

2001 HOUSE APPROPRIATIONS

HB 1001

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 12, 2001

Tape Number	Side A	Side B	Meter #
01/12/01 tape #1	0 - 2168		
Committee Clerk Signature <i>[Handwritten Signature]</i>			

Minutes:

The committee was called to order, and opened the hearing on HB #1001, which is the appropriations bill for the office of the Governor.

Bill Goetz: Chief of Staff for the governor. I represent the governor's office here this morning, to spend a few minutes this morning with you to discuss the budget. Getting right to the point you are looking at a budget that has very few changes compared to the budget that you approved last session. There are two things: First of all you granted to the governor's office a total of \$15,000 for transition, \$10,000 of that for transition in and \$5,000 was for transition out. In addition \$500 was appropriated for purposes of the presidential elector expenses. We are simply now moving that \$15,500 from those line items up into operating expenses, due to increased operating costs. Then the second item is dealing with one additional FTE, for a total of \$151,572. This would be a senior staff position. We probably are one of the smallest staffed governors offices in the United States, and there is a growing change in state government

involvement, the state and local governments are becoming more involved. I am open for questions.

Rep. Koppelman: What would this senior staff person, FTE do?

Response: We are looking at adding one more policy advisor. Right now we have a communications director, a legal counsel, chief of staff, an agriculture advisor, a board/commissions policy advisor, and municipal and local government advisor (new position), federal relations advisor. We are looking at an individual who could take that type of a roll. We are finding that we need to do more work on a global basis, and have a growing need, at the federal level also.

Rep. Carlisle: I have two questions - first on the school commission item for \$500,000.

Response: Celeste (from OMB) will speak to that. We had the Quality School Committee working for the last two years. Governor Hoeven has taken a different look to this, and Celeste will address this.

Celeste: from OMB. Handed out a prepared amendment to HB 1001. I have passed out some amendments that would include the governor's school initiative that is \$505,192, that is the quality school's commission funding that was previously in the department of public instruction, however it has been reduced by \$70,000, for web development and software related to the initiatives that have been moved to the ITD budget to deal with school initiatives with ITD in consolidation with all the other efforts going on. The remainder is \$505,192, and the governor's office will be looking at the commission and proposing some amendments to the House Bill 1157 on Wednesday to insure that the objectives in the bill are maintained, but the governor's office has the flexibility to obtain them in the most cost effective manner. If you review the quality school's commission bill in the past, there was a staff person, and they don't feel that this

is necessary to be hiring staff or putting many of these mandates into this legislation. The money is in the governor's office but the standard language will be in HB 1157. The amendment will be made to the DPI budget, and was already explained to the EE committee.

Rep. Carlisle: You said your new FTE would be working with congressional issues? Don't you already have someone doing this?

Response: Yes, we need more help in this area, with congressional issues or agencies. There may be other areas a senior staff would be assigned to. Yes we already have a liaison already located there (in Washington DC).

Rep. Glassheim: Is confused as to the quality school commission, and 1 less employee.

Response: The funding that was put into Bill 1157 had the authority for an FTE. It wasn't in the DPI or in the governor's office at this point. AS we will be introducing amendments to HB 1157, the appropriation will be taken out, because the appropriation has not been put into the governor's office directly.

Rep. Glassheim: As to the \$15,500 you took the line item out, but you kept the money, but if its for the purpose of transition and electors, you don't need that.

Response: Yes, what we did was move that money up into operations, as our inflationary factor.

(Discussion as to the insertion of the fiscal note, put into the bill books erroneously).

Rep. Byerly: Can someone explain the narrative at #1 on the buff sheets? I don't understand the note.

Response: Allen from LC - We have been working with OMB on this and the executive budget, and when OMB calculated the pay equity increases for appointed and elected officials there was some timing things that took place, so in most of these budgets that have equity for

elected officials, the amounts that are included are a little more than what is necessary to provide for those increases. There should be a reduction made into the budget. You will run into this in a few of these budgets. We did do a memo that summarizes this you will get in full committee.

Rep. Byerly: I also wanted to ask about the money itself for the transition in and out. In essence by rolling this up into your operating line item, technically aren't we increasing your line item by those amounts. Don't we normally just put transition and electoral money in the last two years of the officeholder. Really what we are doing is keeping the \$15,500 and rolling it into operating expenses. Are we going to keep seeing these line items again.

And as to the schools commission what you are doing is moving it so that your office is going to administer the governors quality schools commission. In EE subsection, they've already seen this.

And then last time we gave you an additional \$50,000 over the budget request for staffing assistance. We put it into your operating line item. Did that work out?

Response: Yes it did. It was most helpful.

Byerly: With the \$15,500, there is another \$10,000 added into your operating expenses line item, should we view this for increased postage, etc. For inflationary increases?

Response: Yes.

Rep. Glassheim: I am not familiar with the quality schools commission. Can you explain why it is in the governor's office and not in education.

Response: by Celeste of OMB. Lt. Governor Myrdal started this commission and gathered together a number of persons to look at school quality initiatives and other objectives listed in the bill. They felt as they worked through the biennium that they wanted this in statute, to continue the commission. AS the Hoeven administration came in, they will continue with the

commission, however, they do not want it statutorily limited to who can be on the commission. The bill would restrict this. They are opening some flexibility for themselves

Response: This was the former Lt. Governor's agenda. When we look at this, we need to look at all aspects of education, including the demographics in making policy, and how that is driving the issue. We want to downgrade the bureaucracy in terms of another commission to one where we have addressed the initiative and then the governor's office with full representation of many of these same people. There has been some very positive dialogue in the last two years, and see the parties carrying on good discussion. From that hopefully we can continue with the assessment.

Rep. Carlisle: Celeste, where are the funds coming from for this \$500,000.

Response: The general fund. It was part of the overhead before, now we want to make this specifically in the budget, for hiring a consultant, for travel, etc.

