



HB 1011 Committee Work
 Major Aaron Hummel
 March 17, 2023



NORTH
Dakota | Highway Patrol
 Be Legendary.

Highway Patrol - Budget No. 504
 House Bill No. 1011
 Base Level Funding Changes

	Executive Budget Recommendation				House Version				House 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
2023-25 Biennium Base Level	193.00	\$36,327,762	\$25,785,652	\$62,113,414	193.00	\$36,327,762	\$25,785,652	\$62,113,414	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Base payroll and budget changes		\$460,502	\$227,861	\$688,363		\$460,502	\$227,861	\$688,363				\$0
Salary increase		2,453,942	855,161	3,309,103		1,837,423	640,708	2,478,131		(616,519)	(214,453)	(830,972)
Health insurance increase		713,640	261,884	975,524		730,067	267,908	997,965		16,417	6,024	22,441
Retirement increase - Highway Patrol retirement fund		335,523	64,620	390,143		335,523	64,620	390,143				0
Adjust COVID-19 salary funding		6,966,000	(6,966,000)	0		6,966,000	(6,966,000)	0				0
Backfill criminal interdiction troopers	5.00	1,221,557	198,859	1,420,416	5.00	1,272,224	207,107	1,479,331		50,667	8,248	58,915
Additional criminal interdiction troopers	5.00	1,221,550	198,860	1,420,420	2.00	486,624	79,544	566,168	(3.00)	(732,936)	(119,316)	(852,252)
Capitol Security Troopers	2.00	489,066	79,104	568,170					(2.00)	(489,066)	(79,104)	(568,170)
Drug recognition trooper	1.00		284,082	284,082	1.00		284,082	284,082				0
Motor carrier troopers	2.00	33,708	640,650	674,358	1.00	16,854	320,325	337,179	(1.00)	(16,854)	(320,325)	(337,179)
Lease rate increase		106,000	17,000	123,000		106,000	17,000	123,000				0
Additional warehouse space		106,000	17,000	123,000		106,000	17,000	123,000				0
New Capitol space rent model		74,274		74,274		74,274		74,274				0
Unmanned aerial vehicle enhancements		1,000		1,000		1,000		1,000				0
Technology enhancements		226,000	36,000	262,000		114,380	18,620	133,000		(111,620)	(17,380)	(129,000)
Recruitment and advertising initiative		43,000	7,000	50,000		32,250	5,250	37,500		(10,750)	(1,750)	(12,500)
Total ongoing funding changes	15.00	\$14,451,772	(\$4,087,919)	\$10,363,853	9.00	\$12,541,111	(\$4,825,975)	\$7,715,136	(6.00)	(\$1,910,661)	(\$738,056)	(\$2,648,717)
One-Time Funding Items												
New Trooper one-time costs		\$228,000	\$37,000	\$265,000		\$377,844	\$99,156	\$477,000		\$149,844	\$62,156	\$212,000
State Fleet mileage increase		1,706,000	336,000	2,042,000		1,706,000	336,000	2,042,000				0
Inflationary increases		448,000	72,000	520,000		448,000	72,000	520,000				0
Narcotics tester		52,000	8,000	60,000		52,000	8,000	60,000				0
Unmanned aerial vehicle enhancements - One-time		89,000	15,000	104,000		89,000	15,000	104,000				0
Motor carrier program enhancements		23,000	404,000	427,000		23,000	404,000	427,000				0
Technology enhancements - One-time		244,200	39,000	283,200		146,200	23,800	170,000		(98,000)	(15,200)	(113,200)
Fargo garage addition		622,000	100,000	722,000						(622,000)	(100,000)	(722,000)
Shooting range targeting system (MCEPF)				0			200,000	200,000			200,000	200,000
Total one-time funding changes	0.00	\$3,412,200	\$1,011,000	\$4,423,200	0.00	\$2,842,044	\$1,167,966	\$4,000,000	0.00	(\$570,156)	\$146,956	(\$423,200)
Total Changes to Base Level Funding	15.00	\$17,863,972	(\$3,076,919)	\$14,787,053	9.00	\$15,383,155	(\$3,668,019)	\$11,715,136	(6.00)	(\$2,480,817)	(\$591,100)	(\$3,071,917)
2023-25 Total Funding	208.00	\$54,191,734	\$22,708,733	\$76,900,467	202.00	\$51,710,917	\$22,117,633	\$73,828,550	(6.00)	(\$2,480,817)	(\$591,100)	(\$3,071,917)
Federal funds included in other funds			\$9,270,174				\$8,894,222				(\$375,952)	
Total ongoing changes as a percentage of base level	7.8%	39.8%	(15.9%)	16.7%	4.7%	34.5%	(18.7%)	12.4%				18.9%
Total changes as a percentage of base level	7.8%	49.2%	(11.9%)	23.8%	4.7%	42.3%	(14.2%)	18.9%				
Ongoing changes as a percentage of base level	7.8%	39.8%	(15.9%)	16.7%	4.7%	34.5%	(18.7%)	12.4%				
Changes as a percentage of base level	7.8%	49.2%	(11.9%)	23.8%	4.7%	42.3%	(14.2%)	18.9%				

