

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1014

Page 1, line 3, remove "to provide a contingent appropriation;"

Page 1. line 4, remove "to create and enact a new section to chapter 6-09 and a new section to"

Page 1, remove line 5

Page 1, line 6, remove "program and the North Dakota outdoor heritage fund;"

Page 1, line 7, after the comma insert "54-17.5-02,"

Page 1, line 8, after "credits" insert ", the lignite research council,"

Page 1, remove lines 21 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$17,873,876	\$4,345,078	\$22,218,954
Accrued leave payments	347,696	(347,696)	0
Operating expenses	4,775,576	1,552,846	6,328,422
Grants	19,500,000	(14,500,000)	5,000,000
Grants - bond payments	<u>19,809,969</u>	<u>(4,769,140)</u>	<u>15,040,829</u>
Total all funds	\$62,307,117	(\$13,718,912)	\$48,588,205
Less estimated income	<u>40,973,792</u>	<u>(23,974,385)</u>	<u>16,999,407</u>
Total general fund	\$21,333,325	\$10,255,473	\$31,588,798
Full-time equivalent positions	98.75	16.00	114.75"

Page 2, replace lines 11 through 14 with:

"Bank of North Dakota operations	\$51,523,916	\$7,156,915	\$58,680,831
Accrued leave payments	881,231	(881,231)	0
Capital assets	<u>745,000</u>	<u>0</u>	<u>745,000</u>
Total special funds	\$53,150,147	\$6,275,684	\$59,425,831"

Page 2, replace lines 20 through 25 with:

"Salaries and wages	\$29,141,750	\$6,837,821	\$35,979,571
Accrued leave payments	575,807	(575,807)	0
Operating expenses	21,796,000	5,531,000	27,327,000
Contingencies	400,000	100,000	500,000
Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
Total from mill and elevator fund	\$52,123,557	\$11,893,014	\$64,016,571"

Page 2, remove line 31

Page 3, replace lines 1 through 5 with:

"Salaries and wages	\$7,434,877	\$343,660	\$7,778,537
Accrued leave payments	147,806	(147,806)	0
Operating expenses	3,791,758	(47,483)	3,744,275
Grants	29,533,050	(3,602,270)	25,930,780

Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$41,007,491	(\$3,453,899)	\$37,553,592"

Page 3, replace lines 11 through 13 with:

"Grand total general fund	\$21,333,325	\$10,255,473	\$31,588,798
Grand total special funds	<u>187,254,987</u>	<u>(9,259,586)</u>	<u>177,995,401</u>
Grand total all funds	\$208,588,312	\$995,887	\$209,584,199"

Page 3, replace line 20 with:

"Possible litigation	1,000,000		0"
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Page 3, replace line 24 with:

"Lignite research council grants	0		5,000,000
All-terrain vehicles	0		41,500"

Page 4, replace lines 1 through 3 with:

"Total all funds	\$68,060,800		\$5,620,643
Total special fund	<u>51,500,000</u>		<u>0</u>
Total general fund	\$16,560,800		\$5,620,643"

Page 6, line 1, replace "50" with "seventy-five"

Page 6, line 2, remove "or the"

Page 6, line 3, remove "sum of \$6,817,200, whichever is less,"

Page 6, remove lines 22 through 31

Page 7, remove lines 1 through 24

Page 9, replace lines 19 through 25 with:

"SECTION 15. AMENDMENT. Section 54-17.5-02 of the North Dakota Century Code is amended and reenacted as follows:

54-17.5-02. Lignite research council - Compensation - Appointment of members.

The industrial commission shall consult with the lignite research council established by executive order in matters of policy affecting the administration of the lignite research fund. Section 44-03-04 does not apply to members of the council appointed by the governor."

