

**Industrial Commission
Budget 405
Senate Bill No. 2015**

	FTE Positions	General Fund	Other Funds	Total
2001-03 legislative appropriation	63.00	\$7,378,627	\$35,587,953	\$42,966,580
1999-2001 legislative appropriation	64.00	20,595,597	13,770,925	34,366,522
2001-03 appropriation increase (decrease) to 1999-2001 appropriation	(1.00)	(\$13,216,970)	\$21,817,028	\$8,600,058

NOTE: The 2001-03 legislative appropriation amounts include \$16,409, \$14,446 of which is from the general fund, for the agency's share of the \$5,000,000 funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

Item Description

Bond issuances - The 2001 Legislative Assembly authorized the Industrial Commission acting as the North Dakota Building Authority to arrange for the funding of the following capital projects:

State Department of Health	Laboratory addition	\$2,700,000
Minot State University	Old Main renovation	\$7,850,000
Job Service North Dakota	Bismarck service delivery office	\$2,302,000

In addition, the 2001 Legislative Assembly authorized the Industrial Commission acting as the North Dakota Building Authority to arrange for the funding of the following state facility energy improvement program capital improvements:

Department of Transportation	Headquarters building	\$352,600
North Dakota State University	Sundry projects	\$296,348
University of North Dakota	Sundry projects	\$3,990,785

The 1999 Legislative Assembly authorized the Industrial Commission to issue evidences of indebtedness in the amount of \$4.5 million to finance the construction of a health and wellness center at Williston State College. The college is to provide \$3 million to assist in the retirement of the debt.

Building Authority lease payments limitation - North Dakota Century Code Section 54-17.2-23 limits the general fund amount of lease payments for a biennium to 10 percent of an amount collected from an equivalent one percent sales, use, and motor vehicle excise tax.

Status/Result

The Industrial Commission issued 2001 Series A bonds totaling \$13,165,000 in June 2001 for the Minot State University Old Main renovation project and the Williston State College Health and Wellness Center project that was approved by the 1999 Legislative Assembly. The bonds were issued at an interest rate of 5.02 percent for a period of 20 years with annual debt service of approximately \$1,000,000.

The Industrial Commission issued 2002 Series A and B bonds totaling \$11,130,000 in March 2002 for the State Department of Health laboratory addition project, the Job Service North Dakota Bismarck service delivery office construction, and the energy improvement capital improvements at North Dakota State University and the University of North Dakota. The bonds were issued at an interest rate of 5.02 percent for a period of 20 years with annual debt service of approximately \$700,000.

The Industrial Commission was authorized to arrange for funding for energy improvement capital improvements for the Department of Transportation, but the department has decided to not proceed with the improvements.

The state agencies and institutions receiving funds for energy improvements are to monitor the resulting energy savings and the cost-effectiveness of the projects and report to the 2003 Legislative Assembly House and Senate Appropriations Committees pursuant to Section 7 of Senate Bill No. 2023.

For additional information on any of the projects mentioned above, refer to the individual pages for the respective institutions.

Based on the March 2001 forecast for projected sales, use, and motor vehicle excise tax collections for the 2001-03 biennium, the maximum statutory general fund amount of lease payments for the 2001-03 biennium is \$16,461,720. For the 2003-05 biennium, the amount is estimated to be approximately \$17,120,188. The estimated general fund debt service

Lignite research grants - Section 10 of Senate Bill No. 2015 provided that up to \$1,300,000 of the \$16,450,000 appropriated for lignite research grants is for contracting for an independent, nonmatching marketing feasibility study or studies to determine focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and jobs or that will lead to increased development of lignite and its products and create new jobs and economic growth for the general welfare of this state. The section also provides that funds appropriated for lignite research grants may also be used for the purpose of contracting for nonmatching studies and activities in support of the Lignite Vision 21 Project; for nonmatching externality studies and activities in externality proceedings; or other marketing or environmental activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Money not needed for these purposes is available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

Student loan trust - Section 13 of House Bill No. 1015 provides for a transfer of \$9 million from the North Dakota student loan trust to the general fund. The money may only be transferred upon certification by the student loan trust trustee that sufficient money remains available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

Information technology shared services - Section 15 of Senate Bill No. 2015 provides that the information technology coordinators employed by the Oil and Gas Division and the Geological Survey should share knowledge, expertise, duties, and responsibilities in an effort to increase efficiencies and avoid duplication.

requirement is \$15,707,957, \$753,763 less than the legal limit of debt service and \$101,496 less than the amount appropriated by the 2001 Legislative Assembly of \$15,809,453. The difference between the estimated debt service requirement and the appropriated debt service requirement is due to a change in the timing of the bond issue for the Williston State College Health and Wellness Center and the renovation of Old Main at Minot State University. The general fund debt service requirement for the 2003-05 biennium will be approximately \$16,817,089, leaving a \$303,099 difference between the legal limit of debt service and the estimated debt service payments.

The Industrial Commission has approved a contract with the Lignite Energy Council in the amount of \$1,200,000 to provide coordination and management services as needed for the Lignite Vision 21 project. The objective of the Lignite Vision 21 project is to construct a new lignite-fired power plant in North Dakota resulting in increased jobs, business growth, and tax revenue for North Dakota. The commission anticipates allocating the remaining \$100,000 of the \$1,300,000 for nonmatching marketing feasibility studies prior to the end of the 2001-03 biennium.

As of March 2001, no transfers have been made from the North Dakota student loan trust to the general fund. The Industrial Commission anticipates that sufficient funding will be available during the 2001-03 biennium to transfer \$9 million to the general fund and to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

The information technology coordinators employed by the Oil and Gas Division and the Geological Survey meet approximately weekly to share knowledge and expertise in the areas such as information technology networks, antivirus applications, and electronic data transfer. The information technology coordinators for the Oil and Gas Division are the primary information technology backup for the Geological Survey and the information technology coordinator for the Geological Survey is the secondary backup for the Oil and Gas Division.