Rep. Glassheim: So the \$500,000 was not in the DPI budget last biennium. Whatever its cost it was paid for out of the governor's overhead budget in the past. And you put it in there time to formalize it but now you are going to formalize it in the governor's budget.

Rep. Skarphol: Do you get affected by the increased motor pool expenses?

Response: Yes we are, and are adjusting for this in the increased operating items.

The chairman closed the hearing on this bill

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
01-16-01 tape #2	760 - 1823		
Committee Clerk Signature	<i>Kelli Hall</i>		

Minutes:

The committee was called to order, and opened committee work on HB 1001. The chairperson gave some instructional advice as to how the committee would discuss the various bill.

Chairman Byerly: On this budget bill, there are 2 big items, one being the FTE, and the other being the Quality Schools Commission they are transferring out of DPI and into the Governor's office. That is a \$505,000 item. I know Rep. Carlisle is trying to get more information on the Quality Schools Commission. Most of the rest of this is the budget is inflationary increase, for salary and wages and then the FTE. Last time around when we settled this budget, we actually gave the governor's office some money that they didn't request because they were running into the problem where they needed some additional assistance and because they used part time employees. This budget also includes the money given previously for a resource person housed in Washington DC. And then there is a new FTE is to relieve workload at a senior level, not

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Hearing Date January 16, 2001

clerical and not secretarial, and would be a policy person. We need to figure out and look into the future to see if there will be more jobs pushed down into the state level. How do we feel in our minds if they really need another senior staff person.

LC staff - Roxanne: Notes that the funding for the lobbyist in Washington DC is in the OMB budget. The consultant is \$120,000, in the OMB budget.

Rep. Huetter: Asked if the governor was planning on keeping the Capitol for a Day program. He thought that was a good program.

Rep. Carlisle requested that the LC staff person provide him with information regarding the Quality Schools Commission information. What it is, and what the governor's office plans to do with this. There seems to be half a million dollars requested, and they wanted to know more about this. Discussion as to HB 1157, and its influence on HB 1001.

Rep. Skarphol: Was questioning where the money came from last session, that did not appear in the last budget.

Rep. Byerly: Maybe there is some discretionary money that was used. Also commented that last session that the time was more voluntary.

Discussion was that last session it was just beginning, some voluntary work, and now they want to make this more permanent. May need someone from the Governor's office to come and explain more to us later.

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
01-19-01 tape #1	1540 - 2240		
Committee Clerk Signature <i>Kathleen Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1001.

Rep. Carlisle: In the Governor's budget, there is a section on the Quality Schools. He has obtained a handout in regard to the Quality Schools Commission, and a different bill, Bill #1157. (This handout does explain the school issues, but the committee did not discuss the handout, but just filed it with their information to deal with at a later time.)

Rep. Carlisle: Others had previously asked about the outside capital costs. This is what each outside entity is charged. Costs of \$800 per month.

(Rep. Carlisle gave the committee a handwritten list, from OMB, of monthly costs).

Chairman Byerly: Notes that the router charge is billed monthly, however, this is an item that is purchased one time, not monthly. So we have some work to do on this. Asked Rep. Carlisle to make sure other committees see this, first asked the committee clerk to make the handout more

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presentable, but the Roxanne from LC offered to make handout this more presentable and understandable.

(Roxanne from LC also explained somewhat that the charges are being spread out over a period of time, because they had to take out a loan to originally buy the equipment.)

Rep. Byerly: Said okay, but they would like to investigate this further. Asked Roxanne to make the handout more clear, and include explanations, and other committee members requested that they be told when the loan will be paid off.

Rep. Huetter: Believes some of the costs are to aid the more rural areas as compared to the urban areas. Would like this information also included in Roxanne's explanation.

(Some more general discussion as to the committee seeing the IT budget after crossover, and what will need to be kept in mind for the rest of the session).

The chairman closed committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
01-25-01 tape #1	"	1220 - 3050	
Committee Clerk Signature <i>Bette Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1001, the Governor's budget.

Chairman Byerly: Rep. Carlisle has spent some time on this budget, and then we spent some time yesterday trying to sort some things out.

Rep. Carlisle: He handed out copies of a proposed amendment. This amendment makes the salary adjustment. This portion of the amendment removes the senior staff FTE requested. Also, there was a proposed amendment from OMB a while back for \$505,192 regarding Quality School Commission. I also just handed out a memo regarding the Quality Schools. We would like to further amend these amendments to add in under Quality School's Initiative, an amount of \$150,000.

Chairman Byerly: We can package this up as one amendment, if possible. In summary, what we are doing to the governor's budget is deleting the requested FTE and amending in \$150,000 for

the Quality Schools program. We will give \$150,000 of the requested \$505,000, and this will allow them first to use this money for matching funds. They will have to sit down and take another look at this, because there are some good issues out there, and the end result will be that they will have enough money to make the match and they can create a group to come up with a program to look at the education issues.

General discussion as to the current governor's office thoughts on the Quality School commission and what direction it may take, and all the issues discussed. Hopefully the program will be refined in the next few years.)

Rep. Glassheim: Do they expect a staff member will be assigned to this commission?

Chairman Byerly: No, no FTE will be affected. The committee is already in place, and that process will continue, and will continue to be handled in the governor's office. HB 1157 will be amended and revamped it more like what we have discussed.

Sheila Peterson, OMB: reminds the committee that the salary line as amendment is not correct, and will need some minor refinement.

Roxanne, LC staff: She explains the reasons for this, and what has happened.

Rep. Skarphol: Moves to adopt the amendment as modified to adjust for the removal of the FTE, making the salary adjustment, and adding in the \$150,000 for the Quality School Commission.

Rep. Carlisle seconded.

Vote to adopt the amendment, 7 yes, 0 no.

Rep. Carlisle: moves DO PASS AS AMENDED. Rep. Skarphol seconded.

Vote to pass as amended, 7 yes, 0 no.

(General discussion as to other bills or special funds not associated with this bill, these issues).

