

2019 SENATE APPROPRIATIONS

SB 2001

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
1/9/2019
Job # 30616

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Rose Laning/Marne Johnson
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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.

Minutes:

Testimony Attached # 1 – 2.

Legislative Council: Adam Mathiak
OMB: Stephanie Gullickson

Chairman Holmberg called to order the hearing on SB 2001.

JoDee Hanson, Chief Administrative Officer, Office of the Governor, State of North Dakota

Testimony Attached # 1.

I am presenting the Governor's Office Budget for the next biennium. To achieve the 95% budget guideline, we removed the first 18 months of the governor's salary. As his first term ends before the biennium, we left enough in the budget to cover the next 6.5 months of the new term. Our optional package includes an increase of \$30,000 for temporary salaries to utilize interns to help balance the workload of our team. We are authorized for 18 FTEs and request to maintain.

Operating increases include a one-time finding request for significant update to our Boards and Commissions website, currently the Governor's Office manages 150 active boards with 1,458 members. The updates include simplifying and improving the constituent application experience, including the ability to apply via mobile device; ensuring the security for personal information of board members, currently personal information is exposed; and improving the long-term data integrity. We are currently unable to track original appointment date or number of times a member is appointed. In addition to the onetime Boards and Commissions project, an increase of \$60,000 for ongoing operations is requested. This includes \$30,000 for increased ITD costs and \$30,000 for professional development.

Our 2017-2019 annual operating expenses are less than \$150,000 per year or approximately \$298,000 for the biennium. Currently 55% of our operating budget is fixed ITD costs. For professional development, the Governor's Office is currently appropriated \$5500 for the biennium, and our proposed budget for 2019-2021 allows for us to prioritize training opportunities at a number less than \$1000 per team member per year.

I ask for your favorable consideration of this budget. I am available to answer any questions.

(2:45) **Chairman Holmberg:** You're not lobbying to change the Governor's recommendations?

Ms. Hanson: No. I am not.

Chairman Holmberg: Closed the hearing on SB 2001.

Subcommittee: **Senators Hogue, Lee and Mathern.**

(3:50) **Senator Grabinger:** In this budget I don't think they requested that 10% leeway. He recommended that for all his other departments, why wouldn't he of his own?

Stephanie Gullickson, OMB: (4:14) It is in there. If you look at the green sheet (see attachment # 2), the back page is actually the OMB recommendation or the Governors recommendation. In section 4 on the green sheet is where we are asking for that transfer ability as well.

Chairman Holmberg: The second page of the green sheet as an addendum under other sections, recommended to be added as detailed in the appendix. It's there twice.

Stephanie Gullickson: Also, section 4 talks about receipt of additional income from federal sources or other. That's another thing we had asked to have added. That's on the Governor's recommended sheet as well. It's currently in their budget and asking for a continuation. It's on the last page of the green sheet – section 3.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
1/22/2019
Job # 31193

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Rose Laning / Marne Johnson

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, relating to the Theodore Roosevelt presidential library and museum endowment fund; relating to salary of the governor and lieutenant governor; to provide a continuing appropriation; to provide for a transfer; to authorize a loan; to provide an exemption; to provide for a report to the legislative assembly; to provide for a budget section report; and to declare an emergency.

Minutes:

No Attachments

Legislative Council: Alex Cronquist
OMB: Larry Martin

The Senate Appropriations Committee met to discuss the agency bills and others that have been presented thus far and wanted to get input from the whole committee on what should be the focus of each sub-committee.

Chairman Holmberg said that we're not going thru salaries at this time.

SB 2001 – Governor (sub-committee: Hogue, Lee, Mathern)

- The 10% movement of moving money between line items. Have a standard response for them.
- Discuss the governor's salary - this reduces salary just short of \$200,000 & what happens to the rest of it. They took their 5% cut. (Language needs to be revisited)
- Council said by putting it in a line item, then it couldn't get spent in other areas.
- Transfer language - limited it to 10% before going to emergency commission

SB 2002 – Secretary of State (sub-committee: Hogue, Oehlke, Grabinger)

- Voting equipment – replacing voting machines (matching requirement by state)
- Emergency clause should be there.
- 10% line item transfers

SB 2003 – Attorney General (sub-committee: Sorvaag, Bekkedahl, Mathern)

- Litigation authority
- Amount of money for Litigation
- Joining in with other states suing the federal government
- New line in OMB to tap into litigation pool
- Human trafficking grants added to AG bill

SB 2004 – State Auditor (sub-committee: Oehlke, Dever, Mathern)

- Looking at number of FTE requests
- FTEs between University system and Auditor's office
- ITD FTEs.

SB 2005 – State Treasurer (sub-committee: Bekkedahl, Dever, Robinson)

- Investments of the Veterans Post War Trust Fund (low interest)
- Treasurer's salary

SB 2006 – Tax Commissioner (sub-committee: Wanzek, Bekkedahl, Mathern)

- Discovery of compliance of businesses with no physical sales tax.
- Concern about staffing – many retirees and loss of senior staff.
- Authority for line item transfers between the Homestead Tax Credit and Disabled Veteran's Credit programs.
- Litigation funds – or funds in litigation pool.

SB 2007 – Labor & Human Rights (sub-committee: Poolman, Sorvaag, Robinson)

- Salary of Commissioner as she will be in charge of Dept of Labor and Human Rights as well as the Dept. of Commerce.

SB 2008 – Public Service Commissioner (sub-committee: Lee, Wanzek, Grabinger)

- Wanting additional staff for indemnity issues
- Additional staff
- \$100,000 increase in budget

JOB # 31232 -

SB 2009 – Agriculture Commissioner (sub-committee: Wanzek, Erbele, Grabinger)

- Want to move APUC and Trade Office to his office.
- 2 less FTEs
- Ag bio-science program – an appropriation bill. Should it be added to the budget or let it a stand-alone bill.

SB 2010 – Insurance Commissioner (sub-committee: Oehlke, Erbele, Grabinger)

- Moving the Fire & Tornado fund over to the ND Insurance Reserve Fund

- Boiler inspection program
- Fire Departments & Sheriff's tax on insurance

SB 2011 – Securities Commission (sub-committee: Krebsbach)

- Money for a FINTECH position
- Section 3 appropriation of any income from federal funds (14:17)

Larry Martin: Like the transfer language, we added a lot of the language to spend additional federal or other funds to the cabinet agencies. Again, some of them receive money from outside sources, so we wanted them to have the ability to pay out. Job Service has similar language currently because they do get additional federal money so they have to be able to spend it out. We added that language to all the cabinet bills.

SB 2012 – Human Services (sub-committee: Dever, Erbele, Mathern)

- Provider rates. Governor 1-1. They want 3-3-3.
- Medicaid – reauthorization of the expansion. Do we reimburse?
- Behavioral Health
- State Hospital – support the move from New England for the women? Justification for the state hospital – a study?
- Policy and how its structured – for whole department. \$182M
- Nursing Homes
- Study the 36 Critical Access Hospitals - Commercial rates vs. traditional rates
- Study resolution of medical care in the future for the state
- 1915(i) needs support.
- Commercial vs. traditional rates

SB 2013 – Public Instruction; Library, Blind & Deaf (sub-committee: Holmberg, Poolman, Robinson)

- Will have some meetings but need to wait for Education Committee to complete policy. Governor's school information is confusing.
- 1 FTE reinstated.
- Adult education.
- FTEs at school at Devils' Lake
- Governor moved pre-school money from Commerce to DPI (where is the money?)
- Transportation grants

SB 2014 – Protection & Advocacy (sub-committee: Sorvaag, Krebsbach, Grabinger)

- Adding of one employee
- Additional operating expenses
- Transferring guardianship programs to P & A.

SB 2015 – Office of Management & Budget (sub-committee: Holmberg, Bekkedahl, Robinson)

- Transferring money – \$1B of oil revenue to general funds.
If we put \$1B in and oil prices go down and we have less money in the general fund, we might have a risk with allotments.
Do we want to expose ourselves more in the general fund by putting \$1B in the general fund from direct oil revenue?
- Fees or dues for several organizations. Last session we reduced dues by 10%.
- WICHE (Western Interstate Commission for Higher Ed) dues were in OMB and Commission was placed under Higher Ed. Did the \$15,000 get transferred?

SB 2016 – Office of Adjutant General (sub-committee: Hogue, Holmberg, Grabinger)

- Land Acquisition - Proposed 6,000 acres of land in south Camp Grafton. Want to ask the adjutant, you have \$15M set aside to acquire 6000 continuous acres and will not exercise the power of eminent domain. How much will they pay an acre?
How did they come up with \$15M?
- \$15M set aside to gain land - long term leases. Be wary of setting precedent for cost/acre.
- Locals are not on board?

SB 2017 – Game & Fish (sub-committee: Oehlke, Wanzek, Grabinger)

- Section 5 on green sheet – additional amounts appropriated to Game & Fish Dept. There is appropriated additional income from the feds from other funds to that agency. Would the federal funds go to their agency first?
- If they're receiving monies from federal, they can spend them out.
- Section 6 - Require them to hang onto \$15M unless we have a budget section meeting and have an exception for some emergency. They have to invest it and its not making money where its being invested. They'd like it to be invested by the state investment board.
- Sportsman's clubs – raise the fishing licenses; boat tax/gas tax.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
1/28/2019
JOB # 31600

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature Alice Delzer / Florence Mayer
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Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Governor's Office.

Minutes:

No testimony submitted

Senator Hogue: Called the subcommittee to order on SB 2001 at 3:30 pm in the Harvest Room. Roll call was taken. All subcommittee members were present: Senator Hogue, Chair, Senator Gary Lee and Senator Mathern. Brady Larson, Legislative Council and Stephanie Gullickson, OMB were also present.

I wonder if you could talk about the line item for the IT project for the Boards and Commission, is that a replacement of existing software, is that supplemental, can you break down that request?

JoDee Hanson, Chief Administrative Office, Office of the Governor: The Boards and Commissions software is outdated. The purpose of the upgrade, I would cauterize in 3 different themes: 1. is to make the software easier for the constituents. 2. It's not compatible with cell phones. 3. For tracking purposes from our end, it's really difficult to track a board member from beginning to end of their term if they were prior to this administration. The most recent example is the auditor requested a list of the licensure boards for some help with the fiscal note on a specific bill and we don't have any kind of tracking within the software that notes if it's an occupational board or not. This upgrade would help us create something as simple as that to be able to track and kick out a list. **(3.34)**

Senator Hogue: My second question relates to the reduction of the governor's salary. That is the mechanism you chose to meet the Governors 5% cut. If we were to restore that, in looking at the green sheets, it is the governor's office preference that the money not be restricted in how it's used, if the governor decided not to take that money and if he continued to serve throughout the upcoming biennium?

JoDee Hanson: The original intent of the governor to not take a salary was to save the tax payer's money. When we removed it from the budget to meet the 95% guidelines, it was our intention for it to just go away. Last biennium it was appropriated and he just declined and then it was turned back to the general fund. In this case we thought we could meet the 95% guide line as well as attempt the saving of taxpayer's money.

Senator Mathern: In follow-up to that, if the Governor were not to serve, if we accepted this budget as is, and the Governor resigned or something happened and we have a new governor is there enough money in here to pay a new governor?

JoDee Hanson: There wouldn't be funds in this existing budget to cover that. You could take the funds that are being turned back for this biennium and reserving them for next biennium.

Senator Mathern: Is that workable with this bill. Maybe somebody from OMB can answer are there restrictions to doing what she just described?

Stephanie Gullickson, OMB: Not that I know of. You can carry over in any bill.

Senator Mathern: But we'd have to write it in.

Stephanie Gullickson, OMB: Yes. There is nothing in here now that would allow that. Currently what's in here is the reduction of 18 months of salary. There is 6 months remaining in case there's a new governor the next term. Currently there's nothing in here. If you wanted a safeguard, you could write in carry over or whatever you so choose to take care of that.

(6:57) Brady Larson, Legislative Council: You can certainly do carry over authority, but it would be a lot simpler to just appropriate the money for the upcoming biennium.

Senator Hogue: And then have it returned to the general fund if not used on the end of the biennium? That was confirmed.

Senator Mathern: Do you have any names for the ethics commission on that old software? He was told she didn't know. The upgrade of that software, doesn't change any staffing, just the software product itself?

JoDee Hanson: Correct. it would be working with ITD to do the upgrade to increase the functionality.

Senator Mathern: It's very much needed and an important service for our citizens.

Senator Gary Lee: On section 4, in terms of transferring between the line items in section 1, is that part of the budget before we transferred 10% between those line items?

JoDee Hanson: That has not been the case, and we would appreciate that option in order to be in line with the legislative and judicial branches.

Senator Gary Lee: In terms of underfunding in the budget, \$86,000, is that part of the intent to reach the 10% level?

Stephanie Gullickson, OMB: Currently the governor's budget has 18 FTE, but 17 are funded. That's part of the unfunded FTE so when we built the budget we put all 18 in there in their budget.

Senator Hogue: I have a question about the authority given the governor to spend funds from federal funds or other sources. What were the sources of those funds, how much they were and what purposes they were given to the governor's office?

JoDee Hanson: The sources, there are a few different funds, one is for Higher Ed. Taskforce, one is for the K – 12 Governance Taskforce, the other is the Office of Recovery Reinvented. **(10.40)** We did also receive a sponsorship for the Roughrider Awards. The actual dollar amounts, I would have to get back to you. The sources of those: The governor donated the first 6 months of his salary to the Recovery Reinvented. The Bush Foundation was the granter for K -12 Education funds. The Impact Foundation was the donor for the Higher Ed Governance Taskforce.

Senator Hogue: The one I was thinking of was the State of the Union, when you came up to Minot?

JoDee Hanson: That was separate, the chamber sponsored the event and paid the expenses directly.

Senator Gary Lee: The Rough Rider Awards, is there a limit or number?

JoDee Hanson: That is at the discretion of the governor. With guidelines from past administrations, we expect 2 per biennium.

Senator Hogue: There is a committee though. At Clint Hills there was the State Historical Director, maybe the Secretary of State? Are they involved in selecting the Roughrider Award?

JoDee Hanson: The governor selects the recipient with concurrence of the Secretary of State and the State Historical Society.

Senator Lee: All the dollars are in the governor's budget for that program? That was confirmed.

Senator Hogue: It was a great ceremony in Washburn by the way. Further questions for Ms. Hanson? Any additional information you think we need to have? she stated she could meet with them anytime they needed. I would like to know total dollars for all of these awards.

Stephanie Gullickson, OMB: I have those dollars, currently for K-12 Taskforce they've received \$95,000. Office of Recovery Reinvented, we've received \$87,625. For the Higher Ed. Task Force, \$7,124 in donations and other funds.

JoDee Hanson: The Bush Foundation Grant for the K-12, we will be turning funds back. There's a restriction on what those could be used for. We accomplished the goals with the Taskforce without needing the funds. Stephanie could provide more insight into that as we get closer to the number.

Senator Mathern: Do you have other projects like that for this next biennium?

JoDee Hanson: The only thing we have is the Veteran's Taskforce, and we'll be expecting to raise some private dollars to reimburse Taskforce members for their travel. And continue with the Recovery Reinvented with private donations to fund that.

Senator Hogue: The Veteran's Taskforce, is that upcoming?

JoDee Hanson: It is currently in place. Taskforce members were selected in December, with the assistance of the Adjutant General Dohrman and the retired General Fode is the chair. They had their first meeting a couple of weeks ago in Bismarck. I would happy to provide additional information on that.

Senator Hogue: Closed the subcommittee hearing on SB 2001.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
2/4/2019
JOB # 32082

☒ Subcommittee
☐ Conference Committee

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

A Subcommittee hearing for the governor's office.

Minutes:

1. Proposed Amendment # 19.0214.01001

Chairman Hogue called the subcommittee to order on SB 2001 re: Governor's Office. Roll call was taken. All subcommittee members were present: Chairman Hogue, Senator Gary Lee and Senator Mathern. Brady Larson, Legislative Council and Stephanie Gullickson, OMB were also present.

Senator Hogue: presented proposed amendment # 19.0214.01001, Attachment # 1.

Brady Larson, Legislative Council: Explained the Proposed Amendment. **(4.17)**

Senator Hogue: One of the requested changes I had that is contained in these amendments is the reporting for the special funds that the governor might receive for the K-12 Taskforce or Higher Education Taskforce. I changed that to report to the budget section rather than legislative management. I thought that was the more appropriate reporting agency. But otherwise, I think the bill is substantially the same as last time save the \$135,000 for the one-time funding for the software for the appointments process. The resolution that we came to in the conference committee with the House last time, I was fine with that so that's the way I styled the amendment, which is to restore the salary with the 2 and 3 increases, and give the governor the discretion to decline it and if he declines it then it reverts to the general fund at the end of the biennium.**(5.39)**

Senator Mathern: asked if the dollar amount was correct concerning the software.

Stephanie Gullickson, OMB: (6.25) That is the dollar amount that they requested.

Senator Mathern: moved the amendment # 19.0214.01001. 2nd by Senator Gary Lee.

A Roll Call vote was taken. Yea: 3 Nay: 0 Absent: 0. Motion carried.

Senator Hogue: We will present this to the full committee tomorrow. The hearing was closed on SB 2001.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
2/6/2019
JOB 32238

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Bill for the Governor's Budget. (D P A)

Minutes:

1. Proposed Amendment # 19.0214.01001

Chairman Holmberg: called the Committee to order on SB 2001. All committee members were present. Stephanie Gullickson, OMB and Adam Mathiak, Legislative Council were also present.

Senator Hogue: submitted Attachment # 1. Proposed Amendment # 19.0214.01001. He moved that amendment. **2nd by Senator Dever.**

Chairman Holmberg: called for a voice vote to approve the amendment. It carried.

Senator Hogue: Moved a Do Pass as Amended on SB 2001. 2nd by Senator Gary Lee.

Chairman Holmberg: call the roll on a Do Pass as Amended on SB 2001. **A Roll Call vote was taken. Yea: 13; Nay: 1; Absent:0. Senator Hogue will carry the bill.** the hearing was closed on SB 2001.

January 31, 2019

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1083

PROPOSED AMENDMENTS TO SENATE BILL NO. 2001

Page 1, line 2, after "governor" insert "; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to salary of the governor and lieutenant governor; to provide an exemption; to provide for a report to the legislative assembly"

Page 1, line 2, replace "legislative management" with "budget section"

Page 1, replace lines 9 through 19 with:

	Base Level	"Adjustments or Enhancements	Appropriation
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Governor's salary	265,928	9,387	275,315
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Total general fund	\$4,007,758	\$485,464	\$4,493,222
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. GOVERNOR'S OFFICE ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Transition costs	\$0	\$65,000
Boards and commissions project	0	139,808
Total general fund	\$0	\$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 1, line 21, replace "**LEGISLATIVE MANAGEMENT**" with "**BUDGET SECTION**"

Page 2, line 3, replace "legislative management" with "budget section"

Page 2, after line 4, insert:

"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 one hundred thirty-five thousand six hundred twenty-three dollars through

June 30, 20162020, and one hundred thirty two thousand nine hundred sixty fourone hundred thirty-nine thousand six hundred ninety-two dollars thereafter.