HB 1011 SECTIONS

Other Sections in Highway Patrol - Budget No. 504

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Highway tax distribution fund	Section 3 would provide for \$11,989,604 of special funds from the highway tax distribution fund to be used for Highway Patrol operations.	Section 3 provides for \$11,575,949 of special funds from the highway tax distribution fund to be used for Highway Patrol operations.
Motor carrier electronic permit fund	Section 4 would provide for \$1,448,955 of special funds from the motor carrier electronic permit fund to be used for Highway Patrol operations.	Section 4 provides for \$1,648,955 of special funds from the motor carrier electronic permit fund to be used for Highway Patrol operations.
Retirement fund transfer	None	Section 5 transfers \$2 million from the motor carrier electronic permit fund to the Highway Patrolmen's retirement fund.
Highway Patrol officer per diem	Section 5 would provide for Highway Patrol officer per diem of \$200 per month during the 2023-25 biennium, the same as provided during the 2021-23 biennium. The per diem payments are in lieu of reimbursement for meals and other expenses while in travel status within the state.	Section 6 provides for Highway Patrol officer per diem of \$200 per month during the 2023-25 biennium, the same as provided during the 2021-23 biennium. The per diem payments are in lieu of reimbursement for meals and other expenses while in travel status within the state.

HOUSE ONGOING FUNDING CHANGES

- **Salary Increases**
 - Decrease from executive recommendation to the House version: **-\$830,972**
 - Reduction from 6/4% to 4/4% annual salary adjustments
 - **Request to maintain 6/4% as provided in the executive recommendation**
 - **Supportive of \$90 million equity adjustments included in SB 2015 (OMB)**
- **Health Insurance**
 - House version included a \$22,441 adjustment for health insurance

HOUSE ONGOING FUNDING CHANGES

- **Backfill of Criminal Interdiction Troopers**
 - House version retained the five FTEs, but revised the total salary by adding an additional \$58,915 to cover the higher salary for one sergeant position
- **Additional Criminal Interdiction Troopers**
 - House version removed three of the five requested FTE's (two remained)
 - Decrease of \$852,252
- **Additional Capitol Security Troopers**
 - House version removed two FTE's and the associated funding
 - Decrease of \$568,170

HOUSE ONGOING FUNDING CHANGES

- **Motor Carrier (MCSAP Program) Troopers**
 - House version removed one FTE and the associated funding (one FTE remained)
 - Decrease of \$337,179
- **Technology Enhancements**
 - House version removed \$129,000 of the \$262,000 requested (\$133,000 remained):
 - Academy management software - \$50,000
 - Remote/virtual learning software - \$70,000
 - Field training software - \$9,000
- **Recruitment and Advertising**
 - House version removed \$12,500 (25%) of the \$50,000 requested (\$37,500 remained)

HOUSE ONE-TIME FUNDING CHANGES

■ New Trooper Costs

- There was an omission in the original executive recommendation for one-time equipment costs of \$53,000 for each new sworn officer position
- One-time equipment costs were added by the House for four additional FTE's
 - The five criminal interdiction backfill officers included these one-time costs, but the four additional FTEs did not
- Current House version has the correct amount for nine additional FTEs

HOUSE ONE-TIME FUNDING CHANGES

■ Technology Enhancements

- House version removed one-time funding of \$113,200 for three IT requests:
 - Academy management software - \$35,000
 - Remote/virtual learning software - \$72,000
 - Field training software - \$6,200

■ Fargo Garage Addition (DOT Property)

- House removed this project pending potential ARPA funding
- Decrease of \$722,000

■ Shooting Range Targeting System

- House added \$200,000 from the electronic motor carrier permit fund (fund 276) for this project

ADDITIONAL CONSIDERATIONS

- Commercial Vehicle Information Exchange Window (CVIEW)
- Federal equitable sharing program (eShare)
- Per diem for additional troopers
- On-call and overtime pay
- Highway patrol PERS plan infusion

COMMERCIAL VEHICLE EXCHANGE WINDOW (CVIEW)

