	

Sexual Assault Kits in Process at Crime Lab							
	OCTOBER 7, 2022			FEBRUARY 23, 2023			% Change
	Active	SAFE-ITR	Total	Active	SAFE-ITR	Total	
Waiting for extraction:	96	43	139	27	0	27	↓80.58%
Writing up:	15	20	35	68	0	68	↑94.29%
In review:	57	40	97	29	3	32	↓67.01%

**Crime Lab Workload Increase**  
**Request No. 5**

<b>Exams completed</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>% CHANGE from 2021</b>
DNA	792	766	791	780	893	↑14.49%
Controlled Substances	3610	3125	2116	1057	1071	↑1.32%
Fire Debris	26	55	51	50	43	↓14.00%

<b>Specimen Count</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>% CHANGE from 2021</b>
Biological Screening	5980	5616	5754	8146	3904	↓52.07%
DNA	2396	2329	2563	1776	2799	↑57.60%
Controlled Substances	11,627	8789	5040	2446	3749	↑53.27%
Fire Debris	127	181	166	88	126	↑43.18%
Toxicology (Biological Section)	3884	8550	10,932	8649	10,766	↑24.48%
Toxicology (Breath Alcohol)	4357	4007	3080	2332	3164	↑35.68%

<b>Toxicology (Biological Section)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>% CHANGE from 2021</b>	<b>Backlog 2022</b>
Cases	1016	1211	1238	1320	↑6.62%	254
Case Records	2098	2530	2579	2779	↑7.75%	
Alcohol Case Records	780	927	977	1058	↑8.29%	
CO Case Records	463	603	584	628	↑7.53%	
Drug Case Records	855	1000	1018	1093	↑7.37%	

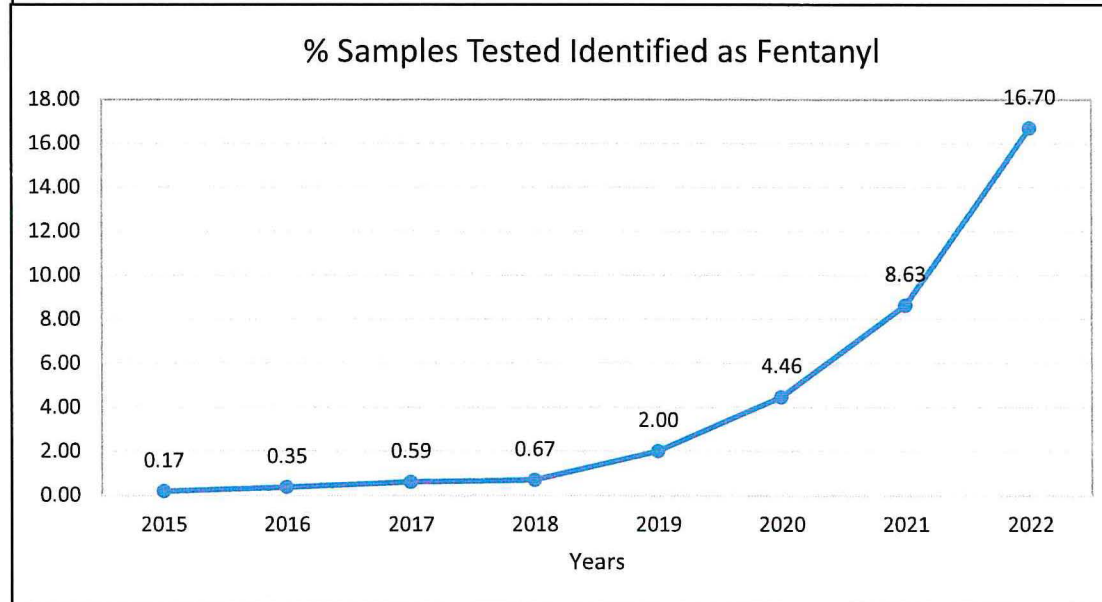
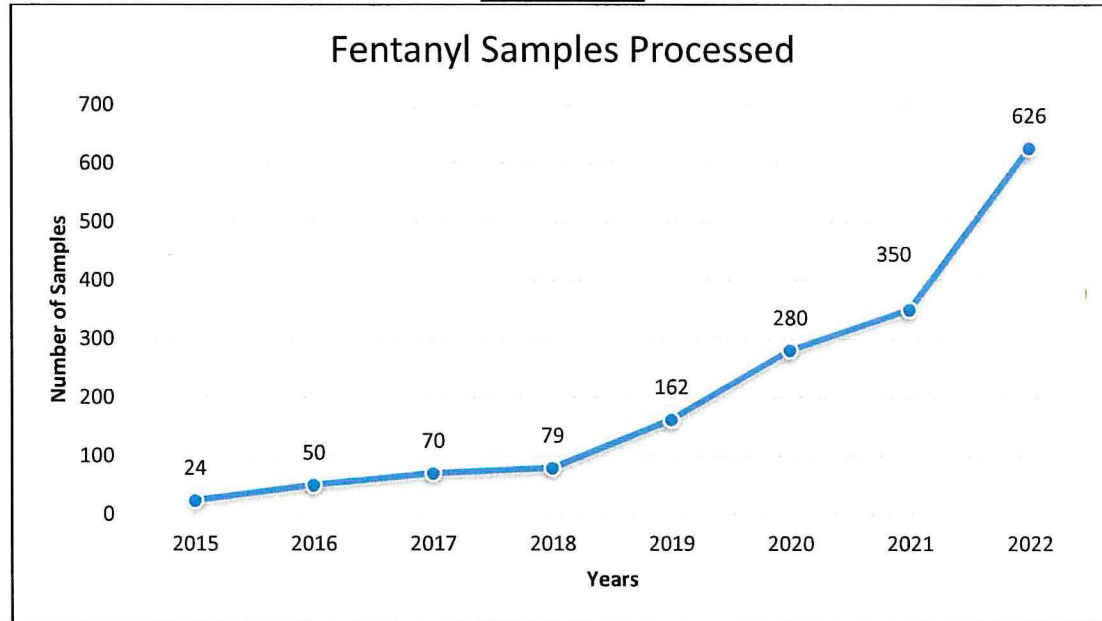
**Crime Lab Workload Increase, continued**  
**Request No. 5**

CODIS	2018	2019	2020	2021	2022	% CHANGE from 2021
Offender	257	228	278	234	305	↑30.34%
Arrestee	2149	1699	2712	1762	1867	↑5.96%
Forensic	271	263	249	143	316	↑120.98%
	<b>2,677</b>	<b>2,190</b>	<b>3,239</b>	<b>2,139</b>	<b>2,488</b>	<b>↑16.32%</b>
CODIS HITS	2018	2019	2020	2021	2022	% CHANGE from 2021
National Forensic	4	12	17	18	1	↓94.45%
National Offender	16	20	21	14	27	↑92.86%
National Arrestee	13	30	21	31	42	↑35.48%
State Forensic	28	35	17	19	7	↓63.16%
State Offender	21	16	17	18	20	↑11.11%
State Arrestee	108	109	68	62	124	↓100.00%
	<b>190</b>	<b>222</b>	<b>161</b>	<b>162</b>	<b>221</b>	<b>↑36.42%</b>

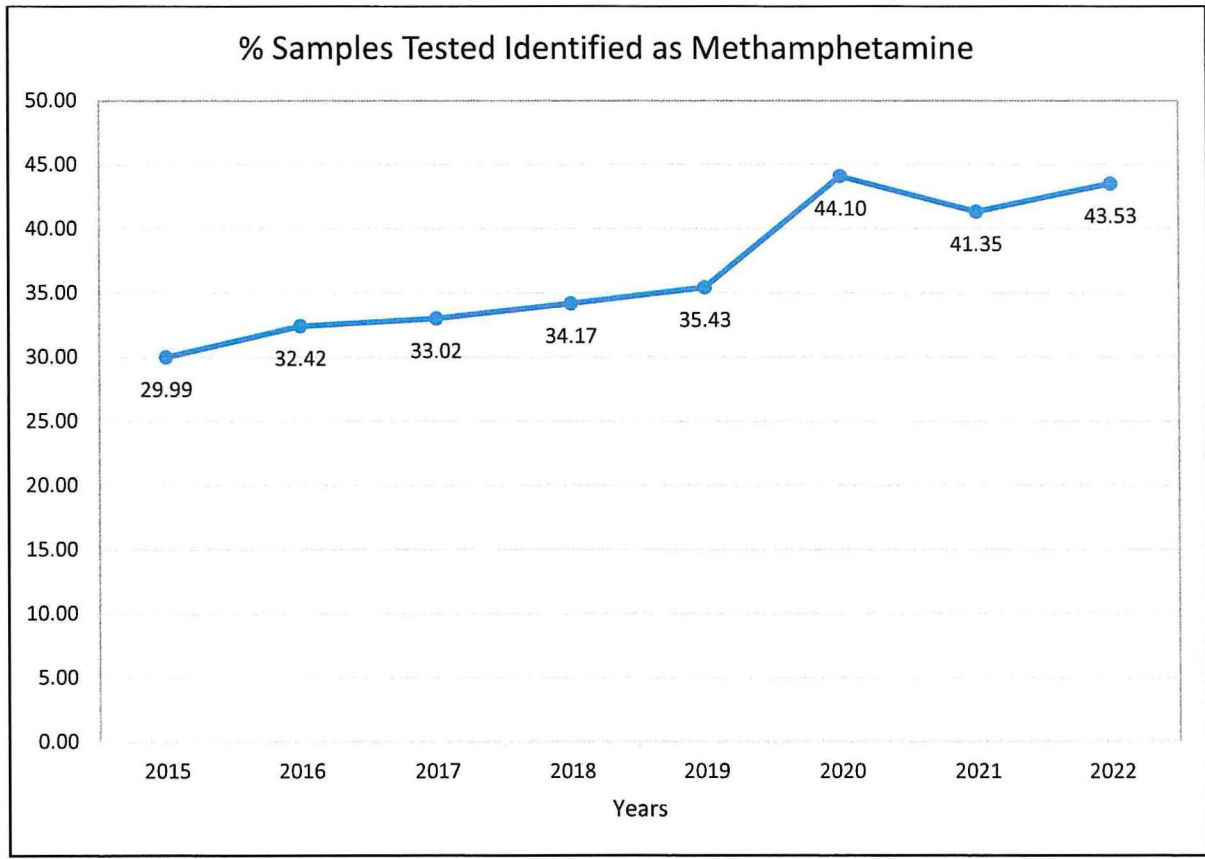
	2018	2019	2020	2021	2022
Sexual assault kits not tested within 30 days of lab submission	33	3	22	222*	169
Total sexual assault kits submitted to the crime lab	234	234	256	469*	245

\* The increase from 2020 to 2021 was due to a request made by the Crime Lab to all law enforcement agencies across the state to submit all their untested sexual assault kits to the lab. This request was made as part of the Crime Lab's receipt of the SAFE-ITR federal grant.

**Crime Lab Workload Increase, continued**  
**Request No. 5**



**Crime Lab Workload Increase, continued**  
**Request No. 5**



**Medicaid Fraud Control Unit (MFCU) FTEs**  
**Request No. 6**

The North Dakota MFCU recoups state money from Medicaid contractors who submit fraudulent claims or who abuse, neglect, or misappropriate money from their patients.

75% of the costs for each state's MFCU are paid by a federal grant.

***Costs:***

State costs for the MFCU for the 2019-21 biennium:	\$118,101
<u>State costs for the MFCU for the 2021-23 biennium:</u>	+ <u>\$225,888</u>
Total state costs for the MFCU since operations began:	<b>\$343,991</b>

***Recoveries for the state:***

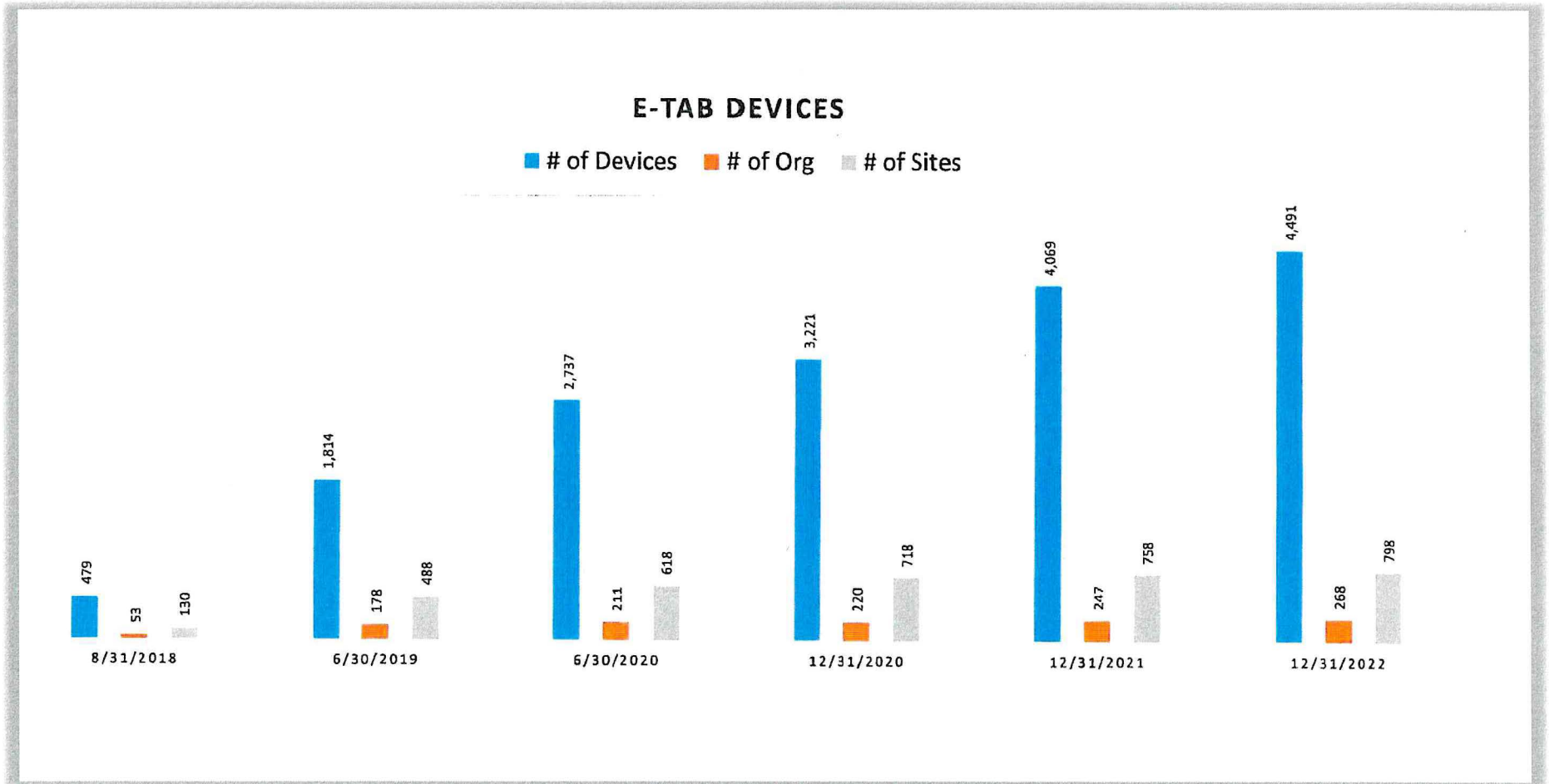
MFCU recoveries ordered for the state:	<b>\$888,815</b>
MFCU recoveries received for the state to date:	<b>\$515,878</b>

The MFCU has **recouped for the state more than 149% of its state costs to date**, even though it began operations less than 3 ½ years ago.

The MFCU receives many more cases than it can investigate and litigate due to staffing shortages.

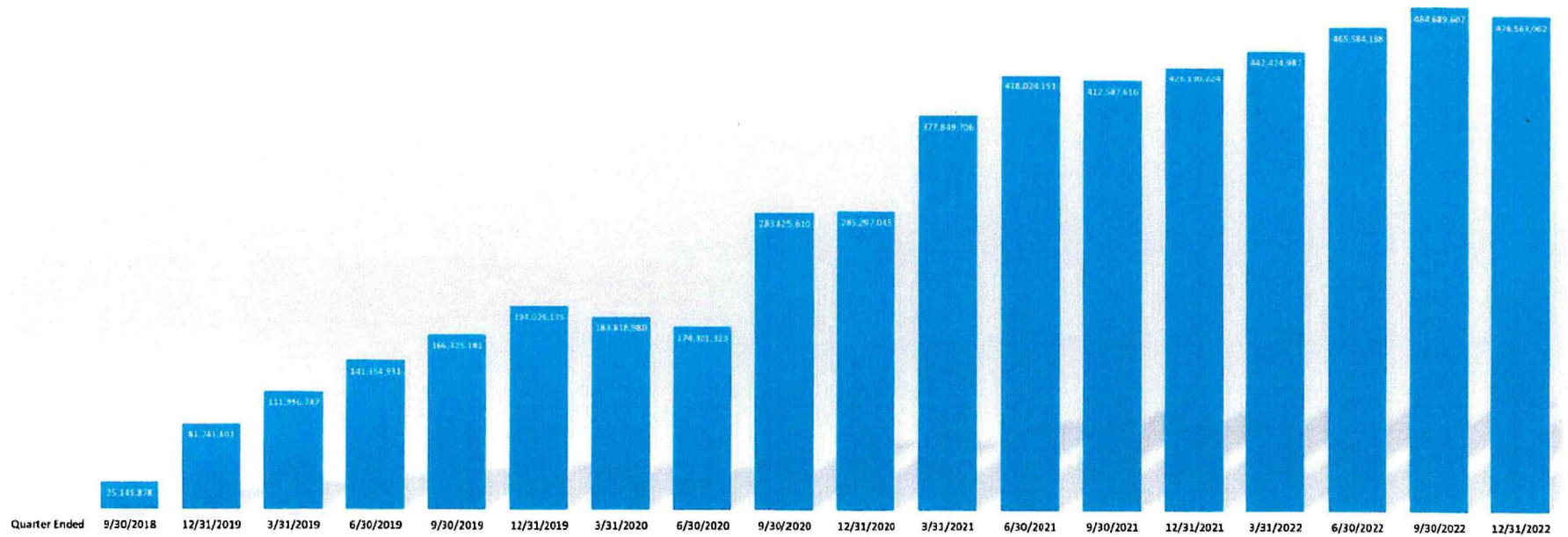
Total number of tips/potential cases reported to the MFCU:	139
Number of cases completed:	6
Number of additional investigations completed with cases not yet resolved:	3
Average number of major cases per MFCU investigator:	8-10
Number of major cases being investigated:	20

**Gaming Division Statistics**

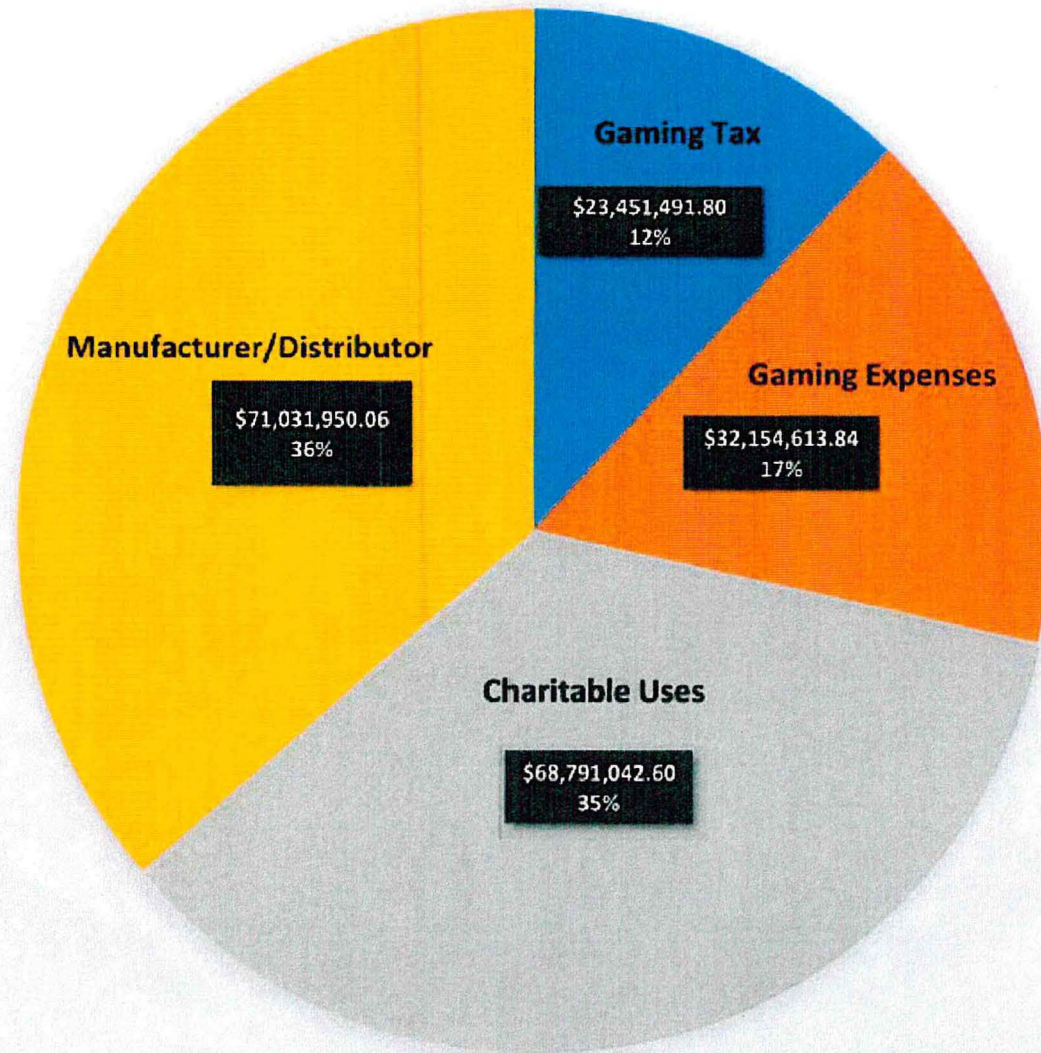




## E-tab Gross Proceeds per Quarter Reported by Manufacturers

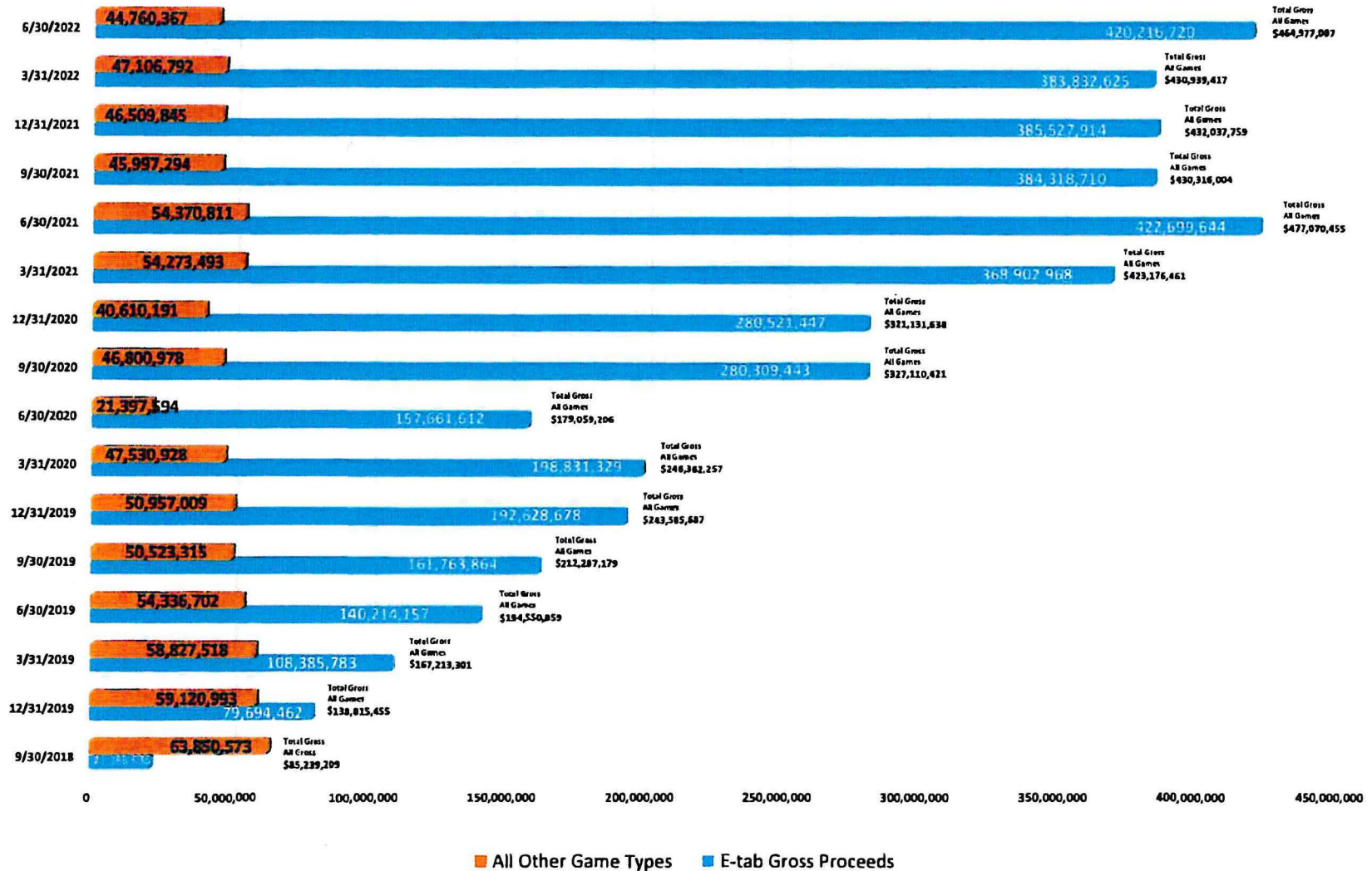


### E-tab Adjusted Gross Proceeds Distribution For Fiscal Year 2022



**Total E-Tab Adjusted Gross For Fiscal Year 2022**  
**\$195,429,098.30**

### E-Tab Gross Proceeds vs All Other Game Type Gross Proceeds



**Staff Reclassifications**  
**Request No. 18**

Pursuant to the state's HRMS criteria, the Office of Attorney General identified a need to reclassify 22 employees into the classifications that match their job descriptions and duties.

Consumer Protection and Antitrust Division

2 consumer fraud investigators from class I to class II: \$14,430

Bureau of Criminal Investigations

18 agents and analysts: \$57,327

Finance Division

1 account budget specialist from class II to class III + 1 administrative assistant from class I to class II: \$21,181





## Overview

The North Dakota Bureau of Criminal Investigation (NDBCI) is the investigative division of the North Dakota Office of Attorney General (NDOAG). NDBCI is the largest of the twelve Divisions assigned to the NDOAG, and is governed by the authority outlined in N.D.C.C. 12-60. NDBCI consists of both civilian and sworn employees and is overseen by a Director and delegated supervisory staff. NDBCI oversees North Dakota's criminal history and records system and manages the state's fingerprint classifications for federal, state, and local partners.

NDBCI is tasked with reactive assistance to criminal investigations to include felony level crimes, violent offenses against persons, officer involved use of force, cybercrime related crimes, and specialty needs for investigative support and response. NDBCI is authorized to be proactive in the enforcement of illegal narcotics activity through the efforts and management of statewide multi-jurisdictional drug task forces. NDBCI is comprised of approximately 100 employees assigned to specific sections aimed at supporting law enforcement requests and programs.



## History of NDBCI

The first North Dakota state record of any Bureau employee belongs to Gunder K. Osjord, in August of 1915. G. K. Osjord acted as the State of North Dakota's single "Bertillion Officer" as the first official source of identifying state criminals.

The North Dakota State Bureau of Criminal Identification was created by Legislative Enactment, taking effect on July 1, 1929. The Superintendent of the Bureau (G. K. Osjord) was appointed by the State Governor. The primary purpose of the creation of the Bureau was to collect and file fingerprints, records, pictures, and information concerning persons who have been charged with an offense against the laws of the state.

Due to action taken in the 1931 Legislative Session, the Bureau increased from a purely identification basis to adding to its duties the work of apprehending criminals and the investigation of crimes.

During the 1963 Legislative Session, decisions led to the removal of all apprehension work from the responsibility of the correctional authorities. The Attorney General was made Superintendent of the Bureau of Criminal Identification.

During the 1965 Legislative Session, the title of the Bureau was changed to the North Dakota Bureau of Criminal Identification and Apprehension. The focus of the Bureau was then focused toward assisting local authorities in apprehending criminals and detecting felony level crimes.

During the 1971 Legislative Session, the Bureau was again renamed to its current title of the North Dakota Bureau of Criminal Investigation, with the Attorney General as its Superintendent.

During the 1979 Legislative Session, action was taken to create a special Drug Enforcement Unit (DEU), under the Attorney General's Office with authority to take primary statewide drug enforcement responsibilities. The DEU was formed in 1979 and was established as a separate division, with a standalone DEU Director, under the Attorney General.

In 1989, the DEU merged with the Bureau of Criminal Investigation. This combined the DEU and the Bureau, under one Director, and created the Bureau's current organizational structure.



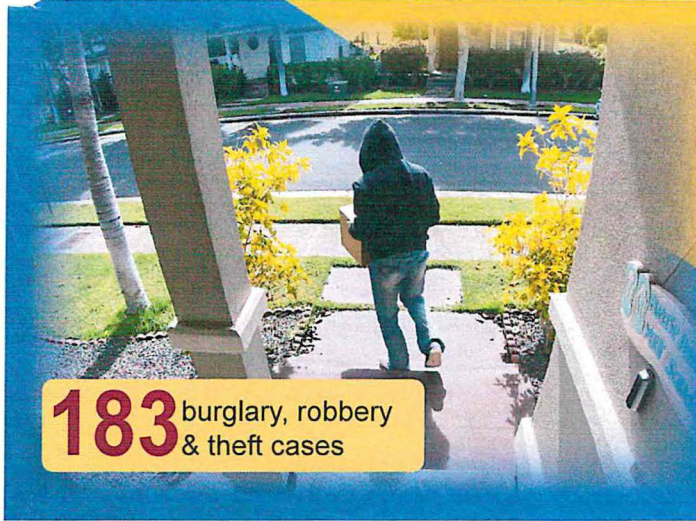


## **Powers, Duties, and Functions of NDBCI**

The North Dakota Bureau of Criminal Investigation is governed by the authority outlined in N.D.C.C. 12-60. These duties include, but are not limited to:

- The bureau shall cooperate with and assist the criminal bureau of the department of justice at Washington, D.C., and similar departments in other states in establishing and carrying on a complete system of criminal identification.
- The bureau shall cooperate with and assist all judges, state's attorneys, sheriffs, chiefs of police, and all other law enforcement officers of this or any other state and of the federal government in establishing such system of criminal identification.
- The bureau is the state central repository for the collection, maintenance, and dissemination of criminal history record information.
- The bureau shall assist the sheriffs and other peace officers in establishing a system for the apprehension of criminals and detection of crime.
- When called upon by any state's attorney, sheriff, police officer, marshal, or other peace officers, the superintendent, chief of the bureau, and their investigators may assist, aid, and cooperate in the investigation, apprehension, arrest, detention, and conviction of all persons believed to be guilty of committing any felony within the state.
- The bureau shall perform such other duties in the investigation, detection, apprehension, prosecution, or suppression of crimes as may be assigned by the attorney general in the performance of the attorney general's duties.
- The bureau shall provide assistance from time to time in conducting police schools for training peace officers in their powers and duties, and in the use of approved methods for detection, identification, and apprehension of criminals and require attendance at such police schools.
- The bureau shall perform the inspection and enforcement duties for the attorney general's licensing department.
- The bureau shall detect and apprehend persons illegally possessing or disposing of drugs.

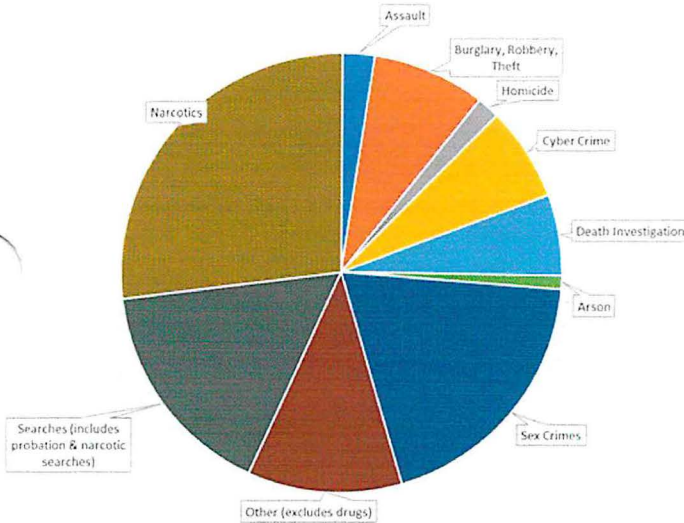




**183** burglary, robbery & theft cases

## CRIMINAL RELATED CASES OPENED 1-2020 TO 12-2022

**2,198** cases opened in three years. There have been 84 more in 2020 than 2021. There have been 14 more in 2022 than 2021. These cases included narcotics, burglary and homicide, among many other types.



**52** assault cases



**131** death investigations



**22** arson cases

### Cases with different offenses

	Total			Criminal Offenses			Drug Offenses			Computer Related Offenses		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Opened	783	699	713	416	355	362	339	325	271	99	59	94
Closed	408	309	494	308	241	397	129	61	96	17	25	69

\*Note: A case may contain both drug and criminal offenses, so the total column is not a sum of the offense columns.

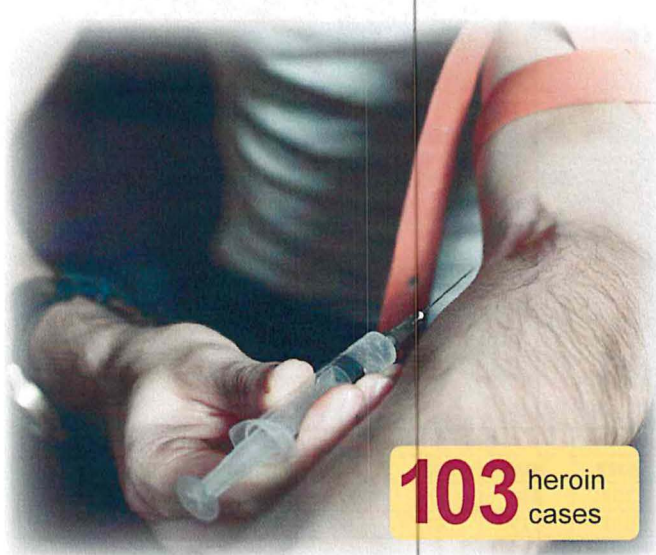
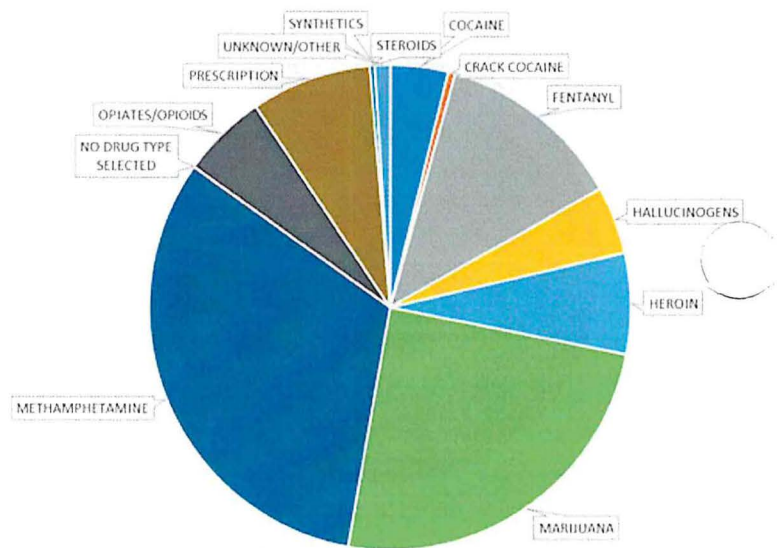


## NARCOTIC RELATED CASES OPENED 1-2020 TO 12-2022

**1,525** drug related cases opened in two years contained specific drug types including, but not limited to, cocaine, heroin, opiates/opioids, and prescription drugs.



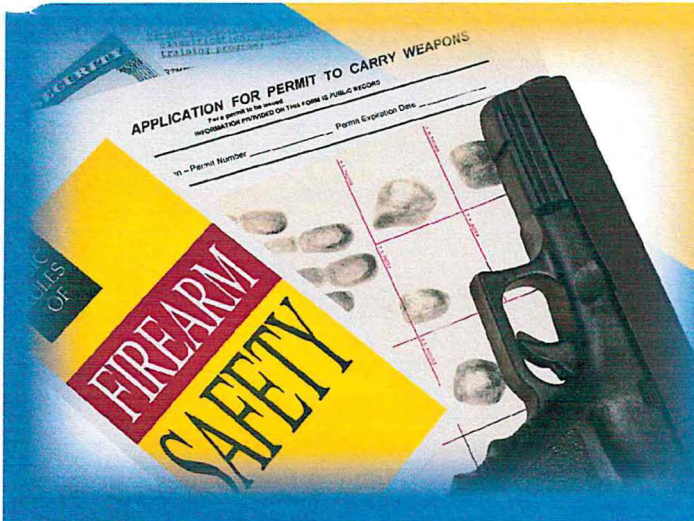
**59** cocaine cases



**103** heroin cases



**489** methamphetamine cases

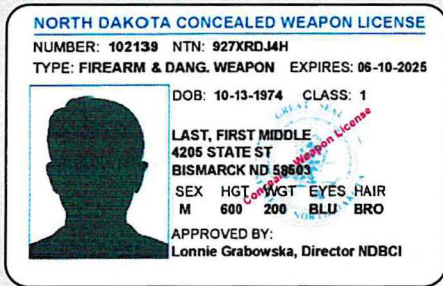


## CONCEALED WEAPON LICENSES

According to NDCC 62.1-04-03(4), the North Dakota Concealed Weapon Licensing unit is required to process the application and make a determination within 60 days of receipt of the properly completed application.