SECTION 5. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is one hundred thousand two hundred fifteenone hundred five thousand two hundred eighty-five dollars through June 30, 20162020, and one hundred three thousand two hundred twenty oneone hundred eight thousand four hundred forty-four dollars thereafter.

SECTION 6. GOVERNOR'S SALARY - EXEMPTION. It is the intent of the sixty-sixth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2019, and ending June 30, 2021. 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, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	265,928	9,387	275,315
Transition in		15,000	15,000
Transition out		50,000	50,000
Total all funds	\$4,007,758	\$485,464	\$4,493,222
Less estimated income	0	0	0
General fund	\$4,007,758	\$485,464	\$4,493,222
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Base Payroll and Budget Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts Base Level Funding ³	Adds Funding for Boards and Commissions Project ⁴	Adds Funding for Governor's Transition Costs ⁵	Total Senate Changes
Salaries and wages	\$76,886	\$180,704	(\$56,305)			\$201,285
Operating expenses	8,476		61,508	\$139,808		209,792
Contingencies						
Rough Rider Awards						
Governor's salary		9,387				9,387
Transition in					\$15,000	15,000
Transition out					50,000	50,000
Total all funds	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
Less estimated income	0	0	0	0	0	0
General fund	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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¹ Funding is adjusted for base payroll and budget changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>General Fund</u>
Salary increase	\$114,235
Health insurance increase	75,856
Total	<u>\$190,091</u>

³ Base level funding is adjusted as follows:

	<u>General Fund</u>
Underfund salaries and wages	(\$86,305)
Add funding for temporary staff	30,000
Add funding for Microsoft Office 365 licensing	1,508
Increase funding for operating expenses	<u>60,000</u>
Total	<u>\$5,203</u>

⁴ One-time funding is added for a technology project to update the boards and commissions database.

⁵ One-time funding is added for transition costs in the event a new Governor is elected in 2020.

This amendment also:

- Adjusts Section 2 to specify the Governor's office report to the Budget Section when any additional income from federal or other sources is received by the office.
- Adds a section to provide the statutory changes needed to increase the Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to provide the statutory changes needed to increase the Lieutenant Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to allow the Governor to decline the salary for the office during the 2019-21 biennium. The section requires the Governor's office to turn back any 2019-21 biennium salaries and wages funding not used for the Governor's position at the end of the biennium.

Date: 2-4-19Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES**
BILL/RESOLUTION NO. 2001

Senate Appropriations Committee☒ SubcommitteeAmendment LC# or Description: 19.0214.01001

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 Mathern Seconded By Gary Lee

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern	✓	
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee	✓				
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue	✓				

Total (Yes) 3 No 0Absent 0

Floor Assignment _____

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

Date: 2-6-2019
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2001

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19.0214.01001

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 Hogue Seconded By Dever

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*Voice Vote
approved*

Date: 2-6-2019
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2001

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 Hogue Seconded By G. Lee

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson		✓
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 13 No 1

Absent 0

Floor Assignment Hogue

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

REPORT OF STANDING COMMITTEE

SB 2001: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2001 was placed on the Sixth order on the calendar.

Page 1, line 2, after "governor" insert "; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to salary of the governor and lieutenant governor; to provide an exemption; to provide for a report to the legislative assembly"

Page 1, line 2, replace "legislative management" with "budget section"

Page 1, replace lines 9 through 19 with:

	<u>Base Level</u>	<u>"Adjustments or Enhancements"</u>	<u>Appropriation</u>
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Governor's salary	265,928	9,387	275,315
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Total general fund	\$4,007,758	\$485,464	\$4,493,222
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. GOVERNOR'S OFFICE ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Transition costs	\$0	\$65,000
Boards and commissions project	0	139,808
Total general fund	\$0	\$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 1, line 21, replace "**LEGISLATIVE MANAGEMENT**" with "**BUDGET SECTION**"

Page 2, line 3, replace "legislative management" with "budget section"

Page 2, after line 4, insert:

"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~~ one hundred thirty-five thousand six hundred twenty-three dollars through June 30, ~~2016~~ 2020, and ~~one hundred thirty-two thousand nine hundred sixty-four~~ one hundred thirty-nine thousand six hundred ninety-two dollars thereafter.

SECTION 5. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred thousand two hundred fifteen~~ one hundred fifteen thousand five hundred two hundred eighty-five dollars through June 30, 2016~~2020~~, and ~~one hundred three thousand two hundred twenty-one~~ one hundred eight thousand four hundred forty-four dollars thereafter.

SECTION 6. GOVERNOR'S SALARY - EXEMPTION. It is the intent of the sixty-sixth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2019, and ending June 30, 2021. 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, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	265,928	9,387	275,315
Transition in		15,000	15,000
Transition out		50,000	50,000
Total all funds	\$4,007,758	\$485,464	\$4,493,222
Less estimated income	0	0	0
General fund	\$4,007,758	\$485,464	\$4,493,222
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Base Payroll and Budget Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts Base Level Funding ³	Adds Funding for Boards and Commissions Project ⁴	Adds Funding for Governor's Transition Costs ⁵	Total Senate Changes
Salaries and wages	\$76,886	\$180,704	(\$56,305)			\$201,285
Operating expenses	8,476		61,508	\$139,808		209,792
Contingencies						
Rough Rider Awards						
Governor's salary		9,387				9,387
Transition in					\$15,000	15,000
Transition out					50,000	50,000
Total all funds	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
Less estimated income	0	0	0	0	0	0
General fund	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll and budget changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund
Salary increase	\$114,235
Health insurance increase	75,856
Total	\$190,091

³ Base level funding is adjusted as follows:

	General Fund
Underfund salaries and wages	(\$86,305)
Add funding for temporary staff	30,000
Add funding for Microsoft Office 365 licensing	1,508
Increase funding for operating expenses	60,000
Total	\$5,203

⁴ One-time funding is added for a technology project to update the boards and commissions database.

⁵ One-time funding is added for transition costs in the event a new Governor is elected in 2020.

This amendment also:

- Adjusts Section 2 to specify the Governor's office report to the Budget Section when any additional income from federal or other sources is received by the office.
- Adds a section to provide the statutory changes needed to increase the Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to provide the statutory changes needed to increase the Lieutenant Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to allow the Governor to decline the salary for the office during the 2019-21 biennium. The section requires the Governor's office to turn back any 2019-21 biennium salaries and wages funding not used for the Governor's position at the end of the biennium.

2019 HOUSE APPROPRIATIONS

SB 2001

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

SB 2001
3/1/2019
33035

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Parker Oswald

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 1

Chairman Representative David Monson: Opens meeting on SB 2001 and the clerk takes attendance.

Chairman Representative David Monson: The Governor's budget is a new budget bill for us.

(1:25) JoDee Hanson: Introduces self to committee and begins to present **attachment 1**.

(4:45) Representative Mike Nathe: The additional income line, did you have that authority before?

Ms. Hanson: Yes, we have had the ability to accept outside funds for things like taskforces for programs.

Representative Mike Nathe: So you are just asking for a continuation?

Ms. Hanson: Yes, correct.

(5:40) Chairman Representative David Monson: The Governor has historically returned his salary.

Ms. Hanson: Correct. He did have to accept it once and then donated it and then a bill was passed and he could decline any payment.

Chairman Representative David Monson: His intention is to not take his salary again, but it is returned to the general fund. You covered my question about operating expenses and there are 150 boards you are involved with?

(7:00) Ms. Hanson: Correct. We need to upgrade the system and make it more modern to continue running smoothly.

Chairman Representative David Monson: The Senate had the increase and 2% and 3%, but we have been going with 2% and 2%. We will discuss this in the conference committee. The 18 FTE has been stable for a while too and there are no audit findings as well. There are also no deficiency appropriations.

(10:10) Chairman Representative David Monson: Closes meeting on SB 2001.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

SB 2001
3/14/2019
33715

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Parker Oswald

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 1

Chairman Representative David Monson: Opens meeting on SB 2001.

Representative Bob Martinson: I would like to know how much outside agency money is used to support their salaries and benefits.

Chairman Representative David Monson: That may be a hard number to find because he can hire anyone he wants. You are asking if they are officially on the state payroll?

(00:50) Representative Bob Martinson: I believe some other state agencies are funding some of the salaries.

Steph Gullickson: The recovery person is funded by outside sources. The Chief resource officer is paid by a few agencies.

Chairman Representative David Monson: Is there someone paid like that?

Ms. Gullickson: Yes.

Chairman Representative David Monson: You are onto something.

Ms. Gullickson: It is not in the Governor's budget.

Chairman Representative David Monson: Wouldn't they have to have special funds coming into this?

(2:25) Ms. Gullickson: The agencies pay directly out of their funds because they are being shared across agencies.

Chairman Representative David Monson: Where are they housed?

Ms. Gullickson: I honestly do not know.

Representative Bob Martinson: They are positions created by the Governor.

(3:25) Representative Mark Sanford: Were there previous positions that this replaces or is it on top of the other personnel and how were the agencies handling this before?

Ms. Gullickson: The one from recovery is not an FTE (full time employee) count. Which were you asking for?

Representative Mark Sanford: I was feeding off the question from before. I was asking if when they created that position, did it create a multiple position that overlaps or did they replace someone?

Ms. Gullickson: I could have someone come down and answer.

(5:30) Representative Bob Martinson: Is their office in the State Capitol?

Ms. Gullickson: I do not think so. I believe she is primarily not located in the building.

Representative Bob Martinson: How does the state provide office space for privately funded employees and are there others?

Ms. Gullickson: The recovery reinvented person is allowed to be paid from a special section that allows them to accept other special funds to pay for these positions. The money does run through the Governor's budget.

Representative Bob Martinson: I would like to put it on the list to delete that part of the budget bill.

Chairman Representative David Monson: It deserves more talking about. You could get the person down here to answer a few questions. I guess we cannot give you an assignment. If she does not answer the questions the way we want, we may have to have you keep digging a little more.

Ms. Gullickson: I just messaged her, but I may have to look up the funds on that. Those other funds are how the taskforces are paid. It is not just this recovery reinvented, it includes things like K-12 and other things.

(9:05) Representative Mike Nathe: I know for instance the higher education taskforce, the Governor had to go out and raise money for these.

Ms. Gullickson: I have to account for that, so I know the numbers on that. The Roughrider award was paid for by these outside funds too.

Chairman Representative David Monson: I guess when you have the Governor's residence and he has an office, I guess he can have as many people as he wants. We had a question.

(11:00) Representative Bob Martinson: How many people has the Governor appointed that are paid for by outside agencies? The chief people person is paid for by a variety of agencies, how many other are there?

(11:20) JoDee Hanson: That person is paid for by OMB (Office of Management and Budget) and a few others. As far as other positions, we have the Director of Learning and Development and is paid for by a few other agencies and is only temporary.

Chairman Representative David Monson: Just those two?

Ms. Gullickson: That is correct.

Ms. Hanson: That is the first person brought in for that role.

Chairman Representative David Monson: Is this all special funds or laundered general funds? Other agencies pay for the services that they get from the chief people officer and they are expected to pay for this?

(13:45) Ms. Hanson: I would need clarification on the OMB budget.

Ms. Gullickson: It is prorated based on the FTE. The agencies with the most FTE would benefit the most from this position and they would have more responsibility for this person's salary. These larger agencies would have more people attending this training or receiving this service and the agency was aware of this. It is cabinet agencies only.

Chairman Representative David Monson: What is the salary of this chief officer?

Ms. Gullickson: I could look that up.

(15:30) Ms. Hanson: The learning and training director is now also within OMB.

Ms. Gullickson: None of them count towards the Governor's FTE.

Representative Tracy Boe: Would it be fair to ask for these figures?

Representative Mike Schatz: What does the chief people officer do and is it the learning and training officer?

Ms. Hanson: I can provide the descriptions.

Chairman Representative David Monson: If you can provide us with the description, agencies paying and salary.

Representative Mark Sanford: Can you also provide if this work was done previously?

(17:00) Chairman Representative David Monson: Previously meaning the history of this type of work?

Ms. Hanson: I am aware that these positions are highlighted and maybe more focused on the 6,000 team members that are a part of the cabinet.

Mr. Kadrmas: I think OMB would be best for that.

Ms. Gullickson: I will get it investigated.

Chairman Representative David Monson: Is there a handout on this from LC?

(18:35) Mr. Kadrmas: I could print off the sheets for you.

Chairman Representative David Monson: Why don't you put together one of those and maybe we can get it done tomorrow or something. We are in full committee this afternoon. If Vice Chairman Representative Jim Schmidt is back tomorrow, we will take up water.

Ms. Hanson: Neither of these positions are within the Governor's budget, but we can also get you the other information very quickly.

Chairman Representative David Monson: You can provide what you can and Steph can give us some answers. I want to see the cost of this and the benefits and if this is new. Thank you. Mr. Kadrmas already has **attachment 1** coming. Calls a quick break.

(21:35) Chairman Representative David Monson: We have attachment 1 before us now.

Representative Bob Martinson: I would like to take out the part that the Governor does not have to take his salary.

Chairman Representative David Monson: The base level was 18 FTE and even if what we talked about with the people not being FTE in this budget, there should be no change. Are we okay with the FTE?

Representative Bob Martinson: At this point, yes.

(23:30) Mr. Kadrmas: Begins to outline **attachment 1** starting on the base payroll.

Chairman Representative David Monson: The Senate has a section in here where the Governor does not have to take his salary, does this line show that?

Mr. Kadrmas: It does not affect that. The health insurance is the same and the salary increase is the only difference.

Chairman Representative David Monson: That is different than the Governor. That is what we take out?

Mr. Kadrmas: Correct. They are anticipating some salary savings throughout the year. Continues outlining **attachment 1 on page 1**.

(26:20) Chairman Representative David Monson: We would leave that the same, but basically force the Governor to take his salary. Add funding for temporary staff; which ones are those?

Mr. Kadrmas: We would have to look for OMB to that.

Representative Mike Schatz: Was that \$30,000 be in the last biennium?

Mr. Kadrmas: It is a base budget increase.

Chairman Representative David Monson: It would not increase the number of temporary staff, but to give them raises?

Ms. Gullickson: They do have interns and college students who come in and this would basically just increase the salary line and would have nothing to do with the actual staff that comes in. They really only have enough to fund 17 FTE and they would like the interns come in and do some extra work.

Chairman Representative David Monson: Do they have intentions of filling that vacant FTE?

(28:50) Ms. Gullickson: If there was funding available. At this point, they cannot pay for the 18 FTE.

Chairman Representative David Monson: The Senate took away the funding, but left the FTE?

Ms. Gullickson: The Senate concurred.

Representative Bob Martinson: Didn't they increase the salaries in their office?

Ms. Gullickson: They have had 18 FTE, but only funding for 17.

(30:15) Mr. Kadrmas: No FTE was eliminated.

Representative Bob Martinson: I say we put the temporary staff at \$0, remove the 1 FTE and put the operating expense increase to \$0.

Chairman Representative David Monson: I am okay with that. Take the FTE to 17, make the temporary staff \$0 and the operating \$0. One-time for the Governor's transition costs of \$65,000, what is that?

Ms. Gullickson: This has historically been added to allow the transition in and out of a new Governor.

Chairman Representative David Monson: Why would we have to transition him out before the next biennium?

Ms. Gullickson: If he does not run or does not win, he will be done by December.

(32:45) Chairman Representative David Monson: This seems high.

Mr. Kadrmas: It was \$65,000 last time.

Representative Bob Martinson: They cannot spend that for anything else?

Ms. Gullickson: It cannot be spent for anything besides transition in and out expenses and it is a special line.

Chairman Representative David Monson: That is locked up pretty tight and is a one-time specific line item.

(33:50) Representative Mike Schatz: Would the incoming Governor get \$65,000 for transitioning in or is this the money he gets for going out?

Chairman Representative David Monson: If the old one transitions out, could he spend the full money?

Ms. Gullickson: There is a \$15,000 specific transition in line and \$50,000 transition out line that are one-time and if not used, they would be turned back.

Chairman Representative David Monson: They combine for the \$65,000 then.

Ms. Gullickson: Correct.

(35:25) Representative Tracy Boe: Should we double that?

Chairman Representative David Monson: Boards and commission technology project, what is that one about?

Ms. Gullickson: Ms. Hanson was talking about the boards and commission project. It is not currently mobile friendly and there are security issues. There are 3 main issues going on and we received an ITD (Information Technology Department) estimate and that is the exact estimate needed to revise that software. There is no reporting mechanism.

Chairman Representative David Monson: Any person that is on a board would get extra security?

Ms. Gullickson: Correct. It would also make it user friendly and make it easier for people to apply. They cannot look through online data; they have to physically search through paper records.

Chairman Representative David Monson: There would be able to do that with this?

Ms. Gullickson: Correct.

(38:35) Chairman Representative David Monson: Leave that the same then. Let's look at **page 2 of attachment 1**. Begins to read section 3. If they get any special funds, they do not have to come to the budget section to spend them?

Mr. Kadrmas: Correct.

Chairman Representative David Monson: Section 4 is the line item transfers and we do not like being able to transfer 10% from separate line items.

Mr. Kadrmas: The Senate did not include the line item transfers.

Chairman Representative David Monson: Salary of the Governor and Lieutenant Governor will be 2% and 2% and we want to eliminate section 6, which is the salary exemption. He can donate it back to charities or whatever.

(41:00) Mr. Kadrmas: Correct.

Chairman Representative David Monson: I think we are probably done with this then. This information from OMB will not even really affect this budget.

Mr. Kadrmas: The FTE are located in OMB, so it will not affect this.

Chairman Representative David Monson: I think we have this pretty well wrapped up. We will talk one more time on this anyways. Representative Tracy Boe will carry.

(42:20) Chairman Representative David Monson: Closes meeting on SB 2001.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

SB 2001
3/18/2019
33857

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Ellen LeTang and Parker Oswald

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 1-2

Chairman Representative David Monson: Call SB 2001 to order, the governor's budget. We did not make many changes to this budget. We zeroed out the operating expenses and okayed a few salaries and went to 17 FTE (full time employee). I think we have pretty well covered everything on **attachment 1**.

Representative Mike Nathe: Was it about using other departments to fund positions?

Chairman Representative David Monson: Correct. It will be more focused in the OMB (Office of Management and Budget) budget and Representative Vigesaa is aware of it. This involves a couple temporary positions.

(2:25) Steph Gullickson, OMB: You requested that I find the job descriptions and salaries. **Attachment 2** outlines the descriptions on page 1 and starting on page 2 shows the salaries of the temporary positions and the dates active. Page 3 of attachment 2 has the Memorandum of Understanding (MOU) and it is signed by the departments.

