

**2017 HOUSE APPROPRIATIONS**

**HB 1001**

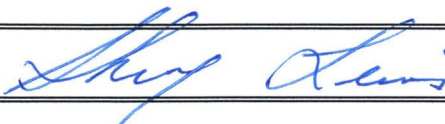
# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Government Operations Division Medora Room, State Capitol

HB1001  
1/11/2017  
Recording Job# 26787

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a legislative management report.

### Minutes:

Attachment A

**Chairman Brandenburg:** Opened the hearing on HB1001 and HB1061.

**Ron Rauschenberger, Office of the Governor:** See testimony attachment A.

**Vice Chairman Boehning:** During the campaign, Governor Burgum said that he wasn't going to take a salary. Is he still not going to take a salary and is that reflected in this budget?

**Ron Rauschenberger:** The salary is in the budget; but, he has made it very clear that he is not going to accept the salary. The scenario is if someone is in an accident and the Lieutenant Governor steps up to be Governor; they are probably going to accept a salary. Therefore, it has to be there in case that would happen; because you are not in session to appropriate that.

**Representative Kempenich:** If it didn't get used in this biennium it would be turned back?

**Ron Rauschenberger:** That's a possible scenario; based on outcomes and other things.

**Representative Nathe:** Do you foresee with the new Governor any additional FTE requests or any FTE decreases?

**Ron Rauschenberger:** At this time I don't.

**Representative Nathe:** When we look at the budget, we can stick at 18; it's not going to go up or down. We're going to base it off of the 18?

**Ron Rauschenberger:** Correct.

**Vice Chairman Boehning:** You said you're working with some language to turn back the salary. Is he going to be taking health insurance? How is this thing going to work because there's taxes involved? I assume you're going to have to pay him so he's an employee. I would assume there has to be some very technical language in this.

**Ron Rauschenberger:** That is still under review by the attorney general. We've asked him to make sure that everything is very specific and clarified; so we do it in the exact way including the law.

**Vice Chairman Boehning:** Are you going to be drafting some language for us that the money will be turned back; so we have that in this bill as well? Is that going to come in a separate bill?

**Ron Rauschenberger:** I think that would be either in our bill or OMB's bill after we get Wayne's specifications. The turn back can be clarified at that time also. We have not gotten the specifics back from attorney general's office.

**Representative Nathe:** In HB1061, we just heard this morning from John Boyle that the Governor will stay in the current residence until the new one is done. Do you see a need for that \$50,000.00?

**Ron Rauschenberger:** I don't and that was turned back during the allotment.

**Representative Vigesaa:** In both bills there's \$10,800.00 for the Roughrider awards that's been added. Can you explain that please?

**Ron Rauschenberger:** As you know the Governor is allowed to, along with the concurrence of the State Historical Director and the Secretary of State, to nominate and induct a Roughrider member. That involves costs of mainly the paintings. An artist in Minot does all the paintings and that's the biggest part of the expense of that.

**Representative Vigesaa:** Is that an award that's done every biennium or is it just as the Governor sees fit? If it's not used it's carried over to the next biennium?

**Ron Rauschenberger:** There's no set time or any amount of inductees. You have to stay within your budget; but some have gone over two years before they've inducted another one. Some of them induct one a year. There's no set timetable; it's all based on applications that people send in for consideration by the Governor.

**Representative Delmore:** It looks like desktop hardware is still on the 2017 along with the Governor's temporary housing. Could someone help me figure that out?

**Lori Laschkewitsch, Fiscal Analyst, Office of Management and Budget:** That's in HB1015; they carried the same amount over that's in the current biennium. In HB1061, you'll see that there is no housing and desktop hardware is eliminated. The only thing remaining in the budget is the ongoing costs for the desktop. We do not carry over the money from the Roughrider Award, that money gets turned back to the general fund if it's not spent in the biennium.



**Representative Nathe:** I see in operating expenses who is the consultant in DC and what did they do?

**Ron Rauschenberger:** The consultant was Krista Carmen with Carmen Consulting. We've worked with Krista for over 10 years. We gave her our priorities. Ed Schaefer had consultants also.

**Representative Nathe:** What did she do for the state?

**Ron Rauschenberger:** She provided her own office phone; all those types of expenses. Her cost to us was \$65,000.00 a year. She attended many of the hearings in DC; especially on the legislation we asked her to track on the health care changes, Obama Care; it was very critical that we had boots on the ground there. It saved us sending people out every week to those hearings. She tracked that and we got updates. She also interacted a lot with NGA. She tracked all of that on the energy side as well for us.

**Representative Nathe:** Do you think it's a mistake that we cut this back?

**Ron Rauschenberger:** It's going to be a bigger workload on our end.

**Representative Nathe:** Do you see this coming back when times are better here?

**Ron Rauschenberger:** I think it just depends on how time goes.

**Representative Kempenich:** Does this person work on a case by case basis? Are there funds available on a case by case?

**Ron Rauschenberger:** It would be helpful on a certain case by case basis; especially with the new administration. This contract by law has to go through operating; so there really is not any room in this operating budget for us even to do hardly any case by case at this time.

**Vice Chairman Boehning:** If the Governor is going to have some turn back of his we might be able to do some language that part of that would be used for this purpose. We would still have a savings to turn back to the state.

**Ron Rauschenberger:** I know that this contract person would be willing and could do case by case if that was ever the point.

**Representative Kempenich:** If it is something that would take a day or two, you're going to have \$5,000.00 in a few days.

Ron Rauschenberger made introductions of staff for the Governor.

**Representative Nathe:** Will we get a list of salaries in the Governor's office?

**Ron Rauschenberger:** Lori can provide that to you.



**Representative Brabandt:** What is your title?

**Jody Uecker, Governor's Office:** My title is chief operating officer.

**Chairman Brandenburg:** Closed the hearing on HB1001.

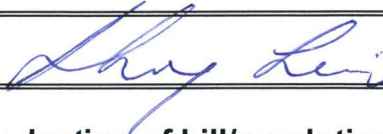
# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Government Operations Division Medora Room, State Capitol

HB1001  
2/3/2017  
Recording Job# 27869

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a legislative management report.

### Minutes:

Attachments A and B

**Chairman Brandenburg:** Opened the hearing on HB1001 and HB1061.

**Chairman Brandenburg:** Explained proposed changes. See attachment A.

**Ron Rauschenberger, Office of the Governor:** We eliminated the FTE in DC; which was approximately \$135,000.00. We also eliminated close to \$270,000.00 in salaries. We're mostly a salary agency, we don't have any program dollars.

**Chairman Brandenburg:** What is the total reduction? Is it \$109,000.00?

**Brady Larson, Fiscal Analyst, ND Legislative Council:** The Burgum executive budget would be a reduction of \$109,000.00 from the adjusted base levels for 2015-2017.

**Representative Vigesaa:** If we don't do the 5% of health, it would only be \$83,000.00.

**Chairman Brandenburg:** If we gave an increase in wages, we could probably do the health insurance.

**Representative Vigesaa:** The Roughrider Award is in the base budget for \$10,800.00. How would the governor's office feel if that was removed in this next biennium?

**Ron Rauschenberger:** I think that's a tradition that for \$10,000.00 is very vital to North Dakota. We do honor our historians are people that are greatly recognized for great things they've done in the state. I think it would be a great honor to continue that for that amount of money. In Governor Hoeven's last year of administration, we had a Roughrider reunion and all of those people traveled back and had them interact with college students for a day and half.

**Representative Vigesaa:** Do we average a Roughrider Award per biennium?

**Ron Rauschenberger:** I think Governor Dalrymple did about four in six years. This is not only picked by the governor; the secretary of state and head of the historical society have to agree on the nomination and have a unanimous agreement on the recipient.

**Representative Nathe:** In the ongoing general fund appropriations that were done for this biennium, the 2015-2017, we had added funding for desktop support services at a little over \$52,000.00. Is that currently in this budget?

**Lori Laschkewitsch, Fiscal Analyst, Office of Management and Budget:** The desktop services are included in this budget; it was in the base and there was no change to it. It was funded in the current biennium.

**Representative Nathe:** Is that something that we need to keep going with?

**Lori Laschkewitsch:** Yes. There isn't any staff in the governor's office that does any of the IT; ITD has always done the governor's office technology.

**Representative Nathe:** In the two previous biennium I see there was nothing allocated for it.

**Lori Laschkewitsch:** They were staggering it into the budgets in the current biennium; so we needed to put the full amount for the 24 months in this budget for ongoing. We were just having to figure out a way to pay for the services as we got them in the current biennium.

**Representative Nathe:** ITD is charging \$52,000.00 for this?

**Lori Laschkewitsch:** That's correct.

**Representative Kempenich:** If you look at the 2013-2015 budget we had \$72,000.00, it went to \$150,000.00 this current biennium and we dropped it to \$114,000.00 for the current biennium. So it adds \$50,000.00.

**Lori Laschkewitsch:** That's correct. There was some one-time to purchase the computers; so we don't need to keep paying that extra amount. In trying to get to the 90% budget, we had to trim as much as we possibly good.

**Representative Kempenich:** There's \$10,000.00 in the contingency fund. What's that for?

**Lori Laschkewitsch:** The \$10,000.00 contingency was included in the 2017-2019 budget. There was \$5,000.00 allotted in the 2015-2017; that's why you see the \$5,000 is on your sheet. In order to get it restored from the allotment back to the \$10,000.00 it has to be included.

**Chairman Brandenburg:** The governor and lieutenant governor's salary increases as well as the salary. Is the salary in the budget?



**Ron Rauschenberger:** Yes it is.

**Chairman Brandenburg:** It needs to be in there.

**Ron Rauschenberger:** We do have an amendment for that.

**Representative Delmore:** Why is it that the governor's dues for various organizations; why is that and the first lady's FTE in OMB and not in the governor's budget?

**Ron Rauschenberger:** That was started in the Schaefer years. I think part of it was having a separate office area for the first lady and support staff. It was available in OMB and they felt it would be better under that budget. The dues since the Schaefer days have always been in those areas. They do all of our accounting; so we have them take care of that for us.

**Representative Kempenich:** You use DOT for travel quite a bit; but, the travel you have in the governor's budget, what does that consist of?

**Ron Rauschenberger:** The travel in the governor's budget is used more for the rooms or if you take commercial flights and any time we go to meetings over the state. When we use the governor's plane, that goes through DOT.

**Chairman Brandenburg:** On this amendment, are you putting the money aside? What does this amendment do?

**Lori Laschkewitsch:** See attachment B.

**Chairman Brandenburg:** I don't think we want to leave it zero.

**Lori Laschkewitsch:** The money would still be in the budget in the event something occurred.

Lori Laschkewitsch continued with her testimony.

**Chairman Brandenburg:** Where are we with the pay increases?

**Representative Kempenich:** It's zero and zero.

**Representative Vigesaa:** If we don't raise the salaries at all, would section four even be in HB1001?

**Lori Laschkewitsch:** No it wouldn't.

**Chairman Brandenburg:** What if he wants to use this money to hire somebody? Does this give him that ability to do that or is this just not used and it's there for next biennium?

**Lori Laschkewitsch:** The money is still in the appropriation. The governor stated that he intends for that money to be turned back at the end of the biennium if he is still governor.

**Ron Rauschenberger:** You really need to have that rollout in case something happens.

**Representative Nathe:** There's a lot of discussion about the bonuses. Are the same amounts that were in the previous administration's budget also in this budget?

**Ron Rauschenberger:** The bonuses were in the 2013-2015 biennium; they were roll up dollars. There's no special amount or anything in there. There won't be any dollars for that now.

**Representative Nathe:** So no money for bonuses?

**Ron Rauschenberger:** No.

**Chairman Brandenburg:** Closed the hearing.

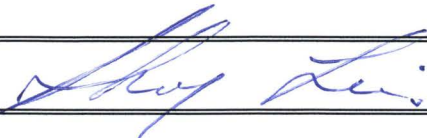
# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Government Operations Division Medora Room, State Capitol

HB1001  
2/6/2017  
Recording Job# 27913

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a legislative management report.

### Minutes:

Attachments A and B

**Chairman Brandenburg:** Opened the hearing on HB1001 and HB1061.

**Chairman Brandenburg:** Discussed attachments A and B.

**Chairman Brandenburg:** Did we leave salaries and wages alone?

**Brady Larson, Fiscal Analyst, ND Legislative Council:** The reduction you see here would be the reductions that were made as part of the governor's office budget request. They had reduced the amount of salaries and wages funding in their budget.

**Chairman Brandenburg:** What's the \$83,000.00?

**Brady Larson:** The \$93,000.00 is just a general overall reduction in salaries and wages for the office.

**Lori Laschkewitsch, Fiscal Analyst, Office of Management:** The reduction was in order to meet the 90% budget request. We did not eliminate an FTE; we just cut the salaries back and removed most of the temporary salaries.

**Chairman Brandenburg:** Which we did for everyone else. Correct?

**Lori Laschkewitsch:** With the 90% budget, agencies were able to come in; whether they were adjusting salaries or operating.

**Chairman Brandenburg:** Everyone is a little different then?

**Lori Laschkewitsch:** That's correct.



**Chairman Brandenburg:** What's footnote 3?

**Brady Larson:** It's a general reduction in operating expense that was made in order to reach the 90% budget.

**Chairman Brandenburg:** The contingencies were \$5,000.00 restored to \$10,000.00.

**Brady Larson:** As part of the August 2016 budget reductions, the governor's office reduced contingencies from \$10,000.00 to \$5,000.00. This just shows that it's being restored to its prior level.

**Chairman Brandenburg:** We've had discussions on this about the governor's salary. We're going to leave it alone the way the bill is.

**Brady Larson:** That's correct, the salary level of the governor and lieutenant governor would be at the current level as provided in statute.

**Chairman Brandenburg:** The recommendation from leadership was that this would be a good PR program for the governor if he wants to give to children's benefits or give his salary away.

**Representative Nathe:** So the contingency line of \$10,000.00. What would that be used for? We had it at \$5,000.00 and restored it back to \$10,000.00.

**Lori Laschkewitsch:** The contingency line has been at \$10,000.00. We reduced it to \$5,000.00 with the allotment. That's why it has to show up here as an add back in order to get it back to the \$10,000.00.

**Representative Nathe:** What would that be used for?

**Lori Laschkewitsch:** In the event that there were expenses that they needed to handle; that they can't handle because of the reductions in that budget, they would have that available.