67th Legislative Assembly

- Approved \$50,000 for top level design document – Phase 1 (completed)
- \$225,000 for purchase of CVIEW – Phase 2 (pending)
 - Won't be completed by June 30th, 2023
- **Request carryover of \$225,000 (federal spending authority)**
- **Additional request of \$150,000 (federal spending authority) for the associated NDIT large project management, network, and security-related costs**
- Funding comes from MCSAP high priority technology grants (100% federal)

Federal eShare Program (federal asset forfeiture funds)

- Redistribution of assets from a federal agency to participating state and local agencies
- Federal forfeiture funds may not co-mingle with state funds
- Restricted spending requirements
 - Law enforcement operations and investigations
 - Law enforcement training and education
 - Law enforcement, public safety, and detention facilities
 - Law enforcement equipment
 - Joint law enforcement/public safety operations
 - Contracts for services
 - Law enforcement travel and per diem
 - Law enforcement awards and memorials
 - Drug, gang, and other prevention or awareness programs
 - Matching grants
 - Support of community-based organizations
- Funds may not be distributed into the general fund

STATE ASSET FORFEITURE FUNDS

Current language for state asset forfeiture funds:

39-03-18. Highway patrol - Assets forfeiture fund - Purpose - Continuing appropriation.

There is created a fund to be known as the highway patrol assets forfeiture fund. The fund consists of funds obtained from moneys, assets, and proceeds seized and forfeited pursuant to section 19-03.1-36, amounts received through court proceedings as restitution, and amounts remaining from the forfeiture of property after the payment of expenses for forfeiture and sale authorized by law. The total amount of deposits into the fund may not exceed three hundred thousand dollars within a biennium and any moneys in excess of that amount must be deposited in the general fund. The funds are appropriated as a continuing appropriation to the highway patrol for the following purposes:

1. For paying expenses necessary to inventory, safeguard, maintain, advertise, or sell property seized, detained, or forfeited, pursuant to section 19-03.1-36, or of any other necessary expenses incident to the seizure, detention, or forfeiture of the property.
2. For paying overtime compensation incurred as a result of investigations or violations of any state criminal law or law relating to the control of drug abuse.
3. For purchasing equipment related to criminal interdiction.
4. For paying matching funds required as a condition for receipt of funds from a federal government program awarding monetary grants or assistance for the investigation or apprehension of persons violating the provisions of chapter 19-03.1.

The superintendent of the highway patrol, with the concurrence of the director of the office of management and budget, shall establish the necessary accounting procedures for the use of the fund and shall personally approve, in writing, all requests for the use of the fund.

FEDERAL ASSET FORFEITURE FUNDS

Proposed language to cover federal asset forfeiture funds:

NEW: Highway patrol – Federal assets forfeiture fund – Purpose – Continuing appropriation.

There is created a fund to be known as the highway patrol federal assets forfeiture fund. The fund consists of funds obtained through federal asset forfeiture sharing programs. Funds received through federal sharing programs shall not be deposited in the same account as other assets forfeited pursuant to 39-03-18. Deposits in excess of three hundred thousand dollars within a biennium must remain in the fund until appropriation authority is granted during the subsequent legislative session. The funds, up to three hundred thousand dollars are appropriated as a continuing appropriation to the highway patrol. Funding shall only be used for eligible purchases as outlined by the US Department of Justice and US Department of Treasury.

The superintendent of the highway patrol, with the concurrence of the director of the office of management and budget, shall establish the necessary accounting procedures in accordance to the federal asset sharing program for the use of the fund and shall personally approve, in writing, all requests for the use of the fund.

PER DIEM FOR NEW SWORN OFFICERS

- Section 6 of HB1011 includes \$200/month per diem for troopers
- Request to add that amount for each new trooper
- House version: Nine new positions would be \$43,200
- Amount would increase/decrease by \$4,800 per new sworn officer position that is added or removed

ON-CALL AND OVERTIME PAY

- 67th Legislative assembly provided funding for on-call pay
 - Up to 1/4 of an officer's hourly rate of pay was authorized
 - 1/5 pay for on-call time was implemented based on funding
- Overtime is paid at 1 ½ times the hourly rate of pay
- Adjustments to salary levels would impact on-call and overtime pay
 - Equity adjustments (SB 2015)
 - Annual salary increases (currently 4/4%)

ON-CALL AND OVERTIME IMPACT

Current Overtime and On-Call Pay Budget

	Current Budget Total	Current Budget State (86/14)	Current Budget Federal
Overtime	\$ 1,872,000.00	\$ 1,032,000.00	\$ 840,000.00
On-Call	\$ 1,056,000.00	\$ 982,000.00	\$ 74,000.00
Total	\$ 2,928,000.00	\$ 2,014,000.00	\$ 914,000.00