Representative Nathe: Have other governor's done this with shared positions?

Ms. Gullickson: Not to my knowledge.

(4:00) Chairman Representative David Monson: Are these benefiting agencies okay with it? We only have the governor's and WSI budgets and the rest are in other sections.

Ms. Gullickson: That particular is no longer being paid. The Chief People Officer was employed from 2017 to 2018 and was a temporary.

Chairman Representative David Monson: No one is going to replace this position?

(5:30) Joe Morrisette: Introduces self to committee. The Chief People Officer created a uniform system for employee reporting and this needs to be done. We did combine those processes into a position related to Human Resources that is active now. This is a pilot basis among the cabinet agencies and we hope it will become a state wide uniform system.

Chairman Representative David Monson: Are these agencies being billed?

Mr. Morrisette: For HRMS (Human Resources Management Services), they are from our budget and has the title of Chief People Officer. It be like each agency hiring their own temp, but the temp was just one person.

Chairman Representative David Monson: The HRMS doing the jobs, are they absorbing their work?

Mr. Morrisette: We created a director of operations position that is in charge of HRMS. The chief officer is in charge of the whole division. Agencies are working more as a single employer.

Chairman Representative David Monson: Did her salary go up? She makes more than the Ag Commissioner.

Mr. Morrisette: It is more than before. We have somebody now in a temp position in OMB. She is at a salary to \$10,000 a month. Our intent would be to fill it permanently.

(10:40) Representative Mike Nathe: How did you get to the allocation for these positions? Human Resources is around \$107,000 out of their budget and the rest from a few others.

Mr. Morrisette: That is on **page 4 of attachment 2** and most went to HS.

Representative Mike Nathe: How did you get the percentages?

Mr. Morrisette: That system was here before I was. I cannot speak to that exactly, but **page 4 of attachment 2** is based on the total amount of FTE per cabinet department.

Representative Mike Nathe: In my mind, it's pretty big policy change.

(12:50) Chairman Representative David Monson: It looks to me that this is something we should be sharing with Representative Nelson & Representative Vigesaa. Are you saying that in this particular moment, there is not a \$20,000 fee taken from the Governor to go to OMB?

Mr. Morrisette: That was just the one year. The only active shared cabinet position is the Director of Leadership Development

Chairman Representative David Monson: On **attachment 1**, add funding for temporary staff, the Senate added \$30,000 and we took that out.

JoDee Hanson: The \$30,000 for temp positions is not for the chief people officer and that is strictly for having short-term interns for the biennium.

Chairman Representative David Monson: We've decided to take that out. We also took out the operating expense increase of \$60,000 that the Senate had. We took the FTE and the Senate took out the money.

(16:25) Representative Mike Nathe: With these chaired positions; are these two salaries coming after the biennium or now?

Mr. Morrisette: That is what they received while they were employed. They are no longer employed. The Director of Leadership Development is anticipated to end after one year. It would be made into a permanent position going forward. There is a lot of money going towards employee training, but there is not a set and uniform system to administer this. The idea was to get more efficiency and better use out of something like this.

Chairman Representative David Monson: What have they done with that request?

Mr. Morrisette: Nothing at this point.

(18:40) Representative Mike Nathe: Between the two positions, we are looking at roughly \$255,000 and those would become permanent positions?

Mr. Morrisette: That is the hope. We would have funding for this and that would not be the net increase.

Chairman Representative David Monson: The underfunding of wages, taking out 1 FTE, taking out the money for the interns, would this be more operating costs?

Mr. Morrisette: These temp salaries came out of the salary line and going forward the Governor's office would not contribute to these payments.

Chairman Representative David Monson: I think we are done with this one. Is this ready for a motion?

Representative Bob Martinson: Can we hold this for one more day?

Chairman Representative David Monson: We can do that. We can probably kick this one out whenever.

(21:10) Chairman Representative David Monson: Closes meeting on SB 2001.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

SB 2001
3/25/2019
34208

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Parker Oswald

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:

No attachments

Chairman Representative David Monson: Opens meeting on SB 2001. I already have the conference committee set on this one for Representative Bob Martinson, Representative Mike Schatz and Representative Tracy Boe. I have a note here about the DC lobbyist.

(2:00) Steph Gullickson, OMB: That was cut out last session.

Chairman Representative David Monson: Was there anything else?

Representative Mike Nathe: There were questions about using other agency money for payment of employees?

Chairman Representative David Monson: That was covered.

Chris Kadrmas, LC: That is covered in the OMB (Office of Management and Budget) budget and does not really reflect us.

Chairman Representative David Monson: That is taken care of and the DC lobbyist is gone. The only other issue is the salary and wages increase.

Representative Mike Nathe: The Governor has to take his salary.

(3:50) Chairman Representative David Monson: The difference with the Senate is taking out that he has to accept his salary. We took out one FTE (full time employee) and the Senate did not. They took the money but not the FTE.

Representative Mike Schatz: If we took the FTE, but the salary is the same, I am not sure how that works?

Chairman Representative David Monson: They took the money and we took the FTE, so they are both gone.

Representative Mike Nathe: What is the boards and commissions project for \$139,000?

Representative Bob Martinson: They want a new computer program to manage boards and commissions.

(5:30) Chairman Representative David Monson: The Senate put that in and we agreed. We are going to hold this one too then. Representative Mike Schatz will carry.

(6:00) Chairman Representative David Monson: Closes meeting on SB 2001.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

SB 2001
4/1/2019
34404

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Parker Oswald

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:

No Attachments

Chairman Representative David Monson: Opens meeting on SB 2001. Were there any other changes besides the salary and wages increase?

Chris Kadrmas, LC: The House removed 1 FTE (full time employee), there was \$30,000 removed for temporary staff, \$60,000 was removed from operating expenses increase.

Chairman Representative David Monson: What was the discussion on that?

Mr. Kadrmas: I am not entirely sure on that one.

Chairman Representative David Monson: Maybe we just wanted a difference with the Senate.

Mr. Kadrmas: The House removed the ability for the Governor to decline his salary. That is everything that is changed.

Chairman Representative David Monson: Everybody okay with that?

Representative Bob Martinson: Moves to adopt amendment, Representative Mike Nathe seconded. Voice vote, motion carries.

Representative Mike Schatz: There is one other amendment out there that I would vote against. Representative Kempenich has an amendment for the Teddy Roosevelt Library and I would vote against it, meaning I would not be the carrier.

Chairman Representative David Monson: If that is put on in the full committee and you vote no, you will not be carrier.

Representative Bob Martinson: Moves a do pass as amended, seconded by Representative Tracy Boe. Motion carries with 7 yeas, 0 nays and 0 absent.

Chairman Representative David Monson: We cannot work on Department of Public Instruction's budget until a few other bills are based regarding them. Closes meeting on SB 2002.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2001
4/3/2019
34496

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Relating to salary of the governor and lieutenant governor; to provide for a report to the legislative assembly; and to provide for a budget section report.

Minutes:

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Chairman Delzer: Called the meeting to order for SB 2001. This is the governor's bill.

Representative Schatz: This is the governor's budget; statement of purpose you will see a 91 thousand dollars' decrease from the senate. First line is the wages and salaries. 30 thousand was taken out of the interns. 60 thousand out of unnamed operating expenses that the senate put in. Governor's salary was reduced by 1203 dollars; his salary is 274,112 dollars.

Details you'll see adjustments for salary increases minus 1116 dollars, removing one FTE position. Senate removed the money but did not remove the position so we removed the position so they went from 18 down to 17. Removed the temporary staff by 30 thousand dollars, removing operating expenses by 60 thousand dollars. Salaries are the 2 and 2.5.

Chairman Delzer: You left section 3 in that says they can receive other funds, that's an issue we tried to work on. And you took out section 6 that says the governor doesn't have to take his salary and I like that. He should take his salary, you shouldn't have to be rich to work for office and whoever is elected should accept their wages and earn their wages.

Representative Schatz: I will Move the Amendment 19.0214.02002

Representative Monson: Second

Chairman Delzer: Voice Vote, All in Favor, Motion Carries

Representative Schatz: Make a Motion for a Do Pass as Amended

Representative Monson: Second

Representative Bellew: Operating expenses went up significantly can you explain that?

Chairman Delzer: Ends up being 448 with the amendment. Representative Monson did you get into it why it came over with that increase?

Representative Monson: We did not get into that.

Representative Bellew: Transition in and transition out is that in there every year? This is standard if it's an election year.

Representative Schatz: Part of the issue of the operating expenses included boards and commotions technology project, a new computer web site update that was put in.

Chairman Delzer: This is for next time and I hope they do a better job than they did last time.

Representative Bellew: I think the increase is 10% and that's a little high.

Chairman Delzer: Further discussion? We will call the roll.

A Roll Call vote was taken. Yea: 14 Nay: 2 Absent: 5

Representative Schatz will carry the bill

Chairman Delzer: With that we will close the meeting.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

Page 1, line 3, remove "to provide an exemption;"

Page 1, replace lines 13 through 21 with:

"Salaries and wages	\$3,422,574	\$171,372	\$3,593,946
Operating expenses	298,456	149,792	448,248
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Governor's salary	265,928	8,184	274,112
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Total general fund	\$4,007,758	\$394,348	\$4,402,106
Full-time equivalent positions	18.00	(1.00)	17.00"

Page 2, line 23, replace "six hundred twenty-three" with "three hundred sixty-four"

Page 2, line 24, remove "thirty-nine thousand six"

Page 2, line 25, replace "hundred ninety-two" with "thirty-eight thousand seven hundred forty-eight"

Page 3, line 1, remove "eight thousand four"

Page 3, line 2, replace "hundred forty-four" with "seven thousand nine hundred seventeen"

Page 3, remove lines 3 through 9

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$3,422,574	\$3,623,859	(\$29,913)	\$3,593,946
Operating expenses	298,456	508,248	(60,000)	448,248
Contingencies	10,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Governor's salary	265,928	275,315	(1,203)	274,112
Transition in		15,000		15,000
Transition out		50,000		50,000
Total all funds	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
Less estimated income	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
FTE	18.00	18.00	(1.00)	17.00

DE 1/3/19
2 of 2

Department 101 - Governor's Office - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Removes FTE Position Authorization ²	Removes Increase For Temporary Staff ³	Removes Operating Increase ⁴	Total House Changes
Salaries and wages	\$87		(\$30,000)		(\$29,913)
Operating expenses				(\$60,000)	(60,000)
Contingencies					
Rough Rider Awards					
Governor's salary	(1,203)				(1,203)
Transition in					
Transition out					
Total all funds	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
Less estimated income	0	0	0	0	0
General fund	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

² Authorization for 1 FTE position is removed. The Senate underfunded salaries and wages by \$86,305 but did not remove any FTE positions.

³ Additional funding added by the Senate for temporary staff is removed.

⁴ Funding added by the Senate for additional operating costs is removed.

This amendment also:

- Amends Sections 4 and 5 to provide the statutory changes needed to provide salary increases for the Governor and Lieutenant Governor consistent with state employee salary increases.
- Removes Section 6 which allows the Governor to decline the salary of the office.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2001**

House Appropriations - Education and Environment Division Committee

☐ Subcommittee

Amendment LC# or Description: Adopt salary and wages increase

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 Bob Martinson Seconded By Representative Mike Nathe

Representatives	Yes	No	Representatives	Yes	No
Chair David Monson			Representative Tracy Boe		
Vice Chair Jim Schmidt					
Representative Bob Martinson					
Representative Mike Nathe					
Representative Mark Sanford					
Representative Mike Schatz					

Total (Yes) Voice vote - carries No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: Adopt salary and wage increase

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2001**

House Appropriations - Education and Environment 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 Bob Martinson Seconded By Representative Tracy Boe

Representatives	Yes	No	Representatives	Yes	No
Chair David Monson	X		Representative Tracy Boe	X	
Vice Chair Jim Schmidt	X				
Representative Bob Martinson	X				
Representative Mike Nathe	X				
Representative Mark Sanford	X				
Representative Mike Schatz	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Mike Schatz

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

Date: 4/4/2019
Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2001**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19.0214.02002

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 Schatz Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 4/3/2019
Roll Call Vote #: 2

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2001**

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 Schatz Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X			
Representative Kempenich	A				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew		X			
Representative Brandenburg	X				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	A		Representative Holman	A	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	A				
Representative Sanford	A				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 14 No 2

Absent 5

Floor Assignment Representative Schatz

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2001, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 2 NAYS, 5 ABSENT AND NOT VOTING). Engrossed SB 2001 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "to provide an exemption;"

Page 1, replace lines 13 through 21 with:

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Renumber accordingly

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Contingencies					
Rough Rider Awards					
Governor's salary	(1,203)				(1,203)
Transition in					
Transition out					
Total all funds	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
Less estimated income	0	0	0	0	0
General fund	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

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- Removes Section 6 which allows the Governor to decline the salary of the office.

2019 CONFERENCE COMMITTEE

SB 2001

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
4/12/2019
JOB # 34708

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Alice Delzer / Justin Velez
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Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for the office of the governor and lieutenant governor

Minutes:

1.Base Level Funding Changes 2.Statement of Purpose of Amendment

Senators: David Hogue, Gary Lee, Tim Mathern

Representatives: Mike Schatz, Bob Martinson (Jim Schmidt was absent.)

Stephanie Gullickson, OMB

Brady Larson, Danielle Foster, Legislative Council

Senator Hogue: called the Conference Committee to order on SB 2001 at 9:00 am in the Harvest Room. Roll call was taken. All committee members were present except Representative Schmidt.

Senator Hogue: I think we will start as we traditionally do by asking for the House for an explanation of the changes that you made to the bill.

Representative Schatz: The changes that we made, the House action, you can kind of see what we did, we reduced money. My question is, what don't you like about that?

Senator Gary Lee: What is the money you reduced, can you tell us?

Representative Schatz: The \$30,000 came out for interns and then \$60,000 came out of unnamed operating expenses. The base budget was \$298,000 and you increased it to \$508,000, we took out 60,000 of that for a total reduction of \$91,116. Those were the changes we made. We were feeling that we needed to be a little more frugal with this budget than we had before.

(0.02.28) Senator Hogue: We should talk about the other change in terms of the governor's salary. We did have a lengthy discussion in the last biennium about this principal, if the Governor doesn't want his salary, should he be allowed to decline it, and I thought we had a pretty good compromise. But, what I got back from the House is that the House feels it is a bad precedent or not good policy? Is that true?

Representative Schatz: Yes, we think it would be setting a precedent. What we don't want to do in the future is have a qualification, be it unwritten, that in order to run for Governor you decline your salary. A lot of people don't have the where-with-all to decline a salary, they have to have one in order to keep their family intact. I think that would be setting a precedent as far as I'm concerned. We feel that the Governor can take his salary and then donate it to whatever because he wishes and that is the way that we would want it to be done. I guess it has always been done this way, we have always given the Governor a salary and so we don't want to start a precedent saying that one of the qualifications is to not take your salary, we don't want that at all.

Senator Hogue: OK. In terms of the precedent, we have done it that way for two years. Not that two years makes a precedent but, I guess one of the things that I have always thought is that executives should be able to lead by example, and this particular issue is not unique to North Dakota. There are a significant number of governors across the country who are doing this. I don't think it is a bad thing, this is one way to lead by example, that is a recognized principal of leadership. The second part of that is, if this Governor continues to want to decline it, it will be real dollars at some point. It will be in one term of the Governor would be over ½ of a million dollars. If he doesn't want it, why should we compel him to take something he doesn't want?

Representative Martinson: By saying "lead by example" are you implying that the next governor shouldn't get a salary either or that state employees shouldn't get salaries? What does that mean leading by example because you are not taking your pay? What it means to me is that you have enough money that you don't need it. What example is that? I don't understand what you mean by leading by example because you don't take your salary.

Senator Hogue: What I mean by that is every chief executive whether it is of the state or an organization, should be able to set their own leadership tone within the organization. There are a lot of things that they could choose to do and this is one of them.

Representative Martinson: What if they think they are doing a good job and want more money, should they be able to give themselves a raise?

Senator Hogue: They can certainly ask for one but that is up to their board of directors and in this case, the board is the Legislature. To me it's a leadership tool that we shouldn't deprive them of, if they want to exercise it.

(0.07.10) Senator Mathern: I wish we'd get off the topic, and get to things that are important here. It is a waste of discussion as far as I'm concerned. I'd like to know what the concerns are about the internship program. Would the changes in the internship eliminate the program? I would like to know how many individuals. I think internship is an important part of our development of our young people in our state so I would like to know more of what the House's perspective is. Is it more to eliminate the program or just to have fewer and what level would you like to have there?

Representative Schatz: We look at it as something that could be eliminated. You already have salary people, even though that is a nice feature, it is not a necessary feature and so the office of the governor will function without the interns.

Senator Mathern: So, you want to eliminate the program or reduce it?

Representative Schatz: We want to reduce it by \$30,000, which is what we did. .

Senator Mathern: So that would continue as a program, ok.

Representative Schatz: As far as I understand it could, yes.

Senator Hogue: Maybe we could go ahead, I see Jody Hanson is here, can you give us any additional information about whether the proposed House changes eliminate or reduce the internship program and likewise for the \$60,000 operating.

Representative Martinson: May I ask you kind of a procedural question? Are we allowing, basically re-opening the hearing?

Senator Hogue: No

Representative Martinson: Can we have testimony from say an opposing view?

Senator Hogue: If somebody would like that, I wouldn't foreclose that.

Representative Martinson: OK.

Jody Hanson, Office of the Governor: The \$30,000 that we had added to the budget for this next biennium was an addition versus if we don't have the \$30,000 we still do have a small amount for temporary salaries.

(0.10.25) Senator Mathern: To me this is something that fits with your comment about leadership. This is literally a direction we are discussing in our state. We are trying to get our businesses, non-profits, organizations and government to have more internship programs. We would like to get our young people to get connected right within high school and college with work experiences. I think having it in the governor's office provides that sort of incentive for other organizations to do that. Mr. Chairman and members of the House, I would hope that you would support putting that money in, it is not just helping the governor's office, it is helping our young people develop the skills of leadership and I think that is good for all of us.

Representative Martinson: I think we are willing to listen to any thoughts you have and maybe you could give us a list of the things you would like to visit about and be able to narrow it down a bit. Then at our next meeting we could come and visit with you, If you have some specific things that you don't like that we did. I always like to say "what can we agree on and forget about those and let's talk about the things that we don't agree on".

Senator Hogue: That is a good process. Do we have clarity then on the \$30,000? The internship program can still function.

Jody Hanson: Yes, we have \$33,000 currently in the budget.

Senator Hogue: And that is to pay salaries for interns?

Jody Hanson: Temporary and interns, yes.

Senator Hogue: And then the \$60,000 as I understood, was requested for professional development of staff in terms of conferences and continuing education type?