### CONCEALED WEAPON LICENSE



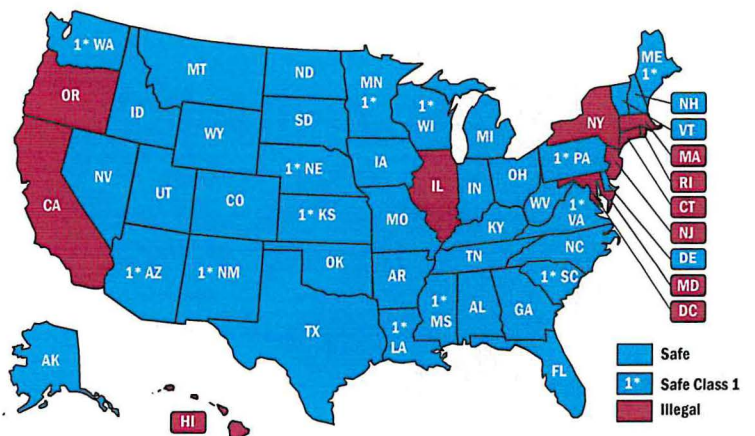
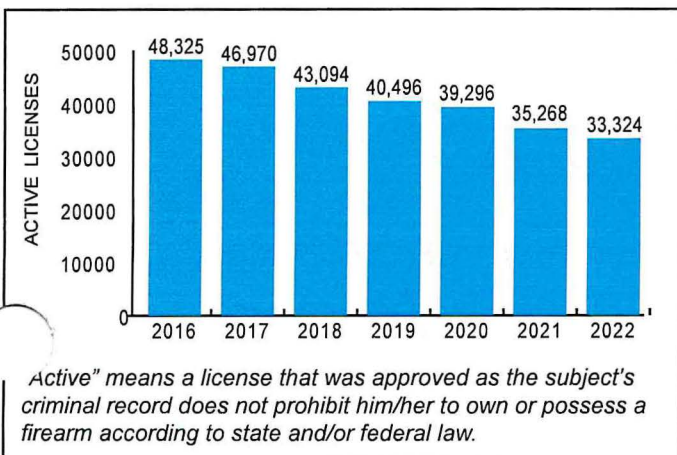
**VS**



### CONSTITUTIONAL CARRY

- ✓ Grants reciprocity with other states allowing you to carry in those states (you may carry a concealed firearm in up to 39 states depending on the "class" of license you hold)
- ✓ Non-resident license available
- ✓ Allows you to purchase a firearm from a dealer without requiring an additional federal background check
- ✓ Only requires you to provide your concealed weapon license upon demand by an officer (you're not required to notify an officer upon coming in contact with the officer)
- ✓ \$60 non-refundable processing fee

- ✓ No Reciprocity
- ✓ Resident only (30 days)
- ✓ Does not allow you to purchase a firearm from a dealer without a federal background check
- ✓ You **MUST** notify a law enforcement officer that you come in contact with, that you are carrying
- ✓ Free, ability to carry a firearm within the boundaries of North Dakota provided you are not prohibited from possessing a firearm





**SEX OFFENDER  
REGISTRATION**

**WHO HAS TO REGISTER  
SEX OFFENDERS**  
Currently 1,638

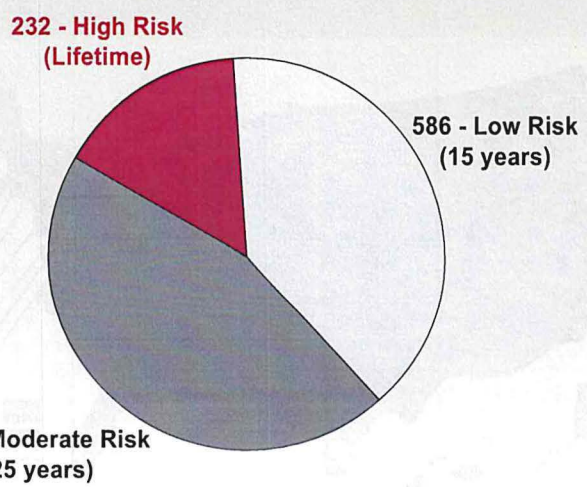
**OFFENDER AGAINST CHILDREN**  
Currently 119

Average of **8** registering for the first time

**REGISTRATION**



**27%** of **ALL** registered offenders have a **LIFETIME** registration requirement



**TECHNOLOGY**



**COMPLIANCE, TRACKING AND NOTIFICATIONS**

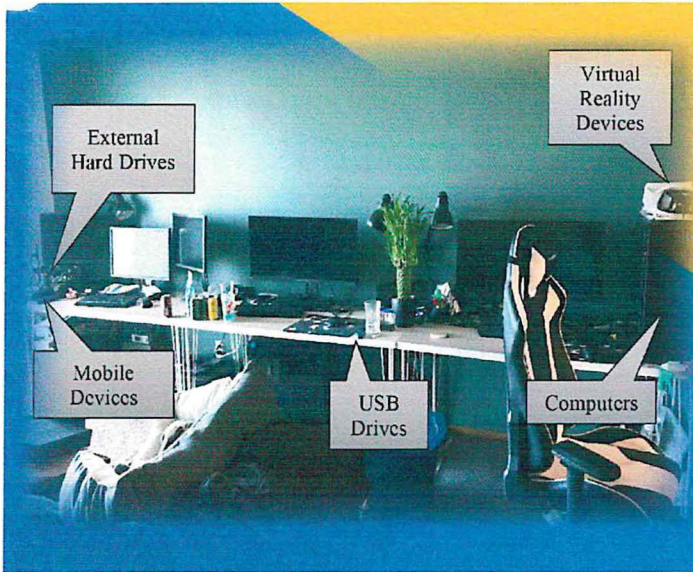
**Electronic Registration System**

- Allows electronic submission to BCI, Attorney General's website and Federal database within minutes
- Automates notifications to BCI and law enforcement agencies
- 95% of registration forms are submitted electronically

**IDENTITY VERIFICATION**

**Rapid ID Devices**

- Searches Tri-State area and Federal warrants
- Verifies offenders identity within minutes



## CYBER CRIMES & INTERNET CRIMES AGAINST CHILDREN

In 2022, BCI Cyber Crimes Unit investigated or assisted with **350** cases, conducted **517** forensic examinations consisting of **175234** gigabytes of data.

CYBER CRIMES

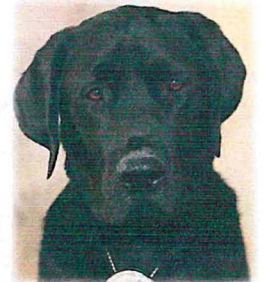
**STATEWIDE COVERAGE** Two person forensic agent teams located in Fargo, Bismarck and Minot.

**SPECIALTIES** Computer, Cellphone, Vehicle, DVR Forensics. Advanced Forensics ISP, Chip-off, Image and Video Enhancement, iPhone Unlocking.

**BACKLOG** **753** devices have been marked for forensics.  
**595** have been examined.  
**537** were cellular phones.



*K-9s Jib and Jab (above left to right) are trained to detect electronic devices.*



*K-9 Lee (right) is trained to detect ignitable liquids commonly used in arson investigation.*

INTERNET CRIMES AGAINST CHILDREN

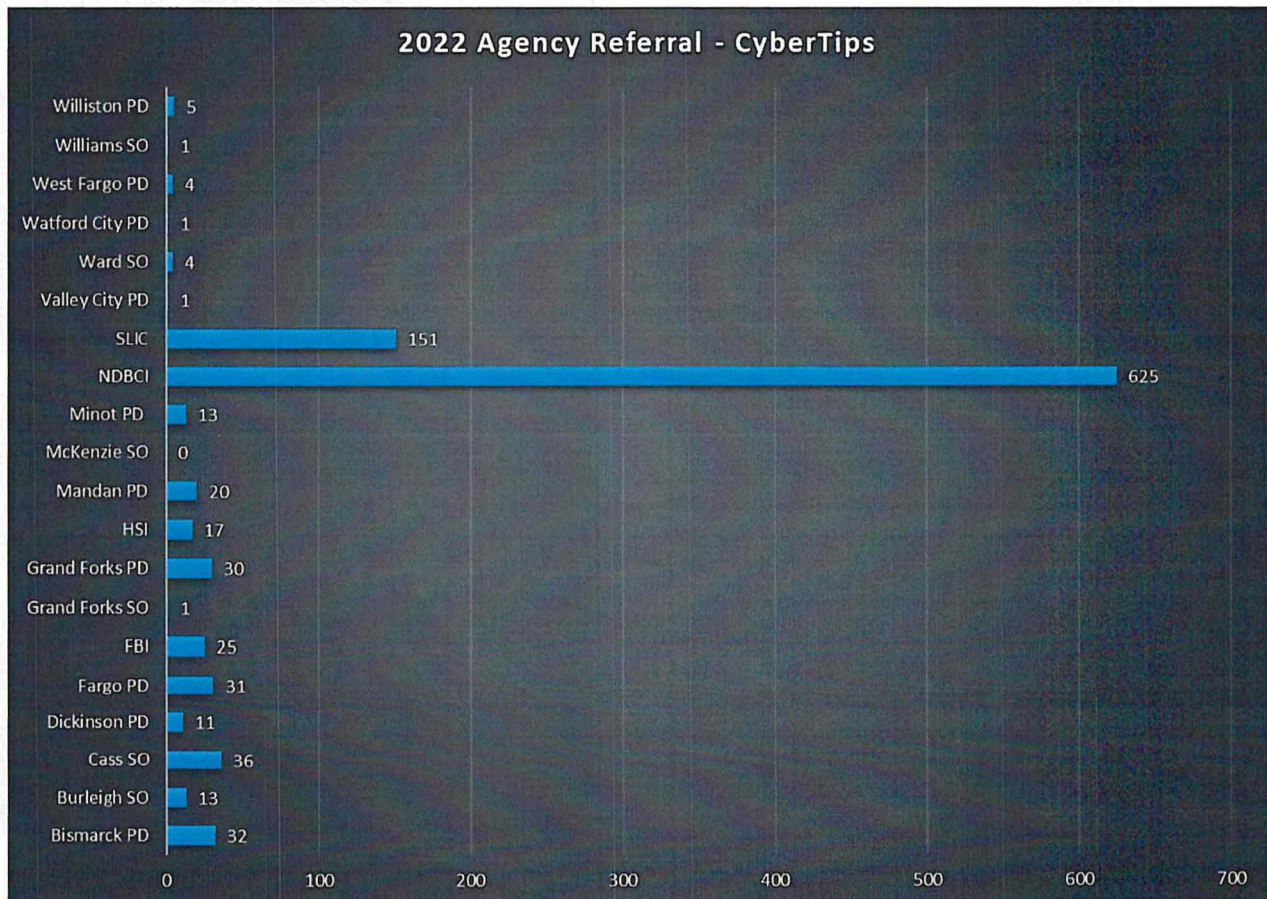
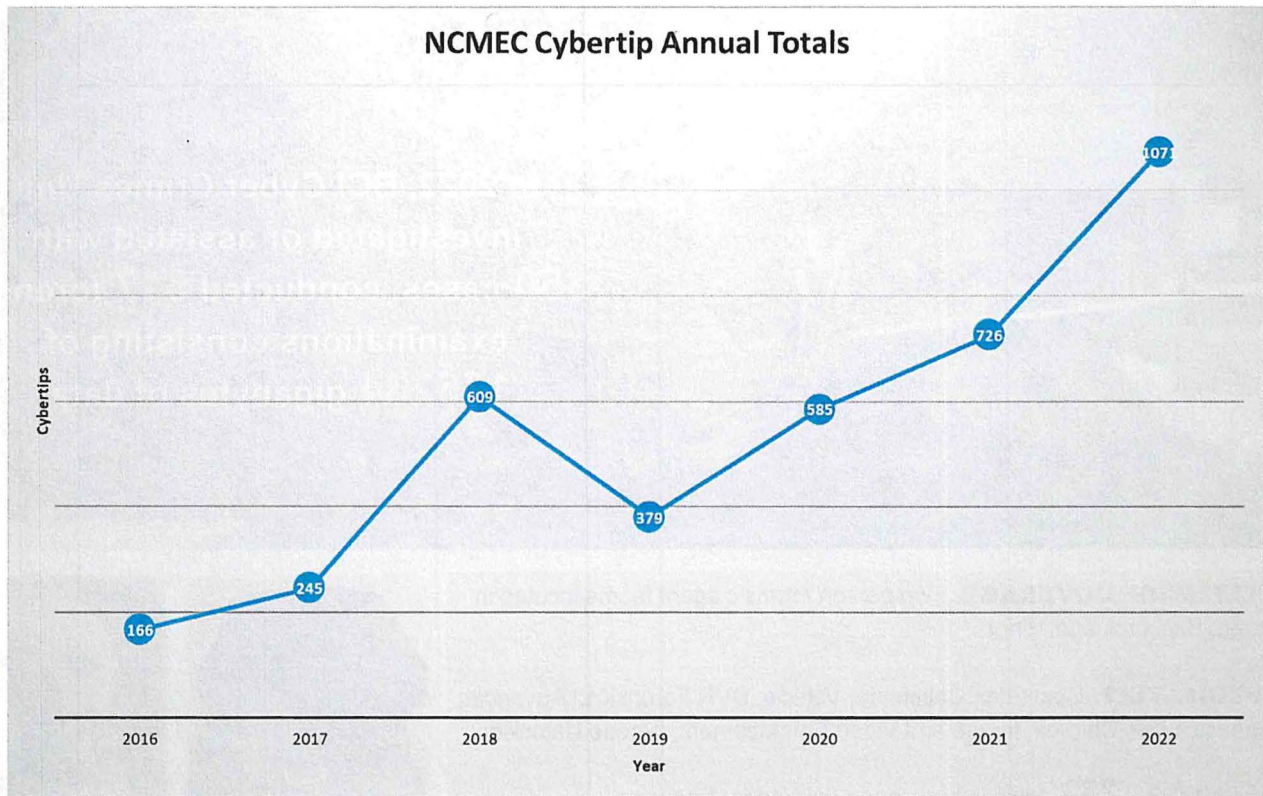
**LOCAL** 50 Affiliate agency members in ND. Wellness app for investigators deployed in 2022

**CYBERTIP** **62** Bismarck/Mandan, **65** Far/Cass,

**HOTSPOTS** **25** Grand Forks and **25** FBI

The North Dakota Internet Crimes Against Children Task Force (NDICAC) continues to be the driving force in the state to combat child sexual exploitation. NDBCI receives the NDICAC annual grant which is used for software, equipment and training for all law enforcement agencies across the state. As part of the grant, NDBCI is responsible for all North Dakota CyberTips received by the National Center for Missing and Exploited Children (NCMEC). The Cyber Crime Unit received 1,071 CyberTips in 2022. Most of these tips are generated by electronic service providers like Twitter, SnapChat, Facebook and Google. These CyberTips are received by the Fargo cyber center then triaged, prepared, and distributed to affiliates and BCI agents for investigation.

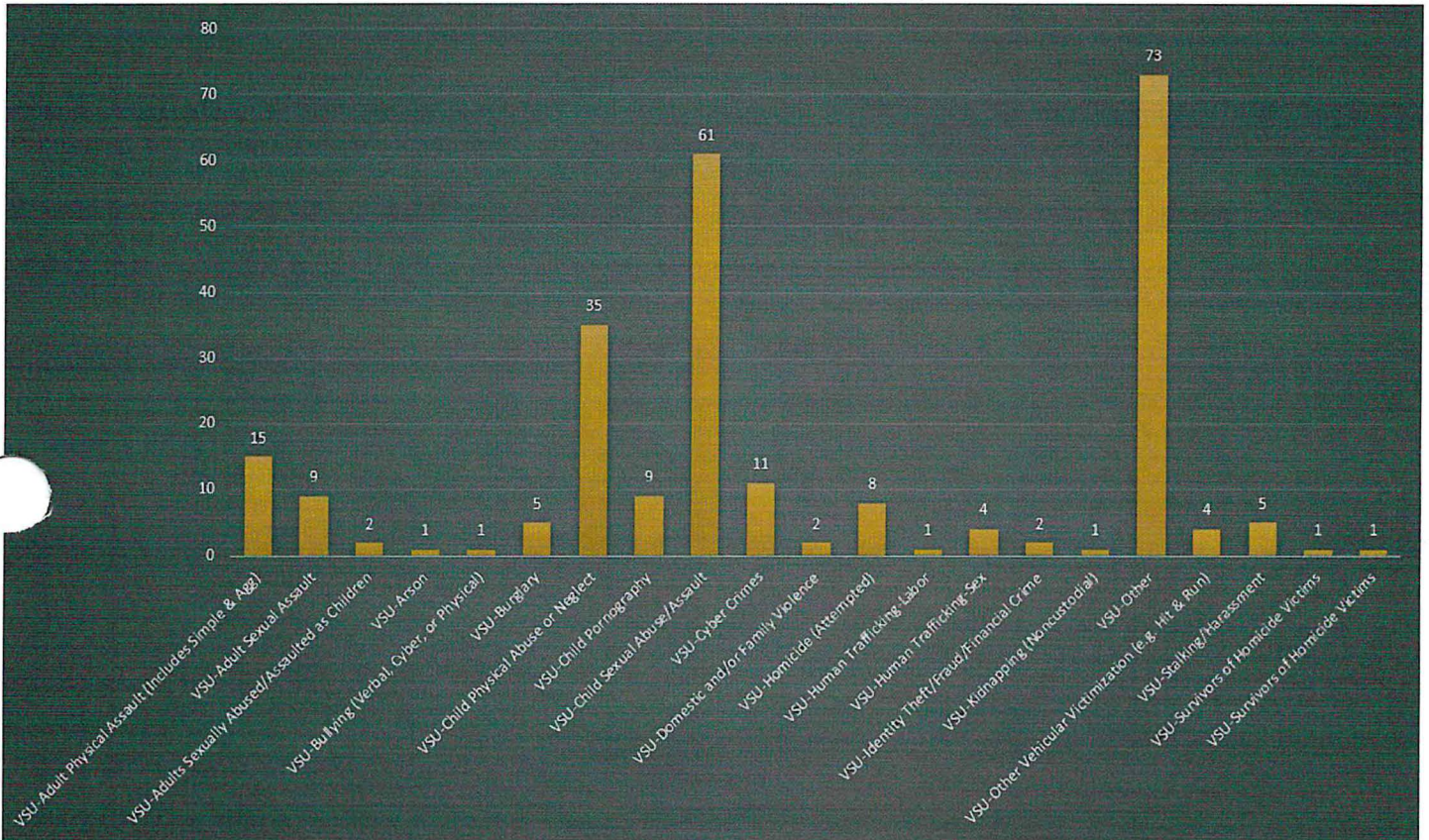
Since 2016,  
CyberTips have  
increased by  
**545%**





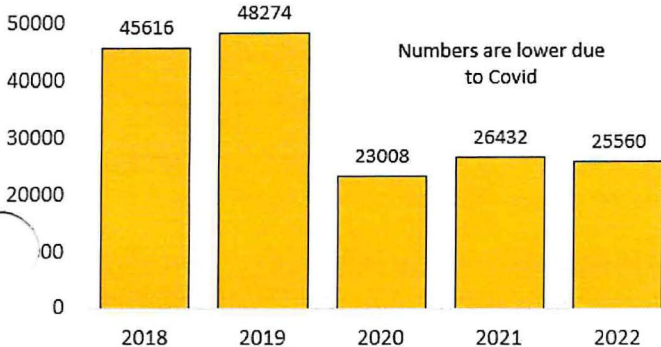
## VICTIM SERVICES

NDBCI received a Law Enforcement-Based Victim Specialist Program grant to start a new unit in 2021. This grant was used to hire two part-time Victim Witness Specialists who are managed by the CCU Supervisory Special Agent. Victim services personnel play a significant advocacy role by providing crisis intervention, assistance with navigating the complexities of the criminal justice system, and support for victims in exercising their rights as victims of crime. Victim services personnel can also mitigate secondary victimization by treating victims with fairness, dignity, and respect and providing information for victims to make well-informed decisions. Since January of 2022, 242 unique victims were served by the Victim Services Unit.



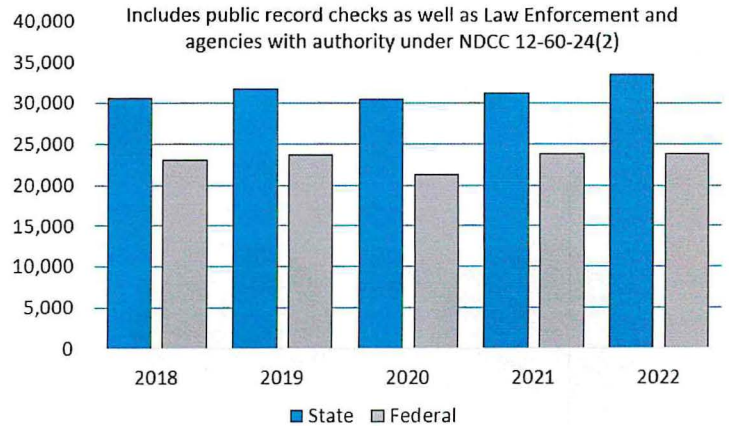
## CRIMINAL HISTORY RECORDS

**Arrest/custody cards that are received from Criminal Justice Agencies and processed by Criminal Records Specialists at BCI**



**Record Checks**

Includes public record checks as well as Law Enforcement and agencies with authority under NDCC 12-60-24(2)





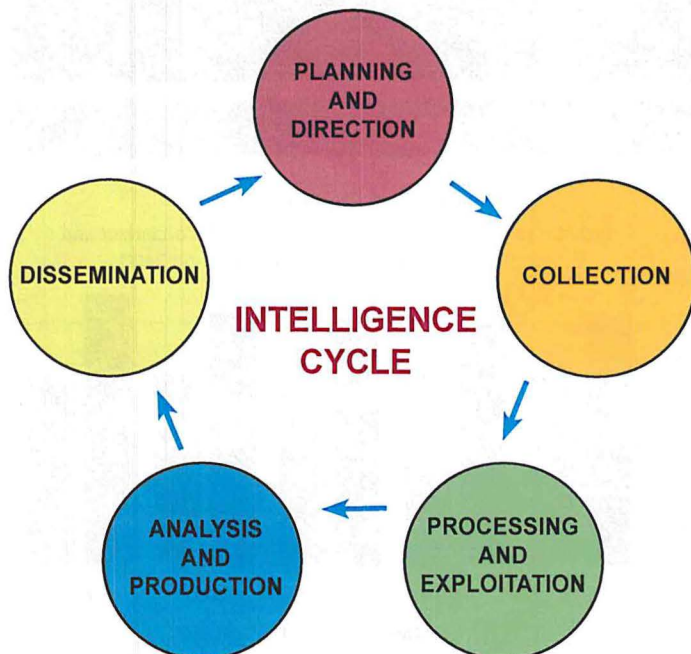
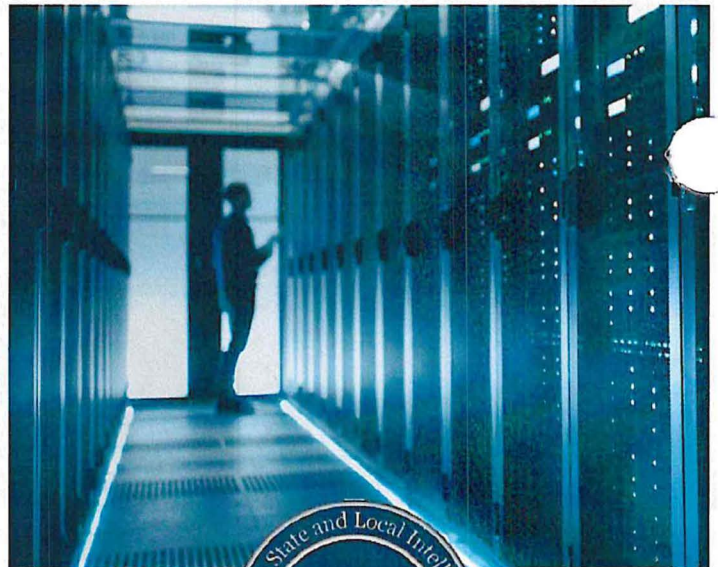
## STATE AND LOCAL INTELLIGENCE CENTER

The mission of the North Dakota State and Local Intelligence Center (NDSLIC) is to gather, store, analyze, and disseminate information on crimes, both real and suspected, to the law enforcement community, government officials, and private industry, concerning dangerous drugs, fraud, organized crime, terrorism, and other criminal activity for the purposes of decision making, public safety, and proactive law enforcement while ensuring the rights and privacy of citizens.

### INFORMATION NEEDS

THE NDSLIC has standing information needs, that are reviewed annually. The information needs of the NDSLIC include any information regarding terrorism (suspicious activity reporting), cyber threats, and criminal activity including drug operations and transnational organized crime.

The NDSLIC continues to see an increase in the amount of requests we receive. In 2022, we processed 17,474 requests. The NDSLIC processed 15,589 in 2021 and 14,472 in 2020.



### The NDSLIC provides the following services:

- Criminal Intelligence Analysis
- Background Checks
- Threat Assessments
- Suspicious Activity Reporting Clearinghouse
- Daily/Weekly/Urgent Publications
- Cyber Security Analysis





## ND PEACE OFFICERS STANDARDS & TRAINING

BCI provides the executive secretary and an additional administrative person to conduct the day to day operations of the North Dakota Peace Officer Standards and Training (POST) Board. These staff members are responsible for the licensing of Law Enforcement Officers, along with maintaining and recording all the individual POST approved training an officer takes throughout their career to maintain their certifications.



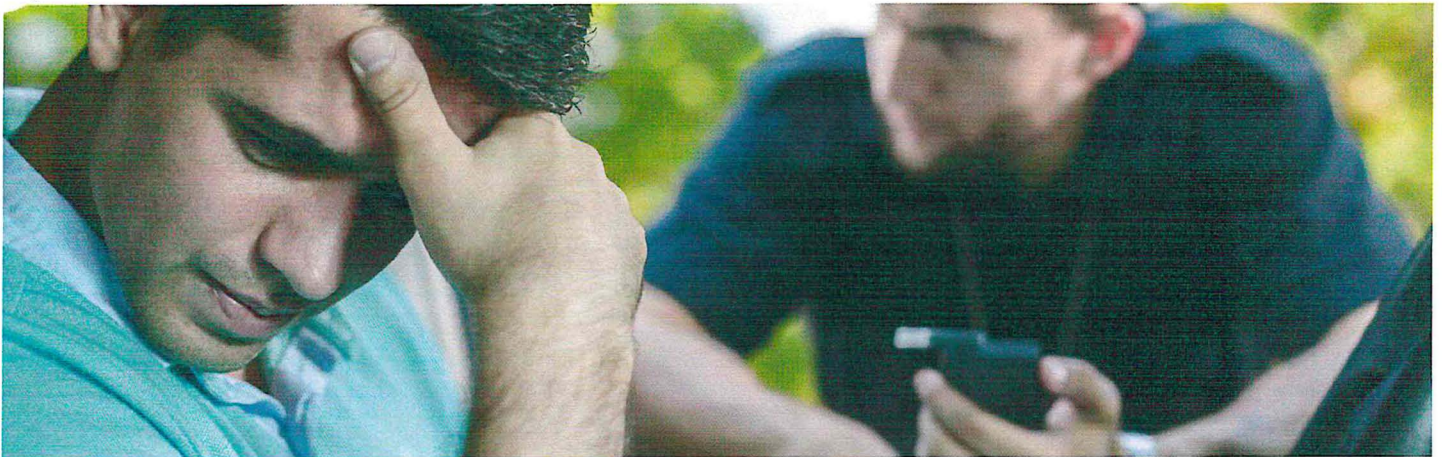
### BY THE NUMBERS

**137** Individual agencies  
throughout the state

**2,372** Total licensed officers working  
for an agency in ND

**830** Total number of instructors

**2,863** Total number of training  
courses approved



## 24/7 SOBRIETY PROGRAM

North Dakota's 24/7 Sobriety Program provides an alternative to incarceration for individuals charged with, or convicted of, driving under the influence of alcohol or controlled substances, domestic violence, abuse or neglect of a child, or other offenses in which alcohol or controlled substances are involved.





**NORTH DAKOTA  
BUREAU OF CRIMINAL INVESTIGATION**

LEGISLATIVE CONTACT: Director Lonnie Grabowska  
701-220-7025 (cellular) // lgrabowska@nd.gov

# MEDICAID FRAUD CONTROL UNIT

OFFICE OF ATTORNEY GENERAL

EST. AUGUST 2019

LAW ENFORCEMENT  
AGENCY

HEALTH OVERSIGHT  
AGENCY

**PROVIDER**

---

**NOT** RECIPIENT

# Medicaid ~~Medicare~~

Medicaid is health care coverage for low income families & individuals

ND spends approximately \$1.5 billion a year on Medicaid programs

10-14% of ND population covered by Medicaid – 70,000 households & 125,000 individuals

More than 29,000 providers in ND

**Fraud per year nationally 1%-2% of Medicaid expenditures - or \$15 million per year in ND (1%)**

## Current Employees of MFCU

- DIRECTOR/ATTORNEY
- 2 BCI AGENTS
- SENIOR AUDITOR
- NURSE AUDITOR
- ADMINISTRATIVE ASSISTANT

## When MFCU can investigate a case:

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- When there is billing fraud by a Medicaid provider
- If a Medicaid recipient is abused, neglected, or exploited financially AND there is a Medicaid nexus – Medicaid application, facility that accepts Medicaid
- If a provider, that accepts Medicaid payments, abuses, neglects, exploits, or harms a patient, whether that patient receives Medicaid or not



# TYPES OF INVESTIGATIONS

- Billing for services/medication not provided
- Billing for more than 24 hours in a day
- Not having documents/records to support the billing
- Billing while on vacation
- Billing a more expensive service than actually provided
- Billing for unlicensed professional care
- Billing for valueless services
- Abuse or neglect of patients (assaults, homicides, GSI, theft)
- Drug Diversion – Opioid Overprescribing

# MFCU STATS

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Cases can be civil or criminal – statewide jurisdiction

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**\$515,878.80 recovered – money ‘in hand’**  
\$882,815.25 total recoveries

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**State has spent \$343,991 – since MFCU began**

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140 TIPS – 20 major open cases – 10 per agent – bigger case load than other BCI agents

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Currently unable to take new cases

# MFCU NEEDS

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Attorney  
BCI Agent  
Paralegal



## 75% - 25% Split

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- 3 new positions will cost \$932,915
- Federal grant will pay \$699,686
- State will pay \$233,229



STATE OF NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL

**MARINA SPAHR**  
ASSISTANT ATTORNEY GENERAL  
DIRECTOR MFCU

MEDICAID FRAUD CONTROL UNIT  
PO BOX 2495  
BISMARCK, ND 58502-2495

701-328-5532  
E-MAIL: [mspahr@nd.gov](mailto:mspahr@nd.gov)  
WEBSITE: [www.attorneygeneral.nd.gov](http://www.attorneygeneral.nd.gov)

**March 8, 2023**

## **YWCA CASS CLAY SUPPORTS SB 2003**

eliminating racism  
empowering women  
**ywca**  
cass clay

Good morning, Mr. Chairman and members of the committee, my name is Erin Prochnow CEO at YWCA Cass Clay. Our agency offers the largest Emergency Shelter for women and their children escaping domestic violence and homelessness in North Dakota and northwestern Minnesota. We have done so for 45 years. We also operate a sizeable Supportive Housing Program serving 80 households in Fargo and West Fargo, that, after emergency shelter, is the long-term solution for healing, stability, and independence - diminishing the likelihood women will return to abusive partners or return to homelessness.

**YWCA Cass Clay supports the North Dakota Attorney General Budget line item 14 relating to human trafficking victim grants proposed in SB 2003 at the governor's recommendation of \$1,113,218.**

YWCA Cass Clay created North Dakota's first dedicated housing units for trafficking victims and their children in 2015. Since opening an emergency shelter in 1978, we have encountered a recurring narrative of partners who groom women romantically, then eventually force or manipulate them into commercial sex. Others have traffickers who are family. Some entered the sex trade as their only means for survival.

Decades-deep experience informs YWCA service delivery, and we participate in North Dakota's Human Trafficking Task Force. In a culture where survivors face criminalization and shame, YWCA brings compassion and nonjudgement to women who've been maltreated, dehumanized, and are now shaping new lives.

Since the program was established through collaborative partnerships with other service providers, state support through this grant funding and federal sources through the Office of Victims of Crime of the US Justice Department, YWCA has provided over 200 survivors of human trafficking more than 8,300 nights of safe shelter in the dedicated two units. In this biennium, an estimated 40 survivors will be provided approximately 1,400 nights of safe shelter through a grant from the Attorney General's Office of just under \$90,000 per biennium. Of those served last year, 48% were Native American, 29% Black, 23% White and stayed an average of 80 days.

At YWCA, this funding supports a part time advocate position, funds the operations of the two units, a one-bedroom apartment and a two-bedroom apartment. Referrals for service come from across North Dakota. Providing supportive services to human trafficking survivors is different than providing services to a domestic violence survivor. **These dedicated units and support staff have been essential in helping 200 survivors over the past seven years move forward with their lives and work towards recovering from the trauma of being sold for sex.**

**This is the true life experience of one woman we served in our Human Trafficking Program.**

Her name is Jodi.

Homeless, she came to YWCA. During intake, she was closed off and gave short answers. It's not unusual. We experience it all the time. In that first hour, we don't force answers past "Are you actively using drugs?" — the sort of questions that ensure safety of others we serve.

Jodi asked about the room where she would sleep: would she have it to herself? And furtive questions about the beds.

We came to discover Jodi had night terrors and incontinence. Bedwetting is something most grow out of as kids. But not Jodi.

**We came to understand that many had let Jodi down in her past, including systems meant to help her.**

You see, Jodi had grown up in the foster system in western North Dakota. At age 8, when most girls have Barbie dolls and second-grade giggles, Jodi was sex trafficked for the first time by her foster family. **Sex trafficked at age 8.**

For years, her body was repeatedly exploited and frequently sold to adult men.

Bedwetting was her body and mind's manifestation of trauma, distressed by assault as a young girl. Trauma to the soul beyond Jodi's deep brown eyes was compounded by many hurts and suffering.

After years of trafficking, Jodi found that drugs and alcohol were a reliable antidote to numb the pain of her existence. She became pregnant and had a baby. Then lost custody because no one ever properly cared for her or taught her how to care for a child.

**Once inside YWCA, we quickly saw it best to move Jodi to our Human Trafficking Unit and programming where her advocate hit the ground running.**



Her YWCA Advocate Sonya made an appointment and went along with her to the Homeless Health clinic in downtown Fargo to address her bedwetting and night terrors. Jodi saw an exceptional Nurse Practitioner named Whitney Fear, who's Native American like Jodi.

A scared Jodi asked Sonya to go along to all appointments. Our Human Trafficking Advocate prefers this, sometimes helping head off probing questions about STDs or others tinged with judgement when asked by even the most compassionate medical professionals. Jodi had been given many diagnoses over the years, but her trauma had never been addressed.

With this care, Jodi's esteem and health gradually grew. Sonya was her collaborator. Not an expert on Jodi's life, but someone alongside her to empower her. Empowerment is woven into everything we do at YWCA.

**Jodi worked hard to heal and plan for the future, and she was able to apply for housing while staying in our programming.** Sonya helped her move into her place and furnish it through a referral to a partner agency.

Today, Jodi lives on her own in her apartment and remains connected to many community-based services. She has worked toward regular visitation with her daughter.

Two generations move forward with pasts no longer overshadowing their futures.

**We don't do this work alone, and we need your continued partnership.** YWCA was here for Jodi and other survivors because the Attorney General and state funding made our work possible. I urge you to continue investing in changing the lives of women and children who have been victimized and deserve better.





House Appropriations-  
Education and Environment Section

**IN SUPPORT-SB 2003**

March 8, 2023

Janelle Moos, AARP North Dakota  
[jmoos@arp.org](mailto:jmoos@arp.org) – (701) 355-3641

Chairman Nathe and Members of the House Education and Environment Section of the Appropriations Committee-

My name is Janelle Moos, Associate State Director for Advocacy with AARP North Dakota. I'm here to provide support for SB 2003.

AARP supports reasonable protections against fraud, identity theft and other scams and has a long history of fighting for protections against financial abuse. That is why we launched the Fraud Watch Network ([www.fraudwatchnetwork.org](http://www.fraudwatchnetwork.org)). That is why AARP has put consumer education at the core of its approach to fraud prevention. AARP set up the Fraud Watch Network (FWN) in 2013, a nationally acclaimed program to help protect older adults and their loved ones. The response has been overwhelming. In 2019 alone, AARP experts fielded tens of thousands of calls from people seeking advice from the Fraud Watch Network helpline. The network has reached out to consumers in many other ways, such as with a fully updated fraud resource and information center on the AARP website. It has also established critical links to federal and state law enforcement organizations, to make sure it is giving people the most up-to-date information. In addition to an impressive array of tools and resources, FWN is leading an initiative to change how people respond to fraud, with a focus on treating fraud as the crime that it is.

AARP also has strong relationships with local partners to educate and fight against consumer fraud. Roughly ten states, including North Dakota have tapped into a national relationship with the influential International Association of Financial Crimes Investigators (IAFCI), whose members are police, detectives, federal agents, and private company fraud investigators. IAFCI members participate with state offices in community outreach events. About two thirds of state offices also have active relationships with the state Attorney General or consumer advocate. We also have collaborated with the ND Securities Office to highlight how to spot securities fraud, steps to report it and how securities fraud is investigated. Other state partners include elder justice coalitions, US Attorneys, local FBI offices, and many local nonprofits. Fraud and other financial crimes, including Medicaid fraud, create real financial devastation — billions of dollars are lost each year, and it's a crime we don't pay enough attention. More is needed to combat this problem.

AARP supports the additional enhancements in SB 2003, the Attorney General's budget that includes additional protections against fraud and scams including 3 additional FTEs including an additional attorney, investigator and paralegal.

The impact on victims and their families is wide reaching and can be financially and emotionally devastating, especially for older Americans. These additional enhancements in the budget will aid in prosecution and additional support for victims and their families and therefore, urge you to support SB 2003. Thank you.



## Sheriff's Department



Robert Roed  
*Sheriff*

March 7<sup>th</sup>, 2023

Chairman Nathe and members of the committee,

For the record my name is Jason Kraft and I am testifying in support of Senate bill 2003, specifically to section 9, the law enforcement resiliency grant program. Currently I am a Captain at the Ward County Sheriff's Department in Minot. I am also a combat veteran of the Army's 101st Airborne division and was in the initial ground invasion of Iraq in 2003. I spent my 19th birthday in a gunner's turret on the way to Baghdad. I have firsthand experience in telling you, that many of the effects on a person's wellbeing, from being a soldier and an officer, are similar in many ways. Yet the services provided to each are vastly different.

We expect both our soldiers, and our officers, to be tough and fearless. We also expect them to be compassionate and consoling. Sometimes expecting them to shift between the two almost instantaneously. They accomplish this because we learn how to turn our emotions off in this profession. It's a survival skill, but it's also a skill that saves lives and rescues victims. Don't think about what you're doing, just do it. But where do these officers go when it's time to think again. Who do they turn to? All too often I'll tell you they're left alone. The complexity of the emotional burden that we expect out officers to bear is not easily understood.

Immediately when we think of officer stress we think of deaths, suicides, homicides, or traffic accidents, but there are many cases of life or death faced by our officers that we don't hear about. Many of the officers in our own department have faced multiple life threatening situations. They've wrestled with suspects that are actively trying to take their gun out of their holster, pried a loaded revolver out of the hands of a suicidal person, and fought off a suspect long enough for back up to arrive while the suspect is telling the officer to look them in the eye because they want them to be the last person they see before they kill them. As an administrator, that supervises three sworn divisions within the department, it is these calls that concern me the most.

Since joining the core team of agencies to support officer wellness in March of 2022, our department has made substantial progress in supporting our officers. A little over a week ago, a deputy of our department discharged his firearm at a suspect that almost ran him over. In that same incident, another deputies patrol vehicle was intentionally hit head on by the same offender.

Due to the training and collaboration with the core team over the last year, our department had deputies trained in peer support that were in our office talking to those officers shortly after the incident. Supporting them and checking in with them. Not many agencies are where we're at, but with this appropriation, we hope that there can always be someone there for that lone officer in a small agency. This appropriation leaves no one behind. It provides them support regardless of their city or counties health plan, their employee assistance plan, and access to services in rural areas.



## Sheriff's Department



Robert Roed  
*Sheriff*

So what is the cost of one officers emotional well-being? That's a tough question to answer, but ironically this is an appropriation of \$400,000, which is the same cost to the federal government in life insurance benefits for one service member in the armed forces.

Recently, a respected law enforcement officer in the Minot community tragically took their own life. The grief and acknowledgement of this Officers death in the community was overwhelmingly apparent. I drove in the procession, and I witnessed the streets lined in places with people standing outside their cars, some saluting, some with their hand over their heart and others solemn. You'd be hard pressed to find one person that day that wouldn't support this appropriation.

Society today understands what it is that we go through. It's difficult to count how many times I've been randomly thanked by complete strangers over the years for what it is I do. Never once in that same regard has someone randomly told me I'm overpaid, over appreciated, or have too many benefits. If this bill can affect the outcome of one officer's life, only one, it's worth it.

Thank you and with that I can answer any questions if you have any.

Jason Kraft, Captain  
Ward County Sheriff's Department  
701-857-6500  
Jason.kraft@wardnd.com

March 7<sup>th</sup>, 2023

SB 2003

North Dakota House Appropriations Committee

Testimony from Sgt. Mike Bolme, Investigator, Bismarck Police Department

Chairman and Members of the Committee,

My name is Sgt. Mike Bolme and I am a supervisor in the Investigations Section for the Bismarck Police Department. I submit this testimony today in favor of SB 2003, with a particular focus on Section 9. Law Enforcement Resiliency Grant Program.

I am part of a team of professionals who travel around the state teaching burnout, empathic strain, and secondary trauma. Our team was trained by the TEND Academy which offers education and resources for helping professionals. That training not only focused on the effects of trauma on working professionals in caring professions, it also addressed how to build resiliency and deal with the aftereffects of that trauma. My intention for attending the training was to help my fellow law enforcement officers deal with the trauma we experience. Since receiving our certificates, our team has travelled throughout North Dakota educating not only law enforcement, but a multitude of other caring professions as well. I have personally presented to teachers, school administrators, peer support and addiction specialists, court personnel, and suicide hotline personnel (FirstLink).

I mention those other professions because they also experience the effects of primary and secondary trauma. But I have noticed differences in how those other professions talk about and deal with their trauma which sets them apart from law enforcement. We, as law enforcement, have a terrible culture as far as dealing with the repercussions and cumulative effects of the trauma we experience. That culture has a pervasive narrative of "suck it up" and not actually dealing with the emotional toll of our job experiences. I can demonstrate the difference in law enforcement culture based on the participation of our audience members relative to the other different professions. Simply put, we don't get the active feedback during our presentations from law enforcement as compared to other professions. The other professionals are far more apt to talk about their own personal experiences in an open setting. It can be difficult to get law enforcement participants to do the same. That is a part of our culture that is unhealthy and sometimes it makes me question why I'm doing the heavy lifting in addressing those issues. But I can show that what we are doing is making a difference.

Part of our presentation includes an online survey in which participants are asked to give feedback on the training. The response from those same law enforcement participants who have trouble sharing in a classroom setting has been overwhelmingly positive. I can cite multiple quotes like "We need this" and "I wish I had this when I first started". I can also cite examples of the harm our culture has done to those in our profession. I had to personally intervene with the person who wrote this comment:

*"This training was presented well and the information was good. The presentation is not applicable to my place of employment. The supportive, we care, etc, in my experience is not accurate. The words used and the actions taken do not match one another. I would not recommend many of the steps discussed to a coworker who approached me as I would be concerned the person who came to me would be further*

*injured bringing this to management. Contrary to what is promoted by management some actions show the stigma and repercussions of mental health are true and current. EAP is good, but when there are conflicts with utilizing EAP other options would be beneficial. Some could argue that the outward trauma is minimal compared to the mental trauma that occurs within the building. Time should be added focusing on the dangers coming from behind you from within the organization in addition to outside trauma."*

That quote was from a professional law enforcement officer who had also been traumatized by the stigma of asking for help from leadership. In the past, law enforcement leadership would react in unhealthy ways when an employee came forward with signs of post-traumatic stress. Those unhealthy ways could lead to ostracizing the employee from his co-workers, and worst-case scenario, loss of a career due to mental health issues. Officers are quietly hurting and it's going to take a cultural shift to correct that. Past practice has put the blame on the individual officer and to find fault in that officer for not taking care of themselves. To be clear, it is not the fault of the individual officer for suffering from the effects of post-traumatic stress. Traditionally our profession has pushed "self-care" and "work/life balance" but that has not been shown to be most effective. Organizational changes have been shown to be the most effective in dealing with these issues.