Rep. Carlisle is assigned to carry this bill to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1001

House Appropriations Committee

Conference Committee

Hearing Date **January 31, 2001**

Tape Number	Side A	Side B	Meter #
1	x		0 - 1481
Committee Clerk Signature <i>L. L. Danhe</i>			

Minutes:

Rep. Mike Timm: Chairman called the Appropriations Committee to order at 08:00 a.m.
Clerk will call the roll. Action is called for on HB1001.

Tape is inaudible from meter reading (0 to 726) Plug to recorder was bad.

Rep. Mike Timm: (796) I just talked to Larry about these pink sheets, and he said that the reason that there not in the books for some of these bills is because Legislative Council hasn't gotten them down to us. I know it would be nice to have these pink sheets, so I would make a request that Legislative Council that we have these sheets prior to our discussion of the bills.

Rep. Rex Byerly: We will for today when we explain our amendments on these things, I brought my book down from upstairs so I do have my pink sheets, and I can give you some more background and will explain in a little more detail on any of these where there are those kind of changes.

Rep. Ole Aarsvold: I am going to move that we remove the \$150,000 that the committee chose to leave in the governor's budget for the schools initiative, and I do it for the following reason. It

seems to me over the last several decades, or sessions, we have tried to avoid efforts like this to divide responsibility in state government and concentrate on responsibilities for particular functions in a single agency. So for that reason if I can get a second, I would hope that the committee would agree with my motion to remove that \$150,000 and put that money back into the general fund.

Rep. Mike Timm: Rep Aarsvold we have a motion on the floor already. We have a motion to adopt the amendment. Any other discussion on the motion to adopt these amendments? All in favor of adopting the amendments say aye. Voice vote, Aye's and Nay's. Motion passed.

Rep. Ole Aarsvold: I move that we further amend and remove the \$150,000 that the subcommittee associated with the governor's school initiative. Seconded by Gulleeson.

Rep. Mike Timm: Any further discussion Rep Aarsvold? I think you have stated your case.

Rep. Ole Aarsvold: I did, and I do feel that this is a step backward in terms of what the policies of this assembly have been.

Rep. Mike Timm: From what I understand, is that this is something that was initiated by the former Lt. Governor, isn't that right?

Rep. Rex Byerly: This was an effort by former Lt. Governor, Rosemary Mierdahl to bring together people that are not just isolated in the education environment, but it transcends many different departments and the private sector, it already exists, they do have a board and they are already doing work. People like the Bremer Bank have donated money to this, that's why the \$150,000 is there for matching money and it is not just a function of what amounts to be K-12 schools, and that's one of the reasons why Governor Schafer put it in DPI, and Governor Hoven felt that it was much more broad than just a K-12 initiative, and that's why he asked to have it housed in the Governor's office to give it a wee bit more prestige within these communities. We

disagreed with the amount of money that was necessary to do this and like I said we sat down and negotiated with Bill Goetz. We had a long meeting with him and in fact we had to leave and come back. The end result was that we felt that the \$150,000 would allow this committee to go forward, it is made up of people from all different types of government agencies, and if you would like, Yes the head of DPI is in there, but also the head of Voc Tech Education, the Commissioner of higher education, the Indian Affairs Commission, there is people from the Parent Teacher's Association from the NDEA, the head of Information Technology, its a very Broad group of people that are trying to come up wit, if you will a Blue Ribbon Commission. I would hope that we would resist this motion.

Rep. Janet Wentz: Who will be responsible for this initiative in the governor's office? Will it continue to be the responsibility of the Lt. Governor?

Rep. Rex Byerly: Yes, the current Lt. Governor is going forward with it.

Rep. Ole Aarsvold: I guess I could only observe and hope that the present Lt. Governor would be as creative in funding this activity as the former Lt. Governor was.

Rep. Jeff Delzer: The bill that goes along with this and it hasn't been reported back out of the Education Committee has it?

Rep. Rex Byerly: HB1157 is still in the Education Committee because they are waiting for us to act on this, so they can do what they need to do to that bill. I have been in contact with Chairman Kelsch, and I think we have it coordinated, let's put it that way.

Rep. Jeff Delzer: I'm going to support the amendment, but not for the same reasons, simply because I have questions about doing this particular thing, and that's just my opinion.

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House Appropriations Committee

Bill/Resolution Number HB1001

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Rep. Mike Timm: Any other discussion? We have a motion to amend out the \$150,000 out of the bill. Any other discussion? All those in favor of that amendment say Aye. Motion was defeated. Any other motions to amend HB1001? Rep. Carlisle moved that HB1001 as amended. Seconded by Rep. Huether. Any discussion? Roll call vote was taken. Motion passes with 16 Yes and 4 No, and 1 absent. Rep Carlisle will carry the bill to the floor.

FISCAL NOTE
 Requested by Legislative Council
 12/15/2000

Bill/Resolution No.: HB 1001

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$350,704		\$378,751		\$397,471	
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The calculations are based on actual present biennium salary and fringe benefit costs and the anticipated salaries as defined in HB 1001, for the positions of Governor and Lt. Governor. Estimates for 2003-05 are based on 3% and 2% with increase in health care.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures reflect present (1999-2001) and 2001-03 biennium salary costs for 2.00 FTE, the Governor and Lt. Governor.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

There is no impact on appropriations because the salary costs are included in the appropriation bill HB 1001.