Jody Hanson: Yes, it was \$60,000 split, \$30,000 for professional development, and \$30,000 for operating as it relates to IT.

Senator Hogue: committee, anything else we need to discuss?

Representative Martinson: For a little clarity over here, you're interested in discussing all of the changes that we made?

Senator Hogue: Yes.

Representative Martinson: The list is the basic amendments that we made so we haven't necessarily agreed on any of the changes, this is just about all of them?

Senator Hogue: Yes.

Representative Martinson: Okay.

Senator Hogue: We have a change of \$91,000, \$30,000 of which being used for internships and temporary staff. \$60,000 is for professional development of full time staff and third is the operating IT, we should hear about that. You all are okay with software right? What was the reference to IT?

Representative Martinson: Are you talking about the computer program for the boards and commissions?

Senator Hogue: Yes.

Representative Martinson: We are fine with that. I don't think we made a change in that. That was confirmed.

Senator Hogue: You have an FTE reduction.

Representative Schatz: I believe the Senate eliminated the FTE's salary on the long sheet, the \$86,305. So, with the elimination of the salary we just eliminated the position.

Senator Hogue: Is that the sum of all the changes the House made?

Representative Schatz: Yes, I believe the sum was \$30,000 for interns, \$60,000 which is the two professional development and operating IT, the one FTE and then section 6 was removed.

Senator Hogue: Okay, anything else?

Representative Schatz: No.

Senator Hogue: We'll have to talk about it some more.

Senator Hogue adjourns the conference committee on SB 2001.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
4/15/2019
Job #34736

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Alice Delzer and Alicia Larsgaard
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Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for the office of the governor.

Minutes:

Attachments: 0

Senators: David Hogue, Gary Lee, Tim Mathern
Representatives: Mike Schatz, Bob Martinson, Jim Schmidt

Brady Larson, Legislative Council
Stephanie Gullickson, OMB

Senator Hogue: Called the Conference Committee to order on SB 2001. Roll call was taken. All members were present.

Senator Hogue: Do we have anything to discuss this morning? I thought more about our discussion on the Governor's salary and whether we authorize him to not accept it. I have a hard time accepting that it is somehow a precedent, good or bad. For me, this is a conversation that we seem to be having all the time. Our most recent conversation was with our congressional delegation. The government shut down and we have two Senators saying they were going to donate their salary to a charity of their choice because other people in federal government are not getting paid and they did not feel right about accepting their salary. One of our Senators said that was an empty gesture and that they are taking the money. It seemed to be that we are doing this all the time. We have public officials making their own decisions. One public official isn't bound by what others do. If we allow this particular Governor to not accept the salary, I think the state will survive. I don't think there will be some unfair precedent set for the next candidate. I have not seen a candidate in our state run for Governor that lacked the self-confidence to say, "Yeah, I'm taking that salary or no, I'm not taking it". I think we make that issue a little more complex that it needs to be. Those are my thoughts on that.

(0.2:49) Senator Gary Lee: I guess I'm kind of thinking about of when others were running for this position, individuals that are self-assured as some of you said but, in taking the salary or not, isn't really for the large part of it a decision to run or not. I think we're wasting a lot of time in terms of whether he should take it or not, I think what we did last session was a

reasonable compromise, where he didn't have to take it and that put us in a position that let him decide and I think that is the better option.

Senator Mathern: I think we're here to cut a deal. I'd just as soon we put the money back in the budget that the House took out. I think those are important things that we have training and that we have interns involved that are very important and let the salary go the way the House wanted it. The Governor can write out a check to a charity or the government or whatever and he can decide that himself. That is my goal here that we focus on the important content that brings the internships back and gives proper training for the staff of the Governor's office.

Representative Schatz: I don't have any of those feelings about any of those issues so we are staying where we are at.

Senator Hogue: Is there anything else? If not, we will adjourn.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
4/17/2019
JOB # 34791

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for the office of the governor.

Minutes:

No testimony submitted

Senators: Senator Hogue, Senator Gary Lee, Senator Mathern.

Representatives: Representative Schatz, Representative Martinson, Representative Schmidt.

Brady Larson, Legislative Council
Stephanie Gullickson, OMB

Senator Hogue: Called the Conference Committee to order on SB 2001 at 9:35 am in the Harvest Room. Roll call was taken. All committee members were present.

Senator Hogue: Do we have anything to discuss on the House side.

Representative Schatz: No, not really.

Senator Hogue: Honestly, I thought the House would have some new ideas. That was a genuine complement. We will close the hearing on SB 2001.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
4/19/2019
JOB # 34864

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Alice Delzer / Marne Johnson

Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for the office of the governor

Minutes:

1. Proposed Amendment # 19.0214.02005 (Representative Pollert)

SENATORS: David Hogue, Gary Lee, Tim Mathern

REPRESENTATIVES: Mike Schatz, Bob Martinson, Jim Schmidt

Brady Larson, Legislative Council
Stephanie Gullickson, OMB

Chairman Hogue: Called the Conference Committee to order on SB 2001 at 10:00 am in the Harvest Room. Roll call was taken. All committee members were present.

Chairman Hogue: We did not have the shortest meeting of this session last time. Do we have any new ideas?

Representative Martinson: The bill that you passed on the Theodore Roosevelt library, some questions have been raised in the House by the Speaker on the constitutionality. We believe that he is correct, that probably what has been passed might not muster constitutionality. We are here to ask you to accept the bill as we sent it to you and amend the Theodore Roosevelt library into the governor's budget. That would give us an opportunity to have a clean vote on the library, without any of the discussion about the governor's budget, because that is the way we passed it to you. I appreciate that this is a big request.

Chairman Hogue: Okay, do you have something for us to look at?

Representative Martinson: Presented Attachment # 1. 19.0214.02005. These amendments are exactly the way you passed it out of the Senate.

(4:42) Senator Mathern: On page 2, section 8, there is an appropriation of \$15 million. Is that appropriation contingent on page 1, section 5, subsection 1 of the certification of that \$100 million of cash donations be raised?

Representative Martinson: This is exactly the same way the Senate passed it. You are asking if the money in section 8 is contingent upon all the money being raised? Yes, it is. The whole \$50 million is contingent upon the money being raised. \$35 million that's borrowed and \$15 million that's raised.

Chairman Hogue: On section 5 of the amendment under subsection 1, it says the private entity is certified to the governor, and the entity has received the sum of \$100 million in cash donations and binding pledge donations. Is that \$100 million in cash and then additional binding pledge donations or is this a combination of cash and binding pledge donations.

Representative Martinson: It would be a combination.

Chairman Hogue: In theory I could have \$1 million in cash and a pledge to pay \$99 million.

Representative Martinson: That is not accurate. There is a major donor that has already committed \$50 million. The governor makes the final decision on when that money has been received and the pledges, I suppose from a technical standpoint you could be correct, but the governor isn't going to proceed with borrowing the money and releasing the \$50 million to the endowment if the money isn't there.

Chairman Hogue: When I read the amendment and what I thought you said are two different things in terms of the House's position on the rest of the governor's budget. As I read this, the House would be receding from its amendments, which is to reduce the continuing education, reduce the amount of the part time employees, and to eliminate the provision the Senate inserted that the governor would not have to accept his salary.

Representative Martinson: We would like you to agree with the bill as we passed it to you.

Representative Schatz: It should say the Senate should accede to the House amendments. I think that may be misprinted on that first line there.

Senator Gary Lee: If you want us to agree to those things that are currently in SB 2001, I think you are correct.

Representative Martinson: That is what we want you to do, yes.

Senator Gary Lee: You want us to agree with the bill that we have been talking about for three conference committees already.

Representative Martinson: Yes, and then to amend these amendments on there. We appreciate that that is a big ask.

Chairman Hogue: What I hear you saying is that this does not reflect what the House intends.

Representative Schatz: The Senate should accede and further amend, and we would infuse those amendments in there.

Brady Larson, Legislative Council: When this was drafted for Representative Pollert, he wasn't concerned with other budget items, so this does not reflect what was passed by the House, but you are correct. The Senate would accede to the House amendments and then engrossed SB 2001 would be further amended with these sections. We can print up the language for this afternoon.

Chairman Hogue: Why don't get that one, and keep this one, in case this one ends up being what we agree to. We will adjourn and try to schedule something this afternoon.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
4/22/2019
JOB # 34908

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for the office of the Governor.

Minutes:

1. Proposed Amendment # 19.0214.02007

SENATORS: David Hogue, Gary Lee, Tim Mathern

REPRESENTATIVES: Mike Schatz, Bob Martinson, Jim Schmidt

Brady Larson, Legislative Council
Stephanie Gullickson, OMB

Senator Hogue: called the Conference Committee to order on SB 2001. Roll call was taken. All committee members were present.

Senator Hogue: We have everyone here. When we left last week, we had an amendment and it think that was 2005 that I'm not sure it matched the intent of the House with respect to what you were verbalizing to the Senate. Do you have something that is more reflective in what you were saying?

Representative Martinson: Submitted Proposed Amendment # 19.0214,02007.

Senator Hogue: OK. You distributed 02007, is that correct? That was confirmed.

(0.02.21) Representative Schmidt: The amendment that we had on Friday, which was being changed, was 02005. The one we have in front of us is 02007. Does that mean there is a 02006 floating around somewhere?

Senator Hogue: That probably means there's a 02006 but I don't know what it's status is, whether it's floating or whether it's sunk, I don't know.

Representative Schmidt: It begs the question, does it not?

Senator Hogue: It does.

Representative Martinson: If you are looking at us, we don't have a 02006. Oh, a red envelope over there.

Senator Hogue: No, this is not, this is called a rouse.

Representative Martinson: We could ask legislative council. Where is 02006, or is there not one?

Brady Larson, Legislative Council: Yeah, 02006 wouldn't relate to any of these amendments so you can proceed with just considering this amendment.

Senator Hogue: Any discussion on this?

Representative Martin: Are you looking for a motion?

Senator Hogue: I think that would be the natural progression if you are distributing amendments that you would be interested in us looking at.

Representative Martinson: I move Proposed Amendment #19.0214.02007. 2nd by Representative Schmidt.

Senator Hogue: Any discussion? if not, we'll have Alice take the roll.

A Roll Call vote was taken. Yea: 3; Nay: 3; Absent: 0. It failed.

Yes Vote:	No Vote:
Representative Schatz	Senator Hogue
Representative Martinson	Senator Gary Lee
Representative Schmidt	Senator Mathern

Senator Hogue: That motion fails.

Representative Schmidt: I guess we're done. (The Representatives left the meeting)

Senator Hogue: I did not adjourn the meeting. OK. We do not have a quorum, so we will adjourn.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2001
4/23/2019
Job # 34951

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Rose Laning

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.

Minutes:

Amendment 19.0214.02011 Amendment 19.0214.02011 – Christmas tree version.

Legislative Council: Brady Larson
OMB: Stephanie Gullickson

Conferees: Senator Hogue, Senator G. Lee, Senator Mathern
Representative Schatz, Representative Martinson, Representative Schmidt

Senator Hogue called the conference committee to order on SB 2001. He handed out amendment 19.0214.02011 (attached # 1) and also the Christmas tree version of 19.0214.02011 (attached # 2).

He explained the amendments. On Section 5 – you see the description of the funding for the Theodore Roosevelt Presidential Library and Museum endowment fund. That is as the Senate passed it and as the House presented it to us on Thursday with two exceptions which are on the top of page #4, lines 3-7. Both of them relate to budget section reports. My thought is that the budget section should know about these significant events in this endowment when they happen. One is that the governor will provide a report to the budget section that includes copies of the documentation for the certification when he's certifying that he has a combination of \$100M of cash and pledges that are legally binding. The budget section should know about that event.

The second one is when the governor is authorized to obtain that \$35M loan from the Bank of North Dakota. The budget section should know about that and whether it is the full \$35M or something less than that. So those are the only two changes to the legislation relative to the Theodore Roosevelt Museum and Library.

The balance you see on page 4, lines 15-21, we removed the ability or discretion of the governor to refuse his salary. It will go back to the way it was in the 2015 biennium where the governor is paid and there is no discretion to reject it.

In terms of the dollars, we stuck with the Senate's approach on the \$30,000 for the interns and temporary employees and the \$60,000 for the staff professional development and continuing education. That's a fair summary of SB 2001.

Representative Martinson: Moved the House recede from its amendments and further amend with 19.0214.02011.

Senator G. Lee: Seconded the motion.

Senator Hogue: Any discussion?

Representative Schatz: Did you ad back in the FTE?

Senator Hogue: It was unfunded, wasn't it? (Correct)

**A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent.
Motion carried.**

Senator Hogue: Adjourned the hearing.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

That the Senate accede to the House amendments as printed on pages 1306 and 1307 of the Senate Journal and pages 1497-1499 of the House Journal and that Senate Bill No. 2001 be further amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund;"

Page 1, line 3, after the first semicolon insert "to provide a continuing appropriation; to provide for a transfer; to authorize a loan;"

Page 1, line 4, remove "and"

Page 1, line 4, after the second "report" insert "; and to declare an emergency"

Page 2, after line 25, insert:

"**SECTION 5.** A new section to chapter 54-07 of the North Dakota Century Code is created and enacted as follows:

Theodore Roosevelt presidential library and museum endowment fund - Continuing appropriation.

There is created in the state treasury the Theodore Roosevelt presidential library and museum endowment fund. The governor may provide for the fund to be invested under the supervision of the board of university and school lands. The interest and earnings of the fund are appropriated to the governor on a continuing basis to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to this section. The governor may provide grants to a private entity subject to the following:

1. The private entity has certified to the governor the entity has received the sum of one hundred million dollars in cash donations and binding pledged donations for the construction of a presidential library and museum in North Dakota and for grants to affected entities; and
2. The governor has entered an agreement with the private entity in subsection 1 which includes the following provisions:
 - a. The grant funds will be spent only for operating and maintenance costs of the presidential library located in North Dakota;
 - b. Any unused grant funds will be returned to the state and deposited in the general fund if the presidential library has not been constructed within the period of time specified in the agreement or if the library ceases operations;
 - c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota for the purpose of creating an

endowment to digitize documents relating to Theodore Roosevelt and for the creation of a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and

- d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library."

Page 3, after line 2, insert:

"SECTION 7. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, \$9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 8. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed \$35,000,000. The term of the loan may not exceed six years and the interest rate must be set at the prevailing interest rate charged by the Bank of North Dakota to governmental entities. The governor shall repay the loan authorized in this section from funds appropriated by the legislative assembly. The governor shall deposit the proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment fund.

SECTION 9. EMERGENCY. Sections 5, 7, and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$3,422,574	\$3,623,859	(\$29,913)	\$3,593,946	\$3,593,946	
Operating expenses	298,456	508,248	(60,000)	448,248	448,248	
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	265,928	275,315	(1,203)	274,112	274,112	
Transition in		15,000		15,000	15,000	
Transition out		50,000		50,000	50,000	
Total all funds	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106	\$4,402,106	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106	\$4,402,106	\$0
FTE	18.00	18.00	(1.00)	17.00	17.00	0.00

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Removes FTE Position Authorization ²	Removes Increase For Temporary Staff ³	Removes Operating Increase ⁴	Total Conference Committee Changes
Salaries and wages	\$87		(\$30,000)		(\$29,913)
Operating expenses				(\$60,000)	(60,000)
Contingencies					
Rough Rider Awards					
Governor's salary	(1,203)				(1,203)
Transition in					
Transition out					
Total all funds	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
Less estimated income	0	0	0	0	0
General fund	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

² Authorization for 1 FTE position is removed, the same as the House version. The Senate underfunded salaries and wages by \$86,305 but did not remove any FTE positions.

³ Additional funding added by the Senate for temporary staff is removed, the same as the House version.

⁴ Funding added by the Senate for additional operating costs is removed, the same as the House version.

This amendment also:

- Amends Sections 4 and 5 to provide the statutory changes needed to provide salary increases for the Governor and Lieutenant Governor consistent with state employee salary increases.
- Removes Section 6 which allows the Governor to decline the salary of the office. The House also removed this section.
- Adds a section to create the Theodore Roosevelt presidential library and museum endowment fund.
- Provides for a 2017-19 biennium general fund appropriation of \$15 million to be transferred to the Theodore Roosevelt presidential library museum and endowment fund.
- Authorizes a \$35 million loan to be deposited in the Theodore Roosevelt presidential library museum and endowment fund.

SK
103
4/2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

That the House recede from its amendments as printed on pages 1306 and 1307 of the Senate Journal and pages 1497-1499 of the House Journal and that Engrossed Senate Bill No. 2001 be amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund;"

Page 1, line 3, after the semicolon insert "to provide a continuing appropriation; to provide for a transfer; to authorize a loan;"

Page 1, line 4, remove "and"

Page 1, line 4, after the second "report" insert "; and to declare an emergency"

Page 1, replace line 13 with:

"Salaries and wages	\$3,422,574	\$201,372	\$3,623,946"
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Page 1, replace line 17 with:

"Governor's salary	265,928	8,184	274,112"
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Page 1, replace line 20 with:

"Total general fund	\$4,007,758	\$484,348	\$4,492,106"
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Page 2, line 23, replace "six hundred twenty-three" with "three hundred sixty-four"

Page 2, line 24, remove "thirty-nine thousand six"

Page 2, line 25, replace "hundred ninety-two" with "thirty-eight thousand seven hundred forty-eight"

Page 2, after line 25, insert:

"**SECTION 5.** A new section to chapter 54-07 of the North Dakota Century Code is created and enacted as follows:

Theodore Roosevelt presidential library and museum endowment fund - Continuing appropriation - Budget section report.

There is created in the state treasury the Theodore Roosevelt presidential library and museum endowment fund. The governor may provide for the fund to be invested under the supervision of the board of university and school lands. The interest and earnings of the fund are appropriated to the governor on a continuing basis to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to this section. The governor may provide grants to a private entity subject to the following:

1. The private entity has certified to the governor the entity has received the sum of one hundred million dollars in cash donations and binding pledged

donations for the construction of a presidential library and museum in North Dakota and for grants to affected entities;

2. The governor has entered an agreement with the private entity in subsection 1 which includes the following provisions:
 - a. The grant funds will be spent only for operating and maintenance costs of the presidential library located in North Dakota;
 - b. Any unused grant funds will be returned to the state and deposited in the general fund if the presidential library has not been constructed within the period of time specified in the agreement or if the library ceases operations;
 - c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota for the purpose of creating an endowment to digitize documents relating to Theodore Roosevelt and for the creation of a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and
 - d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library;
3. The governor provides a report to the budget section which includes copies of the documentation received for the certification provided in subsection 1; and
4. The governor provides a report to the budget section within thirty days of applying for the loan authorized in section 8 of this Act which includes all completed loan application documents."