**Representative Brabandt:** If you go off the executive budget recommendation by Governor Burgum, if take \$3,985,149.00 and add the 5% health insurance back in in the amount of \$26,238.00, you come up with \$4,011,387.00.

**Representative Brabandt:** Made a motion to move the proposed amendment.

**Vice Chairman Boehning:** Seconded the motion.

Voice vote made.

Motion Carried.

**Representative Brabandt:** Made a motion for a "Do Pass as Amended".

**Vice Chairman Boehning:** Seconded the motion.

**Roll Call Vote:** 6 Yeas 0 Nays 1 Absent

**Motion Carried.**

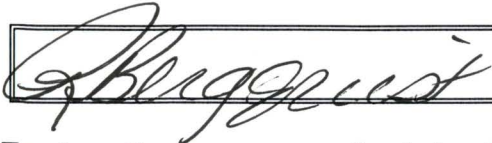
**Chairman Brandenburg:** Closed the hearing.

# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1001  
2/14/2017  
28372

- ☐ Subcommittee  
☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Minutes:

**Chairman Delzer:** Opened Committee Meeting on HB 1001. 17.0486.01001.

**Representative Brabandt:** HB 1001 is the governor's office budget. It is a small budget. The governor's office has maintained 18 FTE's since the 2011-2013 and has been costly since the 2011-13 biennium. The cuts were made for a total of \$83,172 in reductions 1:31.

**Chairman Delzer:** So what do they have \$10,000 contingency fund for the governor's office?

**Representative Boe:** In the case of an emergency was the answer I got when I asked.

**Larson, Brian: LC:** You were correct in the August 3, 2016 budget reductions; contingency funding of \$5,000 was removed. So this is just restoring it back to the same level it was.

**Chairman Delzer:** Do we know what they have spent on that contingency line over the last few sessions.

**Representative Brandenburg:** Sometimes they have meetings they have to attend and some unexpected travel expenses.

**Chairman Delzer:** Well those should not be contingencies. I am sure they have travel in their operating. They pulled the lobbyist out of Washington? How much money was that?

**Representative Brabandt :** That is like \$93,000.

**Chairman Delzer:** That is your salaries and wages fund? You have a negative \$93,000 there; where does that come from?

**Representative Brabandt:** There will be a consultant in Washington, DC. That is correct.



**Chairman Delzer:** That wasn't salary? That would have been an operating line. Has Governor Burgum filled all the 10 position.

**Representative Brabandt:** They are full,

**Chairman Delzer:** Are these numbers correct or should they be switched around?

**Larson, Brady: LC:** You would have to combine the August 3, 2016 reductions to get another picture. In salaries and wages, there is \$126,000 in August, plus another \$93,000 for operating expenses and in August they would be reduced. \$13,000 and an additional \$45,000 on top of that.

**Chairman Delzer:** The lobbyist in Washington is gone and they are not going to hire another.

**Representative Boehning:** They got rid of them this fall, so there was a little bit of money left in there.

**Representative J. Nelson:** Regarding the lobbyist, that was a salary line? No it was in operating, where's the rest of the operating money that would have been saved; there would be about eight, nine months?

**Chairman Delzer:** You are showing the amount for reduction is \$45,000. It must have been part of the adjustments of the allotment for the lobbyists. There should have been a larger operating reduction.

**Representative J. Nelson:** That was basically travel.

**Representative Boehning:** That was considered under professional services and operating expenses of \$159,000 previous biennium. They are going to leave some money in there so they can lobby on Washington in house currently.

**Representative J. Nelson:** There was some talk about the dues to the governor's association. Where is that at?

**Chairman Delzer:** That's in OMB. Is there further discussion on the amendment?

**Representative Brabandt:** Made a motion to Adopt Amendment 17.0486.01001- HB 1001.

**Representative Boehning:** seconded the motion.

**Chairman Delzer:** We have a motion to amend HB 1001B made by Rep. Brabandt and seconded by Rep. Boehning. Is there further discussion? Say none. All those in favor signify by saying Voice vote, all in favor. Motion carries to adopt amendment.

**Representative Martinson:** I would like to further amend; I move that we take an FTE and remove \$150,000 out of salary line item. If I get a second, I will explain my thoughts.

**Representative Schmidt:** seconded the motion.

**Chairman Delzer:** We have a motion by Rep. Martinson, seconded by Rep. Schmidt. You were talking \$150,000 out of salary line items; anything out of operating expenses to go with it?

**Representative Martinson:** Well, I am not sure. I ask Brady Larson to help me in this.

**Larson, Brady: LC.** These positions generally would have a lot of operating tied to them as you would see budgets. It would be a minimal amount.

**Representative Brabandt:** Leadership wanted to have this budget pretty much intact.

**Representative Martinson:** I really feel strongly about this. I know that the other committees have worked as hard as we have and we are taking FTE's out of every single budget we're looking at. I was just told today by President Skogen at BSC that they are having to lay off another 20 employees, real people that they will cut from their budget if the bill passes as the senators passed it. A FTE has not been cut from Governor's Office. He asked us to cut \$180 some million dollars from the budget and I think that that budget should be immune from a FTE. That is my reasoning and I hope I can get some support.

**Representative Brabandt:** Leadership wanted this budget to remain fairly intact.

**Representative Martinson:** We are here every day listening to testimony and making the best decisions that we can make. If someone else doesn't like it, they can vote against it. For me it is not a reason why not to take a FTE out of a budget.

**Chairman Delzer:** I am not sure it's the only one, maybe in the general fund. Everyone has their vote and it is up to everyone's decision to how to proceed with this. The amendment is certainly in order and it is up to us to vote how we want. Is there further discussion? None. All those in favor of adopting amendment on HB 1001, 17.0486.01001, signify by saying Voice Vote all in in favor.

Voice vote motion carries.

**Chairman Delzer:** Any further amendments to make.

**Representative Brabandt:** I would make a motion to Do Pass As Amended.

**Representative Brandenburg:** seconded the motions.

A Roll Call vote was taken. Yea: 16      Nay: 2      Absent: 3

**Representative Boehning:** Floor Assignment



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, replace lines 11 through 15 with:

"Salaries and wages	\$3,735,049	(\$42,918)	\$3,692,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Total general fund	\$4,094,559	(\$83,172)	\$4,011,387"

Page 1, after line 16, insert:

**"SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$50,086 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$3,735,049	(\$42,918)	\$3,692,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough Rider Awards	10,800		10,800
Total all funds	\$4,094,559	(\$83,172)	\$4,011,387
Less estimated income	0	0	0
General fund	\$4,094,559	(\$83,172)	\$4,011,387
FTE	18.00	0.00	18.00

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

	Adjusts Salaries and Wages Funding <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Adjusts Funding for Operating Expenses <sup>3</sup>	Restores Contingencies Funding <sup>4</sup>	Total House Changes
Salaries and wages	(\$93,004)	\$50,086			(\$42,918)
Operating expenses			(45,254)		(45,254)
Contingencies				5,000	5,000
Rough Rider Awards					
Total all funds	(\$93,004)	\$50,086	(\$45,254)	\$5,000	(\$83,172)
Less estimated income	0	0	0	0	0
General fund	(\$93,004)	\$50,086	(\$45,254)	\$5,000	(\$83,172)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted for salaries and wages, including base payroll changes, as requested in the executive budget recommendation.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.



<sup>3</sup> Funding for operating expenses is reduced as requested in the executive budget recommendation.

<sup>4</sup> Funding of \$5,000 for contingencies that was reduced as a result of the August 2016 budget reductions is restored to provide total contingencies funding of \$10,000.

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This amendment also adds a section detailing the amount of funding provided to the agency for employee health insurance premium increases.

2/17/17  
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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$192,918)	\$3,542,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Total general fund	\$4,094,559	(\$233,172)	\$3,861,387
Full-time equivalent positions	18.00	(1.00)	17.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$50,086 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	House Changes	House Version
Salaries and wages	\$3,735,049	(\$192,918)	\$3,542,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough Rider Awards	10,800		10,800
Total all funds	\$4,094,559	(\$233,172)	\$3,861,387
Less estimated income	0	0	0
General fund	\$4,094,559	(\$233,172)	\$3,861,387
FTE	18.00	(1.00)	17.00

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

	Adjusts Salaries and Wages Funding <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes 1 FTE Position <sup>3</sup>	Adjusts Funding for Operating Expenses <sup>4</sup>	Restores Contingencies Funding <sup>5</sup>	Total House Changes
Salaries and wages	(\$93,004)	\$50,086	(\$150,000)			(\$192,918)
Operating expenses				(45,254)		(45,254)
Contingencies					5,000	5,000
Rough Rider Awards						
Total all funds	(\$93,004)	\$50,086	(\$150,000)	(\$45,254)	\$5,000	(\$233,172)
Less estimated income	0	0	0	0	0	0
General fund	(\$93,004)	\$50,086	(\$150,000)	(\$45,254)	\$5,000	(\$233,172)
FTE	0.00	0.00	(1.00)	0.00	0.00	(1.00)

<sup>1</sup> Funding is adjusted for salaries and wages, including base payroll changes, as requested in the executive budget recommendation.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> One FTE position and funding of \$150,000 from the general fund is removed.

<sup>4</sup> Funding for operating expenses is reduced as requested in the executive budget recommendation.

<sup>5</sup> Funding of \$5,000 for contingencies that was reduced as a result of the August 2016 general fund budget reductions is restored to provide total contingencies funding of \$10,000.

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This amendment also adds a section detailing the amount of funding provided to the agency for employee health insurance premium increases.



Date: 2-6-17  
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB1001

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: 17.0486.01001

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Rep Brabandt Seconded By Vice Chairman Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigasaa					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent: Restore contingency fund to  
motion denied \$10,000.00

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB1001**

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Representative Brabandt Seconded By Vice Chairman Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg	X		Representative Delmore	X	
Vice Chairman Boehning	X				
Representative Brabandt	X				
Representative Nathe	X				
Representative Kempenich					
Representative Vigesaa	X				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Representative Brabandt

If the vote is on an amendment, briefly indicate intent:  
To restore contingency fund to \$10,000.00

Date: 2/14/2017  
Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1001**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 17.0486.01001

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Representative Brabandt Seconded By Representative Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**Motion Carries**



Date: 2/14/2017  
Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1001**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: Remove another FTE and 150 thousand dollars

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Representative Martinson Seconded By Representative Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**Motion Carries**

Date: 2/14/2017  
Roll Call Vote #: 3

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1001**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Representative Brabandt Seconded By Representative Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X		Representative Streyle	A	
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt		X			
Representative Brandenburg	X				
Representative Kading	X		Representative Boe	X	
Representative Kreidt	A		Representative Delmore	X	
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	A				
Representative Nathe	X				
Representative J. Nelson		X			
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 16 No 2

Absent 3

Floor Assignment Representative Boehning

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

**Motion Carries**

**REPORT OF STANDING COMMITTEE**

**HB 1001: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 2 NAYS, 3 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$192,918)	\$3,542,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Total general fund	\$4,094,559	(\$233,172)	\$3,861,387
Full-time equivalent positions	18.00	(1.00)	17.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$50,086 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	House Changes	House Version
Salaries and wages	\$3,735,049	(\$192,918)	\$3,542,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough Rider Awards	10,800		10,800
Total all funds	\$4,094,559	(\$233,172)	\$3,861,387
Less estimated income	0	0	0
General fund	\$4,094,559	(\$233,172)	\$3,861,387
FTE	18.00	(1.00)	17.00

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

	Adjusts Salaries and Wages Funding <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes 1 FTE Position <sup>3</sup>	Adjusts Funding for Operating Expenses <sup>4</sup>	Restores Contingencies Funding <sup>5</sup>	Total House Changes
Salaries and wages	(\$93,004)	\$50,086	(\$150,000)			(\$192,918)
Operating expenses				(45,254)		(45,254)
Contingencies					5,000	5,000
Rough Rider Awards						
Total all funds	(\$93,004)	\$50,086	(\$150,000)	(\$45,254)	\$5,000	(\$233,172)
Less estimated income	0	0	0	0	0	0
General fund	(\$93,004)	\$50,086	(\$150,000)	(\$45,254)	\$5,000	(\$233,172)
FTE	0.00	0.00	(1.00)	0.00	0.00	(1.00)

<sup>1</sup> Funding is adjusted for salaries and wages, including base payroll changes, as requested in the executive budget recommendation.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> One FTE position and funding of \$150,000 from the general fund is removed.



<sup>4</sup> Funding for operating expenses is reduced as requested in the executive budget recommendation.

<sup>5</sup> Funding of \$5,000 for contingencies that was reduced as a result of the August 2016 general fund budget reductions is restored to provide total contingencies funding of \$10,000.

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This amendment also adds a section detailing the amount of funding provided to the agency for employee health insurance premium increases.

**2017 SENATE APPROPRIATIONS**

**HB 1001**

# 2017 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1001  
3/17/2017  
Job # 29374

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Sandy Baumgartner for Rose Tanning*

### Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the office of the governor;

### Minutes:

Testimony Attached # 1.

Legislative Council: Brady Larson  
OMB: Lori Laschkewitsch

**Chairman Holmberg** called the committee to order on HB 1001. Roll call was taken. Go over some bills this morning that we would be able to pass out next week. Game and Fish will meet on what kinds of things they want along with the ag dept. the labor commissioners, securities commissioners, P&A, and RIO. We want to start passing out bills soon.

**Senator Bowman** took over as Chairman Holmberg had to leave for a meeting.

**Ron Rauschenberger, Office of the Governor** Testimony Attached # 1. Asking for support for the budget recommendation for the Office of the Governor.

**Lori Laschkewitsch, OMB:** Walking thru the budget on page 2 of testimony.

**Senator Sorvaag:** Is that the position that is open?

**Lori Laschkewitsch:** Yes, thought having lost the \$267,000 funding in the 90% budget has caused some difficulties for the hiring process.

**Senator Erbele:** Where Mr. Rauschenberger asked for restoring the funding, what position are you hoping to fill?

**Ron Rauschenberger:** That would be part of the senior staff that I am helping them with during the transition. Our positions are very fluid. We are involved in a number of different areas. We are kind of the hub of everything. When there is a call whether it is a highway or flooding problem whatever it may be, usually the first call comes to the governor's office and then we work with our agencies. So we are really a semi-constituent service. Then go out to spokes and speak with agencies. During the highpoints of DAPL, we were averaging 922



calls on some days, and many from out of state. On the FTE, we eliminated one staff person. That is about 5-6 reduction of our staff. We are very low staffed. They did a lot of work on national governors, and federal policy, they did a lot of work. We are now doing it out of the office and absorbing that within our office.