Simply put, we have a long way to go in overcoming our unhealthy work culture in dealing with post-traumatic stress and burnout. By supporting SB 2003, you can help ensure that we continue to address the effects of trauma and burnout as well as built resiliency in our law enforcement officers throughout the state.

Sgt. Mike Bolme  
Investigator  
Bismarck Police Department

Testimony in support of SB 2003  
House Appropriations Committee

Emily Schwartz, Director  
North Dakota Human Trafficking Task Force  
March 6th, 2023

Chairman and Members of the Committee:

I come before you today, along with several colleagues, to highlight the work in North Dakota to combat human trafficking during the last biennium, to provide a summary of how funds appropriated in the 2021 Legislative Session were utilized, and to urge this committee to recommend a “do pass” on SB 2003, which will continue funding for anti-trafficking work in North Dakota. Attached to this summary you will find a description of the North Dakota Human Trafficking Task Force’s (NDHTTF) work in the state, statistics on victim services and investigations data, and a map illustrating the communities in North Dakota where NDHTTF multidisciplinary teams operate and where victims were located. Human trafficking, including labor and sex trafficking, occurs statewide and affects rural and urban communities alike. The data we have collected since 2016 demonstrates that human trafficking continues to be a significant problem in North Dakota. The State’s financial support is critical to the success that victim service organizations and law enforcement have had in building a coordinated, effective response, and in collecting data to support this work. We therefore ask that you recommend a “do pass” on SB 2003, allowing this important work to continue.

Some background information on the utilization of funds appropriated in the 2021 biennium are as follows:

- Human trafficking services were funded at \$1,101,879 in the 2021 session, \$1,400,000 in 2019, \$825,000 in 2017, and \$1,250,000 in 2015.

- The Attorney General’s Drug and Violent Crime Policy Board distributed funds. The Attorney General’s Office created an application and held hearings with the Board, granting money to nine organizations.
  - Agencies receiving funding include the Abused Adult Resource Center (AARC), Community Violence Intervention Center (CVIC), Dakota Children’s Advocacy Center (DCAC), Domestic Violence and Rape Crisis Center (DVRCC), Family Crisis Shelter (FCS), Red River Children’s Advocacy Center (RRCAC), Youthworks, Young Women’s Christian Association (YWCA), and Prevent Child Abuse North Dakota (PCAND) on behalf of the North Dakota Human Trafficking Task Force (NDHTTF). The funding predominantly supports direct services to suspected and confirmed trafficked individuals located in their home communities. This includes:
    - Specialized services, case managers and advocates, Regional Navigators, a Labor Trafficking Specialist, NDHTTF Director and Grant Tech positions, training and travel support, supplies for victim survivors, and contracts with Survivor Leader Advisors who can best inform the work done in the state.
    - A Human Trafficking Fund (HT Fund), administered through the NDHTTF, which was created to support victim survivors throughout their healing, from first point of contact through long-term healing. Some examples of eligible services include medical, mental health supports, housing, job training, and legal needs. Any organization in North Dakota serving a survivor can request funding by submitting a reimbursement request form. Any request over \$250.00 goes through review by a



multidisciplinary team for approval prior to being submitted to the Attorney General's Office for final approval.

- Funding appropriated through the Attorney General's Office is only available on a reimbursement basis. Organizations are required to provide documentation, receipts, and activity logs for employees, and the submitted costs are evaluated by the Attorney General's Office for allowability before they are reimbursed with state funds.
- The Attorney General's office reaches out to grantees to ensure that money is obligated and will be spent within the allotted time frame. Reallocations have historically been made to move funds between grantees from those who indicated they would not be able to spend their funding to the grantees that indicated they needed additional funding.
- State funds were utilized as match funding for federal grants. The NDHTTF has received the Enhanced Collaborative Model Task Force grant through the Department of Justice, a key source of funding to support statewide work, and utilizes this state funding to support the match requirement.
  - State dollars are critical to accessing federal funding opportunities as almost all programs have a 25% match requirement.
  - Significant delays in releasing the awarded federal funds have occurred. Without these state funds, employees would have been furloughed or laid off, and the HT Fund would not have funding to serve victim survivors' needs.
- I'd like to highlight some key data points found in the supporting documents I've submitted today for testimony:
  - Since the NDHTTF began collecting data on January 1, 2016, through December 31, 2022, the NDHTTF has served 700 suspected and confirmed victim survivors of trafficking.

- Youth comprise 29% of our caseload, and adults 71%.
- Sex trafficking is 85% of the caseload, labor trafficking 5%, sex and labor 9%, and other 1%.
- The NDHTTF Operational Team has assisted in 4,440 instances of technical assistance requests.
- 257 investigations into trafficking have been conducted.
  - 93% of investigations were for sex trafficking, 5% were labor trafficking, and sex and labor were 2%.
- The number of trainings conducted statewide is 507, with the NDHTTF specifically targeting key sectors to include medical professionals, law enforcement, EMS, social services, domestic violence and sexual assault service providers, and other key agencies likely to come into contact with victim survivors and screen for identification and referral.
- 82% of victims served were North Dakota residents.

The NDHTTF is recognized as a national leader by other task forces, especially those being developed statewide with rural populations, and regularly provides mentorship to newer task forces across the nation seeking to develop similar coordinated programming between victim serving agencies and law enforcement. Since beginning this work in 2015, developing partnerships, protocols, and enhancing services, the NDHTTF has collectively done incredible work with this funding in a short period of time. It is imperative that we continue to build upon the lessons we learn to consistently find innovative ways to better meet the needs for all victim survivors of trafficking. I appreciate the opportunity to share the important work of the North Dakota Human Trafficking Task Force, and our partners, with you. Thank you, and I am happy to answer any questions.



## Who We Are

The North Dakota Human Trafficking Task Force is a collaborative team made up of law enforcement, prosecution, and service providers at federal, state, and local levels.

## What We Do

We are a team that responds to victims of sex and labor trafficking; providing comprehensive services, investigating traffickers and solicitors, and prosecuting offenders. The NDHTTF is the nexus for a network of law enforcement and service providers to work in tandem to build capacity and combat trafficking statewide.

## Who We Serve

All trafficking victims regardless of immigration status, gender, or form of trafficking receive support in accessing the services they need.

## Where We Serve

NDHTTF serves the entire state of North Dakota.

## Why We Exist

NDHTTF exists to prevent, detect, disrupt, and dismantle human trafficking.

## How We Do It

- Train communities to identify exploitation and trafficking and provide points of contact
- Train local multidisciplinary teams to respond to victims and investigate trafficking-related crime
- Assist response agencies and communities with the development of response protocol
- Provide technical assistance to local response teams upon request
- Investigate trafficking related crime
- Prosecute offenders and provide victims with restitution
- Engagement in national anti-trafficking best practices and sharing of resources
- Build networks for victims to access services and resources





700

Number of Human Trafficking Victims Served in North Dakota

Youth: 29%

Adults: 71%

Sex: 85%

Labor: 5%

Sex & Labor: 9%

Other 1%

257

Number of Investigations

Sex: 93%

Labor: 5%

Sex & Labor: 2%

507

Number of Trainings conducted Statewide

4,440

Number of Technical Assistance Calls to NDHTTF Operational Team

Data provided: January 1st, 2016 through December 31st, 2022

## results of ndhttf work

- The NDHTTF operates nine multi-disciplinary teams (MDTS) to provide local response to exploited and trafficked individuals. Locations include Williston, Watford City, Dickinson, Minot, Bismarck, Devils Lake/Spirit Lake, Jamestown, Grand Forks, and Fargo.
- The NDHTTF hosts a human trafficking fund that provides short and long-term resources to any victim in the state. The most requested services are for housing, behavioral health, medical/dental, legal assistance, basic needs and transportation.
- Training has yielded better, more accurate identification of suspected and confirmed labor and sex trafficking victims by law enforcement, community providers, and the public. Training includes best practices when working with victims and how to successfully investigate trafficking.
- Service providers and law enforcement have demonstrated continued commitment to survivors. Ongoing access to services is critical as approximately 80% of victims served are North Dakota residents.

# NORTH DAKOTA HUMAN TRAFFICKING MDT & TRAFFICKING CASES MAP



● MDT Community    ★ Communities Where Trafficking has been Identified



www.casscountynd.gov

March 6, 2023

# Office of the Sheriff

Jesse Jahner, Sheriff

To House Appropriations- Education and Environment Division:

My name is Deputy Ashley Bates and I am the head of the Peer Support team at the Cass County Sheriff's Office (CCSO). I have been with the Sheriff's Office since 2015. In my time with the CCSO, I have worked as a correctional officer, was provided field training for patrol, and currently help with running the Community Supervision Program out of the jail. Today, I want you hear my testimony in support of this specialized officer wellness program, as someone who has utilized services that have helped me and others I have worked with.

I want to share with you some experiences in my years of working in corrections to shed a light on the work environment and need for this programming. Over the years I have personally dealt with several incidents that were traumatic; in one week, I had an inmate cut both ankles in which I had to make tourniquets to stop the bleeding as the cell was covered in blood, an inmate medical emergency, an inmate overdose, and a co-worker experience a mental break down.

The co-worker's breakdown resulted in that co-worker locking me in a pod with an inmate and telling me I was going to die that day. There is no training for the day that your co-worker, who is supposed to have your back, ends up having their own crisis and could put your life at risk. This situation may have been avoided by them having access to specialized resources and support to get the help they needed.

In recent years, the negative perception of law enforcement by the public and media has been something that officers have to deal with every day along with the daily stressors of their job. There has been an increase within our jail of assaults on staff, assaults between inmates, suicidal inmates and mental health issues with inmates that result in them throwing bodily fluid and feces at corrections officers.

The daily twelve-hour long shifts of officers assigned to work with forty or more inmates in their pod make stressful situations on the job all the more difficult. CCSO patrol deputies go to domestic violence, suicide, child maltreatment, and death calls that all take a toll on our deputies. Experiencing all of that at work, along with the stress of life at home and finding that work/home balance can be difficult if we don't have the resources to help.

The Cass County Sheriff's Office has been committed to officer wellness support and has provided leadership in North Dakota to initiate work with a statewide law enforcement core team. In working collaboratively with this law enforcement core team to address issues of secondary trauma, post-traumatic stress disorder,

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<p><b>Cass County Sheriff</b>  <b>Law Enforcement Center</b>  1612 23rd Avenue North  P.O. Box 488   Fargo, North Dakota 58107-0488  Phone: 701-241-5800  Fax: 701-241-5806</p>	<p><b>Cass County Sheriff</b>  <b>Courthouse</b>  211 9th Street South  P.O. Box 488   Fargo, North Dakota 58107-0488  Phone: 701-241-5800  Fax: 701-241-5805</p>	<p><b>Cass County Jail</b>  450 34th Street South   Fargo, North Dakota 58103  Phone: 701-271-2900  Fax: 701-271-2967</p>
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www.casscountynod.gov

# Office of the Sheriff

Jesse Jahner, Sheriff

compassion fatigue, and similar issues, I have been able to assist peers in helping them with traumatic events and then referred them to the specialized program for law enforcement officers and corrections staff. Over the last year I personally called law enforcement agencies throughout North Dakota to see if they had peer support teams, or some form of assistance for those in need of help during difficult times. Overwhelmingly, agencies reported that they had no resources but were eager to learn more and offer these resources in their own agencies.

Traditional Employee Assistance Programs (EAPs) offered to law enforcement through their agencies don't work well for first responders. EAPs may be effective for those that are not in high-risk environments or who witness and live with trauma as a part of their regular job duties but have not been effective for me or other law enforcement I've spoken with. I personally tried accessing a traditional EAP and found that the counselor I saw lacked experience for the type of help I needed; they were young and recently graduated, were more interested in what I did in my daily job because they thought it was interesting more than being able to provide me with the services I needed. Additionally, there was a long wait to be scheduled and seen that did not meet needs for someone that is in high-risk need for help.

In comparison, I used a specialized therapy service called Resiliency.Support.Therapy (RST), that the law enforcement core team has been partnering and within five days I was scheduled and speaking with someone that I felt was capable of listening and helping me. As the Peer Support team leader, and an advocate for RST, it has been my passion to make sure that all law enforcement officers, and corrections staff have the resources within their departments to ensure traumatic incidents can be addressed quickly and by professionals who uniquely understand our needs. It is my hope that by supporting this bill you will ensure that we don't lose any more law enforcement to mental breakdowns and suicide.

Thank you,

Ashley Bates, Deputy  
Cass County Sheriff's Office

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**Cass County Sheriff**  
**Law Enforcement Center**  
1612 23rd Avenue North  
P.O. Box 488  
Fargo, North Dakota 58107-0488  
Phone: 701-241-5800  
Fax: 701-241-5806

**Cass County Sheriff**  
**Courthouse**  
211 9th Street South  
P.O. Box 488  
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Phone: 701-241-5800  
Fax: 701-241-5805

**Cass County Jail**  
450 34th Street South  
Fargo, North Dakota 58103  
Phone: 701-271-2900  
Fax: 701-271-2967

Testimony in support of SB 2003  
House Appropriations Committee

Emily Schwartz  
March 6th, 2023

Chairman Larson and Members of the Committee:

For the record, my name is Emily Schwartz and I act as the Director of the North Dakota Human Trafficking Task Force, but come to you today outside of that capacity, as a partner to law enforcement agencies that provide critical services to victims of crime across the state, and whom I seek to support.

In late 2020, a group of law enforcement agencies recognized the need to better support their staff and each other's agencies, due to sustained secondary trauma on the job and to provide peer support during critical incidents. There is a significant amount of data to support the need for services as law enforcement experience sustained exposure to fatalities, child maltreatment, suicides, sexual assaults, and domestic violence, resulting in substance abuse, increased rates of suicide, marital distress, depression and anxiety, and decreased physical wellness.

A federal grant was hosted by Cass County Sheriff's Office, in collaboration with the West Fargo Police Department, Ward County Sheriff's Office, Williston Police Department, and the North Dakota Human Trafficking Task Force. This core team launched programming to promote internal practices to support officers, train administrators on policy and procedures to address secondary trauma, provide peer-to-peer training for units responding to critical incidents, and promote and provide access to specialized therapists across the state. The trauma-informed therapists providing these services are vetted for their unique experience in therapeutic modalities to support specialized needs related to secondary trauma.

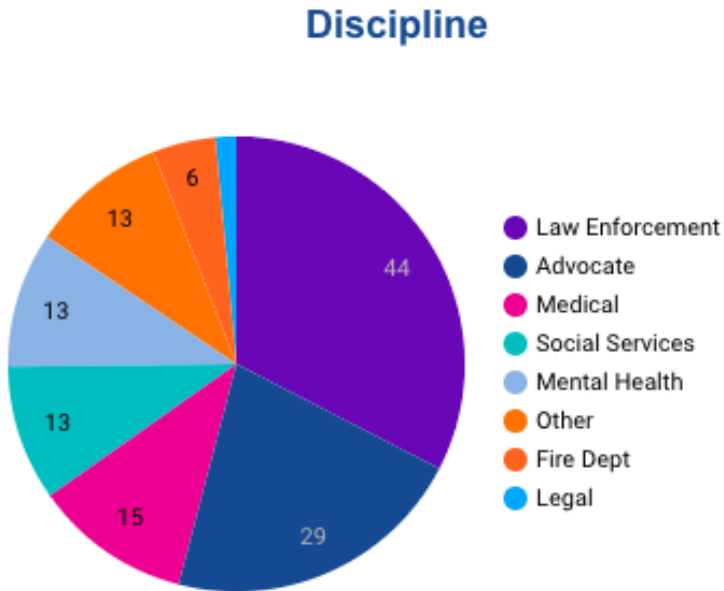


Since the specialized therapy program was promoted to law enforcement agencies in late 2020, forty-four officers have accessed services. The top presenting concerns are vicarious trauma, PTSD, and compassion fatigue. Law enforcement is now the leading discipline in accessing services through this program. The average number of sessions accessed per individual is eight sessions. This is a good indicator that staff accessing services are finding value in the therapy and continuing with sessions, as opposed to meeting just once. Please find data included below in this testimony that outlines the usage of programming by discipline, presenting problem, in-person vs. telehealth access, and intervention to support the client. In my opinion, one of the reasons the program has been so successful is because it is led and informed by agencies who are working in the field every day and understand the need, allowing solutions to be geared towards this unique demographic for specialized programming that is very much needed in the state.

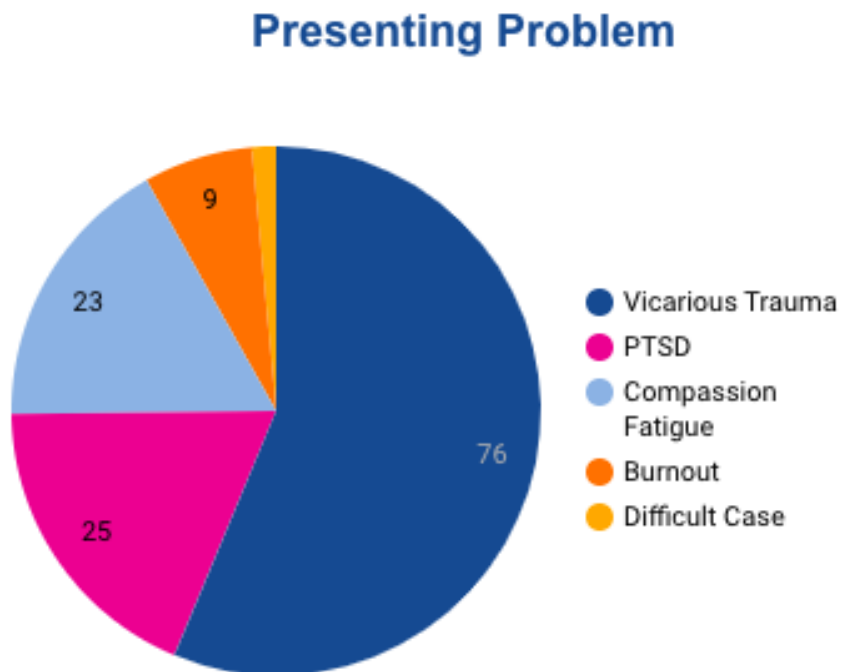
Today, you will hear testimony from law enforcement core team partners that speaks to the need for ongoing programming to be expanded statewide. The impact of the work of this team has made a significant difference in development of critical supports to law enforcement across the state and we seek for that work to continue. There are 127 individual law enforcement agencies throughout the state that are comprised of city, county, and state jurisdictions. There are approximately 2190 licensed peace officers currently working for these agencies. In addition, there are about 300 individuals who maintain their license but do not actively work for a law enforcement agency. Correctional officers are not captured in these figures and it is imperative that they also receive support through this programming. The State's financial support is absolutely critical in continuing to build a coordinated, effective response for law enforcement officers experiencing the impact of secondary trauma in their work.

Many of us here are afforded the opportunity to live our lives knowing that help is a phone call away when we need it the most. I ask you what we are doing to support those on the other end of that call, the people who support us every day, at any hour, in any circumstance, putting their lives on the line at significant cost to their own. Is it not our obligation to honor their experience and be there for them in return? I therefore ask that you support the appropriation in SB 2003 for law enforcement resiliency grants and I am happy to answer any questions you may have.

## Usage by Discipline as of January 23, 2023

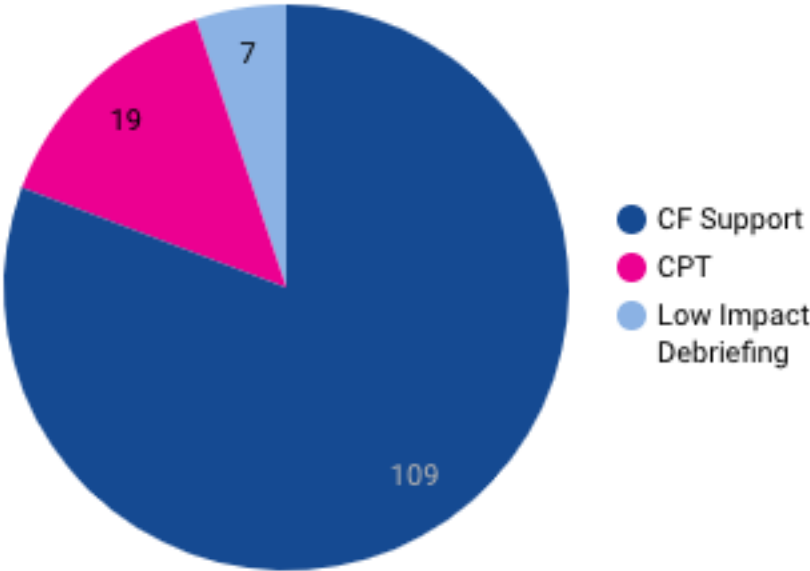


## Presenting Problem for Therapeutic Services as of January 23, 2023



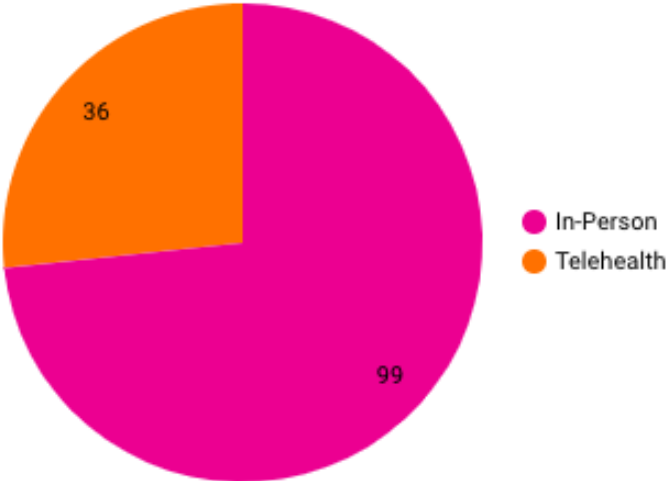
**Type of intervention offered for Therapeutic Support as of January 23, 2023**

**Type of Intervention**



**In person vs. Telehealth Usage as of January 23, 2023**

**In-Person vs. Telehealth**



## Client Satisfaction Survey Results

How did you hear about this program (check all that apply)

ANSWER CHOICES	RESPONSES
Employer	65.63%
Training	15.63%
Colleague	25.00%
Website	3.13%
Other (please specify)	12.50%

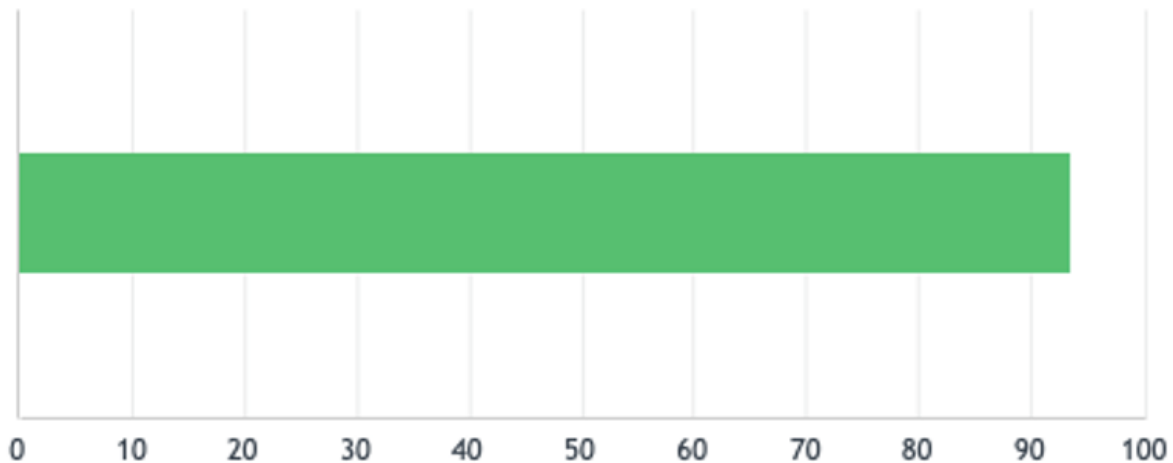
Select the Resiliency Skills that you utilize as a result of this program.

ANSWER CHOICES	RESPONSES
Low Impact Debriefing	46.88%
Hot Walk and Talk	6.25%
Understanding my exposure	50.00%
Monitoring my warning signs	65.63%
Resetting before, during and after exposure	31.25%
Remembering the rewards of the work	37.50%
Recognizing the "must be nice" reaction	6.25%
Establishing personal balance	78.13%
Engaging in healthy eating	15.63%
Engaging in exercise/hobbies	46.88%
Utilizing better sleep habits	18.75%
Creating and action plan	31.25%
Widening your window of tolerance	31.25%
Cultivating social supports at work	28.13%
Cultivating social supports at home (outside of work)	43.75%
Doing a digital detox	12.50%

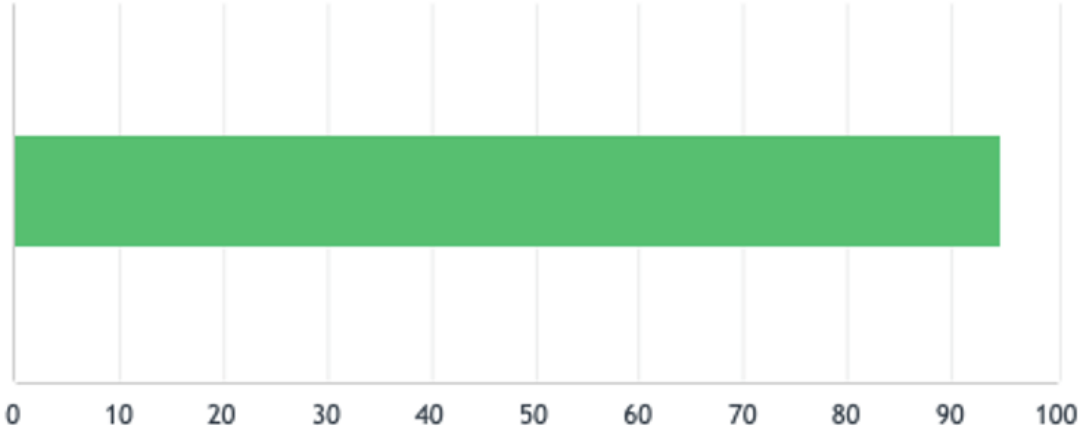
Which of the following helped you utilize this program verses another program/EAP?

ANSWER CHOICES	RESPONSES
Free	68.75%
Independent from my place of employment	53.13%
Providers were specifically trained to work with professionals on burnout, empathic strain, and secondary traumatic stress	78.13%
Availability of providers to get in for the first appointment	34.38%
Accessibility of the providers - in person or telehealth	65.63%
Process to use RST services	31.25%
I don't have access to other programs/EAP's	0.00%

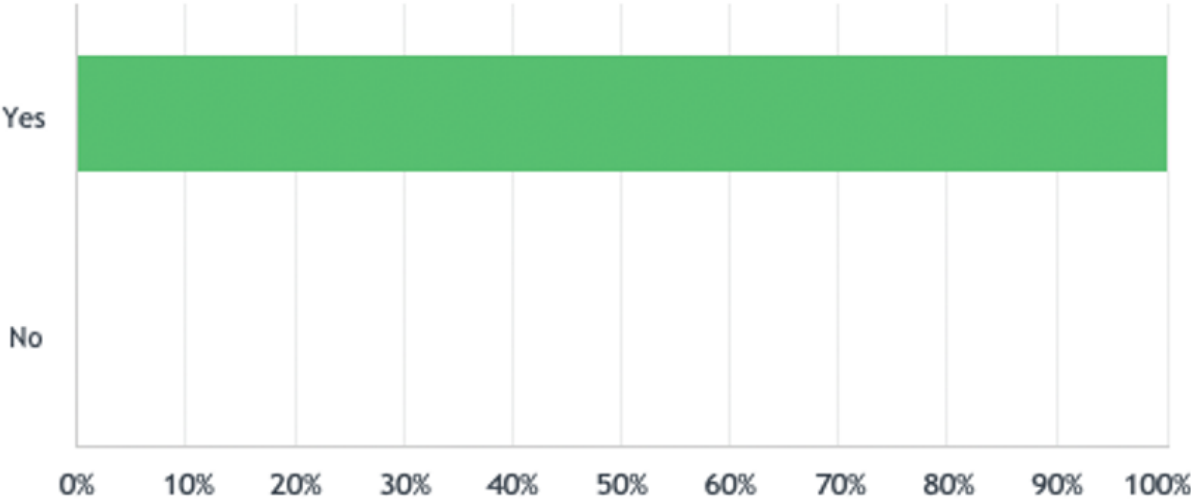
How knowledgeable do you feel your provider was on how to help victim serving professionals with burnout, empathic strain, and/or secondary traumatic stress?



How competent do you feel your provider was on helping you with burnout, empathic strain, and/or secondary traumatic stress?



Would you recommend this program?



Testimony in support of SB 2003  
House Appropriations Committee  
Shayla Davila, Lived Experience Advisor  
March 6th, 2023

Chairman and Members of the Committee:

For the record my name is Shayla Davila and I am a survivor of human trafficking. I come to you today to share some of my experience in the hope that it will help another survivor.

I had a great childhood with two loving parents who provided and cared for me. I was an athlete whose parents attended every game, I was in choir, I did martial arts, and excelled in school including taking Advanced Placement classes. I had every support and indicator for success that a parent would hope for.

I became a single mom who worked hard to make ends meet. One of my jobs was as a bartender, and this is where I first met my trafficker. He looked like any other businessman that came in on any given night. We began dating, he treated me well, and I saw a future together. When he offered the opportunity to move out-of-state and support me in getting my real estate license, I jumped at the chance and envisioned a better life for myself and children.

I packed up all of our belongings and moved with him to a new state. The first day there, I met my trafficker's family since his mother and sister lived at his house. I didn't know until later that there was a reason for that; they seemed like a nice family and were very welcoming. The first night I was there, I was abused and forced to do things I never would have imagined. I quickly realized that our relationship was not what I thought it was. It was like Dr. Jekyll and Mr. Hyde, his sister and mother were involved, and I was isolated from everything I knew.

People wonder why you don't leave. I was across the country in a strange place where I didn't know anyone. My trafficker took my identification and his mother and sister had my kids.



At that point I was never left alone with my kids. I continued to be abused by my trafficker because I am a very stubborn individual and traffickers do not like that. I'm sure many of you are parents, and the best response to why I didn't just leave is because of my kids. I would give my life for my kids and if that meant enduring physical, sexual, and emotional abuse to keep them safe that is exactly what I did. Eventually, my trafficker started to trust me and the very first time he left me alone with my children I left.

Many people think that after you leave you can just pick your life back up from where it was before, but that could not be further from the truth. My life after leaving was probably harder than it was while being trafficked. There were many prostitution-related charges on my record that were not mine to be accountable for. I was forced into this, and yet I was the one burdened with the consequences of someone else's actions. I was unable to get a decent job, I was denied a job flipping burgers at Sonic because they said I had moral charges on my background, although the manager had felony drug charges. I couldn't find decent housing with my record so I ended up renting from slum lords, who were more than happy to exploit the situation because they knew I had no other options. Landlords were happy to rent to people with other felonies on their record, just not me. The worst day of my life was losing custody of my children due to what I was forced to do by my trafficker. After losing them, it felt like my life was not worth living and I spiraled. Without my kids I lost myself and was not me anymore, I'm sure any parent can relate to this.

It took four years to get my kids back and now I am a blessed mother, wife, and grandmother. I brag about my kids endlessly and am so proud of the people they have become, despite the hand they were dealt. They are all doing great things and are all in the medical field

helping others. I overcame so much and am grateful today. Where I used to be angry about what had happened, today I appreciate the life that I have made for myself and my family.

When I got out of the life there weren't any programs for me like there are now. So here I am, working in partnership with the North Dakota Human Trafficking Task Force to bring awareness of sex and labor trafficking in the state. I've become close to a great group of survivors that have helped me heal more than I thought I needed to. The services provided in North Dakota would have helped me immensely and that is why I am here. The State helps so many people with the things I never had, or struggled to get; including housing, job training, and mental health issues. I speak out about these topics because if I can help one individual to not have to go through what I went through then I have done my job.

I leave you with this, set the bar high for every other state to strive to be. North Dakota is making big waves when it comes to human trafficking and let's work together to try and squash this problem. Thank you all for your time and I'm happy to answer any questions you may have.

March 8, 2023

SB 2003

North Dakota Senate Appropriations Committee

Testimony from Amy Boyd, Anti-Trafficking Program Manager, Youthworks

Chairman and Members of the Committee:

My name is Amy Boyd; I am the Anti-Trafficking Program Manager for Youthworks; a private, non-profit agency that serves youth, ages twelve to twenty-four. I have come before you today in support of SB 2003, specifically North Dakota Attorney General's Budget line item 14 relating to human trafficking victim grants.

The funds that Youthworks receives from the Attorney General's budget are critical to ensuring that all of North Dakota's youth victims of human trafficking receive the care and support they deserve. As a non-profit, Youthworks leverages its Attorney General funds as "match" money for federal grants- essentially tripling the impact of state dollars. In simple terms, for every \$1 Youthworks receives in Attorney General funds, the agency receives an additional \$2 in federal funds. This ensures that victims have access to a comprehensive human trafficking service model, regardless of where they live, including in rural areas of the state. These funds support the anti-trafficking efforts of eight professionals across the state who provide support, therapy, mentorship, and shelter to youth victims of trafficking. Currently, Youthworks has anti-trafficking program personnel in Dickinson, Minot, Grand Forks, Bismarck and Fargo. One-quarter (25.8%) of the youth served in Youthworks anti-trafficking program live in our rural communities.

For the past eight years, I have worked directly with survivors of sexual exploitation and Human Trafficking and would like to tell you a little about them. Most of them were victimized when they were young. Most have been sexually abused, most have been physically abused, most struggle with feeling suicidal. Most of them have at some point either been given drugs or alcohol as a tool to manipulate them. Most of them have experienced food being withheld from them as a tool to control them. All of them have trauma, which affects their ability to make safe choices. All of them have a distorted view of their worth, seeing themselves only as an object of sexual pleasure. Because many of them have a history of abuse and neglect, they are especially vulnerable. We know that the trafficker selects them because of this vulnerability. Many of our youth have been trafficked by a parent or other relative. As you can imagine, the impact of this kind of trauma and betrayal is devastating.

The dollars that we have received from the Attorney General's budget has allowed us to walk alongside these youth as they start the journey of healing, and to support them as they cooperate with Law Enforcement investigations during their trafficker's prosecution. In the words of one of our staff, "Supported victims make good witnesses."

I'd like to tell you their stories, because they deserve to be heard; they deserve to have you be proud of them for what they've accomplished. I'd like to tell you about \*Jane, who was trafficked by her family and has experienced unimaginable trauma, and in spite of all of that is enrolled in school, goes to therapy, is an incredible artist, and when she's in our office, is an absolute ray of sunshine for

everyone that she meets. Because of these funds, there are youth in our community like Jane who you would never know had been trafficked. They are productive members of our society and for some of them, are on the road to helping others that have experienced trafficking.

Continued funding and support for the work we do is absolutely critical. We now have a coordinated system in place, with capable professionals who work together to prevent trafficking, support survivors, and assist Law Enforcement in bringing traffickers to justice. Youthworks asks for your support on line item 14 of the North Dakota Attorney General Budget relating to human trafficking victim grants.

March 7, 2023

SB 2003

North Dakota House Appropriations Committee

Testimony from Sgt. Mike Bolme, Investigator, Bismarck Police Department

Mr. Chairman and Members of the Committee,

My name is Sgt. Mike Bolme and I am a supervisor in the Investigations Section for the Bismarck Police Department. I submit this testimony today in favor of SB 2003.

It has been my privilege to be a member of our local multidisciplinary team and statewide task force which deal with human trafficking. Much of what we are able to do is because of funding we receive from the Attorney General's Office, and specifically funding allocated by you.

When I looked at the list of people testifying for this bill, I didn't see a lot of testimony from the people who have the boots on the ground. The people that, thanks to the funding and support we get from the AG's Office, are doing the actual work with victims of human trafficking.

What that looks like in our area is a team of caring professionals who work together in the interest of the victims. Most of our victims are youth, and many of them have been subject to familial trafficking and/or sexual abuse. You can imagine the traumatic effects this has on our victims, and the incredible barriers it creates for our team. Our team includes professionals from law enforcement (both state and local), as well as service providers from social services, the Abused Adult Resource Center, the Dakota Children's Advocacy Center, Youthworks, the Dakota Boys and Girls Ranch, Home on the Range, the Burleigh County States Attorney's Office, and other organizations. Our victims feel supported and cared for by our team, and from a law enforcement prospective, this looks like better witnesses when it comes time to prosecute their perpetrators.

The days of law enforcement responding to a call, taking the report, and maybe engaging with the victim one more time before trial preparation are fast disappearing. Best practice in victim-oriented policing involves establishing rapport and a relationship with that victim based on positive regard. One of the first things our team does is to send in a law enforcement officer just to chat with that victim to try to establish rapport. We generally don't even take a report during that first meeting. Most of our human trafficking victims have had a lifetime of police response which hasn't always been positive, and it takes the right kind of law enforcement and service provider teams to overcome those barriers. It is only through a team approach with our service provider partners that we can have success.

Success doesn't always look like a guilty verdict from a judge or jury. In fact, most of the human trafficking cases we investigate won't get prosecuted as trafficking. From an outsider's perspective, the percentages may look like failure. But what isn't seen, is the work we are doing with victims to help them recover from the terrible trauma they have experienced at the hands of their traffickers. Success looks like former victims who have overcome their trauma and are now contributing members of society.

Our multidisciplinary team meets almost weekly to staff cases of human trafficking. The majority of our victims are youth and the frequency of occurrence would shock most North Dakotans. The good news is we have teams across the state who are addressing all sides of this problem. By supporting this bill, you can help us in our efforts.

Sgt. Mike Bolme  
Investigator  
Bismarck Police Department



## CHILDREN'S ADVOCACY CENTERS OF NORTH DAKOTA

### House Appropriations – Education and Environment Division Committee Hearing

*Testimony In Support of Senate Bill #2003*

3-8-23

Mister Chairman, members of the committee, my name is Greg Kasowski, and I am the executive director of the Children's Advocacy Centers of North Dakota. I appear today in support of Senate Bill 2003, with a request for an increase in funding for child forensic interviews, which is included under line 24 titled "Medical examinations."

#### **What is a forensic interview?**

Before Children's Advocacy Centers existed in North Dakota, children would have to tell of their experience of abuse an average of 10 to 12 times—as they shared with law enforcement, human services, prosecutors, and therapists—further traumatizing the child. **Now children only need to tell of their experience once in a forensic interview.**

Our Children's Advocacy Centers conduct the forensic interview in a safe, child-friendly environment. Law enforcement, prosecution and social services observe the forensic interview through a closed-circuit television and can request the forensic interviewer ask specific questions.

#### **Background on "Medical examinations" \$660,000 (page 1, line 24)**

- [12.1-34.07](#) is the statute related to this funding.
- The \$660,000 is managed by a trust under the Insurance Department called the Insurance Regulatory Trust Fund.
- Our medical partners who conduct medical exams for children (e.g., Sanford, Central Dakota Forensic Nurse Examiners, Altru, etc.) request reimbursements at the time of service throughout the biennium.
- In April at the end of each biennium, Children's Advocacy Centers take three steps before submitting reimbursements to receive any remaining funding:
  - Request reimbursement through **Medicaid: ~50% of claims**
  - Request reimbursement through **Crime Victims Compensation: ~8% of claims**
  - Request reimbursement through **private health insurance: 0%**

Children's Advocacy Centers of North Dakota

[www.CACND.org](http://www.CACND.org)

[director@cacnd.org](mailto:director@cacnd.org)

701.301.3701







# CHILDREN'S ADVOCACY CENTERS OF NORTH DAKOTA

- The Attorney General's Office, through the Insurance Regulatory Trust, reimburses the remaining 42% of claims.
- **However, in the 19-21 biennium**, the budget was depleted and Children's Advocacy Centers did not receive \$73,058 in needed reimbursements for forensic interviews.
- **For the current 21-23 biennium**, we expect another funding shortfall, but DHHS has been able to provide one-time funding to cover the depletion.
- **For the upcoming 23-25 biennium**, we expect another funding shortfall.

## **How much funding is needed for "Medical examinations?"**

For the 23-25 biennium, we project a total of **\$943,400** is needed. This is detailed on the accompanying chart on page 4.

SANE exams are projected to be \$638,900, and we expect 846 children will need a forensic interview as they experience the trauma of abuse (\$304,560).

The 846 child forensic interview projection is based on:

- 1) The number of forensic interviews increases nearly every biennium, and
- 2) The Red River Children's Advocacy Center, which serves children and families in Fargo, Grand Forks and surrounding counties, has not requested forensic interview reimbursements in the past and is expected to begin doing so.