Page 3, line 1, remove "eight thousand four"

Page 3, line 2, replace "hundred forty-four" with "seven thousand nine hundred seventeen"

Page 3, replace lines 3 through 9 with:

"SECTION 7. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, \$9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 8. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed \$35,000,000. The term of the loan may not exceed six years and the interest rate must be set at the prevailing interest rate charged by the Bank of North Dakota to governmental entities. The governor shall repay the loan authorized in this section from funds appropriated by the legislative assembly. The governor shall deposit the proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment fund.

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SECTION 9. EMERGENCY. Sections 5, 7, and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$3,422,574	\$3,623,859	\$87	\$3,623,946	\$3,593,946	\$30,000
Operating expenses	298,456	508,248		508,248	448,248	60,000
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	265,928	275,315	(1,203)	274,112	274,112	
Transition in		15,000		15,000	15,000	
Transition out		50,000		50,000	50,000	
Total all funds	\$4,007,758	\$4,493,222	(\$1,116)	\$4,492,106	\$4,402,106	\$90,000
Less estimated income	0	0	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$1,116)	\$4,492,106	\$4,402,106	\$90,000
FTE	18.00	18.00	0.00	18.00	17.00	1.00

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Total Conference Committee Changes
Salaries and wages	\$87	\$87
Operating expenses		
Contingencies		
Rough Rider Awards		
Governor's salary	(1,203)	(1,203)
Transition in		
Transition out		
Total all funds	(\$1,116)	(\$1,116)
Less estimated income	0	0
General fund	(\$1,116)	(\$1,116)
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020, the same as the House. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

The Conference Committee included funding for temporary staff (\$30,000) and operating expenses (\$60,000) which the Senate added but the House removed. The Conference Committee did not remove 1 FTE position which the House had removed.

This amendment also:

- Amends Sections 4 and 5 to provide the statutory changes needed to provide salary increases for the Governor and Lieutenant Governor consistent with state employee salary increases. The House also made the changes.
- Adds a section to create the Theodore Roosevelt presidential library and museum endowment fund.
- Provides for a 2017-19 biennium general fund appropriation of \$15 million to be transferred to the Theodore Roosevelt presidential library museum and endowment fund.
- Authorizes a \$35 million loan to be deposited in the Theodore Roosevelt presidential library museum and endowment fund.
- Removes a section which allows the Governor to decline the salary of the office. The House also removed this section.

Date: April 12, 2019

Roll Call Vote #:

**2019 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2001 as (re) engrossed

Senate Appropriations Committee

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

Motion Made by: _____ Seconded by: _____

Senators	4/12	4/15	4/17	Yes	No		Representatives	4/12	4/15	4/17	Yes	No
Senator Hogue	x	x	x				Representative Schatz	x	x	x		
Senator G. Lee	x	x	x				Representative Martinson	x	x	x		
Senator Mathern	x	x	x				Representative Schmidt	x	x	x		
Total Senate Vote							Total Rep. Vote					

Vote Count Yes: _____ No: _____ Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 04-22-19
Roll Call Vote #: 1

**2019 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2001 as (re) engrossed

Senate Appropriations Committee

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

Motion Made by: Representative Martinson Seconded by: Representative Schmidt

Senators				Yes	No	Representatives				Yes	No
Senator Hogue					x	Representative Schatz				x	
Senator G. Lee					x	Representative Martinson				x	
Senator Mathern					x	Representative Schmidt				x	
Total Senate Vote				0	3	Total Rep. Vote				3	0

Vote Count Yes: 3 No: 3 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number 19.0214. • 02007 of amendment

LC Number 19. 0214 • 02002 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment.

The motion failed.

Date: April 23, 2019
Roll Call Vote #: 1

**2019 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2001 as (re) engrossed

Senate Appropriations Committee

- Action Taken** ☐ **SENATE accede to House Amendments**
☐ **SENATE accede to House Amendments and further amend**
☐ **HOUSE recede from House amendments**
☒ **HOUSE recede from House amendments and amend as follows
with amendment 19.0214.02011**
☐ **Unable to agree**, recommends that the committee be discharged and a new
committee be appointed

Motion Made by: Representative Martinson Seconded by: Senator G. Lee

Senators	4/19	4/22	4/23	Yes	No		Representatives	4/19	4/22	4/23	Yes	No
Senator Hogue	x	x	x	X			Representative Schatz	x	x	x	X	
Senator G. Lee	x	x	x	X			Representative Martinson	x	x	x	X	
Senator Mathern	x	x	x	X			Representative Schmidt	x	x	x	X	
Total Senate Vote				3	0		Total Rep. Vote				3	0

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Senator Hogue House Carrier Representative Schatz

LC Number 19.0214 . 02011 of amendment

LC Number 19.0214 . 04000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Insert LC: 19.0214.02011
Senate Carrier: Hogue
House Carrier: Schatz

REPORT OF CONFERENCE COMMITTEE

SB 2001, as engrossed: Your conference committee (Sens. Hogue, G. Lee, Mathern and Reps. Schatz, Martinson, Schmidt) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1306-1307, adopt amendments as follows, and place SB 2001 on the Seventh order:

That the House recede from its amendments as printed on pages 1306 and 1307 of the Senate Journal and pages 1497-1499 of the House Journal and that Engrossed Senate Bill No. 2001 be amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund;"

Page 1, line 3, after the semicolon insert "to provide a continuing appropriation; to provide for a transfer; to authorize a loan;"

Page 1, line 4, remove "and"

Page 1, line 4, after the second "report" insert "; and to declare an emergency"

Page 1, replace line 13 with:

"Salaries and wages	\$3,422,574	\$201,372	\$3,623,946"
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Page 1, replace line 17 with:

"Governor's salary	265,928	8,184	274,112"
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Page 1, replace line 20 with:

"Total general fund	\$4,007,758	\$484,348	\$4,492,106"
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Page 2, line 24, remove "thirty-nine thousand six"

Page 2, line 25, replace "hundred ninety-two" with "thirty-eight thousand seven hundred forty-eight"

Page 2, after line 25, insert:

"SECTION 5. A new section to chapter 54-07 of the North Dakota Century Code is created and enacted as follows:

Theodore Roosevelt presidential library and museum endowment fund - Continuing appropriation - Budget section report.

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1. The private entity has certified to the governor the entity has received the sum of one hundred million dollars in cash donations and binding

Insert LC: 19.0214.02011
Senate Carrier: Hogue
House Carrier: Schatz

- pledged donations for the construction of a presidential library and museum in North Dakota and for grants to affected entities;
2. The governor has entered an agreement with the private entity in subsection 1 which includes the following provisions:
 - a. The grant funds will be spent only for operating and maintenance costs of the presidential library located in North Dakota;
 - b. Any unused grant funds will be returned to the state and deposited in the general fund if the presidential library has not been constructed within the period of time specified in the agreement or if the library ceases operations;
 - c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota for the purpose of creating an endowment to digitize documents relating to Theodore Roosevelt and for the creation of a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and
 - d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library;
 3. The governor provides a report to the budget section which includes copies of the documentation received for the certification provided in subsection 1; and
 4. The governor provides a report to the budget section within thirty days of applying for the loan authorized in section 8 of this Act which includes all completed loan application documents."

Page 3, line 1, remove "eight thousand four"

Page 3, line 2, replace "hundred forty-four" with "seven thousand nine hundred seventeen"

Page 3, replace lines 3 through 9 with:

"SECTION 7. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, \$9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 8. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed \$35,000,000. The term of the loan may not exceed six years and the interest rate must be set at the prevailing interest rate charged by the Bank of North Dakota to governmental entities. The governor shall repay the loan authorized in this section from funds appropriated by the legislative assembly. The governor shall deposit the proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment fund.

Insert LC: 19.0214.02011
Senate Carrier: Hogue
House Carrier: Schatz

SECTION 9. EMERGENCY. Sections 5, 7, and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$3,422,574	\$3,623,859	\$87	\$3,623,946	\$3,593,946	\$30,000
Operating expenses	298,456	508,248		508,248	448,248	60,000
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	265,928	275,315	(1,203)	274,112	274,112	
Transition in		15,000		15,000	15,000	
Transition out		50,000		50,000	50,000	
Total all funds	\$4,007,758	\$4,493,222	(\$1,116)	\$4,492,106	\$4,402,106	\$90,000
Less estimated income	0	0	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$1,116)	\$4,492,106	\$4,402,106	\$90,000
FTE	18.00	18.00	0.00	18.00	17.00	1.00

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Total Conference Committee Changes
Salaries and wages	\$87	\$87
Operating expenses		
Contingencies		
Rough Rider Awards		
Governor's salary	(1,203)	(1,203)
Transition in		
Transition out		
Total all funds	(\$1,116)	(\$1,116)
Less estimated income	0	0
General fund	(\$1,116)	(\$1,116)
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020, the same as the House. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

The Conference Committee included funding for temporary staff (\$30,000) and operating expenses (\$60,000) which the Senate added but the House removed. The Conference Committee did not remove 1 FTE position which the House had removed.

This amendment also:

- Amends Sections 4 and 5 to provide the statutory changes needed to provide salary increases for the Governor and Lieutenant Governor consistent with state employee salary increases. The House also made the changes.
- Adds a section to create the Theodore Roosevelt presidential library and museum endowment fund.
- Provides for a 2017-19 biennium general fund appropriation of \$15 million to be transferred to the Theodore Roosevelt presidential library museum and endowment fund.
- Authorizes a \$35 million loan to be deposited in the Theodore Roosevelt presidential library museum and endowment fund.

Insert LC: 19.0214.02011
Senate Carrier: Hogue
House Carrier: Schatz

- Removes a section which allows the Governor to decline the salary of the office. The House also removed this section.
- Engrossed SB 2001 was placed on the Seventh order of business on the calendar.

2019 TESTIMONY

SB 2001

Testimony of JoDee Hanson
In Support of
2019 SENATE BILL 2001
OFFICE OF THE GOVERNOR

Presented to
Senate Appropriations Committee
SENATOR HOLMBERG, CHAIRMAN
Wednesday, January 9, 2019

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Chairman Holmberg and members of the Appropriations Committee, I am JoDee Hanson, Chief Administrative Officer for the Governor, and am here to ask for your support for the budget recommendation for the Office of the Governor. The recommended budget for the Office of the Governor for the 2019-21 biennium continues existing positions and programs. The budget was prepared in accordance with the 95% base budget guidelines provided to all state agencies. The budget is summarized on the Governor's Office Budget table attached.

Salaries and wages

Recommended funding is decreased by (\$208,866) from the 2017-19 legislative appropriation as part of the 5% budget reduction requested by the Governor. The salary lines also include an increase of \$246,978 to fund the salary increases, health insurance changes and additional retirement contribution recommended for all state agencies as part of the statewide executive compensation plan.

Operating expenses

The recommended funding for operating expenses is increased by \$209,792. This includes a one-time request of \$139,808 for a Boards and Commissions software upgrade to improve the constituent application experience, ensure security for board members' personal information, and enhance data integrity. In addition, the request includes additional operating funds for increased ITD expenses and professional development for staff.

There were no findings in our financial audit report.

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. Thank you.

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	2017-19 Base Level	5% Reduction & Base Changes	Optional Requests	Compensation Package	2019-21 Recommendation
Salaries and Wages	\$3,422,574	(9,419)	30,000	233,576	\$3,676,731
Governor's Salary	265,928	(199,446)		13,402	79,884
Operating Expenses	298,456	8,476	201,316		508,248
Contingency	10,000				10,000
Transition In		15,000			15,000
Transition Out		50,000			50,000
Roughrider Awards	10,800				10,800
Total	\$4,007,758	(135,389)	231,316	246,978	\$4,350,663
General Fund	\$4,007,758	(135,389)	231,316	246,978	\$4,350,663
FTE	18.00				18.00

Optional Request Detail:

Temporary Salary Increase	\$30,000
Operating Increases:	
One-Time request for Boards and Commissions IT project	\$139,808
Increase in Operating Line	\$ 60,000
Microsoft 365	<u>\$ 1,508</u>
Operating Total	\$201,316
Total Optional	\$231,316

2017-2019 Budget Status

Pursuant to HB 1001, Section 5, the Governor's Salary line in the amount of \$265,928, will be turned back to the general fund at the end of the current biennium. The Governor's office does not anticipate any additional turnback.

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Department 101 - Governor
Senate Bill No. 2001

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Executive Budget Comparison to Prior Biennium Appropriations

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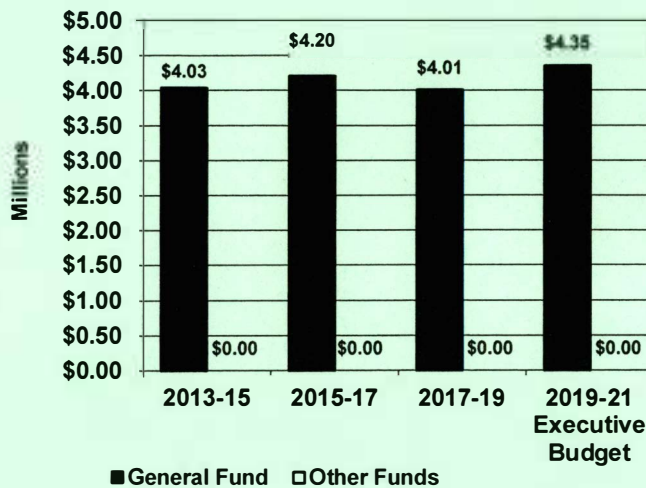
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	18.00	\$4,350,663	\$0	\$4,350,663
2017-19 Legislative Appropriations ¹	18.00	4,007,758	0	4,007,758
Increase (Decrease)	0.00	\$342,905	\$0	\$342,905

¹The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds of \$186,648 received by the Governor's office pursuant to Section 4 of House Bill No. 1001 (2017).

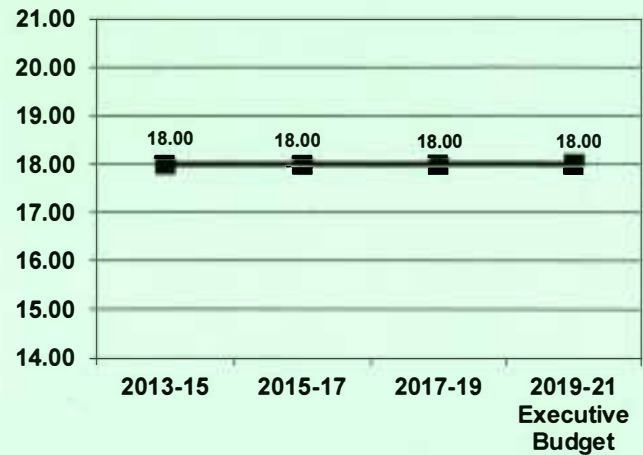
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$4,145,855	\$204,808	\$4,350,663
2017-19 Legislative Appropriations	4,007,758	0	4,007,758
Increase (Decrease)	\$138,097	\$204,808	\$342,905

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$4,350,663	\$0	\$4,350,663
2019-21 Base Level	4,007,758	0	4,007,758
Increase (Decrease)	\$342,905	\$0	\$342,905

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

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$163,098 is for salary increases, \$64,246 is for health insurance increases, and \$19,634 is for retirement contribution increases	\$246,978	\$0	\$246,978
2. Reduces funding in the Governor's salary line item	(\$199,446)	\$0	(\$199,446)
3. Underfunds salaries and wages	(\$86,305)	\$0	(\$86,305)
4. Increases funding for temporary staff	\$30,000	\$0	\$30,000
5. Adds funding for Microsoft Office 365 licensing expenses	\$1,508	\$0	\$1,508
6. Increases funding for operating expenses	\$60,000	\$0	\$60,000

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7. Adds one-time funding for Governor's transition in and out expenses	\$65,000	\$0	\$65,000
8. Adds one-time funding for technology improvements to the boards and commissions database	\$139,808	\$0	\$139,808

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

Additional income - Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2019-21 biennium.

Line item transfers - Section 4 would authorize the agency to transfer up to 10 percent of the agency's appropriation authority between line items in Section 1 of the bill.

Elected officials' salary increases - Sections 5 and 6 would provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 4 percent on July 1, 2019, and by 2 percent on July 1, 2020, as follows:

	Current Level	July 1, 2019	July 1, 2020
Governor	\$132,964	\$138,282	\$141,048
Lieutenant Governor	\$103,221	\$107,350	\$109,497

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.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

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

Governor - Budget No. 101
Senate Bill No. 2001
Base Level Funding Changes

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Executive Budget Recommendation

	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	18.00	\$4,007,758	\$0	\$4,007,758
2019-21 Ongoing Funding Changes				
Base payroll and budget changes		\$85,362		\$85,362
Salary increase		163,098		163,098
Health insurance increase		64,246		64,246
Retirement contribution increase		19,634		19,634
Underfunds salaries and wages		(86,305)		(86,305)
Reduces Governor's salary line item		(199,446)		(199,446)
Adds funding for temporary staff		30,000		30,000
Microsoft Office 365 licensing costs		1,508		1,508
Operating expense increase		60,000		60,000
Total ongoing funding changes	0.00	\$138,097	\$0	\$138,097
One-time funding items				
Governor transition costs		\$65,000		\$65,000
Boards and commission technology project		139,808		139,808
Total one-time funding changes	0.00	\$204,808	\$0	\$204,808
Total Changes to Base Level Funding	0.00	\$342,905	\$0	\$342,905
2019-21 Total Funding	18.00	\$4,350,663	\$0	\$4,350,663

Other Sections for Governor - Budget No. 101

Executive Budget Recommendation

Additional income received by the Governor's office

Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2019-21 biennium.

Line item transfers

Section 4 would authorize the agency to transfer up to 10 percent of the agency's appropriation authority between line items in Section 1 of the bill.

Salary of the Governor and Lieutenant Governor

Sections 5 and 6 would provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 4 percent on July 1, 2019, and by 2 percent on July 1, 2020.

