

2009 HOUSE APPROPRIATIONS

HB 1001

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1001

House Appropriations Committee
Government Operations Division

☐ Check here for Conference Committee

Hearing Date: 1/13/09

Recorder Job Number: 6875

Committee Clerk Signature	<i>Tonya Voegel</i>
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Minutes:

Chairman Delzer opened the hearing on House Bill 1001. Roll call was taken at an earlier hearing today.

Ron Rauschenberger presented written testimony. See Attachment 1001.1.13.09A.

Ron Rauschenberger: The total budget in 07-09 was \$3,102,822 from the General Fund and \$100,000 from the Community Health Trust fund for the Governor's Prevention Advisory Council. That budget also included \$65,000 of General Fund for the Transition In and Transition out expenses available if a new Governor had been elected. Additionally \$500.00 was appropriated for the Presidential Electors expenses. I will address that \$65,000 when I discuss our turn back. The office currently has 18 authorized FTEs which include the Governor and Lt. Governor. Authorized staffing levels have been maintained at this level since 2001. There is currently one vacancy in the agency.

Chairman Delzer: How long have they been vacant?

Ron Rauschenberger: They have been vacant the whole biennium.

Chairman Delzer: Was this position funded?

Ron Rauschenberger: No. I will also explain that. During this biennium we had two other vacancies for approximately a year. Two of our people left the office in November of 07 and returned November of 08. So we kept those slots. They resigned for a year and came back and that is why we will have some salary turn back also.

Mr. Rauschenberger continued with his testimony.

Ron Rauschenberger: The operating budget for 07-09 is \$426,787. This is about 13% of the budget. The bulk of our budget is in the salary line. At this time, we are expecting to return an estimated \$228,000 at the end of the 07-09 biennium. \$65,000 of that is the Transition In and the Transition Out budget that is involved with the election year. The other dollars involved in the turn back is from the Operating Line and the Salary and Wage line. Again two of those FTEs were empty for approximately one year. We did not fill those until November of 2008. Some of the people that were with us, we knew wanted to come back and we wanted to hold those positions open so that did involve some turn back from the salary line item for this biennium. The recommended General Fund appropriation for the 09-11 biennium for the Governor's Office is approximately \$3.4million, with an increase of the General Fund \$386,536 or 12.5% for the biennium. The entire increase is related to the salary and wage line item. That includes the 5 and 5 salary increase and the adjustments for insurance of \$311,921, \$40,000 in equity increase, and then \$100,115 for the vacant position. We have used some of this salary before for interns and for temporary staff. We had a number of instances in our office, more than normal, of some fairly significant illnesses within families and so we had to bring in temporary employees while there were some cancer issues and so forth.

Chairman Delzer: You did have \$72,000 in the current budget for these expenses?

Ron Rauschenberger: Yes and we have also had interns.

Chairman Delzer: And that is in the same line item?

Ron Rauschenberger: Yes. The Governor did not request an increase in the operating line or any other expense line of our budget.

Representative Kaldor: How come it costs more to leave than it does to come in?

Ron Rauschenberger: That is just how was budgeted. I can't answer that.

Chairman Delzer: The 100,000 that you transferred to DHS, yet you have a continuing appropriation that looks like it is still tied up in the Governor's Office. Are you going to try to move that to DHS? And what kind of money are we talking about that they handle because it looks like that any and all income that they have the opportunity for?

Ron Rauschenberger: I am going to have Sandy Deis, OMB answer that.

Sandy Deis, OMB: I will have to check on the continuing appropriation. I do not believe that there is legislation proposed for the move.

Chairman Delzer: If there wasn't legislation proposed then they would be limited to whatever the \$100,000 line item is in DHS.

Sandy Deis, OMB: If I remember correctly this line is for the council.

Chairman Delzer: Sandy I also want you to explain, we have all of these green sheets we have the equity funding adjustments out there. They are reporting \$1,000 in the Governor's Office and you have \$2000 for second year salary increases. What is the timing that that is enough money to affect that?

Sandy Deis, OMB: The \$2,000?

Chairman Delzer: The \$2,000 is for the second year. If you give your equity, when do you give the equity bump?

Sandy Deis, OMB: I believe that is at the start of the new biennium.

Chairman Delzer: Well then \$2,000 would certain not cover that for the second year. If we give \$40,000 in equity bumps in the first year, \$2,000 would certainly not cover the second

year. They are all that way. This is the Governor's budget so we will deal with this one. I want to understand how that is listed that way, because it is certainly not enough to cover that for the second year.

Sandy Deis, OMB: I believe maybe Allen would be able to help us out. We did not propose the \$2,000 or maybe it came out with the BARS system.

Allen Knudson, Legislative Council: Generally it has been a lump sum that has been given to the agencies.

Chairman Delzer: So that is the 5% on that equity amount?

Allen Knudson, Legislative Council: That is correct.

Chairman Delzer: Is that part of that \$24million pool when you add those all together.

Allen Knudson, Legislative Council: The 5% second year salary increase added like \$1.3million and about half of that comes from General Fund.

Chairman Delzer: Ron, your vacant FTE position of \$110,000?

Ron Rauschenberger: Yes.

Chairman Delzer: And you say that that position is currently unfunded? You have been at 18 but you were only funded for 17?

Ron Rauschenberger: That is my understanding.

Sandy Deis, OMB: That is correct

Chairman Delzer: That is part of the \$360,000 that you are wanting to increase?

Ron Rauschenberger: Yes.

Chairman Delzer: Where is the contingency fund for the Governor's Office?

Sandy Deis, OMB: Yes the contingency fund is in OMB.

Chairman Delzer: The funding for the Prevention and Advisory grants, is that coming out of the Community Health Trust Fund?

Sandy Deis, OMB: I believe that is general fund.

Chairman Delzer: I do see that you have your expenditures to date but we would kind of like that off of the PeopleSoft system.

Sandy Deis, OMB: At the time that I distributed this report this was the most recent report.

Chairman Delzer: Is that the way it looks when you go into PeopleSoft? We would like all of the agencies to be the same.

Sandy Deis, OMB: You want a more detailed level.

Chairman Delzer: Yes. We would like to see each of the lines just like it is in the budget detail.

Sandy Deis, OMB: We can do that.

Chairman Delzer: I would like to see an organizational chart.

Ron Rauschenberger: I can get you that.

Hearing is closed.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1001

House Appropriations Committee
Government Operations Division

☐ Check here for Conference Committee

Hearing Date: **3 February 2009**

Recorder Job Number: 8429

Committee Clerk Signature



Minutes:

Chairman Delzer called the committee to order. Roll was taken in a previous hearing.

Governor's Budget

Chairman Delzer: Let's go through this and see what we have here. Again this is not what we are for or against; it is just what we want to have a discussion. One of the issues in the Governor's office is the FTE that has been vacant and unfunded. They requested funding for it. There is some question about the excess money they have had in the operating line in comparison to what they spent this time. I haven't personally talked to anybody in the human services budget about the \$100.0 for advisory council grants.

Representative Kempenich: I don't understand this either. It is in and then out and in then out. Now it's in.

Representative Kaldor: I think that \$100,000 is out but in the DHS bill there is an appropriation for over \$200,000.

Chairman Delzer: I think we need to convey that to the DHS committee. I would like to have a discussion on the FTE that is vacant.

Representative Kempenich: (inaudible)

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Chairman Delzer: That was over and above the operating. Personally I would like to free up as much as we can for legislative initiative. I think there are some things that are not in the Governor's budget that needs to be done. There are some people who are making less than \$10.00 an hour and even though they are not state employees, we set their salaries. I don't know what level we are at. That has to be with ongoing revenues and expenditures. I would like to see a \$25,000 reduction in the operating line.

Representative Kempenich: That is what they are anticipating in expenses . . .

Representative Kaldor: Not with reference to this. One of the things that the FTE that has been vacant. If I remember right from our discussion it was for the increased demands that they were going to get because of the stimulus package and they needed to make sure they had someone in the office to deal with that on a constituent basis and also probably a lot of contractors, companies, etc. who are going to call the Governor's office to find out what they have to do and where they anticipate the money going. I know those things are going to be laid out later on but I think they made some pretty sensible proposals about why that would be necessary.

Representative Kempenich: That is an issue. It is not a new FTE it is just the funding part of it. I don't have a big issue with it.

Chairman Delzer: We can certainly take time and discuss these now but when we take them up and vote on them we will discuss them again.

Representative Glassheim: The work of this FTE has been done by a temporary. Did they spend the \$100.0 on salaries?

Chairman Delzer: It was not funded in the last biennium. There is no discussion of removing any temporary salaries.

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Representative Kaldor: That is correct. It was my understanding they want to fund the FTE they have on their books. They will continue to use interns and temporary employees for assistance. It is more technical and higher level than what interns and temporary people do.

Chairman Delzer: One other thing that is probably going to happen here is you have the issue of WSI adding more calls to the Governor's office.

Representative Glassheim: A question on reducing the operating, if you add one quarter to what they have already spent, that should be about 330,000 or so it should leave room. My question is are they anticipating expenditures in the last quarter of this fiscal year that they can identify that would be more than the normal.

Chairman Delzer: I think we have a request for \$50.0 on operating; we have a request for a discussion point on the \$110.0 for funding the FTE. Temporary salaries are how much? I think they are planning to spend all of that.

Do one for \$50.0 and the one for \$30.0 and we'll see which we will decide on.

Sheila Sandness, Legislative Council: For the operating?

Chairman Delzer: Is there money in there for lobbyists?

Representative Kempenich: \$152.0

Representative Kaldor: The temporary positions are part of the salaries line item?

Tammy Dolan, OMB: Yes. That is correct.

Chairman Delzer: Contingencies for \$10.0—how much of that have they spent in the current biennium and what did they use it to cover for?

Representative Kempenich: I don't know if we asked that.

Tammy Dolan, OMB: I will check on that but, on the contingency line, they have not spent any.

Chairman Delzer: Is that in any other budgets. What is it for?

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Tammy Dolan, OMB: They haven't spent any contingency and they only spend it if their entire operating line is expended first. There are some other budgets that have that line item.

Representative Kempenich: Their cost to continue is \$299.0

Chairman Delzer: Explain.

Representative Kempenich: No, their increase in salaries from last biennium is \$452.0 so half or two-thirds would have been the cost . . .

Chairman Delzer: That is all General Fund?

Representative Kempenich: Yes.

Chairman Delzer: Section 2 of the bill.

Representative Kempenich: That is the stimulus stuff.

Chairman Delzer: If that is the stimulus, we passed a bill out of appropriations.

Tammy Dolan, OMB: That section has been in there before. It's other money available during the biennium. I think there were some grants.

Chairman Delzer: Does this give them authority to not go to the budget section. Sheila you better find out if this is in conflict with the bill on the floor that makes sure that the stimulus money has to be appropriated.

Tammy Dolan, OMB: The bill requires the stimulus money all to be appropriated.

Chairman Delzer: Do you have any number on this if we limited it? That would be a way to make it not in conflict.

Tammy Dolan, OMB: On the Roughrider Awards, which would provide about 2 awards.

Chairman Delzer: Is that one or two in a year.

Tammy Dolan, OMB: It just depends. Some years it is zero.

Chairman Delzer: That is a separate line item so if they run out they would have to fund it out of their operating.

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Tammy Dolan, OMB: They could or they would have to the emergency commission.