Additional Funding – 4/4% Increases

	Increase Needed House 4/4% Total	Increase Needed House 4/4% State Funds	Increase Needed House 4/4% Federal Funds/Auth
Overtime	\$ 152,755.20	\$ 84,211.20	\$ 68,544.00
On-Call	\$ 86,169.60	\$ 80,131.20	\$ 6,038.40
Total	\$ 238,924.80	\$ 164,342.40	\$ 74,582.40

Additional Funding – 6/4% Increases

	Increase Needed Executive 6/4% Total	Increase Needed Executive 6/4% State Funds	Increase Needed Executive 6/4% Federal Funds/Auth
Overtime	\$ 191,692.80	\$ 105,676.80	\$ 86,016.00
On-Call	\$ 108,134.40	\$ 100,556.80	\$ 7,577.60
Total	\$ 299,827.20	\$ 206,233.60	\$ 93,593.60

Additional Funding – \$90M Equity Pool

	Increase Needed Equity (~4%) Total Funds	Increase Needed Equity (~4%) State Funds	Increase Needed Equity (~4%) Federal Funds
Overtime	\$ 74,880.00	\$ 41,280.00	\$ 33,600.00
On-Call	\$ 42,240.00	\$ 39,280.00	\$ 2,960.00
Total	\$ 117,120.00	\$ 80,560.00	\$ 36,560.00

\$416,947 total

HIGHWAY PATROL RETIREMENT SYSTEM INFUSION

- A \$3 million request was presented to the House
 - \$2,000,000 was added
 - Learned actuarial update requires Employee Benefits Programs Committee

- \$3 million requested to address \$43-47 million projected shortfall

- From Fund 276 – Electronic Motor Carrier Permit Fund

- Research additional options during the interim

PERS PLAN COMPARISON

PERS Plans - As of January 2025	Main	Public Safety	Highway Patrol
Employee PERS Contribution*	3	1.5	11.3
Employee Social Security Contribution	6.2	6.2	0
Total Employee Contribution	9.2	7.7	11.3
Employer PERS Contribution	12.26	11.93	25.7
Employer Social Security Contribution	6.2	6.2	0
Medicare	1.45	1.45	1.45
Health Insurance Credit	0	1.14	1.14
Total Employer Contribution	19.91	20.72	28.29
Total Combined Contribution	29.11	28.42	39.59
Vesting	3 years - age 65	3 years	10 years
Early Retirement Age	60	50	50
Normal Retirement Age	Rule of 90 - age 65	Rule of 85 - age 55	Rule of 80 - age 55
Benefit Formula	1.75%	1.75%	3.6% for 25 years then 1.75%
Early Retirement Reduction	8%/year	6%/year	6%/year

*Factoring 4% of employee portion covered by the state.