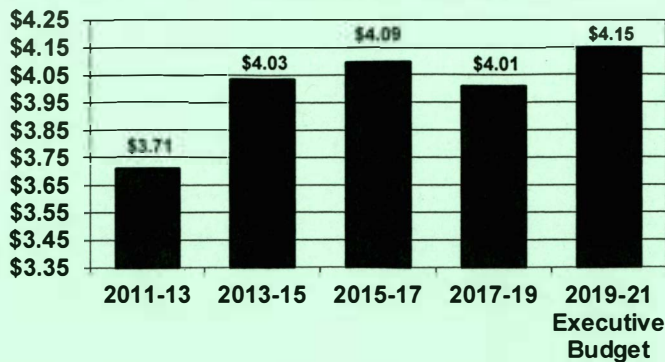
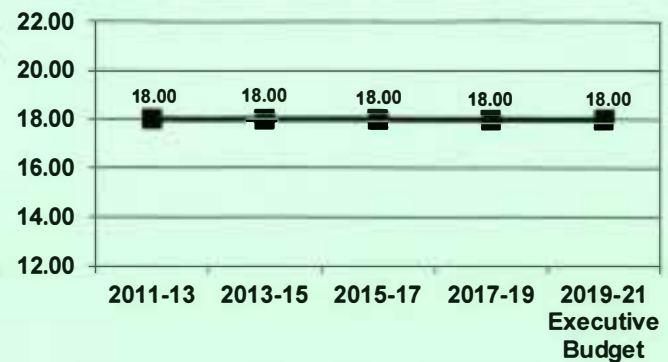
Department 101 - Governor's office

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Historical Appropriations Information**Ongoing General Fund Appropriations Since 2011-13****Ongoing General Fund Appropriations (in Millions)****FTE Positions**

Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$3,708,942	\$4,033,873	\$4,094,559	\$4,007,758	\$4,145,855
Increase (decrease) from previous biennium	\$234,584	\$324,931	\$60,686	(\$86,801)	\$138,097
Percentage increase (decrease) from previous biennium	N/A	8.8%	1.5%	(2.1%)	3.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	8.8%	10.4%	8.1%	11.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations**2013-15 Biennium**

1. No major changes

2015-17 Biennium

1. No major changes

2017-19 Biennium

1. Reduced funding for salaries and wages (\$93,004)
2. Reduced funding for operating expenses (\$45,254)

2019-21 Biennium (Executive Budget Recommendation)

1. Reduces funding in the Governor's salary line item (\$199,466)
2. Underfunds salaries and wages (\$86,305)
3. Adds funding for temporary staff \$30,000
4. Increases funding for operating expenses \$60,000

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

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$3,422,574	\$254,157	\$3,676,731
Governor's Salary	265,928	(186,044)	79,884
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Transition In	0	15,000	15,000
Transition Out	0	50,000	50,000
Roughrider awards	10,800	0	10,800
Total general fund	\$4,007,758	\$342,905	\$4,350,663
Full-time equivalent positions	18.00	0.00	18.00

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

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Governor's transition lines	\$0	\$65,000
Boards and Commissions IT Project	0	139,808
Total general fund	\$0	\$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - GOVERNOR'S OFFICE. In addition to the amounts appropriated to the governor's office in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. FUNDING TRANSFERS – EXEPTION – AUTHORIZATION. Notwithstanding section 54-16-04, the governor's office may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The governor's office shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section

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

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54-07-04. Salary of governor.

The annual salary of the governor is ~~one hundred thirty two thousand nine hundred sixty four dollars through June 30, 2018~~ and one hundred thirty-eight thousand two hundred eighty-two dollars through June 30, 2020 and one hundred forty-one thousand forty eight dollars thereafter.

SECTION 6. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred three thousand two hundred twenty one dollars through June 30, 2018~~ and one hundred seven thousand three hundred fifty dollars through June 30, 2020 and one hundred nine thousand four hundred ninety seven dollars thereafter.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2001

Page 1, line 2, after "governor" insert "; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to salary of the governor and lieutenant governor; to provide an exemption"

Page 1, line 2, replace "legislative management" with "budget section"

Page 1, replace lines 9 through 19 with:

	<u>Base Level</u>	<u>"Adjustments or Enhancements"</u>	<u>Appropriation</u>
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Governor's salary	265,928	9,387	275,315
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Total general fund	\$4,007,758	\$485,464	\$4,493,222
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. GOVERNOR'S OFFICE ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Transition costs	\$0	\$65,000
Boards and commissions project	0	139,808
Total general fund	\$0	\$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 1, line 21, replace "**LEGISLATIVE MANAGEMENT**" with "**BUDGET SECTION**"

Page 2, line 3, replace "legislative management" with "budget section"

Page 2, after line 4, insert:

"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~~ one hundred thirty-five thousand six hundred twenty-three dollars through

June 30, ~~2016~~2020, and ~~one hundred thirty-two thousand nine hundred sixty-four~~one hundred thirty-nine thousand six hundred ninety-two dollars thereafter.

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p2

SECTION 5. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred thousand two hundred fifteen~~one hundred five thousand two hundred eighty-five dollars through June 30, ~~2016~~2020, and ~~one hundred three thousand two hundred twenty-one~~one hundred eight thousand four hundred forty-four dollars thereafter.

SECTION 6. GOVERNOR'S SALARY - EXEMPTION. It is the intent of the sixty-sixth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2019, and ending June 30, 2021. 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, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	265,928	9,387	275,315
Transition in		15,000	15,000
Transition out		50,000	50,000
Total all funds	\$4,007,758	\$485,464	\$4,493,222
Less estimated income	0	0	0
General fund	\$4,007,758	\$485,464	\$4,493,222
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Base Payroll and Budget Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts Base Level Funding ³	Adds Funding for Boards and Commissions Project ⁴	Adds Funding for Governor's Transition Costs ⁵	Total Senate Changes
Salaries and wages	\$76,886	\$180,704	(\$56,305)			\$201,285
Operating expenses	8,476		61,508	\$139,808		209,792
Contingencies						
Rough Rider Awards						
Governor's salary		9,387				9,387
Transition in					\$15,000	15,000
Transition out					50,000	50,000
Total all funds	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
Less estimated income	0	0	0	0	0	0
General fund	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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¹ Funding is adjusted for base payroll and budget changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

General Fund	
Salary increase	\$114,235
Health insurance increase	75,856
Total	\$190,091

³ Base level funding is adjusted as follows:

General Fund	
Underfund salaries and wages	(\$86,305)
Add funding for temporary staff	30,000
Add funding for Microsoft Office 365 licensing	1,508
Increase funding for operating expenses	60,000
Total	\$5,203

⁴ One-time funding is added for a technology project to update the boards and commissions database.

⁵ One-time funding is added for transition costs in the event a new Governor is elected in 2020.

This amendment also:

- Adjusts Section 2 to specify the Governor's office report to the Budget Section when any additional income from federal or other sources is received by the office.
- Adds a section to provide the statutory changes needed to increase the Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to provide the statutory changes needed to increase the Lieutenant Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to allow the Governor to decline the salary for the office during the 2019-21 biennium. The section requires the Governor's office to turn back any 2019-21 biennium salaries and wages funding not used for the Governor's position at the end of the biennium.

January 31, 2019

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pg 1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2001

Page 1, line 2, after "governor" insert "; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to salary of the governor and lieutenant governor; to provide an exemption"

Page 1, line 2, replace "legislative management" with "budget section"

Page 1, replace lines 9 through 19 with:

	<u>Base Level</u>	<u>"Adjustments or Enhancements"</u>	<u>Appropriation</u>
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Governor's salary	265,928	9,387	275,315
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Total general fund	\$4,007,758	\$485,464	\$4,493,222
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. GOVERNOR'S OFFICE ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Transition costs	\$0	\$65,000
Boards and commissions project	0	139,808
Total general fund	\$0	\$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 1, line 21, replace "**LEGISLATIVE MANAGEMENT**" with "**BUDGET SECTION**"

Page 2, line 3, replace "legislative management" with "budget section"

Page 2, after line 4, insert:

"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~~ one hundred thirty-five thousand six hundred twenty-three dollars through

June 30, ~~2016~~2020, and one hundred thirty-two thousand nine hundred sixty-four ~~one~~
 hundred thirty-nine thousand six hundred ninety-two dollars thereafter.

#1 SB 2001
 2-6-2019
 pg 2

SECTION 5. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred thousand two hundred fifteen~~ one hundred five thousand two hundred eighty-five dollars through June 30, ~~2016~~2020, and ~~one hundred three thousand two hundred twenty-one~~ one hundred eight thousand four hundred forty-four dollars thereafter.

SECTION 6. GOVERNOR'S SALARY - EXEMPTION. It is the intent of the sixty-sixth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2019, and ending June 30, 2021. 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, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	265,928	9,387	275,315
Transition in		15,000	15,000
Transition out		50,000	50,000
Total all funds	\$4,007,758	\$485,464	\$4,493,222
Less estimated income	0	0	0
General fund	\$4,007,758	\$485,464	\$4,493,222
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Base Payroll and Budget Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts Base Level Funding ³	Adds Funding for Boards and Commissions Project ⁴	Adds Funding for Governor's Transition Costs ⁵	Total Senate Changes
Salaries and wages	\$76,886	\$180,704	(\$56,305)			\$201,285
Operating expenses	8,476		61,508	\$139,808		209,792
Contingencies						
Rough Rider Awards						
Governor's salary		9,387				9,387
Transition in					\$15,000	15,000
Transition out					50,000	50,000
Total all funds	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
Less estimated income	0	0	0	0	0	0
General fund	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll and budget changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

<u>General Fund</u>	
Salary increase	\$114,235
Health insurance increase	75,856
Total	<u>\$190,091</u>

³ Base level funding is adjusted as follows:

<u>General Fund</u>	
Underfund salaries and wages	(\$86,305)
Add funding for temporary staff	30,000
Add funding for Microsoft Office 365 licensing	1,508
Increase funding for operating expenses	60,000
Total	<u>\$5,203</u>

⁴ One-time funding is added for a technology project to update the boards and commissions database.

⁵ One-time funding is added for transition costs in the event a new Governor is elected in 2020.

This amendment also:

- Adjusts Section 2 to specify the Governor's office report to the Budget Section when any additional income from federal or other sources is received by the office.
- Adds a section to provide the statutory changes needed to increase the Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to provide the statutory changes needed to increase the Lieutenant Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to allow the Governor to decline the salary for the office during the 2019-21 biennium. The section requires the Governor's office to turn back any 2019-21 biennium salaries and wages funding not used for the Governor's position at the end of the biennium.

Department 101 - Governor
Senate Bill No. 2001

Executive Budget Comparison to Prior Biennium Appropriations

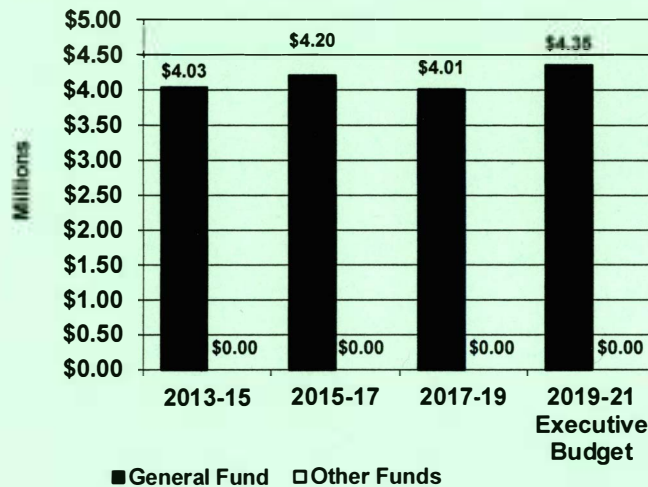
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	18.00	\$4,350,663	\$0	\$4,350,663
2017-19 Legislative Appropriations ¹	18.00	4,007,758	0	4,007,758
Increase (Decrease)	0.00	\$342,905	\$0	\$342,905

¹The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds of \$186,648 received by the Governor's office pursuant to Section 4 of House Bill No. 1001 (2017).

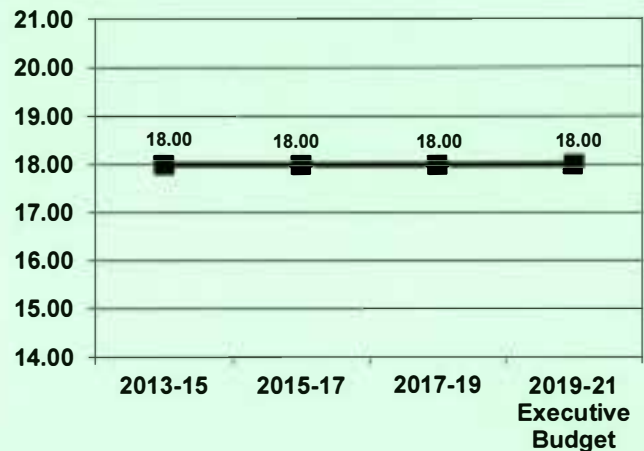
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$4,145,855	\$204,808	\$4,350,663
2017-19 Legislative Appropriations	4,007,758	0	4,007,758
Increase (Decrease)	\$138,097	\$204,808	\$342,905

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$4,350,663	\$0	\$4,350,663
2019-21 Base Level	4,007,758	0	4,007,758
Increase (Decrease)	\$342,905	\$0	\$342,905

First House Action

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

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 \$163,098 is for salary increases, \$64,246 is for health insurance increases, and \$19,634 is for retirement contribution increases. The Senate added funding for salary adjustments of 2 percent per year the 1st year of the biennium and 3 percent the 2nd year of the biennium and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increases.	\$246,978	\$0	\$246,978
2. Reduces funding in the Governor's salary line item. The Senate did not remove this funding.	(\$199,446)	\$0	(\$199,446)

3. Underfunds salaries and wages	(\$86,305)	\$0	(\$86,305)
4. Increases funding for temporary staff	\$30,000	\$0	\$30,000
5. Adds funding for Microsoft Office 365 licensing expenses	\$1,508	\$0	\$1,508
6. Increases funding for operating expenses	\$60,000	\$0	\$60,000
7. Adds one-time funding for Governor's transition in and out expenses	\$65,000	\$0	\$65,000
8. Adds one-time funding for technology improvements to the boards and commissions database	\$139,808	\$0	\$139,808

Other Sections in Senate Bill No. 2001

Additional income - Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2019-21 biennium.

Elected officials' salary increases - Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 2 percent on July 1, 2019, and by 3 percent on July 1, 2020, as follows:

	Current Level	July 1, 2019	July 1, 2020
Governor	\$132,964	\$135,633	\$139,692
Lieutenant Governor	\$103,221	\$105,285	\$108,444

Governor's salary exemption - Section 6 allows the Governor to decline the salary of the office during the 2019-21 biennium and provides that any unexpended funds in the Governor's salary line item must be cancelled at the end of the 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.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1363 - Executive security and transportation costs - Enacts two new sections in Century Code to require the Department of Transportation and Highway Patrol to maintain records regarding the costs of providing security and transportation to elected officials.

Governor - Budget No. 101
Senate Bill No. 2001
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	18.00	\$4,007,758	\$0	\$4,007,758	18.00	\$4,007,758	\$0	\$4,007,758
2019-21 Ongoing Funding Changes								
Base payroll and budget changes		\$85,362		\$85,362		\$85,362		\$85,362
Salary increase		163,098		163,098		114,235		114,235
Health insurance increase		64,246		64,246		75,856		75,856
Retirement contribution increase		19,634		19,634				0
Underfund salaries and wages		(86,305)		(86,305)		(86,305)		(86,305)
Reduce Governor's salary line item		(199,446)		(199,446)				0
Add funding for temporary staff		30,000		30,000		30,000		30,000
Microsoft Office 365 licensing costs		1,508		1,508		1,508		1,508
Operating expense increase		60,000		60,000		60,000		60,000
Total ongoing funding changes	0.00	\$138,097	\$0	\$138,097	0.00	\$280,656	\$0	\$280,656
One-time funding items								
Governor transition costs		\$65,000		\$65,000		\$65,000		\$65,000
Boards and commission technology project		139,808		139,808		139,808		139,808
Total one-time funding changes	0.00	\$204,808	\$0	\$204,808	0.00	\$204,808	\$0	\$204,808
Total Changes to Base Level Funding	0.00	\$342,905	\$0	\$342,905	0.00	\$485,464	\$0	\$485,464
2019-21 Total Funding	18.00	\$4,350,663	\$0	\$4,350,663	18.00	\$4,493,222	\$0	\$4,493,222

Other Sections for Governor - Budget No. 101

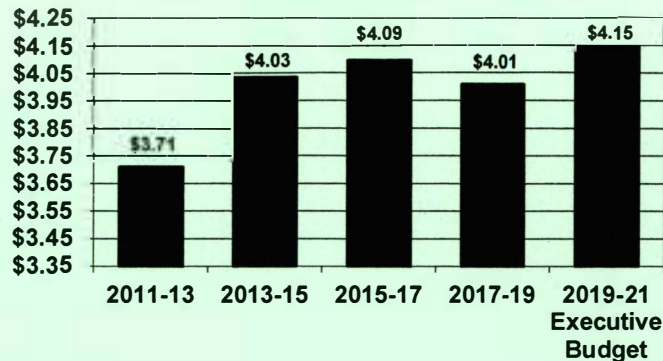
	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Additional income received by the Governor's office	Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2019-21 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2019-21 biennium.
Line item transfers	Section 4 would authorize the agency to transfer up to 10 percent of the agency's appropriation authority between line items in Section 1 of the bill.	
Salary of the Governor and Lieutenant Governor	Sections 5 and 6 would provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 4 percent on July 1, 2019, and by 2 percent on July 1, 2020.	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 2 percent on July 1, 2019, and by 3 percent on July 1, 2020.
Governor's salary exemption		Section 6 allows the Governor to decline the salary of the office during the 2019-21 biennium and provides that any unexpended funds in the Governor's salary line item must be canceled at the end of the biennium.

Department 101 - Governor's office

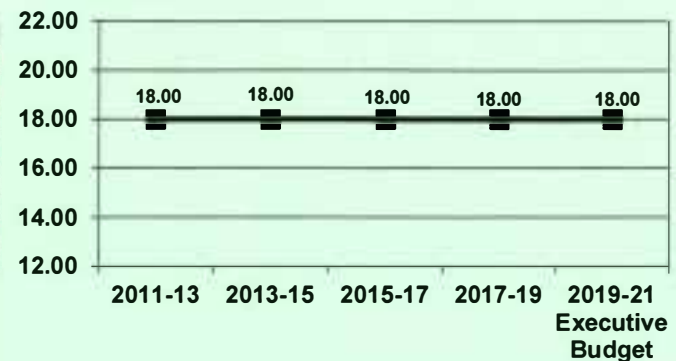
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$3,708,942	\$4,033,873	\$4,094,559	\$4,007,758	\$4,145,855
Increase (decrease) from previous biennium	\$234,584	\$324,931	\$60,686	(\$86,801)	\$138,097
Percentage increase (decrease) from previous biennium	N/A	8.8%	1.5%	(2.1%)	3.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	8.8%	10.4%	8.1%	11.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. No major changes

2015-17 Biennium

1. No major changes

2017-19 Biennium

1. Reduced funding for salaries and wages (\$93,004)
2. Reduced funding for operating expenses (\$45,254)

2019-21 Biennium (Executive Budget Recommendation)

1. Reduces funding in the Governor's salary line item. **The Senate did not remove this funding.** (\$199,466)
2. Underfunds salaries and wages (\$86,305)
3. Adds funding for temporary staff \$30,000
4. Increases funding for operating expenses \$60,000

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

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,422,574	\$254,157	\$3,676,731
Governor's Salary	265,928	(186,044)	79,884
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Transition In	0	15,000	15,000
Transition Out	0	50,000	50,000
Roughrider awards	10,800	0	10,800
Total general fund	\$4,007,758	\$342,905	\$4,350,663
Full-time equivalent positions	18.00	0.00	18.00

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

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Governor's transition lines	\$0	\$65,000
Boards and Commissions IT Project	0	139,808
Total general fund	\$0	\$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - GOVERNOR'S OFFICE. In addition to the amounts appropriated to the governor's office in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. FUNDING TRANSFERS – EXEPTION – AUTHORIZATION. Notwithstanding section 54-16-04, the governor's office may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The governor's office shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section

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 thirty two thousand nine hundred sixty four dollars through June 30, 2018 and one hundred thirty-eight thousand two hundred eighty-two dollars through June 30, 2020 and one hundred forty-one thousand forty eight dollars thereafter.~~

SECTION 6. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred three thousand two hundred twenty-one dollars through June 30, 2018 and one hundred seven thousand three hundred fifty dollars through June 30, 2020 and one hundred nine thousand four hundred ninety seven dollars thereafter.~~

Testimony of JoDee Hanson
In Support of
2019 SENATE BILL 2001
OFFICE OF THE GOVERNOR

Att
SB 2001
3/1/2019

Presented to
House Appropriations Committee – Education and Environment Division
REPRESENTATIVE MONSON, CHAIRMAN
Friday, March 1, 2019

Chairman Monson and members of the Appropriations Committee, I am JoDee Hanson, Chief Administrative Officer for the Governor, and am here to ask for your support for the budget recommendation for the Office of the Governor. The recommended budget for the Office of the Governor for the 2019-21 biennium continues existing positions and programs. The budget was prepared in accordance with the 95% base budget guidelines provided to all state agencies.