**Senator Grabinger:** That 5% for medical, is that included that in House version?

**Lori Laschkewitsch:** They restored that in the House. Continued with testimony. We reduced salaries by \$267,897.00. We are small agency so most reduction was salaries. (11:21)

**Senator Oehlke:** The amendment that addresses the Gov. salary down to zero, have you asked anyone in Legislative Council how that affects benefits? If you are at a zero salary are you an employee or not anymore and are you eligible for health insurance, disability and retirement benefits? Do those go out the window too? Does that create an issue in terms of what happens if there is a car accident and our governor is injured? Who is responsible for picking those kinds of things?

**Ron Rauschenberger:** We have checked out and he's still allowed to have insurance and the others like workers comp.

**Senator Oehlke:** When there is no salary, how does workers comp pay you a benefit?

**Lori Laschkewitsch:** We have a requirement to pay workers comp, even though we have volunteers. Like situations like Dapl or flooding or volunteers helping with emergency services. Although they are volunteers, the state is required to pay workman's comp. The workers comp isn't based on a salary amount. It is based on a job code.

**Senator Oehlke:** It is one thing to pay the injury and medical expenses, what about disability side of it? That might sound great until somebody gets hurt. Once in a while the state gets sued and we pay out some really big dollars. We don't want to be in the middle of one. If this is going to create issues I don't know if we should go down that route.

**Lori Laschkewitsch:** He is covered by workers comp and we are paying an amount. I will look into that amount. I'll check with payroll division to see exactly how that it. I do know that there is a premium being paid as an employee.

**Vice-Chair Bowman:** He could possibly take a check, endorse it and give it back to the state.

**Senator Oehlke:** I don't know if this amendment covers that. I agree with you. I think there is a way to solve the problem.

**Vice-Chair Bowman:** We will have the sub-committee check that out.

**Lori Laschkewitsch:** (15:39) The next page is the change for the Senate appropriations committee and that is where we ask to restore the budget to Gov. Burgum's recommendation. It is the restoring the 150,000 dollars reduced by the House, and restoration of one FTE reduced by the House.

**Ron Rauschenberger:** That completes my formal testimony also. I will answer any questions.

**Senator Mathern:** I appreciate your comments of the staff taking care of all the issues. Could we have a primary portfolio of everyone's portfolios of all of the staff? It would be very helpful so that are even more efficient in many requests versus me contacting someone there? Could you share?

**Ron Rauschenberger:** Yes, we could get you a document of the staff and which agencies they track, like Environmental Sciences, Water, Education K-12 and higher ed. Their portfolios are to meet with those agencies and talk about legislation. But also though out the year to work with them on any issues in that area. When someone comes to our office with a problem, say water. We'll get you that list. Sometimes you'll see two or three names on an agency. Like in the Health Dept. where there are certain physical health things and the environmental side.

**Senator Wanzek:** When the House discussed the proposed amendment what was some of the discussion and why didn't they adopt it? I'd like to accommodate the current governor, but is there a precedent where candidates can't afford to relinquish a salary. What was the discussion in the House?

**Ron Rauschenberger:** Governor Hoven and Lieutenant Governor Dalrymple didn't accept pay raises certain years in the early 2000s when things were tight. There was no problem. Gov. Hoven did it and Jack went along. I don't know if they totally explained why. They felt it could be donated. That wasn't the purpose of this. There is some precedent for certain things like this.

**Lori Laschkewitsch:** As far the concern that future governors are setting a precedent the language in Section 7 about an expiration date causes us to either expire at the end of this first term. This would revert back to the original salary if there was another governor

**Senator Wanzek:** I am concerned politically for future candidates who don't have the means. What about a transfer of funding source? What if we word it so we decrease the general fund and then have special funds? Is there a way you could have him relinquishing his salary back to special funds?

**Lori Laschkewitsch:** You mean donate it back to the office in a special fund?

**Senator Wanzek:** It is just a thought.

**Senator Robinson:** I have been on the committee since 1991. We've never as a committee felt that it was in order for us to make significant changes to the governor's budget and office. It's something that we've had a tradition of accepting the budget as it is for the most part. We've only got one governor. It's something we should be sensitive to, but don't want to micromanage the governor's office.

**Ron Rauschenberger:** Thank you very much. That was actually the opinion of the Governor's Operations Committee. They took it to full appropriations and there was a



reduction of \$50,000 at the last minute. Governor Operations Committee had the same thought as you did.

**Senator Dever:** I have constituents that think legislators shouldn't be paid either. I do have some concern about the precedence. We shouldn't send a message that you don't have to be wealthy to be Governor. Maybe the governor can donate it to charity. My understanding is that the Governor has a different approach in the office as to how its managed. I'd be interested in how its structured and how it is working.

**Ron Raushenberger:** I think it's working well. Jodee Hanson and Jodi Uecker have divided things out for chief operating and chief management. The governor has been involved with things personally. Everyone is a little different. I helped Ed Schafer a little bit in an intern basis and served on a board for 7 years. I ran into him a while back and everybody has a different style. I just take a few months, but after that it flows well. This one will too.

**Vice-Chair Bowman:** This is the governor's budget. Pass it. Done deal. Closed the hearing on HB 1001.



# 2017 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1001  
3/27/2017  
Job # 29711

☒ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Carie Winings for Rose Duing*

### Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the office of the governor;

Minutes:

**Legislative Council: Brady Larson**  
**OMB: Lori Laschkewitsch**

**Senator Hogue** called the sub-committee to order on HB 1001. Senators Dever and Mathern were also present. **Ron Rauschenberger, Office of the Governor** was present.

**Senator Hogue:** Asked Brady to give an overview of House changes to the bill.

**Brady Larson:** The House made a few adjustments to this budget. As part of the executive budget requests there were adjustments made to salaries and operating. The House did go along with those adjustments. They were part of the agencies budget reductions as part of the August 2016 special session. There was mainly one change that the House made and that was removing 1 FTE position, and that was \$150,000 from the general fund. All of the other adjustments that the House made were included in the executive budget recommendation.

**Senator Hogue:** We had asked Mr. Rauschenberger any visibility on the rationale for the House removing that FTE. Are you aware of what their thoughts were?

**Brady Larson:** The House member that made the motion felt that most agencies are experiencing a reduction of employees as part of the budget situation and he felt that the Governor's office should not be treated any differently. There was also a side note, as far as not actually removing a specific position and it was just kind of left up to the agency. The committee member that made the motion also noted that the Burgum revised executive budget recommendation had removed several FTEs from agency budgets without really specifically identifying what positions were to be removed and just left it to the discretion of the agency.

**Senator Hogue:** Mr. Rauschenberger, I know your position is that you would like to see that one FTE restored, is that correct?

**Ron Rauschenberger:** We would like to see the \$150,000 restored along with the FTE. We did eliminate our contract person FTE as well as a number of other reductions through the allotments and through the 10% reduction. We felt we had done a very good job of trimming our budget. It is very critical for us to have that flexibility of that \$150,000 in our budget after the other cuts were made. I think Lori has further information on that. They are in the area of \$500,000 or more of cuts. We have done a good job of following the direction of the previous Governor and the current Governor as well as keeping our office viable. Also, reducing the one person in DC and taking on the workload here.

**Senator Hogue:** At the full committee hearing there were some proposed amendments from the Governor's office. If the legislature does cut the Governor's salary to \$0, and we adopt these amendments, I wasn't clear on why the salary would be reinstated upon the Office of Management and Budget certifying to legislative council; what is the rationale in OMB certifying.

**Ron Rauschenberger:** I will let Lori answer that.

**Lori Laschkewitsch:** If this Governor was no longer serving, and the LT Governor would step into that position the salary would be reinstated.

**Senator Hogue:** I understand that part, but I am wondering - the new Governor would take office and when the oath of office is filed with the Secretary of State, so why wouldn't that be the time for this appropriation to spring back into effect?

**Lori Laschkewitsch:** Are you inquiring rather than certifying to the Office of Management and Budget? It could be any criteria that you wish. If that change occurred, we would somehow need to know to implement a salary for the next seated Governor.

**Senator Hogue:** We have a statute that sets out the Governor's budget and we also have the money in the Governor's budget. So, it is easy to figure out what to do with the statute; we just change the \$132,000 to a \$0 or \$1. What is the proposal for the money that is in the budget? Or, do you have one?

**Ron Rauschenberger:** My assumption would be that the money would stay in as roll-up, because if at any time you need those dollars for the LT Governor to move up and need a salary. Any dollars that are unused should go back at the end of the biennium.

**Senator Hogue:** Do we need to clarify that in the bill that is what the money would be used for?

**Ron Rauschenberger:** I think that is correct as far as what we plan to do with that money.

**Senator Holmberg:** You might want to interface with OMB, because the House put an amendment on OMB that any money that is not spent on a salary automatically is taken from the agency and they are essentially eliminating roll-up in OMB. Senator Dever is chair on that.



**Senator Hogue:** One thought that I had was to maybe have legislative intent put into this budget that specified that the money is to be appropriated for the salary and benefits of the Governor.

**Senator Holmberg:** Brady says yes so therefore it could work.

**Senator Hogue:** I also wanted to be clear, I know the Governor has requested that his salary be \$0, does that include all fringe benefits as well?

**Ron Rauschenberger:** The Governor is taking health insurance as a benefit.

**Senator Dever:** Is the membership in the National Governors Association and the Western Governors Association in this budget or in OMB's?

**Ron Rauschenberger:** That is part of OMB's budget for NGA and WGA.

**Senator Holmberg:** The House has determined that the only one organization is NCSL, and they are following what other states have done when budgets are tight. They have reduced NCSL dues by 10%. What you might see in OMB is consideration to do the same for CSG and these other groups. If that gives you a lot of heartburn, come to that meeting.

**Senator Mathern:** The comment you raised about the OMB certifying could be clarified in that you would just have the salary reduction effective until the Governor holding office on December 15<sup>th</sup> is no longer serving as Governor, or until December 15, 2020, whichever date is earlier. It really would be just no agency making any certification. I a little bit concerned if that is the case, there could be some difficulties coming up as to that certification process. I understand from conversations that the Governor wants this to apply just to the first term at this point and it is not for the entire part of how long the Governor would serve. Is that your understanding; that the state would be related to this term?

**Ron Rauschenberger:** My understanding is that this would be for his first term. The reason we need to have that money in there in case something was to happen to him and there is a LT Governor or if he would choose not to run again or would lose in the 2020 election, there is about 6 months of this biennium where a new Governor would be serving. You need to have that in there in that case.

**Senator Mathern:** Then the Governor would have to make the case to the citizens whether his promise was for 4 years or his entire time as Governor.

**Ron Rauschenberger:** Correct.

**Senator Hogue:** I think 4 years is getting a little ahead of ourselves. I mentioned the Secretary of State because no public official has the capacity to serve until they take that oath of office and walk it down to the Secretary of State. That is why I suggested that would be the more appropriate event that triggers this money to be used for salary.

**Ron Rauschenberger:** That is certainly up to you and the legal minds that have a much bigger perspective on that.



**Senator Dever:** I am curious about the idea of obligating this to 2 biennia in the legislature, or if it should be for 1.

**Senator Hogue:** We can't. The 66<sup>th</sup> Legislative Assembly could choose to put the money back into the budget. The language in that amendment, Section 7, while it purports to go out to 2020, of course it can't. We could change that.

**Senator Dever:** The 66<sup>th</sup> assembly probably should address it because there will be an election then.

**Senator Mathern:** This budget is really dealing with another branch of government that in our constitution we should do everything we can to keep some independence between the judiciary, legislative, and executive branch, and this is kind of the pinnacle of the executive branch. As such, I would agree that we create some intent language that we approve the language that there would be no salary. That is their request, and we go forward with the position reinstatement and I was thinking we should cut the Governor's health insurance by 5% at least but maybe that is playing games.

**Senator Dever:** I don't disagree. Speaking of the separate branches of government, I should mention that the Governor does have line item veto in budgets in the legislative assembly. We don't want to start a battle.

**Senator Hogue:** I think I heard a consensus.

Asked Brady to restore funding for the FTE, have the amendments for the springing of the money if a new governor takes office and files an oath of office with the Secretary of State, and then change that to be until December 15<sup>th</sup> of 2018 so the next legislative assembly can still set wages. Then the Governor's salary would be \$1 rather than \$0, based on advice of Samantha Cramer. We will put in legislative intent that says that if money is not used, it would be for the Governor's salary, and then the balance of the money that is associate with the Governor is fringe benefits and we will leave that in the budget.

**Senator Dever:** That sounds right to me.

**Senator Mathern:** Do we need to put in the Secretary of State? Essentially, we have a process for when there is a Governor and when there is not a Governor.

**Senator Hogue:** In the case of disability I don't know that we do. What happens if the Governor claims to have the capability to discharge the office but those around him think otherwise? (Brady indicated that the legal staff could look at it if need be.)

**Lori Laschkewitsch:** I was wondering on the date. Would you want that to be June 30<sup>th</sup> 2019 since we are not talking about his entire term but this next biennium.

**Senator Hogue:** Is that agreeable? (Other committee members indicated in the affirmative.) We may be overthinking this issue of OMB or Secretary of State, but I just thought that is the point at which someone has sworn in a new Governor. Closed the sub-committee on HB 1001.

# 2017 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1001  
3/29/2017  
JOB # 29776

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A DO PASS AS AMENDED for the Office of the Governor.

### Minutes:

1. Proposed Amendment # 17.0486.02004

**Chairman Holmberg:** called the Committee to order on HB 1001. All committee members were present. Adam Mathiak, Legislative Council, Brady Larson, Legislative Council and Lori Laschkewitsch, OMB were also present.

**Senator Hogue:** moved the Amendment # 17.0486.02004. 2<sup>nd</sup> by Senator Mathern.

**Senator Hogue:** We can give the governor what he asked for. We can reduce the governor's salary to \$1.00 and that will be retroactive back to the date that the governor took office, December 15, 2016. The reduction in salary will continue until the earlier of two dates and you see that in the Amendments. The two dates are December 14, 2020, which is the last day of the present governor's term of office or until a successor files their certificate, their oath of office with the North Dakota Secretary of State. If you recall, the governor staff had brought in a proposed amendment that proposed a triggering point with OMB and Legislative Council and we just thought it was more appropriate for the triggering event to be when the oath of office is filed with the Secretary of State to reinstate the salary back to it's present level. So are the amendments. There is an emergency clause in order to reach back and change the salary to \$1.00 going back to December of 2016.