Please note that this is a request to meet the increased number of forensic interviews and is **not a request to increase the forensic interview reimbursement amount** (\$360), which has remained level the past 6 years.

Another solution that has been proposed is to split the "Medical examinations" pot into two, with one for SANE exams and one for forensic interviews.

## **Where else do Children's Advocacy Centers receive funding?**

About 20% of our funding comes from the state of North Dakota. We cover the remaining 80% through fundraising, federal grants, and private foundations.

Children's Advocacy Centers of North Dakota

[www.CACND.org](http://www.CACND.org)

[director@cacnd.org](mailto:director@cacnd.org)

701.301.3701





**CHILDREN'S  
ADVOCACY  
CENTERS**  
OF NORTH DAKOTA

Of the state funding, our primary funder is the Department of Health and Human Services. In the Attorney General's budget, our Children's Advocacy Centers also receive 1-2% of the amount under "Human trafficking victims grants" (page 1, line 20) through the ND Human Trafficking Taskforce. We also receive forensic interview reimbursements through Medicaid and Crime Victims Compensation Fund (DOCR) as noted above.

We have sought funding from multiple areas in an attempt to secure critical resources to help victims of child abuse.

**Senate Bill 2067**

A related bill to this funding is SB 2067, which makes two policy changes to [12.1-34.07](#) (Attorney General's forensic interview reimbursement) by:

1. Removing the April reimbursement window requirement so CACs can bill at the time of service.
2. Removing the private health insurance submission requirement, as health insurers do not reimburse for evidence collection of a crime, which will save us hundreds of hours in unnecessary paperwork.

Thank you for your time and I will stand for questions.

Sincerely,

Greg Kasowski  
Executive Director

Children's Advocacy Centers of North Dakota

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701.301.3701





**CHILDREN'S  
ADVOCACY  
CENTERS**  
OF NORTH DAKOTA

## MEDICAL EXAMS FUNDING – ATTORNEY GENERAL

	13-15	15-17	17-19	19-21	21-23	23-25
<b>Available</b>	\$660,000	\$660,000	\$660,000	\$660,000	\$660,000	\$660,000
<b>SANE Exams</b>	\$408,890	\$539,261	\$547,900	\$604,400	\$608,470 <sup>1</sup>	\$638,900 <sup>2</sup>
<b>Forensic Interviews</b>	\$0	\$0	\$111,420	\$55,600 <sup>3</sup>	\$51,530 <sup>4</sup>	\$304,500
<b>Remaining</b>	\$251,110	\$120,739	\$879	\$0	\$0	-\$283,400

<sup>1</sup> Projected amount for the rest of the 21-23 biennium based on the amount of reimbursements through Feb. 23, 2023 (\$433,900). (An average of 71.3% was reimbursed as of Feb 23 before the end of each biennium.)

<sup>2</sup> A projected 5% increase for 23-25 after biennium increases of 31.88%, 1.56%, 10.33% and .06% respectively.

<sup>3</sup> Fund was depleted and \$73,058 in requested reimbursements were not reimbursed to Children's Advocacy Centers.

<sup>4</sup> CACs project \$210,000 will be needed this biennium. The fund will be depleted again, but Children's Advocacy Centers have received one-time funding from NDDHHS to cover this shortage.

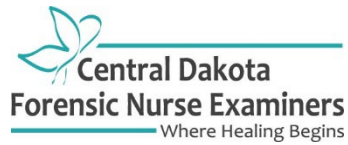
Children's Advocacy Centers of North Dakota

[www.CACND.org](http://www.CACND.org)

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701.301.3701





**Kristie Wolff – Communications and Engagement Coordinator,  
Central Dakota Forensic Nurse Examiners**

**Support SB 2003  
House Appropriations Committee – Education and Environment Division**

March 8, 2023

Chairman Nathe and members of the House Appropriations Committee – Education and Environment Division, my name is Kristie Wolff, I am the Communications and Engagement Coordinator for Central Dakota Forensic Nurse Examiners (CDFNE).

I am testifying today in support of SB 2003, with a request for an increase in funding for forensic medical exams and forensic interviews, which is included under line 24 titled “Medical examinations.”

CDFNE is a North Dakota based non-profit organization providing forensic medical services to children and adult survivors of sexual assault in western North Dakota. Our organization serves individuals in 23 counties, with our headquarters in Bismarck. CDFNE nurses work with a variety of partners including law enforcement, advocacy agencies, and children’s advocacy centers, as part of local sexual assault response teams. CDFNE currently has 22 Sexual Assault Nurse Examiners on staff who work throughout our service area providing 24-hour coverage to respond to calls. The eastern side of the state is served by several hospital and community based SANE programs.

Our state’s Sexual Assault Nurse Examiners (SANE), including our team at CDFNE, are specially trained to provide trauma-informed care to victims of sexual assault. This unique medical care is an interdisciplinary specialty combining nursing, forensic science, and the legal system.

Although we work closely with Children’s Advocacy Center across the state, we provide very different services.

Both state and federal law prohibit SANE programs from charging for forensic medical exams. The federal Violence Against Women Act requires any state that wants to be eligible for certain federal grants to certify that the state covers the cost of medical forensic exams for people who have been sexually assaulted. North Dakota Century Code 12.1-34-07 states “When an acute forensic medical examination is performed, the costs incurred by a health care facility or health care professional for performing the acute forensic medical examination or any preliminary medical screening examination may not be charged, either directly or through a third-party payer, to the alleged victim.” There is identical language for a child forensic medical exam in the same section of code.

With the shortfall the last biennium, the projected shortfall this biennium, and the potential changes that could occur if SB 2067 passes, this will create a significant funding shortage for SANE programs across the state.

Our request to increase funding is not a request to increase the reimbursement amount for each forensic medical exam, even though those amounts have been at the same level since the inception of our program 10 years ago.

Another solution being discussed is to split the “Medical examinations” pot into two, with one for forensic medical exams and one for forensic interviews.

Today I am asking you to give a DO PASS recommendation to SB 2003 with increased funding for forensic medical exams and forensic interviews.

Thank you,  
Kristie Wolff  
kristie.cdfne@midconetwork.com  
701-751-4884

## **12.1-34-07. Medical screening and acute forensic medical examinations costs -**

### **Reimbursement by attorney general - Use of evidence.**

1. An acute forensic medical examination is an examination performed on an alleged victim of criminal sexual conduct for the purpose of gathering evidence of an alleged crime and is performed within ninety-six hours after the alleged crime unless good cause is shown for the delay in performing the examination. When an acute forensic medical examination is performed, the costs incurred by a health care facility or health care professional for performing the acute forensic medical examination or any preliminary medical screening examination may not be charged, either directly or through a third-party payer, to the alleged victim.
2. A child forensic medical examination is an examination performed on an alleged child victim of criminal sexual conduct for the purpose of gathering evidence of an alleged crime. When a child forensic medical examination is performed, the costs incurred by a health care facility or health care professional for performing the child forensic medical examination or any preliminary medical screening examination may not be charged, either directly or through a third-party payer, to the alleged child victim or the child's parent, guardian, or custodian.
3. Upon submission of appropriate documentation, the attorney general, within the limits of legislative appropriations, shall reimburse the health care facility or a health care professional for the reasonable costs incurred in performing the medical screening and acute forensic medical examination. Beginning on April first of the final year of each biennium, the attorney general, subject to legislative appropriations, shall reimburse each accredited children's advocacy center located in the state for a forensic interview that is not reimbursable by insurance, Medicaid, or crime victims compensation.
4. Evidence obtained during a medical examination under this section may not be used against an alleged victim for the prosecution of the alleged victim for a separate offense.



# FORENSIC MEDICAL EXAMINATION REIMBURSEMENT

NORTH DAKOTA OFFICE OF ATTORNEY GENERAL

CRIME LABORATORY DIVISION

SFN 59408 (09/2020)

FME

sample

This form is used by a healthcare provider to request reimbursement of costs associated with providing a forensic medical examination, including the EMTALA screening. This form should be completed during the examination. Please write legibly. Mailing information and instructions for completion are on the reverse side of this form.

**DO NOT write any patient identifying information, such as name, account number, mailing address, DOB or SSN, on this form.**

**Part 1: Patient and Examination Information:** To be completed by Forensic Medical Examiner

Alleged Crime Location (city/county)	Alleged Crime Date	Alleged Crime Time	Examination Date	Examination Time
--------------------------------------	--------------------	--------------------	------------------	------------------

Sexual Assault Kit Collected  
 Yes  No

Patient (check all that apply) <input type="checkbox"/> Adult (age 18 or older) <input type="checkbox"/> Minor (under age 18) <input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> Referral from Child Advocacy Center <input type="checkbox"/> Referral to Child Advocacy Center	Presentation (check all that apply) <input type="checkbox"/> Emergency Room <input type="checkbox"/> Tribal Jurisdiction <input type="checkbox"/> Outpatient Clinic <input type="checkbox"/> Ongoing Sexual Abuse <input type="checkbox"/> Child Advocacy Center
--	---

**Victim Waiver and Acknowledgment** (must be read to Parent/Guardian before discharge)

- You ARE NOT responsible for the cost of a sexual assault examination for the purpose of gathering evidence for a possible prosecution, including any health screening under EMTALA, the cost of antibiotics, and any other medication administered as part of the examination.
- Your ARE responsible for the costs of additional care you may receive that is not for the collection of evidence, such as x-rays, stitches, hospitalization, pain medication and counseling. You may be asked to provide insurance information and/or eligibility for Medicaid or Indian Health Services. If you do not have coverage, or there are costs not covered by insurance, you may be eligible to have these costs paid by the North Dakota Crime Victims Compensation Fund. For more information, contact the Crime Victims Compensation Fund at 1-800-445-2322.

I acknowledge that I have read and explained the "victim waiver and acknowledgment" to the patient or the patient's guardian.

Licensed Healthcare Provider's Name	Licensed Healthcare Provider's Title
Signature	Date

**Part 2: Reimbursement Request:** To be completed by Medical Provider billing department

Reimbursement Request For (check one)

<input type="checkbox"/> EMTALA screening only (\$100)	<input type="checkbox"/> Forensic Medical Exam with Colposcope only (\$700)
<input type="checkbox"/> Forensic Medical Exam only (\$400)	<input type="checkbox"/> EMTALA screening AND Forensic Medical Exam with DSLR Camera (\$700)
	<input type="checkbox"/> EMTALA screening AND Forensic Medical Exam with Colposcope (\$800)

**Send Reimbursement To:** (please print)

Billing Provider Name	Contact Person's Name		
Telephone Number	Federal ID Number (FIN)		
Address	City	State	ZIP Code

Office of Attorney General Use Only

North Dakota Crime Laboratory	FIN
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**NOTE:** A form W-9 must be on file with the Office of Attorney General before reimbursement can be made.

The medical examiner is prohibited by law from billing the patient, directly or through a third-party payer, for the costs of the forensic medical examination including any related health screening. Reimbursement made by the Attorney General's Office is deemed full payment. **The patient may not be billed for these costs.**

### FORENSIC MEDICAL EXAMINATION

An acute forensic medical examination is an examination performed on an alleged victim of criminal sexual conduct for the purpose of gathering evidence of an alleged crime and is performed within ninety-six hours after the alleged crime unless good cause is shown and relates to all cases in which a sexual assault kit has been used, regardless of the age of the victim. Attach a signed copy of form "**APPENDIX [STEP ONE] AUTHORIZATION FOR USE OR DISCLOSURE OF PROTECTED HEALTH INFORMATION**" contained in the North Dakota Sexual Assault Evidence Collection Kit. If a sexual assault evidence collection kit from a state other than North Dakota is used, attach a copy of the form signed by the victim which consents to the examination. The consent form is retained by the ND Crime Laboratory for record keeping purposes only. **A completed consent form must be attached to the Forensic Medical Examination Reimbursement Claim Form.**

### CHILD FORENSIC MEDICAL EXAMINATION

Cases involving a minor where a sexual assault kit has not been used and therefore there is no Appendix C form available. **Attach a copy of the signed and dated HIPAA release form.** Check the "Ongoing Sexual Abuse" box in Section 1: Presentation.

**Do not include or write patient name, account number, date of birth, social security number, or mailing address on this form.**

#### Part 1: Patient and Examination Information

- Provide city or county location of alleged crime. Fill in the date **and** time of the crime, including the day, month and year and whether the time is AM or PM. Do not leave any information blank. For child forensic medical examinations, if the exact date and time of the alleged crime is not known, please provide an approximate date of the alleged crime or the most recent alleged act.
- Print the date the forensic medical examination was performed, including the day, month and year of the examination. Complete the time of the forensic medical examination and indicate AM or PM. do not leave any information blank.
- The patient and presentation information is collected for statistical and audit purposes. It does **not** affect reimbursement. Check **all** applicable boxes in both the Patient and Presentation sections.
- The licensed healthcare provider who performed the sexual assault forensic medical examination shall read the **VICTIM WAIVER** information to the patient (or the patient's parent/guardian) and shall make sure the patient/patient's guardian understands it. Once the waiver information has been read, the licensed healthcare provider shall print his or her name and **sign and date the form.** Unsigned reimbursement claim forms will be rejected.

#### Part 2: Reimbursement Request

- Check the appropriate box indicating for which type of exam reimbursement is requested. The flat fee reimbursement will be paid to the provider and shall be payment in full for the cost of a sexual assault examination for the purpose of gathering evidence for possible prosecution, including the cost of antibiotics and other medications administered as part of the examination. Reimbursement will be made even if no prosecution results. "Third party payer" means a public or private entity that pays at least part of the cost of medical treatment for the patient, including Medicaid, Indian Health Services, and Crime Victims Compensation Fund. **BY LAW, YOU MAY NOT BILL THE PATIENT OR THE PATIENT'S INSURANCE PROVIDER FOR THESE COSTS.**
- Provide the name **and** telephone number of the billing department's representative. Print the full mailing address of the billing provider, including city, state, and zip code. **This is the address to which payment will be mailed.** The Crime Laboratory is a division of the Office of Attorney General. Payment will be made by Office of Attorney General. Provide the federal tax identification number. **A Form W-9 must be on file with the Office of Attorney General before payment can be made.** The form is available at <https://www.irs.gov>.
- Review the checklist before mailing. Mail the **white** copy to the North Dakota Crime Laboratory at the address shown below. **Retain the yellow copy for your billing records.** Each form has a unique number printed on the top right-hand side. This number is used for tracking the reimbursement request and to make payment. For your convenience, we suggest you use this tracking number in place of a patient account number. **Do not use a patient account number for billing or payment purposes.**
- If you have questions, contact ND Council on Abused Women's Services at (701) 255-6240, or see <https://attorneygeneral.nd.gov>.

#### Checklist (please review BEFORE MAILING)

- All sections are completed. Examiner signed and dated form.
- Completed Appendix C - Authorization form OR signed HIPAA Release form attached.
- Form W-9 attached (or already on file).
- NO patient identifying information appears on this form. (Please redact anything that was added.)

Submit the white copy of signed form and attachment(s) by mail to:  
North Dakota Crime Laboratory  
Attention: FME Reimbursement  
2641 East Main Ave  
Bismarck ND 58501

White: Crime Laboratory

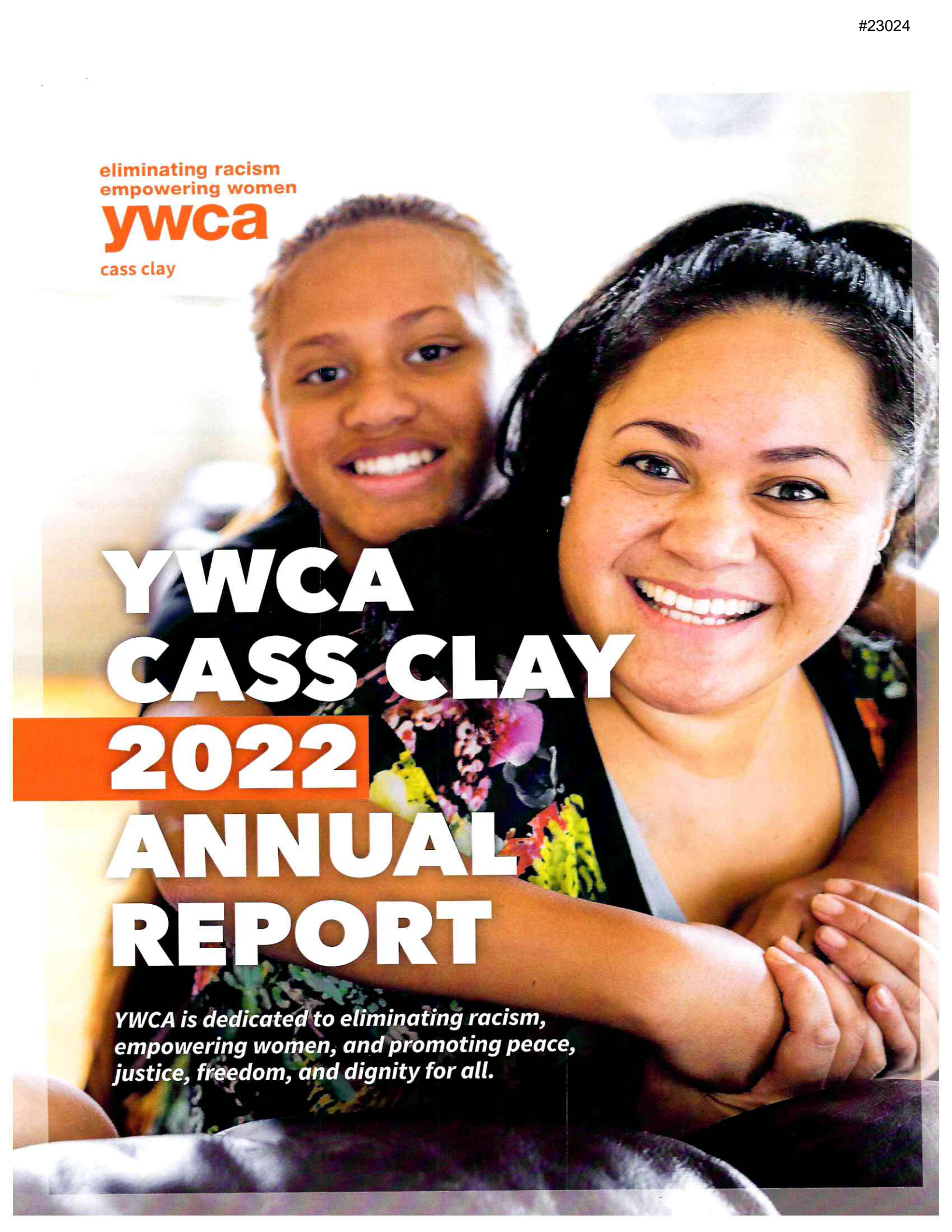
Yellow: Provider



eliminating racism  
empowering women

**ywca**

cass clay



# YWCA CASS CLAY 2022 ANNUAL REPORT

*YWCA is dedicated to eliminating racism,  
empowering women, and promoting peace,  
justice, freedom, and dignity for all.*

**YWCA Cass Clay is a hope-restoring organization. Its continuum of shelter and housing services is powerful.**

YWCA Board expresses gratitude to the many partners who make it possible: Cass and Clay agencies, state lawmakers, federal and state government agencies, area businesses, foundation supporters, and many service organizations and churches.

We're also thankful to people who give financially or provide women and children's basic needs through donation drives, Fill a Home with Hope, Adopt a Student, and Adopt a Family holiday program. Many more give as volunteers.

It's impossible to name everyone, but if you're reading this, you likely deserve our thanks. **Brighter futures lie ahead because of your help, cooperation, and generosity to move our mission forward.**

The future is full of exciting plans to evolve and deepen YWCA programs. In 2022, YWCA leadership and board undertook strategic planning to lay out visionary goals through 2027. Included are plans in four key areas:

- **Shelter:** many building improvements, program enhancements, and staff growth will occur.
- **Housing:** expansion from 72 to at least 95 Supportive Housing homes will be made. Lantern Light residence is a centerpiece in this progress and an opportunity of urgent importance in 2023, as growth of supportive housing is a well-documented community need.
- **Stabilization:** broader work to prevent homelessness will quickly stabilize families at the brink of eviction.
- **Advancing racial equity:** YWCA will enrich understanding of Native American culture to incorporate into empowerment programs; and legwork for racial justice will broaden in the community.

YWCA Cass Clay has been fortunate to attract national foundation and philanthropic funding in recent years. This gives YWCA Cass Clay confidence of impact that is evident well beyond our community.

In final reflection, the YWCA Board would like to thank CEO Erin Prochnow, COO Julie Haugen, and their team for the extraordinary work across an exceptional year of progress. They have boldly secured the building, land, and funding for construction of Lantern Light, and remodeling is well on its way. We ask your continued support to YWCA for trauma survivors to end the cycles of poverty and violence.



Paulette Rastedt, YWCA Cass Clay Board President



# WE COULDN'T CHANGE LIVES WITHOUT YOU!

**Volunteers invest their hearts and hands in the work and mission of YWCA Cass Clay.**

They generously bring their knowledge, decision-making, and feedback on our board, special committees, and fundraising event organizing teams. Others roll up their sleeves to sort donations, package food boxes for our food pantry, bake and cook in our kitchen, teach life skills

classes, perform grounds clean-up, conduct donation drives, and perform event set-up, as examples. People give their service individually and in groups that come from businesses, schools, clubs, or service organizations.

**Every hour given has tremendous value** in solving hunger, homelessness, and safety from domestic violence for women and children.



**1,404**

*individuals volunteered with YWCA Cass Clay last year*

**4,452**

*hours volunteered by community, committee, and board members*

**\$124,433**

*the value of volunteer hours (based on the North Dakota average of \$27.95/hr)*

## YWCA BOARD OF DIRECTORS

Paulette Rastedt, *President*

Mary Jo Lewis, *First Vice President*

Rayonna Hystead, *Second Vice President*

Tammi Jo Barta, *Secretary*

Megan Schreiner, *Treasurer*

Elise Kainz, *Past President*

Erin Prochnow, *YWCA CEO*

Krista Andrews

Louise Dardis

Jessica Ebeling

Kelsey Gordon

Anita Hoffarth

Kate Lea

Celine Paulson

Sherri Schmidt

Lisa Schwinden

Paula Swanson

Cassie Wiste

# YWCA IS ON A MISSION

## 2022 HIGHLIGHTS



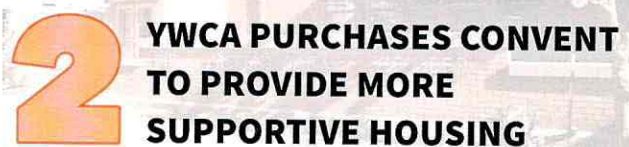
### 1 NEW STRATEGIC PLAN WILL GUIDE YWCA INTO THE FUTURE

In 2022, YWCA's board of directors, leadership team, and staff crafted a strategic plan to guide the organization through 2027. Rooted in YWCA's core purpose, values, anchors, and vision, strategic initiatives were defined to strengthen YWCA's staff team, increase racial and gender equity, grow stabilization services, expand supportive housing, and secure resources to fuel YWCA's mission now and into the future.



### 5 EDUCATION & EMPLOYMENT CENTER ADDED AT GRACE GARDEN

Grace Garden: A YWCA Supported Residence, opened in 2019 in partnership with Lutheran Church of the Cross and Gate City Bank, now offers greater education and employment assistance onsite. With support from FM Area Foundation Caring Catalog donors and the U.S. Bank Foundation, a business center was added to increase residents' access to critical technology and resources.



### 2 YWCA PURCHASES CONVENT TO PROVIDE MORE SUPPORTIVE HOUSING

YWCA was selected through a competitive proposal process to purchase the Sacred Heart Convent from the Union of Sisters of the Presentation of the Blessed Virgin Mary. YWCA obtained ownership in July and an \$8.3 million renovation project began in August. By next year, the convent will be renovated and opened as "Lantern Light: A YWCA Supported Residence" with 23 units of supportive housing for individuals and families who have experienced homelessness and violence.



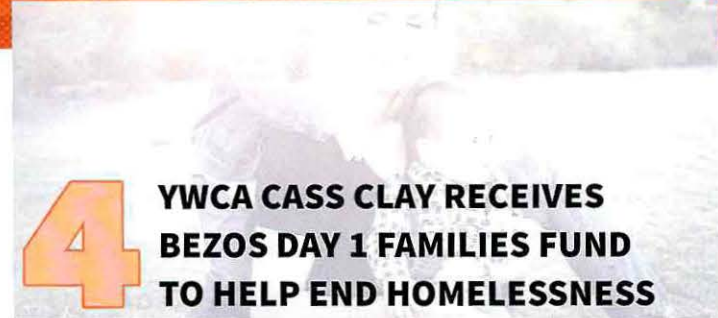
### 6 NEW FENCE ADDS SECURITY AT YWCA EMERGENCY SHELTER

The security of YWCA Emergency Shelter was strengthened by replacing the original wood fence with a new vinyl fence. Sammons Financial invested in this upgrade to ensure the shelter continues to provide safe refuge to women and children seeking safety, support, and hope at YWCA.



### **3 YWCA SUPPORTIVE HOUSING PROGRAM GROWS WITH SIERRA TOWNHOMES**

A new residence owned by the Housing Authority of Cass County called Sierra Townhomes opened over the summer. Eight of the 38 homes at Sierra Townhomes are reserved for families transitioning from homelessness who receive advocacy and supportive services from the YWCA team. With the addition of these eight townhomes, YWCA Cass Clay now supports families in 80 units of housing on their paths toward independence.



### **4 YWCA CASS CLAY RECEIVES BEZOS DAY 1 FAMILIES FUND TO HELP END HOMELESSNESS**

The Day 1 Families Fund issues annual leadership awards to exceptional organizations on the frontlines doing compassionate, needle-moving work to help families move from unsheltered homelessness and shelters to permanent housing with the services they require to achieve stability. YWCA Cass Clay was selected as a grant recipient by a group of national advisors who are leading experts on homelessness and service provision. The one-time award will support efforts over five years.



### **7 YWCA STAND AGAINST RACISM CHALLENGE 2022**

In April, YWCA Cass Clay joined YWCAs across the country for the Stand Against Racism Challenge. Over 200 community members engaged with weekly resources, discussion questions, and action steps as they explored the topics of Homelessness and Housing, Gender-Based Violence, Film and Television, and Education.



### **8 RACE EXHIBIT MOVES TO FARGO CITY HALL FOR SUMMER**

From July-October, the exhibit *RACE: Are We So Different?* moved to the main floor lobby of the Fargo City Hall in downtown Fargo. This temporary relocation brought the exhibit's valuable content to a wider audience and engaged community members and City staff in conversations about race and equity.

# EMERGENCY SHELTER

YWCA Emergency Shelter is a safe, temporary home for women and children escaping domestic violence or homelessness due to poverty. Here, 24 hours a day, we first provide food, clothing, hygiene supplies, and safety.

Domestic violence casts a shadow of physical health challenges, depression, low self-esteem, fear, substance abuse, and post-traumatic stress disorder. Other common barriers survivors face in moving ahead are poor or no credit history and lack of transportation, childcare, or access to healthcare.

Women need not walk alone in addressing these barriers when paired with an Advocate at YWCA. Our team understands the effects of trauma and takes a compassionate empowerment approach in everything we do. We listen without judging or giving advice on how to “fix” her life. Only she can decide her future. Empowerment honors her choices so she may walk her path freely. Discovering and using her own strengths cultivates hope. Advocates help survivors move forward through all programs described in this report and connect them to resources in the community that will be helpful on their journeys.

As the largest emergency shelter serving women and children in North Dakota and northwestern Minnesota, YWCA Cass Clay brings safety for women to begin new lives. Through a caring team and programs shaped over 40+ years, women find transformation, healing, and empowerment.



**22,671**

*nights of shelter provided*

**50**

*nights was the average stay*

**1,134**

*women and children safely sheltered*

**86%**

*of women were fleeing abuse upon arrival*

**78%**

*of individuals were from Cass and Clay counties*





## CHILDREN'S SERVICES

Every child deserves to become the amazing person they were born to be.

Children's Services at YWCA Cass Clay includes childcare and Study Buddies afterschool program. Both programs create opportunities for children who have had the odds stacked against them.

Moms find onsite childcare critical to their goals for employment, gaining health services, and preparing for life ahead. They also find guidance to grow parenting skills.

Based on interactions with a child, we may direct moms to community resources like behavioral therapy or resources to overcome developmental challenges.

At YWCA, children grow through activities, art, games, and outings that are positive, memorable childhood experiences.

**444**

*children participated in Children's Services*

**2,504**

*nutritious meals served*

**94%**

*of the time, children were re-enrolled in school within three days of arriving at YWCA Emergency Shelter*



## EDUCATION & EMPLOYMENT SERVICES

Most women who seek shelter are unemployed at the time of arrival or lack living wages at a current job. To effectively break the cycles of poverty and homelessness, we offer job coaching for women at the YWCA Shelter and in Supportive Housing.

Women also find connection to education to finish a degree or specialized training as a pathway to greater economic security. Women set goals, discuss obstacles, and outline action steps for moving forward. The program also provides access to our onsite computer lab and varied job readiness and life skills classes including computer skills, resume creation, and interview preparedness.

**176**

*classes offered*

**23%**

*of women sheltered increased their income*



## HEALTH SERVICES

The Sanford RN at YWCA meets with survivors to understand their health status and explore untreated health issues, from diabetes to depression. The RN helps women gain insurance and establish care with a primary provider.

Women who successfully navigate the health system can better maintain care for themselves and children, and avoid costly ER visits. Twice monthly through an onsite Residency Clinic with Sanford Health, physicians in medical residency see women and children at the shelter to provide basic care.

Besides healing medical attention and prescription updates, this clinic builds trust. Disclosing medical history in a setting where they feel most safe empowers women to feel comfortable to seek care in the future.

YWCA's Respite Care brings two dedicated beds for women facing homelessness who are too ill or frail to recover from illness or injury on their own, but too well to be hospitalized. This program is in partnership with Sanford Health.

**1,881**

*one-on-one RN health sessions conducted*

**10**

*Respite Care participants*

**330**

*Emergency Room visits averted*

**17**

*Ambulance transports averted*

**16**

*Residency Clinic sessions*

**127**

*Residency Clinic participants*

## HUMAN TRAFFICKING SAFE HARBOR

YWCA Cass Clay created North Dakota's first dedicated housing units for trafficking victims and their children in 2015. Since opening an emergency shelter in 1978, we have encountered a recurring narrative of partners who groom women romantically, then eventually force or manipulate them into commercial sex. Others have traffickers who are family. Some entered the sex trade as their only means for survival.

Decades-deep experience informs YWCA service delivery, and we participate in North Dakota's Human Trafficking Task Force. In a culture where survivors face criminalization and shame, YWCA brings compassion and nonjudgement to women who've been maltreated, dehumanized, and are now shaping new lives.

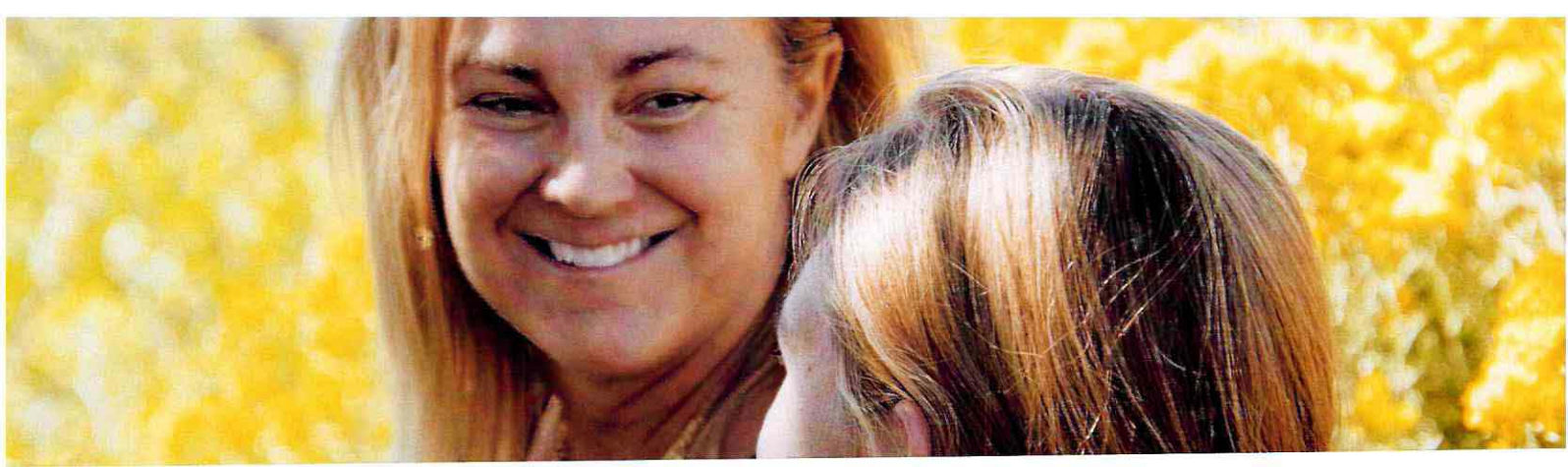
**718**

*nights of safety provided*

**17**

*survivors of human trafficking served in dedicated units*





## **RAPID REHOUSING & STABILIZATION SERVICES**

Our YWCA team meets each person in crisis where they are at to understand their needs, unique situation, and barriers to housing.

Where possible, individuals are diverted from homelessness or rapidly rehoused after experiencing homelessness. Our Rapid Rehousing and Stabilization Program provides deposit assistance, rental arrears, short-term rental assistance, or utility payment to help prevent families from becoming unhoused or quickly regain housing after experiencing homelessness.

A one-time payment through this diversion program can be a bridge to solid ground. This support means a single parent or distressed family can get by while awaiting a first paycheck or rebounding from a large medical bill.



## **FOOD PANTRY**

YWCA plays an important role in ending hunger. Food boxes are provided to community members struggling to put food on the table through our food pantry located at YWCA Emergency Shelter.

Funding for this work comes from the North Dakota Homeless Grant (NDHG) through the Department of Commerce and other supporters. YWCA secured COVID-related funding to help more community members struggling with housing stability during the pandemic. YWCA contracts with the State of North Dakota to provide Housing Facilitation Services for the North Dakota Rent Help Program.

Food, clothing, and other necessities are provided to families seeking help. By assisting with these needs, we can make homelessness brief and one-time or prevent it before it happens.

**211**

*total individuals assisted*

*29 adults and children assisted with NDHG funds were provided*

**\$1,239**

*on average for two months of help.*

**1,910**

*individuals received food boxes*

**59,502**

*pounds of food were distributed to hungry neighbors*

# SUPPORTIVE HOUSING

Supportive housing provides women and children a place to call home. From this safe base, survivors continue putting together the many pieces it takes to gain independence.

Those experiencing trauma, chronic health conditions, poverty, or other barriers can come to thrive from this safety. Children grow up in homes where friends can visit. They sleep in their own bed and have a kitchen table for homework and family meals.

YWCA Housing Advocates are integral to success of this program. They are difference-makers who help women in their goals to gain jobs and education, overcome obstacles related to childcare, car breakdowns, health setbacks, and more.

Survivors gain caring encouragement that helps them stay focused on convictions they've set. As women grow in personal autonomy, they also gain tenant history and the skills to stay housed. They become healthier and reconnect to the community.

Supportive housing is a proven and cost-effective way to solve homelessness and break the grip of poverty and exposure to violence for present and future generations.

YWCA operates 80 units of safe and affordable, short- and long-term supportive housing in Fargo and West Fargo. From shelter to housing, there is continuity of support for those served by YWCA.



## TRANSITIONAL HOUSING

is where women pay rent up to 30 percent of their income for up to two years living in apartments adjacent to YWCA Shelter. This close proximity means convenient access to shelter-based resources for employment, health, childcare, and more.

**7,840**

*nights of housing provided*

**38**

*adults and children housed*

**55%**

*of adults increased their education or income level*

**87%**

*exited the program to stable housing*





## DOMESTIC VIOLENCE HOUSING

is a joint transitional housing and rapid rehousing program that helps survivors of domestic violence, dating violence, and stalking gain housing and stabilization. YWCA Advocates meet survivors where they are at and provide the level of housing assistance each needs to be successful.

**5,128**

*nights of housing provided*

**27**

*adults and children housed*

**57%**

*of adults increased their education or income level*

**77%**

*exited the program to stable housing*

## PERMANENT SUPPORTIVE HOUSING

has no fixed exit deadline and is important for those who've experienced considerable health challenges or may be pursuing education goals. Long-term support and advocacy empower those needing extended time to rebuild their lives or working to live with the greatest possible independence.

**6,032**

*nights of housing provided*

**22**

*adults and children housed*

**83%**

*of participants reported a reduction in use of emergency services*

## JUSTICE DEPARTMENT TRANSITIONAL HOUSING

brings critical resources to women participating in this program and living in apartments across the community. We serve those who've escaped domestic violence, sexual assault, dating violence, or stalking and provide specialized advocacy to victims of these crimes.

**5,112**

*nights of housing provided*

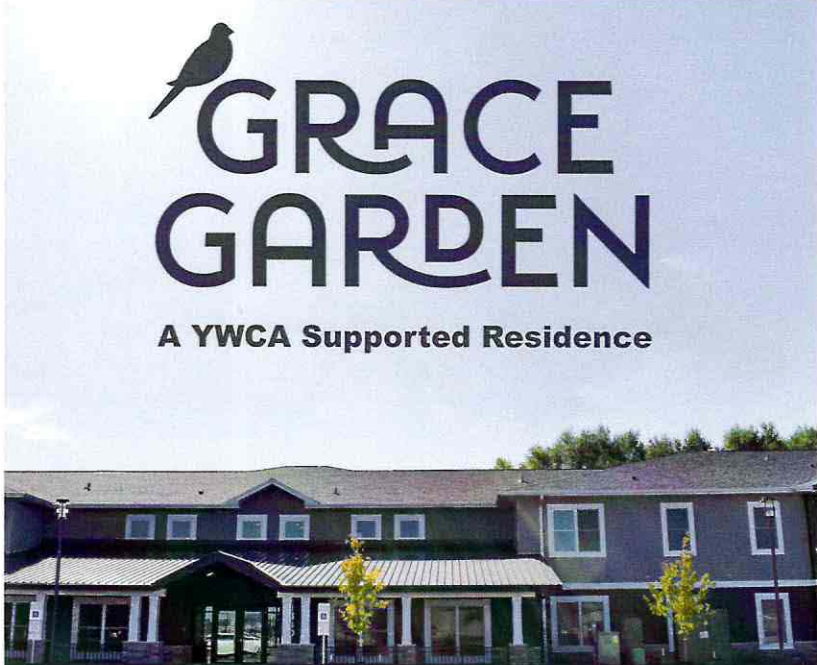
**28**

*adults and children housed*

**96%**

*exited the program to stable housing*

*This project was supported by Grant Number 2015-WH-AX-0050 awarded by the Office of Violence Against Women, U.S. Department of Justice. The opinions, findings, conclusions, and recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice, Office of Violence Against Women.*



# GRACE GARDEN

A YWCA Supported Residence

## SIERRA TOWNHOMES

is a new residence owned by the Housing Authority of Cass County that opened in June and is located in West Fargo. Eight of the 38 homes at Sierra Townhomes are reserved for families transitioning from homelessness who receive advocacy and supportive services from the YWCA team. Volunteers from Gate City Bank, Sammons Financial, and Eide Bailly joined YWCA Housing staff in unpacking and furnishing the new apartments.

With the addition of these eight townhomes, YWCA Cass Clay now supports families in 80 units of housing on their paths toward empowerment.

A heartfelt thank you to all who helped make a house a home with your donations of pots and pans, dishes, cleaning supplies, pillows, and more.

**36**  
*adults and children safely housed*

**5,352**  
*nights of housing provided*

## GRACE GARDEN

is a YWCA residence that opened in 2019 and serves individuals and families with its 30 one- to four-bedroom units. Onsite housing advocates readily support residents in their goals.

Grace Garden has been instrumental in solving a need of domestic violence victims, challenged in the past by lower prioritization for supportive housing because they weren't chronically homeless—instead homeless for the first time after leaving an abuser.

Lutheran Church of the Cross and Gate City Bank were instrumental in making Grace Garden possible and generously continue their support.

**27,211**  
*nights of housing provided*

**107**  
*adults and children housed*

**67%**  
*increased their income*

**78%**  
*of participants reported a reduction in use of emergency services*



# A PLACE TO CALL HOME

**Sacred Heart Convent being renovated to become Lantern Light: A YWCA Supported Residence**

**23 new apartments of supportive housing will open fall 2023**



In June, our long-time partners the Sisters of the Presentation of the Blessed Virgin Mary agreed to YWCA purchasing their former Sacred Heart Convent adjacent to the Emergency Shelter.

YWCA Cass Clay’s relationship with Sisters of the Presentation was born out of proximity and grew through a united mission - serving women and children in need. Through Lantern Light: A YWCA Supported Residence, the legacy of The Sisters and their foundress, Nano Nagle, will live on and be honored with a lasting tribute.

The over \$8 million renovation to transform the convent into 23 apartment homes began in August. Funding for renovation was secured through HOME, ARP, North Dakota Housing Incentive Fund, National Housing Trust Fund, and the Affordable Housing Program.

