

STATEMENT OF JOHN BJORNSON, DIRECTOR, NORTH DAKOTA LEGISLATIVE COUNCIL, REGARDING HOUSE BILL NO. 1001, JANUARY 17, 2023

Mr. Chairman and members of the Government Operations Division of the House Appropriations Committee:

I am here this morning appearing on House Bill No. 1001 on behalf of the members of the Legislative Assembly and the members of the Legislative Management to explain the budget requests for the Legislative Assembly, the Legislative Management, and the Legislative Council for the 2023-25 biennium. My presentation will follow the outline provided in the information you asked to be included in the presentation.

The Legislative Assembly is established in Article IV of the Constitution of North Dakota and North Dakota Century Code Chapters 54-03, 54-03.1, and 54-03.2. The Legislative Management and Legislative Council are established in Chapter 54-35.

The budget requests for these agencies are prepared using zero-based budgeting, meaning all amounts requested are calculated from a starting point of zero. The financial statements for the fiscal years ending June 30, 2021, and 2020, for the Legislative Assembly and Legislative Council had unqualified opinions and no audit findings.

The 2021-22 interim was a busy one for the legislative branch.

We planned for and completed a successful special legislative session in November, approving a redistricting plan and appropriating over \$1 billion of federal funds in a 5-day special session. We successfully transitioned from the executive branch Information Technology Department hosting legislative applications to operating separate legislative information technology (IT) systems, including a new email system. We also developed and rolled out a new website. We upgraded the temporary committee rooms in the judicial wing to make the committee rooms permanent in response to legislation enacting in the 2021 special session which transferred control of those rooms to the legislative branch.

We have had significant turnover in the Legislative Assembly, including in almost all leadership positions. In addition, we have had some unexpected turnover on the Legislative Council staff.

Our goals and plans for the next 2 years include retaining staff and filling vacant positions. We have learned to never expect to have a "normal" interim as we once were accustomed. We will continue working to improve our IT functions and hope to upgrade our bill drafting system. As I will discuss in a few minutes, in addition to our major bill drafting system upgrade project, we have included in the budget request funding for a variety of other items and projects,

including replacing legislative laptops and iPads and chamber upgrades.

LEGISLATIVE ASSEMBLY

Subdivision 1 of Section 1 of the recommended bill contains the recommended appropriation for the Legislative Assembly for the 2023-25 biennium which totals \$22,890,426 from the general fund. This amount includes \$5,704,550 of one-time funding requests from the general fund. The Legislative Assembly "ongoing" general fund request is \$740,304, or 4.1 percent less than the 2021-23 biennium "ongoing" appropriation. The amount requested is considered necessary for the organizational session and a 77-legislative-day (113-calendar-day) regular 2025 legislative session. The following schedule presents the number of legislative days for previous sessions:

Legislative Session	Legislative Days
2021	76
2019	76
2017	77
2015	79
2013	80
2011	78
2009	79
2007	78
2005	76
2003	76*
2001	77
1999	71
1997	66

*Excludes the 3 legislative days relating to the May 2003 special legislative session.

The Legislative Assembly in 2021 provided funding for an estimated 77-legislative-day 2023 legislative session. The estimated cost per day is approximately \$85,000.

Salaries and Wages

The salaries and wages line item of approximately \$12.5 million includes funding for:

- Legislative employees' pay for the 2025 legislative session based on the 79 employees anticipated to be employed for the 2023 legislative session and 2 percent 1st year and 3 percent 2nd year salary adjustments.
- Legislators' salary of \$203 per day for a 77-legislative-day (113-calendar-day) regular session. This includes a 2 percent 1st year and 3 percent 2nd year increase. The statutory changes to provide for this increase are included in Section 6 of the recommended bill (an estimated cost of \$237,698).