**Chairman Holmberg:** Any discussion? Would you call the roll on the Amendment to 1001?

**A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0.**

**V. Chairman Bowman: Moved a Do Pass as Amended. 2<sup>nd</sup> by Senator Hogue.**

**Chairman Holmberg:** Call the roll on a Do Pass as Amended on 1001.

**A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0. Senator Hogue will carry the bill.** The hearing was closed on HB 1001.



CM  
3/29/17  
1 of 2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, line 2, replace "and" with "to amend and reenact section 54-07-04 of the North Dakota Century Code, relating to the salary of the governor;"

Page 1, line 2, after "report" insert "; to provide for retroactive application; to provide a contingent expiration date; and to declare an emergency"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$46,547)	\$3,688,502
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	<u>10,800</u>	<u>0</u>	<u>10,800</u>
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

Page 1, line 18, replace "\$50,086" with "\$46,457"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Page 2, after line 11, insert:

**"SECTION 5. GOVERNOR'S SALARY AND FRINGE BENEFIT FUNDING.** The salaries and wages line item in section 1 of this Act includes the sum of \$347,424 from the general fund which may only be used for salary and fringe benefit payments to the governor during the biennium beginning July 1, 2017, and ending June 30, 2019. Any portion of this sum which is not used for salary and fringe benefit payments to the governor must be canceled at the end of the biennium pursuant to section 54-44.1-11.

**SECTION 6. AMENDMENT.** Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-07-04. Salary of governor.**

The annual salary of the governor is ~~one hundred twenty-nine thousand ninety-one dollars through June 30, 2016, and one hundred thirty-two thousand nine hundred sixty-four dollars thereafter~~one dollar.

**SECTION 7. RETROACTIVE APPLICATION.** Section 6 of this Act applies retroactively to December 15, 2016.

**SECTION 8. CONTINGENT EXPIRATION DATE.** Section 6 of this Act is effective until the secretary of state notifies the legislative council that an individual who did not hold the office of governor as of December 15, 2016, has filed an oath of office to assume the office of governor, or until December 14, 2020, whichever date is earlier.

**SECTION 9. EMERGENCY.** Sections 6, 7, and 8 of this Act are declared to be an emergency measure."

Renumber accordingly



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 3/29/17  
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**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,735,049	\$3,542,131	\$146,371	\$3,688,502
Operating expenses	343,710	298,456		298,456
Contingencies	5,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758
Less estimated income	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758
FTE	18.00	17.00	1.00	18.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Restores 1 FTE Position <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$3,629)	\$150,000	\$146,371
Operating expenses			
Contingencies			
Rough Rider Awards			
Total all funds	(\$3,629)	\$150,000	\$146,371
Less estimated income	0	0	0
General fund	(\$3,629)	\$150,000	\$146,371
FTE	0.00	1.00	1.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

<sup>2</sup> One FTE position and related funding removed by the House is restored.

This amendment also adds a section providing the salary of the Governor is \$1 as of December 15, 2016. The section expires on December 14, 2020, or when a new Governor files an oath of office with the Secretary of State, whichever is earlier. A section is also added to require the Governor's office to turn back any unused 2017-19 biennium salaries and wages funding for the Governor's position at the end of the biennium.

Date: 3-29-17Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1001**

Senate Appropriations Committee☐ SubcommitteeAmendment LC# or Description: 17.0486.02004

Recommendation: ☒ Adopt Amendment  
☐ Do Pass    ☐ Do Not Pass    ☐ Without Committee Recommendation  
☐ As Amended    ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider    ☐ \_\_\_\_\_

Motion Made By Hogue Seconded By Mather

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	<input checked="" type="checkbox"/>		Senator Mather	<input checked="" type="checkbox"/>	
Vice Chair Krebsbach	<input checked="" type="checkbox"/>		Senator Grabinger	<input checked="" type="checkbox"/>	
Vice Chair Bowman	<input checked="" type="checkbox"/>		Senator Robinson	<input checked="" type="checkbox"/>	
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Wanzek	<input checked="" type="checkbox"/>				
Senator Kilzer	<input checked="" type="checkbox"/>				
Senator Lee	<input checked="" type="checkbox"/>				
Senator Dever	<input checked="" type="checkbox"/>				
Senator Sorvaag	<input checked="" type="checkbox"/>				
Senator Oehlke	<input checked="" type="checkbox"/>				
Senator Hogue	<input checked="" type="checkbox"/>				

Total (Yes) 14 No 0Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 3-29-17Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES**  
BILL/RESOLUTION NO. 1001

Senate Appropriations Committee☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
 Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Bowman Seconded By Hogue

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0Absent 0Floor Assignment Hogue

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



**REPORT OF STANDING COMMITTEE**

**HB 1001, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1001  
was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "to amend and reenact section 54-07-04 of the North  
Dakota Century Code, relating to the salary of the governor;"

Page 1, line 2, after "report" insert "; to provide for retroactive application; to provide a  
contingent expiration date; and to declare an emergency"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$46,547)	\$3,688,502
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	<u>10,800</u>	<u>0</u>	<u>10,800</u>
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

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Page 1, line 19, replace "\$1,249" with "\$1,241"

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The salaries and wages line item in section 1 of this Act includes the sum of  
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payments to the governor during the biennium beginning July 1, 2017, and ending  
June 30, 2019. Any portion of this sum which is not used for salary and fringe benefit  
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The annual salary of the governor is ~~one hundred twenty nine thousand  
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hundred sixty four dollars thereafter~~one dollar.

**SECTION 7. RETROACTIVE APPLICATION.** Section 6 of this Act applies  
retroactively to December 15, 2016.

**SECTION 8. CONTINGENT EXPIRATION DATE.** Section 6 of this Act is  
effective until the secretary of state notifies the legislative council that an individual  
who did not hold the office of governor as of December 15, 2016, has filed an oath of  
office to assume the office of governor, or until December 14, 2020, whichever date  
is earlier.

**SECTION 9. EMERGENCY.** Sections 6, 7, and 8 of this Act are declared to  
be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,735,049	\$3,542,131	\$146,371	\$3,688,502
Operating expenses	343,710	298,456		298,456
Contingencies	5,000	10,000		10,000
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Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758
Less estimated income	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758
FTE	18.00	17.00	1.00	18.00

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

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Salaries and wages	(\$3,629)	\$150,000	\$146,371
Operating expenses			
Contingencies			
Rough Rider Awards			
Total all funds	(\$3,629)	\$150,000	\$146,371
Less estimated income	0	0	0
General fund	(\$3,629)	\$150,000	\$146,371
FTE	0.00	1.00	1.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

<sup>2</sup> One FTE position and related funding removed by the House is restored.

This amendment also adds a section providing the salary of the Governor is \$1 as of December 15, 2016. The section expires on December 14, 2020, or when a new Governor files an oath of office with the Secretary of State, whichever is earlier. A section is also added to require the Governor's office to turn back any unused 2017-19 biennium salaries and wages funding for the Governor's position at the end of the biennium.

**2017 CONFERENCE COMMITTEE**

**HB 1001**



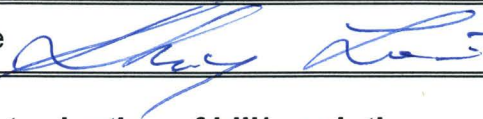
# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division  
Medora Room, State Capitol

HB1001  
4/11/2017  
30055

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to the salary of the governor; to provide for a legislative management report; to provide for retroactive application; to provide a contingent expiration date and to declare an emergency.

## Minutes:

See attachment A.

**Chairman Brandenburg:** Opened the conference committee on HB1001.

**Senator Hogue:** Explained the changes that the Senate made to the budget. See attachment A.

**Chairman Brandenburg:** When the House looked at it; we have two things that we're dealing with and that's the FTE's and the governor's salary. We understand the governor doesn't want to be paid. We had a discussion that maybe he could give it to a charity or for a benefit.

**Senator Mathern:** The money stays in the budget, we don't know how long this governor will serve and this amendment clarifies that. The money is there if there was another governor tomorrow for some reason, then the salary would be reinstated immediately. If this governor serves throughout his term, there would be roll over dollars that would be available for the House or someone to use for some other thing.

**Representative Kempenich:** In the past, what got a conversation going on the vacant FTE was what happened toward the end of the governor's term with the bonuses. We didn't like that; that the Senate let it go. We are going to have a hard time moving on a FTE because it was the trust that we had and that was used. In subsection we didn't take this out but in full section was where it came out. On the salary issue, it's because somebody can do this; but should they. Just because you can do something doesn't mean you should. The House is feeling you shouldn't go in this direction.

**Senator Dever:** Representative Kempenich mentioned a violation of trust to the House by the Senate? Am I correct on that?

**Representative Kempenich:** No, it was the former governor. Because we never did do much to the governor's budget in the past. With what happened, the trust as far as holding positions open, and there isn't any open position today. We felt that if they can do that with one, then we don't need one.

**Senator Dever:** That was a different governor. I'm not sure that this action, based on that action by the previous governor, sets us up for a position of trust with the current governor. We feel strongly that the FTE should be restored.

**Chairman Brandenburg:** So you have it set up that you pay \$1.00 per year?

**Senator Dever:** Yes.

**Chairman Brandenburg:** That money sits in the governor's budget; so if something would happen the money is there?

**Senator Dever:** Yes.

**Chairman Brandenburg:** Closed the conference committee.

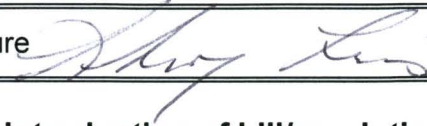
# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Government Operations Division Medora Room, State Capitol

HB1001  
4/20/2017  
Recording Job# 30253

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Relating to the salary of the governor; to provide for a legislative management report; to provide for retroactive application; to provide a contingent expiration date and to declare an emergency.

### Minutes:

See attachment A

**Chairman Brandenburg:** Opened the conference committee on HB1001.

**Chairman Brandenburg:** Explained attachment A.

**Senator Hogue:** I think as I suggested to you, it's very hard on this one to take that FTE out of there; particularly when you have the head of the agency in transition. It just seems unfair to the new agency head which happens to be the governor. That's why the Senate is kind of firm.

**Chairman Brandenburg:** I do remember that when they did the allotments they took out about \$250,000.00 and now we took out another \$150,000.00. We may have to have some discussion on that.

**Senator Hogue:** We're about five positions under South Dakota.

**Senator Dever:** We guard jealously the role of the legislative assembly and we talk about separation of powers. If we truly believe the roll of the legislative assembly and our ability to manage our affairs, we also need to recognize that in the executive branch.

**Senator Mathern:** I would encourage us to consider that. We accept the supreme court's budget, the executive budget and the legislative budget. The three branches try not to get into the way of those operating areas. The heads of all three of those branches stand for election and have to deal with the consequences.

**Chairman Brandenburg:** Closed the conference committee.



# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division  
Medora Room, State Capitol

HB1001  
4/20/2017  
Recording Job# 30262

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature
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## Explanation or reason for introduction of bill/resolution:

Relating to the salary of the governor; to provide for a legislative management report; to provide for retroactive application; to provide a contingent expiration date and to declare an emergency.

Minutes:

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**Chairman Brandenburg:** Re-opened the conference committee on HB1001.

**Chairman Brandenburg:** We're agreeable to give the \$150,000.00 back but not the FTE.

**Senator Hogue:** I'm still struggling with the loss of the FTE. When you look at this agency, it's 18 FTE's and their workload is so unpredictable. I'm not comfortable with them losing that FTE.

**Representative Kempenich:** Made a motion that the House accede to the Senate amendments.

**Chairman Brandenburg:** Seconded the motion.

**Roll Call Vote:** 6 Yeas 0 Nays 0 Absent

**Motion Carried.**

**Chairman Brandenburg:** Closed the conference committee.

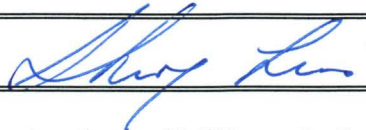
## 2017 HOUSE STANDING COMMITTEE MINUTES

### Appropriations Committee – Government Operations Division Medora Room, State Capitol

HB1001  
4/25/2017  
Recording Job# 30285

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature



#### Explanation or reason for introduction of bill/resolution:

Relating to the salary of the governor; to provide for a legislative management report; to provide for retroactive application; to provide a contingent expiration date and to declare an emergency.

#### Minutes:

**Chairman Brandenburg:** Opened the conference committee on HB1001.

**Chairman Brandenburg:** We're trying to find the answer because I've never had to deal with someone that doesn't want his pay. I respect the governor's position that he wants to save some money and that he wants to not take his pay. Some people think it's important that he takes the pay because of the position of the office. It is the executive branch of the government also; which is our front door of the state.

**Senator Mathern:** I feel like there's a certain amount of silliness that's been going on about this. If the governor doesn't want to take his pay, he should tear up his check and let other people deal with it; or he should write out a check to charity. I think we ought to move on and deal with that salary like we do with everyone else.

**Representative Kempenich:** The emergency measure will never get enough votes to get passed. This is backwards where most of state government is; it's always looking at how decrease the projected increases, it's never trying to decrease to something. On the \$347,000.00, it's the salary of office and it gets problematic to try to take that back. On the floor yesterday there were some passionate speeches because it is the office and not the person. On the House side we're talking about the office itself and not the person. I doubt if that emergency will ever carry on the House side even if we could get it passed; it's still an issue.

**Senator Hogue:** I want to be clear on the emergency. We need that for the retroactivity feature. I listened to the debate in the House and there was this notion that this is a bad precedent that we're setting. I've never heard an agency say that you gave us an additional six FTE's last year and you can't cut those because that's precedent. Every two years everything is on the table; all state laws and budgets are on the table; there's no such thing



as precedent. I can't abide by the notion that we're setting an irreversible precedent that we're going to be chained to for sessions to come.

**Chairman Brandenburg:** That's the issue that we have to deal with; we come back and have to deal with it every two years. By the comments that have been made, everyone is being respectful and has a position on this. It's not that we're saying anyone is wrong, it's more about how do we figure out how to do this. The governor feels strongly that he doesn't want the wage; it's not about the money, it's more about what he said and how he was going to do it.