Name:	Sandy Paulson	Agency:	OMB
Phone Number:	328-2148	Date Prepared:	01/11/2001

Office of Management and Budget
January 12, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

On page 1, replace lines 14 and 15 with:

"Roughrider awards	10,800
Governor's School Initiative	<u>505,192</u>
Total general fund appropriation	\$2,887,027"

Renumber accordingly

Statement of purpose of amendment:

To increase the governor's budget by \$505,192 to establish funding for the Governor's School Initiative.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, line 10, replace "2,127,065" with "1,977,151"

Page 1, line 11, replace "224,370" with "214,370"

Page 1, line 12, replace "9,600" with "4,200"

Page 1, line 15, replace "2,381,835" with "2,216,521"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,127,065	(\$149,914)	\$1,977,151
Operating expenses	224,370	(10,000)	214,370
Equipment	9,600	(5,400)	4,200
Contingency	10,000		10,000
Roughrider awards	<u>10,800</u>		<u>10,800</u>
Total all funds	\$2,381,835	(\$165,314)	\$2,216,521
Less estimated income	0	0	0
General fund	\$2,381,835	(\$165,314)	\$2,216,521
FTE	18.00	(1.00)	17.00

Dept. No. 101 - Governor's Office - Detail of House Changes

	REMOVE NEW POLICY POSITION ¹	ADJUST MARKET EQUITY SALARY INCREASE ²	TOTAL HOUSE CHANGES
Salaries and wages	(\$142,736)	(\$7,178)	(\$149,914)
Operating expenses	(10,000)		(10,000)
Equipment	(5,400)		(5,400)
Contingency			
Roughrider awards			
Total all funds	(\$158,136)	(\$7,178)	(\$165,314)
Less estimated income	0	0	0
General fund	(\$158,136)	(\$7,178)	(\$165,314)
FTE	(1.00)	0.00	(1.00)

¹ The new policy position added in the executive budget is removed.

² This amendment reduces, from \$14,481 to \$7,283, the amount provided for a market equity salary increase for the media relations position. The amount included in the bill will provide for a monthly increase of \$346.50 and related fringe benefits for the last 18 months of the biennium.

January 25, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, line 10, replace "2,127,065" with "1,984,329"

Page 1, line 11, replace "224,370" with "214,370"

Page 1, line 12, replace "9,600" with "4,200"

Page 1, line 14, replace "10,800" with "10,800"

Page 1, after line 14, insert:

"Governor's school initiative 150,000"

Page 1, line 15, replace "2,381,835" with "2,373,699"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,127,065	(\$142,736)	\$1,694,329
Operating expenses	224,370	(10,000)	214,370
Equipment	9,600	(5,400)	4,200
Contingency	10,000		10,000
Roughrider awards	10,800		10,800
Governor's school initiative		<u>150,000</u>	<u>150,000</u>
Total all funds	\$2,381,835	(\$8,136)	\$2,373,699
Less estimated income			
General fund	\$2,381,835	(\$8,136)	\$2,373,699
FTE	18.00	(1.00)	17.00

Dept. 101 - Governor's Office - Detail of House Changes

	REMOVE NEW POLICY POSITION 1	ADD FUNDING FOR SCHOOL INITIATIVE 2	TOTAL HOUSE CHANGES
Salaries and wages	(\$142,736)		(\$142,736)
Operating expenses	(10,000)		(10,000)
Equipment	(5,400)		(5,400)
Contingency			
Roughrider awards			
Governor's school initiative		<u>\$150,000</u>	<u>150,000</u>
Total all funds	(\$168,136)	\$150,000	(\$8,136)
Less estimated income			
General fund	(\$168,136)	\$150,000	(\$8,136)
FTE	(1.00)	0.00	(1.00)

1 The new policy position added in the executive budget is removed.

2 Funding is added for costs associated with the Governor's school initiative. Governor Hoeven had recommended \$305,192 from the general fund for this initiative. Governor Schafer had recommended funding of \$575,192 from the general fund in the Department of Public Instruction for the Quality Schools Commission.

Date: 1-31-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1001

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By CARLISLE Seconded By HUETHER

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold		✓	Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer		✓	Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleason		✓	Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman		✓			
Rep - Kliniske	✓				

Total (Yes) 16 No 4

Absent 1

Floor Assignment CARLISLE

If the vote is on an amendment, briefly indicate intent:

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 34 YEAS, 62 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING

YEAS: Belter; Boehm; Brandenburg; Byerly; Carlson; Clark; Cleary; DeKrey; Delzer; Devlin; Dosch; Drovdal; Froelich; Froseth; Grande; Grosz; Gunter; Kasper; Kempenich; Koppelman; Lemieux; Maragos; Nelson; Renner; Rennerfeldt; Severson; Skarphol; Thoreson, B.; Tieman; Timm; Weiler; Weisz; Wrangham; Acting Speaker Wald

NAYS: Aarsvold; Bellew; Berg; Boucher; Brekke; Brusegaard; Carlisle; Delmore; Disrud; Eckre; Ekstrom; Fairfield; Galvin; Glassheim; Grumbo; Gulleson; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsch, S.; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Kretschmar; Kroeber; Lloyd; Mahoney; Martinson; Meier; Metcalf; Monson; Mueller; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Sandvig; Schmidt; Solberg; Svedjan; Thorpe; Warner; Wentz; Wikenheiser; Winnich

ABSENT AND NOT VOTING: Bernstein; Thoreson, L.

HB 1275 was declared lost.

SECOND READING OF HOUSE BILL

HB 1290: A BILL for an Act to amend and reenact subdivision e of subsection 5 of section 6-06-06 of the North Dakota Century Code, relating to the limitation on credit union investment in certain notes or bonds.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Jensen; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thorpe; Tieman; Timm; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winnich; Wrangham; Acting Speaker Wald

ABSENT AND NOT VOTING: Bernstein; Thoreson, L.

HB 1290 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1314: A BILL for an Act to amend and reenact section 26.1-47-03 of the North Dakota Century Code, relating to provisions of health care preferred provider arrangements.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 0 YEAS, 96 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

NAYS: Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Jensen; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson;

Skarphol; Solberg; Svedjan; Thoreson, B.; Thorpe; Tieman; Timm; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winnich; Wrangham; Acting Speaker Wald

ABSENT AND NOT VOTING: Bernstein; Thoreson, L.

HB 1314 was declared lost.