Page 11, after line 9, insert:

"SECTION 18. LEGISLATIVE INTENT - CONTINGENT FUNDING PRIORITY LIST. It is the intent of the sixty-fourth legislative assembly that a list of funding priorities be developed for contingent funding if the actual general fund revenues exceed the legislative forecast during the 2015-17 biennium. The priorities may include a core library project, additional full-time equivalent positions for the industrial commission, transfers to the housing incentive fund, and grants for the lignite research council."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Summary of House Action

	Base Budget	House Changes	House Version
Industrial Commission			
Total all funds	\$62,307,117	(\$13,718,912)	\$48,588,205
Less estimated income	40,973,792	(23,974,385)	16,999,407
General fund	\$21,333,325	\$10,255,473	\$31,588,798
Bank of North Dakota			
Total all funds	\$53,150,147	\$6,275,684	\$59,425,831
Less estimated income	53,150,147	6,275,684	59,425,831
General fund	\$0	\$0	\$0
Housing Finance Agency			
Total all funds	\$41,007,491	(\$3,453,899)	\$37,553,592
Less estimated income	41,007,491	(3,453,899)	37,553,592
General fund	\$0	\$0	\$0
Mill and Elevator			
Total all funds	\$52,123,557	\$11,893,014	\$64,016,571
Less estimated income	52,123,557	11,893,014	64,016,571
General fund	\$0	\$0	\$0
Bill total			
Total all funds	\$208,588,312	\$995,887	\$209,584,199
Less estimated income	187,254,987	(9,259,586)	177,995,401
General fund	\$21,333,325	\$10,255,473	\$31,588,798

House Bill No. 1014 - Industrial Commission - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$17,873,876	\$4,345,078	\$22,218,954
Operating expenses	4,775,576	1,552,846	6,328,422
Grants	19,500,000	(14,500,000)	5,000,000
Grants - bond payments	19,809,969	(4,769,140)	15,040,829
Accrued leave payments	347,696	(347,696)	
Total all funds	\$62,307,117	(\$13,718,912)	\$48,588,205
Less estimated income	40,973,792	(23,974,385)	16,999,407
General fund	\$21,333,325	\$10,255,473	\$31,588,798
FTE	98.75	16.00	114.75

Department No. 405 - Industrial Commission - Detail of House Changes

	Adds Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding for Other 2013-15 Salary Adjustments³	Adds Funding for FTE positions⁴	Decreases Funding for Bond Payments⁵	Adds Funding for Operating Expenses⁶
Salaries and wages	\$533,625	\$1,301,128	\$7,056	\$2,498,269		\$5,000
Operating expenses				627,432		304,771
Grants					(4,769,140)	
Grants - bond payments						
Accrued leave payments	(347,696)					
Total all funds	\$185,929	\$1,301,128	\$7,056	\$3,125,701	(\$4,769,140)	\$309,771
Less estimated income	141,853	76,256	(150,000)	150,000	(4,769,140)	76,646
General fund	\$44,076	\$1,224,872	\$157,056	\$2,975,701	\$0	\$233,125
FTE	0.00	0.00	0.00	16.00	0.00	0.00
	Adjusts Funding for Lignite Grants⁷	Adds One-Time Funding⁸	Total House Changes			

Salaries and wages			\$4,345,078
Operating expenses		620,643	1,552,846
Grants	(14,500,000)		(14,500,000)
Grants - bond payments			(4,769,140)
Accrued leave payments			(347,696)
Total all funds	(\$14,500,000)	\$620,643	(\$13,718,912)
Less estimated income	(19,500,000)	0	(23,974,385)
General fund	\$5,000,000	\$620,643	\$10,255,473
FTE	0.00	0.00	16.00

¹ Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

² The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance	\$765,984	\$47,233	\$813,217
Health insurance increase	458,888	29,023	487,911
Total	\$1,224,872	\$76,256	\$1,301,128

³ Funding is added for other 2013-15 salary adjustments.

⁴ The following funding and FTE positions are added:

	FTE Positions	General Fund	Other Funds	Total
Engineering technicians	7.00	\$1,513,195	\$0	\$1,513,195
Pipeline engineering technician	1.00	162,018	0	162,018
Safety officer	1.00	187,717	0	187,717
Human resources specialist	1.00	139,380	0	139,380
Budget specialist	1.00	174,519	0	174,519
Reclamation specialist	1.00	230,911	0	230,911
Surface geologist	1.00	244,192	0	244,192
Survey engineering technicians	2.00	323,769	0	323,769
Industrial water sales position	1.00	0	150,000	150,000
Total	16.00	\$2,975,701	\$150,000	\$3,125,701

⁵ Decreases funding for bond payments by \$4,769,140, from \$19,809,969 to \$15,040,829.