**Senator Dever:** We did elect an unconventional person to serve as our governor. We're dealing with an unconventional situation. Representative Kempenich said that this is the salary of the office and not the governor; and I agree with that. My concern was the same, that you shouldn't have to be wealthy to serve as governor; but those concerns were relieved in the bill by the fact that the money stays in the bill and it's there for the future. One of the questions I had asked in Senate appropriations is if the governor took his salary and gave it back to the state, would it be tax deductible? My understanding of the tax is to make a charitable contribution, you can only do that up to 50% of your income. We may want to consider that going forward.

**Representative Kempenich:** It's the political part of this that gets danced around. I think that the fear of this is that it could be a political landmine. It could work both ways; if there's a precedence, it's probably in how it affects other races in the future. An easy way is to just donate it out or have a check back to the state a year from now. There's a lot of ways you can do this and not accepting or taking a salary.

**Senator Hogue:** I agree with Representative Kempenich. One of the things I got out of the debate in the House is that the governor's position is quite unique within our state government. His fundamental job is to lead. I think the governor is sincere in wanting to do this.

**Senator Mathern:** I think the Senate made an effort to put together a proposal that prevents the governor to express the leadership that Senator Hogue talked about. I think it was a fine proposal and the House rejected it. I think we should make this just like any other salary; let the governor do with the money what he wants. Hopefully, he gives it back.

**Chairman Brandenburg:** There are a lot of people that are thinking the same way.

**Chairman Brandenburg:** Closed the conference committee.



# 2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division  
Medora Room, State Capitol

HB1001  
4/25/2017  
30294

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to the salary of the governor; to provide for a legislative management report; to provide for retroactive application; to provide a contingent expiration date and to declare an emergency

## Minutes:

**Chairman Brandenburg:** Opened the conference committee on HB1001. All present.

**Senator Hogue:** I have another compromise proposal to leave the statutory language that the Governors salary is \$132,000.00, we would appropriate that to the governor and give him the choice to not accept the money and it could stay in Governor's budget for salaries for operating. If he doesn't take it would have to be turned back to the general fund at the end of the biennium. Because we compel him to accept it he would have to pay the taxes.

**Representative. Kempenich:** We would have to make a separate salary line item to do that.

**Senator Hogue:** There could be language that gives the governor the authority to allocate this money in salary or operating and then he would have to report it to the budget section if he did not accept it.

**Representative. Kempenich:** I think we would have to split that out of the salary line item.

**Senator Mathern:** Explained amendment 17.0486.02010.

**Senator Mathern:** Made a motion to move amendment 17.0486.02010.

**Representative Kempenich:** Seconded the motion.

**Roll call vote:** Yes 4 No 2 Absent 0.

**Motion failed.**

**Rep Kempenich:** I do think we should have a separate salary line item for this.

**Chairman Brandenburg:** We can do that.

**Senator Dever:** Let's not throw this amendment away, we may end up there. Eight other governors are taking some form of salary variations some are taking none. It is all different in what they are doing is some other states. It isn't a precedence for the state.

**Chairman Brandenburg:** Closed the conference committee.

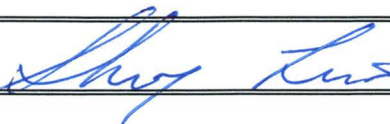
# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Government Operations Division Medora Room, State Capitol

HB1001  
4/26/2017  
Recording Job# 30296

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Relating to the salary of the governor; to provide for a legislative management report; to provide for retroactive application; to provide a contingent expiration date and to declare an emergency.

### Minutes:

**Chairman Brandenburg:** Opened the conference committee on HB1001.

**Senator Hogue:** Explained amendment 17.0486.02012.

**Chairman Brandenburg:** So you do have a separate line item for the governor's salary of \$347,000.00.

**Senator Hogue:** Correct.

**Senator Hogue:** Made a motion to move amendment 17.0486.02012.

**Senator Dever:** Seconded the motion.

**Representative Vigesaa:** If he didn't chose to use all of the \$347,424.00, he could take part of the salary? If he decided to take half of it and the rest could be used however he would like in his office. Is that correct?

**Senator Hogue:** It's my understanding that he's taking the health insurance; so he would consume part of that. You're correct.

**Representative Vigesaa:** In relation to the discussion that we had earlier in the session, some of that money could possibly be used for bonuses, etc., if he so chose?

**Senator Hogue:** Yes, that would be a possibility.

**Chairman Brandenburg:** He would have line item transfer.



**Senator Dever:** The only thing I don't see is the retroactive application. Was that an oversight?

**Chairman Brandenburg:** We had discussion about that and to be honest I don't think you're going to get the emergency clause passed.

**Senator Hogue:** I agree. It's a reality that 2/3 would be a struggle.

**Chairman Brandenburg:** I'm going to oppose this amendment.

**Roll Call Vote:** 3 Yeas 3 Nays 0 Absent.

**Motion Failed.**

**Representative Vigesaa:** Made a motion to adopt amendment 17.0486.02010.

**Representative Brabandt:** Seconded the motion.

**Senator Dever:** I'm going to resist this motion.

**Roll Call Vote:** 4 Yeas 2 Nays 0 Absent.

**Motion Failed.**

**Chairman Brandenburg:** Closed the conference committee.,

# 2017 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Government Operations Division Medora Room, State Capitol

HB1001  
4/26/2017  
30300

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature
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### Explanation or reason for introduction of bill/resolution:

Relating to the salary of the governor; to provide for a legislative management report; to provide for retroactive application; to provide a contingent expiration date and to declare an emergency.

### Minutes:

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**Chairman Brandenburg:** Opened the conference committee on HB1001.

**Chairman Brandenburg:** Explained amendment .02015. Section 5 is important language regarding the governor's salary.

**Representative Kempenich:** Section 54-07 is the salary and 54-44 is the turn back that it has to be turned back at the end of the biennium. It would be July of 2019 that if there is any money that isn't expended it will have to go back to the general fund. It's our intent the governor takes a salary but if he doesn't then this goes into effect.

**Chairman Brandenburg:** There is no line item transfer so the money is parked there in case there is an accident and if something would happen to the governor the salary is available for the new governor. I think we have the language that is needed to make it work.

**Senator Hogue:** This is a good draft and I can support this.

**Representative Kempenich:** Made a motion the senate recede from its amendments of HB 1001 and further amend.

**Senator Hogue:** Seconded the motion.

**Roll Call Vote:** 6 Yeas 0 Nays 0 Absent. Motion Carried.

**Chairman Brandenburg:** Closed the conference committee.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on pages 1271 and 1272 of the House Journal and pages 1028-1030 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$46,547)	\$3,688,502
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

Page 1, line 18, replace "\$50,086" with "\$46,457"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,735,049	\$3,542,131	\$146,371	\$3,688,502	\$3,688,502	
Operating expenses	343,710	298,456		298,456	298,456	
Contingencies	5,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
FTE	18.00	17.00	1.00	18.00	18.00	0.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Restores 1 FTE Position <sup>2</sup>	Total Conference Committee Changes
Salaries and wages	(\$3,629)	\$150,000	\$146,371
Operating expenses			
Contingencies			
Rough Rider Awards			
Total all funds	(\$3,629)	\$150,000	\$146,371
Less estimated income	0	0	0
General fund	(\$3,629)	\$150,000	\$146,371
FTE	0.00	1.00	1.00



<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate. The Senate also made these adjustments.

<sup>2</sup> One FTE position and related funding removed by the House is restored, the same as the Senate.

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Provisions included in the Senate version for the Governor to receive an annual salary of \$1 are not included in the Conference Committee version.

April 25, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on pages 1271-1272 of the House Journal and pages 1028-1030 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$393,971)	\$3,341,078
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	0	347,424	347,424
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

Page 1, line 18, replace "\$50,086" with "\$46,457"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Page 2, after line 11, insert:

**"SECTION 5. GOVERNOR'S SALARY - USES.** Notwithstanding section 54-07-04 or any other provision of law, the governor may decline to accept the salary for the governor for each year of the biennium beginning July 1, 2017, and ending June 30, 2019. The governor's salary line item in Section 1 of this Act includes funding for the salary and fringe benefits of the governor. Any funds in this line item that are not used for the salary and fringe benefits of the governor may be used for other salaries and wages and operating expenses of the governor's office."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,735,049	\$3,542,131	(\$201,053)	\$3,341,078	\$3,688,502	(\$347,424)
Operating expenses	343,710	298,456		298,456	298,456	
Contingencies	5,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary			347,424	347,424		347,424
Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
FTE	18.00	17.00	1.00	18.00	18.00	0.00

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

Adjusts Funding for Health	Restores 1 FTE Position <sup>2</sup>	Provides Separate Line Item for	Total Conference Committee
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	Insurance Increases <sup>1</sup>		Governor's Salary <sup>3</sup>	Changes
Salaries and wages	(\$3,629)	\$150,000	(\$347,424)	(\$201,053)
Operating expenses				
Contingencies				
Rough Rider Awards				
Governor's salary			347,424	347,424
Total all funds	(\$3,629)	\$150,000	\$0	\$146,371
Less estimated income	0	0	0	0
General fund	(\$3,629)	\$150,000	\$0	\$146,371
FTE	0.00	1.00	0.00	1.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate. The Senate also made these adjustments.

<sup>2</sup> One FTE position and related funding removed by the House is restored, the same as the Senate.

<sup>3</sup> Funding for the salary and fringe benefits of the Governor is transferred to a separate line item. A section is added to allow the Governor to decline receiving the salary designated in statute. Any funds in the line item that are not used for the salary and fringe benefits of the Governor are allowed to be used for other salaries and wages and operating expenses of the Governor's office.

Provisions included in the Senate version for the Governor to receive an annual salary of \$1 are not included in the Conference Committee version.



PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on pages 1271 and 1272 of the House Journal and pages 1028-1030 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide a statement of legislative intent; and to provide an exemption"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$312,475)	\$3,422,574
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	0	265,928	265,928
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

Page 1, line 18, replace "\$50,086" with "\$46,457"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Page 2, after line 11, insert:

**"SECTION 5. LEGISLATIVE INTENT - GOVERNOR'S SALARY -**

**EXEMPTION.** It is the intent of the sixty-fifth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2017, and ending June 30, 2019. If the governor chooses to not accept the salary or any portion of the salary for the governor pursuant to section 54-07-04, section 54-07-04 does not apply and the related funding included in the governor's salary line item in section 1 of this Act may not be spent and must be canceled pursuant to section 54-44.1-11 at the end of the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1001 - Governor's Office - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,735,049	\$3,542,131	(\$119,557)	\$3,422,574	\$3,688,502	(\$265,928)
Operating expenses	343,710	298,456		298,456	298,456	
Contingencies	5,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary			265,928	265,928		265,928
Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0

7/26/17 DK  
1st 2

FTE 18.00 17.00 1.00 18.00 18.00 0.00  
 Department No. 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Restores 1 FTE Position <sup>2</sup>	Provides Separate Line Item for Governor's Salary <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$3,629)	\$150,000	(\$265,928)	(\$119,557)
Operating expenses				
Contingencies				
Rough Rider Awards				
Governor's salary			265,928	265,928
Total all funds	(\$3,629)	\$150,000	\$0	\$146,371
Less estimated income	0	0	0	0
General fund	(\$3,629)	\$150,000	\$0	\$146,371
FTE	0.00	1.00	0.00	1.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate. The Senate also made these adjustments.

<sup>2</sup> One FTE position and related funding removed by the House is restored, the same as the Senate.

<sup>3</sup> Funding for the salary of the Governor is transferred to a separate line item. A section is added relating to the Governor's salary designated in statute. Funding for the fringe benefits of the Governor remains in the salaries and wages line item.

Provisions included in the Senate version for the Governor to receive an annual salary of \$1 are not included in the Conference Committee version.

**2017 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1001 as (re) engrossed

**House Appropriations – Government Operations Division Committee**

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

Motion Made by: Representative Kempenich    Seconded by: Chairman Brandenburg

Representatives	4/11	4/20		Yes	No		Senators	4/11	4/20		Yes	No
Chairman Brandenburg	X	X		X			Senator Hogue	X	X		X	
Representative Kempenich	X	X		X			Senator Dever	X	X		X	
Representative Brabandt	X	X		X			Senator Mathern	X	X		X	
Total Rep. Vote				3			Total Senate Vote				3	

Vote Count            Yes: 6                            No: 0                            Absent: 0

House Carrier    Representative  
                         Brandenburg                            Senate Carrier    Representative Hogue

LC Number    \_\_\_\_\_ . \_\_\_\_\_ of amendment

LC Number    \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment  
Motion Carried.



Date: 4/25/17  
Roll Call Vote #: 1

**2017 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1001 as (re) engrossed

**House Appropriations – Government Operations Division Committee**

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

Motion Made by: Representative Kempenich Seconded by: Chairman Brandenburg

Representatives	4/25			Yes	No		Senators	4/25			Yes	No
Chairman Brandenburg	X			X			Senator Hogue	X				X
Representative Kempenich	X			X			Senator Dever	X				X
Representative Brabandt	X			X			Senator Mathern	X			X	
Total Rep. Vote				3			Total Senate Vote				1	2

Vote Count      Yes: 4      No: 2      Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number 17.0486.02010 . \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Failed.

Date: 4/26/17  
Roll Call Vote #: 1

**2017 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1001 as (re) engrossed

**House Appropriations – Government Operations Division Committee**

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

Motion Made by: Senator Hogue Seconded by: Senator Dever

Representatives	4/26			Yes	No		Senators	4/26			Yes	No
Chairman Brandenburg	X				X		Senator Hogue	X			X	
Representative Kempenich							Senator Dever	X			X	
Representative Brabandt	X				X		Senator Mathern	X			X	
Representative Vigesaa	X				X							
Total Rep. Vote							Total Senate Vote					

Vote Count      Yes: 3      No: 3      Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number 17.0486.02012 . \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment  
Motion Failed.

Date: 4/26/17  
Roll Call Vote #: 2

**2017 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1001 as (re) engrossed

**House Appropriations – Government Operations Division Committee**

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

Motion Made by: Representative Vigesaa Seconded by: Representative Brabandt

Representatives	4/26		Yes	No		Senators	4/26		Yes	No
Chairman Brandenburg	X		X			Senator Hogue	X			X
Representative Kempenich						Senator Dever	X			X
Representative Brabandt	X		X			Senator Mathern	X		X	
Representative Vigesaa	X		X							
Total Rep. Vote						Total Senate Vote				

Vote Count      Yes: 4      No: 2      Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number 17.0486.02010 . \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment  
Motion Failed.



