

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

Executive Budget Comparison to Prior Biennium Appropriations

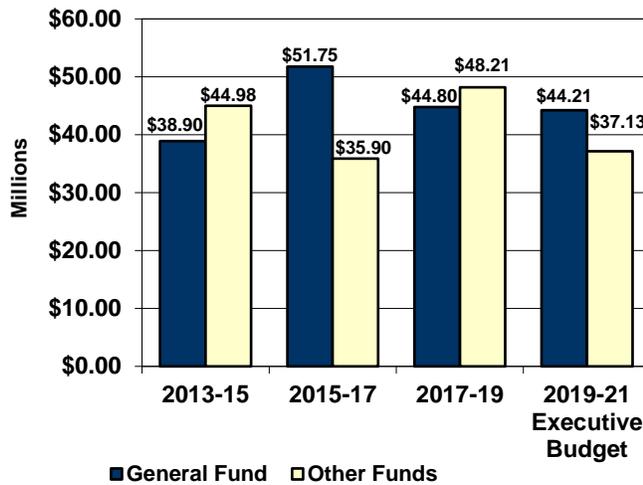
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	237.00	\$44,210,826	\$37,125,241	\$81,336,067
2017-19 Legislative Appropriations ¹	237.00	44,795,840	48,214,320	93,010,160
Increase (Decrease)	0.00	(\$585,014)	(\$11,089,079)	(\$11,674,093)

¹The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds authority of \$60,000 resulting from Emergency Commission action during the 2017-19 biennium.

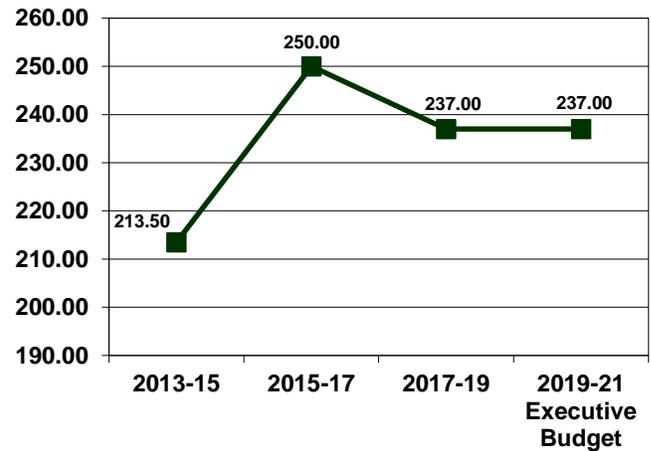
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$43,910,826	\$300,000	\$44,210,826
2017-19 Legislative Appropriations	44,695,840	100,000	44,795,840
Increase (Decrease)	(\$785,014)	\$200,000	(\$585,014)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$44,210,826	\$37,125,241	\$81,336,067
2019-21 Base Level	44,695,840	30,647,320	75,343,160
Increase (Decrease)	(\$485,014)	\$6,477,921	\$5,992,907

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

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$2,021,804 is for salary increases, \$908,852 is for health insurance increases, and \$186,058 is for retirement contribution increases	\$2,336,857	\$779,857	\$3,116,714
2. Removes 6 FTE positions, including 1 criminal records analyst position, 2 assistant Attorney General positions, and 3 undesignated positions	(\$641,089)	(\$272,399)	(\$913,488)
3. Adjusts funding for salaries	(\$182,457)	\$2,348,217	\$2,165,760
4. Adds 5 FTE Medicaid Fraud Control Unit positions	\$92,986	\$836,880	\$929,866