- Continuing the additional compensation of \$15 per calendar day for the legislative leaders and \$10 per calendar day for chairmen of the standing committees and assistant legislative leaders. These compensation rates were each increased by \$5 by the Legislative Assembly in 2011.
- Legislators' monthly compensation of \$548 per month for the 1st year of the biennium, an \$11, or 2 percent per month increase and \$564 per month for the 2nd year of the biennium, a \$16, or 3 percent per month increase (an estimated cost of \$69,215). The statutory changes for these increases are included in Section 6 of the recommended bill.
- Additional monthly compensation for House and Senate Majority and Minority Leaders of \$393 per month for the 1st year of the biennium, an \$8, or 2 percent per month increase; and \$405 per month for the 2nd year of the biennium, a \$12, or 3 percent per month increase (an estimated cost of \$2,614). The statutory changes for these increases are provided for in Section 6 of the recommended bill.
- Health insurance coverage for 133 legislators, the same number as the 2021-23 biennium. Current information indicates 127 legislators have requested health insurance.

Operating Expenses

The operating expenses line item of approximately \$5.2 million includes funding for:

- Legislators' travel costs for 17 trips at 60 cents per mile during the 2025 regular session and one trip for the 2024 organizational session. The mileage rate currently is 65.5 cents per mile.
- Lodging costs for 126 legislators for 4 months during the 2025 legislative session at an estimated reimbursement rate of \$1,852 per month. The reimbursement rate for the 2023 legislative session is \$1,814. The budget includes an additional \$10,650 relating to lodging.
- Contribution of \$10,000 annually to the International Legislator's Forum (Manitoba, Minnesota, North Dakota, and South Dakota).
- IT data processing of \$53,340, a decrease of \$1,327,564 compared to the 2021-23 biennium. The decrease relates to the legislative branch providing its own IT services rather than using ITD for software development and hosting services.
- Other IT-related operating expenses, including software, maintenance, equipment, and telecommunications totals \$1,460,936, a decrease of \$470,187. The decrease results from expanding IT services within the legislative branch.
- Service contracts total \$572,083, a decrease of \$95. These costs relate primarily to video

streaming, archiving, indexing, and closed captioning of committee meetings and chamber sessions.

- Professional services of \$23,000, \$59,000 less than the 2021-23 biennium budget. The decrease relates primarily to using legislative staff for the bill and journal room rather than contracting for the service.
- One-time funding is included in operating expenses for replacing computers and iPads for legislators for \$557,950 and improving the chambers by purchasing new chairs for \$80,000, replacing the carpeting for \$110,000, and refinishing the woodwork for \$30,000.

Capital Assets

The capital assets line item of \$4,932,600 includes \$6,000 of ongoing funding for unexpected equipment replacement needs during the 2023-25 biennium, one-time funding of \$4,816,600 for an IT project to upgrade the LEGEND bill drafting system, and \$110,000 for increasing storage capacity for audio and video.

National Conference of State Legislatures

The National Conference of State Legislatures (NCSL) line item of \$283,070 is an increase of \$11,737, or 4.3 percent from the 2021-23 biennium budget of \$271,333. This represents North Dakota's contribution to NCSL.

2021-23 Biennium One-Time Funding

For the current biennium, the Legislative Assembly received \$1.45 million of one-time funding for the legislative branch IT expansion and \$316,284 for the special session for redistricting. Approximately \$374,000 of the IT expansion funding remains and is anticipated to be spent by the end of the biennium. The actual costs for the special session were approximately \$285,000.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

Subdivision 2 of Section 1 of the recommended bill contains the appropriation for the Legislative Management and Legislative Council for the 2023-25 biennium which totals \$18,019,439, of which \$17,931,439 is from the general fund and \$88,000 is from the insurance regulatory trust fund. This amount includes \$275,500 of one-time funding requests. Ongoing funding from the general fund is \$1,983,529, or 12.7 percent more than the 2021-23 biennium general fund appropriation.

The \$88,000 from the insurance regulatory trust fund is for expenses relating to legislator involvement with the National Conference of Insurance Legislators (NCOIL).