REPORT OF STANDING COMMITTEE

HB 1001: Appropriations Committee (Rep. Timm, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "2,127,065" with "1,384,329"

Page 1, line 11, replace "224,370" with "214,370"

Page 1, line 12, replace "9,600" with "4,200"

Page 1, line 14, replace "10,800" with "10,800"

Page 1, after line 14, insert:

"Governor's school initiative

150,000"

Page 1, line 15, replace "2,381,835" with "2,373,699"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,127,065	(\$142,736)	\$1,984,329
Operating expenses	224,370	(10,000)	214,370
Equipment	9,600	(5,400)	4,200
Contingency	10,000		10,000
Roughrider awards	10,800		10,800
Governor's school initiative		150,000	150,000
Total all funds	\$2,381,835	(\$8,136)	\$2,373,699
Less estimated income			
General fund	\$2,381,835	(\$8,136)	\$2,373,699
FTE	16.00	(1.00)	17.00

Dept. 101 - Governor's Office - Detail of House Changes

	REMOVE NEW POLICY POSITION 1	ADD FUNDING FOR SCHOOL INITIATIVE 2	TOTAL HOUSE CHANGES
Salaries and wages	(\$142,736)		(\$142,736)
Operating expenses	(10,000)		(10,000)
Equipment	(5,400)		(5,400)
Contingency			
Roughrider awards			
Governor's school initiative		\$150,000	\$150,000
Total all funds	(\$158,136)	\$150,000	(\$8,136)
Less estimated income			
General fund	(\$158,136)	\$150,000	(\$8,136)
FTE	(1.00)	0.00	(1.00)

1. The new policy position added in the executive budget is removed.

2. Funding is added for costs associated with the Governor's school initiative. Governor Hoeven had recommended \$525,192 from the general fund for this initiative. Governor Schafer had recommended funding of \$375,192 from the general fund in the Department of Public Instruction for the Quality Schools Commission.

REPORT OF STANDING COMMITTEE

HB 1002: Appropriations Committee (Rep. Timm, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS,

2001 SENATE APPROPRIATIONS

HB 1001

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1001

Senate Appropriations Committee

Conference Committee

Hearing Date February 14, 2001

Tape Number	Side A	Side B	Meter #
Tape #1	x		3.2-9.6
Committee Clerk Signature <i>Janice Putsch</i>			

Minutes:

Senator Nething opened the hearing on HB1001, appropriation for the Office of the Governor.

Bill Goetz, Chief of Staff, Governor's Office presented the original request on HB1001 and the House engrossed bill. Main changes included elimination of transfers in/out to operating; dropped one senior staff position (a position the Governor's Office feels essential to conduct the work load of the office); and the quality school, reduced by 150 thousand in the House.

Senator Bowman: Accept the House version?

Bill Goetz: Like the FTE reinstated; 150 thousand back; perhaps we can work with the Senate Subcommittee to arrive at an agreeable number.

Senator Heitkamp: Include the first lady's support dollars?

Bill Goetz: No -- first lady's support dollars are in the OMB budget.

Senator Tallackson: Education commitment in DPI and the Governor's Office?

Bill Goetz: In Governor's budget.

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB1001
Hearing Date February 14, 2001

Sandy Paulson, OMB Analyst: 575 thousand was in DPI -- in Governor Schafer's budget -- Governor Hoeven removed it and placed it in the Governor's Office. 72 or 75 thousand from DPI to IT budget, rest to Governor's.

Senator Nething: position?

Bill Goetz: FTE is for a Senior Staff Position; total of four senior staff -- 1 legal; 2 other; and myself. Work load indicates there should be one more.

Senator Heitkamp: 4 Senior Staff here -- give dollar breakdown for salaries?

Bill Goetz: Mine is 74 thousand; others average 50-55 thousand.

Senator Tallaekson: 1 more employee needed?

Bill Goetz: Correct.

Senator Robinson: Will there be some turn back?

Bill Goetz: It is close; maybe a couple thousand dollars.

No additional requests to testify, for, against, or in neutral position. Hearing closed.

Page 3
Senate Appropriations Committee
Bill/Resolution Number HB1001
Hearing Date February 14, 2001

3-28-01 Full Committee Action (Tape #1, Side A, Meter No. 0.0 -6.1)

Senator Nething reopened the hearing on HB1001 - Office of the Governor.

Senator Kringstad, Chair of the Subcommittee, reported the Subcommittee's finding, and went through the proposed amendments - #18001.0201.

Discussion followed.

Senator Kringstad moved for the adoption of the amendments; Senator Tallackson seconded.

Discussion, followed by the call for vote. Voice vote, 13 yes; 1 - Senator Heitkamp, no.

Discussion; followed by Roll Call Vote: 12 yes; 1 no (Senator Heitkamp); 1 absent and not voting.

Senator Kringstad accepted the floor assignment.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, line 10, replace "1,984,329" with "2,127,065"

Page 1, line 14, replace "10,800" with "10,800"

Page 1, remove line 15

Page 1, line 16, replace "2,373,699" with "2,366,435"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,127,065	\$1,984,329	\$142,736	\$2,127,065
Operating expenses	224,370	214,370		214,370
Equipment	9,600	4,200		4,200
Contingency	10,000	10,000		10,000
Roughrider awards	10,800	10,800		10,800
Governor's school initiative		<u>150,000</u>	<u>(150,000)</u>	
Total all funds	\$2,381,835	\$2,373,699	(\$7,264)	\$2,366,435
Less estimated income				
General fund	\$2,381,835	\$2,373,699	(\$7,264)	\$2,366,435
FTE	18.00	17.00	1.00	18.00

Dept. 101 - Governor's Office - Detail of Senate Changes

	ADD POLICY POSITION ¹	REMOVE FUNDING FOR SCHOOL INITIATIVE ²	TOTAL SENATE CHANGES
Salaries and wages	\$142,736		\$142,736
Operating expenses			
Equipment			
Contingency			
Roughrider awards			
Governor's school initiative		<u>(\$150,000)</u>	<u>(150,000)</u>
Total all funds	\$142,736	(\$150,000)	(\$7,264)
Less estimated income			
General fund	\$142,736	(\$150,000)	(\$7,264)
FTE	1.00	0.00	1.00

¹ This amendment restores funding removed by the House for a new policy position that was included in the executive budget. The related operating and equipment funding of \$15,400 removed by the House is not being restored.