5. Adds funding for Medicaid Fraud Control Unit operating expenses, primarily related to travel, professional development, and operating fees and services	\$35,649	\$320,840	\$356,489
6. Adds 1 FTE Fire Marshal administrative assistant position from the Attorney General operating fund	\$0	\$128,716	\$128,716
7. Adds funding for 1 previously unfunded FTE Deputy Fire Marshal position from the Attorney General operating fund	\$0	\$169,924	\$169,924
8. Adds funding for Fire Marshal operating expenses, of which \$83,848 is from the Attorney General operating fund and \$41,040 is from the reduced cigarette ignition propensity and firefighter protection act enforcement fund	\$0	\$124,888	\$124,888
9. Adds funding for Microsoft Office 365 license expenses	\$168,000	\$0	\$168,000
10. Reduces funding for operating expenses, primarily related to information technology services and repairs, operating fees and services, and professional service fees	(\$775,404)	(\$1,043,728)	(\$1,819,132)
11. Adds federal funding for sex offender sentencing, monitoring, apprehending, registering, and tracking (SMART) information technology operating expenses	\$0	\$650,000	\$650,000
12. Includes \$200,000 from the tobacco settlement fund for operating expenses, the same as the 2017-19 biennium	\$0	\$0	\$0
13. Adds federal funding for the Project Safe Neighborhood program	\$0	\$291,232	\$291,232
14. Adds funding for the narcotics task force, increasing the quarterly transfer from the lottery operating fund to the multijurisdictional drug task force grant fund from \$105,625 to \$200,000, providing total transfers of \$1.6 million each biennium, resulting in a general fund revenue decrease of \$755,000	\$0	\$756,664	\$756,664
15. Reduces funding for capital assets, including equipment over \$5,000 (\$1,583,910), crime laboratory motor vehicles (\$130,000), and IT equipment and software over \$5,000 (\$262,450)	(\$83,450)	(\$1,892,910)	(\$1,976,360)
16. Adds federal funding for community oriented policing grants	\$0	\$1,021,237	\$1,021,237
17. Reduces funding for North Dakota lottery operating expenses	\$0	(\$375,097)	(\$375,097)
18. Adds one-time funding for a criminal history improvement project from the Attorney General refund fund	\$0	\$400,000	\$400,000
19. Adds one-time funding from federal funds for capital assets, including equipment over \$5,000 (\$1,522,956), crime laboratory motor vehicles (\$130,000), and IT equipment and software over \$5,000 (\$199,000)	\$0	\$1,851,956	\$1,851,956
20. Adds one-time funding for undercover vehicles	\$300,000	\$0	\$300,000
21. Adds one-time funding for an automated finger identification system replacement project, of which \$158,000 is from federal funds and \$158,000 is from the Attorney General refund fund	\$0	\$316,000	\$316,000
22. Adds one-time funding for Criminal Justice Information Sharing projects from the Attorney General refund fund	\$0	\$140,000	\$140,000

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Exemption - Attorney General refund fund - Section 5 would allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2017-19 biennium to be used during the 2019-21 biennium, rather than transferring the balance to the general fund.

Attorney General salary - Section 6 would amend North Dakota Century Code Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$157,009 to \$163,289 effective July 1, 2019, and \$166,555 effective July 1, 2020.

Lottery operating fund transfer - Section 7 would increase the quarterly transfer from the lottery operating fund to the multijurisdictional drug task force grant fund from \$105,625 to \$200,000 to provide total transfers of \$1.6 million each 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 2019-21 biennium. The Attorney General would be required to report to the Office of Management and Budget and the Legislative Council on the availability of this funding.

Criminal history record checks - Fees - Section 9 would authorize the Attorney General to charge a reasonable fee set by the Attorney General for criminal history record checks conducted by the Bureau of Criminal Investigation, as a result of legislation enacted by the 66th Legislative Assembly. The fees would be deposited in the general fund.

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 Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1262 - Requires the Attorney General to establish and administer a statewide program for receiving reports and other information related to school and student safety, including potential self-harm and potential harm or criminal acts directed at students, school employees, or schools. The Attorney General may accept gifts, grants, and donations from any source for this program and are appropriated to the Attorney General on a continuing basis.

House Bill No. 1306 - Amends membership of the Board of University and School Lands to include the Tax Commissioner instead of the Attorney General. This bill is contingent on the passing on House Concurred Resolution No. 3012.

House Bill No. 1313 - Requires the Attorney General's criminal justice data information sharing system to include data related to missing and murdered indigenous people.

House Bill No. 1507 - Requires the Attorney General's Human Trafficking Commission to establish an educational training program related to identification and reporting of suspected human trafficking.