The Legislative Council is requesting 44 full-time equivalent (FTE) positions, the same as the 2021-23 biennium. The organizational chart reflecting the

current staff structure is attached as an [appendix](#). As indicated, we have 4 vacant FTE positions, one of which is unfunded.

Salaries and Wages

The salaries and wages line item of approximately \$14.0 million includes funding for:

- 44 authorized FTE positions (43 FTE funded), the same as the 2021-23 biennium.
- The 6 percent 1st year and 4 percent 2nd year state employee salary increase of \$778,944 as recommended by the Governor.
- Health insurance premiums based on a monthly premium of \$1,643 (an increase of \$221,192).
- Temporary employees' pay for the 2025 legislative session.
- Legislators' per diem for interim meetings of \$1,030,898, \$14,392 more than the 2021-23 budgeted amount. This request is based on the same number of committees budgeted for the 2021-22 interim, assumes an 87 percent attendance rate at committee meetings, and continues the smaller committee membership size of an average of 14 members. The budgeted amount includes a proposed increase for legislators' interim meeting pay of 2 percent the 1st year and 3 percent the 2nd year from the current level of \$193 per day to \$197 per day effective July 1, 2023, and \$203 per day effective July 1, 2024 (an estimated cost of \$28,356). These increases are provided for in Section 7 of the recommended bill.
- Similar to the classification system for the executive branch and the compensation step system for the judicial branch, the Legislative Council has a session retention program. The program is intended to retain key staff members for legislative sessions by providing step-type increases for completing a legislative session. The program started after the 2019 session. Although over the last year we have lost some experienced staff members, we feel this system helps to encourage staff to continue to work for the legislative branch. We have some very talented employees who are attractive targets for other employers. We need to retain them.

Operating Expenses

The operating expenses line item of approximately \$3.9 million includes funding for:

- Travel expenses relating to meetings during the interim of \$1,584,024, which is \$38,310 less than the 2021-23 budget. The funding request is based on the same number of committees budgeted for the 2021-23 interim, assumes an 87 percent attendance rate at committee meetings, and continues the smaller committee membership size of an average of 14 members. Funding for mileage reimbursement is included

at a rate of 60 cents per mile. The current rate is 65.5 cents per mile.

- Dues of \$38,400 paid annually to the Energy Council, the same as the 2021-23 biennium.
- Professional services of \$270,000, an increase of \$65,000 compared to the 2021-23 budget. The \$270,000 includes \$242,000 for consulting services to assist with interim committee studies when required, \$8,000 for contracting for the Legislative Council audit, and \$20,000 for contracting for the State Auditor's office audit.
- IT data processing of \$94,032, a decrease of \$410,884 due to the legislative branch providing its own IT services rather than using ITD for software development and hosting services.
- IT software of \$892,427, an increase of \$778,180 relating to Microsoft Office 365, self-hosted applications, backup programs, and increased security and monitoring.
- Service contracts of \$228,562, an increase of \$120,806 relating to enterprise support services.
- One-time funding of \$155,500 is included in operating expenses for computer and iPad replacement.
- Other operating expenses changes are based on the Office of Management and Budget's guidelines as they are applicable, and anticipated needs in other areas.

Capital Assets

The capital assets line item of \$126,000 includes \$6,000 for unanticipated equipment replacement needs during the 2023-25 biennium and one-time funding of \$120,000 for secondary and backup servers.

2021-23 Biennium One-Time Funding

For the current biennium, the Legislative Council received one-time funding of \$48,000 for furniture and equipment relating to the IT expansion and \$150,000 for public website redesign. These projects are both complete.

OTHER AREAS

Sections 4 and 5 of the bill relate to authorizing line item transfers as necessary and the cancellation of previous unspent appropriations.