YWCA’s Supportive Housing Program is a proven solution. A woman who participates in the program earns more money, is healthier, and is better equipped to maintain housing and create an environment for her children to thrive. A compassionate and trained YWCA team walking alongside survivors makes life transformations possible.

YWCA has established the Lantern Light endowment fund to ensure case management and supportive services are available to families into perpetuity. YWCA is actively seeking supporters to invest in this fund and the futures of families journeying to independence.

The one- to four-bedroom apartments at Lantern Light will be home for approximately 60 adults and children when the residence opens in the fall of 2023.



Rendering by Shultz + Associates Architects

# EVENTS THAT **CHANGE LIVES**

YWCA performs extensive public speaking and education about domestic violence in our community. We host events that uplift inspiring survivors who've transformed their own lives, and elevate community individuals who've shaped lives of empowerment.



## **49TH ANNUAL YWCA WOMEN OF THE YEAR**

Since 1973, YWCA's Women of the Year event has highlighted exceptional area women and businesses. All who are honored come from community nominations in 13 categories: Advocating for Equality, Arts & Culture, Business Management & Entrepreneurship, Communications, Community & Volunteer Service, Education, Faith Community, Health & Wellness, Leader in Women's Empowerment (Business), Lifetime Achievement, Science & Technology, Young Woman of Today & Tomorrow, and Youth Advocacy. We aim to inspire the 800+ attendees to give back and become involved leaders in our community.



## **39TH ANNUAL YWCA CHOCOLATE FANTASY**

An enjoyable annual social outing for charitable businesses and individuals who come together in support of YWCA Emergency Shelter. Area businesses and bakers donate elaborate chocolate delicacies and chili for a day-long drop-in event. Others donate silent auction items to generate vital funding for our mission.



## **HOLIDAY EVENTS**

The holidays bring forth an outpouring of kindness and generosity. Our community always steps forward so that no holiday will pass without a measure of joy or celebration in the lives of women and children served by YWCA Cass Clay. Many families also contribute to supply back-to-school necessities for children in the fall.



YWCA thanks all those in 2022 who hosted drives, adopted families, supplied items on our urgent needs list, provided essential items in 'welcome' baskets for women moving into supportive housing, or participated in the annual KFGO Stuff the Bus event.

# ELIMINATING RACISM

## with YWCA Cass Clay + the Racial Justice Committee

At YWCA, we are on a mission to eliminate racism. We envision a world of opportunity and commit ourselves to the work of justice.

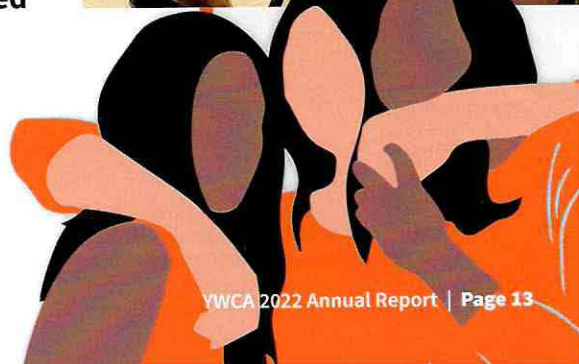
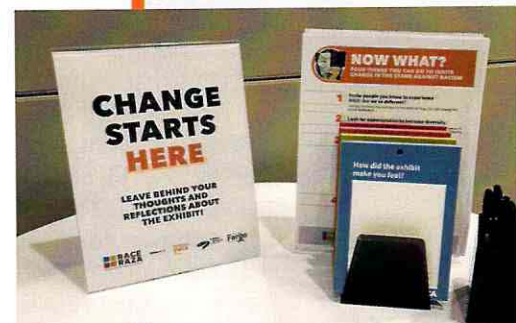
Throughout the month of April, YWCA Cass Clay and the Fargo-Moorhead community joined YWCAs across the country in the 2022 Stand Against Racism Challenge. 217 individuals locally joined over 16,000 participants across the country for the challenge. Together, we explored the intersections of race and equity as they relate to homelessness and housing, gender-based violence, film and television, and education.

In addition to reading articles, watching videos, and listening to podcasts, participants shared insights and resources with one another through the challenge app and website. As a staff, the YWCA team built upon the challenge with team activities – continuing to **build connections and learn ways to better serve women and children** in YWCA's shelter and housing programs.

The mission of YWCA Cass Clay's Racial Justice Committee is to create opportunities for conversations that foster a diverse and unified community. In alignment with this mission, we partnered with The City of Fargo to **relocate the exhibit "RACE: Are We So Different?" to Fargo City Hall for the summer.**

In addition to the exhibit reaching a broader audience and providing an opportunity for City staff to interact with the content, members of the Racial Justice Committee, trained by YWCA Minneapolis on the indigenous tradition of circle dialogue to facilitate discussions, **hosted three community conversations to talk about race.**

In 2023, YWCA Cass Clay will once again be joining others across the country for the YWCA Racial Justice Challenge — April 17-May 15. For more information, visit [ywcacassclay.org/racial-justice](http://ywcacassclay.org/racial-justice).



## STATEMENT OF FINANCIAL POSITION

For Year Ending December 31, 2022 - Unaudited

### ASSETS

	Amount
Cash & Savings	1,916,446
Accounts Receivable (less allowances)	1,452,123
Grants Receivable	311,023
Notes Receivable	1,485,296*
Prepaid Expenses	19,973
Other Current Assets	1,985,847
Property, Plant & Equipment (less depreciation)	8,712,249
Endowment Funds	4,751,908

#### Total Assets

**\$20,634,864**

### LIABILITIES & NET ASSETS

	Amount
Short-term Liabilities	192,741
Long-term Liabilities	3,175,090*
Unrestricted Net Assets	13,123,043
Temporarily Restricted Net Assets	3,359,036
Permanently Restricted Net Assets	784,954

#### Total Liabilities & Net Assets

**\$20,634,864**

## STATEMENT OF FINANCIAL ACTIVITIES

For Year Ending December 31, 2022 - Unaudited

### REVENUE

	Amount
Anonymous	3,356,888
Restricted Contributions	3,273,673
Unrestricted Contributions	1,753,478
Government Support	1,598,154
Interest Income	256,849
United Way	242,131
Miscellaneous	141,589
Foundation Grants	103,250
Other Contributions	72,791

#### Total Revenue

**\$10,798,803**

### EXPENSES

	Amount
Emergency Shelter	1,299,917
Housing	1,217,948
Endowment - Unrealized Loss	851,859
Administration	729,935
Education & Employment & Children Services	330,617
Program Development	185,082
Depreciation	152,850
Endowment Fees	24,574

#### Total Expenses

**\$4,792,783**

#### Net Income

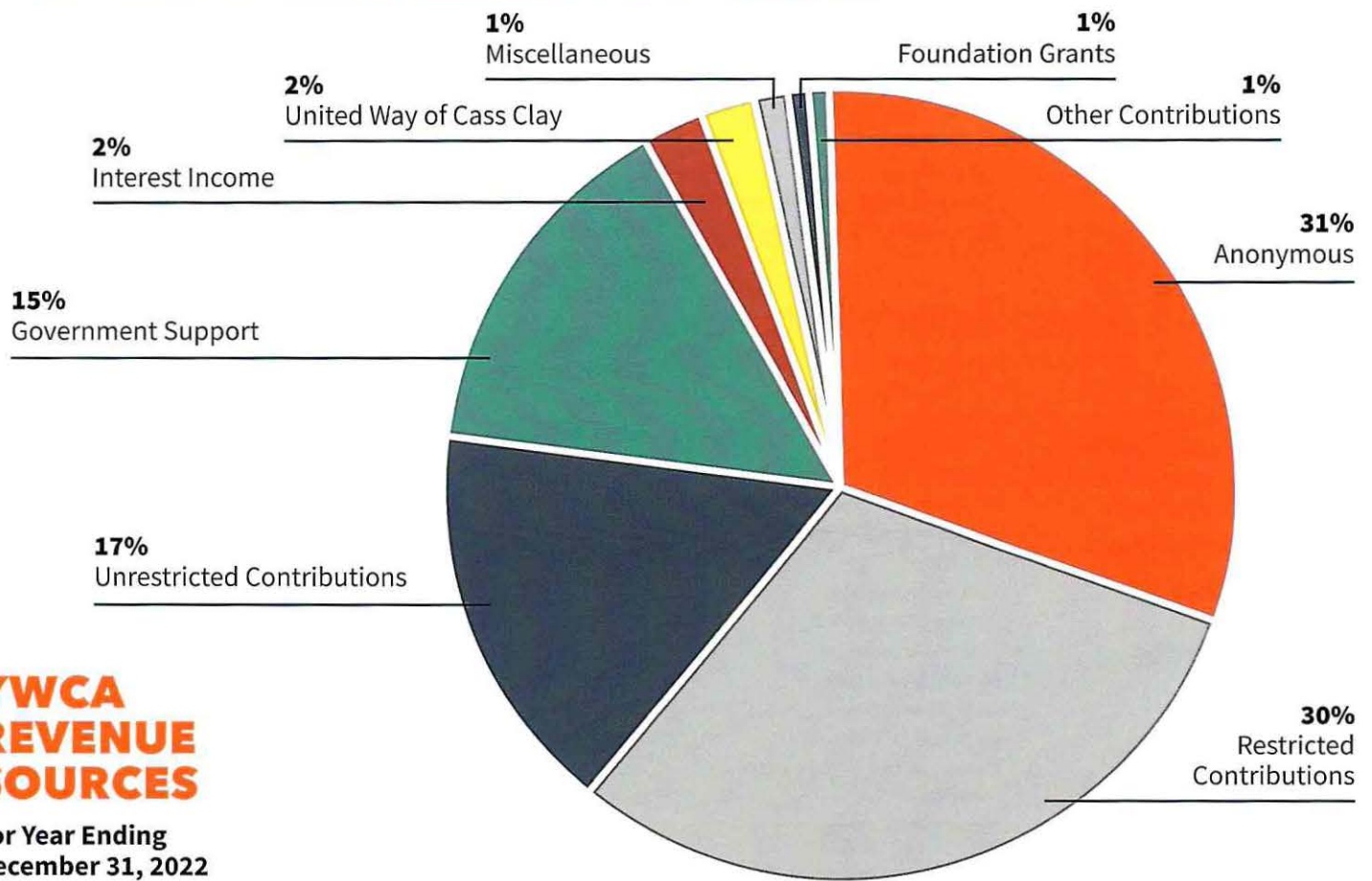
**\$6,006,020**

\*Financials include \$1.49 million in Notes Receivable and \$3.16 million in Long-Term Liabilities that are pass through funds for Grace Garden: A YWCA Supported Residence and Lantern Light, LLC. Interest Income also consists of activity related to Grace Garden. A comprehensive audit will be completed by independent auditors in March 2023.



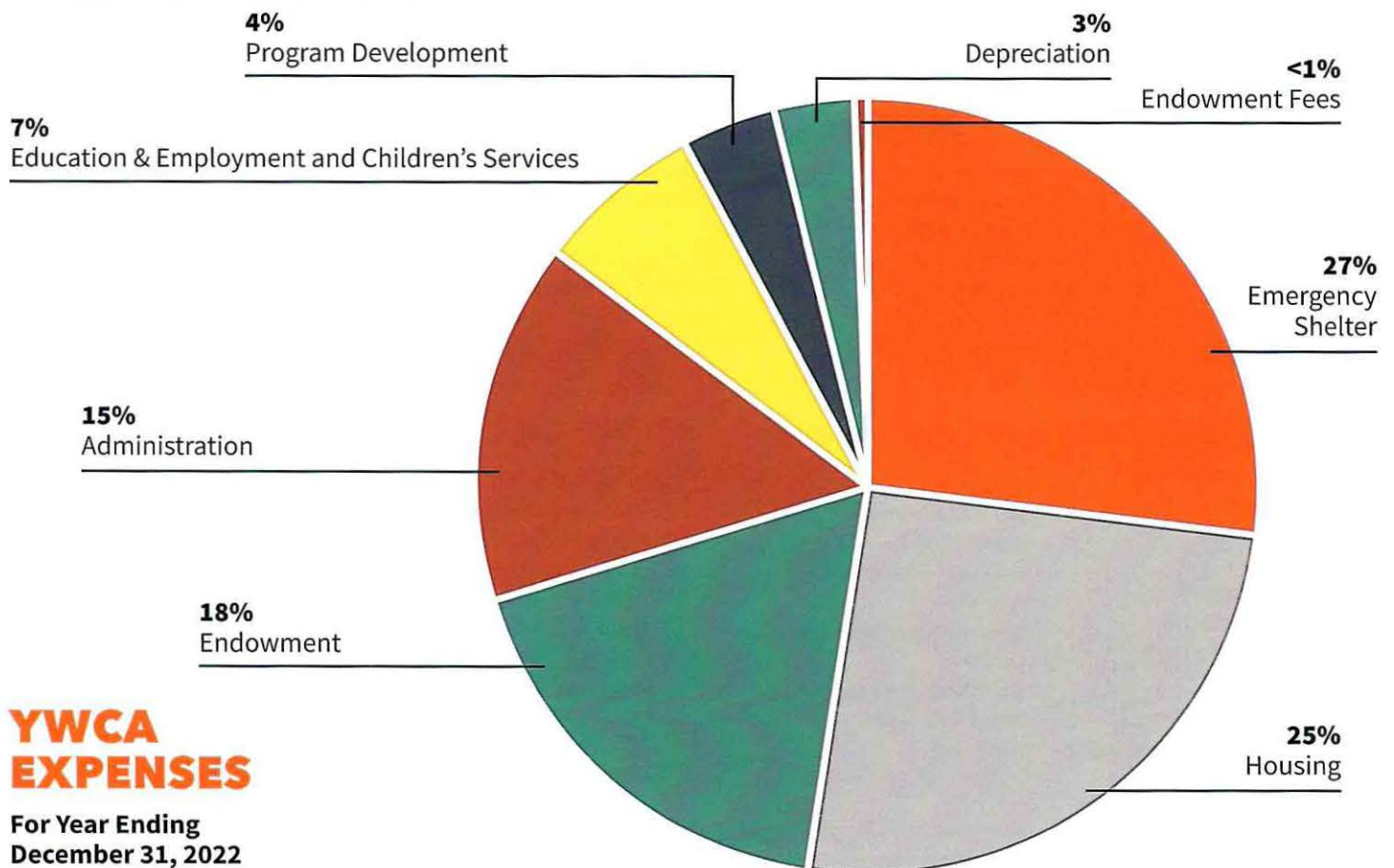
## YWCA REVENUE SOURCES

For Year Ending  
December 31, 2022



## YWCA EXPENSES

For Year Ending  
December 31, 2022



*You make a difference!*

# CELEBRATING OUR VALUED DONORS

## Partner in Justice \$100,000+

Day 1 Families Fund  
Gate City Bank  
Scheels All Sports Foundation  
United Way of Cass Clay

## Partner in Dignity \$25,000-\$99,999

Bell Bank  
Central Door & Hardware  
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Sindy & Brad Keller  
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Ryan Offutt  
Elsie M. Pitsenbarger Trust  
Sammons Financial  
Al & Mary Severson  
YWCA USA

## Partner in Freedom \$10,000- \$24,999

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## Partner in Peace \$5,000-\$9,999

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## Partner in Courage \$2,500-\$4,999

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## Partner in Hope \$1,000-\$2,499

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 Border Bank  
 Border States Paving, Inc.  
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 Hope Lutheran Church - South Campus  
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 JB Railroad Contracting, Inc  
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 Carol Jore  
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 West Fargo Exchange Club  
 Andy & Erin Westby  
 Lynette & Loren Winters  
 Joyce Wold  
 Leann & Steven Wright

**Government Services**

City of Fargo  
 Clay County  
 Emergency Food & Shelter National Program  
 Federal Home Loan Bank of Des Moines  
 ND Department of Commerce  
 ND Department of Corrections and Rehabilitation  
 ND Department of Health and Human Services  
 ND Department of Public Instruction Food Nutrition Program  
 ND Housing Finance Agency  
 ND Office of the Attorney General  
 U.S. Department of Housing and Urban Development  
 U.S. Department of Justice

*YWCA Cass Clay gratefully acknowledges our supporters. Every effort has been made to ensure the accurate listing of these contributions. If you have questions about your contribution, please call 701-232-2547.*

eliminating racism  
empowering women

**ywca**

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**YWCA Administrative Offices**

4650 38th Ave S, Suite 110, Fargo, ND 58104 | 701-232-2547

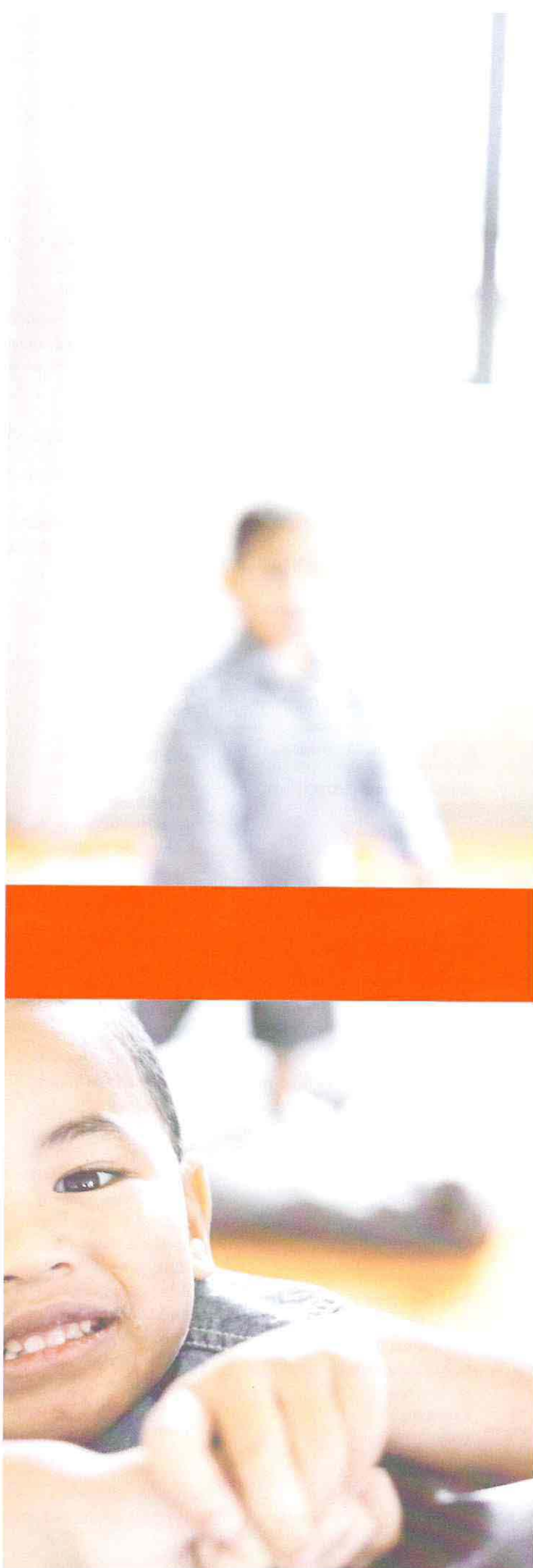
**YWCA Emergency Shelter**

3000 University Dr S, Fargo, ND 58103 | 701-232-3449

[info@ywcacassclay.org](mailto:info@ywcacassclay.org) | [www.ywcacassclay.org](http://www.ywcacassclay.org)

**FOLLOW US ONLINE**

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# YWCA IMPACT REPORT 2022

## SUPPORTIVE HOUSING

eliminating racism  
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cass clay



**258 individuals housed**

104 adults and 154 children



**56,675 nights of housing**

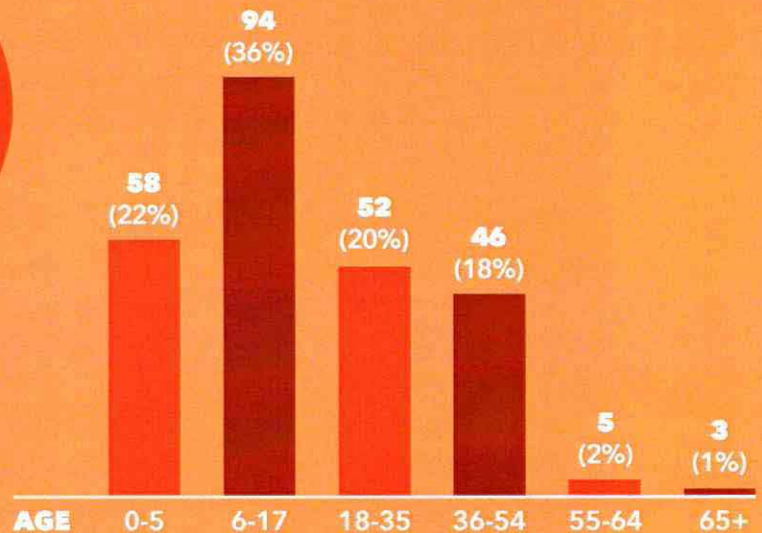
### Who we served in Supportive Housing

**36%**  
White

**40%**  
Black, African American, or African

**23%**  
American Indian, Alaska Native, or Indigenous

**1%**  
Native Hawaiian/Pacific Islander



**18 months** was the average length of stay



**75%** of participants **obtained stable housing** upon exiting the program



**80%** of participants **reduced their use of emergency services**



**50%** of participants **increased their income**

## ABOUT YWCA CASS CLAY SUPPORTIVE HOUSING

**In safe housing, survivors of domestic violence and homelessness find life-restoring hope. They have stability to recover from trauma, hold jobs, and gain financial footing.**

**Generations benefit when YWCA Supportive Housing helps end the cycle of violence and poverty.**

- **1 in 9 in Fargo-Moorhead live below the poverty line, at risk of homelessness.**
- **Depression and PTSD are double among homeless women: approximately 25% suffer major depression and 30% have PTSD.**
- **The dropout rate for students living in low-income families is 4½ times greater than peers without poverty.**

With YWCA supportive housing, new lives become possible. Hope makes space for dreams and planning.

Program participants pay according to income while supported in tackling barriers that lead to homelessness.

YWCA advocates are difference-makers who bring encouragement, goal setting, and accountability for survivors to stay focused on their convictions. They connect to community-based resources to overcome health, transportation, childcare, and other barriers. Supported in this way, setbacks don't trigger repeat homelessness.

Survivors can gain economic stability or education. They grow as neighbors and tenants. Some find new parenting skills and access important health services.

**With \$18 a day, survivors have a real home for healing, stability for life goals, a dinner table for meals and homework, and a place where they and their kids feel safe.**



*Equal Housing Opportunity Statement: We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.*

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YWCA Cass Clay  
3000 S University Dr, Fargo, ND 58103  
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**Attorney General - Budget No. 125  
Senate Bill No. 2003  
Base Level Funding Changes**

Prepared for: 3/8/2023

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2023-25 Biennium Base Level</b>	253.00	\$42,646,718	\$42,509,719	\$85,156,437	253.00	\$42,646,718	\$42,509,719	\$85,156,437	0.00	\$0	\$0	\$0
<b>2023-25 Ongoing Funding Changes</b>												
Adds funding for the cost to continue salary increases		\$392,026	\$151,470	\$543,496		\$392,026	\$151,470	\$543,496				\$0
Salary increase		2,297,062	1,503,134	3,800,196		1,778,318	1,083,827	2,862,145		(\$518,744)	(\$419,307)	(938,051)
Health insurance increase		736,474	471,438	1,207,912		729,268	464,333	1,193,601		(7,206)	(7,105)	(14,311)
Adds funding for salary equity increases			22,368	22,368			22,368	22,368				0
Transfers \$537,297 of prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item				0				0				0
Adjusts funding for prior biennium attorney, BCI, MFCU, and State Crime Laboratory salary equity increases		2,404,289	(2,404,289)	0		2,404,289	(2,404,289)	0				0
Adds funding for FTE attorney positions	2.00	631,836		631,836	2.00	631,836		631,836				0
Adds funding for FTE BCI cybercrime positions	2.00	559,991		559,991	3.00	839,976		839,976	1.00	279,985		279,985
Adds funding for FTE BCI criminal investigator positions				0	3.00	840,029		840,029	3.00	840,029		840,029
Adds funding for FTE State Crime Laboratory positions	4.00	1,076,981		1,076,981	4.00	1,076,981		1,076,981				0
Adds funding for FTE MFCU positions	2.00	149,865	449,588	599,453	3.00	204,545	613,627	818,172	1.00	54,680	164,039	218,719
Adjusts funding for the MFCU		341,747	(341,747)	0		341,747	(341,747)	0				0
Transfers funding for the State Fire Marshal				0	(8.00)	(887,685)	(1,275,214)	(2,162,899)	(8.00)	(887,685)	(1,275,214)	(2,162,899)
Reduces funding for operating expenses			(22,368)	(22,368)			(22,368)	(22,368)				0
Adjusts funding for IT Division and CJIS operating expenses		856,262	(856,262)	0		856,262	(856,262)	0				0
Adds funding for IT rate increases		54,245	7,301	61,546		54,245	7,301	61,546				0
Adds funding for increased software maintenance and subscription costs		419,297		419,297		419,297		419,297				0
Adds funding for sexual assault kit tracking system software maintenance			180,000	180,000			180,000	180,000				0
Adds funding for the automated biometric identification system and data extraction software		384,000	144,000	528,000		384,000	144,000	528,000				0
Adds funding for legal case search software, also known as Discovery software		100,000		100,000		100,000		100,000				0
Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		125,000	20,000	145,000		125,000	20,000	145,000				0
Adds funding for gaming, licensing, and deposit projects operating expenses		37,000	37,000	74,000		37,000	37,000	74,000				0
Adds funding for a new Capitol space rent model		259,708		259,708		259,708		259,708				0
Reduces funding for bond payments		(318,055)		(318,055)		(318,055)		(318,055)				0
Adds funding to replace IT servers		54,000		54,000		54,000		54,000				0
Total ongoing funding changes	10.00	\$10,561,728	(\$638,367)	\$9,923,361	7.00	\$10,322,787	(\$2,175,954)	\$8,146,833	(3.00)	(\$238,941)	(\$1,537,587)	(\$1,776,528)
<b>One-Time Funding Items</b>												
Adds one-time funding for FTE attorney position operating expenses		\$12,520		\$12,520		\$12,520		\$12,520				\$0
Adds one-time funding for BCI cybercrime operating and capital assets		185,999		185,999		313,017		313,017		\$127,018		127,018
Adds one-time funding for BCI criminal investigator operating and capital assets				0		210,942		210,942		210,942		210,942
Adds one-time funding for State Crime Laboratory operating expenses		186,338		186,338		186,338		186,338				0
Adds one-time funding for State Crime Laboratory capital assets		886,000	\$754,677	1,640,677		886,000	\$754,677	1,640,677				0
Adds one-time funding for MFCU operating and capital assets		17,318	51,955	69,273		17,318	51,955	69,273				0
Adds one-time funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		156,463		156,463		156,463		156,463				0
Adds one-time funding for gaming and consumer protection investigator vehicles and radios			102,200	102,200			102,200	102,200				0
Adds one-time funding for gaming, licensing, and deposit software		177,000	699,000	876,000		177,000	699,000	876,000				0
Adds one-time funding to replace undercover BCI vehicles		200,000		200,000		200,000		200,000				0
Adds one-time funding for the statewide litigation funding pool		4,557,748	442,252	5,000,000		4,557,748	442,252	5,000,000				0
Adds one-time funding for a back the blue grant program		5,000,000		5,000,000		3,500,000		3,500,000		(1,500,000)		(1,500,000)
Adds funding for a law enforcement resiliency grant program				0		400,000		400,000		400,000		400,000
Adds funding for additional income from federal or other sources				0			250,000	250,000			\$250,000	250,000
Total one-time funding changes	0.00	\$11,379,386	\$2,050,084	\$13,429,470	0.00	\$10,617,346	\$2,300,084	\$12,917,430	0.00	(\$762,040)	\$250,000	(\$512,040)
<b>Total Changes to Base Level Funding</b>	10.00	\$21,941,114	\$1,411,717	\$23,352,831	7.00	\$20,940,133	\$124,130	\$21,064,263	(3.00)	(\$1,000,981)	(\$1,287,587)	(\$2,288,568)
<b>2023-25 Total Funding</b>	263.00	\$64,587,832	\$43,921,436	\$108,509,268	260.00	\$63,586,851	\$42,633,849	\$106,220,700	(3.00)	(\$1,000,981)	(\$1,287,587)	(\$2,288,568)
<i>Federal funds included in other funds</i>			\$14,569,773				\$14,926,647				\$356,874	
<i>Total ongoing changes as a percentage of base level</i>	4.0%	24.8%	(1.5%)	11.7%	2.8%	24.2%	(5.1%)	9.6%				
<i>Total changes as a percentage of base level</i>	4.0%	51.4%	3.3%	27.4%	2.8%	49.1%	0.3%	24.7%				

Other Sections in Attorney General - Budget No. 125

	Executive Budget Recommendation	Senate Version
Appropriation - Additional federal funds or other funds	Section 8 would appropriate \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.	Section 3 appropriates \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.
Transfer - Statewide litigation funding pool to state agencies - Estimated income - Gaming and excise tax allocation fund	Section 7 would identify \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund, which the Attorney General shall transfer to eligible state agencies for litigation expenses during the 2023-25 biennium.	Section 4 requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund.
Estimated income - Charitable gaming technology system - Charitable gaming operating fund	Section 10 would identify \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.	Section 5 identifies \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.
Human trafficking victims grant program - Requirements - Reports	Section 11 would identify \$1,102,815 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General would be allowed to provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.	Section 6 identifies \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.
Forensic nurse examiners grant program - Reports	Section 12 would identify \$250,889 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section would be required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.	Section 7 identifies \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.
Matching funds requirement - Back the blue grant program - Report		Section 8 identifies \$3.5 million appropriated from the general fund in the law enforcement line item is for a back the blue grant program. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing 10 or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.
Law enforcement resiliency grant program - Reports		Section 9 identifies \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.
Amendment - Opioid settlement fund		Section 10 creates a new section in Chapter 50-06 to create an opioid settlement fund and provides money received by the state as a result of opioid litigation be deposited in the fund.



Other Sections in Attorney General - Budget No. 125

Amendment - Lottery fund transfers

Attorney General salary

Criminal history record checks - Fees

Exemption - Contingent fee arrangement

Exemption - Attorney General refund fund

Exemption - Concealed weapon rewrite project

Exemption - Criminal history improvement project

Exemption - COVID-19 funds

Exemption - Federal State Fiscal Recovery Fund

Legislative Management study - State Crime Laboratory

Appropriation - Transfer - Attorney General refund fund to DHHS - Opioid addiction prevention and treatment program - One-time funding

Executive Budget Recommendation

Section 13 would amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Section 3 would amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$179,312 effective July 1, 2023, and \$186,484 effective July 1, 2024, to reflect the 6 percent and 4 percent annual recommended salary increases.

Section 9 would require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Section 14 would provide, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the period beginning with the effective date of this Act and ending June 30, 2025.

Section 4 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

Section 15 would allow the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Section 16 would allow the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Section 17 would allow the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 relief funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

Section 18 would allow the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

Section 5 would authorize the Office of Management and Budget to transfer up to \$30 million from opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund to DHHS, which is appropriated to DHHS for an opioid addiction prevention and treatment program. The Attorney General is required to notify the Legislative Council and Office of Management and Budget of any lawsuit settlement proceeds that become available for transfer to DHHS for the program. The funding is considered a one-time funding item.

Senate Version

Section 11 amends Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Section 12 amends Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.

Section 13 requires any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Section 14 provides, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.

Section 15 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

Section 16 allows the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Section 17 allows the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Section 18 allows the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

Section 19 allows the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

Section 20 provides for a Legislative Management study of the services and needs of the State Crime Laboratory.

Other Sections in Attorney General - Budget No. 125

Transfer - Statewide litigation funding pool to state agencies

Executive Budget Recommendation

Section 6 would require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item in Section 1 to eligible state agencies for litigation expenses during the 2023-25 biennium.

Senate Version

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# **2023-25 BUDGET**

Office of Attorney General  
State of North Dakota

Drew H. Wrigley  
Attorney General

**For the Education and Environment  
Section of the House  
Appropriations Committee**

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# **INTRODUCTION**

## **Office of Attorney General**

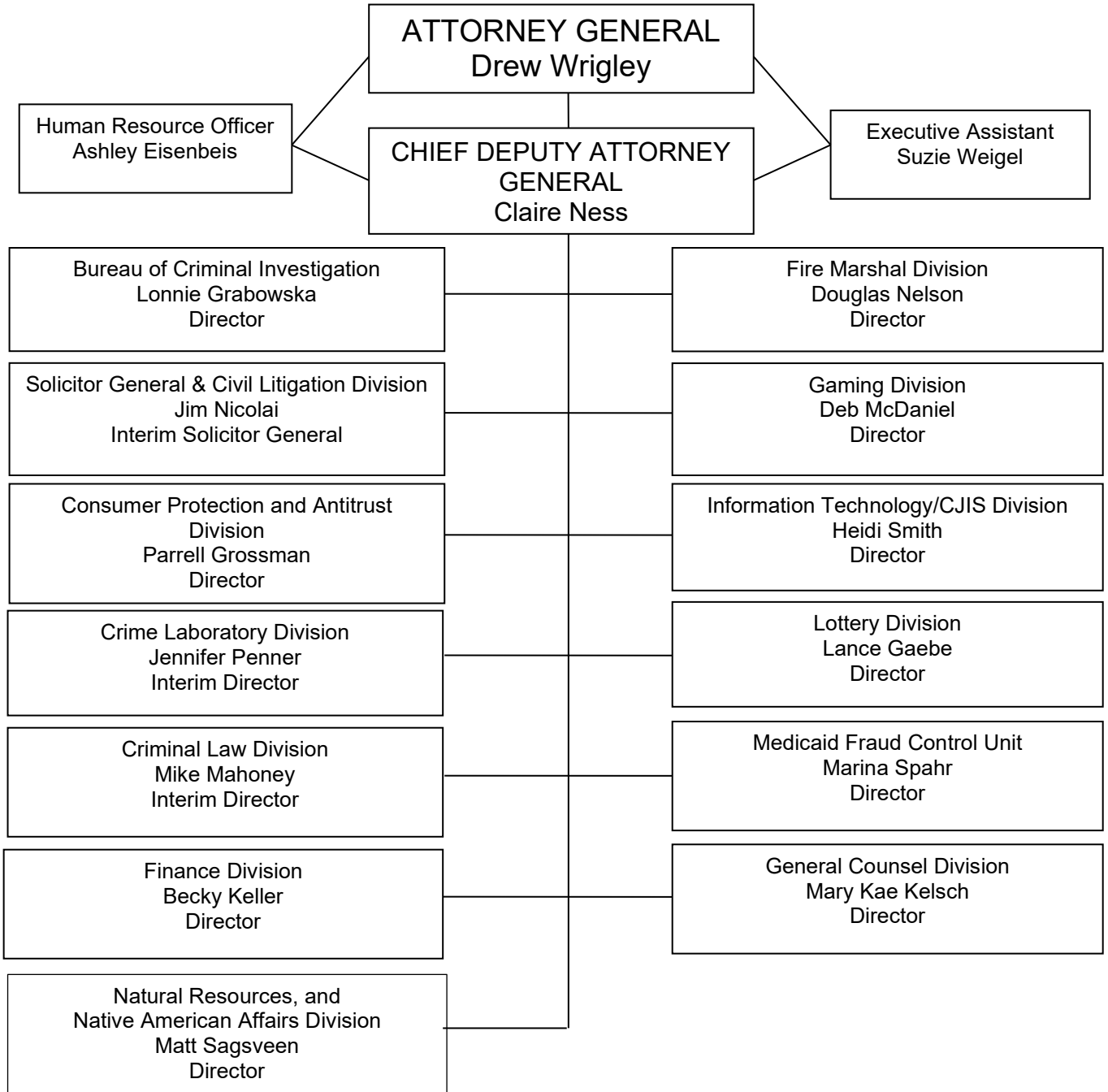
The Office of Attorney General represents and defends the interests of the citizens of North Dakota by executing the responsibilities charged to the North Dakota Attorney General by the North Dakota Constitution, state statutes and administrative rules, North Dakota and federal case law, and common law. The Attorney General is the chief legal counsel and advisor to state government providing legal representation to all facets of state government, including the Governor, all departments of state government, local government and all state agencies, boards, and commissions.

The Attorney General has primary authority to act on behalf of the state of North Dakota in other areas, including criminal investigations; full arrest and law enforcement authority; sex offender risk assessment and registration; Medicaid fraud control; evidence examination and testimony; consumer protection and antitrust; administration, regulation, and enforcement of charitable gaming and lottery activity; and fire inspections, investigations, and mitigation of hazardous materials incidents. Attorney General staff members provided a significant amount of training to North Dakota citizens and others, including law enforcement and the fire services.

The office consists of 14 divisions:

- Administration
- Bureau of Criminal Investigation (BCI)
- Consumer Protection and Antitrust (CPAT)
- Crime Laboratory (Crime Lab)
- Criminal Law
- Criminal Justice Information Sharing (CJIS) and Information Technology (IT)
- Finance
- Fire Marshal
- Gaming
- General Counsel
- Lottery
- Medicaid Fraud Control Unit (MFCU)
- Natural Resources & Native American Affairs
- Solicitor General and Civil Litigation

NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL  
January 2023



## CURRENT AND FUTURE CRITICAL ISSUES

The Attorney General's office continues to struggle with structurally engrained salary equity issues. As a result, the office is at significant disadvantage for recruitment and retention of qualified staff across several divisions. The legal divisions, BCI, IT and the Crime Lab struggle to fill and maintain positions because the salaries the office can offer are not competitive with other state agencies and outside entities. Legal cases are becoming more complicated and, coupled with increased workloads and demand for services in these divisions, existing staff are feeling the strain. For many years, the Attorney General's office has been forced to secure millions of dollars to secure outside counsel to meet the legal needs of the state. In its 2023-26 budget request, the Office has requested salary equity funding and several FTE positions to address these issues.

Because of experience requirements, the NDBCI hires Special Agents at approximately age 33-35. Because of the current retirement parameters, these agents and current Senior Agents are required to work beyond the safe and effective age of 55. On average, NDBCI agents are required to work until 67 or 68 years of age to be able to retire. This is directly affected by the low multiplier of 2.0% for sworn personnel (1.75% if hired after 2019 and without previous PERS enrollment). NDBCI is working with Attorney General's office Senior leadership and support the group of legislators to pass HB 1309 which increases the multiplier to 3.0% allowing agents to retire at the safe age of 55.

National Center of Missing and Exploited Children (NCMEC) cyber-tips have increased **545%** since 2016, which has caused an increased demand on all NDBCI Agents. Any of these cyber-tips can be a live child victim inside of ND being assaulted, molested, or abused. The NDBCI Cyber-Crime Unit needs a significant number of additional Agents trained as forensic examiners to meet this important demand.

Consumer fraud and antitrust violations have reached a volume that is increasingly more difficult to effectively combat, as well as the complexity of many of the consumer fraud or antitrust violations. The investigations typically involve the review of thousands of financial transactions or records, or complex technical information such as with data breaches. Similarly, investigations and legal actions involving big tech firms or drug companies engaged in anticompetitive practices, such as price-fixing or elimination of competitive products or services, are significantly more complicated and time and resource intensive.

## STATUS OF AUDIT FINDINGS

During the operational audit of the Office for the period ending June 30, 2022, the State Auditor's office identified one finding relating to the use of expired or unapproved gas standards canisters for breath alcohol toxicology results.

The Office has begun the replacement of Intoxilyzer 8000s with Intoxilyzer 9000s. The 9000s are capable of preventing operators from performing tests with expired gas standard canisters. Through December 2022, the Office has purchased forty-two 9000s. The Office's 2023-25 budget request includes funding through a federal grant for fifty-eight 9000s.

## **STATUS OF 2021-23 BIENNIUM ONE-TIME APPROPRIATIONS**

### **Capital Assets**

These funds have been allocated and will be spent.

### **Statewide Litigation Funding Pool**

These funds have been allocated and will be spent.

### **Criminal History Improvement Project**

These funds have been allocated and work on the project continues. It is anticipated the office will request carryover authority for any unspent appropriation.

### **Missing Persons Database**

The missing persons database will be completed this biennium and any unused funds will be turned back.

### **Automated Fingerprint Identification System**

This project is in development and includes an update from a fingerprint identification system to a biometric identification system. Approximately \$176,000 has been spent to date during the 2021-23 biennium. If unforeseen challenges arise, the office may need to request carryover for any unspent appropriation.

### **Charitable Gaming Technology System**

The \$475,000 appropriation will be spent during the 2021-23 biennium. Funding of \$736,000 from gaming taxes and \$214,000 from the general fund has been requested to complete the project in the 2023-25 biennium. The general fund share will be used to complete licensing and deposit solutions for the office.

### **Charitable Gaming Technology System Updates for Tax Changes**

The \$50,000 appropriation will be spent and the project will be completed during the 2021-23 biennium.



### Concealed Weapon Rewrite Carryover

\$55,000 of the \$143,531 carryover has been allocated for the 2023-25 biennium. The remaining funding will be requested as carryover to continue the project in the 2023-25 biennium.

### Prosecuting Case Management System

These funds have been allocated and work on the project continues. It is anticipated the office will request carryover authority for any unspent appropriation.