Roll Call Vote #: 1

## ROLL CALL VOTES

BILL/RESOLUTION NO. HB1001 as (re) engrossed

**House Appropriations – Government Operations Division Committee**

**Action Taken**

- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☒ **SENATE recede from Senate amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Kempenich Seconded by: Senator Hogue

Representatives	4/26			Yes	No		Senators	4/26			Yes	No
Chairman Brandenburg	X			X			Senator Hogue	X			X	
Representative Kempenich	X			X			Senator Dever	X			X	
Representative Brabandt	X			X			Senator Mathern	X			X	
Total Rep. Vote				3			Total Senate Vote				3	

Vote Count	Yes: 6	No: 0	Absent: 0
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House Carrier	Representative Brandenburg	Senate Carrier	Senator Hogue
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LC Number 17.0486.02015 . of amendment

LC Number . 04000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Carried

Insert LC: 17.0486.02015  
House Carrier: Brandenburg  
Senate Carrier: Hogue

**REPORT OF CONFERENCE COMMITTEE**

**HB 1001, as engrossed:** Your conference committee (Sens. Hogue, Dever, Mathern and Reps. Brandenburg, Kempenich, Brabandt) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1271-1272, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1271 and 1272 of the House Journal and pages 1028-1030 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide a statement of legislative intent; and to provide an exemption"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$312,475)	\$3,422,574
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	0	265,928	265,928
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

Page 1, line 18, replace "\$50,086" with "\$46,457"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Page 2, after line 11, insert:

**"SECTION 5. LEGISLATIVE INTENT - GOVERNOR'S SALARY - EXEMPTION.** It is the intent of the sixty-fifth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2017, and ending June 30, 2019. If the governor chooses to not accept the salary or any portion of the salary for the governor pursuant to section 54-07-04, section 54-07-04 does not apply and the related funding included in the governor's salary line item in section 1 of this Act may not be spent and must be canceled pursuant to section 54-44.1-11 at the end of the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1001 - Governor's Office - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,735,049	\$3,542,131	(\$119,557)	\$3,422,574	\$3,688,502	(\$265,928)
Operating expenses	343,710	298,456		298,456	298,456	
Contingencies	5,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary			265,928	265,928		265,928
Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
FTE	18.00	17.00	1.00	18.00	18.00	0.00

Insert LC: 17.0486.02015  
House Carrier: Brandenburg  
Senate Carrier: Hogue

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Restores 1 FTE Position <sup>2</sup>	Provides Separate Line Item for Governor's Salary <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$3,629)	\$150,000	(\$265,928)	(\$119,557)
Operating expenses				
Contingencies				
Rough Rider Awards				
Governor's salary			265,928	265,928
Total all funds	(\$3,629)	\$150,000	\$0	\$146,371
Less estimated income	0	0	0	0
General fund	(\$3,629)	\$150,000	\$0	\$146,371
FTE	0.00	1.00	0.00	1.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate. The Senate also made these adjustments.

<sup>2</sup> One FTE position and related funding removed by the House is restored, the same as the Senate.

<sup>3</sup> Funding for the salary of the Governor is transferred to a separate line item. A section is added relating to the Governor's salary designated in statute. Funding for the fringe benefits of the Governor remains in the salaries and wages line item.

Provisions included in the Senate version for the Governor to receive an annual salary of \$1 are not included in the Conference Committee version.

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



**2017 TESTIMONY**

**HB 1001**

**Department 101 - Governor's office**  
**House Bill Nos. 1001 and 1061**

**Executive Budget Comparison to Prior Biennium Appropriations**

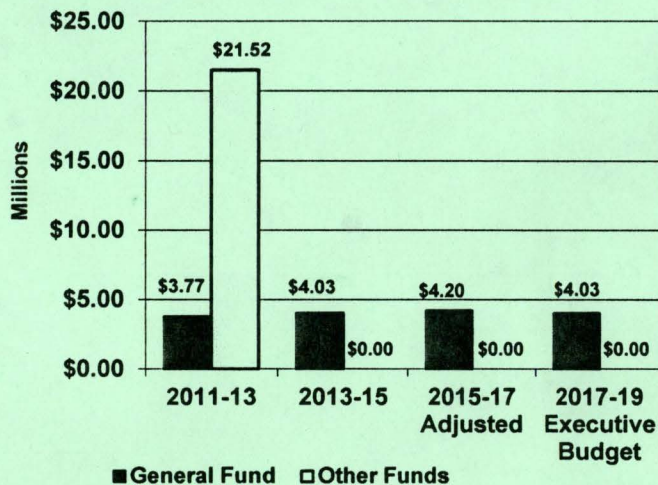
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	18.00	\$4,026,853	\$0	\$4,026,853
2015-17 Adjusted Legislative Appropriations <sup>1</sup>	18.00	4,204,759	0	4,204,759
Increase (Decrease)	0.00	(\$177,906)	\$0	(\$177,906)

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

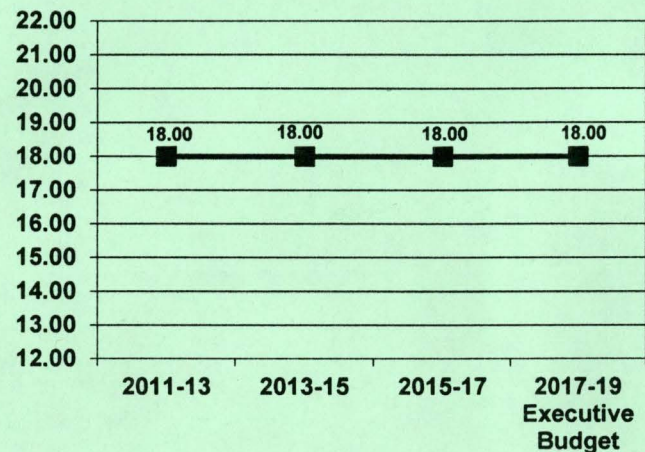
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$4,026,853	\$0	\$4,026,853
2015-17 Adjusted Legislative Appropriations	4,094,559	110,200	4,204,759
Increase (Decrease)	(\$67,706)	(\$110,200)	(\$177,906)

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$4,026,853	\$0	\$4,026,853
2017-19 Base Level	4,094,559	0	4,094,559
Increase (Decrease)	(\$67,706)	\$0	(\$67,706)

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$15,466 is for salary increases and \$50,086 is for health insurance increases	\$65,552		\$65,552
2. Reduces funding for salaries and wages	(\$93,004)		(\$93,004)
3. Reduces funding for operating expenses	(\$45,254)		(\$45,254)

**Other Bill Sections Recommended to be Added in the Executive Budget**  
**(As Detailed in House Bill No. 1061)**

**Additional income** - Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.

**Elected officials' salary increases** - Sections 4 and 5 provide the statutory changes increasing the Governor's and Lieutenant Governor's salaries by 1 percent the second year of the 2017-19 biennium as follows:



	Current Level	July 1, 2017	July 1, 2018
Governor	\$132,964	\$132,964	\$134,294
Lieutenant Governor	\$103,221	\$103,221	\$104,253

### **Continuing Appropriations**

**Governor's Prevention and Advisory Council** - North Dakota Century Code Section 54-07-07 - Appropriates any funding obtained by the council to discourage impaired driving and alcohol and drug abuse by minors.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Major Related Legislation**

At this time, no major related legislation has been introduced affecting this agency.



**Governor's Office - Budget No. 101**  
**House Bill Nos. 1001 and 1061**  
**Base Level Funding Changes**

<b>Executive Budget Recommendation</b>				
	<b>FTE Position</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2017-19 Biennium Base Level</b>	18.00	\$4,094,559	\$0	\$4,094,559
<b>2017-19 Ongoing Funding Changes</b>				
Base payroll changes and reduced salaries		(\$93,004)		(\$93,004)
Salary increase - Performance		15,466		15,466
Health insurance increase		50,086		50,086
Restore funding for contingencies		5,000		5,000
Reduce funding for operating expenses		(45,254)		(45,254)
Total ongoing funding changes	0.00	(\$67,706)	\$0	(\$67,706)
<b>One-time funding items</b>				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	(\$67,706)	\$0	(\$67,706)
<b>2017-19 Total Funding</b>	18.00	\$4,026,853	\$0	\$4,026,853

**Other Sections in Governor's Office - Budget No. 101**

<b>Executive Budget Recommendation</b>	
Additional income received by the Governor's office	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.
Salary of the Governor and Lieutenant Governor	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 1 percent effective July 1, 2018.



## Department 101 - Governor's office

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$4,339,275	\$160,200	\$4,499,475
General fund reductions	(244,716)	(50,000)	(294,716)
Adjusted 2015-17 appropriations	\$4,094,559	\$110,200	\$4,204,759
Executive Budget changes	(67,706)	(110,200)	(177,906)
2017-19 Executive Budget	\$4,026,853	\$0	\$4,026,853

### Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced salaries and wages funding for a vacant FTE position	(\$126,500)	\$0	(\$126,500)
Reduced funding for operating expenses	(113,216)	0	(113,216)
Reduced contingencies funding for the Governor's office	(5,000)	0	(5,000)
Removed funding for temporary housing expenses during the construction of the new Governor's residence		(50,000)	(50,000)
Total reductions	(\$244,716)	(\$50,000)	(\$294,716)
Percentage reduction to ongoing and one-time general fund appropriations	5.64%	31.21%	6.55%

### 2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

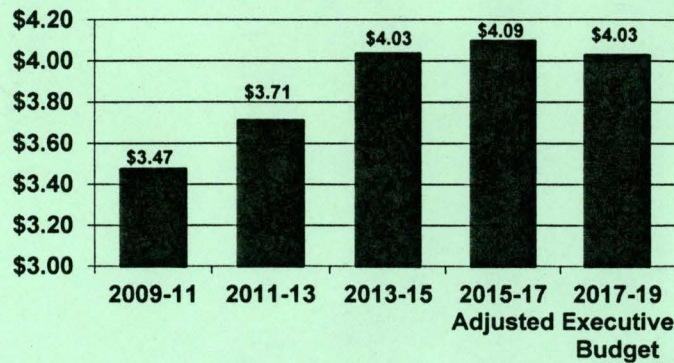
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$65,552	\$0	\$65,552
Reduces funding for salaries and wages	(219,504)	126,500	(93,004)
Reduces funding for operating expenses	(158,470)	113,216	(45,254)
Restores funding for contingencies	0	5,000	5,000
Total	(\$312,422)	\$244,716	(\$67,706)



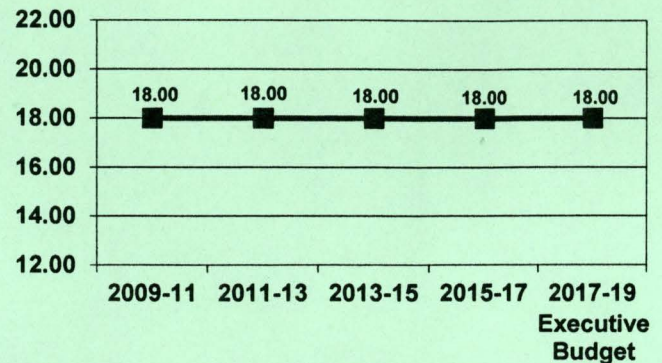
## Department 101 - Governor's office

**Historical Appropriations Information****Ongoing General Fund Appropriations Since 2009-11**

Agency Funding (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$3,474,358	\$3,708,942	\$4,033,873	\$4,094,559	\$4,026,853
Increase (decrease) from previous biennium	N/A	\$234,584	\$324,931	\$60,686	(\$67,706)
Percentage increase (decrease) from previous biennium	N/A	6.8%	8.8%	1.5%	(1.7%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	6.8%	16.1%	17.9%	15.9%

**Major Increases (Decreases) in Ongoing General Fund Appropriations****2011-13 Biennium**

1. No major changes

**2013-15 Biennium**

1. No major changes

**2015-17 Biennium**

1. Added funding for desktop support services

\$52,560

**2017-19 Biennium (Executive Budget Recommendation)**

1. Reduces funding for salaries and wages
2. Reduces funding for operating expenses

(\$93,004)

(\$45,254)



January 11, 2017

HB 1001 / HB 1061

Attachment A

**Testimony of Ron Rauschenberger**

In Support of

**2017 HOUSE BILL 1001/1061**

**OFFICE OF THE GOVERNOR**

Presented to

**House Government Operations Appropriation Committee**

**REPRESENTATIVE MIKE BRANDENBURG, CHAIRMAN**

**Wednesday, January 11, 2017**

Chairman Brandenburg and members of the House Government Operations Committee, I am Ron Rauschenberger and am here to ask your support for the budget recommendation for the Office of the Governor. The recommended budget for the Office of the Governor for the 2017-19 biennium continues existing positions and programs. The budget was prepared in accordance with the 90% base budget guidelines provided to all state agencies. The budget is summarized on the table below:

	<b>2015-17 Base Level</b>	<b>Restore 6.55% Allotment</b>	<b>10% Reductions</b>	<b>Compensation Package</b>	<b>2017-19 Recommendation</b>
Salaries and wages	\$3,735,049	\$126,500	(\$219,504)	\$65,552	\$3,707,597
Operating expenses	343,710	113,216	(158,470)	0	298,456
Contingency	5,000	5,000	0	0	10,000
Gov Temp Housing	0	0	0	0	0
Transition In	0	0	0	0	0
Transition Out	0	0	0	0	0
Roughrider awards	<u>10,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,800</u>
Total expenditures	\$4,094,559	\$244,716	(\$377,974)	\$65,552	\$4,026,853
General fund	\$4,094,559	\$244,716	(\$377,974)	\$65,552	\$4,026,853
FTE	18.00			0.00	18.00

**Salaries and wages**

The recommended funding for salaries and wages supports 18.00 FTE positions. Funding is decreased by (\$219,504) from the 2015-17 legislative appropriation and consists of a combination of the allotment and the required 10% budget reduction requested by the Governor. The salaries line also includes \$65,552 to fund the executive compensation package which includes an increase to health insurance and a salary increase of 1% the second year of the biennium.