⁶ Adds funding for increase operating costs primarily related to increased travel expenses.

⁷ Appropriation authority of \$19.5 million from special funds for lignite grants is removed. The grants will be distributed pursuant to a continuing appropriation from the lignite research fund. One-time funding of \$5 million from the general fund is added for lignite research council grants for commercializing the capture, utilization, and storage of carbon dioxide and for next generation electric generation technology, including the Allam Cycle.

⁸ One-time funding is added for the following:

	General Fund
Aerial photography	\$104,143
Core analyses	125,000
Seismic profile digital conversion	100,000
Information technology costs	250,000
ATVs and trailers	41,500
Total	\$620,643

This amendment removes a section to allow the Office of Management and Budget to increase the appropriation authority of state agencies that receive grant awards from the North Dakota outdoor heritage fund.

This amendment removes a section related to contingency funding for FTE positions available when the total number of oil wells capable of production exceeds 20,000.

This amendment also includes:

- Legislative intent for bond payments;
- Appropriation authority, subject to emergency commission approval, for bond issuances;
- Transfer authority of \$930,000 for administrative services;
- Designation of \$4.5 million from the lignite research fund for lignite marketing studies, the Lignite Vision 21 program, or possible lignite-related litigation.
- Statutory changes relating to Lignite Research Council membership.
- Legislative intent for a contingent funding priority list.

House Bill No. 1014 - Bank of North Dakota - House Action

	Base Budget	House Changes	House Version
Capital assets	\$745,000		\$745,000
Bank of North Dakota operations	51,523,916	7,156,915	58,680,831
Accrued leave payments	881,231	(881,231)	
Total all funds	\$53,150,147	\$6,275,684	\$59,425,831
Less estimated income	53,150,147	6,275,684	59,425,831
General fund	\$0	\$0	\$0
FTE	179.50	2.00	181.50

Department No. 471 - Bank of North Dakota - Detail of House Changes

	Adds Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding for FTE Credit Analyst Position ³	Adds Funding for FTE Information Security Position ⁴	Adds Funding for Operating Expenses ⁵	Total House Changes
Capital assets						
Bank of North Dakota operations	858,035	1,943,112	177,836	209,809	3,968,123	7,156,915
Accrued leave payments	(881,231)					(881,231)
Total all funds	(\$23,196)	\$1,943,112	\$177,836	\$209,809	\$3,968,123	\$6,275,684
Less estimated income	(23,196)	1,943,112	177,836	209,809	3,968,123	6,275,684
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	1.00	1.00	0.00	2.00

¹ Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

² The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance	\$0	\$1,148,633	\$1,148,633
Health insurance increase	0	794,479	794,479
Total	\$0	\$1,943,112	\$1,943,112

³ Adds funding of \$177,479 from special funds for 1.00 FTE credit analyst position.

⁴ Adds funding of \$209,809 from special funds for 1.00 FTE information security position.

⁵ Adds funding for operating expenses including \$2.5 million for information technology costs and

\$800,000 for audit fees.

This amendment removes two sections related to a \$10 million transfer from the strategic investment and improvements fund to a new short line railroad revolving loan fund to be administered by the Bank of North Dakota.

This amendment also includes a section to continue the Flex PACE program for affordable housing until the end of the 2017-19 biennium and includes four sections to provide transfers from the Bank of North Dakota profits as follows:

- \$28 million to PACE;
- \$3 million to Ag PACE;
- \$2 million to biofuels PACE; and
- \$7 million to the beginning farmer revolving loan program.