## **2023-25 BIENNIUM ONE-TIME APPROPRIATION REQUESTS**

### New FTE operating - \$739,492

All new FTE requests include a one-time request for computer equipment and furniture. In addition, specialized FTE such as cyber-crime agents and investigators require start up equipment including forensic computers and weapons. Forensic scientists performing firearms and friction ridge analysis will require specialized training. **The Senate provided this funding.**

### Litigation Pool - \$4,650,000

The Office requested one-time funding to continue the litigation pool to assist other agencies in paying for legal services. This request would require a transfer of \$4.65 million from the strategic investment and improvements fund. **The Senate included \$5 million, of which \$4,557,748 is from the general fund, for a litigation pool**

### Crime Lab Equipment - \$1,640,677

This request includes \$886,000 from the general fund for equipment needed to restore the firearms and friction ridge analysis functions at the Lab; and \$754,677 in federal funding for 52 Intoxilyzer 9000s, one evidence vault and two mass spectrometers. **The Senate included \$754,677 in federal funding but did not include the general fund amount needed for equipment to restore the firearms and friction ridge analysis functions.**

### Crime Lab Expansion - \$4,253,600

This request from the general fund is to expand the existing crime laboratory to provide sufficient space for forensic testing and evidence storage. **The Senate did not include this funding.**

### New Agent FTE Vehicles and radios - \$511,000

This request will provide vehicles for 7 new BCI agents, 1 Medicaid Fraud agent, 1 CPAT agent and 1 Gaming agent. This request would be funded by \$370,475 from the general fund, \$38,325 in federal funds, \$51,100 from the refund fund and \$51,100 from the charitable gaming operating fund. **The Senate provided this funding.**

**Undercover Vehicle replacement - \$200,000**

This request includes funding from the general fund to replace 10 undercover agent vehicles. **The Senate provided this funding.**

**ICAC Lab Renovation - \$75,000**

This request from the general fund is to renovate the ICAC lab space in Fargo to combine two separate digital forensic labs into one lab that will accommodate up to six forensic labs. **The Senate did not provide this funding.**

**Gaming and Licensing Project – \$876,000**

This request includes \$177,000 from the general fund and \$699,000 from the charitable gaming operating fund for completion of the Gaming Distributor Solution and enhancements to add the licensing and deposit functions to connect with the gaming system instead of requiring users to go into the Progress system for licensing and deposit information. **The Senate provided this funding.**

**SUPPLEMENTAL COVID FUNDING**

In January 2020, the Office was awarded \$2.08 million in Coronavirus Emergency Supplemental Funding (CESF) through the Justice Assistance Grant program to assist local law enforcement, victim services, and emergency ambulance services across the state through grants. The Office has expended \$1.67 million since the grant was awarded for the following purposes:

- Grants to local law enforcement agencies and political subdivisions
- Administration of the grant
- Purchase of personal protection equipment including gloves, masks, disinfectants
- Purchase of additional equipment or supplies to prevent the spread of the Covid-19 virus.
- Purchase of laptops and other information technology equipment to allow for teleworking and remote meetings.
- Purchase of additional storage discs due to the increase in online file management.

The Office received authority from the federal government to continue the grant through December 2023 and is requesting carryover authority for the 2023-25 biennium.

**FEDERAL STATE FISCAL RECOVERY FUNDING**

The Office of Attorney General was authorized to use \$1 million for replacement of the legal case management system, \$300,000 for a missing persons database, and \$50,000 for upgrades to the gaming system for tax rate changes implemented by the legislature.

The Office has implemented the missing persons database at a cost of \$9,558. The cost for the gaming system upgrades was \$45,821. The remaining funding for both of these projects will be returned at the end of the biennium.

The Information Technology Division has signed a contract with a vendor for the new legal case management system. The Office has requested a section be included in SB 2003 to continue this funding in the 2023-25 biennium.

## AGENCY COLLECTIONS

The table below provides a summary of agency collection estimates for major funds:

<b>General Fund</b>	<b>2021-23 Estimated Collections</b>	<b>2023-25 Estimated Collections</b>
Beer Licenses	\$306,600	\$300,000
Liquor Licenses	290,200	289,800
Tobacco Wholesale and Retail License	49,575	49,500
Transient Merchant License	18,000	15,000
Wholesale Fireworks License	10,750	11,250
Coin Operated Amusement Machine License	21,975	22,100
Coin Operated Amusement Machine Operator Lic	37,000	38,000
Detection of Deception License	1,400	1,400
Fair Board License	650	650
Gaming Licenses and Stamps	456,530	560,200
Non-Criminal justice record checks	1,167,500	1,167,500
Fines-Forfeitures-Esheat	75,000	75,000
Copier Revenue	<u>800</u>	<u>800</u>
<b>Total General Fund Collections</b>	<b>\$2,435,980</b>	<b>\$2,531,200</b>
<b>Refund Fund</b>	<b>2021-23 Estimated Collections</b>	<b>2023-25 Estimated Collections</b>
Transient Merchant License	\$10,000	\$5,000
Background Checks	30,000	30,000
Opioid Settlements	8,291,921	23,000,000
Unrestricted Settlements	8,500,000	3,000,000
Dental Consumer Refunds (redistributed)	237,414	0
Bis Man Autism Families Refund (redistributed)	<u>25,399</u>	<u>0</u>
<b>Total Refund Fund Collections</b>	<b>\$17,094,734</b>	<b>\$26,035,000</b>
<b>AG Operating Fund</b>	<b>2021-23 Estimated Collections</b>	<b>2023-25 Estimated Collections</b>
Gaming Licenses	\$69,300	\$69,000
Misc License Fees	763,500	700,000
Background Checks	31,315	26,000

Fire Marshal Services	200,000	0
Legal Services	<u>4,125,000</u>	<u>4,000,000</u>
<b>Total AG Operating Fund Collections</b>	<b>\$5,189,115</b>	<b>\$4,795,000</b>

<b>Charitable Gaming Operating Fund</b>	<b>2021-23 Estimated</b>	<b>2023-25 Estimated</b>
	<b>Collections</b>	<b>Collections</b>
Gaming Taxes	\$42,525,000	\$43,300,000
Fines – Forfeitures	75,000	54,000
Misc Sales and Services	<u>230,000</u>	<u>150,000</u>
<b>Total AG Operating Fund Collections</b>	<b>\$42,830,000</b>	<b>\$43,504,000</b>

## COMPARISON OF BUDGET REQUEST TO BASE BUDGET

<b>Line Item</b>	<b>Base Budget Request</b>	<b>OAG Budget Request</b>	<b>Incr (Decr)</b>
Salaries and Wages	\$51,352,139	\$58,894,806	\$7,542,667
Operating Expenses	15,276,937	19,644,323	4,367,386
Capital Assets	330,000	7,965,277	7,635,277
Grants	3,903,440	3,903,440	-
Human Traffic Victims Grants	1,102,815	1,102,815	-
Forensic Exam Grants	250,889	250,889	-
Litigation Fees	127,500	127,500	-
Litigation Funding Pool	-	4,650,000	4,650,000
Medical Examinations	660,000	660,000	-
North Dakota Lottery	5,276,690	5,288,926	12,236
Arrest & Return Of Fugitives	8,500	8,500	-
Gaming Commission	7,489	7,489	-
Criminal Justice Info Sharing	4,074,707	4,470,304	395,597
Law Enforcement	<u>3,072,318</u>	<u>3,072,318</u>	<u>-</u>
	\$85,443,424	\$110,046,587	\$24,603,163
General Fund	\$42,774,934	\$63,528,825	\$20,753,891
Federal Fund	13,013,260	14,416,567	1,403,307
Other Funds	<u>29,655,230</u>	<u>32,101,195</u>	<u>2,445,965</u>
	\$85,443,424	\$110,046,587	\$24,603,163
FTE Positions	253.00	279.00	26.00

## SENATE CHANGES TO 2023 SENATE BILL 2003

Division	Request	Granted by Senate	Remaining Needs Above Senate Amendment
Civil Litigation, CPAT, Criminal Law, General Counsel, MFCU attorneys	Attorney Equity and Merit-Based Pay Scale (\$1,078,781)	0	Attorney Equity and Merit-Based Pay Scale (\$1,078,781)
BCI, IT/CJIS, Lottery, Finance	Nonattorney Equity (\$307,613)	0	Nonattorney Equity increases (\$307,613)
		<i>OMB information indicates approximately \$943,000 of the equity dollars in the OMB bill would be allocated to OAG.</i>	<i>Based on OMB information regarding its appropriations bill, an additional \$443,394 would be needed for OAG.</i>
Administration	1.0 FTE constituent services	0	1.0 FTE constituent services
Civil Litigation and General Counsel	4.0 FTE attorneys total	2.0 FTE attorneys total	2.0 FTE attorneys total
Civil Litigation	Discovery software (\$100,000)	Discovery software (\$100,000)	n/a
Civil Litigation	Litigation Pool	Litigation Pool (\$5,000,000)	Dependent on litigation needs including defense of legislation enacted
BCI	4.0 FTE cybercrime agents	3.0 FTE cybercrime agents	1.0 FTE cybercrime agent

BCI	3.0 FTE tribal task force agents (initial request)  + 3.0 FTE tribal task force agents (supplemental request)	3.0 FTE tribal task force agents	3.0 FTE tribal task force agents
BCI	MAFIN, GrayKey, Cellebrite (\$528K, including \$42K federal)	MAFIN, GrayKey, Cellebrite (\$528K, including \$144K federal)	n/a
BCI	Inflationary increases (\$281,463)	Inflationary increases (\$206,463)	Inflationary increases (\$75K)
BCI	Employee reclassifications (\$57,327)	0	Employee reclassifications (\$57,327)
BCI	Agent retirement multiplier if HB 1309 passes	0	Agent retirement multiplier (\$1,141,424) to cover the effect of HB 1309
BCI	National Forensic Academy training for agents (\$50K)	0	National Forensic Academy training for agents (\$50K)
BCI	Modular walls for Internet Crimes Against Children cyber agents (\$75K)	0	Modular walls for Internet Crimes Against Children cyber agents (\$75K)
BCI	Vehicle replacement (\$300K)	Vehicle replacement (\$200K)	n/a
Crime Lab	4.0 FTE (This includes 2.0 FTE for firearms testing + 2.0 FTE for latent fingerprints testing.)	2.0 FTE (This will allow us to reintroduce firearms or fingerprints testing – not both.)	2.0 FTE firearms or fingerprints testing
Crime Lab	Equipment for firearms and fingerprints (\$886,000)	Equipment for firearms and fingerprints (\$886,000)	n/a
Crime Lab	3.0 FTE forensic scientists (1 per team)	2.0 FTE forensic scientists	1.0 FTE forensic scientist
Crime Lab	1.0 FTE admin	0	1.0 FTE admin

Crime Lab	Evidence Vault (\$58,377 federal funds)	Evidence Vault (\$58,377 federal funds)	n/a
Crime Lab	Equipment and Intoxilyzers (\$696,300 federal funds)	Equipment and Intoxilyzers (\$696,300 federal funds)	n/a
Crime Lab	Building Addition (\$4,253,600)	0 (legislative study)	Building Addition (\$4,253,600)
Crime Lab	Equipment maintenance contract increase (\$400K)	Equipment maintenance contract increase (\$200K)	Equipment maintenance contract increase (\$200K)
Crime Lab	Building maintenance contract (\$44K)	Building maintenance contract (\$22K)	Building maintenance contract (\$22K)
Crime Lab	Sex Assault Kit tracking software (federal)	Sex Assault Kit tracking software (federal)	n/a
Crime Lab	Supplies, services, utilities (\$55,000)	Supplies, services, utilities (\$55,000)	n/a
MFCU	3.0 FTE (attorney, investigator, paralegal)	3.0 FTE (attorney, investigator, paralegal)	\$37,472 to fully fund operating costs for new FTEs
MFCU	Investigator vehicle, radio (\$51,100)  (75% federal funds)	Investigator vehicle, radio (\$51,100)  (75% federal funds)	n/a
MFCU	Office space (\$24K)  (75% federal funds)	Office space (\$16K)  (75% federal funds)	Office space (\$8K)  (75% federal funds)
MFCU	Increase in general fund cost share (\$227,497)	Increase in general fund cost share (\$227,497)	n/a
BCI, Crime Lab, IT/CJIS	Funding source changes from special fund to general fund (\$3,260,551)	Funding source changes from special fund to general fund (\$3,260,551)	n/a
IT/CJIS	2.0 FTE programmer analysts	0	2.0 FTE programmer analysts

IT/CJIS	Increased maintenance contract costs if FTEs not granted (\$700K)	0	Increased maintenance contract costs if FTEs not granted (\$700K)
IT/CJIS	1.0 FTE business analyst	0	1.0 FTE business analyst
IT/CJIS	Increase in software maintenance (\$16K)	0	Increase in software maintenance (\$16K)
IT/CJIS	Increase in software subscriptions (\$20K)	0	Increase in software subscriptions (\$20K)
IT/CJIS	Increase in NDIT fees paid by OAG (\$12K)	Increase in NDIT fees paid by OAG (\$12K)	n/a
IT/CJIS	Atlassian, polycoms, LIMS, Justware, P1, SAVIN, Active Directory accounts for OAG and law enforcement entities (\$441,297)	LIMS, Justware, P1, SAVIN, Active Directory accounts for OAG and law enforcement entities (\$407,297)	Atlassian, polycoms (\$34,000)
IT/CJIS	4 servers in base budget (\$54,000)	4 servers in base budget (\$54,000)	n/a
Gaming	Investigator vehicle, radio (\$51,100)	Investigator vehicle, radio (\$51,100)	n/a
Gaming	Distributor solution and gaming solution enhancement (\$522,000)	Distributor solution and gaming solution enhancement (\$522,000)	n/a
Gaming/Finance	Licensing project (\$264,000)	Licensing project (\$264,000)	n/a
Gaming/Finance	Deposits project (\$90,000)	Deposits project (\$90,000)	n/a
Gaming/Finance	Ongoing maintenance (\$74,000)	Ongoing maintenance (\$74,000)	n/a
Finance	Employee reclassifications (\$21,181)	0	Employee reclassifications (\$21,181)
CPAT	Investigator vehicle, radio (\$51,100)	Investigator vehicle, radio (\$51,100)	n/a



CPAT	Employee reclassifications (\$14,487)	0	Employee reclassifications (\$14,487)
Criminal Law	Change in HIDTA cost share (\$114,250)	Change in HIDTA cost share (\$114,250)	n/a

The Office's optional adjustments requested in the submitted budget and as approved in the Executive Recommendation are shown below. **The Senate included these requests.**

Description	Priority	General Fund	Federal Fund	Other Funds	Total	FTE
Attorney FTE	3	\$644,356			\$644,356	2.00
Cybercrime investigators	4	745,990			745,990	2.00
Firearm/fric ridge FTE	5	1,927,321			1,927,321	4.00
Crime lab equipment, vault	5		\$754,677		754,677	
Crime lab equipment maint agreements	5	200,000			200,000	
Crime lab building maint	5	22,000			22,000	
Medicaid Fraud Unit FTE	6	167,183	501,545		668,728	2.00
Fund source change – equity	7	2,060,551		(\$2,060,551)		
Fund source change – operating	7	1,200,000		(1,200,000)		
Replace federal fund grants	10	341,747	(341,747)			
Increase tech fees	11	12,000			12,000	
Increase software maint, subscriptions, active directory	11	407,297			407,297	
MAFIN, GrayKey, Cellebrite	12	384,000	144,000		528,000	
Inflation – ammo, buy fund, rent, utilities, supplies	13	281,463		20,000	301,463	
Discovery software	14	100,000			100,000	
Vehicles, radios for Gaming, CPAT investigators	15			102,200	102,200	
Gaming, licensing, deposit project	16	214,000		736,000	950,000	
IT Servers	17	54,000			54,000	
Sex assault kit tracking software	22		180,000		180,000	
Undercover vehicle replacement (10)	23	200,000			200,000	
<b>Total</b>		<b>\$8,961,908</b>	<b>\$1,238,475</b>	<b>(\$2,402,351)</b>	<b>\$7,798,032</b>	<b>10.00</b>

The office's optional adjustments requested in the submitted budget and not included in the Executive Recommendation were **included by the Senate** as shown below.

Description	Priority	General Fund	Federal Fund	Other Funds	Total	FTE
Cybercrime agent	4	\$407,003			\$407,003	1.00
Criminal investigators	4	1,050,971			1,050,971	3.00
MFCU Paralegal	6	54,680	164,039		218,719	1.00
<b>Total</b>		<b>\$1,512,654</b>	<b>\$164,039</b>		<b>\$1,676,693</b>	<b>5.00</b>

The Senate, in SB 2211, approved the transfer of the Fire Marshal Division from the Office to the Insurance Commissioner. The Senate reduced the Office's appropriation by \$2,162,899 and removed 8.00 FTE positions relating to the Fire Marshal Division.

The Office is requesting the following optional adjustments requested in the submitted budget and **not included** in the Executive Recommendation or Senate Bill 2003 be restored.

Description	Priority	General Fund	Federal Fund	Other Funds	Total	FTE
Attorney pay schedule	1	974,392	41,512	62,877	1,078,781	
Staff equity	2	295,377		12,236	307,613	
Attorney FTE	3	558,014			558,014	2.00
Cybercrime agent	4	407,003			407,003	1.00
Forensic/Firearm/Friction	5	688,658			688,658	3.00
Operating – firearms FTE		152,556			152,556	
Crime lab admin	5	154,356			154,356	1.00
Crime lab building addition	5	4,253,600			4,253,600	
Crime lab equipment maint agreements	5	200,000			200,000	
Crime lab building maint	5	22,000			22,000	
Medicaid Fraud operating	6	11,368	34,104		45,472	
IT programmers, analysts	8	717,706			717,706	3.00
AG admin FTE	9	186,108			186,108	1.00
IT maintenance, subscriptions	11	70,000			70,000	
Inflation – ammo, rent	13	75,000			75,000	
Reclassifications	18	78,508		14,487	92,995	
Agent multiplier	19	407,685	27,179	108,716	543,580	
Forensic Academy	20	50,000			50,000	
ICAC lab renovation	21	75,000			75,000	
Contingent IT maintenance	25	700,000			700,000	
<b>Total</b>		<b>\$10,077,331</b>	<b>\$102,795</b>	<b>\$198,316</b>	<b>\$10,378,442</b>	<b>11.00</b>

## **GOVERNOR'S INITIATIVES INCLUDED IN SENATE BILL 2003**

The Governor's recommendation includes two budget items that were not included in the Office's request:

1. \$5 million general fund appropriation from the general fund for a Back the Blue grant. This funding is included in House Bill 1307. **The Senate included \$3.5 million and matching requirements in Senate Bill 2003 for the grant.**
2. \$259,708 general fund appropriation for a rent model change. **The Senate included this funding.**

The Governor's recommendation increased the Office's request for the litigation pool from \$4.65 million to \$5 million and changed the funding source to \$4.6 million from the general fund and \$442,252 from gaming taxes. The Office's request included \$4.65 million from the strategic improvement and investments fund. **The Senate included the Governor's recommendation for the litigation pool.**

## **2023 Legislation Having a Fiscal Impact on the Office of Attorney General**

The following legislative bills have been introduced which impact the Office of Attorney General.

- Engrossed House Bill 1004 requires the transfer of 80 percent of JUUL settlements received in the 2021-23 biennium from the Office's refund fund to the community health trust fund on July 1, 2023. It also requires 80 percent of future JUUL settlement payments to be deposited directly in the community health trust fund. **The estimated total of these transfers and deposits is \$1,390,270. This funding will no longer be available for expenses of the Office.**
- Engrossed House Bill 1114 provides a continuing appropriation to the Office for the transfers from the charitable gaming operating fund to the gambling disorder prevention and treatment fund each quarter.
- House Bill 1183 increases the contribution in the BCI plan by 8.8% of compensation for BCI agents. **The estimated cost of \$853,209, of which \$516,810 is from the general fund, has not been added to the Office's appropriation bill (SB 2003).**
- Engrossed House Bill 1307 provides a \$5 million general fund appropriation to the Office for a 'Back the Blue' grant program. **The Senate included \$3.5 million for a grant program in the Office's appropriation bill.**

- House Bill 1309 provides an increase in the retirement multiplier for BCI agents. **The estimated cost of \$1.14 million, of which \$691,389 is from the general fund, has not been added to the Office's appropriation bill.**
- House Bill 1342 prohibits the gaming commission from adopting rules requiring an electronic pull tab game or deal to be closed at the end of a quarter. **The estimated one-time cost of \$48,000 for gaming upgrades and ongoing costs of \$170,180 for one additional FTE to audit the E-Tabs have not been included in the Office's appropriation bill.**
- Engrossed House Bill 1388 provides a \$30,000 general fund appropriation to the Office to create a program to assist local and state law enforcement dogs that are retired by reason of age or medical condition.
- Engrossed House Bill 1415 provides a \$480,000 general fund appropriation to the Office for a law enforcement staffing grant program.
- Engrossed House Bill 1447 requires the transfer of all opioid settlement funds to the newly created opioid settlement fund.
- Engrossed House Bill 1487 prohibits financial entities from using merchant codes to track firearm and ammunition-related purchases. **The estimated cost of 968,516 and 3.00 FTE positions have not been included in the Office's appropriation bill.**
- Engrossed Senate Bill 2025 provides a supplemental general fund appropriation of \$75,000 to the Office for the 2021-23 biennium for prosecution witness fees.
- Engrossed Senate Bill 2124 increases the per diem rate for all state employees from \$35 per day to ninety percent of the General Services Administration rate. **Estimated increase of \$25,400 has not been included in the Office's appropriation bill.**
- Senate Bill 2202 provides a \$250,000 general fund appropriation to the Office for a domestic violence forensic medical examination grant program.
- Engrossed Senate Bill 2211 provides for the transfer of the Fire Marshal Division from the Attorney General's office to the Insurance Commissioner. **The Senate removed 8.00 FTE positions and appropriation authority of \$2.16 million, of which \$887,685 is from the general fund, from the Office's appropriation bill.**
- Reengrossed Senate Bill 2248 requires the Office to provide a reporting mechanism for law enforcement agencies and health care providers relating to fentanyl deaths. **The ND Department of Health and Human Services currently collects this data.**
- Senate Bill 2281 creates the charitable gaming technology fund, requires a deposit of a portion of gaming license fees to the new fund, and provides for a continuing appropriation on the use of the fund. The bill also provides \$400,000 from the charitable gaming operating fund to the new fund.
- Senate Bill 2299 requires the Office to provide an evidence based registration, certification, and tracking system for scrap metal dealers and to investigate complaints or violations. **The estimated one-time cost of \$150,000 for the reporting system and ongoing costs of \$75,000 for maintenance of the system and \$443,190 for additional FTE to verify information and investigate complaints and violations has not been added to the Office's appropriation bill.**
- House Concurrent Resolution 3002 allows sports betting the licensing and regulation of sports betting by the state. The Office's appropriation bill does not include FTE or funding for
- Several bills have been introduced that may trigger litigation and increase the workload of the Office's legal staff. These bills do not include additional FTE or funding to provide additional legal services.

# **SUMMARY OF OFFICE OF ATTORNEY GENERAL DIVISIONS**

## **OFFICE OF ATTORNEY GENERAL ADMINISTRATION**

The Administration Division of the office includes the Attorney General, the Chief Deputy Attorney General, the Human Resources Director, and the Executive Assistant to the Attorney General.

The Administrative Division provides legal, administrative, and human resource support services to the other office divisions, and informational services to citizens and other state agencies.

## **BUREAU OF CRIMINAL INVESTIGATION**

The Bureau of Criminal Investigation (BCI) division is comprised of 92 FTE positions including 53 sworn personnel, and 39 support personnel consisting of criminal intelligence analysts (6), administrative services (4), uniform crime reporting and statistics (1), offender registration (3), information processing (4), concealed weapons (4), criminal history (13), CJIS Systems Officers (3), and Peace Officer Standards and Training and 24/7 Sobriety Program (1). The salary for the director is also included. The Bureau of Criminal Investigation's primary duties are as follows:

- Assist local law enforcement agencies with general and specialized investigations including cyber-crime, homicide, sexual assault, human trafficking, organized crime, child abuse, arson, and terrorism
- Provide drug trafficking reduction support through participation in 10 narcotics task forces, including supervision of 9 of the task forces
- Maintain a statewide sex offender and offenders against children registration system and a registered offenders' website for lifetime registrants and high-risk offenders
- Maintain the statewide criminal history record information system and provide this information to the federal criminal history database
- Maintain the ABIS for identification and criminal investigation purposes
- Provide training for law enforcement and corrections officers, maintain officer training records, and issue peace officer licenses
- Provide training to children and the general public about the dangers of drugs and criminal activity
- Facilitate the 24/7 sobriety program
- As the Criminal Justice Information Services (CJIS) Systems Agency (CSA), BCI is responsible for planning and providing the necessary hardware, software, funding, quality assurance and training for complete access to all FBI CJIS data services for all authorized agencies within the state

- The Concealed Weapons Licensing (CWL) Division is the only agency in the state of North Dakota that processes applications for a North Dakota Concealed Weapons License. NDBCI offers two concealed weapons licenses (Class 1 or Class 2)

Among BCI's many responsibilities and achievements in the 2021-23 biennium, BCI:

1. Expanded the technical expertise in crime scene reconstruction that consists of crime scene mapping, utilization of drones, video enhancement, and agents attending the National Forensic Academy at the University of Tennessee to become crime scene experts.
2. Created the Victim Services Unit consisting of two Victim Witness Coordinators that respond to crime scenes and offer victims and families guidance and support during complex investigations. Each coordinator (currently funded by federal grants) is assigned half of the state which covers a large geographical area. The coordinators also work with the States Attorney's Offices to provide witness services in preparation for court hearings.
3. Expanded the NDBCI Internet Crimes Against Children (ICAC) task force to include the use of two electronic detection K-9's. This supports the growing statewide cyber-crime expansion to include affiliate agencies from police departments and sheriff's offices across the state.

## **CONSUMER PROTECTION AND ANTI-TRUST DIVISION**

The Consumer Protection and Antitrust Division staff consists of the Division director, 3 consumer investigators, 2 assistant attorneys general, 1 paralegal and 2 administrative assistants for a total of 9 FTE positions. Services provided by the Division include:

- Investigating consumer complaints and violations of antitrust, consumer fraud, transient merchant, identity theft, data security breach, privacy, nonprofit corporations, charitable solicitations, and do-not-call laws, etc., and taking legal action to obtain injunctive relief, civil penalties, restitution, and other equitable relief
- Investigation, participation, and prosecution referral of criminal violations
- Statewide consumer fraud and education presentations to the elderly, students, civic, and professional groups, etc., and providing consumer warnings
- Coordinating consumer protection investigations, enforcement, and education with other federal, state and local law enforcement and regulatory agencies, including participation in multi-state investigations and legal actions
- Consumer fraud training for law enforcement
- Researching state and federal consumer fraud law and issues and assisting state and federal legislators in the development and implementation of consumer and antitrust issues legislation

The division's major accomplishments include:

1. Opioids Investigations and Legal Actions (Including Manufacturers, Distributors and Pharmacies) --The Division was involved in the investigation and legal actions regarding the nations opioids settlements regarding the deceptive, misleading, and unconscionable acts or practices of Opioids at the manufacturing, marketing, distribution and retail levels, thereby contributing to the creation of a nationwide opioid epidemic including impacting many North Dakota victims with addiction and, in some instances, death.

The Consumer Protection Division entered into 11 national settlements of approximately \$62M to be paid over terms ranging from 1 to 18 years. To date, the Division has received \$9.1M.

2. North Dakota and 7 other states sued multiple defendants in federal court for making millions of robocalls in our state, and as much as a billion spoofed calls combined in all states, selling health insurance and auto warranties. We have settled with some of the defendants and are proceeding to trial with others. In addition to significant civil penalties, the success of this case will eliminate for our citizens hundreds of thousands or more of unwanted robocalls for health insurance and auto warranty solicitations, and deter other bad actors engaged in robocalls.
3. Dental Office Investigation and Legal Action --The Division investigated a North Dakota dental practice that engaged in the deceptive practice of unauthorized interrupted service fees and unauthorized “interrupted service fees” during COVID-19 and otherwise, unauthorized administrative service fees without the knowledge or consent of the patients. The Division’s legal action recovered \$235,000 for consumer refunds to 504 patients, and resulted in \$25,000 in civil penalties, attorney’s fees and investigation costs.

## **CRIME LABORATORY DIVISION**

The Crime Laboratory Division consists of 25 FTE positions including 22 forensic scientists, a state toxicologist, 1 evidence technician, and 1 administrative assistant. The staff members are responsible for analyzing evidence, preparation of laboratory reports, certified documents, data collection, law enforcement training and certification, courtroom testimony, and associated administrative duties.

The Crime Laboratory's objective is to provide scientific support to the state's law enforcement and criminal justice system by use of accepted techniques in the analysis, identification, and comparison of physical and toxicological evidence involved in the investigation and prosecution of criminal offenses.

Over the 2021-23 biennium, the Crime Lab participated in the launch of the North Dakota Roadside Oral Fluid Drug Screening Pilot Project. Thirty SoToxa Oral Fluid Drug Screening Devices were purchased with Federal DOT funds and thirty-one Drug Recognition Officers (DREs) have been trained on the use of this device. All of the devices are placed in the field and 20 samples have been collected for the pilot project.

The lab accomplished several validations and brought new software and instruments online. One of the instruments is a robotic system that will assist analysts in pipetting and setting up samples to save time and make the processing of cases more efficient.

## **CRIMINAL LAW DIVISION**

The Criminal Law Division includes 7 attorneys and 1 legal assistant to prosecute criminal cases statewide, at the request of the county state’s attorneys. The objectives of the Criminal Law Division are to efficiently and impartially provide quality legal and informational services to the North Dakota government.

The program also assists other Office of Attorney General's divisions to provide quality law enforcement, regulatory, and investigatory services, and provides prosecutorial assistance to the 53 county state's attorneys upon request. In addition, the Division handles prosecutions of child sexual abuse offenses.

The division assisted Morton County in the prosecution of Chad Isaak who was charged with four counts of murder, burglary, unlawful entry and unauthorized use of a motor vehicle. Division counsel worked closely with Morton County prosecutors and Isaak was convicted after a three-week jury trial. Isaak was sentenced to life without parole.

When Williams County had a conflict in a vehicular homicide case involving two deaths, division attorneys assumed the prosecution. As the case proceeded towards jury trial, Mark Bearce changed his pleas to guilty on the two most serious charges. Bearce was sentenced to twelve years in prison on each count to be served consecutively.

Division lawyers assist local states attorney's offices by assuming the defense of federal court habeas corpus matters. These cases are brought by inmates arguing a federal constitutional violation. During the biennium, the division defended the state in ten federal habeas corpus cases at the U.S. District Court, seven cases at the 8<sup>th</sup> Circuit Court of Appeals and one case that was declined to be heard at the U.S. Supreme Court.

The Criminal Law Division provides general counsel to the Peace Officer Standards & Training (POST) Board, which licenses and regulates law enforcement officers. During the biennium, the POST Board conducted 18 administrative hearings relating to licensure of officers. Discipline was imposed for reasons ranging from shoplifting to utilizing a confidential informant without the proper training. In two instances, the incidents were found not to violate POST Board rules, but in the other 16 cases, the officer received some form of license sanction, from probation to revocation, including: The license revocations of two former Dunseith PD officers for conducting a controlled narcotics delivery utilizing a confidential informant when neither officer had the proper training as required by state statute.

## **FINANCE DIVISION**

The Finance Division consists of 14 FTE positions including the financial administrator, 1 accounting manager, 4 grants staff, 3 payroll and accounting staff, 2 licensing staff, 2 administrative assistants and 1 purchasing agent. The division staff provide technical, budget, finance, payroll, grants administration, records management, purchasing, licensing, reception, and other administrative services for the entire office.

## **FIRE MARSHAL DIVISION**

The Fire Marshal's Division's 8 FTE positions consist of the State Fire Marshal, 1 chief deputy fire marshal, 5 deputy fire marshals, and 1 administrative assistant. The Division is responsible for issuance of the fire safety codes and rules for the state, fire investigations, fire inspections, and public fire safety education. The Division is also responsible for a number of special programs including fire reporting, existence of fire departments, delegation of authority, property loss insurance reporting, fire safer cigarettes and emergency response guidebooks.



Among its many duties and achievements during the 2021-23 biennium, the State Fire Marshals Division conducted 196 fire investigations. The State Fire Marshals Division worked with the Bureau of Criminal Investigation and the Bureau of Alcohol, Tobacco and Firearms to establish a team approach to fire investigation to ensure every fire is communicated and collaborated on from the start.

The division also fulfilled its responsibility, pursuant to the North Dakota Century Code, to inspect all schools and state buildings. The division carries out those inspections on a rotating schedule, and the inspections are all up-to-date. The division also completed 225 fire inspections requested by local fire departments.

The division also reviewed 300 new construction plans for compliance with fire code compliance. This is a new service provided by the division, and the reviews resulted in improved code compliance, identification of potential problems during the planning phase of construction, and collaboration with local fire departments.

The division also teamed with the North Dakota Firefighters Association to help develop a fire investigator training class and certification for North Dakota firefighters. The class already proved popular, and there is a waiting list of class participants. **Senate Bills 2003 and 2211 move the Fire Marshal Division under the Insurance Commissioner.**

## **GAMING DIVISION**

The Gaming Division consists of the Division Director, 13 auditors, 2 audit technicians, 2 investigators, 1 training and communications specialist and 1 administrative assistant for a total of 20 FTE positions. The Division's duties include:

- Administration, regulation, and provision of enforcement for the charitable gaming industry
- Assistance to local law enforcement officials, gaming organizations, distributors, manufacturers, and the general public regarding gaming laws and rules, recordkeeping, and preparation of tax returns
- State Gaming Commission assistance in drafting proposed gaming laws and rules and conducting public hearings
- Conducting gaming training sessions for organization board members, gaming employees and volunteers
- Developing standard recordkeeping systems and model systems of internal control for gaming organizations
- Gaming compliance and financial office and field audits of gaming, distributor, and manufacturer licensees
- Reviews and processing of Gaming distributor records and gaming tax returns
- Collection of delinquent gaming taxes, interest, penalties, and monetary fines
- Coordination and application of investigations into illegal gaming activity and thefts
- Laboratory testing of pull-tab dispensing devices, electronic pull-tab dispensing devices, electronic bingo devices, bingo card marking devices, and electronic 50/50 raffle systems
- Inspections of gaming businesses manufacturing pull-tabs and paper bingo cards
- Gaming legislative research and legislative testimony at hearings

- Gaming administrative complaints, assessing monetary fines, and imposing appropriate sanctions
- Inspections of tribal casinos to ensure compliance with tribal-state gaming compacts

The division regulates over 350 gaming organizations conducting gaming in over 1,050 sites and has completed over 75 comprehensive and in-office audits and investigated over 197 complaints. The current e-tab activity includes 4,491 devices, 798 sites, and 268 organizations.

## **GENERAL COUNSEL DIVISION**

The General Counsel Division has 14 attorneys, 1 paralegal, 1 legal assistant, and 2 administrative assistants. The General Counsel Division provides general counsel legal services to approximately 100 state agencies, boards, and commissions.

Each legal opinion requires many hours of legal research and analysis as well as drafting time. Each open record or open meeting opinion also requires many hours of communications and analysis in addition to drafting time. The division has issued 7 legal opinions and 13 open records and open meetings opinions so far in this biennium.

General Counsel Division attorneys are relied upon by their many clients to provide guidance on an extremely wide range of day-to-day legal issues. The scope of legal advice provided by the division attorneys covers everything from open records, state procurement requirements, constitutional questions, legislation, occupational licensing, construction contracts, private-public partnerships, board governance, and many other topics. In addition, these attorneys need to be subject matter experts in their particular clients' fields of specialization.

The division draft Attorney General opinions, review all administrative rules adopted by state agencies, and assist client agencies and members of the Legislative Assembly by drafting bills and amendments, explaining the ramifications of proposed legislation, and testifying before legislative committees.

## **INFORMATION TECHNOLOGY/CRIMINAL JUSTICE INFORMATION SYSTEM**

The Information Technology and Criminal Justice Information Sharing (IT/CJIS) Division has 17 FTE positions including the Division Director, 1 architect associate, 1 IT manager, 1 CJIS manager, 1 project manager, 3 business analysts, 3 programmer analysts, 2 system administrators, 1 database design analyst, 1 computer and network specialist, 1 customer tech support specialist, and 1 administrative assistant. IT/CJIS staff provide the following services:

- Support for computer equipment and network needs of all the divisions of the Office of Attorney General with several locations within the Bismarck area as well as 17 remote locations across the state
- Desktop support and troubleshooting for all office staff and several task force personnel
- Administration of servers housed in a secured room within the Division's office area, including maintenance, disaster recovery, and security

- Staff and management of a help desk that supports office staff, as well as any external customers that utilize the office's applications or equipment
- 24 hour, 7 days a week support for computer applications utilized by law enforcement and other criminal justice personnel statewide on a rotating on-call schedule
- On-going support, enhancements, changes, additional functionality, and upgrades to all business applications on a regular basis
- Management and support for several statewide criminal justice systems, including a case management system for North Dakota state's attorneys; a records management system used by 71 local law enforcement agencies and 9 correctional facilities; an information sharing hub for criminal justice personnel; and a statewide victim notification system used for incarceration, court, parole and probation, commitment and protection order notifications as well as a statewide database used to track victim rights assertions
- Access to office records through the CJIS portal to North Dakota criminal justice personnel and through BCI to law enforcement across the entire country
- Audit participation in FBI, Sex Offender, Security, Gaming, grants and other audits, as needed, providing information as needed, determining changes needed, and developing timelines for changes

During the 2021-23 biennium, the division has executed many initiatives. For example, the division implemented the core gaming system and the missing persons database, updated the sex offender website, and signed a contract with a vendor for the new legal case management system. The division also is working with ND BCI and the Crime Lab to implement a new sex assault kit tracking system.

## **LOTTERY DIVISION**

Eight FTE positions make up the Lottery Division, including the Division Director, an account budget specialist, 1 security officer, 2 customer service specialists, 1 sales and marketing manager and two administrative assistants. The Division also has three temporary draw operators.

The North Dakota Lottery is responsible for administering, regulating, enforcing, and promoting the state's lottery. The North Dakota Lottery conducts 5 games: Powerball, Lucky for Life, Mega Millions, Lotto America, and 2by2. The Lottery Division transfers net proceeds annually to the state general fund, and makes quarterly transfers to the multijurisdictional drug task force grant fund and compulsive gambling prevention and treatment fund.

During the 2021-23 biennium:

1. The Lottery transferred \$5.6 million of revenue to the State General Fund, \$800,000 to the Multi-Jurisdictional Drug Task Force Grant Fund, and \$320,000 to the Compulsive Gambling Prevention and Treatment Fund in the first year of the biennium. Similar transfers are underway and anticipated in the second year
2. Due in part to interest generated by three world record level lottery jackpots including \$2 billion Powerball and two separate \$1.3 billion Mega Millions jackpots, lottery ticket sales in the second year of the biennium are 150% of preceding year sales

1. The number of verified members in the North Dakota Lottery Players Club® grew to more than 50,000 and one North Dakota Powerball player participated in the First Millionaire of the Year® promotion in New York City with Dick Clark Productions.

## **MEDICAID FRAUD CONTROL UNIT**

The Medicaid Fraud Control Unit (MFCU) was established by the 2019 Legislative Assembly and is funded jointly by federal and state government but administered by the state in accordance with federal requirements. The program contains salaries and wages for 6 FTEs, including the Unit Director who is an attorney, two investigators that are also BCI agents, two auditors, and one administrative support staff. MFCU investigates and prosecutes health care providers who defraud the ND Medicaid Program. The unit also investigates and prosecutes any provider who abuses, neglects, or financially exploits a patient in any facility that accepts Medicaid funds.

During the 2021-23 biennium, MFCU concluded several investigations and completed their first cases. The cases involved both criminal and civil settlements as well as participating in a weeklong criminal jury trial, all with excellent outcomes and recoveries for the State. Due to these case completions MFCU recovered and received into the State \$512,833.30, which is more than the State has expended on the Unit since its inception in 2019. There is also a deterrent effect that these cases had that is not measurable in dollar amounts. The main challenges for the Unit in the next 3 to 4 years is the need for additional employees to be able to keep pace with the rising number of complaints and referrals received by MFCU and the increasing complexities of the investigations.

## **NATURAL RESOURCES AND NATIVE AMERICAN AFFAIRS**

The Natural Resources and Native American Affairs Division includes 6 attorneys and one paralegal. The Division provides legal advice to state agencies with responsibilities towards the state's natural resources. This includes assisting the Land Department in managing state-owned lands and minerals; the State Engineer in regulating the appropriation of water, regulating dams, dikes, and drains, and managing the beds of navigable rivers and lakes; the Water Commission in developing water resources; the Industrial Commission in regulating the exploration and development of mineral resources and administering grant programs for the lignite and oil and gas industries; the Department of Environmental Quality in protecting our environment; the Game and Fish Department in managing wildlife and wildlife habitat; the Parks and Recreation Department in managing public recreation areas; and the State Mill and Elevator. The division also administers the state's anti-corporate farming law and represents other Boards and Commissions including the Board of Animal Health, and commodity boards. Lastly, the division advises state as well as local officials on Native American law issues.