Senate Bill No. 2057 - Appropriates \$250,000 from the general fund for the purpose of providing forensic nurse examiner program grants for community based or hospital-based sexual assault examiner programs. Any organization receiving a grant for this program must report to the Attorney General and the appropriations committee of the 2021 Legislative Assembly on the use of funds received and outcomes of the program. The Attorney General is required to report to the appropriations committees of the 2021 Legislative Assembly regarding 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 between nurses, hospitals and clinics, law enforcement, and state attorneys.

Senate Bill No. 2159 - Appropriates \$1.5 million from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims. Any organization receiving a grant for this program must report to the Attorney General and the appropriations committee of the 2021 Legislative Assembly on the use of funds received and outcomes of the program. The Attorney General is required to report to the Legislative Management during the 2019-20 interim regarding the status and results of the grant program.

Senate Bill No. 2301 - Establishes a charitable gaming technology fund and provides the Attorney General a continuing appropriation for the purpose of 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. The Attorney General is required to deposit \$400,000 of gaming tax collections in the charitable gaming technology fund rather than the general fund during fiscal year 2020. The bill increases the following annual fees remitted to the Attorney General:

- The charitable gaming license fee from \$150 to \$175, requiring the Attorney General to deposit \$25 of the fee into the charitable gaming technology fund;
- The charitable gaming manufacturer fee from \$4,000 to \$5,500, requiring the Attorney General to deposit \$500 of the fee into the charitable gaming technology fund; and
- The charitable gaming distributor fee from \$1,500 to \$2,000, requiring the Attorney General to deposit \$500 of the fee into the charitable gaming technology fund.

House Concurrent Resolution No. 3012 - Amends membership of the Board of University and School Lands to include the Tax Commissioner instead of the Attorney General.

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

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	237.00	\$44,695,840	\$30,647,320	\$75,343,160
2019-21 Ongoing Funding Changes				
Base payroll changes		(\$1,492,594)	(\$250,559)	(\$1,743,153)
Salary increase		1,518,505	503,299	2,021,804
Health insurance increase		681,165	227,687	908,852
Retirement contribution increase		137,187	48,871	186,058
Removes 6 FTE positions	(6.00)	(641,089)	(272,399)	(913,488)
Adjusts funding for salaries		(182,457)	2,348,217	2,165,760
Add 5 FTE Medicaid Fraud Control Unit positions	5.00	92,986	836,880	929,866
Add funding for Medicaid Fraud Control Unit operating expenses		35,649	320,840	356,489
Add 1 FTE Fire Marshal administrative assistant position	1.00		128,716	128,716
Add funding for 1 unfunded FTE Deputy Fire Marshal position			169,924	169,924
Add funding for Fire Marshal operating expenses			124,888	124,888
Add funding for additional income from other sources			250,000	250,000
Add funding for Microsoft Office 365 license expenses		168,000		168,000
Reduce funding for operating expenses from the general fund		(775,404)		(775,404)
Reduce funding for operating expenses from special funds			(1,563,506)	(1,563,506)
Add funding for operating expenses from various federal funds			519,778	519,778
Add federal funding for SMART operating expenses			650,000	650,000
Add federal funding for the Project Safe Neighborhood program			291,232	291,232
Add funding for the lottery narcotics task force			756,664	756,664
Reduce funding for crime laboratory bond payments		(118,512)		(118,512)
Reduce funding for capital assets		(83,450)	(1,892,910)	(1,976,360)
Add federal funding for community oriented policing grants			1,021,237	1,021,237
Reduce funding for other federal grants			(73,797)	(73,797)
Reduce funding for human trafficking grants		(125,000)		(125,000)
Reduce funding for North Dakota lottery operating expenses			(375,097)	(375,097)
Total ongoing funding changes	0.00	(\$785,014)	\$3,769,965	\$2,984,951
One-time funding items				
Add funding for a criminal history improvement project			\$400,000	\$400,000
Add funding for capital assets			1,851,956	1,851,956
Add funding for undercover vehicles		\$300,000		300,000
Add funding for an automated finger identification system replacement			316,000	316,000
Add funding for Criminal Justice Information Sharing projects			140,000	140,000
Total one-time funding changes	0.00	\$300,000	\$2,707,956	\$3,007,956
Total Changes to Base Level Funding	0.00	(\$485,014)	\$6,477,921	\$5,992,907
2019-21 Total Funding	237.00	\$44,210,826	\$37,125,241	\$81,336,067

Other Sections for Attorney General - Budget No. 125

Exemption - Attorney General refund fund

Executive Budget Recommendation

Section 5 would allow the Attorney General to retain the balance in the attorney general refund fund at the end of the 2017-19 biennium to be used during the 2019-21 biennium, rather than transferring the balance to the general fund.