² Funding of \$150,000 from the general fund for the Governor's school initiative included in the House version is removed. Governor Hoeven had recommended \$505,192 from the general fund for this initiative.

Date: 5-28-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1001

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number 1.8.201.0201

Action Taken All passed as amended

Motion Made By Sen. Kringstad Seconded By Sen. Tallackson

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac					
Joel C. Heitkamp		✓			
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 12 No 1

Absent 1

Floor Assignment Senator Kringstad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1001, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "1,984,329" with "2,127,065"

Page 1, line 14, replace "10,800" with "10,800"

Page 1, remove line 15

Page 1, line 16, replace "2,373,699" with "2,366,435"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,127,065	\$1,984,329	\$142,736	\$2,127,065
Operating expenses	224,370	214,370		214,370
Equipment	8,000	4,200		4,200
Contingency	10,000	10,000		10,000
Roughrider awards	10,800	10,800		10,800
Governor's school initiative		<u>150,000</u>	<u>(150,000)</u>	
Total all funds	\$2,381,835	\$2,373,699	(\$7,204)	\$2,366,435
Less estimated income				
General fund	\$2,381,835	\$2,373,699	(\$7,204)	\$2,366,435
FTE	18.00	17.00	1.00	18.00

Dept. 101 - Governor's Office - Detail of Senate Changes

	ADD POLICY POSITION ¹	REMOVE FUNDING FOR SCHOOL INITIATIVE ²	TOTAL SENATE CHANGES
Salaries and wages	\$142,736		\$142,736
Operating expenses			
Equipment			
Contingency			
Roughrider awards			
Governor's school initiative		<u>(\$150,000)</u>	<u>(150,000)</u>
Total all funds	\$142,736	(\$150,000)	(\$7,264)
Less estimated income			
General fund	\$142,736	(\$150,000)	(\$7,264)
FTE	1.00	0.00	1.00

¹ This amendment restores funding removed by the House for a new policy position that was included in the executive budget. The related operating and equipment funding of \$15,400 removed by the House is not being restored.

² Funding of \$150,000 from the general fund for the Governor's school initiative included in the House version is removed. Governor Hooven had recommended \$505,192 from the general fund for this initiative.

2001 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1001

2001 HOUSE CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date April 9, 2001

Tape Number	Side A	Side B	Meter #
04-09-01 tape #1	771 - 2401		
Committee Clerk Signature <i>Nathaniel Hall</i>			

Minutes:

The conference committee was called to order. Roll call was taken.

Rep. Carlisle: On the school initiative, first it was in DPI budget, then it was in the Governor's budget, and we reduced it.

Sen. Kringstad: Actually you are talking about two different things. They are similar in nature but different. The Senate, in HB 1013, they added money back into the quality schools thing. In reviewing with the governor's office, they recommended that we take the school initiative out, because it's in HB 1013.

(Some discussion on this issue with conference committee members and Sandy Paulson from OMB).

Rep. Carlisle: Then there is the senior analyst request that the House had removed from the budget.

Page 2

Government Operations Division

Bill/Resolution Number HB 1001

Hearing Date April 9, 2001

Rep. Kringstad: This is a senior staff position, who handles policy advising to the governor, does issue research and development, and is the intergovernmental liaison. We have the idea that they office has requested this, they made a good point to us, and we felt they should have it.

(Conference committee discussion about the senior staff position. Sen. Schobinger and Sen. Tallackson both explain that they believe the governor's office made a reasonable request, and they desire to accommodate the governor's office. Sandy from OMB explains the current positions, all classified, 5 or 6 of which are secretarial, and the rest are senior staff. The discussion focused on the quality school initiative, the governor's school in Fargo, and the senior staff position. Mr. Bill Goetz from the governor's office did appear at the meeting, and did some explanations on issues).

The chairman closed the meeting on this bill.

2001 HOUSE CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date April 16, 2001

Tape Number	Side A	Side B	Meter #
04-16-01 tape #2	0 - 183		

Committee Clerk Signature *Patricia Hall*

Minutes:

The conference committee was called to order. Roll call was taken.

Rep. Carlisle: We've met and have discussed various issues. We hope to get this resolved today.

Sen. Schobinger: Moves that the House accede to the Senate amendments. Seconded by Sen. Kringstad.

Rep. Carlisle: What this would do then, is allow the governor's office have the senior policy analyst.

Vote on Motion : 6 yes, 0 no, 0 absent and not voting. Motion passes.

Rep. Carlisle is assigned to carry the report to the floor.

The chairman closed the meeting on this bill.

Date: 4-16-01
Roll Call Vote # /

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1001

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion to adopt Senate amendment - House added

Motion Made By Sen Schobinger Seconded By Sen Kringsstad

Representatives	Yes	No	SENATORS	Yes	No
Rep. Carlisle	✓		Sen. Kringsstad	✓	
Rep. Thoreson, B	✓		Sen. Schobinger	✓	
Rep. Glassheim	✓		Sen. Tallackson	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Carlisle

If the vote is on an amendment, briefly indicate intent:

Insert LC: .

REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Kringstad, Schobinger, Tallackson and Reps. Carlisle, B. Thoreson, Glassheim) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1165-1166 and place HB 1001 on the Seventh order.