Chairman Delzer: Sheila, so you have those three items.

Sheila Sandness, Legislative Council: I will put it on the list so we don't forget it.

Chairman Delzer: We'll probably want to have a discussion on Section 2.

Tammy Dolan, OMB: You said there were three items

Chairman Delzer: We will have a discussion of the funding of the FTE, and the two different levels of the operating and section 2.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1001

House Appropriations Committee
Government Operations Division

☐ Check here for Conference Committee

Hearing Date: 2/10/09

Recorder Job Number: 9068

Committee Clerk Signature <i>Onya Voegelé</i>

Minutes:

Chairman Delzer opened the discussion of amendments for House Bill 1001.

Chairman Delzer: On the list I have got we have got a couple of options. The first one up on the list is the vacant FTE position and there are a couple of different options on operating expenses and an amendment to section two.

Representative Kempenich: This FTE position is vacant. If we want to talk about it more I guess we can leave it unfunded.

Chairman Delzer: It is funded I believe is it not?

Representative Kempenich: No it is not a funded position currently. In the bill it is but it was not last biennium.

Chairman Delzer: So they put new funding in there for it.

Representative Kempenich: Right, it has been a vacant position but it has never been funded. I don't have a problem leaving the position there but taking the funding out.

Chairman Delzer: I think the discussion we had was, I don't know how much work they are going to have with the stimulus package, I don't know how much work they are going to have with WSI that they did not have. Wasn't there one other issue that has come up?

Representative Kempenich: It is a liaison type position.

Representative Berg: Representative Kempenich is right. On the green sheet it shows that they are adding \$55,000 a year or \$110,000 a biennium for that vacant FTE. The challenge here is that they are not adding any FTEs. They were at 18 and they want to remain at 18. The total General Fund increase is at \$286,000 which is probably about a 4% increase per year. Really the only issue that I have concerns with are these federal funds which I see being a, well we are going to need to do whatever it is that we need to do over the next six months. I think what they were doing is they are using some of those funds for internships.

Chairman Delzer: The internship money is in the OMB office. Committee members I don't have a problem leaving the funding in there for the vacant FTE. I am afraid they are going to probably need to fill that. I guess I would personally prefer one of the operating reductions.

Representative Kempenich: I think \$30,000 would probably be ok. I think \$50,000 might be a little tight when you look at what their spend down is showing.

Chairman Delzer: On section two I would say at the end of that we should have a sentence that says any additional stimulus money must be appropriated by the legislature, because we have passed that bill already. I think we should state that in there so there is no way that this section of the bill is conflicting with what we have passed. Comments by the committee?

Representative Berg: My only question is that I think we made it pretty clear in that bill. I guess my only question is if we change courses at the end of the session, do we want to have to go different places and correct that.

Chairman Delzer: I can't see us changing courses unless we appropriate everything before and then not needing that bill in the end.

Representative Berg: From my perspective I would take section two out if we are worried about the Governor just being able to appropriate it.

Chairman Delzer: The problem is that section two has been in the bill for a number of years and they think they need that for a couple of small things that might come in. Which I don't have a problem with but that is the reason that we would add the language that we don't want them to spend the stimulus money because it might be in conflict of that other bill if we leave it the way it is.

Representative Berg: I don't really care. It doesn't matter. Here is what I was thinking; I can't imagine the stimulus package is not going to come without some flexibility like a college grant or something like that. What they do is they say you can use 35% for administration. So one of my thoughts is that if we are getting \$600million there is a potential that whatever, let's just use 20%, the feds may say that 20% can be used for administration. We are talking what \$120million? I guess what I am thinking is that North Dakota is a lot more efficient than most of these other states and I think we are going to be pretty well keyed up so that \$120million we might be able to use that for other things within the budget.

Chairman Delzer: I don't see how we can do that without legislative appropriation.

Representative Berg: I am not saying we don't need legislative appropriation. What I am saying is if we get \$600million and they say 20% can be used for overhead, well that is \$120million. My point being that we know and I think we will have a pretty clear list on what we are going to build and what we are going to do and those things probably don't need an additional 20% for administration. So hypothetically we take a Governor's office that, and I am just using this as an example, let's say there were three positions that we thought the Governor's Office ought to have or we think that we should expand the internship, but that is in the OMB's budget, if that were a \$500,000 or a million dollar cost in the Governor's Budget, we could give the Governor a million dollars for administration of the federal money.

Chairman Delzer: But that is something that we would do. I still think we need to adopt that language.

Representative Berg: And that is fine. What I am saying is there is a bigger picture here and that is going to funnel through the Governor's Budget and what I am saying is before we take that money and automatically spend it, if in fact there is a level of administration that is approved on this whole thing, we may want to capture that within the Governor's Office or within other agencies because that will offset salaries, wages and those kind of ongoing things.

Chairman Delzer: It makes sense but I think that is a discussion for after we get it. There is nothing that we need to put in the Governor's Budget about that.

Representative Berg: My only point is that we may want to recognize that at this point somehow. I just can't imagine some of these other states getting this money and not saying oh my we need to add a hundred people, we need to do all of this stuff to administer and Congress saying well you can't use more than some percent.

Representative Kempenich: One thing we have not talked about and I have been reading, it sounds like just about every political subdivision is spending this money. It is a fiscal piñata for everybody. I think Representative Berg is right we should do something.

Chairman Delzer: I don't think we can put anything in there now when we don't know what it is.

Representative Kempenich: It is not a fixed dollar amount but we are probably going to get something.

Chairman Delzer: Tell you what Representative Berg and Representative Kempenich, if there is some language you would like to have discussed on that why don't you go ahead and talk about it and decide what you want and bring that to Full Committee.

Representative Berg: I don't have anything specific. What I am just doing is throwing this out and people can think about it. Maybe what we say is we say that all of the federal money goes into this pot including the administrative money and then it is appropriated legislatively.

Chairman Delzer: That is basically what we said in that other bill is that it all has to be appropriated legislatively and if we meet as a legislature at that time then that is when we decide all of that.

Representative Kempenich: This is original language isn't it?

Chairman Delzer: This language has always been in there. The only thing I was concerned about is whether or not it conflicts with what we passed about the stimulus. I would just like to make sure that it says in here that the stimulus money is outside of this section.

Representative Berg: I don't have a solution but my only concern is that if this money gets broken out and sent to all of the agencies, and they are using 20% for administration and all of these agencies there may be some other needs that we have in state government that we could have used that administrative stuff somewhere else.

Chairman Delzer: I agree with you but that is probably part of what we should have written in that other bill instead of here. I don't see a place for it here in the Governor's Budget.

Representative Glassheim: I wonder if it won't just be what used to be the OMB bill but a delayed bill in April when we know and it puts it all in and makes a policy out of how it is to be used.

Chairman Delzer: Indeed if it is passed signed and we get it by then I am sure we will do it that way.

Representative Berg: I don't think we need any language but I am really suggesting that we be aware of that. As that flows in again if they are accounting some number for administration of all of these programs, that we don't just automatically let it flow in there and do that.

Representative Glassheim: That has been on my mind since this has started with the stimulus is whether there will be any language that prevents us from replacing things that we have appropriated with their money. That is what you are trying to do a little bit of. I am just not sure how that will shake out.

Representative Berg: That is my big concern and I don't know if there has been a discussion on it but I think from a House and Senate standpoint we ought to have that answer because if these bills are one-time spending bills that pass the chamber and that precludes us from using federal money to do that I think we have wasted hundreds of millions of dollars because it is use it or lose it. Well the things that we know are easiest to get started are the \$360million of one-time spending that the Governor identified. I think it is probably risky but I think one alternative would be to simply not fund the \$360million of one time spending and kind of see what happens.

Chairman Delzer: I think most of the things that we have in the budgets we have before us we have got that set up to have that discussion. I know in the Attorney General's we have some one time stuff that we are going to talk about.

Representative Kaldor: I recognize that this is going to be the looming issue in this session. Unfortunately not all of those one time expenditures are going to qualify. That is the problem that we are going to have. We are going to have a hodge podge of things that will qualify and won't qualify. It is kind of complicated. This is something that will be done at the end of the session. From what I have seen of the Senate version actually its really strange. There are some really complicated issues in there. For example, education, they are complaining right now that they are not spending enough in education but in the Senate version there is \$39million that is basically intended to go to the states to go through their school funding formulas. When you think about that and when we find out what that amount is we would

probably make the same argument that we should cut our foundation aid by such amount. I think we are going to have a real challenging time until it happens.

Representative Kempenich: That is the whole thing with this stimulus money is that it does have to be used as one time money. That is what kind of spooked me about their original statement. Their original statement was that they had built the impact into those numbers. That impact is going to be spread probably over three years.

Chairman Delzer: I think we are going to have this discussion many more times before session is over. Let's get back to the Governor's Budget. We don't have a motion but I think we have had a discussion saying that we want a little language on to section two and \$30,000 off of the operating. Does someone care to move that?

Representative Kempenich: I will move it.

Representative Berg: Second.

Chairman Delzer: Is there any further discussion by the committee?

Representative Kaldor: So the \$30,000 is taken out of operating and we are going to give them discretion as to where?

Chairman Delzer: In the operating line it basically is wide open to them. The suggestion is travel. We have talked about computers, we have talked about things that way.

A motion was made by Representative Kempenich, seconded by Representative Berg to adopt an amendment removing \$30,000 from the operating line and adding language to section two regarding the stimulus money. Amendment was adopted by voice vote.

Chairman Delzer closed the discussion of amendments for House Bill 1001

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1001

House Appropriations Committee
Government Operations Division

☐ Check here for Conference Committee

Hearing Date: 2/13/09

Recorder Job Number: 9432

Committee Clerk Signature *Tonya Voegeli*

Minutes:

Chairman Delzer opened the discussion of amendments on House Bill 1001.

Chairman Delzer: We will start with the proposed amendments to House Bill 1001 which is the Governor's Office I believe. Has everybody had a chance to look at them? They look right to me. There is a reduction of \$30,000 in operating and we put a section in limiting the authority to spend federal relief funds without legislative approval.

A motion was made by Representative Glassheim, seconded by Representative Berg to adopt amendment 98002.0101 to House Bill 1001. The amendment was adopted by voice vote.

A motion was made by Representative Kaldor, seconded by Representative Berg for a DO PASS AS AMENDED recommendation for House Bill 1001 to the House Appropriations Full Committee. The vote was 8 yeas, 0 nays and 0 absent and not voting. The carrier will be Representative Kaldor.

2009 HOUSE STANDING COMMITTEE MINUTES

HB 1001

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 16, 2009

Recorder Job Number: 9582

Committee Clerk Signature

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Minutes:

Chm. Svedjan turned the Committee discussion to HB 1001, the Governor's budget.

Rep. Kaldor distributed amendment .0101 (Attachment A) and directed the Committee's attention to the "Statement of Purpose of Amendment." (1:25)

Rep. Kaldor: The Government Operation Sections made one amendment – a reduction of \$30,000 to the Operating Expenses line item. Rep. Kaldor referred to a language change on page 2, line 4 (See Attachment A)

Rep. Kaldor moved to adopt amendment .0101. Rep. Delzer seconded the motion. The motion carried by a voice vote and the amendment was adopted.

Rep. Kaldor moved a Do Pass as Amended to HB 1001. Rep. Berg seconded the motion.

