

April 7, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1014

Page 1, line 3, after the first semicolon insert "to provide a contingent appropriation;"

Page 1, line 3, replace "to provide legislative intent;" with "to create and enact a new section to chapter 6-09;"

Page 1, line 6, replace the second "and" with "to provide exemptions; to provide legislative intent; to provide for reports to legislative management;"

Page 1, line 7, after "date" insert "; and to declare an emergency"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$17,873,876	\$6,302,505	\$24,176,381
Accrued leave payments	347,696	(347,696)	0
Operating expenses	4,775,576	4,595,154	9,370,730
Capital assets	0	13,666,822	13,666,822
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	\$4,947,645	\$67,254,762
Less estimated income	<u>40,973,792</u>	<u>(23,979,345)</u>	<u>16,994,447</u>
Total general fund	\$21,333,325	\$28,926,990	\$50,260,315
Full-time equivalent positions	98.75	28.00	126.75"

Page 2, replace lines 8 through 11 with:

"Bank of North Dakota operations	\$51,523,916	\$7,018,385	\$58,542,301
Accrued leave payments	881,231	(881,231)	0
Capital assets	<u>745,000</u>	<u>17,000,000</u>	<u>17,745,000</u>
Total special funds	\$53,150,147	\$23,137,154	\$76,287,301"

Page 2, replace line 17 with:

"Salaries and wages	\$29,141,750	\$7,137,148	\$36,278,898"
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Page 2, replace line 22 with:

"Total from mill and elevator fund	\$52,123,557	\$12,192,341	\$64,315,898"
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Page 2, replace line 28 with:

"Salaries and wages	\$7,434,877	\$310,157	\$7,745,034"
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Page 3, replace line 2 with:

"Total special funds	\$41,007,491	(\$3,487,402)	\$37,520,089"
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Page 3, replace lines 8 through 10 with:

"Grand total general fund	\$21,333,325	\$38,926,990	\$60,260,315
Grand total special funds	<u>187,254,987</u>	<u>7,862,748</u>	<u>195,117,735</u>
Grand total all funds	\$208,588,312	\$46,789,738	\$255,378,050"

Page 3, replace line 17 with:

"Possible litigation	1,000,000	2,500,000"
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Page 3, after line 26, insert:

"Financial center project	0	17,000,000
Core library expansion project	0	13,625,322"

Page 3, remove line 30

Page 4, replace lines 1 and 2 with:

"Total all funds	\$68,060,800	\$38,745,965
Total special fund	<u>51,500,000</u>	17,000,000
Total general fund	\$16,560,800	\$21,745,965"

Page 5, after line 2, insert:

"SECTION 6. APPROPRIATION - TRANSFER - GENERAL FUND TO HOUSING INCENTIVE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, which the office of management and budget shall transfer to the housing incentive fund for the period beginning with the effective date of this Act and ending June 30, 2017. The funding provided in this section is considered a one-time funding item."

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

Page 6, line 3, after "programs" insert "or the sum of \$8,000,000, whichever is less,"

Page 6, after line 5, insert:

"SECTION 13. BANK OF NORTH DAKOTA - MEDICAL PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION PROGRAM. The Bank of North Dakota shall develop a medical partnership in assisting community expansion program to assist in the financing of critical access hospital medical infrastructure projects, for the period beginning with the effective date of this Act and ending June 30, 2017. The Bank shall adopt policies and procedures to implement this program. Notwithstanding section 6-09.14-03, the Bank may originate loans under this program or participate with a lead financial institution. Eligible projects that receive funding for an interest rate buydown under this program are not subject to the community commitment requirement in section 6-09.14-03, the maximum interest rate buydown limitation in subsection 4 of section 6-09.14-04, or the state grantor recipient reporting requirement in section 54-60.1-05."

Page 6, after line 21, insert:

"SECTION 15. CONTINGENT APPROPRIATION - INDUSTRIAL COMMISSION FUNDING. The amount of \$2,225,080 from the general fund and 10 full-time equivalent positions included in subdivision 1 of section 1 of this Act may be spent only if the monthly average drilling rig count exceeds 110 drilling rigs. The industrial commission shall notify the office of management and budget and the legislative council each time one or more full-time equivalent positions are authorized

to be hired. For purposes of this section, the "monthly average drilling rig count" means the amount, rounded to the nearest whole drilling rig, calculated by dividing the sum of the daily drilling rig counts for a calendar month by the number of days in the month. Of the \$2,225,080 and the 10 full-time equivalent positions in this section, the industrial commission may spend funding and hire full-time equivalent positions, as follows:

1. \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 110 drilling rigs.
2. In addition to the funding and full-time equivalent positions authorized in subsection 1, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 120 drilling rigs.
3. In addition to the funding and full-time equivalent positions authorized in subsections 1 and 2, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 130 drilling rigs.
4. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 3, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 140 drilling rigs.
5. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 4, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 150 drilling rigs.
6. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 5, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 160 drilling rigs.
7. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 6, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 170 drilling rigs.
8. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 7, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 180 drilling rigs.

9. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 8, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 190 drilling rigs.
10. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 9, \$222,508, of which \$168,105 is from the salaries and wages line item and \$54,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds 200 drilling rigs.

SECTION 16. A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

North Dakota financial center - Lease rates - Payments in lieu of taxes.

The North Dakota financial center is a building that is owned by the Bank of North Dakota and is adjacent to the building in which the Bank of North Dakota is housed. The Bank of North Dakota shall lease the space in the North Dakota financial center to other state agencies based on market rate lease prices. The Bank of North Dakota shall make payments in lieu of property taxes in the manner and according to the conditions and procedures that would apply if the building were privately owned."

Page 7, line 2, after the period insert "The origination fee assessed to grant recipients may not exceed five percent of the project award."

Page 10, replace lines 8 through 13 with:

"SECTION 22. HOUSING FINANCE AGENCY - FLOOD-IMPACTED HOUSING ASSISTANCE - EXEMPTION. The amount appropriated for flood-impacted housing assistance in section 4 of chapter 16 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 23. INDUSTRIAL COMMISSION - POSSIBLE FEDERAL AGENCY LITIGATION - EXEMPTION. The amount appropriated for possible federal agency litigation in subdivision 1 of section 1 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 24. INDUSTRIAL COMMISSION - CORE LIBRARY EXPANSION PROJECT - EXEMPTION - LEGISLATIVE MANAGEMENT REPORT. The capital assets line item in subdivision 1 of section 1 of this Act includes \$13,625,322 from the general fund for the purpose of expanding the core library. The funding appropriated for this purpose is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2017, and ending June 30, 2019. The industrial commission shall report to the legislative management and to the appropriations committees of the sixty-fifth legislative assembly on the use of the funding provided for the core library project, including the amounts spent to date and the amounts anticipated to be continued into the 2017-19 biennium, and on the progress of the project.

SECTION 25. BANK OF NORTH DAKOTA - NORTH DAKOTA FINANCIAL CENTER - EXEMPTION - LEGISLATIVE MANAGEMENT REPORT. The capital

assets line item in subdivision 2 of section 1 of this Act includes \$17,000,000 from the assets of the Bank of North Dakota for the purpose of constructing a North Dakota financial center on a site adjacent to the existing building in which the Bank is located. The funding appropriated for this purpose is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2017, and ending June 30, 2019. The Bank of North Dakota shall report to the legislative management and to the appropriations committees of the sixty-fifth legislative assembly on the use of the funding provided for the North Dakota financial center, including the amounts spent to date and the amounts anticipated to be continued into the 2017-19 biennium, and on the progress of the project.

SECTION 26. EMERGENCY. The amount of \$13,625,322 from the general fund in the capital assets line item in subdivision 1 of section 1 of this Act for the core library expansion project and sections 6 and 13 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Industrial Commission				
Total all funds	\$62,307,117	\$48,588,205	\$18,666,557	\$67,254,762
Less estimated income	40,973,792	16,999,407	(4,960)	16,994,447
General fund	\$21,333,325	\$31,588,798	\$18,671,517	\$50,260,315
Bank of North Dakota				
Total all funds	\$53,150,147	\$59,425,831	\$16,861,470	\$76,287,301
Less estimated income	53,150,147	59,425,831	16,861,470	76,287,301
General fund	\$0	\$0	\$0	\$0
Housing Finance Agency				
Total all funds	\$41,007,491	\$37,553,592	\$9,966,497	\$47,520,089
Less estimated income	41,007,491	37,553,592	(33,503)	37,520,089
General fund	\$0	\$0	\$10,000,000	\$10,000,000
Mill and Elevator				
Total all funds	\$52,123,557	\$64,016,571	\$299,327	\$64,315,898
Less estimated income	52,123,557	64,016,571	299,327	64,315,898
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$208,588,312	\$209,584,199	\$45,793,851	\$255,378,050
Less estimated income	187,254,987	177,995,401	17,122,334	195,117,735
General fund	\$21,333,325	\$31,588,798	\$28,671,517	\$60,260,315