Division attorneys provided legal counsel to multiple state agencies to resolve the ongoing litigation over mineral ownership and the Missouri River. The division also anticipates being heavily involved in litigation and other legal issues concerning the proposed new Waters of the United States (WOTUS) rule.

Counsel has also assisted the North Dakota Department of Environmental Quality with *NDDEQ, et al. v. Summit Midstream, et al.*, a 2015 joint federal-state case for a pipeline spill of over 700,000 barrels of produced water. NDDEQ, Game and Fish, and the Industrial Commission were all involved. The parties' August 2021 settlement included \$20 million in civil penalties (split between federal and state), comprehensive injunctive relief, and \$1.25 million in natural resource damages.

## **SOLICITOR GENERAL AND CIVIL LITIGATION**

The Civil Litigation Division is led by the Solicitor General and includes 17 FTE positions. In addition to the Solicitor General, the division has 8 attorneys, 4 paralegals, 3 legal assistants and 1 administrative staff officer. The Division represents the State, as well as all elected and appointed officials, the Legislature, state employees, agencies, boards, commissions, and councils in all litigation except when specialized litigation counsel is appointed. The Solicitor General oversees and manages the litigation of Special Assistant Attorneys General.

Despite the small number of attorneys in the division, the division has handled more than 400 cases so far this biennium and saved or obtained millions of dollars for the state. Division attorneys practice in administrative, state, and federal courts on behalf of the state in many different types of litigation. Division attorneys also provide some general counsel services such as advising all state agencies on employment-related matters. In fact, almost all the employment-related legal advice and litigation for state agencies and entities is managed by just one litigator in this division. Among the many other types of litigation the division handles are:

- Implied consent cases for the Department of Transportation;
- Tort cases, including cases involving the state's Risk Management Fund;
- Construction litigation;
- Appeals of economic (e.g. Medicaid) and non-economic program determinations by the Department of Health and Human Services;
- Housing discrimination and wage claims for the Department of Labor and Human Rights;
- Unemployment benefit cases for Job Service;
- Contract claims;
- Cases regarding constitutional questions and the constitutionality of state statutes;
- Cases involving challenges to other types of state regulation; and
- Many others.

## **Optional Adjustments Summary**

### **01 Attorney Pay Schedule and Merit-Based Tiering System**

The Attorney General's office cannot currently compete with attorney salaries offered by state entities, local government entities, or the private sector. The existing attorney pay schedule for our office is significantly less than the attorney pay schedules for most other state agencies and even some political subdivisions, not to mention private law firms and businesses.

For example:

- Some counties pay entry-level attorneys up to \$20,000 more annually than this office can pay them under its current budget, which has historically been based on a longevity pay schedule.
- Several attorneys in the past 2 years left this office to make higher salaries in other state agencies. One state agency hired a second-year attorney from our office by offering him a raise of more than \$30,000 per year, or more than 40% of his salary in this office.
- Multiple attorneys in the past several months have received higher-paying job offers from other state and local government employers. We have not remained competitive within the government.
- At least one attorney doubled his salary by accepting a job for a private company and is now able to work from home.

Additionally, unlike in other state agencies, the Attorney General's office has no tiering system for attorneys to earn promotions. For many years, an Assistant Attorney General's salary was based on the number of years the attorney had practiced law, regardless of merit. These factors significantly impair recruitment and retention of legal talent to this office. Newer and mid-level attorneys are most affected by this pre-existing lack of inter-governmental equity, and there is too much inefficient turnover in these ranks as a result.

To improve recruitment and retention, this office plans to adopt a reasonable increase to the attorney pay schedule and implement a merit based tiering system to promote attorneys based on proven ability and achievement of specified goals. Under the new system, an Assistant Attorney General will have to master identified criteria in order to move up from one tier to the next. This system will reward talented, motivated, hard-working attorneys and give them an avenue for advancement based on excellence in legal representation of North Dakota's interests.

## **02 Staff Equity**

The Attorney General's office carefully reviewed classified staff members' salaries based on the state's pay schedules established by the Office of Management and Budget. Far too many staff members, especially some administrative staff, are paid significantly below the midpoints of their relative classifications' pay schedules. These staff members' supervisors were consulted on the reasons for their pay inequities and for input on the appropriate salaries based on the staff members' ability, work capacity, and years of service. The office plans to use this equity funding to increase salaries for the staff members whose salaries diverge the most negatively from the appropriate merit-based salaries for them.

## **03 New Attorney FTEs (4.0)**

The legal matters facing North Dakota continue to unavoidably increase in complexity, expense, and volume. Attorneys in the General Counsel Division and the Solicitor General/Civil Litigation Division of the Office of Attorney General are responsible for the legal representation and litigation impacting the most pressing and important legal matters facing the state. Assistant Attorneys General in both divisions carry extremely large client portfolios and heavy workloads.

An attorney in the General Counsel Division typically serves as general counsel for multiple state agencies, boards, and commissions, and each client generates a large volume of legal matters for the attorney to handle. Litigators in the Attorney General's office manage several cases at any given time, many of which are highly complex and often appealed to the North Dakota Supreme Court or Eighth Circuit Court of Appeals. The large workloads have contributed to burn outs, turnovers, loss of expertise and institutional knowledge, and difficulty recruiting new attorneys. Meanwhile, state entities understandably must continuously demand their attorneys acquire more specialized expertise, which takes time to develop and requires workloads be spread among more attorneys. We are at a critical juncture.

The work of the General Counsel Division and Solicitor General/Civil Litigation Division are highly specialized. Attorneys in these divisions must have deep and seasoned understanding of state government as well as the relevant subject matters administered by their clients. Moreover, in lawsuits and contract negotiations, other parties often have teams of attorneys opposing just one of our Assistant Attorneys General, who is representing the state's interests. In particularly specialized cases or when this office's attorneys are unable to take on a new matter, this office must hire outside private attorneys, who are much more expensive and more difficult to supervise than attorneys in this office. Over the past several bienniums, this office was forced by circumstances to expend tens of millions of dollars on outside attorneys. A small portion of those resources could be used to hire more attorneys for the office. If some portion of those funds had instead been used to hire additional in-house Assistant Attorneys General, there would have been substantial short and long-term savings, with an overall positive impact on legal service to North Dakota. We plan to change this trend over the next several years, but that altered course will require the legislative support we are now requesting.

Increasing the number of attorneys in these divisions will:

- Allow Assistant Attorneys General to develop deeper subject matter expertise to better serve state entities;
- Reduce expensive turnover rates and the loss of expertise and institutional knowledge;
- Reduce premature staff burn out;
- Improve recruitment; and
- Significantly reduce the amount of money the state currently expends on outside attorneys.

#### **04 BCI Cyber Crime Agents and Criminal Investigators**

BCI's Cyber Crime Unit (CCU) receives and reviews leads of suspected child exploitation from the National Center for Missing and Exploited Children. The number of leads originating from illicit activity in North Dakota is growing at an alarming rate, growing to 1,071 in 2022, compared to 166 in 2016. In 2021, the CCU forensic agents conducted over 899 forensic examinations totaling over 217,554 gigabytes of data, and assisted or investigated 429 in-state cases. BCI currently has just six agents with the specialized training to conduct these investigations. To manage the dramatically escalating number of exploitation tips and investigations requiring digital forensics, BCI needs four additional cybercrime agents. Without these additional agents, child sexual exploitation case investigations will be delayed beyond current backlogs. Put bluntly, without these additional investigative resources, BCI will face increasing difficulty finding and stopping sexual exploitation of children, among other cybercrimes. The salary request is \$74,000 plus benefits for each specially trained agent.

The requested three additional BCI criminal investigators will assist BIA and tribal law enforcement with narcotics investigations on and off reservations, under a new BCI initiative that is already creating unprecedented cooperative investigative/enforcement agreements between tribal, federal, state, county and local law enforcement entities near North Dakota's Indian reservations. The plan establishes BCI-coordinated narcotics task forces in Legislative Districts 2, 9, and 31 with local and tribal officers and jurisdiction on and off tribal lands. Those BCI agents will require all standard equipment assigned to each agent to conduct investigations.

#### **05 Crime Lab FTE, Operating, Equipment**

After the 2017 legislative session, the North Dakota State Crime Lab (NDCL) incurred budgetary cuts that led to the reduction in force (RIF) of several NDCL positions, including the forensic scientists trained in firearms and fingerprint analysis. These positions were not resurrected in the 2019 nor 2021 legislative sessions. As a result of the RIF, North Dakota lost the capacity for firearms testing and fingerprint processing. These are essential investigative functions, and law enforcement agencies across the state routinely implore this office to urge that the Legislature fund these disciplines and return this investigative capacity to the NDCL.

After firearm and fingerprint testing capabilities were cut from the NDCL, the NDCL was initially able to contract with the South Dakota Crime Lab for firearms testing. However, after a year, the South Dakota Division of Criminal Investigation ended that contract because of its own workload. As a result, North Dakota's political subdivisions now need to send firearm and fingerprint cases to out-of-state private labs for testing, at significantly elevated expense. Investigations and prosecutions are negatively impacted by the lack of these capabilities and approving these changes will enhance public safety in our state.

By funding these four new FTEs, the NDCL will be able to hire, train, and fill the requirement of scientists tasked with re-establishing accreditation in firearms and friction ridge/fingerprint disciplines. At the same time, an additional three forensic scientist FTE are needed to handle escalating testing volumes and surmount existing case backlogs and lagging turnaround time at the NDCL. One administrative assistant is needed to assist all crime lab staff.

#### **06 Medicaid Fraud Unit FTE, Operating, Equipment**

The Medicaid Fraud Control Unit (MFCU) retrieves more fraud-loss funds for the state than it expends. The more cases it handles, the greater the amount of funds brought into the state. Surprisingly, the MFCU has only one attorney who is also the Unit's director. That person now handles all civil, criminal, and global litigation cases and all administrative duties. The Unit has six employees, so the administrative workload also is significant for the director and detracts from time for her other duties.

The director's responsibilities include the ongoing work of establishing this still-new Unit while also initiating detailed working policies and procedures that support the 12 mandatory performance standards set forth by the federal Department of Health and Human Services. Compliance with those performance standards is mandatory for yearly recertification and qualifying for the yearly federal grant that pays 75% of the MFCU budget. The director also supervises and trains all Unit staff and opens and closes all cases after careful reviews.



As the Unit's only attorney, the director also must develop investigative plans and legal work (search warrants, administrative subpoenas, trial prep, trial, etc.). If the director is preparing for trial, in trial, drafting court documents, writing settlement letters, or other legal work, then all the director's administrative work stops. Conversely, if the director is at a mandatory training, supplying recertification statistics and documents, meeting with the Attorney General or stakeholders, training a new staff member, etc., then all attorney work stops. This large workload and start-stop work process means that cases cannot get reviewed, charged, or settled when appropriate. The director has had as many as 40 cases open at one time and now has 15 very large, active cases open. When the MFCU was first established, the Office of Attorney General recommended seven MFCU staff which included the additional attorney now requested.

An additional Special Agent for the MFCU also is imperative. Currently, the Unit is staffed by just two special agents. The cases being investigated by MFCU are extremely document- and medical record-intensive. Each case has several thousand documents to review. Most of these fraud cases take more than a year to investigate fully. Additionally, there is an increasing volume of case referrals to the Unit. During MFCU's first year, the Unit had to issue an informal directive that only felony matters would be charged, and fraud cases would be taken only if they involve fraudulent billings greater than \$10,000.00. When one of our agents is in court, actively investigating a case, at mandatory training, on leave, or ill, the other agent must maintain his/her own case load and address all new cases and situations that occur. The lack of essential resources means that North Dakota is unable to immediately address fraud cases that are detected, and money due to the state is not being returned.

Additionally, the increase in attorneys and investigators will then require that a paralegal be authorized to provide essential legal assistance to the attorneys and investigators.

#### **07 Funding Source Change for Operating and Equity**

During the 2021 legislative session and the November 2021 special session, the Legislative Assembly authorized equity increases for BCI agents and Crime Lab scientists. However, the equity increases totaling \$2.06 million were funded through the Attorney General refund fund, an unpredictable, one-time funding source. The refund fund is not able to sustain these increases because a significant number of settlement dollars are legally restricted to specified purposes.

Similarly, the 2021 Legislative Assembly restored \$1.2 million in funding for operating expenses for BCI and IT/CJIS but changed the funding source from general fund to the Attorney General refund fund as explained in the previous paragraph.

#### **08 IT Analysts and Operating**

As the responsibilities of the Attorney General's office grow, so do the IT needs of the agency. Demands for IT projects increase every year. With every system that is developed, additional maintenance is also required. In order to sustain the current IT needs of the agency, the IT/CJIS division must increase staffing levels to support and maintain over seventy current systems and several more in development. By adding two Programmer Analyst III FTEs, IT/CJIS will be able to complete projects more efficiently and maintain the current systems at a more manageable level.

A full-time business analyst is needed within the IT/CJIS division. The Attorney General's office has several divisions with IT projects and needs. Lack of IT/CJIS resources causes project delays and workflow bottlenecks. Having a business analyst is vital to provide accurate and efficient IT programs. Doing proper analysis beforehand allows for more detailed requirements and eliminates the risk of rework due to missed requirements. This role also will assist with project management on small- and mid-level projects, eliminating the need to contract additional roles, which reduces project costs.

#### **09 Public Services FTE**

The volume of mandates, comments, and requests (including requests for open records) made to the office is increasing rapidly, and the office has a responsibility to respond to the general public and others in a transparent and thorough manner. The position would manage inquiries, comments, and requests made to the office (including those made to the office via the general information email account) by legislators, state residents, state agencies, and others; respond to and track open records requests; track requests for Attorney General opinions and ensure timely opinions are issued to legislators and others; and assist with other mandates and projects as required by a burgeoning officewide workload.

#### **10 Federal Fund Change**

The general fund match for the Medicaid Fraud Control Unit has increased from 10 percent to 25 percent. Federal funds available under the High Intensity Drug Trafficking Areas grant have decreased, requiring additional general funds to maintain two attorneys' salaries in the Special Prosecution Unit.

#### **11 Software Maintenance, Subscription Increases**

The Attorney General's office utilizes several software systems across each division as well as part of our server infrastructure. Each software system requires support or a maintenance agreement. The cost for these systems typically increases each year. To continue to use several application or software tools needed to perform daily tasks, an additional \$16,000 in maintenance costs and an additional \$20,000 in subscription costs is needed. These costs include programs like Adobe Acrobat Pro, Nessus (vulnerability scanner), Windows Server Enterprise, SQL Server Standard, VMWare, Atlassian JIRA, and Visual Studio.

The North Dakota Information Technology agency (NDIT) is changing its fee structure (technology fee and Office 365 fee) for state agencies. NDIT's technology fee is tied to the number of Office 365 Premium Users. IT/CJIS pays the fee for this office's staff and task force employees. The technology fee has decreased, but the number of users will increase slightly. This will result in a savings of \$41,000. However, NDIT increased the Office 365 fee from 36.00/user to 43.25/user. The total Office 365 fee increase for this office is \$51,852. The total increase needed for the technology fee and Office 365 fee is \$12,000.

IT/CJIS provide support and maintain the legal case management system, currently JustWare, for this office and several county state's attorneys. The maintenance and support for JustWare increases 5% each year, per the current contract. IT/CJIS anticipates this increase to be \$34,000 from the current budget for the next biennium.

The Atlassian Software subscription recently increased. AGIT uses this product for all help desk support tickets and software development tickets, as well as project and document tracking. This product is an essential tool for an IT department to do daily work. The increase of license for this system is \$11,000 a year, \$22,000 a biennium.

CJIS provides a statewide law enforcement records management and jail management system. The program is the Premiere One (P1) system. P1 maintenance and support increases approximately 5% each year, per the contract. The estimated increase is approximately \$23,282 for the biennium.

The maintenance and support for the ND Statewide Automated Victim Information and Notification system (ND SAVIN) that CJIS supports will increase 5% each year, per the contract. The anticipated increase will be \$38,314.84 for the biennium.

Our conferencing equipment requires maintenance and support. We currently have ten Polycom systems throughout this office which were purchased during 2021-23 biennium. The maintenance on the ten systems is \$12,000.

The yearly subscription cost of the Crime Lab's Failure Analysis - Laboratory Information Management System is increasing, per the contract. For the first year of the next biennium, the cost will increase \$4,500, and the second year's increase will be \$7,200. The total increase for the biennium will be \$11,700.

CJIS provides Active Directory (AD) accounts (state government accounts) for users who need access to the CJIS systems but would otherwise not need an AD account. For example, political subdivisions' law enforcement agencies often need CJIS accounts, which require CJIS to provide them AD accounts. CJIS does this at no cost to the political subdivisions. NDIIT informed this office it will increase the monthly price for an AD account from \$1.35 to approximately \$7.10. We currently have 1,620 accounts for users that need access to CJIS programs only, and this number is subject to change. CJIS will need an increase of approximately \$300,000 to be able to continue to allow agencies to use our systems with no cost impact to the users.

## **12 MAFIN, GrayKey, and Cellebrite**

The shared Automated Fingerprint Identification System (AFIS) operated through a partnership with Minnesota known as the Midwest Automated Fingerprint Identification Network (MAFIN) is being upgraded to a new Automated Biometric Identification System (ABIS). This system receives, stores, and analyzes all fingerprint records for North Dakota and Minnesota. This new system will be completed by approximately August of 2023. Once the new system is completed there will be ongoing maintenance costs for North Dakota of \$92,000 per year associated with this cloud-based system.

Mobile devices are more than two-thirds of the devices the NDBCI Cyber Crime Unit (CCU) receives for data extraction. These devices are frequently locked with facial recognition, fingerprints, or pin codes. Opening these devices and extracting the data for law enforcement is paramount to the success of cases. Currently, the two major vendors in this market are Cellebrite Premium and Graykey, but they do not do exactly the same thing. GrayKey is the best tool to open and extract Apple iOS devices, and Cellebrite Premium is the best tool to open and extract Android devices.

The annual cost of GrayKey for our three CCU sites (Minot, Bismarck, and Fargo) is \$102,000, and the annual cost of Cellebrite Premium is \$72,000 per year. Achieving the maximum capability and coverage for the state will require \$174,000 per year or \$348,000 per biennium.

### **13 Inflationary Increases**

NDBCI uses ammunition for the qualification, training, and effective carrying of handguns, shotguns, and rifles in the performance of field operations and legislatively assigned duties. NDBCI requires each sworn agent to qualify with their handgun on a minimum of two occasions per year and shoot qualifying scores related to shotgun and rifles on one occasion per year. Successful qualifications for firearms are required for each agent to maintain ND Peace Officer Standards and Training (POST) licensure. NDBCI is moving to a mandatory quarterly range requirement for agents to shoot in every quarter throughout the year. This will help keep the agents proficient in firearms handling and shooting, diagnose any shooting issues, and verify there are no equipment malfunctions.

NDBCI is responsible for supplying undercover buy funds for NDBCI narcotics investigations and multi-jurisdictional drug task force operations. The State of North Dakota currently supports ten narcotic task forces related to buy funds. This responsibility, coupled with a decrease in Byrne/JAG funding, has led NDBCI to closely monitor narcotics buy fund transaction across the State.

Office lease costs have increased for Civil Litigation and BCI's locations in other cities. Crime lab equipment and supply costs continue to increase for supplies and materials required for testing.

### **14 Discovery Software**

The Attorney General's office has tested the Discovery software with a license allowing attorneys to use it for a very limited number of cases. The software has proven to be extremely helpful in managing cases. It searches, sorts, and classifies legal documents in a more reliable and efficient manner than doing so manually. This request will increase the number of cases that can be managed by the software.

### **15 Gaming and CPAT Investigator Vehicles and Radios**

Vehicles and radios are needed for NDBCI investigators located in the Gaming and Consumer Protection and Antitrust divisions.

### **16 Gaming, Licensing, and Deposit Projects**

The Attorney General's office requests these funds for completion of the Gaming Distributor Solution, which includes enhancements for manufacturers, gaming machine management (keeping track of the e-tab devices), the ability to respond to open record requests (requests of tax return copies), and management for bingo paper for distributors. The technology enhancements also will include adding the licensing and deposit functions to connect with the gaming system instead of requiring users to go into the Progress system for licensing and deposit information. These projects will help our staff and gaming industry employees communicate and share data more efficiently and quickly. This will benefit both our regulators and the regulated charitable organizations, manufacturers, and distributors.

### **17 IT Servers**

IT/CJIS currently support and maintain 8 servers, which are critical to the operation of the entire agency. The servers must be replaced every four years, on a rotational basis.

The cost to replace these servers has never been funded in this office's base budget. It is important to build the cost into the base budget, so this office has reliable funding each biennium for this necessary equipment. The estimated total cost is \$54,000 per biennium. That amount would allow IT/CJIS to replace two servers each year for a total rotational period of four years.

### **18 Staff Reclassifications**

Pursuant to applicable HRMS guidance, the Consumer Protection and Antitrust Division needs to reclassify 2 consumer fraud investigators from a I to a II in the 2023-25 biennium. The cost for the two reclassifications is \$14,430.

Similarly, NDBCI needs to reclassify 18 agents and analysts throughout the 2023-25 biennium as they meet the requirements for the next step in their careers. The cost for the reclassifications is \$57,327.

Under the very same guidance, the Finance Division will reclassify an account budget specialist II to a III and an administrative assistant from a I to a II. The cost for the two reclassifications is \$21,181.

### **19 BCI Agent Multiplier**

The Attorney General's office is requesting an increase in the multiplier for NDBCI agents' retirement formula. The requested increase is from 2.0 (if the agent is in PERS already) or 1.75 (if the agent is a new employee with no PERS history) to 3.0. Under our new plan, the multiplier would fall to 1.75 after 20 years of service, in order to promote retirement and enhance safety for all agents involved in field operations.

NDBCI requires new applicant Special Agents to have a four-year degree and five years of investigative experience. This is because NDBCI acts as North Dakota's "Detective Division" similarly to the way detectives operate within police departments and sheriffs' offices. The primary duties of an NDBCI agent include supporting political subdivisions on felony level crimes such as homicides, sexual assaults, robberies, theft, suicide, etc., as well as the detection, disruption, and dismantling of illegal narcotics trafficking (manufacturing and sale) across the state. As a result, the average age of an NDBCI agent at the time of hire is 33 to 35 years of age, as opposed to the significantly lower age of a new officer in a different law enforcement agency. Changing the BCI agent multiplier to 3 would provide target retirement age in-line with parallel law enforcement organizations and would enhance operations and safety.

### **20 BCI Agents' Attendance at the National Forensic Academy**

The National Forensic Academy provides 400 hours of specialized training focused on crime scene processing, evidence collection, and crime scene photography. Currently, 25 agents have successfully completed this 10-week course in Tennessee. NDBCI sends two agents each year at a total cost of \$50,000 (\$25,000 each). The need for this type of training is becoming more evident each day, as North Dakota's population and crime rates increase. Violent crimes are on the rise, and the need to solve them expeditiously is paramount. NDBCI has investigated murders-for-hire, body dumps, aggravated assaults, officer involved shootings, and violent sexual assaults – all of which require the kind of skills and training the National Forensic Academy provides.

## **21 ICAC Lab Renovation**

BCI has been working with the Fargo area law enforcement agencies to create a regional office for investigating crimes against children. This group is responsible for digital forensic analysis of devices seized during investigations. As officers are assigned to assist with the crimes against children unit, they require forensic lab space in the Fargo BCI office. Currently there is an area in the Fargo BCI building built into two separate digital forensic labs, and this office plans to remove walls and use modular work surfaces to allow the space to accommodate up to six forensic labs, all aimed at meeting the demands from the dramatically escalating number of child exploitation and drug trafficking investigations.

## **22 Sex Assault Kit Tracking System Software Support**

The Attorney General's office has been working to implement a sexual assault kit tracking system mandated by the Legislature in 2021 and that will go live in 2023. A yearly maintenance fee of \$85,000 is required to host the software and provide backups, user support, and updates. A federal grant will cover the cost for the 2023-25 biennium.

## **23 BCI Undercover Vehicle Replacement**

As of May 16, 2022, NDBCI has 56 agents who need undercover vehicles. Nine of the agents receive a vehicle from the unit or a federal program in which they work. The remaining 47 vehicles need to be funded through the general fund. NDBCI also would like to purchase warranties for 6 years or 85,000 miles on all vehicles to mitigate costly repairs. To maintain the 6-year replacement cycle on the 47 vehicles, NDBCI must replace 15 vehicles per biennium. The average cost of the 6-year warranty is \$2,000. The average cost of a new vehicle being purchased has been \$35,000. The average trade value of the vehicle being replaced has been \$17,000. This leaves the cost of a vehicle replacement at \$20,000 per vehicle for 15 vehicles, or a total of \$300,000.

## **24 Litigation Pool from SIIF**

The litigation pool has covered a relatively small share of litigation costs for eligible state agencies during the 2023-25 biennium. As the number and complexity of cases for the state increase, the litigation costs likely will increase as well, especially if the state continues to rely on outside counsel rather than hiring additional Assistant Attorneys General for the Civil Litigation, and Natural Resources/Indian Affairs divisions of this office. (The hourly rate for Assistant Attorneys General is less than half the hourly rate of Bismarck private practice attorneys and an even smaller percentage of the hourly rate of attorneys in many out of state markets.) This request to provide litigation funding for state agencies for another biennium would require a transfer of \$4.65 million from the strategic investment and improvements fund to the AG operating fund.

## **25 Contingent IT Maintenance Increase**

If the requested business analyst FTE for IT/CJIS is not authorized, this office will need additional funds to pay for third parties to help maintain equipment and systems.

## **26 Legislatively Requested Supplement**

During meetings and conversations about the budget for the Attorney General's office, several legislators urged the office leadership to include additional FTEs for NDBCI in this appropriations request.

In support of their request, legislators identified the importance of public safety, elevated crime rates, the need for additional agents to serve on task forces for reservations pursuant to agreements with tribal nations, the dramatically increased incidence of internet crimes against children, the need to process background checks and cold cases more promptly, and the NDBCI's mission to support local law enforcement agencies. The Attorney General's office thoroughly evaluated these areas of concern to identify targeted FTEs – above those requested in the office's budget submission to OMB – who could improve NDBCI's performance in the noted areas. As a result, this office is requesting an addition 4 NDBCI agents, 1 criminal intelligence analyst for the internet crimes against children unit, and 1 administrative assistant to support NDBCI agents and analysts.

APPENDIX A

**Attorney General Responsibilities in the N.D.C.C.**

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23.0257.02002  
Title.

Prepared by the Legislative Council staff for  
Representative Nathe  
March 30, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

Page 1, line 3, after "sections" insert "53-06.1-11.2,"

Page 1, line 3, after "53-12.1-09" insert a comma

Page 1, line 4, after "to" insert "transfers from the charitable gaming operating fund,"

Page 1, line 5, after "fund" insert a comma

Page 6, after line 3, insert:

**"SECTION 11. AMENDMENT.** Section 53-06.1-11.2 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-11.2. Charitable gaming operating fund - Attorney general - State treasurer - Allocations - Transfer to the general fund.**

1. There is created in the state treasury the charitable gaming operating fund. The fund consists of all gaming taxes, monetary fines, and interest and penalties collected under this chapter.
2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, the attorney general shall allocate remaining moneys in the charitable gaming operating fund on a quarterly basis as follows:
  - a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
  - b. Subject to legislative appropriations, five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.
3. ~~On or before June thirtieth of each odd-numbered year~~Before the final accounting has closed for each biennium, the attorney general shall certify to the state treasurer the ~~amount of accumulated funds balance~~ in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund ~~to the general fund prior to the end of each biennium to the following funds at the end of each biennium:~~
  - a. The first twenty-five million to the general fund:

- b. The next four million to the attorney general operating fund;
- c. Any remaining amounts to the general fund."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment provides for gaming tax revenues in the charitable gaming operating fund at the end of each biennium in excess of the amount needed for the administration and operation of the Attorney General's Gaming Division to be transferred to the general fund up to \$25 million, then the next \$4 million to the Attorney General operating fund, and any remaining revenue to the general fund. Current law provides for all excess gaming tax revenues to be transferred to the general fund

**Attorney General - Budget No. 125  
Senate Bill No. 2003  
Base Level Funding Changes**

Prepared for: 3/30/2023

	Senate Version				House Version				House Changes to Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease) - Senate Version			
									FTE Positions	General Fund	Other Funds	Total
<b>2023-25 Biennium Base Level</b>	253.00	\$42,646,718	\$42,509,719	\$85,156,437	253.00	\$42,646,718	\$42,509,719	\$85,156,437	0.00	\$0	\$0	\$0
<b>2023-25 Ongoing Funding Changes</b>												
Adds funding for the cost to continue salary increases		\$392,026	\$151,470	\$543,496		\$392,026	\$151,470	\$543,496				\$0
Salary increase		1,778,318	1,083,827	2,862,145		1,778,318	1,083,827	2,862,145				0
Health insurance increase		729,268	464,333	1,193,601		729,268	464,333	1,193,601				0
Retirement contribution increase				0				0				0
Adds funding for salary equity increases			22,368	22,368		223,000	22,368	245,368		\$223,000		223,000
Adds funding to reclassify staff positions				0		21,181	14,487	35,668		21,181	\$14,487	35,668
Transfers \$537,297 of prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item				0				0				0
Adjusts funding for prior biennium attorney, BCI, MFCU, and State Crime Laboratory salary equity increases		2,404,289	(2,404,289)	0		537,297	(537,297)	0		(1,866,992)	1,866,992	0
Adds funding for FTE attorney positions	2.00	631,836		631,836	4.00	1,189,850		1,189,850	2.00	558,014		558,014
Adds funding for FTE BCI cybercrime positions	3.00	839,976		839,976	3.00	839,976		839,976				0
Adds funding for FTE BCI criminal investigator positions	3.00	840,029		840,029	3.00	840,029		840,029				0
Adds funding for FTE State Crime Laboratory positions	4.00	1,076,981		1,076,981	6.00	1,695,822		1,695,822	2.00	618,841		618,841
Adds funding for State Crime Laboratory building and equipment maintenance contract costs				0		222,000		222,000		222,000		222,000
Adds funding for FTE IT programmers and analysts				0	2.00	504,543		504,543	2.00	504,543		504,543
Adds funding for FTE MFCU positions	3.00	204,545	613,627	818,172	3.00	242,017	613,627	855,644		37,472		37,472
Adjusts funding for the MFCU		341,747	(341,747)	0		341,747	(341,747)	0				0
Transfers funding for the State Fire Marshal	(8.00)	(887,685)	(1,275,214)	(2,162,899)	(8.00)	(887,685)	(1,275,214)	(2,162,899)				0
Reduces funding for operating expenses			(22,368)	(22,368)			(22,368)	(22,368)				0
Adjusts funding for IT Division and CJIS operating expenses		856,262	(856,262)	0		0	0	0		(856,262)	856,262	0
Adds funding for IT rate increases		54,245	7,301	61,546		54,245	7,301	61,546				0
Adds funding for increased software maintenance and subscription costs		419,297		419,297		453,297		453,297		34,000		34,000
Adds funding for sexual assault kit tracking system software maintenance			180,000	180,000			180,000	180,000				0
Adds funding for the automated biometric identification system and data extraction software		384,000	144,000	528,000		384,000	144,000	528,000				0
Adds funding for legal case search software, also known as Discovery software		100,000		100,000		100,000		100,000				0
Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		125,000	20,000	145,000		125,000	20,000	145,000				0
Adds funding for gaming, licensing, and deposit projects operating expenses		37,000	37,000	74,000		37,000	37,000	74,000				0
Adds funding for a new Capitol space rent model		259,708		259,708		259,708		259,708				0
Adds funding for a retired law enforcement dogs program				0		30,000		30,000		30,000		30,000
Reduces funding for bond payments		(318,055)		(318,055)		(318,055)		(318,055)				0
Adds funding to replace IT servers		54,000		54,000		54,000		54,000				0
Total ongoing funding changes	7.00	\$10,322,787	(\$2,175,954)	\$8,146,833	13.00	\$9,848,584	\$561,787	\$10,410,371	6.00	(\$474,203)	\$2,737,741	\$2,263,538
<b>One-Time Funding Items</b>												
Adds one-time funding for FTE attorney position operating expenses		\$12,520		\$12,520		\$12,520		\$12,520				\$0
Adds one-time funding for BCI cybercrime operating and capital assets		313,017		313,017		313,017		313,017				0
Adds one-time funding for BCI criminal investigator operating and capital assets		210,942		210,942		210,942		210,942				0
Adds one-time funding for State Crime Laboratory operating expenses		186,338		186,338		186,338		186,338				0
Adds one-time funding for State Crime Laboratory capital assets		886,000	\$754,677	1,640,677		886,000	\$754,677	1,640,677				0
Adds one-time funding for State Crime Laboratory capital improvements				0		250,000		250,000		\$250,000		250,000
Adds one-time funding for MFCU operating and capital assets		17,318	51,955	69,273		17,318	51,955	69,273				0
Adds one-time funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		156,463		156,463		156,463		156,463				0
Adds one-time funding for gaming and consumer protection investigator vehicles and radios			102,200	102,200			102,200	102,200				0
Adds one-time funding for gaming, licensing, and deposit software		177,000	699,000	876,000		177,000	699,000	876,000				0
Adds one-time funding to replace undercover BCI vehicles		200,000		200,000		200,000		200,000				0
Adds one-time funding for the statewide litigation funding pool		4,557,748	442,252	5,000,000		1,797,748	3,202,252	5,000,000		(2,760,000)	\$2,760,000	0
Adds one-time funding for a back the blue grant program		3,500,000		3,500,000		0		0		(3,500,000)		(3,500,000)
Adds one-time funding for a law enforcement resiliency grant program		400,000		400,000		400,000		400,000				0
Adds one-time funding for additional income from federal or other sources			250,000	250,000			250,000	250,000				0
Adds one-time funding for the COPS anti-methamphetamine program				0			1,772,038	1,772,038			1,772,038	1,772,038
Total one-time funding changes	0.00	\$10,617,346	\$2,300,084	\$12,917,430	0.00	\$4,607,346	\$6,832,122	\$11,439,468	0.00	(\$6,010,000)	\$4,532,038	(\$1,477,962)
<b>Total Changes to Base Level Funding</b>	7.00	\$20,940,133	\$124,130	\$21,064,263	13.00	\$14,455,930	\$7,393,909	\$21,849,839	6.00	(\$6,484,203)	\$7,269,779	\$785,576
<b>2023-25 Total Funding</b>	260.00	\$63,586,851	\$42,633,849	\$106,220,700	266.00	\$57,102,648	\$49,903,628	\$107,006,276	6.00	(\$6,484,203)	\$7,269,779	\$785,576

<i>Federal funds included in other funds</i>									
			\$14,926,647			\$16,698,685			\$1,772,038
<i>Total ongoing changes as a percentage of base level</i>	2.8%	24.2%	(5.1%)	9.6%	5.1%	23.1%	1.3%	12.2%	
<i>Total changes as a percentage of base level</i>	2.8%	49.1%	0.3%	24.7%	5.1%	33.9%	17.4%	25.7%	

**Other Sections in Attorney General - Budget No. 125**

**Senate Version**

**House Version**

Appropriation - Additional federal funds or other funds

Section 3 appropriates \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

Section 3 appropriates \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

Transfer - Lottery operating fund - Gaming and excise tax allocation fund

Section 4 transfers \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool.

Transfer - Statewide litigation funding pool to state agencies - Estimated income - Gaming and excise tax allocation fund

Section 4 requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund.

Section 5 requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$3,202,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund.

Estimated income - Charitable gaming technology system - Charitable gaming operating fund

Section 5 identifies \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.

Section 6 identifies \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.

Human trafficking victims grant program - Requirements - Reports

Section 6 identifies \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.

Section 7 identifies \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.

Forensic nurse examiners grant program - Reports

Section 7 identifies \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Section 8 identifies \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Matching funds requirement - Back the blue grant program - Report

Section 8 identifies \$3.5 million appropriated from the general fund in the law enforcement line item is for a back the blue grant program. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing 10 or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.

Law enforcement resiliency grant program - Reports

Section 9 identifies \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.

Section 9 identifies \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.

**Other Sections in Attorney General - Budget No. 125**

**Senate Version**

**House Version**

Amendment - Opioid settlement fund

Section 10 creates a new section in Chapter 50-06 to create an opioid settlement fund and provides money received by the state as a result of opioid litigation be deposited in the fund.

Retired law enforcement dogs

Section 10 creates a new section to Chapter 54-12 to establish a retired law enforcement dog program

Amendment - Lottery fund transfers

Section 11 amends Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Section 11 amends Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Attorney General salary

Section 12 amends Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.

Section 12 amends Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$179,312 effective July 1, 2023, and \$186,484 effective July 1, 2024, to reflect the 6 percent and 4 percent approved salary increases.

Criminal history record checks - Fees

Section 13 requires any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Section 13 requires any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Exemption - Contingent fee arrangement

Section 14 provides, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.

Section 14 provides, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.

Exemption - Gaming tax revenue grants

Section 15 provides, notwithstanding Section 53-06.1-12, the Attorney General may distribute quarters seven and eight 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023.

Exemption - Attorney General refund fund

Section 15 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

Section 16 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

Exemption - Concealed weapon rewrite project

Section 16 allows the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Section 17 allows the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Exemption - Legal case management system

Section 18 allows the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program that was carried into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system.

Exemption - Criminal history improvement project

Section 17 allows the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Section 19 allows the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Exemption - Automated biometric identification system

Section 20 allows the Attorney General to continue any remaining funding of the \$300,000 appropriated from the federal funds during the 2021-23 biennium for the automated biometric identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.

**Other Sections in Attorney General - Budget No. 125**

**Senate Version**

**House Version**

Exemption - COVID-19 funds

Section 18 allows the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

Section 21 allows the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

Exemption - Federal State Fiscal Recovery Fund

Section 19 allows the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

Section 22 allows the Attorney General to continue any remaining funding of the \$1,000,000 appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for the replacement of the prosecuting case management system into the 2023-25 biennium.

Legislative Management study - State Crime Laboratory

Section 20 provides for a Legislative Management study of the services and needs of the State Crime Laboratory.

Section 23 provides for a Legislative Management study of the services and needs of the State Crime Laboratory.

Attorney cost savings - Report to 69th Legislative Assembly

Section 24 requires the Attorney General to provide a report to the 2025 Legislative Assembly regarding cost savings realized by hiring FTE attorney positions instead of contracting for third party legal counsel during the 2023-25 biennium.

23.0257.02001  
Title.03000

Prepared by the Legislative Council staff for  
the House Appropriations - Education and  
Environment Division Committee  
April 4, 2023

Fiscal No.1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

Page 1, line 2, replace "50-06" with "54-12"

Page 1, line 3, replace "an opioid settlement fund" with "a retired law enforcement dogs program"

Page 1, line 3, after "sections" insert "53-06.1-11.2,"

Page 1, line 3, after "53-12.1-09" insert a comma

Page 1, line 4, after "to" insert "transfers from the charitable gaming operating fund,"

Page 1, line 5, after "fund" insert a comma

Page 1, line 6, remove "to provide for a report; and"

Page 1, line 7, after "study" insert "; and to declare an emergency"

Page 1, remove lines 16 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$50,832,646	(\$537,204)	\$50,295,442
Operating expenses	15,237,498	3,533,607	18,771,105
Capital assets	648,055	4,585,572	5,233,627
Grants	3,903,440	400,000	4,303,440
Human trafficking victims grants	1,101,879	3,525	1,105,404
Forensic nurse examiners grants	250,691	791	251,482
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's medical examinations	0	304,560	304,560
North Dakota lottery	5,254,844	61,790	5,316,634
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	412,169	4,487,137
Law enforcement	<u>3,048,927</u>	<u>82,770</u>	<u>3,131,697</u>
Total all funds	\$85,156,437	\$13,847,580	\$99,004,017
Less estimated income	<u>42,509,719</u>	<u>4,836,388</u>	<u>47,346,107</u>
Total general fund	\$42,646,718	\$9,011,192	\$51,657,910
Full-time equivalent positions	253.00	13.00	266.00"

Page 2, after line 22, insert

"State crime laboratory capital improvements	0	250,000"
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Page 2, replace line 26 with:

"Anti-methamphetamine program	0	1,772,038"
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Page 2, replace lines 28 through 30 with:



"Total all funds	\$8,536,706	\$11,439,468
Total other funds	<u>8,536,706</u>	<u>6,832,122</u>
Total general fund	\$0	\$4,607,346"

Page 3, after line 11, insert:

**"SECTION 4. TRANSFER - LOTTERY OPERATING FUND TO GAMING AND EXCISE TAX ALLOCATION FUND - STATEWIDE LITIGATION FUNDING POOL.**

Notwithstanding sections 53-12.1-09 and 53-12.1-10, the attorney general shall transfer \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, for the purpose of defraying litigation expenses of the state through the statewide litigation funding pool during the period beginning with the effective date of this Act, and ending June 30, 2025."