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

2001 TESTIMONY

HB 1001

Department 101 - Governor's Office
House Bill No. 1001

	FTE Positions	General Fund	Other Funds	Total
2001-03 Executive Budget	18.00	\$2,381,835		\$2,381,835
1999-2001 Legislative Appropriations	17.00	2,115,733		2,115,733
Increase (Decrease)	1.00	\$266,102	\$0	\$266,102

The 1999-2001 appropriation amounts include \$13 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to the Office of Management and Budget for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

Major Items Affecting Governor's Office 2001-03 Budget

	General Fund	Other Funds	Total
1. Adds funding for a market equity salary increase of \$346.50 per month for the media relations position effective January 1, 2002. The amount added in the executive budget is \$7,178 more than is necessary to provide for this increase.	\$14,461		\$14,461
2. Adds 1 FTE policy position (\$142,736) and related operating (\$10,000) and equipment (\$5,400) funding.	\$158,136		\$158,136

Major Legislation Affecting the Governor's Office

House Bill No. 1157, introduced as part of the executive budget, establishes a Quality Schools Commission for studying the provision of education in public schools and appropriates \$575,192 of special funds for operating costs of the commission. House Bill No. 1013 (the Department of Public Instruction appropriations bill) includes an appropriation to the Department of Public Instruction of \$575,192 from the general fund to provide as a grant to this commission. It is the executive budget recommendation that this commission be established under the Governor's office.

**Department 101 - Governor's Office
 House Bill No. 1001**

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	18.00	\$2,381,835		\$2,381,835
1999-2001 Legislative Appropriations	17.00	2,115,733		2,115,733 ¹
Increase (Decrease)	1.00	\$266,102	\$0	\$266,102

2001-03 Hoeven Executive Budget	18.00	\$2,887,027 ²		\$2,887,027 ²
Hoeven Increase (Decrease) to Schafer	0.00	\$505,192	\$0	\$505,192

¹ The 1999-2001 appropriation amounts include \$13 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to the Office of Management and Budget for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

² This amount does not include an additional \$505,192 from the general fund inadvertently reflected in the Governor Hoeven 2001-03 executive budget document for the Governor's office.

Major Schafer Recommendations Affecting Governor's Office 2001-03 Budget

	General Fund	Other Funds	Total
1. Adds funding for a market equity salary increase of \$346.50 per month for the media relations position effective January 1, 2002. The amount added in the executive budget is \$7,178 more than is necessary to provide for this increase.	\$14,461		\$14,461
Adds 1 FTE policy position (\$142,736) and related operating (\$10,000) and equipment (\$5,400) funding.	\$158,136		\$158,136

**Major Hoeven Recommendations Affecting Governor's Office 2001-03 Budget
 Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. Adds funding for the Quality Schools Commission being established in House Bill No. 1157. The Hoeven recommendation removes the general fund appropriation of \$575,192 from the Department of Public Instruction that was to be provided to the commission as a grant and also removes the special funds appropriation of \$575,192 from the Quality Schools Commission in House Bill No. 1157 since the appropriation is included in the Governor's office budget.	\$505,192		\$505,192

Major Legislation Affecting the Governor's Office

House Bill No. 1157, introduced as part of the Schafer executive budget, establishes a Quality Schools Commission for studying the provision of education in public schools and appropriates \$575,192 of special funds for operating costs of the commission. House Bill No. 1013 (the Department of Public Instruction appropriations bill) includes an appropriation to the Department of Public Instruction of \$575,192 from the general fund to provide as a grant to this commission. The Hoeven recommendation provides for the establishment of this commission but removes the appropriations from House Bill No. 1013 and House Bill No. 1157 and provides \$505,192 from the general fund in the Governor's office appropriation (House Bill No. 1001).

**Department 101 - Governor's Office
 House Bill No. 1001**

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	18.00	\$2,381,835		\$2,381,835
1999-2001 Legislative Appropriations	17.00	2,115,733		2,115,733 ¹
Increase (Decrease)	1.00	\$266,102	\$0	\$266,102

2001-03 Hoeven Executive Budget	18.00	\$2,887,027 ²		\$2,887,027 ²
Hoeven Increase (Decrease) to Schafer	0.00	\$505,192	\$0	\$505,192

¹ The 1999-2001 appropriation amounts include \$13 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to the Office of Management and Budget for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

² This amount does not include an additional \$505,192 from the general fund inadvertently reflected in the Governor Hoeven 2001-03 executive budget document for the Governor's office.

Major Schafer Recommendations Affecting Governor's Office 2001-03 Budget

	General Fund	Other Funds	Total
1. Adds funding for a market equity salary increase of \$346.50 per month for the media relations position effective January 1, 2002. The amount added in the executive budget is \$7,178 more than is necessary to provide for this increase.	\$14,461		\$14,461
2. Adds 1 FTE policy position (\$142,736) and related operating (\$10,000) and equipment (\$5,400) funding. (The House removed this position and funding.)	\$158,136		\$158,136

**Major Hoeven Recommendations Affecting Governor's Office 2001-03 Budget
 Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. Adds funding for the Quality Schools Commission being established in House Bill No. 1157. The Hoeven recommendation removes the general fund appropriation of \$575,192 from the Department of Public Instruction that was to be provided to the commission as a grant and also removes the special funds appropriation of \$575,192 from the Quality Schools Commission in House Bill No. 1157 since the appropriation is included in the Governor's office budget. (The House added \$150,000 from the general fund for the Governor's school initiative.)	\$505,192		\$505,192

Major Legislation Affecting the Governor's Office

House Bill No. 1157, introduced as part of the Schafer executive budget, establishes a Quality Schools Commission for studying the provision of education in public schools and appropriates \$575,192 of special funds for operating costs of the commission. House Bill No. 1013 (the Department of Public Instruction appropriations bill) includes an appropriation to the Department of Public Instruction of \$575,192 from the general fund to provide as a grant to this commission. The Hoeven recommendation provides for the establishment of this commission but removes the appropriations from House Bill No. 1013 and House Bill No. 1157 and provides \$505,192 from the general fund in the Governor's office appropriation (House Bill No. 1001). (The House has removed the \$575,192 special funds appropriation from House Bill No. 1157 but has not taken final action on the bill.)

Senate Bill No. 2342 appropriates \$53,210 from the general fund to the Governor for the national World War II memorial in Washington, D.C.

Summary of Legislative Changes Resulting From First House Action

See Statement of Purpose of Amendment (attached).

