

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 4, remove "section 4-28-08,"

Page 1, line 5, remove the first comma, after "sections" insert "54-03-20 as amended by Senate Bill No. 2059 as approved by the fifty-ninth legislative assembly," and replace "54-52.1-06" with "54-44.1-06, 54-44.1-06.1"

Page 1, line 6, remove "the state wheat commission fund,"

Page 1, line 7, remove the first "and" and after "radio" insert ", lodging reimbursement for members of the legislative assembly, and preparation of the budget data; to repeal sections 9 and 12 of Senate Bill No. 2015, as approved by the fifty-ninth legislative assembly, relating to composite schedules for teacher salaries and a legislative council study of the department of corrections and rehabilitation; to provide for a legislative council study; to provide legislative intent"

Page 1, line 24, replace "\$1,876,214" with "\$1,892,438"

Page 1, line 25, replace "(94,850)" with "12,350"

Page 2, line 4, replace "\$312,926" with "\$221,950"

Page 2, line 5, replace "514,476" with "410,608"

Page 2, line 6, replace "201,550" with "188,658"

Page 2, line 13, replace "13,512,017" with "13,495,793"

Page 2, line 14, replace "11,233,906" with "11,341,106"

Page 2, line 18, replace "27,316,061" with "27,407,037"

Page 2, line 19, replace "7,374,000" with "7,477,868"

Page 2, line 20, replace "19,942,061" with "19,929,169"

Page 3, line 11, remove "or such greater amount as may be available"

Page 3, remove lines 22 through 31

Page 4, remove lines 1 through 5

Page 5, after line 12, insert:

"SECTION 11. AMENDMENT. Section 54-03-20 of the North Dakota Century Code, as amended by section 1 of Senate Bill No. 2059 as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred twenty-five dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2.
 - a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed a maximum of nine hundred dollars per calendar month for lodging in state, at the rates and in the manner provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session.
 - b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative council may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3.
 - a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
 - b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed nine hundred dollars per month.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.

5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of two hundred fifty dollars a month, which is payable every six months or monthly, at the member's option.
 - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred fifty dollars per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)]."

Page 5, after line 18, insert:

"SECTION 13. AMENDMENT. Section 54-44.1-06 of the North Dakota Century Code, as effective after June 30, 2005, is amended and reenacted as follows:

54-44.1-06. (Effective after June 30, 2005) Preparation of the budget data - Contents. The director of the budget, through the office of the budget, shall prepare budget data which must contain and include the following:

1. Summary statements of the financial condition of the state, accompanied by the detailed schedules of assets and liabilities as the director of the budget determines desirable, which must include the following:
 - a. Summary statements of fund balances and assets showing in detail for each fund the surplus or deficit at the beginning of each of the two fiscal years of the previous biennium and the first fiscal year of the present biennium, the actual revenue for those years, the total appropriations for the previous and present biennium, and the total expenditures for those fiscal years; and
 - b. Similar summary statements of the estimated fund balances and assets for the current fiscal year and each of the fiscal years of the next biennium.

Summary statements may include a comparative consolidated balance sheet showing all the assets and liabilities of the state and the surplus or deficit, as the case may be, at the close of the first fiscal year of the current biennium.

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statement of unappropriated surplus for the general fund must reflect any projected deficiency appropriations relating to expenditures from the general fund for the present biennium. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.
3. Summary statements of expenditures of the previous biennium and first year of the present biennium, itemized by budget units and classified as prescribed by the director of the budget.
4. Detailed comparative statements of expenditures and requests for appropriations by funds, budget units and classification of expenditures, showing the expenditures for the previous biennium, the first fiscal year of the present biennium, the budget of the current biennium, and the governor's recommendation for appropriations for each budget unit for the next biennium, all distributed according to the prescribed classification of expenditures. Following the lists of actual and proposed expenditures of each budget unit there must be a brief explanation of the functions of the unit and comments on its policies and plans and on any considerable differences among the amounts recommended, with any descriptive, quantitative, comparative, and other data as to work done, unit costs, and like information as may be considered necessary or desirable. For capital outlay expenditures involving construction projects to be completed in two or more fiscal years, there must be shown the total estimated cost of each such project and the amount thereof recommended to be appropriated and expended in each ensuing fiscal year until completion of the project. Capital outlay needs may be projected for at least two years beyond the period covered by the budget.
5. A detailed statement showing the estimate of all moneys required to be raised or appropriated for the payment of interest upon the funded debt of the state and its other obligations bearing interest, and the amount of money required to be contributed in the two next ensuing fiscal years to the general sinking funds maintained for the redemption and payment of the debts of the state.
6. A summary statement of the unappropriated fund balance estimated to be available at the beginning of the next biennium, and the estimated revenue of the next biennium, as compared with the total recommended amounts of appropriation for all classes of expenditures for the next biennium, and if the total of the recommended expenditures exceeds the total of the estimated resources, recommendations as to how the deficiency is to be met and estimates of any proposed additional revenue.
7. Drafts of a proposed ~~general appropriations act and special appropriations acts for executive branch departments, agencies, and institutions, including institutions of higher education, providing the same funding as approved by the most recently adjourned special or regular session of the legislative assembly and amendments to the drafts of appropriations acts~~ embodying