Rep. Skarphol: I'm assuming there is no action needed with regard to the policy things we decided this morning with regard to the removal of the equity dollars and the underfunding of the salary line? (3:03)

Chm. Svedjan: The instruction will be that for every budget we consider including 1011 is that both of those considerations be included in the amendment where appropriate.

Rep. Kaldor: The effect of the equity adjustment would be \$42,000. (3:29)

Rep. Skarphol: Would there also not be a 2 percent reduction in the salary and wages line?
(3:56)

Rep. Kaldor: Yes. Because they're at 18 FTEs.

Chm. Svedjan: The final amendments will reflect that.

Rep. Berg: This budget did come in pretty much flat. There's going to be a need to deal with the federal funds. Even though Rep. Kaldor's amendments rip the guts out of the Governor's Office, (laughter) I'm going to bend to the partisan attack and support this. (4:15)

Rep. Kaldor: In defense of myself, we did try to eliminate one FTE but they objected.
(laughter)

The Do Pass as Amended motion carried by a roll call vote of 24 yeas, 0 nays and 1 absent and not voting. Rep. Kaldor will carry the bill.

98002.0101
Title.0200
Fiscal No. 1

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations

February 10, 2009

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2/16/09
182

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, line 14, replace "0" with "(30,000)" and replace "426,787" with "396,787"

Page 1, line 21, replace "286,536" with "256,536" and replace "3,489,358" with "3,459,358"

Page 1, line 23, replace "386,536" with "356,536" and replace "3,489,358" with "3,459,358"

Page 2, line 1, after "**AUTHORIZATION**" insert "- **LIMITATION**"

Page 2, line 4, after the period insert "Any federal funds made available to the governor's office resulting from federal action to provide funding to the states to stimulate the national economy or to address state fiscal recovery may be accepted under this section but may not be spent until appropriated by the legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0101 FN 1

A copy of the statement of purpose of amendment is attached.

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

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,041,771		\$3,041,771
Operating expenses	426,787	(30,000)	396,787
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Total all funds	\$3,489,358	(\$30,000)	\$3,459,358
Less estimated income	0	0	0
General fund	\$3,489,358	(\$30,000)	\$3,459,358
FTE	18.00	0.00	18.00

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

	Reduces Operating Expenses¹	Total House Changes
Salaries and wages		
Operating expenses	(30,000)	(30,000)
Contingencies		
Rough Rider Awards		
Total all funds	(\$30,000)	(\$30,000)
Less estimated income	0	0
General fund	(\$30,000)	(\$30,000)
FTE	0.00	0.00

¹ The operating expenses line item is reduced by \$30,000 from the general fund.

Section 2 of the bill is changed to limit the authority of the Governor to spend federal fiscal relief funding that may become available to the state without specific legislative appropriations.

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1001

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

98002.0101

Legislative Council Amendment Number "Click here to type Amendment Number"

Action Taken Adopt Amendment

☒ Voice Vote

☐ Roll Call Vote

Motion Made By Representative Kempenich: Seconded By Representative Berg:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Glassheim		
Vice Chairman Thoreson			Representative Meyer		
Representative Kempenich			Representative Kaldor		
Representative Berg					
Representative Dosch					

Total (Yes) "Click here to type Yes Vote" No "Click here to type No Vote"

Absent _____

Floor Assignment "Click here to type Floor Assignment"

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

Language on Section two regarding stimulus money being appropriated by the legislature.

Remove \$30,000 of operating.

Amendment Adopted

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1001

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 98002.0101

Action Taken Adopt Final Amendments

☒ Voice Vote

☐ Roll Call Vote

Motion Made By Representative Glassheim: Seconded By Representative Berg:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Glassheim		
Vice Chairman Thoreson			Representative Meyer		
Representative Kempenich			Representative Kaldor		
Representative Berg					
Representative Dosch					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Amendment Attached.

ADOPTED

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1001

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 98002.0101

Action Taken DO PASS AS AMENDMEND

☐ Voice Vote

☒ Roll Call Vote

Motion Made By Representative Kaldor: Seconded By Representative Berg:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Glassheim	X	
Vice Chairman Thoreson	X		Representative Meyer	X	
Representative Kempenich	X		Representative Kaldor	X	
Representative Berg	X				
Representative Dosch	X				

Total (Yes) 8 No 0

Absent 0

Floor Assignment Representative Kaldor:

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

Date: 2/16/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1001

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 98002.0101

Action Taken Adopt Amendment 0101

Motion Made By Kaldor Seconded By Delzer

Page 30

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Vote - Carries

Date: 2/16/09
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1001

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass & Amended by 0101

Motion Made By Kaldor Seconded By Berg

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Rep. Skarphol	✓		Rep. Kroeber	✓	
Rep. Wald	✓		Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer	✓		Rep. Glassheim	✓	
Rep. Thoreson	✓		Rep. Kaldor	✓	
Rep. Berg	✓		Rep. Meyer	✓	
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom	✓	
Rep. Bellew	✓		Rep. Kerzman	✓	
Rep. Kreidt	✓		Rep. Metcalf	✓	
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 24 No 0

Absent 1

Floor Assignment Kaldor

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

REPORT OF STANDING COMMITTEE

HB 1001: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (24 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "0" with "(30,000)" and replace "426,787" with "396,787"

Page 1, line 21, replace "286,536" with "256,536" and replace "3,489,358" with "3,459,358"

Page 1, line 23, replace "386,536" with "356,536" and replace "3,489,358" with "3,459,358"

Page 2, line 1, after "**AUTHORIZATION**" insert "- **LIMITATION**"

Page 2, line 4, after the period insert "Any federal funds made available to the governor's office resulting from federal action to provide funding to the states to stimulate the national economy or to address state fiscal recovery may be accepted under this section but may not be spent until appropriated by the legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0101 FN 1

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

VR
2/18/09
182

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, line 13, replace "452,036" with "349,201" and replace "3,041,771" with "2,938,936"

Page 1, line 14, replace "0" with "(30,000)" and replace "426,787" with "396,787"

Page 1, line 21, replace "286,536" with "153,701" and replace "3,489,358" with "3,356,523"

Page 1, line 23, replace "386,536" with "253,701" and replace "3,489,358" with "3,356,523"

Page 2, line 1, after "**AUTHORIZATION**" insert "- **LIMITATION**"

Page 2, line 4, after the period insert "Any federal funds made available to the governor's office resulting from federal action to provide funding to the states to stimulate the national economy or to address state fiscal recovery may be accepted under this section but may not be spent until appropriated by the legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0102 FN 2

A copy of the statement of purpose of amendment is attached.

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

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,041,771	(\$102,835)	\$2,938,936
Operating expenses	426,787	(30,000)	396,787
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Total all funds	\$3,489,358	(\$132,835)	\$3,356,523
Less estimated income	0	0	0
General fund	\$3,489,358	(\$132,835)	\$3,356,523
FTE	18.00	0.00	18.00

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

	Reduces Operating Expenses¹	Reduces Funding for Anticipated Salary Savings²	Removes Salary Equity Funding³	Total House Changes
Salaries and wages		(\$60,835)	(\$42,000)	(\$102,835)
Operating expenses	(30,000)			(30,000)
Contingencies				
Rough Rider Awards				
Total all funds	(\$30,000)	(\$60,835)	(\$42,000)	(\$132,835)
Less estimated income	0	0	0	0
General fund	(\$30,000)	(\$60,835)	(\$42,000)	(\$132,835)
FTE	0.00	0.00	0.00	0.00

¹ The operating expenses line item is reduced by \$30,000 from the general fund.

² This amendment reduces salaries and wages funding to recognize anticipated savings from vacant positions and employee turnover.

³ This amendment removes funding added in the executive budget for state employee salary equity adjustments.

Section 2 of the bill is changed to limit the authority of the Governor to spend federal fiscal relief funding that may become available to the state without specific legislative appropriations.

REPORT OF STANDING COMMITTEE

HB 1001: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (24 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 13, replace "452,036" with "349,201" and replace "3,041,771" with "2,938,936"

Page 1, line 14, replace "0" with "(30,000)" and replace "426,787" with "396,787"

Page 1, line 21, replace "286,536" with "153,701" and replace "3,489,358" with "3,356,523"

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Page 2, line 1, after "**AUTHORIZATION**" insert "- **LIMITATION**"

Page 2, line 4, after the period insert "Any federal funds made available to the governor's office resulting from federal action to provide funding to the states to stimulate the national economy or to address state fiscal recovery may be accepted under this section but may not be spent until appropriated by the legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0102 FN 2

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

2009 SENATE APPROPRIATIONS

HB 1001

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1001

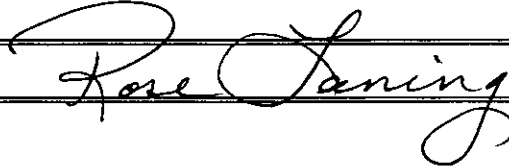
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 2, 2009

Recorder Job Number: 9887

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on HB 1001 which is an appropriation for defraying the expenses of the office of the governor.

Ron Rauschenberger, Chief of Staff, Office of Governor

Written attached testimony # 1 which was the Governor's budget.

The governor is the chief executive of the state of North Dakota and serves as a spokesperson for North Dakota state government and coordinates the policies of most state agencies. The governor submits the executive budget, gives the State of the State report, makes recommendations on programs requiring legislative approval and is mandated by law to serve on boards, commissions and committees. He went on to explain the budget from the handout. On the House side, they eliminated 2% on the salary line and also the equity dollars. We would like to see the 2% and the equity dollars restored as well as the salary line. There is no line item for buyouts or payouts and they need to rely on some rollup dollars. No agency has line items for retirements.

Chairman Holmberg: Did the House use as a rationale for reducing your operating that well, you're turning back \$ X this time, therefore you obviously can afford to have \$30,000 less?

Ron Rauschenberger: That could be some of the rationale. Each biennium is different for us. The stimulus package came about and will create an enormous amount of work, which is

fine, but we need to adjust and do those kinds of programs. It depends on the amount of travel, or flooding anywhere, and then our workload increases tremendously. We head and direct many of those issues. If we don't use it, it's turned back.

Chairman Holmberg: Any comment on Section two which says, "Any money which becomes available to the agency beginning July 1, 2009 may not be spent until appropriated by the Legislative assembly." How about money that comes to you in May?

Ron Rauschenberger: There are stimulus dollars that could come after the session ends, and after we get more into the stimulus program, it will be very apparent that there are a number of competitive bids, especially in the higher ed research. Those competitive bids come in after the session is completed. The current legislation is pending right now and it may be hard to accept those funds without the full session coming back. That language allowing the emergency commission budget section to accept these stimulus dollars, especially since some of the stimulus dollars will not come out until the next 6, 7, 8, 9 months, but many of them are competitive bids. Under the current legislation, we could have a problem accepting those funds.

Chairman Holmberg: This doesn't go into effect until July 1, anyway, so money that comes in in May would fall under current law which is emergency commission and budget section.

V. Chair Grindberg: We're investing in upgrading many legislative rooms; do you have enough latitude in your budget the way it exists to upgrade some of the offices in the executive branch?

Ron Rauschenberger: We haven't done so, but we do have the latitude.

Senator Warner: Is the lobbyist in DC in this budget and what's the amount?