Salaries and wages

In our original budget proposal, we recommended funding is decreased by (\$208,866) from the 2017-19 legislative appropriation as part of the 5% budget reduction requested by the Governor. The Senate restored this funding, matching the language from HB 1001, section 5.

The salary lines also include an increase of \$246,978 to fund the salary increases and health insurance changes and additional retirement contribution recommended for all state agencies as part of the statewide executive compensation plan. Note the Senate approved \$201,285.

Operating expenses

The recommended funding for operating expenses is increased by \$209,792. This includes a one-time request of \$139,808 for a Boards and Commissions software upgrade to improve the constituent application experience, ensure security for board members' personal information, and enhance data integrity. In addition, the request includes additional operating funds for increased ITD expenses and professional development for staff.

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

Governor - Budget No. 101
Senate Bill No. 2001
Base Level Funding Changes

ATL1 SB 2001 3/14/2019

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	18.00	\$4,007,758	\$0	\$4,007,758	18.00	\$4,007,758	\$0	\$4,007,758	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll and budget changes		\$85,362		\$85,362		\$85,362		\$85,362				\$0
Salary increase		163,098		163,098		114,235		114,235		(48,863)		(48,863)
Health insurance increase		64,246		64,246		75,856		75,856		11,610		11,610
Retirement contribution increase		19,634		19,634				0		(19,634)		(19,634)
Underfund salaries and wages		(86,305)		(86,305)		(86,305)		(86,305)				0
Reduce Governor's salary line item		(199,446)		(199,446)				0		199,446		199,446
Add funding for temporary staff		30,000		30,000		30,000		30,000				0
Microsoft Office 365 licensing costs		1,508		1,508		1,508		1,508				0
Operating expense increase		60,000		60,000		60,000		60,000				0
Total ongoing funding changes	0.00	\$138,097	\$0	\$138,097	0.00	\$280,656	\$0	\$280,656	0.00	\$142,559	\$0	\$142,559
One-time funding items												
Governor transition costs		\$65,000		\$65,000		\$65,000		\$65,000		\$0		\$0
Boards and commission technology project		139,808		139,808		139,808		139,808		0		0
Total one-time funding changes	0.00	\$204,808	\$0	\$204,808	0.00	\$204,808	\$0	\$204,808	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$342,905	\$0	\$342,905	0.00	\$485,464	\$0	\$485,464	0.00	\$142,559	\$0	\$142,559
2019-21 Total Funding	18.00	\$4,350,663	\$0	\$4,350,663	18.00	\$4,493,222	\$0	\$4,493,222	0.00	\$142,559	\$0	\$142,559

Att 1 SB 2001 3/14/2019

Other Sections for Governor - Budget No. 101

	Executive Budget Recommendation	Senate Version
Additional income received by the Governor's office	Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2019-21 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2019-21 biennium.
Line item transfers	Section 4 would authorize the agency to transfer up to 10 percent of the agency's appropriation authority between line items in Section 1 of the bill.	
Salary of the Governor and Lieutenant Governor	Sections 5 and 6 would provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 4 percent on July 1, 2019, and by 2 percent on July 1, 2020.	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 2 percent on July 1, 2019, and by 3 percent on July 1, 2020.
Governor's salary exemption		Section 6 allows the Governor to decline the salary of the office during the 2019-21 biennium and provides that any unexpended funds in the Governor's salary line item must be canceled at the end of the biennium.

Governor - Budget No. 101
Senate Bill No. 2001
Base Level Funding Changes

Proposed House Version
3/15/2019

Att 1 SB 2001 3/18/2019

	Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	18.00	\$4,007,758	\$0	\$4,007,758	18.00	\$4,007,758	\$0	\$4,007,758	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll and budget changes		\$85,362		\$85,362		\$85,362		\$85,362				\$0
Salary increase		114,235		114,235		97,731		97,731		(16,504)		(16,504)
Health insurance increase		75,856		75,856		75,856		75,856				0
Retirement contribution increase				0				0				0
Underfund salaries and wages		(86,305)		(86,305)	(1.00)	(86,305)		(86,305)	(1.00)			0
Reduce Governor's salary line item				0				0				0
Add funding for temporary staff		30,000		30,000		0		0		(30,000)		(30,000)
Microsoft Office 365 licensing costs		1,508		1,508		1,508		1,508				0
Operating expense increase		60,000		60,000		0		0		(60,000)		(60,000)
Total ongoing funding changes	0.00	\$280,656	\$0	\$280,656	(1.00)	\$174,152	\$0	\$174,152	(1.00)	(\$106,504)	\$0	(\$106,504)
One-time funding items												
Governor transition costs		\$65,000		\$65,000		\$65,000		\$65,000				\$0
Boards and commission technology project		139,808		139,808		139,808		139,808				0
Total one-time funding changes	0.00	\$204,808	\$0	\$204,808	0.00	\$204,808	\$0	\$204,808	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$485,464	\$0	\$485,464	(1.00)	\$378,960	\$0	\$378,960	(1.00)	(\$106,504)	\$0	(\$106,504)
2019-21 Total Funding	18.00	\$4,493,222	\$0	\$4,493,222	17.00	\$4,386,718	\$0	\$4,386,718	(1.00)	(\$106,504)	\$0	(\$106,504)

Other Sections for Governor - Budget No. 101

	Senate Version	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 2019-21 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2019-21 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 2 percent on July 1, 2019, and by 3 percent on July 1, 2020.	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 2 percent on July 1, 2019, and by 2 percent on July 1, 2020.
Governor's salary exemption	Section 6 allows the Governor to decline the salary of the office during the 2019-21 biennium and provides that any unexpended funds in the Governor's salary line item must be canceled at the end of the biennium.	

Position Descriptions

Att 2

SB2001

3/18/2019

Chief People Officer and Director of Human Resource Management Services

The Chief People Officer is the state government's workforce strategist and organizational development leader, with a focus on enhancing performance and productivity while coaching and advising the governor's cabinet leadership team. In addition, the CPO will lead the Human Resource Management Services division within OMB, and lead a unified approach to Human Resources across state government to spur innovation and efficiency in processes involving recruitment, hiring, performance and development, talent management, succession management, recognition and reward systems, team member experience and related areas.

Director of Leadership and Learning

The Director of Leadership and Learning will:

- Partner with state agencies regarding leadership development activities and policies to leverage best practices.
- Plan, develop, and implement statewide learning solutions and leadership development activities to address organizational needs.
- Provide information, advice, and resources to continue advancement of a high-performing, service-oriented culture within state government.
- Identify and communicate ongoing learning system needs and solutions.
- Engage and lead a virtual statewide team of trainers across state government to share and leverage best practices.
- Select and train staff.
- Represent the agency and the leadership and learning development function before the Legislature, employee groups, other state agencies, and organizations.

Salary Information for Agency Shared Positions

Att 2

SB2001

3/18/2019

<u>Name / Agency</u>	<u>Total</u>
Cheri Schoenfish (Chief People Officer)	
101 - Governor's Office	19,840.28
110 - Office of Management & Budget	9,307.87
301 - Health Department	19,975.50
325 - Human Services	90,250.44
Total	139,374.09

Monthly Salary Amount: \$ 11,667.

Salary expense from October 9, 2017 thru October 5, 2018

Christine Thompson (Director of Leadership Development)	
110 - Office of Management & Budget	8,625.00
112 - Information Technology Department	2,683.35
301 - Health Department	2,827.10
325 - Human Services	16,962.50
485 - Workforce Safety & Insurance	2,012.50
530 - Dept of Corrections	6,612.50
801 - Dept of Transportation	8,193.75
Total	47,916.70

Monthly Salary Amount: \$ 9,583.

Salary expense from October 1, 2018 thru current February payroll

Both positions listed are Temporary Employees and not reflected in the FTE count of the Governor's Office or the Office of Management and Budget.

Att 2
SB 2001
3/18/2019

MEMORANDUM OF UNDERSTANDING

This memorandum of understanding memorializes the agreement between the Office of Governor Doug Burgum, the Department of Health, the Department of Human Services and the Office of Management and Budget, for the benefit of these agencies and on behalf of other cabinet agencies.

Under the direction of Governor Burgum, the temporary position entitled "Chief People Officer ("CPO") has been created to evaluate the current human resource practices in the Department of Human Services, the Department of Health, the Office of Management and Budget and the Governor's Office, for the benefit of these agencies and on behalf of other cabinet agencies. The Chief People Officer is responsible for facilitating a unified approach to key HR processes, including recruitment, hiring, goal setting, performance and talent management, succession planning and team member relations. In addition, the position responsibilities include identifying efficiencies, workforce strategies and other organizational developmental leadership processes, and make recommendations for establishing a culture of high-performing citizen-focused teams.

Compensation for the Chief People Officer shall be paid from the budgets of the Department of Human Services, the Department of Health, the Office of Management and Budget and the Office of the Governor. The allocations for each agency, identified on Attachment 1, reflect the work and services to be provided by the Chief People Officer on behalf, and at the direction, of the respective agencies.

This Memorandum of Understanding may be terminated upon written notice of any party. Any modification to the allocated per-agency share of compensation, set forth on Attachment 1, shall not be effective unless reduced to writing and signed by each agency.

Nothing in this Memorandum of Understanding shall operate to change the Chief People Officer's temporary employment with the state of North Dakota as being anything other than "at will."

Department of Human Services

Signature: 

Date: 11-16-17

Department of Health

Signature: 

Date: 11/20/2017

Office of Management and Budget

Signature: 

Date: 11-17-17

Office of the Governor

Signature: 

Date: 11/16/17

Attachment 1 to Memorandum of Understanding

Att 2

SB 2001

3/18/2019

Chief People Officer - Per Agency Compensation Allocation

Agency	Compensation
Department of Human Services	\$90,000.00
Department of Health	\$20,000.00
Office of Management and Budget	\$10,000.00
Office of the Governor	\$20,000.00
Total	\$140,000.00



Memorandum of Understanding

A++2

SB 2001

3/18/2019

This memorandum of understanding memorializes the agreement between the Information Technology Department, Department of Transportation, Department of Health, Department of Environmental Quality, Department of Human Services, Department of Corrections and Rehabilitation, Workforce Safety and Insurance, and the Office of Management and Budget, for the benefit of these agencies and on behalf of other cabinet agencies.

The temporary position titled "Director of Leadership Development" has been created to partner with state agencies regarding leadership development activities and requirements and policies to leverage best practices; plan, develop, implement, administer and evaluate statewide learning solutions and leadership development activities; provide information, advice and resources to continue advancement of a high-performing, service-oriented culture within state government; identify and communicate ongoing learning system needs and solutions; develop requests for proposals, determine contract providers and authorize and monitor contracts as required; and engage and lead a virtual statewide team of trainers across state government to share and leverage best practices.

The Director of Leadership Development shall be paid from the budgets of agencies as set forth on Attachment 1. The allocations for each agency, identified on Attachment 1, reflect the work and services to be provided by the Director of Leadership Development on behalf, and at the direction, of respective agencies.

This Memorandum of Understanding may be terminated upon written notice of any party. Any modification to the allocated, per-agency share of compensation, set forth in Attachment 1, shall not be effective unless reduced to writing and signed by each agency.

Nothing in this Memorandum of Understanding shall operate to change the Director of Leadership Development's temporary employment with the state of North Dakota as being anything other than "at will".

Information Technology Department

Signature

Date

30 Oct 18

Department of Transportation

Signature

Date

10/11/18

Department of Health

Signature

Date

10/4/2018

Department of Environmental Quality

Signature

Date

10-18-18

Department of Human Services

ATT 2

SB 2001

3/18/2019

Signature

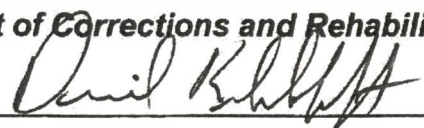


Date

10-4-18

Department of Corrections and Rehabilitation

Signature

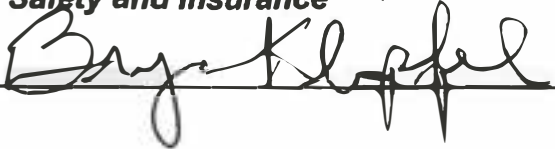


Date

10-15-18

Workforce Safety and Insurance

Signature

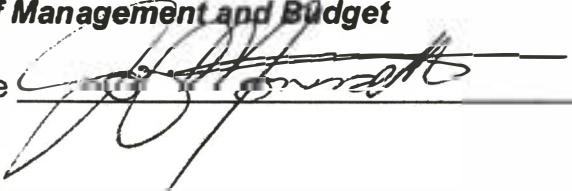


Date

10/4/2018

Office of Management and Budget

Signature



Date

11/1/18

ATT 2 SB 2001 3/18/2019

Attachment #

Director of Leadership Development Position

				Leadership Position Allocated Cost Before Payroll Taxes
Agency		FTE	% of Total Cabinet FTE \1	
Allocation to Largest Cabinet Agencies Based on FTE				
325	DHS	2162.23	35.4%	40,710.00
801	DOT	1047.00	17.1%	19,665.00
503	DOCR	845.29	13.8%	15,870.00
301	DoH	364.00	5.9%	6,785.00 \2
112	ITD	344.30	5.6%	6,440.00
485	WSI	260.14	4.2%	4,830.00
Allocation of Remaining Amount to OMB				
110	OMB	117.00	18.0%	20,700.00
Total		5,139.96	100.0%	<u>115,000.00</u> \3

\1 All cabinet agencies FTE 6,126.47

\2 DoH FTE split between Department of Environmental Quality and Department of Health as follows:

DOH	211.50	3.5%	3,970.07
DEQ	152.50	2.5%	2,862.58

\3 \$115,000 salary, not including applicable payroll taxes

Governor - Budget No. 101
Senate Bill No. 2001
Base Level Funding Changes

SB 2001
 4-12-19
 #1

	Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	18.00	\$4,007,758	\$0	\$4,007,758	18.00	\$4,007,758	\$0	\$4,007,758	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll and budget changes		\$85,362		\$85,362		\$85,362		\$85,362				\$0
Salary increase		114,235		114,235		113,119		113,119		(1,116)		(1,116)
Health insurance increase		75,856		75,856		75,856		75,856				0
Retirement contribution increase				0				0				0
Underfund salaries and wages		(86,305)		(86,305)	(1.00)	(86,305)		(86,305)	(1.00)			0
Reduce Governor's salary line item				0				0				0
Add funding for temporary staff		30,000		30,000		0		0		(30,000)		(30,000)
Microsoft Office 365 licensing costs		1,508		1,508		1,508		1,508				0
Operating expense increase		60,000		60,000		0		0		(60,000)		(60,000)
Total ongoing funding changes	0.00	\$280,656	\$0	\$280,656	(1.00)	\$189,540	\$0	\$189,540	(1.00)	(\$91,116)	\$0	(\$91,116)
One-time funding items												
Governor transition costs		\$65,000		\$65,000		\$65,000		\$65,000				\$0
Boards and commission technology project		139,808		139,808		139,808		139,808				0
Total one-time funding changes	0.00	\$204,808	\$0	\$204,808	0.00	\$204,808	\$0	\$204,808	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$485,464	\$0	\$485,464	(1.00)	\$394,348	\$0	\$394,348	(1.00)	(\$91,116)	\$0	(\$91,116)
2019-21 Total Funding	18.00	\$4,493,222	\$0	\$4,493,222	17.00	\$4,402,106	\$0	\$4,402,106	(1.00)	(\$91,116)	\$0	(\$91,116)

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Other Sections for Governor - Budget No. 101

	Senate Version	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 2019-21 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2019-21 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 2 percent on July 1, 2019, and by 3 percent on July 1, 2020.	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries consistent with state employee salary increases.
Governor's salary exemption	Section 6 allows the Governor to decline the salary of the office during the 2019-21 biennium and provides that any unexpended funds in the Governor's salary line item must be canceled at the end of the biennium.	

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STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Funding Summary

	Base Budget	Senate Version	House Changes	House Version
Governor's Office				
Salaries and wages	\$3,422,574	\$3,623,859	(\$29,913)	\$3,593,946
Operating expenses	298,456	508,248	(60,000)	448,248
Contingencies	10,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Governor's salary	265,928	275,315	(1,203)	274,112
Transition in		15,000		15,000
Transition out		50,000		50,000
Total all funds	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
Less estimated income	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
FTE	18.00	18.00	(1.00)	17.00
Bill total				
Total all funds	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
Less estimated income	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
FTE	18.00	18.00	(1.00)	17.00

Senate Bill No. 2001 - Governor's Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
Operating expenses	298,456	209,792	508,248
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	265,928	9,387	275,315
Transition in		15,000	15,000
Transition out		50,000	50,000
Total all funds	\$4,007,758	\$485,464	\$4,493,222
Less estimated income	0	0	0
General fund	\$4,007,758	\$485,464	\$4,493,222
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Base Payroll and Budget Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts Base Level Funding ³	Adds Funding for Boards and Commissions Project ⁴	Adds Funding for Governor's Transition Costs ⁵	Total Senate Changes
Salaries and wages	\$76,886	\$180,704	(\$56,305)			\$201,285
Operating expenses	8,476		61,508	\$139,808		209,792
Contingencies						
Rough Rider Awards						
Governor's salary		9,387				9,387
Transition in					\$15,000	15,000
Transition out					50,000	50,000
Total all funds	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
Less estimated income	0	0	0	0	0	0
General fund	\$85,362	\$190,091	\$5,203	\$139,808	\$65,000	\$485,464
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll and budget changes.