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1001 - Funding Summary**

	Executive Budget	House Changes	House Version
Governor's Office			
Salaries and wages	\$2,127,065	(\$142,736)	\$1,984,329
Operating expenses	224,370	(10,000)	214,370
Equipment	9,600	(5,400)	4,200
Contingency	10,000		10,000
Roughrider awards	10,800		10,800
Governor's school initiative		150,000	150,000
Total all funds	\$2,381,835	(\$8,136)	\$2,373,699
Less estimated income	0	0	0
General fund	\$2,381,835	(\$8,136)	\$2,373,699
FTE	18.00	(1.00)	17.00
Bill total			
Total all funds	\$2,381,835	(\$8,136)	\$2,373,699
Less estimated income	0	0	0
General fund	\$2,381,835	(\$8,136)	\$2,373,699
FTE	18.00	(1.00)	17.00

House Bill No. 1001 - Governor's Office - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$2,127,065	(\$142,736)	\$1,984,329
Operating expenses	224,370	(10,000)	214,370
Equipment	9,600	(5,400)	4,200
Contingency	10,000		10,000
Roughrider awards	10,800		10,800
Governor's school initiative		150,000	150,000
Total all funds	\$2,381,835	(\$8,136)	\$2,373,699
Less estimated income	0	0	0
General fund	\$2,381,835	(\$8,136)	\$2,373,699
FTE	18.00	(1.00)	17.00

Department No. 101 - Governor's Office - Detail of House Changes

	Remove New Policy Position ¹	Add Funding for School Initiative ²	Total House Changes
Salaries and wages	(\$142,736)		(\$142,736)
Operating expenses	(10,000)		(10,000)
Equipment	(5,400)		(5,400)
Contingency			
Roughrider awards			
Governor's school initiative		150,000	150,000
Total all funds	(\$158,136)	\$150,000	(\$8,136)
Less estimated income	0	0	0
General fund	(\$158,136)	\$150,000	(\$8,136)
FTE	(1.00)	0.00	(1.00)

The new policy position added in the executive budget is removed.

² Funding is added for costs associated with the Governor's school initiative. Governor Hoeven had recommended \$505,192 from the general fund for this initiative. Governor Schafer had recommended funding of \$575,192 from the general fund in the Department of Public Instruction for the Quality Schools Commission.

Outside Capital Location Costs

Circuit	\$ 484
Equipment (Switches/Routers)	\$ 215
ITD Network Support	66
Internet Access	20
E-Mail	15

\$800 / month per ATM-T1 Circuit

QUALITY SCHOOLS COMMISSION - 2001 HOUSE BILL NO. 1157

This memorandum provides information on the Quality Schools Commission that would be created by 2001 House Bill No. 1157 (attached as an appendix) and related funding included in the Schafer and Hoeven budget recommendations for the 2001-03 biennium.

PROVISIONS OF HOUSE BILL NO. 1157

Section 1 of the bill establishes the purposes of the Quality Schools Commission is to:

- Study the provision of education in public schools.
- Review the assessment of quality of elementary and secondary schools.
- Make recommendations to the Legislative Assembly and other appropriate entities to maintain and enhance educational quality.
- Address long-range planning needs for elementary and secondary education.

This section also provides that the membership of the commission consists of 16 members, as follows:

- The Governor.
- The Superintendent of Public Instruction.
- The director of vocational and technical education.
- The commissioner of higher education.
- The president of the North Dakota Education Association.
- The executive director of the North Dakota Council of Educational Leaders.
- The director of the Education Standards and Practices Board.
- The executive director of the North Dakota School Boards Association.
- The representative of the Workforce Development Council.
- A representative of the North Dakota Parent Teachers Association.
- The director of the Indian Affairs Commission.
- The director of the Information Technology Department.
- Three citizens appointed by the Governor from the primary sector business community.
- The executive director of the Quality Schools Commission.

Section 2 of the bill defines the powers and duties of the commission, which includes implementing and directing an assessment process relating to the quality of elementary and secondary schools in this state. The commission is also directed to establish a methodology for long-range planning to maintain and enhance educational quality, assist in the

development of a continuing process of assessment, and develop strategic planning methods to maintain and enhance educational quality.

Section 3 of the bill authorizes the commission to apply for and accept any funds, grants, gifts, or services and provides that any funds received must be deposited in a special fund designated as the quality schools fund. Within the limits of legislative appropriations, the commission is authorized to spend moneys deposited in the fund.

Section 4 of the bill authorizes the commission to employ an executive director and other employees, within the limits of legislative appropriations.

Section 5 appropriates, out of any moneys in the quality schools fund, \$575,192 to the Quality Schools Commission for the 2001-03 biennium. Any moneys remaining in the quality schools fund as of June 30, 2003, must be transferred to the general fund.

Sections 6 and 7 of the bill provide that the bill is an emergency measure and is effective only through June 30, 2003.

SCHAFER PROPOSED FUNDING

The Schafer executive budget recommendation includes a general fund appropriation of \$575,192 to the Department of Public Instruction in House Bill No. 1013 for a grant to the Quality Schools Commission. The Office of Management and Budget has indicated that the \$575,192 is anticipated to be used as follows:

Quality Schools Commission Grant Uses	Schafer 2001-03 Biennium Executive Budget
Salaries and wages	\$218,042
Operating expenses	336,650
Equipment	20,500
Total	\$575,192
FTE positions	2.00

HOEVEN PROPOSED FUNDING

The Hoeven budget recommendation includes a general fund appropriation of \$505,192 to the Governor's office to be included in House Bill No. 1001 for operating expenses relating to the Quality Schools Commission. The Office of Management and Budget has indicated that the \$70,000 reduction in funding (compared to the Schafer recommendation) relates to data gathering services and is included in the Hoeven

recommended budget for the Information Technology Department. House Bill No. 1157 has not been amended at this date. Consequently, that bill provides the commission other funds spending authority of

\$575,192 from the quality schools fund, as stated above. The \$575,192 other funds appropriation from the quality schools fund is not reflected in the Hoeven recommendation for all appropriated funds.

ATTACH:1