**Operating expenses**

The recommended funding for operating expenses is reduced by (\$158,470). Funding for the consultant in Washington, DC is eliminated along with other miscellaneous operating reductions in order to meet the 90% budget limit of \$298,456.

The Office of the Governor has not had any audit findings and there have not been any major funding increases or decreases over the past several biennia.

Mr. Chairman and members of the Senate Appropriations Committee, I ask your favorable consideration of this budget and am available, along with Office of Management and Budget staff, to answer any questions you have.

1

February 3, 2017

HB 1001 / HB 1061

Attachment A

Governor's Office - Budget No. 101

House Bill No. 1001

Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version				House Changes to Revised Executive Budget Increase (Decrease)			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	18.00	\$4,094,559	\$0	\$4,094,559	18.00	\$4,094,559	\$0	\$4,094,559	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Base payroll changes and reduced salaries		(\$93,004)		(\$93,004)				\$0		\$93,004		\$93,004
<b>Salary increase</b>				<b>0</b>				0				0
Health insurance increase		50,086		50,086				0		(50,086)		(50,086)
<b>Employee portion of health insurance</b>		<b>(26,238)</b>		<b>(26,238)</b>				0		26,238		26,238
Restore funding for contingencies		5,000		5,000				0		(5,000)		(5,000)
Reduce funding for operating expenses		(45,254)		(45,254)				0		45,254		45,254
Total ongoing funding changes	0.00	(\$109,410)	\$0	(\$109,410)	0.00	\$0	\$0	\$0	0.00	\$109,410	\$0	\$109,410
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	(\$109,410)	\$0	(\$109,410)	0.00	\$0	\$0	\$0	0.00	\$109,410	\$0	\$109,410
2017-19 Total Funding	18.00	\$3,985,149	\$0	\$3,985,149	18.00	\$4,094,559	\$0	\$4,094,559	0.00	\$109,410 2.7%	\$0 0.0%	\$109,410 2.7%

Other Sections in Bill

Additional income received by the Governor's office

**Burgum Executive Budget Recommendation  
(Changes to Dalrymple Budget in Bold)**  
Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.

Salary of the Governor and Lieutenant Governor

Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 1 percent effective July 1, 2018. **(The Burgum budget recommendation removes the salary increases)**

House Version

**HB 1001/1061 – Office of the Governor – Amendment**  
*Presented to Government Operations - Appropriations*

**SECTION 4. AMENDMENT.** Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-07-04. Salary of governor.**

The annual salary of the governor is ~~one hundred twenty-nine thousand ninety-one dollars through June 30, 2016 and one hundred thirty-two thousand nine hundred sixty-four dollars through June 30, 2018 and one hundred thirty-four thousand two hundred ninety-four dollars thereafter.~~

**SECTION 5. AMENDMENT.** Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-07-04. Salary of governor.**

The annual salary of the governor is ~~one hundred twenty-nine thousand ninety-one dollars through June 30, 2016 and one hundred thirty-two thousand nine hundred sixty-four dollars through June 30, 2018 and one hundred thirty-four thousand two hundred ninety-four dollars thereafter~~ zero dollars.

**SECTION 6. RETROACTIVE APPLICATION.** Section 5 of this Act applies retroactively to December 15, 2016.

**SECTION 7. CONTINGENT EXPIRATION DATE.** Section 5 of this Act is effective until the governor and the office of management and budget certify to the legislative council the governor holding office on December 15, 2016, is no longer serving as governor, or until December 15, 2020, whichever date is earlier.

**SECTION 8. EMERGENCY.** Sections 5, 6, and 7 of this Act are declared to be an emergency measure.

**Note:** The total salary and benefits for the salary in Section 4 is \$319,157 which consists of \$267,250 salary and \$51,907 benefits not including health insurance.



February 6, 2017

HB 1001 / HB 1061

Attachment A

Governor's Office - Budget No. 101  
House Bill No. 1001  
Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version				House Changes to Revised Executive Budget Increase (Decrease)			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	18.00	\$4,094,559	\$0	\$4,094,559	18.00	\$4,094,559	\$0	\$4,094,559	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Base payroll changes and reduced salaries		(\$93,004)		(\$93,004)		(\$93,004)		(\$93,004)				\$0
Salary increase				0				0				0
Health insurance increase		50,086		50,086		50,086		50,086				0
Employee portion of health insurance		(26,238)		(26,238)				0		26,238		26,238
Restore funding for contingencies		5,000		5,000		5,000		5,000				0
Reduce funding for operating expenses		(45,254)		(45,254)		(45,254)		(45,254)				0
Total ongoing funding changes	0.00	(\$109,410)	\$0	(\$109,410)	0.00	(\$83,172)	\$0	(\$83,172)	0.00	\$26,238	\$0	\$26,238
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	(\$109,410)	\$0	(\$109,410)	0.00	(\$83,172)	\$0	(\$83,172)	0.00	\$26,238	\$0	\$26,238
2017-19 Total Funding	18.00	\$3,985,149	\$0	\$3,985,149	18.00	\$4,011,387	\$0	\$4,011,387	0.00	\$26,238 0.7%	\$0 0.0%	\$26,238 0.7%

Other Sections in Bill

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Additional income received by the Governor's office	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.
Salary of the Governor and Lieutenant Governor	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 1 percent effective July 1, 2018. (The Burgum budget recommendation removes the salary increases)	

February 6, 2017

HB1001 HB1061

Attachment  
B

17.0486.01001  
Title.  
Fiscal No. 2

Prepared by the Legislative Council staff for  
Representative Brabandt  
February 3, 2017

## PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, replace lines 11 through 15 with:

"Salaries and wages	\$3,735,049	(\$42,918)	\$3,692,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Total general fund	\$4,094,559	(\$83,172)	\$4,011,387"

Page 1, after line 16, insert:

**"SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$50,086 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$3,735,049	(\$42,918)	\$3,692,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough Rider Awards	10,800		10,800
Total all funds	\$4,094,559	(\$83,172)	\$4,011,387
Less estimated income	0	0	0
General fund	\$4,094,559	(\$83,172)	\$4,011,387
FTE	18.00	0.00	18.00

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

	Adjusts Salaries and Wages Funding <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Adjusts Funding for Operating Expenses <sup>3</sup>	Restores Contingencies Funding <sup>4</sup>	Total House Changes
Salaries and wages	(\$93,004)	\$50,086			(\$42,918)
Operating expenses			(45,254)		(45,254)
Contingencies				5,000	5,000
Rough Rider Awards					
Total all funds	(\$93,004)	\$50,086	(\$45,254)	\$5,000	(\$83,172)
Less estimated income	0	0	0	0	0
General fund	(\$93,004)	\$50,086	(\$45,254)	\$5,000	(\$83,172)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted for salaries and wages, including base payroll changes, as requested in the executive budget recommendation.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Funding for operating expenses is reduced as requested in the executive budget recommendation.

<sup>4</sup> Funding of \$5,000 for contingencies that was reduced as a result of the August 2016 budget reductions is restored to provide total contingencies funding of \$10,000.

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This amendment also adds a section detailing the amount of funding provided to the agency for employee health insurance premium increases.



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

### Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

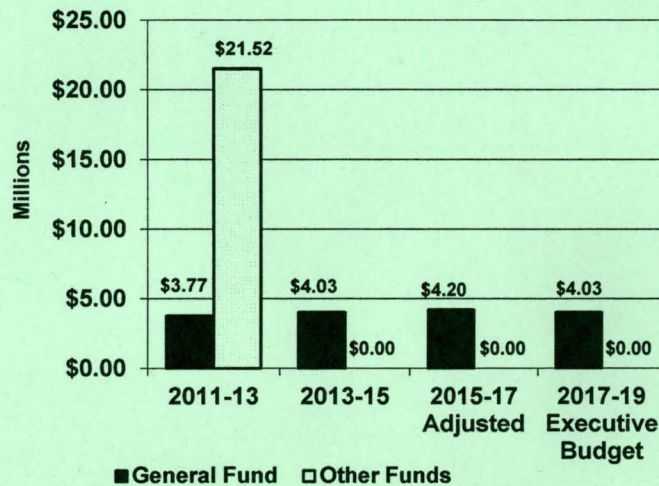
	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	18.00	\$4,026,853	\$0	\$4,026,853
2015-17 Adjusted Legislative Appropriations <sup>1</sup>	18.00	4,204,759	0	4,204,759
Increase (Decrease)	0.00	(\$177,906)	\$0	(\$177,906)

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

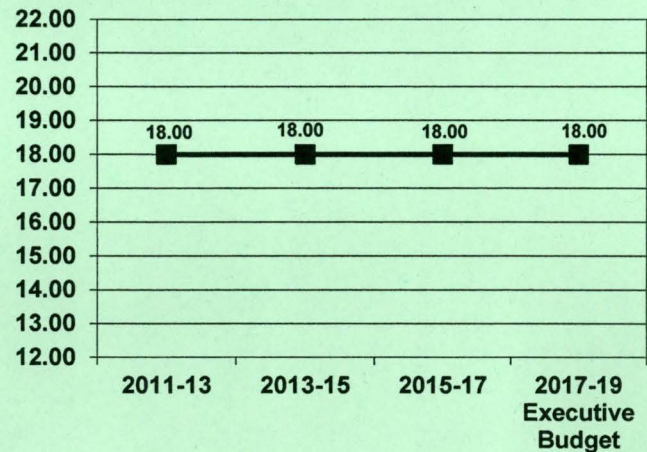
### Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	\$4,026,853	\$0	\$4,026,853
2015-17 Adjusted Legislative Appropriations	4,094,559	110,200	4,204,759
Increase (Decrease)	(\$67,706)	(\$110,200)	(\$177,906)

Agency Funding



FTE Positions



### Dalrymple Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$4,026,853	\$0	\$4,026,853
2017-19 Base Level	4,094,559	0	4,094,559
Increase (Decrease)	(\$67,706)	\$0	(\$67,706)

### First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

### Dalrymple and Burgum Executive Budget Highlights (With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$15,466 is for salary increases and \$50,086 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) <b>The House removed funding for the salary increases.</b>	\$65,552		\$65,552
2. Reduces funding for salaries and wages	(\$93,004)		(\$93,004)
3. Reduces funding for operating expenses	(\$45,254)		(\$45,254)



### **Other Sections in House Bill No. 1001**

**Health insurance increase** - Section 2 identifies the amount included in the agency appropriations relating to increases in employee health insurance premiums from \$1,130 to \$1,249 per month.

**Additional income** - Section 4 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.

### **Continuing Appropriations**

**Governor's Prevention and Advisory Council** - North Dakota Century Code Section 54-07-07 - Appropriates any funding obtained by the council to discourage impaired driving and alcohol and drug abuse by minors.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Major Related Legislation**

**House Bill No. 1153 - Employee bonuses awarded by the Governor** - Limits the amount of a recruitment and retention bonus that can be awarded to an employee in the Governor's office or an employee appointed by the Governor.



**Governor's Office - Budget No. 101**  
**House Bill No. 1001**  
**Base Level Funding Changes**

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
<b>2017-19 Biennium Base Level</b>	18.00	\$4,094,559	\$0	\$4,094,559	18.00	\$4,094,559	\$0	\$4,094,559
<b>2017-19 Ongoing Funding Changes</b>								
Base payroll changes and reduced salaries		(\$93,004)		(\$93,004)		(\$93,004)		(\$93,004)
<b>Salary increase</b>				<b>0</b>				<b>0</b>
Health insurance increase		50,086		50,086		50,086		50,086
<b>Employee portion of health insurance</b>		<b>(26,238)</b>		<b>(26,238)</b>				<b>0</b>
Remove 1 FTE position				0	(1.00)	(150,000)		(150,000)
Restore funding for contingencies		5,000		5,000		5,000		5,000
Reduce funding for operating expenses		(45,254)		(45,254)		(45,254)		(45,254)
Total ongoing funding changes	0.00	(\$109,410)	\$0	(\$109,410)	(1.00)	(\$233,172)	\$0	(\$233,172)
<b>One-time funding items</b>								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	(\$109,410)	\$0	(\$109,410)	(1.00)	(\$233,172)	\$0	(\$233,172)
<b>2017-19 Total Funding</b>	18.00	\$3,985,149	\$0	\$3,985,149	17.00	\$3,861,387	\$0	\$3,861,387

**Other Sections in Bill**

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Additional income received by the Governor's office	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.	Section 2 identifies the amount of funding included in the agency appropriations relating to increases in employee health insurance premiums.
Salary of the Governor and Lieutenant Governor	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 1 percent effective July 1, 2018. <b>(The Burgum budget recommendation removes the salary increases.)</b>	Section 4 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.