the budget data and recommendations of the governor for appropriations for the next biennium and drafts of such revenues and other acts recommended by the governor for putting into effect the proposed financial plan. ~~The recommended general appropriation for each budget unit must be specified in a separate section of the general appropriations act.~~

8. A list of every individual asset or service, excluding real estate, with a value of at least fifty thousand dollars and every group of assets and services comprising a single system with a combined value of at least fifty thousand dollars acquired through a capital or operating lease arrangement or debt financing arrangement by a state agency or institution. The list must include assets or services acquired in the current biennium and anticipated assets or services to be acquired in the next biennium.
9. A financial plan for a prospective period of six years, including the executive budget recommendation for the next biennium, estimates of anticipated general fund and non-general fund revenues prepared for an additional period of four years, and estimates of the general fund and non-general fund appropriations required for each major program for an additional period of four years. In preparing the financial plan, the office of management and budget may utilize estimates prepared by state agencies or such other information as may be deemed necessary.
10. Any other information as the director of the budget determines desirable or as is required by law.

SECTION 14. AMENDMENT. Section 54-44.1-06.1 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-06.1. Contents of capital construction bill. The office of management and budget shall continue to prepare capital construction budgets and a capital construction bill. ~~All future~~ The capital construction ~~bills~~ bill may only include projects involving bonding. All other capital projects funded with general fund moneys or special funds must be included in draft amendments to the appropriate agency's appropriation bill."

Page 5, after line 30, insert:

"SECTION 16. REPEAL. Section 9 of Senate Bill No. 2015, as approved by the fifty-ninth legislative assembly, is repealed.

SECTION 17. REPEAL. Section 12 of Senate Bill No. 2015, as approved by the fifty-ninth legislative assembly, is repealed.

SECTION 18. LEGISLATIVE COUNCIL STUDY - DEPARTMENT OF CORRECTIONS AND REHABILITATION EMPLOYEE SALARIES. The legislative council shall consider studying, during the 2005-06 interim, employee salaries of the department of corrections and rehabilitation. The study must include:

1. Input from the office of management and budget human resource management services division regarding a salary comparison of the department's employees to market, the impact on the salary comparison of the salary increases and equity adjustments authorized for the 2005-07 biennium, and a review of the same information from 1995 through 2005, including a comparison of the salaries for the department of corrections and rehabilitation employees to market and any salary increases and equity adjustments provided during that time.
2. Input from the department of corrections and rehabilitation regarding employee salary increases provided by job classification from 1995 through

2005, employee turnover by job classification, salary equity funding requested and provided, and other relevant information.