Ron Rauschenberger: Yes, we still have our contact in DC and the amount is \$60,000 per year which is \$120,000 per biennium shown in the operating.

Senator Warner: So that's really a big chunk of your operating expenses?

Ron Rauschenberger: Correct.

Senator Krauter: Where is governor's office on House amendment?

Ron Rauschenberger: There are going to be competitive grants. There may be dollars that follow after this session ends. We will need, as a state, the ability to accept those dollars and I assume we won't want to come back into session every month?

Senator Krauter: Are you interpreting this to mean that it gives you special fund authority?

Ron Rauschenberger: No, we should not have to have a session on stimulus dollars coming in. I assume it will go back to the current authority where it comes to the emergency commission in the budget section.

Senator Krauter: Which grants special fund authority?

Ron Rauschenberger: Yes. I don't think we should have a session to handle the stimulus dollars. All stimulus dollars coming in now should go thru general fund and money coming later should go through emergency commission.

Chairman Holmberg closed the hearing on HB 1001.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1001

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 13, 2009

Recorder Job Number: 10892 (starting at 8:22)

Committee Clerk Signature

Rae Lanning

Minutes:

Chairman Holmberg opened discussion on HB 1001.

Chairman Holmberg: This bill would restore the salary and the equity funding. The House removed \$30,000 in operating expenses. I asked what method was used and there was none, so I said that I would recommend to this committee that we restore it to where it was and that we would visit with the House in conference committee. We will be conferencing these bills.

Senator Christmann moved Do Pass on amendment .0301.

Senator Robinson seconded.

Voice vote passed.

Senator Christmann moved Do Pass on HB 1001.

Senator Robinson seconded.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 1

Chairman Holmberg will carry the bill.

98002.0301
Title. 0400
Fiscal No. 1

Prepared by the Legislative Council staff for
Senator Holmberg
March 12, 2009

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, line 13, replace "349,201" with "452,036" and replace "2,938,936" with "3,041,771"

Page 1, line 14, replace "(30,000)" with "0" and replace "396,787" with "426,787"

Page 1, line 21, replace "153,701" with "286,536" and replace "3,356,523" with "3,489,358"

Page 1, line 23, replace "253,701" with "386,536" and replace "3,356,523" with "3,489,358"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0301 FN 1

A copy of the statement of purpose of amendment is attached.

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

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,041,771	\$2,938,936	\$102,835	\$3,041,771
Operating expenses	426,787	396,787	30,000	426,787
Contingencies	10,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Total all funds	\$3,489,358	\$3,356,523	\$132,835	\$3,489,358
Less estimated income	0	0	0	0
General fund	\$3,489,358	\$3,356,523	\$132,835	\$3,489,358
FTE	18.00	18.00	0.00	18.00

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

	Restores Operating Expenses¹	Restores Funding for Anticipated Salary Savings²	Restores Salary Equity Funding³	Total Senate Changes
Salaries and wages		\$60,835	\$42,000	\$102,835
Operating expenses	30,000			30,000
Contingencies				
Rough Rider Awards				
Total all funds	\$30,000	\$60,835	\$42,000	\$132,835
Less estimated income	0	0	0	0
General fund	\$30,000	\$60,835	\$42,000	\$132,835
FTE	0.00	0.00	0.00	0.00

¹ The operating expenses line item is increased by \$30,000 to restore funding reduced by the House.

² This amendment restores funding reduced by the House to recognize anticipated savings from vacant positions and employee turnover.

³ This amendment restores salary equity funding removed by the House.

Date: 3-13-09Roll Call Vote # 1**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**
BILL/RESOLUTION NO. HB 1001Senate Senate Appropriations Committee☐ Check here for Conference CommitteeLegislative Council Amendment Number 0301Action Taken ☒ Do Pass ☐ Do Not Pass ☐ AmendedMotion Made By Christmann Seconded By Robinson*Voice
vote
passed*

Senators	Yes	No	Senators	Yes	No
Sen. Ray Holmberg, Chairman			Sen. Aaron Krauter		
Sen. Bill Bowman, VCh			Sen. Elroy N. Lindaas		
Sen. Tony S. Grindberg, VCh			Sen. Tim Mathern		
Sen. Randel Christmann			Sen. Larry J. Robinson		
Sen. Tom Fischer			Sen. Tom Seymour		
Sen. Ralph Kilzer			Sen. John Warner		
Sen. Karen K. Krebsbach					
Sen. Rich Wardner					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

Date: 3-13-09
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1001

Senate Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Christmann Seconded By Sen. Robinson

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach	✓		Senator Seymour	✓	
Senator Fischer	✓		Senator Lindaas		
Senator Wardner	✓		Senator Robinson	✓	
Senator Kilzer	✓		Senator Warner	✓	
V. Chair Bowman	✓		Senator Krauter	✓	
Senator Christmann	✓		Senator Mathern	✓	
V. Chair Grindberg	✓				
Chairman Holmberg	✓				

Total Yes 13 No 0

Absent 1

Floor Assignment Holmberg

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

REPORT OF STANDING COMMITTEE

HB 1001, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1001
was placed on the Sixth order on the calendar.

Page 1, line 13, replace "349,201" with "452,036" and replace "2,938,936" with "3,041,771"

Page 1, line 14, replace "(30,000)" with "0" and replace "396,787" with "426,787"

Page 1, line 21, replace "153,701" with "286,536" and replace "3,356,523" with "3,489,358"

Page 1, line 23, replace "253,701" with "386,536" and replace "3,356,523" with "3,489,358"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0301 FN 1

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

2009 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1001

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1001

House Appropriations Committee
Government Operations Division

☒ Check here for Conference Committee

Hearing Date: 4/20/09

Recorder Job Number: 11985

Committee Clerk Signature

Tonya Vaegeli

Minutes:

Representative Berg opened the conference committee on House Bill 1001. All conferees were present.

Senator Holmberg: I can go through what the Senate did. We made only three changes. Two of them were changes that we have been making across the board. That has to do with the salary funding of 5&5 and my understanding that the bills that we have been receiving from the House does have that funding of 5&5 so this might not be an issue of contention between the two bodies. We restored the equity funding within the budget versus I believe the House position has been for a pool in OMB and then that would be distributed out through OMB. Our position has been to leave it in the budgets with a philosophical bent that OMB already had their hands in distributing that money through their studies of moving the folks up closer to market. I believe that if we were to leave it in the budget we would still in 2009 be behind 5-6% behind the market. I believe that OMB when they did it they targeted and there is more money per person for example when they are dealing with the Industrial Commission engineers and some of those folks, some of the DOT folks, and some of the Corrections folks. That is where we have been. The other thing, Ron Rauschenberger came to us and gave us a sense that

they need the \$30,000 operating that had been removed. Those were the three changes we made.

Representative Berg: Are there any other comments from the Senators?

Senator Holmberg: We kind of have a strange philosophy in that we have always viewed the Governor's Budget kind of as a quid pro quo. He doesn't touch the Legislative Budget and we don't like to touch his budget. That is where we came from on this budget.

Senator Kilzer: I never did hear a real good explanation on why the \$30,000 was taken out.

Representative Kempenich: In a lot of these the operation reduction was basically due to travel. When the budgets were built for travel, State Fleet had a fairly large increase. That is where most of it was aimed at.

Representative Berg: That is one of the challenges that we are facing this session. The dynamics have changed a lot now as they were six months ago. The Governor's transition in and out appears he didn't change those. When the bill was introduced my analogy is that when gas \$4 is when a lot of these budgets were put together. Representative Kempenich spent a lot of time on kind of assessing that. Similarly had we had a change in the Governor's Office we had \$65,000 built in for transition costs which we took out. That is kind of a small issue. The other issue that I would like to explore is the equity. This is the first time really that the two chambers have come together to kind of talk about that. I think generally the House position was just a concern of the overall cost. I think the equity is important because I think that creates fairness within our state government system. I am interested in kind of expanding on, in the past we have done these pools and Central Personnel through OMB sends the money out. Some of the feedback we are getting now is that some of the agencies wouldn't benefit because they have different people that are not classified or dealt with differently. Maybe you

could briefly expand on the fact that putting the equity amount in each agency and the amount that is in each agency and how you feel that is a better policy than the pool concept.

Senator Holmberg: I will try to take a stab at it. This by the way isn't the first bill, we reviewed this issue a great deal on the Indian Affairs Commission which met last week and there the difference is essentially is equity. There was one other issue that was kind of a side issue and also I believe on the Aeronautics Commission it is I think the only issue. This one has a couple of other issues. Our understanding is that Central Personnel through OMB studied the various agencies and determined what amount of money would be necessary within that particular agency in order to move them closer to the market not to be at market but to I think 5-7% under market. When we do the pool, what we are asking I am assuming that you are not talking about the amount of money but if you are going to just put money in a pool in OMB, that study has already been done to see what amount DOCR would need to put them closer to market. So that part has already been done as we understand it. So putting a pool of money into OMB and saying do it according to a study, they would send that money out according to a study that has already been completed. Then the only issue is the dollar amount. If you look at, the example is the Indian Affairs Commission it is \$4600 in equity for that agency and I can't tell you off the bat, it is in the budgets. We have asked the Council actually this morning to give us a running list of all of the agencies and specifically the amount of money in equity. I know that the Governor had roughly, and I am going to pull these numbers out of the air, \$23million in his budget for equity. \$12.9million in General Funds and the rest was in special funds. Frankly, I hate to admit this but I don't recall what the House sent over in 1015. Those numbers are right aren't they Sandy?

Sandy Deis, OMB: That is correct. That is without the impact of the salary increase. When you look at your green sheets I think it would actually add up to if you were to add up all of them it

would come to over \$13million because when Council looked at it they added the impact of salary increase on the dollar amount.

Representative Berg: So the salaries go up the 5 & 5, which impacts the amount on the equity?

Sandy Deis, OMB: Correct so that takes it above \$13million in General Fund.

Senator Holmberg: Was the equity study done in such a manner that then let's just use General Fund the \$12.9million would move them or do we have to add in as the Council did the 5 & 5 in order to do it right. In other words could we get by with the \$12.9million as originally discussed in the budget or do we have to look at the \$13.whatever Becky's folks put down?

Sandy Deis, OMB: When OMB put in the salary plan we did put the 5 & 5 on top of that equity. So that is already in the budget. When they talk about the \$13million, that is already built into the executive recommendation. We put in that an agency would provide or put in their equity increase and then the next year there would be a 5% on top of that, the salary with the equity so that is where the difference between the \$12.9million and I think the \$13.6million something like that.

Senator Holmberg: So you are compounding it.

Sandy Deis, OMB: Right you are calculating a 5% with the salary increase of 5% and the equity increase.

Representative Berg: So let me just restate this. If somebody is making \$50,000 and we have \$1000 of equity and they are getting a 5% increase it would be 5% on the \$50,000 as a certain amount of money but if we add the equity in so it is \$51,000 then you multiply it times 5% it is a bigger number.

Sandy Deis, OMB: Correct.

Representative Berg: So really what is happening is the 5% was a bigger salary increase on top of the equity but if you throw that into the equity that is where the other \$700,000 comes in.

Sandy Deis, OMB: The second year when you apply that 5% you are starting out with a larger base salary.

Senator Holmberg: That was not calculated in your ruminations when you put that together.