Attorney General salary

Section 6 would amend North Dakota Century Code Section 54-12-11 to provide for the Attorney General's annual salary to increase from \$157,009 to \$163,289 effective July 1, 2019, and \$166,555 effective July 1, 2020.

Other Sections for Attorney General - Budget No. 125

Lottery operating fund transfer

Executive Budget Recommendation
Section 7 would increase the quarterly transfer from the lottery operating fund to the multijurisdictional drug task force grant fund from \$105,625 to \$200,000 to provide total transfers of \$1.6 million each 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 2019-21 biennium. The Attorney General would be required to report to the Office of Management and Budget and the Legislative Council on the availability of this funding.

Criminal history record checks - Fees

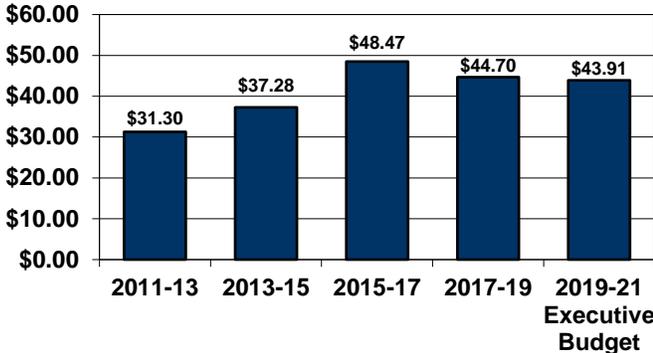
Section 9 would authorize the Attorney General to charge a reasonable fee set by the Attorney General for criminal history record checks conducted by the Bureau of Criminal Investigation, as a result of legislation enacted by the 66th Legislative Assembly. The fees would be deposited in the general fund.

Department 125 - Attorney General

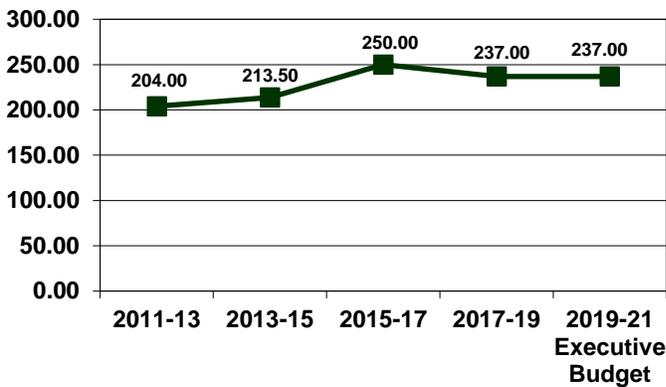
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$31,229,845	\$37,275,528	\$48,466,861	\$44,695,840	\$43,910,826
Increase (decrease) from previous biennium	N/A	\$6,045,683	\$11,191,333	(\$3,771,021)	(\$785,014)
Percentage increase (decrease) from previous biennium	N/A	19.4%	30.0%	(7.8%)	(1.8%)
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	19.4%	55.2%	43.1%	40.6%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- 1. Added funding for salary equity increases for forensic scientists \$171,000
- 2. Changed funding source from federal fiscal stimulus funds to general funds for 7 FTE positions \$1,037,590
- 3. Added funding for 1 FTE synthetic drugs forensic scientist position \$146,039
- 4. Added funding for potential litigation fees relating to abortion-related legislation approved by the Legislative Assembly \$400,000
- 5. Added funding for operating expenses for the 24/7 sobriety program, criminal history record checks for concealed weapons licenses, fingerprint record checks for appraisal management companies and employees, and fingerprint record checks for insurance producers \$121,390