3. A review by the legislative council of reasons relating to the divergence of salaries for the department of corrections and rehabilitation employees from market, including the related impact of demands on the department's budget due to growth in inmate populations, increase in contract housing of inmates, budget reductions, and agency turnback.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 19. LEGISLATIVE INTENT - EQUITY ADJUSTMENTS FOR STATE EMPLOYEES. It is the intent of the fifty-ninth legislative assembly that in addition to state employee compensation adjustments provided by the legislative assembly, state agencies may provide salary equity adjustments to state employees during the second year of the biennium averaging one percent only to the extent the increase can be paid within the limits of the agency's appropriation. The market equity increases are to be prioritized based on equity for employees whose salaries are furthest from their respective salary range midpoints effective July 1, 2005. Market equity increases may not be given to employees whose salary exceeds the midpoints of their assigned salary range effective July 1, 2005. The agency shall report the equity adjustments provided to the office of management and budget."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Office of Management and Budget				
Total all funds	\$33,952,969	\$27,316,061	\$90,976	\$27,407,037
Less estimated income	<u>11,683,281</u>	<u>7,374,000</u>	<u>103,868</u>	<u>7,477,868</u>
General fund	\$22,269,688	\$19,942,061	(\$12,892)	\$19,929,169
Legislative Assembly				
Total all funds	\$0	\$100,000	\$0	\$100,000
Less estimated income				
General fund	<u>\$0</u>	<u>\$100,000</u>	<u>\$0</u>	<u>\$100,000</u>
Bill Total				
Total all funds	\$33,952,969	\$27,416,061	\$90,976	\$27,507,037
Less estimated income	<u>11,683,281</u>	<u>7,374,000</u>	<u>103,868</u>	<u>7,477,868</u>
General fund	\$22,269,688	\$20,042,061	(\$12,892)	\$20,029,169

House Bill No. 1015 - Office of Management and Budget - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$13,558,925	\$13,512,017	(\$16,224)	\$13,495,793
Operating expenses	11,233,906	11,233,906	107,200	11,341,106
Capital assets	2,644,000	844,000		844,000
Grants	179,000	389,000		389,000
Prairie Public Broadcasting	1,337,138	1,337,138		1,337,138
Statewide equity pool	<u>5,000,000</u>			
Total all funds	\$33,952,969	\$27,316,061	\$90,976	\$27,407,037
Less estimated income	<u>11,683,281</u>	<u>7,374,000</u>	<u>103,868</u>	<u>7,477,868</u>
General fund	\$22,269,688	\$19,942,061	(\$12,892)	\$19,929,169
FTE	130.50	130.50	0.00	130.50

Dept. 110 - Office of Management and Budget - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	PROVIDES AUTHORITY FOR SERVER HOSTING SERVICES AND HOMELAND SECURITY 2	TOTAL SENATE CHANGES
Salaries and wages	(\$16,224)		(\$16,224)
Operating expenses		\$107,200	107,200
Capital assets			
Grants			
Prairie Public Broadcasting			
Statewide equity pool			
Total all funds	(\$16,224)	\$107,200	\$90,976
Less estimated income	<u>(3,332)</u>	<u>107,200</u>	<u>103,868</u>
General fund	(\$12,892)	\$0	(\$12,892)
FTE	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² The Senate added \$107,200 of funding from a homeland security grant to risk management for the cost of server hosting services at the Information Technology Department.

The Senate amendments provided for the following:

- Amends North Dakota Century Code (NDCC) Section 54-03-20 providing for a member of the Legislative Assembly to elect to be reimbursed for less than the amount to which the legislator is entitled.
- Amends NDCC Section 54-44.1-06 providing that appropriation bills prepared by the Office of Management and Budget provide the same funding as approved by the most recently adjourned special or regular session of the Legislative Assembly, with amendments presented to reflect the executive recommendation. This amendment also provides for the Office of Management and Budget to provide the Legislative Assembly with estimated budget information for an additional four-year period beyond the two-year period covered by the executive recommendation.
- In addition, the Senate amended NDCC Section 54-44.1-06.1 to provide that the capital construction bill include only projects involving bonding and that all other capital projects be included in draft amendments to the appropriate agency's appropriations bill.
- Repeals Section 9 of 2005 Senate Bill No. 2015 relating to preparation of future composite schedules for teacher salaries.
- Repeals Section 12 of 2005 Senate Bill No. 2015 relating to a Legislative Council study of the Department of Corrections and Rehabilitation.
- Removes the section which would have required the North Dakota Wheat Commission to submit a budget request to the Legislative Assembly.
- Provides for a Legislative Council study of employee salaries for the Department of Corrections and Rehabilitation.
- Limits the transfer from the lands and minerals trust fund to the general fund to \$5 million.
- Allows additional state employee compensation adjustments for salary equity adjustments averaging 1 percent for the second year of the biennium to be paid from existing agency appropriations.