Sandy Deis, OMB: This is the first time that I believe that Legislative Council has applied or I guess shown what the difference is with the salary increase above it. It is in our numbers. It is in our executive recommendation. We just didn't show it the way it was shown on the green sheets.

Senator Holmberg: If it is in your numbers, did you already spend that money the \$13.6million?

Sandy Deis, OMB: That would have been calculated in the executive recommendation.

Representative Berg: So the question would be would that be so we are talking about \$700,000 difference. \$12.9million to \$13.6million. We don't need to be exact. So the question I have is again you need another \$700,000 from what we are talking about here.

Sandy Deis, OMB: The legislature would not have to add any money to meet that. That is already built in to the numbers in the budget. It is in the compensation package with the equity included.

Representative Berg: So the 5 & 5 is in the budgets. That is there. We were told there was approximately \$23million in the equity pool. So there is no additional money out there. If we said we just wanted to do an equity pool and that pool is \$12.9million and \$10.1special \$23million total, we don't have to do anything else.

Sandy Deis, OMB: No.

Representative Berg: Because the other, when we said the difference between \$12.9million and \$13.6million, that is in the 5 & 5.

Sandy Deis, OMB: I think I confused issues. On the green sheets Legislative Council has shown that the impact of the salary increase so I just wanted to I guess further explain so when a number shows up such as \$13.something for General Fund that we are still talking.

Representative Berg: Here is what I would like; I would like to know what is the salary compensation years one and two and what is the equity one and two.

Sandy Deis, OMB: We have that information.

Representative Berg: Just those two simple amounts.

Representative Kempenich: It is going to be compounding affect as we move forward with it. Because the second year is going to be more, that is the whole problem with this system right now is you have the 5 & 5 for everybody and then try to catch up on the back side of it. What should happen probably is throw a lump sum of money with the base salary, the problem is really when doing this you have a moving base. You really have a moving target when you are doing this. You either take and look at what those numbers were built on and put it on that number that was brought forward as the midpoints or whatever if you are going to instead of keep rolling it forward into future years because those numbers are going to change continuously as you add a percentage to each of those numbers. You are never going to get a real good understanding of how we are moving forward.

Senator Holmberg: No matter how you do whether you do it in the budget, the \$4600 for example in Indian Affairs, or if you put "x" in OMB and say you dish it out and they dish out \$4600 to them the same thing is going to happen. It is going to be part of their salary. The equity is not a onetime payment you are actually moving up the base.

Representative Kempenich: Yes and no because see the idea behind the equity is to move that base at a point and then you put the 5 & 5 on top of that. Then you start moving forward again to even out somebody but when you keep adding that in on top of that you are adding 5 plus and then you are going 5 plus it keeps moving that number around where you are always chasing that midpoint somewhere. You are never going to get there. You are always at an angle.

Senator Holmberg: My understanding was that if you take the 5 and the 5 and you take the equity money that is built in or however we do it in the end, we are going to be 5 or 6% below market at the end of the day at the end of 09 which was the goal about 5%. That is all part of that calculation I believe.

Representative Berg: Did you have those numbers Sandy?

Sandy Deis, OMB: This is actually from a memo from Legislative Council and the executive budget recommends funding of \$24,373,396 of which \$13.7 is from the General Fund. I just wanted to make this statement it says the \$24.3million includes \$1.2million of which \$694,000 is from the General Fund for the related salary increase for the second year of the 2009-11 biennium. Had I just said that earlier, I would not have confused everyone with that.

Representative Berg: So what is the total of the 5 & 5 statewide?

Sandy Deis, OMB: \$53.7million in General Fund, \$21.2million in federal funds, and \$31.4million in special funds. It is a total of \$106.3million.

Representative Berg: So just to recap that we have got a salary increase of \$106.3million. In addition to that, we have got an equity increase of \$24.4million. It seems to me that you came up with the 5 & 5 then afterwards you came up with the equity and then afterwards someone said the 5 & 5 that we are thinking about doesn't exactly get to 5 & 5 so we have got to add

\$600,000 for the second year. My point being is that \$600,000 should be on the \$106.3 not the equity portion.

Sandy Deis, OMB: That could be. That makes sense.

Senator Holmberg: I have in my folder here an amendment request.

Representative Berg: Let's do two things, this came from the Governor's Office. Let me ask one more question then. This is as much for everyone on the committee as staff. Let's say if we want to rather than have \$23million in equity if we wanted to add \$5million or take \$5million of equity off how would you best do it? That is kind of where we got to the pool debate if we wanted to take \$5million off so we had \$18million in equity then I am assuming this equity some agencies are going to have a lot. If you have \$5million less there are some agencies that would get 100% of the equity that was laid out in the executive budget and some may not get any. It wouldn't be straight across the board.

Sandy Deis, OMB: Separate agencies put in different requests based upon a study. There are some that would probably; I guess I am not sure how that would impact it.

Representative Berg: So how does we as a legislature, and I don't disagree with what the Senate has presented in terms of targeting the equity by agency but if we wanted to say we wanted to reduce that how would we do that? We don't have the information saying like we do with Higher Ed that says here are our priorities and when you run out of money it cuts off here. Do you have that documentation that you have said ok based on \$10million, \$15million, \$20million and \$25million of equity, here is how it would shake out?

Sandy Deis, OMB: Could I please take that information request back to the agencies?

Representative Berg: Sure. OK let me recap this amendment you handed out real briefly so everyone can think about that.

Sandy Deis, OMB: What I attached to that amendment is the overview of the stimulus money and all of the education related stimulus funds first have to run through the Governor's Office except for the funds that go directly to a local education agency. So the Governor's Office needs federal authorization of \$104,699,000 to receive those funds and then pass them on to DPI. Then in section two was changed by the House Committee to reflect stimulus funds and we would still like you to consider changing the authority for the Governor's Office to receive federal funds should they come in just I guess an example would be the federal funds that just came in right now from the Department of Ag. It is \$750,000 that they wanted to run directly through the Governor's Office and if we didn't have this authority we would not be able to accept those funds until we went to the Emergency Commission.

Representative Berg: So there is no barrier to taking this through the Emergency Commission either?

Sandy Deis, OMB: No there isn't.

Representative Berg: Any other questions by the committee?

Representative Kaldor: Did the original bill reflect this language?

Sandy Deis, OMB: This is from the original bill.

Representative Berg: That was taken out in the House?

Sandy Deis, OMB: It was changed in the House to include the federal stimulus dollars.

Representative Berg: Any other comments or questions?

Representative Berg closed the discussion.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1001

House Appropriations Committee
Government Operations Division

☒ Check here for Conference Committee

Hearing Date: 4/27/09

Recorder Job Number: # 12311

Committee Clerk Signature

Marlys Kienzle

Minutes:

Representative Berg called the conference committee for House Bill 1001 to order. All conferees except Representative Kempenich were present.

Representative Berg: This is an amendment that was requested. I would ask Ron Raushenberger to explain the amendment.

Ron Rauschenberger, Chief of Staff: This would allow the Governor's office to accept the Federal Stimulus dollars, the education dollars will come to the Governor's office and will need the ability to accept those Federal Funds.

Representative Berg: We passed the bill earlier in the session is this consistent to that? The Legislative approval are approving stimulus through the Conference Committees and we don't have a specific bill that provides that approval?

Ron Rauschenberger, Chief of Staff: To my knowledge it is in separate bills that are directed to those areas as commerce, energy or etc.

Senator Holmberg: Allen had been intimately involved with the language that had been used in that bill.

Allen Knudson, Legislative Council: That was HB 1487. We did make it consistent with the way new do each of the other bills. Say the funds need to be appropriated as you are doing now or they can seek emergency commission for section approval if they get additional funds.

Representative Berg: So this amendment before us is consistent as where we are going and how we are tracking the dollars?

Allen Knudson, Legislative Council: Yes.

Senator Kilzer: How about the responsibility does it stay with the Governor or does it pass through to the DPI after it is implemented?

Ron Rauschenberger, Chief of Staff: The responsibility stays with the Governor on the entire stimulus package. He has to sign off on all the final dollars according to the Federal Legislation and is responsible that he has dispersed and it was treated in the proper manner and be accountable and measures are taken. It does go to DPI for distribution but the ultimate does come back to the Governor for signature.

Senator Kilzer: Does that make more work for you and the other staff people?

Ron Rauschenberger, Chief of Staff: The fiscal is defiantly busy for us basically because it all comes back to the Governor.

Senator Mathern: Maybe this is a question to you Mr. Chairman or to Mr. Rauschenberger, if this amendment is approved and you come to some conclusion that under the this 19,000 10,000 is spend on some wonderful thing that you want to put in the budget for some biennium, are you prevented by law from doing that by passage of this?

Ron Rauschenberger, Chief of Staff: That \$19million is being appropriated by the session this time. All of it and we won't have a choice on it.

Senator Mathern: I understand that. Let's assume that any of the money that is spend for that we received from the American Recovery and Reinvestment Act translates into a program that

you want to a program next biennium. Are you prevented from putting that into your budget for that program?

Ron Rauschenberger, Chief of Staff: I don't believe we are. If we put it in the next General Budget we could do that.

Senator Mathern: What does the last sentence mean to you?

Ron Rauschenberger, Chief of Staff: What that means to me is in the Governor's base budget. We would maybe not have a program identical to the one that is coming through the budget now. I am not an attorney but that is how I read that.

Senator Mathern: What about your budget? What if found some wonderful thing in the process that you learned and would want to put into the Governor's budget?

Ron Rauschenberger, Chief of Staff: We may not be able to then.

Senator Holmberg: The Governor's budget not only looks at the dollars but make suggestions on changes on state law.

Senator Mathern: Is that the way you understand it Mr. Chairman?

Representative Berg: There is no question that this next biennium the emergency commission and the Budget Section are going to take on a much larger role in monitoring this.

Senator Mathern: I just hope that this is not used or it is taken in a manner that would prevent learning. Something could be learned to be put into someone's budget. I would hope that this wording here wouldn't suggest that new learning would not be considered.

Senator Holmberg: This is a section of an appropriations bill that is just in the red book at the end of the year it will go away.

Senator Mathern: I just hope that it doesn't put people in OMB and in the Governor's Office in a position not to talk about it.

Representative Berg: The reality is simply this. We spent 2.4 billion this biennium. With the \$300 million in property tax we are about 3.4 billion you add 650 million from stimulus we are going to 4 billion. That is going from \$2.4billion to \$4billion in what has been kind of General Fund spending. I think that it is very appropriate to for us to sound not the alarm but the rules of the games. We are not going to have 4 billion dollars next session for ongoing programs. I don't know that I quite got at your question but it is important that no one is anticipating funding source. That is the balancing act.

Senator Mathern: I appreciate what you are saying however it specifically says programs of this type should not be in a base budget. If it had said and the over budget should not be over x amount. It would meet what you are saying. To me this is so specific that it might not say limit your spending but it would say limit your ideas or what you are will to bring forward.

Representative Berg: When we get closer to next biennium as we have done in the past we can describe how we want the Governor to put his budget forward. I think that might be another alternative could be listed separately.

Representative Kaldor: I think after reading this through, maybe there is another way to take this. The first sentence is basically saying that the Federal Funds are appropriated and are not to be considered the base budget. That is clear. The second sentence I am wondering if that can be interpreted that the idea that the Federal Funds are probably going to be expended before the biennium ends. If the expenditure end before the biennium ends we have an issue that of what has commenced from a result of that. And the State Funds will not be able to carry that through. I don't know if that is true in all cases. I am not seeing it as constraining us in the next biennium. I am seeing that if there is 18 months layout of funds and we don't have a 24months of lay out funds we can't use state funds to replace it. I don't know if Allen can assist me in understanding this.