House Bill No. 1014 - Housing Finance Agency - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$7,434,877	\$343,660	\$7,778,537
Operating expenses	3,791,758	(47,483)	3,744,275
Grants	29,533,050	(3,602,270)	25,930,780
HFA contingencies	100,000		100,000
Accrued leave payments	147,806	(147,806)	
Total all funds	\$41,007,491	(\$3,453,899)	\$37,553,592
Less estimated income	41,007,491	(3,453,899)	37,553,592
General fund	\$0	\$0	\$0
FTE	46.00	0.00	46.00

Department No. 473 - Housing Finance Agency - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Decreases Funding for Housing and Urban Development Grants ³	Decreases Funding for Housing Development Programs ⁴	Decreases Funding for Operations ⁵	Total House Changes
Salaries and wages	(\$125,696)	\$469,356				\$343,660
Operating expenses				100,000	(147,483)	(47,483)
Grants			(2,214,445)	(1,387,825)		(3,602,270)
HFA contingencies						
Accrued leave payments	(147,806)					(147,806)
Total all funds	(\$273,502)	\$469,356	(\$2,214,445)	(\$1,287,825)	(\$147,483)	(\$3,453,899)
Less estimated income	(273,502)	469,356	(2,214,445)	(1,287,825)	(147,483)	(3,453,899)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

² The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance	\$0	\$277,212	\$277,212
Health insurance increase	0	192,144	192,144
Total	\$0	\$469,356	\$469,356

³ Federal funding for housing and urban development grants is reduced by \$2,214,445.

⁴ Funding from special funds for housing development programs is reduced by \$1,287,825.

⁵ Funding for operating expenses is reduced by \$147,483.

This amendment also includes three sections to continue the housing incentive fund in the 2015-17 biennium and allow up to \$30 million of income tax credits for contributions to the fund.

House Bill No. 1014 - Mill and Elevator - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$29,141,750	\$6,837,821	\$35,979,571
Operating expenses	21,796,000	5,531,000	27,327,000
Contingencies	400,000	100,000	500,000
Agriculture promotion	210,000		210,000
Accrued leave payments	575,807	(575,807)	
Total all funds	\$52,123,557	\$11,893,014	\$64,016,571
Less estimated income	52,123,557	11,893,014	64,016,571
General fund	\$0	\$0	\$0
FTE	135.00	12.00	147.00

Department No. 475 - Mill and Elevator - Detail of House Changes

	Adds Funding for Base Payroll Changes ¹	Adds Funding for Health Insurance Increases ²	Adds Funding for FTE Positions ³	Adds Funding for Operating Expenses ⁴	Adds Funding for Contingencies ⁵	Total House Changes
Salaries and wages	\$4,559,196	\$634,719	\$1,643,906			\$6,837,821
Operating expenses				5,531,000		5,531,000
Contingencies					100,000	100,000
Agriculture promotion						
Accrued leave payments	(575,807)					(575,807)
Total all funds	\$3,983,389	\$634,719	\$1,643,906	\$5,531,000	\$100,000	\$11,893,014
Less estimated income	3,983,389	634,719	1,643,906	5,531,000	100,000	11,893,014
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	12.00	0.00	0.00	12.00

¹ Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes, including 2015-17 biennium performance salary adjustments of 2 to 4 percent per year for certain employees.

² Funding is added for 2015-17 biennium increases in monthly health insurance premiums.

³ The following funding is added for FTE positions:

	FTE Positions	General Fund	Other Funds	Total
Mill operator positions	3.00	\$0	\$426,278	\$426,278
Rail car loader positions	3.00	0	390,138	390,138
Flour packer positions	2.00	0	251,313	251,313
Utility worker positions	2.00	0	249,916	249,916
Electrician position	1.00	0	176,636	176,636
Maintenance worker position	1.00	0	149,625	149,625
Total	12.00	\$0	\$1,643,906	\$1,643,906

⁴ Funding is added for increased operating costs primarily related to the operation of the new K mill.

⁵ Increases funding for contingencies by \$100,000, from \$400,000 to \$500,000.

This amendment also includes a section to provide for a transfer of 75 percent of the Mill and Elevator's annual profits to the general fund.