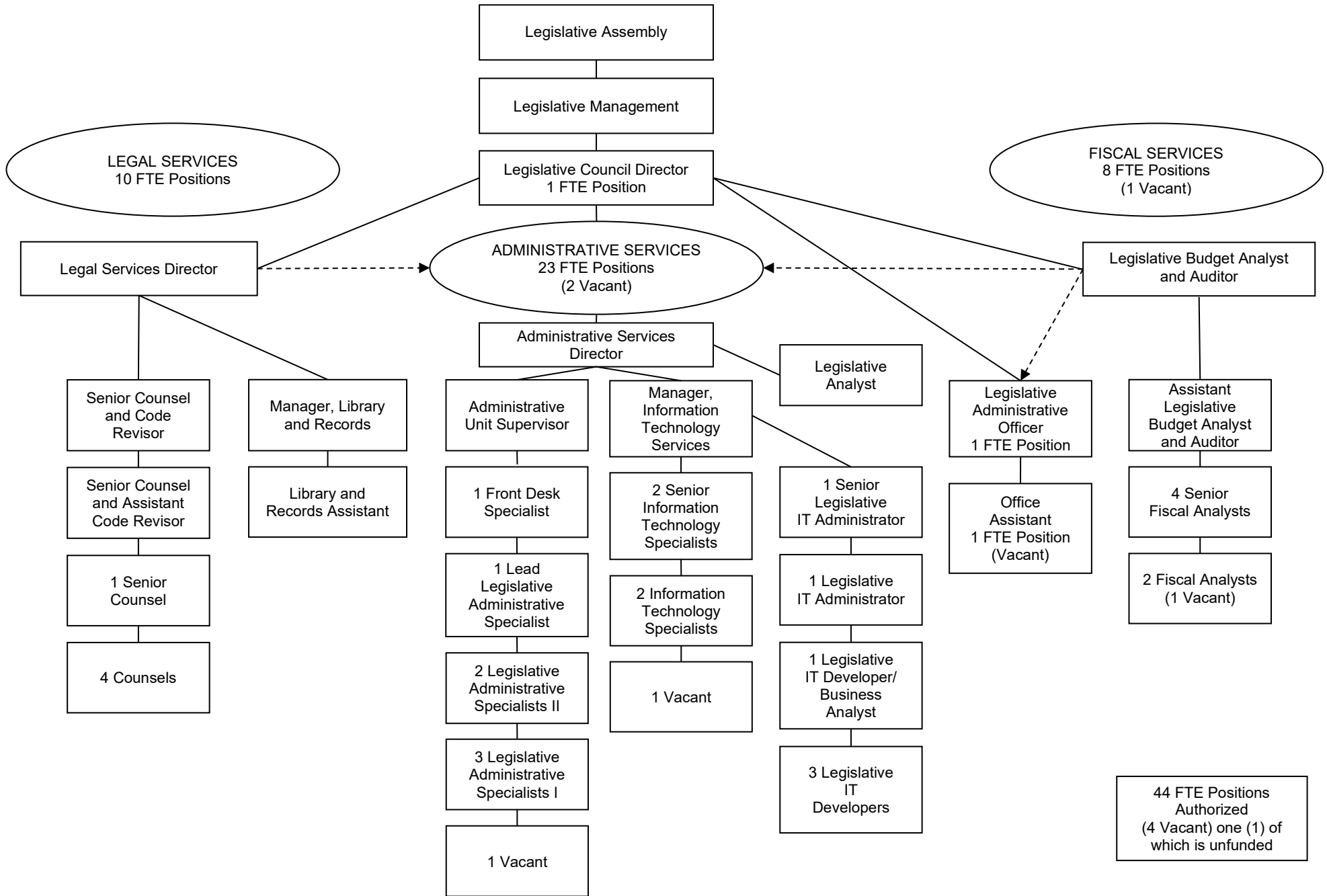
RELATED BILLS

Other bills under consideration which may affect the budget of the legislative branch include:

- Senate Bill No. 2124, which increases the daily in-state meal allowance for state employees and legislators.

ATTACH:1

LEGISLATIVE COUNCIL ORGANIZATIONAL CHART



———— Line of Authority

----- Input and Assigned Oversight Responsibilities