Allen Knudson, Legislative Council: That could be taken out. It is definitely not binding the next Legislature. The intent is to let the agencies receiving know that we will not be replacing those funds. If they are only for a partial time they are not to replace these funds from the General Funds.

Representative Berg: Any other questions on this? I think what does work is if you take an unbinding motion and we will make a binding motion when we have all the amendments done. A motion was made and seconded to accept Amendment .0302.

Senator Kilzer: Is there additional leeway in the DPI budget that we haven't heard about? It seemed that way a few weeks ago, that there are going to decisions made after we leave town. Is that still true or not?

Representative Berg: My experience is that every agency has leeway and makes decisions when we leave town. We have the ability to review those decisions maybe not in a Legislative way but not that I am aware of.

Senator Holmberg: We are working on 1013 right now and that is one of those budgets historically up until the last day there has been conference committees making changes regarding the amount of money that is anticipated from Washington DC. There is just no way for them to know what happens. These numbers we have here will be vastly different when we come into session next time.

Representative Berg: A voice vote was taken and it passed.

Senator Holmberg: I would move that we restore the \$30,000 on operating that had been removed. We had some further research and information that the amount of money in operating had been flat lined the past 2 biennium and when I look at the original bill the appropriation was 426,787 last biennium and the previous years it was the same number. It

wasn't an area of growth for them and we put the money back in. So I would like to have that motion to have that put back in.

It was seconded.

Representative Berg: It has moved and seconded to restore 30,000.

Voice Vote and motioned carried.

Representative Berg: I do think we need a motion on the equity and the vacant positions.

Senator Holmberg: I make a motion that the vacant positions and the equity be left out of the bill.

Representative Berg: Would you like to include the vacant position language?

Allen Knudson, Legislative Council: It is restoring the money so we would put it in the same way that the Senate had it.

Senator Holmberg: I will make that motion.

Representative Berg: Than we will make this part of the same motion.

Senator Mathern: I am going to resist that motion. I have not seen any final language on that equity nor the amount. So I will be voting no on this.

Representative Kaldor: I do have the same concern. Send it away. I will note my protest but will give my vote for the resolution.

Representative Berg: The motion before us is to go to the Senates vacant positions and the equity.

Voice vote was taken and the motion passed.

Representative Berg: Committee adjourned.

2009 HOUSE STANDING COMMITTEE MINUTES

HB 1001

House Appropriations Committee
Government Operations Division

☒ Check here for Conference Committee

Hearing Date: April 30, 2009

Recorder Job Number: 12406

Committee Clerk Signature

Holly M. Sand

Minutes:

Chm. Berg called the Conference Committee on HB 1001 to order. All members were present including (Representatives Berg, Thoreson (substituting for Rep. Kempenich), and Kaldor, and Senators Holmberg, Grindberg (substituting for Sen. Kilzer), and Mathern.

Chm. Berg said that most of the issues on this bill have been worked through. In the bill that passed the Senate there is language in Section 2 that says if the Governor's office receives money it couldn't be spent until it was appropriated by the legislature. As the bill has been worked, other language has been established that says the legislature wants them to accept the money but that they would seek Emergency Commission approval and Budget Section approval before it is sent. Language to this effect was included in the amendment that was adopted at the request of the Governor's office that talked about the \$85 million for education and \$19 million for other (Amendment .0302). Chm. Berg asked for a motion that would apply the Emergency Commission and Budget Section approval to Section 2 of the bill.

Sen. Holmberg moved to add the **Emergency Commission and Budget Section Approval** language to Section 2 of the bill. **Rep. Thoreson** seconded the motion. The motion carried by a voice vote.

Sen. Mathern voiced his opposition to the motion. He thinks the Governor is in that position because the President and Congress want the Governor to be able to move fast if there is a need. He thinks this cobbles up the process.

Rep. Berg clarified that the amendment that they adopted at the last meeting says "the Governor may seek Emergency Commission and Budget Section approval under Chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009." He said it's more of a mechanical thing to make sure there is no conflict.

Chm. Berg distributed amendment .0303 (Attachment A). Rep. Berg explained that this amendment gets at the vacant positions issue that the House side has been dealing with. On one hand positions remain vacant and the dollars are rolled up and used for other things. On the other hand there are positions that remain open because they are hard to fill. Section 5 of amendment .0303 says that agencies should report any vacant FT positions as well as related salary and fringe benefit savings to OMB. OMB would report the savings resulting from those vacant positions at each budget section meeting. The agencies may spend the funds as a result of the vacant positions subject to approval by OMB that does not exceed the cumulative amount of \$2 million for a biennium for payment of accrued annual leave and sick leave balances for eligible employees upon retirement or resignation. Over and above that, agencies and departments may not spend any remaining savings without approval of OMB and the budget section. This provides more information to get a better handle on vacant positions, not just during the biennial legislative session. Section 6 talks about monitoring and funding sick leave. Section 7 says that when the 2011-13 budget is prepared it will be based on the same number of FTEs as the current biennium.

Rep. Thoreson moved amendment .0303. Sen. Holmberg seconded the motion.

Sen. Holmberg explained that he had a conversation two days ago in Higher Ed about vacant positions and the one thing that came out of it was that there are so many different lists. He said that they had a list that came from the Auditor's office, a report that had been filed, that indicated that NDSU had 414 vacant positions on the date that that snapshot was made. **Sen. Holmberg** explained that they did not move forward after they received that information because the document was two years old and it was a payroll document at the time of the year when the graduate student positions were vacant. There were big pools of vacancies and then they are filled in the fall. There are different ways to look at this. Legislators get very frustrated. When a position is vacant for 36 months it raises a red flag. For the NDSU positions, most of them had no money attached to them. They were just vacancies that they were holding on to. There wasn't as much money as originally thought. It has been an issue that has been discussed for a long time.

Rep. Kaldor said that the House discussed this issue early on in the session before crossover. There was a provision for a vacant FTE pool and the Senate defeated it. While he understands the motivation for this amendment he is concerned about the amount of work that would be imposed upon the state agencies that need some flexibility in their agencies. **Rep. Kaldor** believes this approach is burdensome to get to the information that is desired. He thinks that measuring efficiency by the number of vacant FTEs is not really a good indicator of efficiency. **Rep. Kaldor** asked if there are other instances of vacant FTEs with no dollars are attached to them.

Rep. Thoreson said that he will support the motion because, while this may not be a perfect measurement of efficiency he feels it's an important tool to find out where the vacant FTEs are.

Sen. Mathern said that on the technical part, it would seem that there is a record of vacant positions within the central accounting system. He wonders if this is not misdirected. He thinks it's more a question of identifying the inappropriate funding. Most of the positions are open because they can't find somebody because of salaries, or a lack of people in ND. He suggested that maybe this should be addressed from a different perspective: What is the legislature doing wrong that there are all these vacant positions? He said it seems like this is a way to pretend that some way this is somebody else's fault. He continued by saying that if they really want to address the vacant positions in terms of getting the work done they would figure out why they weren't open or as a legislature if they do not feel that they need them, take them out in the appropriation process. He concluded by saying that he feels this is a misdirected effort which glosses over a more basic issue.

Chm. Berg stated that if this issue is not dealt with it will be around next ten to twenty years just as it has been since the 80s and early 90s to find phantom FTEs in Higher Ed. He believes there is a flaw in the budgeting system that stems from a lack of trust. If this were in private sector, it would be determined if the business was making money or losing money. They wouldn't worry so much about how many employees they had. If they were losing money they need to figure out a way to cash flow. The culture of government is different. When we end the session, agencies will look at how much more money they got and how many new FTEs they got. That is how they will measure their success or failure based on that. Until you have an incentive that motivates an agency, it's very difficult to get additional employees. When they get additional employees and the legislature attacks the vacant positions then the legislature is encouraging them to fill vacant positions whether or not they need them. Rep. Berg used the Bank of North Dakota as an example of a bright spot because they have a policy that says that when a position becomes vacant, they identify the position's critical functions, consider

process changes, review anticipated technology changes that may affect the need for the position and develop options for reassigning the duties or using temporary staffing to perform the duties. One of the dangers in state government is that when a person retires and a position is open is that those positions are automatically filled. Rep. Berg said that he understands where the others are coming from but wants to plant the seed that this will continue to be an issue until some common ground is established.

Rep. Kaldor replied that he agrees with Rep. Berg's comments on the Bank of North Dakota. Unless the person or FTE that is left is of a type whereby the revenue you receive is contingent upon them being there – lawyer, computer programmer and other positions with billable time – when they are gone you lose that money; or the company is in a circumstance in which they can make due. The Bank of North Dakota is making due. Rep. Kaldor believes that the state agencies that came forward described similar circumstances of people leaving and they made due. The agencies need some flexibility with staffing. He also said that some of the components, such as reporting, could be a moving target every month. Rep. Kaldor is not opposed to the concept of understanding the vacant FTE issue but is concerned about the nonproductive exercise that this may put the agencies through.

Chm. Berg gave another analogy using technology. Today approximately \$140 million is being spent on technology for state government, and in the same period the number of state employees has increased by 300 or 400. The challenge should be to invest \$1 million in technology and be able to reduce labor costs over time.

Sen. Holmberg suggested that another example would be the Tax Department. DOCR and Judiciary go in the opposite direction.

Chm. Berg said that part of the impossible challenge is to get an agency to understand the overall ongoing costs of salaries and benefits. Rather than adding a person, they need to be

creative in their solutions to save that ongoing labor costs yet we scrutinize those things as a legislature as well. Rep. Berg said that he didn't know of anyone who has come to the legislature and said if you invest \$1 million I will be able to reduce ten employees.

The motion to adopt amendment .0303 failed by voice vote.

Sen. Holmberg moved that the Senate Recede from the Senate amendments and adopt amendments. Rep. Kaldor seconded the motion. The motion carried by a roll call vote of 6 yeas, 0 nays and 0 absent and not voting. Rep. Berg will carry the bill.

Amendment Request

HB 1001 Office of the Governor

- 1) Increase appropriation authority for Federal Stimulus funds:

Grants	\$104,699,000
Estimated Income	\$104,699,000

- 2) Change Section 2 to original language:

Appropriation-Authorization-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, 2009, and ending June 30, 2011.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on page 984 of the House Journal and page 753 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove the first "and"

Page 1, line 3, after "lieutenant governor" insert "; and to declare an emergency"

Page 1, after line 24, insert:

"SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the governor for transfer to other agencies or funds for programs and purposes designated by the sixty-first legislative assembly, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Fiscal stabilization - Education	\$85,644,337
Fiscal stabilization - Other government services	<u>19,055,342</u>
Total federal funds	\$104,699,679

The governor may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act funds are no longer available."