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SB 2001
#2
p2

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

<u>General Fund</u>	
Salary increase	\$114,235
Health insurance increase	<u>75,856</u>
Total	\$190,091

³ Base level funding is adjusted as follows:

<u>General Fund</u>	
Underfund salaries and wages	(\$86,305)
Add funding for temporary staff	30,000
Add funding for Microsoft Office 365 licensing	1,508
Increase funding for operating expenses	<u>60,000</u>
Total	\$5,203

⁴ One-time funding is added for a technology project to update the boards and commissions database.

⁵ One-time funding is added for transition costs in the event a new Governor is elected in 2020.

This amendment also:

- Adjusts Section 2 to specify the Governor's office report to the Budget Section when any additional income from federal or other sources is received by the office.
- Adds a section to provide the statutory changes needed to increase the Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to provide the statutory changes needed to increase the Lieutenant Governor's salary by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Adds a section to allow the Governor to decline the salary for the office during the 2019-21 biennium. The section requires the Governor's office to turn back any 2019-21 biennium salaries and wages funding not used for the Governor's position at the end of the biennium.

Senate Bill No. 2001 - Governor's Office - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$3,422,574	\$3,623,859	(\$29,913)	\$3,593,946
Operating expenses	298,456	508,248	(60,000)	448,248
Contingencies	10,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Governor's salary	265,928	275,315	(1,203)	274,112
Transition in		15,000		15,000
Transition out		50,000		50,000
Total all funds	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
Less estimated income	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106
FTE	18.00	18.00	(1.00)	17.00

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Department 101 - Governor's Office - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Removes FTE Position Authorization ²	Removes Increase For Temporary Staff ³	Removes Operating Increase ⁴	Total House Changes
Salaries and wages	\$87		(\$30,000)		(\$29,913)
Operating expenses				(\$60,000)	(60,000)
Contingencies					
Rough Rider Awards					
Governor's salary	(1,203)				(1,203)
Transition in					
Transition out					
Total all funds	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
Less estimated income	0	0	0	0	0
General fund	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

² Authorization for 1 FTE position is removed. The Senate underfunded salaries and wages by \$86,305 but did not remove any FTE positions.

³ Additional funding added by the Senate for temporary staff is removed.

⁴ Funding added by the Senate for additional operating costs is removed.

This amendment also:

- Amends Sections 4 and 5 to provide the statutory changes needed to provide salary increases for the Governor and Lieutenant Governor consistent with state employee salary increases.
- Removes Section 6 which allows the Governor to decline the salary of the office.

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4-19-19
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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

That the House recede from its amendments as printed on pages 1306 and 1307 of the Senate Journal and pages 1497-1499 of the House Journal and that Engrossed Senate Bill No. 2001 be amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund;"

Page 1, line 3, after the first semicolon insert "to provide a continuing appropriation; to provide for a transfer; to authorize a loan;"

Page 1, line 4, remove "and"

Page 1, line 4, after the second "report" insert "; and to declare an emergency"

Page 2, after line 25, insert:

"**SECTION 5.** A new section to chapter 54-07 of the North Dakota Century Code is created and enacted as follows:

Theodore Roosevelt presidential library and museum endowment fund - Continuing appropriation.

There is created in the state treasury the Theodore Roosevelt presidential library and museum endowment fund. The governor may provide for the fund to be invested under the supervision of the board of university and school lands. The interest and earnings of the fund are appropriated to the governor on a continuing basis to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to this section. The governor may provide grants to a private entity subject to the following:

1. The private entity has certified to the governor the entity has received the sum of one hundred million dollars in cash donations and binding pledged donations for the construction of a presidential library and museum in North Dakota and for grants to affected entities; and
2. The governor has entered an agreement with the private entity in subsection 1 which includes the following provisions:
 - a. The grant funds will be spent only for operating and maintenance costs of the presidential library located in North Dakota;
 - b. Any unused grant funds will be returned to the state and deposited in the general fund if the presidential library has not been constructed within the period of time specified in the agreement or if the library ceases operations;
 - c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota for the purpose of creating an

endowment to digitize documents relating to Theodore Roosevelt and for the creation of a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and

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- d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library."

Page 3, after line 9, insert:

"SECTION 8. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, \$9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 9. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed \$35,000,000. The term of the loan may not exceed six years and the interest rate must be set at the prevailing interest rate charged by the Bank of North Dakota to governmental entities. The governor shall repay the loan authorized in this section from funds appropriated by the legislative assembly. The governor shall deposit the proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment fund.

SECTION 10. EMERGENCY. Sections 5, 8, and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

SB 2001
4-22-19

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

That the Senate accede to the House amendments as printed on pages 1306 and 1307 of the Senate Journal and pages 1497-1499 of the House Journal and that Senate Bill No. 2001 be further amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund;"

Page 1, line 3, after the first semicolon insert "to provide a continuing appropriation; to provide for a transfer; to authorize a loan;"

Page 1, line 4, remove "and"

Page 1, line 4, after the second "report" insert "; and to declare an emergency"

Page 2, after line 25, insert:

"**SECTION 5.** A new section to chapter 54-07 of the North Dakota Century Code is created and enacted as follows:

Theodore Roosevelt presidential library and museum endowment fund - Continuing appropriation.

There is created in the state treasury the Theodore Roosevelt presidential library and museum endowment fund. The governor may provide for the fund to be invested under the supervision of the board of university and school lands. The interest and earnings of the fund are appropriated to the governor on a continuing basis to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to this section. The governor may provide grants to a private entity subject to the following:

1. The private entity has certified to the governor the entity has received the sum of one hundred million dollars in cash donations and binding pledged donations for the construction of a presidential library and museum in North Dakota and for grants to affected entities; and
2. The governor has entered an agreement with the private entity in subsection 1 which includes the following provisions:
 - a. The grant funds will be spent only for operating and maintenance costs of the presidential library located in North Dakota;
 - b. Any unused grant funds will be returned to the state and deposited in the general fund if the presidential library has not been constructed within the period of time specified in the agreement or if the library ceases operations;
 - c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota for the purpose of creating an

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endowment to digitize documents relating to Theodore Roosevelt and for the creation of a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and

- d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library."

Page 3, after line 2, insert:

"SECTION 7. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, \$9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 8. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed \$35,000,000. The term of the loan may not exceed six years and the interest rate must be set at the prevailing interest rate charged by the Bank of North Dakota to governmental entities. The governor shall repay the loan authorized in this section from funds appropriated by the legislative assembly. The governor shall deposit the proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment fund.

SECTION 9. EMERGENCY. Sections 5, 7, and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$3,422,574	\$3,623,859	(\$29,913)	\$3,593,946	\$3,593,946	
Operating expenses	298,456	508,248	(60,000)	448,248	448,248	
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	265,928	275,315	(1,203)	274,112	274,112	
Transition in		15,000		15,000	15,000	
Transition out		50,000		50,000	50,000	
Total all funds	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106	\$4,402,106	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$91,116)	\$4,402,106	\$4,402,106	\$0
FTE	18.00	18.00	(1.00)	17.00	17.00	0.00

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Removes FTE Position Authorization ²	Removes Increase For Temporary Staff ³	Removes Operating Increase ⁴	Total Conference Committee Changes
Salaries and wages	\$87		(\$30,000)		(\$29,913)
Operating expenses				(\$60,000)	(60,000)
Contingencies					
Rough Rider Awards					
Governor's salary	(1,203)				(1,203)
Transition in					
Transition out					
Total all funds	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
Less estimated income	0	0	0	0	0
General fund	(\$1,116)	\$0	(\$30,000)	(\$60,000)	(\$91,116)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

² Authorization for 1 FTE position is removed, the same as the House version. The Senate underfunded salaries and wages by \$86,305 but did not remove any FTE positions.

³ Additional funding added by the Senate for temporary staff is removed, the same as the House version.

⁴ Funding added by the Senate for additional operating costs is removed, the same as the House version.

This amendment also:

- Amends Sections 4 and 5 to provide the statutory changes needed to provide salary increases for the Governor and Lieutenant Governor consistent with state employee salary increases.
- Removes Section 6 which allows the Governor to decline the salary of the office. The House also removed this section.
- Adds a section to create the Theodore Roosevelt presidential library and museum endowment fund.
- Provides for a 2017-19 biennium general fund appropriation of \$15 million to be transferred to the Theodore Roosevelt presidential library museum and endowment fund.
- Authorizes a \$35 million loan to be deposited in the Theodore Roosevelt presidential library museum and endowment fund.

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

That the House recede from its amendments as printed on pages 1306 and 1307 of the Senate Journal and pages 1497-1499 of the House Journal and that Engrossed Senate Bill No. 2001 be amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund;"

Page 1, line 3, after the semicolon insert "to provide a continuing appropriation; to provide for a transfer; to authorize a loan;"

Page 1, line 4, remove "and"

Page 1, line 4, remove the second "a"

Page 1, line 4, replace the second "report" with "reports; and to declare an emergency"

Page 1, replace line 13 with:

"Salaries and wages	\$3,422,574	\$201,372	\$3,623,946"
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Page 1, replace line 17 with:

"Governor's salary	265,928	8,184	274,112"
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Page 1, replace line 20 with:

"Total general fund	\$4,007,758	\$484,348	\$4,492,106"
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Page 2, line 23, replace "six hundred twenty-three" with "three hundred sixty-four"

Page 2, line 24, remove "thirty-nine thousand six"

Page 2, line 25, replace "hundred ninety-two" with "thirty-eight thousand seven hundred forty-eight"

Page 2, after line 25, insert:

"SECTION 5. A new section to chapter 54-07 of the North Dakota Century Code is created and enacted as follows:

Theodore Roosevelt presidential library and museum endowment fund - Continuing appropriation - Budget section report.

There is created in the state treasury the Theodore Roosevelt presidential library and museum endowment fund. The governor may provide for the fund to be invested under the supervision of the board of university and school lands. The interest and earnings of the fund are appropriated to the governor on a continuing basis to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to this section. The governor may provide grants to a private entity subject to the following:

1. The private entity has certified to the governor the entity has received the sum of one hundred million dollars in cash donations and binding pledged donations for the construction of a presidential library and museum in North Dakota and for grants to affected entities;
2. The governor has entered an agreement with the private entity in subsection 1 which includes the following provisions:
 - a. The grant funds will be spent only for operating and maintenance costs of the presidential library located in North Dakota;
 - b. Any unused grant funds will be returned to the state and deposited in the general fund if the presidential library has not been constructed within the period of time specified in the agreement or if the library ceases operations;
 - c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota for the purpose of creating an endowment to digitize documents relating to Theodore Roosevelt and for the creation of a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and
 - d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library;
3. The governor provides a report to the budget section that includes copies of the documentation received for the certification provided in subsection 1; and
4. The governor provides a report to the budget section within thirty days of applying for the loan authorized in section 9 of this Act that includes all completed loan application documents."

Page 3, line 1, remove "eight thousand four"

Page 3, line 2, replace "hundred forty-four" with "seven thousand nine hundred seventeen"

Page 3, replace lines 3 through 9 with:

"SECTION 7. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, \$9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 8. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed \$35,000,000. The term of the loan may not exceed six years and the interest rate must be set at the prevailing interest rate charged by the Bank of North Dakota to governmental entities. The governor shall repay the loan authorized in this section from funds appropriated by the

legislative assembly. The governor shall deposit the proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment fund.

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SECTION 9. EMERGENCY. Sections 5, 7, and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Governor's Office - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$3,422,574	\$3,623,859	\$87	\$3,623,946	\$3,593,946	\$30,000
Operating expenses	298,456	508,248		508,248	448,248	60,000
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	265,928	275,315	(1,203)	274,112	274,112	
Transition in		15,000		15,000	15,000	
Transition out		50,000		50,000	50,000	
Total all funds	\$4,007,758	\$4,493,222	(\$1,116)	\$4,492,106	\$4,402,106	\$90,000
Less estimated income	0	0	0	0	0	0
General fund	\$4,007,758	\$4,493,222	(\$1,116)	\$4,492,106	\$4,402,106	\$90,000
FTE	18.00	18.00	0.00	18.00	17.00	1.00

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Total Conference Committee Changes
Salaries and wages	\$87	\$87
Operating expenses		
Contingencies		
Rough Rider Awards		
Governor's salary	(1,203)	(1,203)
Transition in		
Transition out		
Total all funds	(\$1,116)	(\$1,116)
Less estimated income	0	0
General fund	(\$1,116)	(\$1,116)
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020, the same as the House. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

The Conference Committee included funding for temporary staff (\$30,000) and operating expenses (\$60,000) which the Senate added but the House removed. The Conference Committee did not remove 1 FTE position which the House had removed.

This amendment also:

- Amends Sections 4 and 5 to provide the statutory changes needed to provide salary increases for the Governor and Lieutenant Governor consistent with state employee salary increases. The House also made the changes.
- Adds a section to create the Theodore Roosevelt presidential library and museum endowment fund.
- Provides for a 2017-19 biennium general fund appropriation of \$15 million to be transferred to the Theodore Roosevelt presidential library museum and endowment fund.
- Authorizes a \$35 million loan to be deposited in the Theodore Roosevelt presidential library museum and

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endowment fund.

Removes a section which allows the Governor to decline the salary of the office. The House also removed this section.

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2001

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to salary of the governor and lieutenant governor; to provide a continuing appropriation; to provide for a transfer; to authorize a loan; to provide an exemption; to provide for a report to the legislative assembly; ~~and~~ to provide for a budget section ~~report~~reports; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$3,422,574	\$201,285	\$3,623,859
<u>Salaries and wages</u>	<u>\$3,422,574</u>	<u>\$201,372</u>	<u>\$3,623,946</u>
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Governor's salary	265,928	9,387	275,315
<u>Governor's salary</u>	<u>265,928</u>	<u>8,184</u>	<u>274,112</u>
Transition in	0	15,000	15,000

1	Transition out	<u>0</u>	<u>50,000</u>	<u>50,000</u>
2	Total general fund	\$4,007,758	\$485,464	\$4,493,222
3	<u>Total general fund</u>	<u>\$4,007,758</u>	<u>\$484,348</u>	<u>\$4,492,106</u>
4	Full-time equivalent positions	18.00	0.00	18.00

5 **SECTION 2. GOVERNOR'S OFFICE ONE-TIME FUNDING - EFFECT ON BASE BUDGET**

6 **- REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the
7 one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium
8 and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

9	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
10	Transition costs	\$0	\$65,000
11	Boards and commissions project	<u>0</u>	<u>139,808</u>
12	Total general fund	\$0	\$204,808

13 The 2019-21 one-time funding amounts are not a part of the entity's base budget for the
14 2021-23 biennium. The governor's office shall report to the appropriations committees of the
15 sixty-seventh legislative assembly on the use of this one-time funding for the biennium
16 beginning July 1, 2019, and ending June 30, 2021.

17 **SECTION 3. ADDITIONAL INCOME - APPROPRIATION - GOVERNOR'S OFFICE -**

18 **BUDGET SECTION REPORT.** In addition to the amounts appropriated in section 1 of this Act,
19 there is appropriated to the governor's office, any additional income from federal or other funds
20 which may become available to the governor's office, for the biennium beginning July 1, 2019,
21 and ending June 30, 2021. Any funds received under this section must be used for the specific
22 purpose intended for the funds or transferred to the appropriate state agency or institution.
23 Upon the receipt of funds under this section, the governor's office shall provide a report to the
24 budget section regarding the source, amount, and purpose of the funds received.

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

27 **54-07-04. Salary of governor.**

28 The annual salary of the governor is ~~one hundred twenty nine thousand ninety one~~
29 ~~hundred thirty-five thousand~~ ~~six hundred twenty three~~ three hundred sixty-four dollars through
30 June 30, ~~2016~~ 2020, and ~~one hundred thirty two thousand nine hundred sixty four~~ one hundred

~~thirty nine thousand six hundred ninety two~~thirty-eight thousand seven hundred forty-eight
dollars thereafter.

SECTION 5. A new section to chapter 54-07 of the North Dakota Century Code is created
and enacted as follows:

**Theodore Roosevelt presidential library and museum endowment fund - Continuing
appropriation - Budget section report.**

There is created in the state treasury the Theodore Roosevelt presidential library and
museum endowment fund. The governor may provide for the fund to be invested under the
supervision of the board of university and school lands. The interest and earnings of the fund
are appropriated to the governor on a continuing basis to pay interest expenses on a loan from
the Bank of North Dakota and to provide grants pursuant to this section. The governor may
provide grants to a private entity subject to the following:

1. The private entity has certified to the governor the entity has received the sum of one
hundred million dollars in cash donations and binding pledged donations for the
construction of a presidential library and museum in North Dakota and for grants to
affected entities;
2. The governor has entered an agreement with the private entity in subsection 1 which
includes the following provisions:
 - a. The grant funds will be spent only for operating and maintenance costs of the
presidential library located in North Dakota;
 - b. Any unused grant funds will be returned to the state and deposited in the general
fund if the presidential library has not been constructed within the period of time
specified in the agreement or if the library ceases operations;
 - c. The private entity agrees to donate ten million dollars from the one hundred
million dollars identified in subsection 1 to a higher education institution
foundation in North Dakota for the purpose of creating an endowment to digitize
documents relating to Theodore Roosevelt and for the creation of a Theodore
Roosevelt conservation scholars program and related academic mission at a
North Dakota higher education institution in collaboration with the private entity;
and

d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library;

3. The governor provides a report to the budget section that includes copies of the documentation received for the certification provided in subsection 1; and

4. The governor provides a report to the budget section within thirty days of applying for the loan authorized in section 9 of this Act that includes all completed loan application documents.

SECTION 6. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred thousand two hundred fifteen~~ one hundred five thousand two hundred eighty-five dollars through June 30, ~~2016~~ 2020, and ~~one hundred three thousand two hundred twenty-one~~ one hundred eight thousand four hundred forty-four seven thousand nine hundred seventeen dollars thereafter.

~~**SECTION 7. GOVERNOR'S SALARY EXEMPTION.** It is the intent of the sixty sixth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2019, and ending June 30, 2021. 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, 2019, and ending June 30, 2021.~~

SECTION 7. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, \$9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 8. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed \$35,000,000. The term of the loan may not exceed six

1 years and the interest rate must be set at the prevailing interest rate charged by the Bank of
2 North Dakota to governmental entities. The governor shall repay the loan authorized in this
3 section from funds appropriated by the legislative assembly. The governor shall deposit the
4 proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment
5 fund.

6 **SECTION 9. EMERGENCY.** Sections 5, 7, and 8 of this Act are declared to be an
7 emergency measure.