Page 3, line 15, replace "\$4,557,748" with "\$1,797,748"

Page 3, line 15, replace "\$442,252" with "\$3,202,252"

Page 3, line 18, after "the" insert "statewide"

Page 3, line 18, after "litigation" insert "funding"

Page 3, line 26, replace "\$1,111,480" with "\$1,105,404"

Page 4, line 6, replace "\$252,872" with "\$251,482"

Page 4, remove lines 17 through 29

Page 5, remove lines 1 through 12

Page 5, remove lines 24 through 31

Page 6, replace lines 1 through 3 with:

**"SECTION 10. AMENDMENT.** Section 53-06.1-11.2 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-11.2. Charitable gaming operating fund - Attorney general - State treasurer - Allocations - Transfer to the general fund.**

1. There is created in the state treasury the charitable gaming operating fund. The fund consists of all gaming taxes, monetary fines, and interest and penalties collected under this chapter.
2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, the attorney general shall allocate remaining moneys in the charitable gaming operating fund on a quarterly basis as follows:
  - a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
  - b. Subject to legislative appropriations, five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city

limits. If a city or county allocation is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.

3. ~~On or before June thirtieth of each odd-numbered year~~Before the final accounting has closed for each biennium, the attorney general shall certify to the state treasurer the ~~amount of accumulated funds~~balance in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund to the ~~general fund prior to~~following funds at the end of each biennium:
  - a. The first twenty-five million dollars to the general fund;
  - b. The next four million dollars to the attorney general operating fund;
  - c. Any remaining amounts to the general fund.

**SECTION 11.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

**Retired law enforcement dogs - Reimbursement.**

1. The attorney general shall create a program to assist local and state law enforcement dogs that are retired by reason of age or medical condition.
2. The attorney general shall reimburse the handler of a law enforcement dog if the handler:
  - a. Is authorized to retain possession of a retired law enforcement dog in a private setting at the handler's home; and
  - b. Submits itemized receipts each quarter for medical bills of the law enforcement dog.
3. Reimbursements under this section may not exceed one thousand dollars per retired law enforcement dog per calendar year.
4. The attorney general shall adopt any rules necessary to implement this section."

Page 7, line 10, replace "seventy-five" with "seventy-nine"

Page 7, line 11, replace "nine" with "three"

Page 7, line 11, replace "twenty-eight" with "twelve"

Page 7, line 12, replace "eighty-two" with "eighty-six"

Page 7, line 12, replace "nine" with "four"

Page 7, line 12, replace "sixty-five" with "eighty-four"

Page 7, after line 21, insert:

**"SECTION 16. EXEMPTION - GAMING TAX REVENUE GRANTS.**

Notwithstanding section 53-06.1-12, the attorney general may distribute gaming tax revenue grants to cities and counties relating to the seventh and eighth quarters of the 2021-23 biennium through October 31, 2023."

Page 7, after line 31, insert:

**"SECTION 19. EXEMPTION - LEGAL CASE MANAGEMENT SYSTEM.** The amount appropriated to the attorney general from other funds for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim information and notification system, and continued into the 2021-23 biennium for the legal case management system, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the legal case management system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, after line 5, insert:

**"SECTION 21. EXEMPTION - AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM.** The amount of \$300,000 appropriated from federal funds to upgrade the automated biometric identification system during the 2021-23 biennium in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, line 13, replace "\$1,350,000" with "\$1,000,000"

Page 8, line 13, remove ", of"

Page 8, line 14, remove "which \$300,000 was for a missing persons database, \$1,000,000 was"

Page 8, line 15, remove ", and \$50,000 was for charitable gaming information"

Page 8, line 16, replace "technology costs, in subsections 19," with "in subsection"

Page 8, line 16, remove ", and 42"

Page 8, after line 29, insert:

**"SECTION 25. ATTORNEY COST-SAVINGS - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly regarding any cost-savings realized by hiring full-time equivalent attorney positions instead of contracting for third-party legal counsel during the 2023-25 biennium.

**SECTION 26. EMERGENCY.** The \$250,000 appropriated from the general fund in the capital assets line item in section 1 for state crime laboratory capital improvements and sections 4 and 16 of this Act are declared to be an emergency measure."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - House Action**

	<b>Base Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$50,295,349	\$56,475,611	(\$6,180,169)	\$50,295,442
Operating expenses	15,237,498	17,688,435	1,082,670	18,771,105
Capital assets	648,055	3,560,577	1,673,050	5,233,627
Grants	3,903,440	3,903,440	400,000	4,303,440
Litigation fees	127,500	127,500		127,500
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,254,844	5,433,446	(116,812)	5,316,634
Arrest and return of fugitives	8,500	8,500		8,500
Gaming commission	7,489	7,489		7,489
Criminal justice information sharing	4,074,968	4,546,645	(59,508)	4,487,137
Law enforcement	3,048,927	7,194,705	(4,063,008)	3,131,697
Human trafficking victims grants	1,101,879	1,111,480	(6,076)	1,105,404
Forensic nurse examiners grants	250,691	252,872	(1,390)	251,482
State Crime Laboratory salary equity	537,297			
Statewide litigation pool		5,000,000		5,000,000
Additional income		250,000		250,000
Children's medical examinations			304,560	304,560
<b>Total all funds</b>	<b>\$85,156,437</b>	<b>\$106,220,700</b>	<b>(\$6,966,683)</b>	<b>\$99,254,017</b>
Less estimated income	42,509,719	42,633,849	4,962,258	47,596,107
General fund	\$42,646,718	\$63,586,851	(\$11,928,941)	\$51,657,910
FTE	253.00	260.00	6.00	266.00

**Department 125 - Attorney General - Detail of House Changes**

	<b>Adjusts Funding for Salary and Benefit Increases<sup>1</sup></b>	<b>Adds Funding for Salary Equity Increases and Reclassifications<sup>2</sup></b>	<b>Adjusts Funding for Prior Biennium Salary Equity Increases<sup>3</sup></b>	<b>Adds Funding for FTE Positions<sup>4</sup></b>	<b>Removes Salary Funding for Funding Pool<sup>5</sup></b>	<b>Adjusts Base Level Funding<sup>6</sup></b>
Salaries and wages	\$701,762	\$258,668		\$1,271,188	(\$8,411,787)	
Operating expenses				447,682		\$64,000
Capital assets						222,000
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	33,740				(150,552)	
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	17,294				(76,802)	
Law enforcement	48,223				(211,231)	
Human trafficking victims grants	1,738				(7,814)	
Forensic nurse examiners grants	398				(1,788)	
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Children's medical examinations						
<b>Total all funds</b>	<b>\$803,155</b>	<b>\$258,668</b>	<b>\$0</b>	<b>\$1,718,870</b>	<b>(\$8,859,974)</b>	<b>\$286,000</b>
Less estimated income	355,283	14,487	1,866,992	0	(2,157,983)	46,881
General fund	\$447,872	\$244,181	(\$1,866,992)	\$1,718,870	(\$6,701,991)	\$239,119
FTE	0.00	0.00	0.00	6.00	0.00	0.00

	Adds Funding for Children's Medical Examinations <sup>7</sup>	Adjusts One- Time Funding <sup>8</sup>	Adjusts One- Time Funding for the Litigation Funding Pool <sup>9</sup>	Total House Changes
Salaries and wages				(\$6,180,169)
Operating expenses		\$570,988		1,082,670
Capital assets		1,451,050		1,673,050
Grants		400,000		400,000
Litigation fees				
Medical examinations				
North Dakota lottery				(116,812)
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				(59,508)
Law enforcement		(3,900,000)		(4,063,008)
Human trafficking victims grants				(6,076)
Forensic nurse examiners grants				(1,390)
State Crime Laboratory salary equity				
Statewide litigation pool				
Additional income				
Children's medical examinations	\$304,560			304,560
<b>Total all funds</b>	<b>\$304,560</b>	<b>(\$1,477,962)</b>	<b>\$0</b>	<b>(\$6,966,683)</b>
Less estimated income	304,560	1,772,038	2,760,000	4,962,258
General fund	\$0	(\$3,250,000)	(\$2,760,000)	(\$11,928,941)
FTE	0.00	0.00	0.00	6.00

<sup>1</sup> Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$464,271	\$365,724	\$829,995
Health insurance reduction	(16,399)	(10,441)	(26,840)
Total	\$447,872	\$355,283	\$803,155

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

<sup>2</sup> Funding of \$223,000 is added from the general fund for salary equity funding and \$35,668 is added to reclassify employee positions, including \$21,181 from the general fund for finance staff and \$14,487 from the Attorney General refund fund for Consumer Protection and Antitrust Division staff. The Senate did not add funding for these purposes.

<sup>3</sup> Funding of \$1,866,992 for prior biennium salary equity increases for attorneys, Bureau of Criminal Investigation (BCI), and Medicaid Fraud Control Unit (MFCU) positions is transferred from the general fund to the Attorney General refund fund to restore the funding to the base level. The Senate transferred this funding from the Attorney General refund fund to the general fund.

The Senate also transferred \$537,297 for prior biennium salary equity increases for State Crime Laboratory positions from the Attorney General refund fund to the general fund. The House did not adjust this funding.

<sup>4</sup> Funding is added from the general fund for the following FTE positions:

	FTE Positions	Salaries and Wages	Operating Expenses	Total
Attorney positions	2.00	\$461,954	\$96,060	\$558,014
State Crime Laboratory positions	2.00	356,452	262,389	618,841
IT programmers and analyst positions	2.00	452,782	51,761	501,543
MFCU positions authorized by the Senate	0.00	0	37,472	37,472
Total	6.00	\$1,271,188	\$447,682	\$1,718,870

The House did not change the 15 FTE positions added by the Senate, including 2 FTE attorney positions, 3 FTE BCI cybercrime positions, 3 FTE BCI criminal investigator positions, 4 FTE State Crime Laboratory positions, and 3 FTE MFCU positions, totaling \$4,206,994, of which \$3,593,367 is from the general fund and \$613,627 is from federal funds.

Funding for salaries and wages and operating expenses of 21 new FTE positions, as approved by the House, totals \$5,925,864, of which \$5,312,237 is from the general fund and \$613,627 is from federal funds, prior to the removal of funding for the new and vacant FTE position pool.

<sup>5</sup> Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
New FTE positions	(\$4,066,038)	(\$536,813)	(\$4,602,851)
Vacant FTE positions	<u>(2,635,953)</u>	<u>(1,621,170)</u>	<u>(4,257,123)</u>
Total	(\$6,701,991)	(\$2,157,983)	(\$8,859,974)

<sup>6</sup> Base level funding is adjusted as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Adjusts funding from the Attorney General refund fund as a result of settlement proceeds from the JUUL Labs, Inc. lawsuit no longer being available to the Attorney General for salaries and operating expenses. The Senate did not adjust funding for this purpose.	\$809,381	(\$809,381)	\$0
Adjusts funding for Information Technology Division and Criminal Justice Information Sharing Division operating expenses by adding funding from the Attorney General refund fund to restore funding to the base level. The Senate provided this funding from the general fund.	(856,262)	856,262	0
Adds funding to the \$419,297 from the general fund added by the Senate for increased software maintenance and subscription costs.	34,000	0	34,000
Adds funding for a retired law enforcement dogs program. The Senate did not add funding for this program.	30,000	0	30,000
Adds funding for State Crime Laboratory building and equipment maintenance contract costs. The Senate did not add funding for this purpose.	<u>222,000</u>	<u>0</u>	<u>222,000</u>
Total	\$239,119	\$46,881	\$286,000

<sup>7</sup> Funding of \$304,560 from the insurance regulatory trust fund is added in a new line item for children's medical examinations related to North Dakota Century Code Section 12.1-34-07. This amount is in addition to \$660,000 of base level funding from the insurance regulatory trust fund for medical examinations. The Senate did not add funding for this purpose.

<sup>8</sup> One-time funding is adjusted as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Adds funding for State Crime Laboratory capital improvements. The Senate did not add funding for this purpose.	\$250,000	\$0	\$250,000
Removes funding approved by the Senate for the back the blue grant program.	(3,500,000)	0	(3,500,000)
Transfers \$400,000 from the general fund approved by the Senate for the law enforcement resiliency grant program from the law enforcement line item to the grants line item.	0	0	0
Adds federal funding for the United States Department of Justice Community Oriented Policing Services (COPS) anti-methamphetamine program, of which \$570,988 is for operating expenses and \$1,201,050 is for capital assets. In December 2022, the Emergency Commission and Budget Section approved \$2,000,000 for the program for the 2021-23 biennium, of which approximately \$227,962 will be spent by the end of the 2021-23 biennium. The Senate did not add funding for this purpose.	<u>0</u>	<u>1,772,038</u>	<u>1,772,038</u>
Total	(\$3,250,000)	\$1,772,038	(\$1,477,962)

<sup>9</sup> One-time funding of \$2,760,000 is adjusted for the statewide litigation funding pool by reducing the general fund

and increasing funding from the gaming and excise tax allocation fund. A section is added to the bill to provide for the transfer of \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund. This will reduce 2021-23 biennium general fund revenues by \$2,760,000.

Total funding for the statewide litigation funding pool as approved by the House is \$5,000,000 of which \$1,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund. The Senate approved \$5,000,000, of which \$4,557,748 was from the general fund and \$442,252 was from the gaming and excise tax allocation fund.

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This amendment also:

- Adds a section to transfer funding from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool.
- Amends a section authorizing the transfer of funding from the gaming and excise tax allocation fund and the general fund to state agencies for litigation expenses through the statewide litigation funding pool.
- Amends a section identifying the amount of funding included in Section 1 for the human trafficking victims grants program.
- Amends a section identifying the amount of funding included in Section 1 for the forensic nurse examiners grant program.
- Removes a section identifying an appropriation for back the blue grants. Funding for this program is proposed in House Bill No. 1307.
- Removes a section creating an opioid settlement fund. The creation of this fund is proposed in House Bill No. 1447.
- Adds a section to amend Section 53-06.1-11.2 to provide up to \$4 million of gaming tax revenues be deposited in the Attorney General operating fund instead of the general fund.
- Adds a section to add a new section to Chapter 54-12 to establish a retired law enforcement dog program.
- Amends a section providing for the salary of the Attorney General reflecting a 6 percent 1<sup>st</sup> year and 4 percent 2<sup>nd</sup> year salary increase.
- Adds a section to provide an exemption allowing the Attorney General to distribute quarters 7 and 8 of 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023.
- Adds a section to allow the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program and into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system. The Attorney General anticipates \$117,000 will be continued into the 2023-25 biennium.
- Adds a section to provide an exemption to allow the Attorney General to continue any remaining funding of the \$300,000 appropriated from federal funds during the 2021-23 biennium for the automated biometric identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.
- Amends a section authorizing the Attorney General an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session.
- Adds a section to require the Attorney General to provide a report to the 69<sup>th</sup> Legislative Assembly regarding cost-savings realized by hiring FTE attorney positions instead of contracting for third-party legal counsel.
- Adds a section to declare \$250,000 appropriated in Section 1 for State Crime Laboratory capital improvements and Sections 4 and 16 to be an emergency measure.

Attorney General - Budget No. 125  
 Senate Bill No. 2003  
 Base Level Funding Changes

Prepared for: 4/17/2023

	Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
	253.00	\$42,646,718	\$42,509,719	\$85,156,437	253.00	\$42,646,718	\$42,509,719	\$85,156,437	0.00	\$0	\$0	\$0
<b>2023-25 Biennium Base Level</b>												
<b>2023-25 Ongoing Funding Changes</b>												
Adds funding for the cost to continue salary increases		\$392,026	\$151,470	\$543,496		\$392,026	\$151,470	\$543,496				\$0
Salary increase		1,778,318	1,083,827	2,862,145		2,242,589	1,449,551	3,692,140		\$464,271	\$365,724	829,995
Health insurance increase		729,268	464,333	1,193,601		712,869	453,892	1,166,761		(16,399)	(10,441)	(26,840)
Retirement contribution increase				0				0				0
Adds funding for salary equity increases			22,368	22,368		223,000	22,368	245,368		\$223,000		223,000
Adds funding to reclassify staff positions				0		21,181	14,487	35,668		21,181	\$14,487	35,668
Transfers \$537,297 of prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item				0				0				0
Adjusts funding for prior biennium attorney, BCI, MFCU, and State Crime Laboratory salary equity increases		2,404,289	(2,404,289)	0		537,297	(537,297)	0		(1,866,992)	1,866,992	0
Adds funding for FTE attorney positions	2.00	631,836		631,836	4.00	1,189,850		1,189,850	2.00	558,014		558,014
Adds funding for FTE BCI cybercrime positions	3.00	839,976		839,976	3.00	839,976		839,976				0
Adds funding for FTE BCI criminal investigator positions	3.00	840,029		840,029	3.00	840,029		840,029				0
Adds funding for FTE State Crime Laboratory positions	4.00	1,076,981		1,076,981	6.00	1,695,822		1,695,822	2.00	618,841		618,841
Adds funding for State Crime Laboratory building and equipment maintenance contract costs				0		222,000		222,000		222,000		222,000
Adds funding for FTE IT programmers and analysts				0	2.00	504,543		504,543	2.00	504,543		504,543
Adds funding for FTE MFCU positions	3.00	204,545	613,627	818,172	3.00	242,017	613,627	855,644		37,472		37,472
Adjusts funding for the MFCU		341,747	(341,747)	0		341,747	(341,747)	0				0
Transfers funding for the State Fire Marshal	(8.00)	(887,685)	(1,275,214)	(2,162,899)	(8.00)	(887,685)	(1,275,214)	(2,162,899)				0
Removes salary funding for funding pool				0		(6,701,991)	(2,157,983)	(8,859,974)		(6,701,991)	(2,157,983)	(8,859,974)
Adjusts funding for operating expenses			(22,368)	(22,368)		809,381	(831,749)	(22,368)		809,381	(809,381)	0
Adjusts funding for IT Division and CJIS operating expenses		856,262	(856,262)	0		0	0	0		(856,262)	856,262	0
Adds funding for IT rate increases		54,245	7,301	61,546		54,245	7,301	61,546				0
Adds funding for increased software maintenance and subscription costs		419,297		419,297		453,297		453,297		34,000		34,000
Adds funding for sexual assault kit tracking system software maintenance			180,000	180,000			180,000	180,000				0
Adds funding for the automated biometric identification system and data extraction software		384,000	144,000	528,000		384,000	144,000	528,000				0
Adds funding for legal case search software, also known as Discovery software		100,000		100,000		100,000		100,000				0
Adds funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		125,000	20,000	145,000		125,000	20,000	145,000				0
Adds funding for gaming, licensing, and deposit projects operating expenses		37,000	37,000	74,000		37,000	37,000	74,000				0
Adds funding for a new Capitol space rent model		259,708		259,708		259,708		259,708				0
Adds funding for a retired law enforcement dogs program				0		30,000		30,000		30,000		30,000
Reduces funding for bond payments		(318,055)		(318,055)		(318,055)		(318,055)				0
Adds funding to replace IT servers		54,000		54,000		54,000		54,000				0
Adds funding for children's forensic medical examinations				0			304,560	304,560			304,560	304,560
Total ongoing funding changes	7.00	\$10,322,787	(\$2,175,954)	\$8,146,833	13.00	\$4,403,846	(\$1,745,734)	\$2,658,112	6.00	(\$5,918,941)	\$430,220	(\$5,488,721)
<b>One-Time Funding Items</b>												
Adds one-time funding for FTE attorney position operating expenses		\$12,520		\$12,520		\$12,520		\$12,520				\$0
Adds one-time funding for BCI cybercrime operating and capital assets		313,017		313,017		313,017		313,017				0
Adds one-time funding for BCI criminal investigator operating and capital assets		210,942		210,942		210,942		210,942				0
Adds one-time funding for State Crime Laboratory operating expenses		186,338		186,338		186,338		186,338				0
Adds one-time funding for State Crime Laboratory capital assets		886,000	\$754,677	1,640,677		886,000	\$754,677	1,640,677				0
Adds one-time funding for State Crime Laboratory capital improvements				0		250,000		250,000		\$250,000		250,000
Adds one-time funding for MFCU operating and capital assets		17,318	51,955	69,273		17,318	51,955	69,273				0
Adds one-time funding for BCI, State Crime Laboratory, and Gaming Division inflationary increases		156,463		156,463		156,463		156,463				0
Adds one-time funding for gaming and consumer protection investigator vehicles and radios			102,200	102,200			102,200	102,200				0
Adds one-time funding for gaming, licensing, and deposit software		177,000	699,000	876,000		177,000	699,000	876,000				0
Adds one-time funding to replace undercover BCI vehicles		200,000		200,000		200,000		200,000				0
Adds one-time funding for the statewide litigation funding pool		4,557,748	442,252	5,000,000		1,797,748	3,202,252	5,000,000		(2,760,000)	\$2,760,000	0
Adds one-time funding for a back the blue grant program		3,500,000		3,500,000		0		0		(3,500,000)		(3,500,000)
Adds one-time funding for a law enforcement resiliency grant program		400,000		400,000		400,000		400,000				0
Adds one-time funding for additional income from federal or other sources			250,000	250,000			250,000	250,000				0
Adds one-time funding for the COPS anti-methamphetamine program				0			1,772,038	1,772,038			1,772,038	1,772,038
Total one-time funding changes	0.00	\$10,617,346	\$2,300,084	\$12,917,430	0.00	\$4,607,346	\$6,832,122	\$11,439,468	0.00	(\$6,010,000)	\$4,532,038	(\$1,477,962)



**Total Changes to Base Level Funding**

**2023-25 Total Funding**

*Federal funds included in other funds*

*Total ongoing changes as a percentage of base level*

*Total changes as a percentage of base level*

**Other Sections in Attorney General - Budget No. 125**

Appropriation - Additional federal funds or other funds

Transfer - Lottery operating fund - Gaming and excise tax allocation fund

Transfer - Statewide litigation funding pool to state agencies - Estimated income - Gaming and excise tax allocation fund

Estimated income - Charitable gaming technology system - Charitable gaming operating fund

Human trafficking victims grant program - Requirements - Reports

Forensic nurse examiners grant program - Reports

Matching funds requirement - Back the blue grant program - Report

7.00	\$20,940,133	\$124,130	\$21,064,263
260.00	\$63,586,851	\$42,633,849	\$106,220,700
		\$14,926,647	
2.8%	24.2%	(5.1%)	9.6%
2.8%	49.1%	0.3%	24.7%

13.00	\$9,011,192	\$5,086,388	\$14,097,580
266.00	\$51,657,910	\$47,596,107	\$99,254,017
		\$15,966,849	
5.1%	10.3%	(4.1%)	3.1%
5.1%	21.1%	12.0%	16.6%

6.00	(\$11,928,941)	\$4,962,258	(\$6,966,683)
6.00	(\$11,928,941)	\$4,962,258	(\$6,966,683)
		\$1,040,202	

**Senate Version**

Section 3 appropriates \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

Section 4 requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$442,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund.

Section 5 identifies \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.

Section 6 identifies \$1,111,480 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.

Section 7 identifies \$252,872 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Section 8 identifies \$3.5 million appropriated from the general fund in the law enforcement line item is for a back the blue grant program. Of this amount, \$1.5 million is available exclusively to local law enforcement agencies employing 10 or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured \$1 for every \$4 provided by the Attorney General.

**House Version**

Section 3 appropriates \$250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2023-25 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

Section 4 transfers \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool for the 2023-25 biennium, resulting in a decrease of general fund revenue.

Section 5 requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies \$3,202,252 appropriated in the estimated income line item for the statewide litigation funding pool is one-time funding from the gaming excise tax allocation fund.

Section 6 identifies \$736,000 appropriated in the estimated income line item is from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system.

Section 7 identifies \$1,105,404 appropriated from the general fund is for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the 2023-25 biennium. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program.

Section 8 identifies \$251,482 appropriated from the general fund is for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the 2023-25 biennium. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Other Sections in Attorney General - Budget No. 125

Law enforcement resiliency grant program - Reports

Amendment - Opioid settlement fund

Amendment - Gaming tax revenues - Attorney General operating fund - General fund

Retired law enforcement dogs

Amendment - Lottery fund transfers

Attorney General salary

Criminal history record checks - Fees

Exemption - Contingent fee arrangement

Exemption - Gaming tax revenue grants

Exemption - Attorney General refund fund

Exemption - Concealed weapon rewrite project

Exemption - Legal case management system

Senate Version

Section 9 identifies \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.

Section 10 creates a new section in Chapter 50-06 to create an opioid settlement fund and provides money received by the state as a result of opioid litigation be deposited in the fund.

Section 11 amends Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Section 12 amends Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$175,928 effective July 1, 2023, and \$182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases.

Section 13 requires any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Section 14 provides, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.

Section 15 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

Section 16 allows the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

House Version

Section 9 identifies \$400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel.

Section 10 amends Section 53-06.1-11.2 to provide up to \$4 million of gaming tax revenues be deposited in the Attorney General operating fund instead of the general fund.

Section 11 creates a new section to Chapter 54-12 to establish a retired law enforcement dog program

Section 12 amends Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by \$50,000, from \$200,000 to \$250,000 each quarter.

Section 13 amends Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$169,162 to \$179,312 effective July 1, 2023, and \$186,484 effective July 1, 2024, to reflect the 6 percent and 4 percent approved salary increases.

Section 14 requires any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2023-25 biennium.

Section 15 provides, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium.

Section 16 provides, notwithstanding Section 53-06.1-12, the Attorney General may distribute quarters seven and eight 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023.

Section 17 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund.

Section 18 allows the Attorney General to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium.

Section 19 allows the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program and was carried into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system.

Other Sections in Attorney General - Budget No. 125

Senate Version

House Version

Exemption - Criminal history improvement project

Section 17 allows the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Section 20 allows the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium.

Exemption - Automated biometric identification system

Section 21 allows the Attorney General to continue any remaining funding of the \$300,000 appropriated from the federal funds during the 2021-23 biennium for the automated biometric identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.

Exemption - COVID-19 funds

Section 18 allows the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

Section 22 allows the Attorney General to continue any remaining funding of the \$2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium.

Exemption - Federal State Fiscal Recovery Fund

Section 19 allows the Attorney General to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database (\$300,000), the replacement of the prosecuting case management system (\$1 million), and charitable gaming information technology costs (\$50,000) into the 2023-25 biennium.

Section 23 allows the Attorney General to continue any remaining funding of the \$1,000,000 appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for the replacement of the prosecuting case management system into the 2023-25 biennium.

Legislative Management study - State Crime Laboratory

Section 20 provides for a Legislative Management study of the services and needs of the State Crime Laboratory.

Section 24 provides for a Legislative Management study of the services and needs of the State Crime Laboratory.

Attorney cost savings - Report to 69th Legislative Assembly

Section 25 requires the Attorney General to provide a report to the 2025 Legislative Assembly regarding cost savings realized by hiring FTE attorney positions instead of contracting for third party legal counsel during the 2023-25 biennium.

Emergency

Section 26 declares \$250,000 appropriated in Section 1 for State Crime Laboratory capital improvements and Sections 4 and 16 to be an emergency measure.

Prepared by the Legislative Council staff  
April 12, 2023

**2023-25 BUDGET STATUS SUMMARY  
AS OF APRIL 11, 2023 (12:00 NOON)**

**Beginning Balance and Revenues**

Legislative estimate of unobligated general fund cash balance - July 1, 2023	\$1,157,526,365 <sup>1</sup>
Add 2023-25 estimated revenues	\$5,093,906,670
January 2023 legislative base revenue forecast	
Legislative changes to base revenue forecast	
Major increases	57,532,554
March 2023 forecast revision to 2023-25 biennium revenues	258,689,770
HB 1379 - Provides allocations from the legacy earnings fund to the general fund for tax relief and other purposes	60,000,000
SB 2367 - Increases the allocation of oil and gas tax revenue to the general fund	
Major decreases	(171,407,500)
HB 1012 - Allocates 50 percent of motor vehicle excise taxes to a flexible transportation fund	
NOTE: SB 2015 allocates 50 percent of the motor vehicle excise taxes to the highway fund	(8,000,000)
HB 1168 - Provides income tax credits related to manufacturing and agriculture automation incentives	(383,178,358)
HB 1118 - Provides an individual income tax credit for residents and reduces the income tax rate	
NOTE: HB 1158 provides an individual income tax exemption for taxable income in the first bracket	(4,000,000)
SB 2003 - Allows the Attorney General to retain additional revenue in the charitable gaming operating fund	(4,000,000)
SB 2293 - Expands an individual income tax deduction to exclude state active duty military pay (Passed)	(9,720,876)
Other increases (decreases)	(\$204,084,410)
Total legislative changes affecting revenues	\$6,047,348,625
Total estimated general fund revenues and beginning balance - 2023-25 biennium	<b>Appropriations</b>
	\$4,878,875,745

Base level appropriations	
Legislative increases (decreases) to base level appropriations	
Major increases	18,464,669
HB 1002 - Judicial branch	171,256,335
HB 1003 - North Dakota University System	13,146,324
HB 1011 - Highway Patrol	10,375,000
HB 1012 - Department of Transportation	27,879,614
HB 1014 - Industrial Commission, Department of Mineral Resources, and Housing Finance Agency	46,882,379
HB 1015 - Department of Corrections and Rehabilitation	44,783,357
HB 1018 - Department of Commerce	12,774,175
HB 1019 - Department of Career and Technical Education	15,084,892
HB 1021 - Information Technology Department	80,000,000
HB 1158 - Homestead property tax credit	25,000,000
HB 1276 - Agriculture diversification and development fund	10,000,000
HB 1532 - Nonpublic school education reimbursement	412,339,153
SB 2012 - Department of Health and Human Services	242,573,004
SB 2013 - Department of Public Instruction	58,017,935
SB 2015 - Office of Management and Budget, including a statewide salary equity pool	250,000,000
SB 2239 - Public Employees Retirement System reduction of the main system plan unfunded liability	
Major decreases	
None	86,571,542
Other increases (decreases) net	\$1,525,148,379
Total legislative changes affecting appropriations	\$6,404,024,124
Total 2023-25 general fund appropriations	<b>Estimated Ending Balance - June 30, 2025</b>
	(\$356,675,499)

**Estimated budget status general fund balance**

**2023-25 Ongoing and One-Time General Fund Revenues and Appropriations Comparison**

	Ongoing	One-Time	Total
General fund revenues	\$4,856,132,490	\$1,191,216,135	\$6,047,348,625
General fund appropriations	5,867,272,490	536,751,634	6,404,024,124
Balance (Deficit)	(\$1,011,140,000)	\$654,464,501	(\$356,675,499)

## ONGOING GENERAL FUND APPROPRIATIONS

Remaining Bills with an Ongoing General Fund Appropriation

Bill No.	Agency/Institution	2021-23 Ongoing General Fund Appropriation	Current Budget Status	New FTE Pool Reduction	Total Increase	Percentage Increase from Base	23.06% Reduction to Ongoing Increase from Base	Percentage Increase from Base After Reduction
1002	180 Judicial Branch	110,312,790	127,623,739	4,368,738	21,679,687	19.7%	(4,999,538)	15.1%
1003	North Dakota University System	686,328,526	792,636,265	-	106,307,739	15.5%	(24,515,554)	11.9%
1007	313 Veterans' Home	5,780,643	6,009,999	-	229,356	4.0%	(52,892)	3.1%
1010	709 Council on the Arts	1,662,766	2,342,089	147,500	826,823	49.7%	(190,673)	38.3%
1011	504 Highway Patrol	36,327,762	46,495,302	1,705,561	11,873,101	32.7%	(2,738,048)	25.1%
1014	405 Industrial Commission	26,489,613	27,975,520	-	1,485,907	5.6%	(342,664)	4.3%
1014	473 Housing Finance Agency	-	2,500,000	-	2,500,000	N/A	(576,523)	N/A
1015	530 Department of Corrections and Rehabilitation	217,859,809	252,502,734	1,774,442	36,417,367	16.7%	(8,398,184)	12.9%
1018	601 Department of Commerce	31,502,140	33,578,780	967,642	3,044,282	9.7%	(702,040)	7.4%
1019	270 Department of Career and Technical Education	41,735,063	54,509,238	-	12,774,175	30.6%	(2,945,844)	23.5%
1020	NDSU Agricultural Research and Extension	109,068,287	114,065,185	1,517,000	6,513,898	6.0%	(1,502,165)	4.6%
1021	112 Information Technology Department	28,975,953	39,548,325	1,998,699	12,571,071	43.4%	(2,899,006)	33.4%
1024	303 Department of Environmental Quality	12,661,075	15,594,224	364,806	3,297,955	26.0%	(760,539)	20.0%
1025	321 Department of Veterans' Affairs	1,570,624	1,688,354	99,966	217,696	13.9%	(50,203)	10.7%
1028	Department of Health and Human Services		100,000		100,000		(23,061)	
1158	Tax Commissioner		80,000,000		80,000,000		(18,448,744)	
<b>TOTAL HOUSE BILLS</b>		<b>1,310,275,051</b>	<b>1,597,169,754</b>	<b>12,944,354</b>	<b>299,839,057</b>	<b>22.9%</b>	<b>(69,145,676)</b>	<b>17.6%</b>
2002	108 Secretary of State	5,521,552	7,042,124	180,000	1,700,572	30.8%	(392,168)	23.7%
2003	125 Attorney General	42,646,718	47,050,564	4,066,038	8,469,884	19.9%	(1,953,234)	15.3%
2004	117 State Auditor	9,119,110	9,749,500	218,672	849,062	9.3%	(195,802)	7.2%
2008	408 Public Service Commission	6,425,687	7,354,210	365,030	1,293,553	20.1%	(298,305)	15.5%
2009	602 Agriculture Commissioner	13,459,712	15,180,401	385,256	2,105,945	15.6%	(485,651)	12.0%
2012	325 Department of Health and Human Services	1,554,787,654	1,911,566,494	7,036,687	363,815,527	23.4%	(83,899,245)	18.0%
2013	201 Department of Public Instruction/CDE	1,658,196,873	1,898,420,245	-	240,223,372	14.5%	(55,397,745)	11.1%
2013	250 State Library	5,831,721	6,531,507	-	699,786	12.0%	(161,377)	9.2%
2013	252 School for the Deaf	7,406,556	8,247,881	115,294	956,619	12.9%	(220,605)	9.9%
2013	253 North Dakota Vision Services - School for the Blind	4,761,879	5,147,315	-	385,436	8.1%	(88,885)	6.2%
2015	110 Office of Management and Budget	33,926,399	79,108,015	664,786	45,846,402	135.1%	(10,572,607)	104.0%
2016	540 Adjutant General	22,882,232	24,803,790	1,039,786	2,961,344	12.9%	(682,913)	10.0%
2018	701 State Historical Society	19,386,350	20,092,071	400,978	1,106,699	5.7%	(255,215)	4.4%
2019	750 Parks and Recreation Department	13,323,491	14,264,880	65,175	1,006,564	7.6%	(232,123)	5.8%
2024	195 Ethics Commission	623,984	919,009	60,798	355,823	57.0%	(82,056)	43.9%
2129	Department of Health and Human Services		3,000,000		3,000,000		(691,828)	
2142	Department of Commerce		485,000		485,000		(111,846)	
2265	Department of Health and Human Services		237,516		237,516		(54,773)	
2344	Department of Health and Human Services		48,000		48,000		(11,069)	
2345	Judicial branch		290,000		290,000		(66,877)	
<b>TOTAL SENATE BILLS</b>		<b>3,398,299,918</b>	<b>4,059,538,522</b>	<b>14,598,500</b>	<b>675,837,104</b>	<b>19.9%</b>	<b>(155,854,324)</b>	<b>15.3%</b>
<b>TOTAL ONGOING GENERAL FUND APPROPRIATIONS</b>		<b>\$ 4,708,574,969</b>	<b>\$ 5,656,708,276</b>	<b>\$ 27,542,854</b>	<b>\$ 975,676,161</b>	<b>20.7%</b>	<b>\$ (225,000,000)</b>	<b>15.9%</b>

**ANALYSIS OF THE ATTORNEY GENERAL REFUND FUND  
FOR THE 2021-23 AND 2023-25 BIENNIUMS  
(REFLECTING LEGISLATIVE ACTION THROUGH CROSSOVER)**

#27693

	2021-23 Biennium		2023-25 Biennium	
Beginning balance <sup>1,2,3</sup>		\$13,196,439		\$9,014,962
Add estimated revenues				
Refunds of consumer protection and antitrust expenditures, attorney's fees, and civil penalties <sup>4</sup>	\$5,500,000		\$3,000,000	
Cash deposit bonds	10,000		5,000	
Tribal gaming, licensing, and investigation fees <sup>5</sup>	0		0	
Background checks	31,600		30,000	
Interest on investments <sup>1,2,6</sup>	(151,630)		0	
Lawsuit proceeds - Opioid addiction prevention and treatment program <sup>3</sup>	8,328,148		0	
Lawsuit proceeds - JUUL Labs, Inc. settlement <sup>7</sup>	577,267		232,114	
Total estimated revenues		14,295,385		3,267,114
Total available		\$27,491,824		\$12,282,076
Less estimated expenditures and transfers authorized in North Dakota Century Code Section 54-12-18				
Refunds to specifically named consumers (Section 54-12-18(1)) <sup>8</sup>	\$12,033		\$0	
Claims against cash deposit bonds (Section 54-12-18(2))	0		0	
Refund of cash deposit bond balance (Section 54-12-18(3))	0		0	
Consumer Protection and Antitrust Division expenditures (Section 54-12-18(4))	2,342,692		2,619,722	
Tribal gaming background investigations (Section 54-12-18(5)) <sup>5</sup>	0		0	
Tribal gaming licensing expenditures (Section 54-12-18(5)) <sup>5</sup>	0		0	
Tribal gaming enforcement expenditures (Section 54-12-18(5)) <sup>5</sup>	0		0	
Less other estimated expenditures and transfers <sup>9</sup>				
Bureau of Criminal Investigation (BCI) salaries and operating expenses <sup>10</sup>	1,045,793		630,278	
State Crime Laboratory operating expenditures <sup>10</sup>	897,891		392,757	
Information technology contractual program maintenance	1,071,984		1,033,393	
Information technology operating expenditures	684,873		100,500	
Criminal justice information sharing system improvements (2021 HB 1003; 2023 SB 2003) <sup>10,11</sup>	72,183		200,294	
Operating expenses of the Attorney General's office <sup>10</sup>	360,917		430,000	
Automated fingerprint identification system replacement project (2019 SB 2003) <sup>12</sup>	108,128			
Attorney salary equity increases (2019 SB 2003; 2023 SB 2003) <sup>1</sup>	370,682		0	
Medicaid Fraud Control Unit (MFCU) and BCI salary equity increases (2021 HB 1003; 2023 SB 2003) <sup>2</sup>	1,240,027		0	
State Crime Laboratory salary equity increases (2021 HB 1506; 2023 SB 2003) <sup>6</sup>	537,297		0	
Criminal history improvement system (2021 HB 1003; 2023 SB 2003) <sup>13</sup>	50,000		350,000	
Opioid addiction prevention and treatment program - Transfer to the opioid settlement fund (2021 HB 1003; 2023 HB 1447) <sup>3</sup>	9,220,548		0	
JUUL Labs, Inc. settlement - Transfer to the community health trust fund (2023 HB 1004) <sup>6</sup>	461,814			
Total estimated expenditures and transfers		18,476,862		5,756,944
Estimated ending balance <sup>14</sup>		\$9,014,962		\$6,525,132

**Charitable Gaming Operating Fund**

Without any distributions / expenses

Original 2021-23 forecast: \$48,140,383

Current 2021-23 forecast: \$49,320,000

Original 2023-25 forecast: \$44,300,000

Current 2023-25 forecast: \$51,730,000

(Current 2023-25 forecast is inclusive of \$2,230,000 anticipated as a result of gaming expansion under SB 2304)

4/19/2023

*Charitable Gaming Operating Fund*

**2021-23**

Revised Revenue Estimate	49,320,000
2021-23 Revenue Forecast	<u>48,140,383</u>
Increase	1,179,617

**2023-25**

Revised Revenue Estimate	49,500,000
SB 2304	<u>2,230,000</u>
	51,730,000
2023-25 Revenue Forecast	<u>44,300,000</u>
Increase	7,430,000

*Charitable Gaming Operating Fund with expenditures*

**2021-23**

Revised Revenue Estimate	49,320,000
2021-23 Gaming operating	(4,710,000)
2023-25 Gaming operating	<u>(6,629,067)</u>
Excess revenue over expenditures	37,980,933
Legislative forecast	<u>36,801,316</u>
Increase in revenue	1,179,617

**2023-25**

Revised Revenue Estimate	49,500,000
SB 2304	<u>2,230,000</u>
	51,730,000
Gaming operating 2025-27	<u>(7,000,000)</u>
Excess revenue over expenditures	44,730,000
Legislative forecast	<u>37,300,000</u>
Increase in revenue	7,430,000



## Use of gaming tax revenue proposed by House:

Funding for prior biennium Crime Lab equity increase	537,297
Replace funding from JUUL settlements transferred to the Community Health Trust Fund	809,381
Funding for increased software maintenance and subscription costs	453,297
Funding for legal case search software - Discovery Software	100,000
Funding to replace IT servers	54,000
Funding for a retired law enforcement dog program	<u>30,000</u>
	1,983,975

## Other uses:

A lot of our special funds have been reappropriated throughout this session to other agencies or entities. So this is not "extra" so much as "replenishing" funds that have been depleted by appropriation decisions the past few months.

So these funds would help replace special funds that were previously appropriated for recurring costs (such as salary increases appropriated in earlier bienniums) - but which have been appropriated throughout this session for other agencies and entities.

Replace shortfalls in projected special fund revenues

Replace shortfalls in expected federal fund grants

Provide a reliable revenue source for programs funded through our operating fund