Page 2, after line 19, insert:

"SECTION 6. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

1st Holmberg
2nd Kitzer
Adopted

Kempenich
Absent

Vote 1

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1001 (, as (re)engrossed):

Date: 4/27/09

Your Conference Committee Gov Ops

For the Senate:

For the House:

	YES	NO		YES	NO
P Holmberg			P Berg		
P Kilzer			A Kempenich		
P Matherne		X	P Kaldor		

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the
Seventh order:

_____, having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Holmberg

SECONDED BY: Kilzer

VOTE COUNT YES NO ABSENT

Revised 4/1/05

Voice Vote

98002.0302

Adopted

REPORT OF CONFERENCE COMMITTEE (ACCEDE/RECEDE)

Bill Number 1001 (, as (re)engrossed):Date: 4/27/09Your Conference Committee Gov Ops

For the Senate:

For the House:

	YES / NO			YES / NO	
Holmberg			Berg		
Kilzer			Kempenich		
Mathern			Kador		

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the
Seventh order:____, having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: HolmbergSECONDED BY: KilzerVOTE COUNT X YES ____ NO ____ ABSENT

Revised 4/1/05

Voice vote

Restore
\$30,000
for operating

REPORT OF CONFERENCE COMMITTEE (ACCEDE/RECEDE)

 Bill Number 1001 (, as (re)engrossed):

 Date: 4/27/09

 Your Conference Committee Gov Ops

For the Senate:

For the House:

	YES / NO			YES / NO	
Holmberg			Berg		
Kilzer			Kempernich		
Matherne		X	Kardor		X

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

 _____, adopt (further) amendments as follows, and place _____ on the
Seventh order:

 _____, having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

 MOTION MADE BY: Holmberg

 SECONDED BY: Kilzer

VOTE COUNT ____ YES ____ NO ____ ABSENT

Revised 4/1/05

Voice Vote

 equity issue,
Vacant positions

1

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 1001 (, as (re)engrossed):

Date: 4/30/09

Your Conference Committee Gov. Ops.

For the Senate:

Att. YES / NO

For the House:

Att. YES / NO

<u>Holmberg</u>	☒	☐	☐	<u>Bar</u>	☒	☐	☐
<u>Kelly</u>	☒	☐	☐	<u>O. Thoreson</u>	☒	☐	☐
<u>Mathews</u>	☒	☐	☐	<u>Kempnich</u>	☒	☐	☐
				<u>Kaldor</u>	☒	☐	☐

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Holmberg

SECONDED BY: Thoreson

VOTE COUNT ____ YES ____ NO ____ ABSENT

Revised 4/1/05

Voice Vote -
Carries

fiscal funds require
Emergency Comm. + Budget
Section Approval

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on page 984 of the House Journal and page 753 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for budget section reports; to limit the number of full-time equivalent positions requested; to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to vacant state employee positions;"

Page 2, after line 19, insert:

"SECTION 5. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Vacant state employee positions salary savings - Budget section reports - Budget section review and approval. The head of each executive branch agency, department, and institution shall report each month to the office of management and budget the number of vacant full-time equivalent employee positions and related salary and fringe benefit savings. The office of management and budget shall report at each budget section meeting on the cumulative savings resulting from the vacant positions. Agencies, departments, and institutions reporting vacant positions under this section may spend funds available as a result of these vacant positions, subject to approval by the office of management and budget in an amount that does not exceed a cumulative amount of two million dollars for a biennium for payment of accrued annual leave and sick leave balances for eligible employees upon retirement or resignation, employee workload increases, employee reclassifications, and unanticipated overtime. The office of management and budget shall report periodically to the budget section on the amounts spent for each of these purposes by agency. Agencies, departments, and institutions may not spend any remaining savings from these vacant positions without prior approval of the office of management and budget and the budget section.

SECTION 6. STATE EMPLOYEE ACCRUED LEAVE PAYMENTS - BUDGET SECTION REPORT. The office of management and budget shall prepare and report to the budget section alternative methods of budgeting for the compensation of state employee accrued annual leave and sick leave. The information presented must include the number of employees compensated and the total amount paid by agency for the 2007-09 and 2005-07 bienniums. The office of management and budget shall present this report to the budget section at its first meeting after December 1, 2009. The budget section shall determine the method to be used for providing funding for these items in the preparation of the 2011-13 executive budget.

SECTION 7. 2011-13 BIENNIUM BUDGET REQUESTS - RECOMMENDATION - FULL-TIME EQUIVALENT POSITIONS. Notwithstanding any other provision of law, the office of management and budget, in preparation of the 2011-13 executive budget, shall limit the total number of full-time equivalent positions for executive branch agencies, departments, and institutions included in agency budget requests and the executive budget recommendation to the same level approved by the sixty-first legislative assembly in total for these entities, for the biennium beginning July 1, 2009, and ending June 30, 2011."

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 1001 (, as (re)engrossed):

Date: 4/30/09

Your Conference Committee Gov. Ops.

For the Senate:

For the House:

YES / NO			YES / NO		
<u>Holmberg</u>			<u>Bar</u>		
<u>Kelly, Hurdberg</u>			<u>A. Shoreson</u>		
			<u>Kemp</u>		
<u>Matheson</u>			<u>Kaldon</u>		

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Shoreson

SECONDED BY: Greg Holmberg

VOTE COUNT YES NO ABSENT

Revised 4/1/05

adopt amend. .0303

Voice Vote - fails

*2Y, 0A
4N*

Action

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 1001 (, as (re)engrossed): Date: 4/30/09

Your Conference Committee Gov. Ops.

For the Senate:		For the House:	
	YES / NO		YES / NO
<u>Holmberg</u>	☒	<u>Bay</u>	☒
<u>Kelly / Gurdin</u>	☒	<u>Thompson</u>	☒
<u>Matheson</u>	☒	<u>Kemp</u>	☒
		<u>Kaldon</u>	☒

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____ and place _____ on the Seventh order.

☒ adopt (further) amendments as follows, and place _____ on the Seventh order:

_____ having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/30/09
CARRIER: Rep. Bay

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Holmberg

SECONDED BY: Kaldon

VOTE COUNT ____ YES ____ NO ____ ABSENT

add lang.
.0302
restore operating
restore vacated pos.
funding

VR
4/30/c
106³

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on page 984 of the House Journal and page 753 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove the first "and"

Page 1, line 3, after the second "governor" insert "; and to declare an emergency"

Page 1, line 13, replace "349,201" with "410,036" and replace "2,938,936" with "2,999,771"

Page 1, line 14, replace "(30,000)" with "0" and replace "396,787" with "426,787"

Page 1, line 21, replace "153,701" with "244,536" and replace "3,356,523" with "3,447,358"

Page 1, line 23, replace "253,701" with "344,536" and replace "3,356,523" with "3,447,358"

Page 1, after line 24, insert:

"SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the governor for transfer to other agencies or funds for programs and purposes designated by the sixty-first legislative assembly, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Fiscal stabilization - Education	\$85,644,337
Fiscal stabilization - Other government services	<u>19,055,342</u>
Total federal funds	\$104,699,679

The governor may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act funds are no longer available."

Page 2, line 5, replace "resulting from federal action to" with "under the federal American Recovery and Reinvestment Act of 2009"

Page 2, remove line 6

Page 2, line 7, remove "recovery"

Page 2, line 8, after "assembly" insert "or approved by the emergency commission and budget section under chapter 54-16"

Page 2, after line 19, insert:

2073

"SECTION 6. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0304 FN 1

A copy of the statement of purpose of amendment is attached.

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

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,041,771	\$2,938,936	\$60,835	\$2,999,771	\$3,041,771	(\$42,000)
Operating expenses	426,787	396,787	30,000	426,787	426,787	
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Federal fiscal stimulus funds			104,699,679	104,699,679		104,699,679
Total all funds	\$3,489,358	\$3,356,523	\$104,790,514	\$108,147,037	\$3,489,358	\$104,657,679
Less estimated income	0	0	104,699,679	104,699,679	0	104,699,679
General fund	\$3,489,358	\$3,356,523	\$90,835	\$3,447,358	\$3,489,358	(\$42,000)
FTE	18.00	18.00	0.00	18.00	18.00	0.00

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

	Restores Operating Expenses¹	Restores Funding for Anticipated Salary Savings²	Appropriates Federal Fiscal Stimulus Funds³	Total Conference Committee Changes
Salaries and wages		\$60,835		\$60,835
Operating expenses	30,000			30,000
Contingencies				
Rough Rider Awards				
Federal fiscal stimulus funds			104,699,679	104,699,679
Total all funds	\$30,000	\$60,835	\$104,699,679	\$104,790,514
Less estimated income	0	0	104,699,679	104,699,679
General fund	\$30,000	\$60,835	\$0	\$90,835
FTE	0.00	0.00	0.00	0.00

¹ The operating expenses line item is increased by \$30,000 to restore funding reduced by the House. The Senate also made this change.

² This amendment restores funding reduced by the House to recognize anticipated savings from vacant positions and employee turnover. The Senate also made this change.

³ A section is added appropriating federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 for transfer to other agencies or funds for programs and purposes designated by the 2009 Legislative Assembly relating to fiscal stabilization - education (\$85,644,337) and fiscal stabilization - other government services (\$19,055,342).

Allen

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Aug 76

Bill Number 1001 (, as (re)engrossed):

Date: 4/30/09

Your Conference Committee Gov. Ops.

For the Senate:

For the House:

YES / NO		YES / NO	
<u>Holmberg</u>	☒	<u>Bay</u>	☒
<u>Kelly</u>	☒	<u>Thorsen</u>	☒
<u>Matheson</u>	☒	<u>Keldor</u>	☒

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____ and place _____ on the Seventh order.

☒ adopt (further) amendments as follows, and place _____ on the Seventh order:

_____ having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/30/09

CARRIER: Rep. Bay

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Holmberg

SECONDED BY: Keldor

VOTE COUNT YES NO ABSENT

Revised 4/1/05

add lang.
.0302
restore operating
restore vacated pos.
funding

REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Holmberg, Grindberg, Mathern and Reps. Berg, Thoreson, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 984, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on page 984 of the House Journal and page 753 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove the first "and"

Page 1, line 3, after the second "governor" insert "; and to declare an emergency"

Page 1, line 13, replace "349,201" with "410,036" and replace "2,938,936" with "2,999,771"

Page 1, line 14, replace "(30,000)" with "0" and replace "396,787" with "426,787"

Page 1, line 21, replace "153,701" with "244,536" and replace "3,356,523" with "3,447,358"

Page 1, line 23, replace "253,701" with "344,536" and replace "3,356,523" with "3,447,358"

Page 1, after line 24, insert:

"SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the governor for transfer to other agencies or funds for programs and purposes designated by the sixty-first legislative assembly, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Fiscal stabilization - Education	\$85,644,337
Fiscal stabilization - Other government services	<u>19,055,342</u>
Total federal funds	\$104,699,679

The governor may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act funds are no longer available."