2015-17 Biennium

- 1. Added law enforcement-related funding for 8 FTE criminal investigator positions, 3 FTE intelligence analyst positions, 2 FTE assistant Attorney General positions, 1 FTE administrative position, 1 FTE grants administrator position, 1 FTE forensic scientist position, and 0.5 FTE attorney position \$3,724,698
- 2. Added 2 FTE criminal history identification technician positions \$310,536
- 3. Added 1 FTE gaming auditor position \$82,907
- 4. Added funding for transfer of the criminal justice information sharing system, including 3 FTE positions transferred and 1 FTE new business analyst position and related operating expenses \$3,270,219
- 5. Restored 1 FTE programmer analyst position identified as one-time funding for the 2013-15 biennium \$142,278
- 6. Added funding and 9 FTE positions for providing legal services to the North Dakota University System \$3,079,724

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)

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|--|---------------|
| 3. Changed funding source for 8 FTE positions from the general fund to federal and other funds | (\$1,120,322) |
| 4. Reduced funding for criminal justice information sharing 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 (Executive Budget Recommendation)

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|--|-------------|
| 1. Removes 6 FTE positions, including 1 criminal records analyst position, 2 assistant Attorney General positions, and 3 undesignated positions, of which \$641,089 is from the general fund and \$272,399 is from other funds | (\$641,089) |
| 2. Reduces funding for operating expenses, primarily related to operating fees and services, travel, and repairs | (\$775,404) |

**GOVERNOR'S RECOMMENDATION FOR THE
ATTORNEY GENERAL AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, 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, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$40,979,043	\$3,544,799	\$44,523,842
Operating Expenses	15,477,281	647,141	16,124,422
Capital Assets	2,742,372	373,084	3,115,456
Grants	2,290,000	2,128,440	4,418,440
Litigation Fees	150,000	-	150,000
Intellectual Property Attorney	426,924	25,512	452,436
Abortion Litigation Fees	-	-	-
Medical Examinations	660,000	-	660,000
North Dakota Lottery	5,336,797	(119,541)	5,217,256
Arrest and Return of Fugitives	10,000	-	10,000
Gaming Commission	7,490	(1)	7,489
Criminal Justice Information Sharing	3,386,645	258,248	3,644,893
Law Enforcement	2,901,608	110,225	3,011,833
SAVIN Cost-Share Program	-	-	-
Total all funds	<u>\$74,368,160</u>	<u>\$6,967,907</u>	<u>\$81,336,067</u>
Less estimated income	<u>29,797,320</u>	<u>7,327,921</u>	<u>37,125,241</u>
Total general fund	\$44,570,840	(\$360,014)	\$44,210,826
Full-time equivalent positions	237.00	0.00	237.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
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SAVIN cost-share program	\$315,000	\$0
Uniform crime reporting rewrite	280,000	0
DOS-based deposit system rewrite	100,000	0
Grants for domestic violence and rape crisis	150,000	0
DAPL-salaries	200,000	0
Court-ordered payments to bankruptcy estate	15,872,000	0
Enhancement to SAVIN	500,000	0
Undercover vehicle replacement	-	300,000
Criminal history improvement project	-	400,000
CJIS portal improvement	-	50,000
CJIS broker implementation	-	50,000
AFIS replacement	-	316,000
CJIS common statute table	-	40,000
Total all funds	<u>\$17,417,000</u>	<u>\$1,156,000</u>
Total special funds	<u>17,317,000</u>	<u>856,000</u>
Total general fund	<u>\$100,000</u>	<u>\$300,000</u>

SECTION 5. 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, 2019.

SECTION 6. 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 fifty-two thousand four hundred thirty-six dollars through June 30, 2016~~ one hundred sixty-three thousand two hundred eighty-nine dollars through June 30, 2020, and ~~one hundred fifty-seven thousand nine dollars~~ one hundred sixty-six thousand five hundred fifty-five dollars thereafter.

SECTION 7. 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 compulsive gambling 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, ~~2007~~2019, ~~one hundred five thousand six hundred twenty five dollars~~ two hundred 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 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, 2019, and ending June 30, 2021. 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, 2019, and ending June 30, 2021.