6



## Department 101 - Governor's office

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$4,339,275	\$160,200	\$4,499,475
General fund reductions	(244,716)	(50,000)	(294,716)
Adjusted 2015-17 appropriations	\$4,094,559	\$110,200	\$4,204,759
Dalrymple Executive Budget changes	(67,706)	(110,200)	(177,906)
2017-19 Dalrymple Executive Budget	\$4,026,853	\$0	\$4,026,853

### Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced salaries and wages funding for a vacant FTE position	(\$126,500)	\$0	(\$126,500)
Reduced funding for operating expenses	(113,216)	0	(113,216)
Reduced contingencies funding for the Governor's office	(5,000)	0	(5,000)
Removed funding for temporary housing expenses during the construction of the new Governor's residence		(50,000)	(50,000)
Total reductions	(\$244,716)	(\$50,000)	(\$294,716)
Percentage reduction to ongoing and one-time general fund appropriations	5.64%	31.21%	6.55%

### 2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

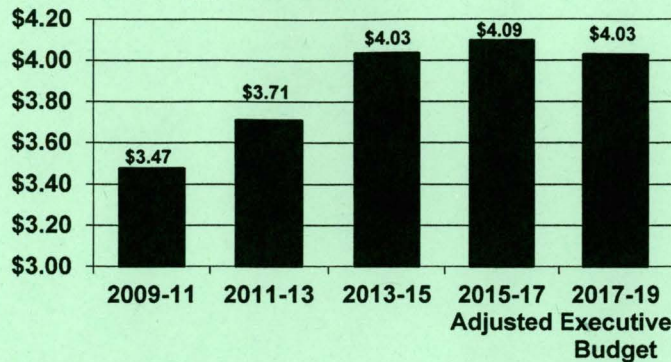
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$65,552	\$0	\$65,552
Reduces funding for salaries and wages	(219,504)	126,500	(93,004)
Reduces funding for operating expenses	(158,470)	113,216	(45,254)
Restores funding for contingencies	0	5,000	5,000
Total	(\$312,422)	\$244,716	(\$67,706)



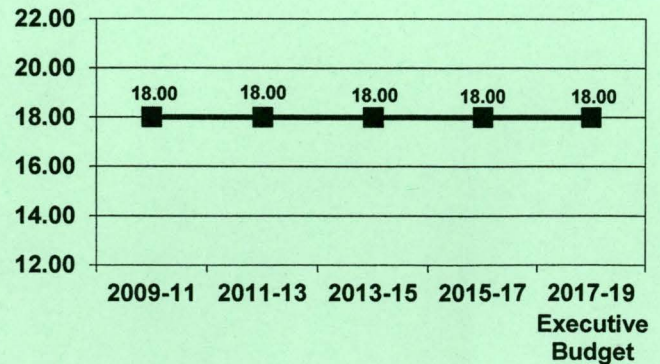
## Department 101 - Governor's office

**Historical Appropriations Information****Ongoing General Fund Appropriations Since 2009-11**

Agency Funding (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing general fund appropriations	\$3,474,358	\$3,708,942	\$4,033,873	\$4,094,559	\$4,026,853
Increase (decrease) from previous biennium	N/A	\$234,584	\$324,931	\$60,686	(\$67,706)
Percentage increase (decrease) from previous biennium	N/A	6.8%	8.8%	1.5%	(1.7%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	6.8%	16.1%	17.9%	15.9%

**Major Increases (Decreases) in Ongoing General Fund Appropriations****2011-13 Biennium**

1. No major changes

**2013-15 Biennium**

1. No major changes

**2015-17 Biennium**

1. Added funding for desktop support services

\$52,560

**2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)**

1. Reduces funding for salaries and wages
2. Reduces funding for operating expenses

(\$93,004)

(\$45,254)



Testimony of Ron Rauschenberger  
In Support of  
**2017 HOUSE BILL 1001**  
**OFFICE OF THE GOVERNOR**

HB 1001  
3-17-17  
# 1

Presented to  
**Senate Appropriations Committee**  
**SENATOR HOLMBERG, CHAIRMAN**  
**FRIDAY, MARCH 17, 2017**

Chairman Holmberg and members of the Appropriations Committee, I am Ron Rauschenberger and am here to ask your support for the budget recommendation for the Office of the Governor. The recommended budget for the Office of the Governor for the 2017-19 biennium continues existing positions and programs. The budget was prepared in accordance with the 90% base budget guidelines provided to all state agencies. The budget is summarized on the Governor's Office Budget table attached.

**Salaries and wages**

The recommended funding for salaries and wages supports 18.00 FTE positions. Funding is decreased by (\$267,897) from the 2015-17 legislative appropriation as part of the 10% budget reduction requested by Governor Dalrymple. The salaries line also includes \$106,039 to continue the second year salary increase and to fund the increase to health insurance.

The 2015-17 allotment included (\$126,500) from the salaries line. The agency held one FTE position open in order to meet those budget reductions

The House reduced the salaries and wages line by an additional \$150,000 and 1.00 FTE. We respectfully request that you consider restoring this funding and FTE.

**Operating expenses**

The recommended funding for operating expenses is reduced by (\$166,031). Funding for the consultant in Washington, DC is eliminated along with other miscellaneous operating reductions in order to meet the 90% budget limit.

The Operating line was reduced by (\$113,216) in the allotment process. Those reductions were handled by terminating the contract with the Washington, DC Consultant and reducing travel and other operating expenses. Further, the Contingency line was reduced (\$5000).

In addition to the Governor's Office Budget table the following documents are attached as requested in the letter from the Appropriations Committee:

- Governor's 90% Budget Request Reductions
- Governor Burgum's Recommendation Reductions
- Summary of Changes Made by the House
- Changes Requested of the Senate Appropriations Committee

Also attached is an amendment regarding the Governor's salary. The language provides a \$0 salary for the current Governor and provides a contingency in the event he is no longer serving as Governor. We are respectfully requesting the amendment be added to HB 1001.

Mr. Chairman and members of the Senate Appropriations Committee, I ask your favorable consideration of this budget and am available, along with Office of Management and Budget staff, to answer any questions you may have.

pg 1



Governor's Office Budget

	2015-17 Original Appropriation	Allotment	90% Reductions	Budget Request	Burgum Recomm	House Reduction	2017-19 House Version
<b>Ongoing Expenditures</b>							
Salaries	3,861,549	(126,500)	(267,897)	3,642,045	3,665,893	(150,000)	3,542,131
Operating	456,926	(113,216)	(166,031)	298,456	298,456		298,455
Roughrider Awards	10,800			10,800	10,800		10,800
Contingency	10,000	(5,000)		10,000	10,000		10,000
<b>Total Ongoing</b>	<b>4,339,275</b>	<b>(244,716)</b>	<b>(433,928)</b>	<b>3,961,301</b>	<b>3,985,149</b>	<b>(150,000)</b>	<b>3,861,386</b>
 FTE	 18.00		 0.00	 18.00	 18.00	 (1.00)	 17.00

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#1 p. 2

**Governor's 90% Budget Request Reductions**

Salaries Reduction	(267,897)
Operating Reductions:	
Remove Lobbyist	(134,794)
Miscellaneous Operating	<u>(31,237)</u>
<b>Total 10% Reductions</b>	<b>(433,928)</b>

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**Governor Burgum's Recommendation Reductions**

	Dalrymple Recomm	Remove 0/1% Increase	5% Employee Paid Health	Burgum Recomm
Salaries	3,707,597	(15,466)	(26,238)	3,665,893
Operating	298,456			298,456
Contingency	10,000			10,000
Roughrider Awards	10,800			10,800
<b>Total</b>	<b>4,026,853</b>	<b>(15,466)</b>	<b>(26,238)</b>	<b>3,985,149</b>
FTE	18.00			18.00

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for #



**Summary of Changes Made by the House**

	Burgum Recomm	Remove 1.00 FTE	Restores 5% Employee Paid Health	House Version
Salaries	3,665,893	(150,000)	26,238	3,542,131
Operating	298,456			298,455
Contingency	10,000			10,800
Roughrider Awards	10,800			10,000
<b>Total</b>	<b>3,985,149</b>	<b>(150,000)</b>	<b>26,238</b>	<b>3,861,386</b>
FTE	18.00	(1.00)		17.00

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3-17-17  
1001 944

Changes Requested of the Senate Appropriations Committee

Restore Budget to Governor Burgum's Recommendation:

- Restore \$150,000 Salaries
- Restore 1.00 FTE

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# 1 p 6

Engrossed HB 1001 – Office of the Governor - Amendment

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# 1p.7

**SECTION 5. AMENDMENT.** Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-07-04. Salary of governor.**

The annual salary of the governor is ~~one hundred twenty-nine thousand ninety-one dollars through June 30, 2016 and one hundred thirty-two thousand nine hundred sixty-four dollars through June 30, 2018 and one hundred thirty-four thousand two hundred ninety-four dollars thereafter~~ zero dollars.

**SECTION 6. RETROACTIVE APPLICATION.** Section 5 of this Act applies retroactively to December 15, 2016.

**SECTION 7. CONTINGENT EXPIRATION DATE.** Section 5 of this Act is effective until the governor and the office of management and budget certify to the legislative council the governor holding office on December 15, 2016, is no longer serving as governor, or until December 15, 2020, whichever date is earlier.

**SECTION 8. EMERGENCY.** Sections 5, 6, and 7 of this Act are declared to be an emergency measure.

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March 28, 2017

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p1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, line 2, replace "and" with "to amend and reenact section 54-07-04 of the North Dakota Century Code, relating to the salary of the governor;"

Page 1, line 2, after "report" insert "; to provide for retroactive application; to provide a contingent expiration date; and to declare an emergency"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$46,547)	\$3,688,502
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	<u>10,800</u>	<u>0</u>	<u>10,800</u>
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

Page 1, line 18, replace "\$50,086" with "\$46,457"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Page 2, after line 11, insert:

**"SECTION 5. GOVERNOR'S SALARY AND FRINGE BENEFIT FUNDING.** The salaries and wages line item in section 1 of this Act includes the sum of \$347,424 from the general fund which may only be used for salary and fringe benefit payments to the governor during the biennium beginning July 1, 2017, and ending June 30, 2019. Any portion of this sum which is not used for salary and fringe benefit payments to the governor must be canceled at the end of the biennium pursuant to section 54-44.1-11.

**SECTION 6. AMENDMENT.** Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-07-04. Salary of governor.**

The annual salary of the governor is ~~one hundred twenty-nine thousand ninety-one dollars through June 30, 2016, and one hundred thirty-two thousand nine hundred sixty-four dollars thereafter~~one dollar.

**SECTION 7. RETROACTIVE APPLICATION.** Section 6 of this Act applies retroactively to December 15, 2016.

**SECTION 8. CONTINGENT EXPIRATION DATE.** Section 6 of this Act is effective until the secretary of state notifies the legislative council that an individual who did not hold the office of governor as of December 15, 2016, has filed an oath of office to assume the office of governor, or until December 14, 2020, whichever date is earlier.

**SECTION 9. EMERGENCY.** Sections 6, 7, and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1001 - Governor's Office - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,735,049	\$3,542,131	\$146,371	\$3,688,502
Operating expenses	343,710	298,456		298,456
Contingencies	5,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758
Less estimated income	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758
FTE	18.00	17.00	1.00	18.00

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

	Adjusts Funding for Health Insurance Increases <sup>1</sup>	Restores 1 FTE Position <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$3,629)	\$150,000	\$146,371
Operating expenses			
Contingencies			
Rough Rider Awards			
Total all funds	(\$3,629)	\$150,000	\$146,371
Less estimated income	0	0	0
General fund	(\$3,629)	\$150,000	\$146,371
FTE	0.00	1.00	1.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

<sup>2</sup> One FTE position and related funding removed by the House is restored.

This amendment also adds a section providing the salary of the Governor is \$1 as of December 15, 2016. The section expires on December 14, 2020, or when a new Governor files an oath of office with the Secretary of State, whichever is earlier. A section is also added to require the Governor's office to turn back any unused 2017-19 biennium salaries and wages funding for the Governor's position at the end of the biennium.

April 11, 2017

HB1001

Attachment A

Governor's Office - Budget No. 101  
House Bill No. 1001  
Base Level Funding Changes

	House Version				Senate Version				Senate Changes to House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	18.00	\$4,094,559	\$0	\$4,094,559	18.00	\$4,094,559	\$0	\$4,094,559	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Base payroll changes and reduced salaries		(\$93,004)		(\$93,004)		(\$93,004)		(\$93,004)				\$0
Health insurance increase		50,086		50,086		46,457		46,457		(3,629)		(3,629)
Remove 1 FTE position	(1.00)	(150,000)		(150,000)	0.00	0		0	1.00	150,000		150,000
Restore funding for contingencies		5,000		5,000		5,000		5,000				0
Reduce funding for operating expenses		(45,254)		(45,254)		(45,254)		(45,254)				0
Total ongoing funding changes	(1.00)	(\$233,172)	\$0	(\$233,172)	0.00	(\$86,801)	\$0	(\$86,801)	1.00	\$146,371	\$0	\$146,371
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(1.00)	(\$233,172)	\$0	(\$233,172)	0.00	(\$86,801)	\$0	(\$86,801)	1.00	\$146,371	\$0	\$146,371
2017-19 Total Funding	17.00	\$3,861,387	\$0	\$3,861,387	18.00	\$4,007,758	\$0	\$4,007,758	1.00	\$146,371	\$0	\$146,371

Other Sections in Bill

	House Version	Senate Version
Health insurance increase amount	Section 2 identifies the amount of funding included in the agency appropriations relating to increases in employee health insurance premiums.	Section 2 identifies the amount of funding included in the agency appropriations relating to increases in employee health insurance premiums.
Additional income received by the Governor's office	Section 4 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.	Section 4 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.
Salary of the Governor	No section.	Sections 5 through 9 provide the salary of the Governor is \$1 as of December 15, 2016. The section expires on December 14, 2020, or when a new Governor files an oath of office with the Secretary of State, whichever is earlier. the Governor's office is required to turn back any unused 2017-19 biennium salaries and wages funding for the Governor's position at the end of the biennium.



April 20, 2017

HB1001

Attachment A

Governor's Office - Budget No. 101  
House Bill No. 1001  
Base Level Funding Changes

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease)			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	18.00	\$4,094,559	\$0	\$4,094,559	18.00	\$4,094,559	\$0	\$4,094,559	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Base payroll changes and reduced salaries		(\$93,004)		(\$93,004)		(\$93,004)		(\$93,004)				\$0
Health insurance increase		50,086		50,086		46,457		46,457		(3,629)		(3,629)
Remove 1 FTE position	(1.00)	(150,000)		(150,000)	0.00	0		0	1.00	150,000		150,000
Restore funding for contingencies		5,000		5,000		5,000		5,000				0
Reduce funding for operating expenses		(45,254)		(45,254)		(45,254)		(45,254)				0
Total ongoing funding changes	(1.00)	(\$233,172)	\$0	(\$233,172)	0.00	(\$86,801)	\$0	(\$86,801)	1.00	\$146,371	\$0	\$146,371
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(1.00)	(\$233,172)	\$0	(\$233,172)	0.00	(\$86,801)	\$0	(\$86,801)	1.00	\$146,371	\$0	\$146,371
2017-19 Total Funding	17.00	\$3,861,387	\$0	\$3,861,387	18.00	\$4,007,758	\$0	\$4,007,758	1.00	\$146,371	\$0	\$146,371

Other Sections in Bill

	House Version	Senate Version
Health insurance increase amount	Section 2 identifies the amount of funding included in the agency appropriations relating to increases in employee health insurance premiums.	Section 2 identifies the amount of funding included in the agency appropriations relating to increases in employee health insurance premiums.
Additional income received by the Governor's office	Section 4 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.	Section 4 appropriates any additional federal or other funds available to the Governor's office during the 2017-19 biennium.
Salary of the Governor	No section.	Sections 5 through 9 provide the salary of the Governor is \$1 as of December 15, 2016. The section expires on December 14, 2020, or when a new Governor files an oath of office with the Secretary of State, whichever is earlier. the Governor's office is required to turn back any unused 2017-19 biennium salaries and wages funding for the Governor's position at the end of the biennium.