Page 2, line 5, replace "resulting from federal action to" with "under the federal American Recovery and Reinvestment Act of 2009"

Page 2, remove line 6

Page 2, line 7, remove "recovery"

Page 2, line 8, after "assembly" insert "or approved by the emergency commission and budget section under chapter 54-16"

Page 2, after line 19, insert:

"SECTION 6. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98002.0304 FN 1

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

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

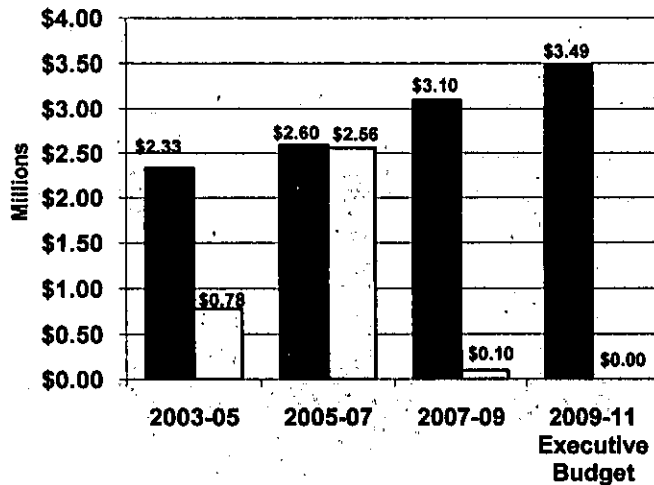
2009 TESTIMONY

HB 1001

**Department 101 - Governor
House Bill No. 1001**

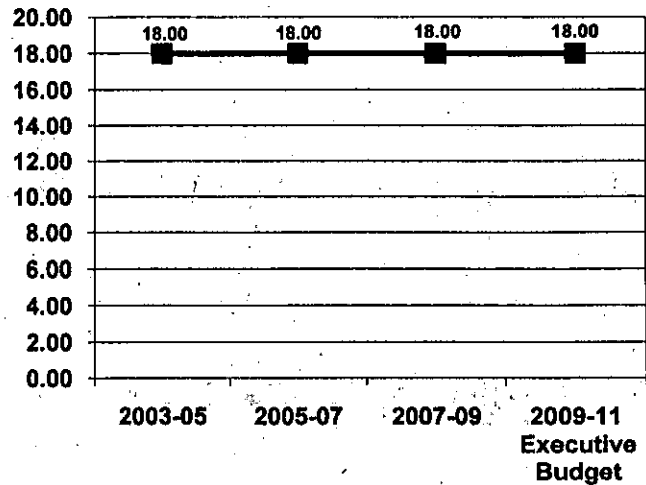
	FTE Positions	General Fund	Other Funds	Total
2009-11 Executive Budget	18.00	\$3,489,358	\$0	\$3,489,358
2007-09 Legislative Appropriations	18.00	3,102,822	100,000	3,202,822
Increase (Decrease)	0.00	\$386,536	(\$100,000)	\$286,536

Agency Funding



■ General Fund □ Other Funds

FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2009-11 Executive Budget	\$3,489,358	\$0	\$3,489,358
2007-09 Legislative Appropriations	3,102,822	0	3,102,822
Increase (Decrease)	\$386,536	\$0	\$386,536

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Removes funding for Governor's transition in and out and presidential electors	(\$65,500)		(\$65,500)
2. Adds funding for an existing vacant FTE position for duties previously handled by temporary staff and interns	\$110,693		\$110,693
3. Adds funding for salary equity adjustments, including \$2,000 for related second-year salary increases	\$42,000		\$42,000
4. Removes funding from the community health trust fund for Governor's Prevention and Advisory Council grants. Funding for these grants is included in the Department of Human Services' budget for the 2009-11 biennium.		(\$100,000)	(\$100,000)

Other Sections in Bill

Additional Income - Section 2 appropriates any additional federal or other funds available to the Governor's office during the 2009-11 biennium.

Elected officials' salary increases - Sections 3 and 4 provide the statutory changes increasing the Governor's and Lieutenant Governor's salaries. The Governor's annual salary is increased from the current level of \$100,031 to \$105,034 effective July 1, 2009, to \$110,285, effective July 1, 2010. The Lieutenant Governor's annual salary is increased from the current level of \$77,655 to \$82,658, effective July 1, 2009, and to \$85,615, effective July 1, 2010.

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.

Major Related Legislation

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

OFFICE OF THE GOVERNOR
Period Ending November, 2008
2007-09 Budget Status

Appropriation Line	2007-09 Budget	Actual Expend thru 11/30/2008	Estimated Expend. To 6/30/09	Estimated 07-09 Bien Balance
Salary and Wages	2,589,735	1,616,279	830,000	143,456
Operating Expenses	426,787	229,212	192,000	5,575
Contingency	10,000	0	0	10,000
Presidential Electors	500	0	500	0
Transition In - Governor	15,000	0	0	15,000
Transition Out- Governor	50,000	0	0	50,000
Roughrider Awards	10,800	3,235	3,500	4,065
Total Governors Office-Gen.Fund	3,102,822	1,848,726	1,026,000	228,096
Prevention & Advisory Committee ¹	100,000	11,062	88,938	0
Total Governor's Office Budget	3,202,822	1,859,788	1,114,938	228,096

¹The \$100,000 are special funds from the Community Health Trust fund for the Governor's Prevention & Advisory Council.

**OFFICE OF THE GOVERNOR
2009-11 BUDGET**

Governor's Office 101	(a) Expend 2005-07	(b) Budget 2007-09	(c) 1	(d) 2	(e) 3	(f) 4	(g) 5	(h) 6	(i) Total Chgs.	(j) Exec. Rec. 2009-11	(k) Per Cent Chg.
MAJOR PROGRAMS						Budget Changes					
Administration	5,831,322	3,202,822	47,088	(65,500)	(100,000)	100,115	40,000	264,833	286,536	3,489,358	8.9%
TOTAL	5,831,322	3,202,822	47,088	(65,500)	(100,000)	100,115	40,000	264,833	286,536	3,489,358	8.9%
LINE ITEMS											
Salaries and Wages	2,185,577	2,589,735	47,088			100,115	40,000	264,833	452,036	3,041,771	17.5%
Operating Expenses	292,164	426,787							-	426,787	0.0%
Grants	3,350,850	-							-	-	0.0%
Contingency	-	10,000							-	10,000	0.0%
Presidential Electors		500		(500)					(500)	-	-100.0%
Transition In	-	15,000		(15,000)					(15,000)	-	-100.0%
Transition Out	-	50,000		(50,000)					(50,000)	-	-100.0%
Prevent and Advisory Cncl.		100,000			(100,000)				(100,000)	-	-100.0%
Roughrider Awards	2,731	10,800							-	10,800	0.0%
TOTAL	5,831,322	3,202,822	47,088	(65,500)	(100,000)	100,115	40,000	264,833	286,536	3,489,358	8.9%
General	2,476,167	3,102,822	47,088	(65,500)		100,115	40,000	264,833	386,536	3,489,358	12.5%
Federal	3,350,850	-							-	-	0.0%
Special	4,305	100,000			(100,000)				(100,000)	-	-100.0%
TOTAL	5,831,322	3,202,822	47,088	(65,500)	(100,000)	100,115	40,000	264,833	286,536	3,489,358	8.9%
FTE	18.00	18.00	-	-	-	-	-	-	-	18.00	0.0%

Executive Recommendation

- 1)Cost to continue 2nd year 07-09 salary increase
- 2)Reduction of election related expenses
- 3)Transferred to Dept. of Human Services for 09-11 budget. Community Health Trust Fund \$ to sponsor programs to discourage impaired driving and alcohol and drug abuse..
- 4)Add salaries for 1.00 FTE that has been used for interns and temporary positions. No additional FTE authorization required.
- 5)Provide salary equity increase.
- 6)Salary increase of 5% for each year of the biennium and health insurance increase

HB 1001
OFFICE OF THE GOVERNOR
March 2, 2009

	(a) Budget 2007-09	(b) Exec. Recomm	(c) House Engros HB 1001	(d) Chg. From Exec.Rec.	(e) Amend. Request
Governor's Office 101					
MAJOR PROGRAMS					
Agency Operations	3,202,822	3,489,358	3,356,523	(132,835)	132,835
TOTAL	3,202,822	3,489,358	3,356,523	(132,835)	132,835
LINE ITEMS					
Salaries and Wages	2,589,735	3,041,771	2,938,936	(102,835)	102,835
Operating Expenses	426,787	426,787	396,787	(30,000)	30,000
Grants	-	-	-	-	
Contingency	10,000	10,000	10,000	-	
Presidential Electors	500	-	-	-	
Transition In	15,000	-	-	-	
Transition Out	50,000	-	-	-	
Prevent and Advisory Cncil.	100,000	-	-	-	
Roughrider Awards	10,800	10,800	10,800	-	
TOTAL	3,202,822	3,489,358	3,356,523	(132,835)	132,835
General	3,102,822	3,489,358	3,356,523	(132,835)	132,835
Federal	-	-	-	-	
Special	100,000	-	-	-	
TOTAL	3,202,822	3,489,358	3,356,523	(132,835)	132,835
FTE	18.00	18.00	18.00	18.00	18.00

House Changes:	Amount
Reduce salaries for vacancies/turnover (critical salary pool)	\$ 60,835
Reduce equity funding	42,000
Operating reduction-no explanation	30,000
Total	\$ 132,835

Economic Stimulus - Executive Recommendation (Target Ranges)

All funds will be expended according to the provisions of the American Recovery and Reinvestment Act (ARRA). In order to coordinate with the budget, a portion of the proposed general fund increases in the Governor's recommended budget will be used to transition to the 2011-13 biennium.

	Estimated Final Stimulus	Direct to Locals	Federal Authority Needed in 2009-11 State Budget	Notes	2011-13 General Fund Transition Dollars
DPI & CTE (HB1013 & SB2019)					
Fiscal Stabilization - Education*	85,644,337		85,644,337	Funds must be distributed per Title I formula but schools have flexibility to use the funds in accordance with ESEA, IDEA, Perkins, adult education or for modernization, renovation or repair of school facilities.	11,000,000 - 30,000,000
Title I - Disadvantaged Stds					
Grants	27,415,262		27,415,262	Funds distributed per program formula and must be spent according to Title I	
School Improvement	7,000,000		7,000,000	States encouraged to use some funds for early education	
IDEA - Special Educ				Encouraged to use 40% of School Improvement dollars for middle & high schools	
Part B	26,552,439		26,552,439	Distributed to 31 Special ed districts—not school districts.	
Part B Preschool (3-5)	861,549		861,549		
Educ for Homeless	150,000		150,000		
School Lunch/Equip.	215,764		215,764		
Commodity Food Value	170,426		170,426		
Food Distribution	85,426		85,426		
Education Technology (II-D)	3,209,375		3,209,375	\$48 per student	
Head Start	1,491,000		1,491,000		
Statewide Data Systems				Competitive grant basis only.	
Teacher Incentive Fund				Competitive grants for states to develop teacher compensation models to support recruitment and retention in high need schools and subjects	
Impact Aid				Funds go direct to Impact Aid schools. Impact Aid schools are those impacted by Air Force bases and reservations.	
Subtotal DPI & CTE	152,795,578	1,491,000	151,304,578		\$11,000,000 - \$30,000,000
Fiscal Stabilization*					
Other High Priorities (SB2003, HB1013, HB1015)	19,055,342		11,200,000	UND Renovation of Education Building. Use general fund originally intended for Educ bldg to build Joint IT facility.	
			400,000	Information technology, accounting and verification of Fiscal Stimulus package.	
			326,348	DPI administration of fiscal stimulus package.	
			7,128,994	Unallocated	
Subtotal Fiscal Stabilization	19,055,342		19,055,342		0

* All Fiscal Stabilization dollars will be distributed by the U.S. Department of Education directly to the Office of the Governor. Therefore, the Governor's Office will need federal appropriation authority of \$104,699,000 to accept these funds and pass them through to the spending agency.