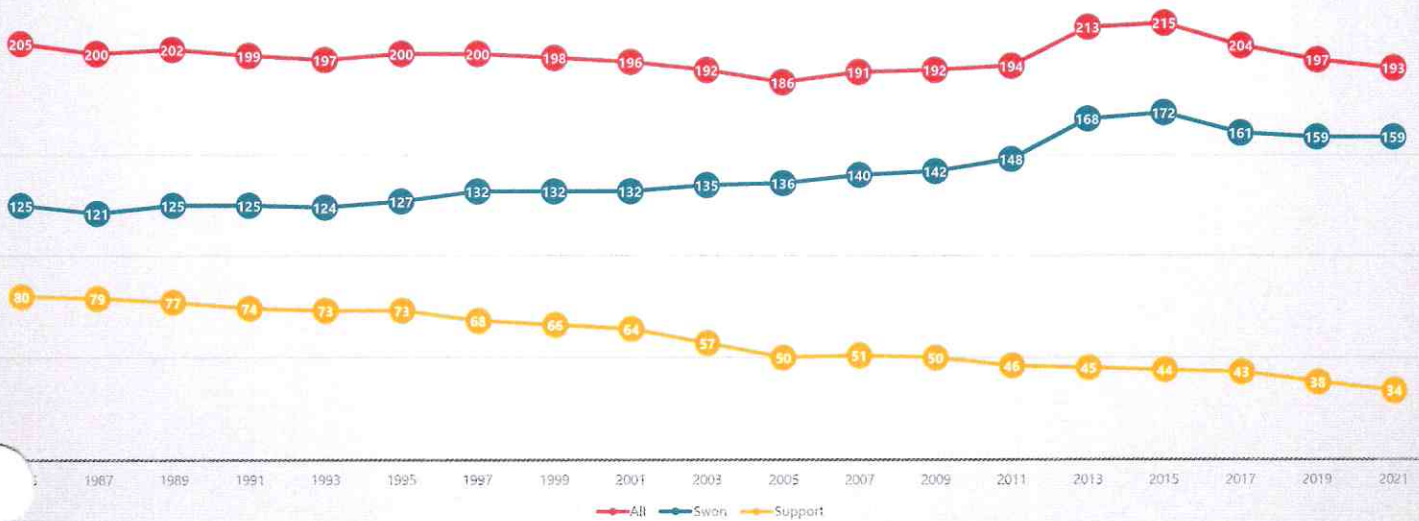
PRIORITIZATION OF AGENCY NEEDS

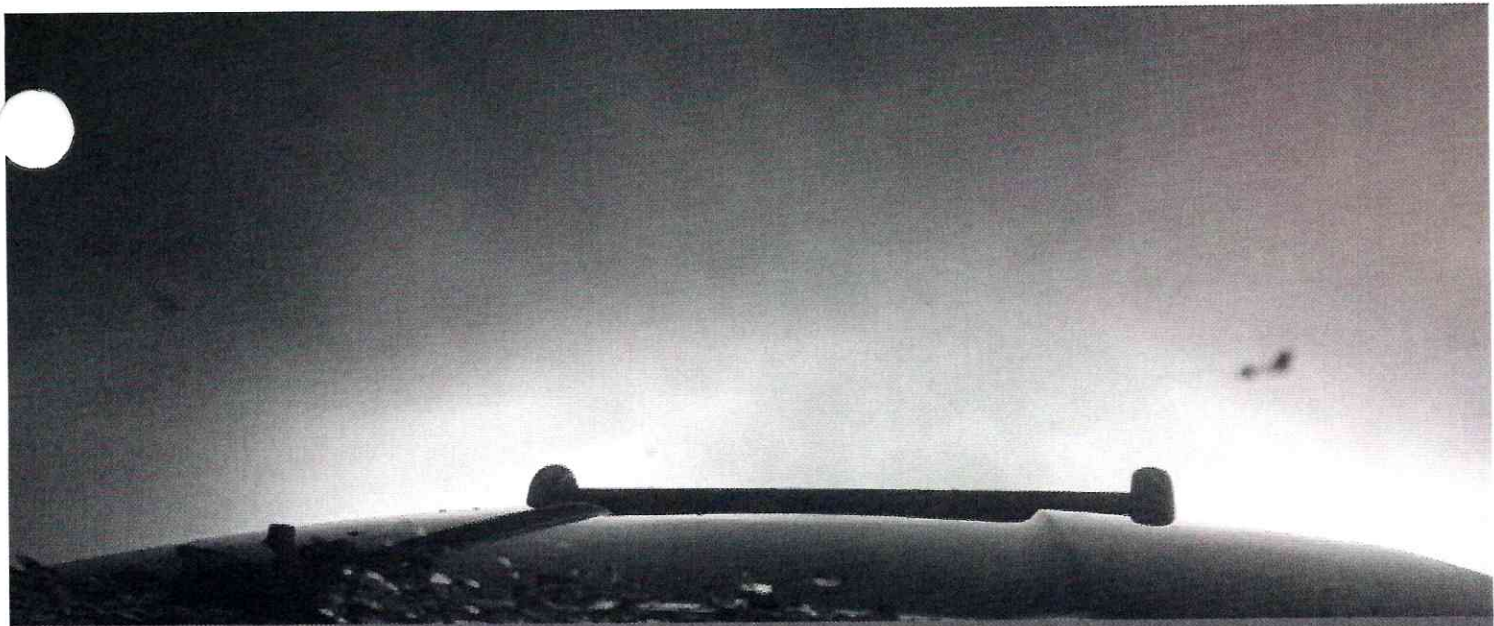
- **1st Round of Prioritization:** Highway patrol's budget request
 - 27 FTEs
 - \$79,130,861 (\$75,821,758 request plus executive \$3,309,103 salary increases)
- **2nd Round:** Executive budget recommendation
 - 15 FTEs (-12 from request)
 - \$76,900,467 (-\$2,230,394 from request; includes 6/4% salary increases)
- **3rd Round:** House version of HB 1011
 - 9 FTEs (-18 from request; -6 from executive recommendation)
 - \$73,828,550 (-\$5,302,311 from request; -\$3,071,917 from executive)



HISTORICAL STAFFING

NDHP Authorized FTDs per Biennium: 1985-2021





House Bill 1011

March 17, 2023



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