House Bill No. 1014 - Industrial Commission - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$17,873,876	\$22,218,954	\$1,957,427	\$24,176,381
Operating expenses	4,775,576	6,328,422	3,042,308	9,370,730
Capital assets			13,666,822	13,666,822
Grants	19,500,000	5,000,000		5,000,000
Grants - bond payments	19,809,969	15,040,829		15,040,829
Accrued leave payments	347,696			
Total all funds	\$62,307,117	\$48,588,205	\$18,666,557	\$67,254,762
Less estimated income	40,973,792	16,999,407	(4,960)	16,994,447
General fund	\$21,333,325	\$31,588,798	\$18,671,517	\$50,260,315
FTE	98.75	114.75	12.00	126.75

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

	Adjusts Funding for Health Insurance Premium Increases¹	Adds Funding for FTE Positions²	Adds Funding for Contingent FTE Positions³	Adds Funding for Increased Core Library Operating Expenses⁴	Adds One-Time Funding for Possible Litigation⁵	Adds One-Time Funding for Core Library Expansion Project⁶
Salaries and wages	(\$84,323)	\$360,700	\$1,681,050			
Operating expenses		19,278	544,030	20,500	2,500,000	
Capital assets						13,625,322
Grants						
Grants - bond payments						
Accrued leave payments						
Total all funds	(\$84,323)	\$379,978	\$2,225,080	\$20,500	\$2,500,000	\$13,625,322
Less estimated income	(4,960)	0	0	0	0	0
General fund	(\$79,363)	\$379,978	\$2,225,080	\$20,500	\$2,500,000	\$13,625,322
FTE	0.00	2.00	10.00	0.00	0.00	0.00

	Corrects Funding for ATV's and Trailers⁷	Total Senate Changes
Salaries and wages		\$1,957,427
Operating expenses	(41,500)	3,042,308
Capital assets	41,500	13,666,822
Grants		
Grants - bond payments		
Accrued leave payments		
Total all funds	\$0	\$18,666,557
Less estimated income	0	(4,960)
General fund	\$0	\$18,671,517
FTE	0.00	12.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² The following funding from the general fund and FTE positions are added:

	FTE Positions	Salaries and Wages	Operating Expenses	Total General Fund
Pipeline regulatory supervisor position	1.00	\$230,700	\$9,639	\$240,339
Administrative assistant position	1.00	130,000	9,639	139,639
Total	2.00	\$360,700	\$19,278	\$379,978

Reengrossed House Bill No. 1358 provides for a pipeline regulatory program. Of the funding from the general fund and the FTE positions included in this amendment, the Industrial Commission anticipates using the following for the implementation of a pipeline regulatory program:

	FTE Positions	Total General Fund
Engineering technician position (Included in House version)	4.00	\$864,683
Reclamation specialist position (Included in House version)	1.00	230,911
Pipeline engineering technician position (Included in House version)	1.00	162,018
Pipeline regulatory supervisor position (Added by Senate above)	1.00	240,339
Administrative assistant (Added by Senate above)	1.00	139,639
Total	8.00	\$1,637,590

³ Funding is added for 10 petroleum engineering contingency FTE positions. One position is added for every 10 drilling rigs when the monthly average drilling rig count exceeds 110 drilling rigs as identified in Section 14 of the bill. Each position includes \$168,105 for salaries and wages and \$54,403 for operating expenses for total funding of \$222,508.

⁴ This amendment adds funding for increased operating expenses related to the core library expansion project.

⁵ One-time funding is added for possible litigation costs related to hydraulic fracturing and other regulatory disputes.

⁶ One-time funding is added for a core library expansion project.

⁷ This amendment changes the funding for ATV's and trailers from the operating expenses line item to the capital assets line item.

This amendment also:

- Adds a section to identify the criteria for the 10 petroleum engineering contingency FTE positions;
- Provides an exemption for 2013-15 biennium litigation funding from the general fund; and
- Provides an emergency clause for the core library expansion project funding, requires the Industrial Commission to report to the Legislative Management on the progress of the project, and provides carryover authority for the funding into the 2017-19 biennium.

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

	Base Budget	House Version	Senate Changes	Senate Version
Capital assets	\$745,000	\$745,000	\$17,000,000	\$17,745,000
Bank of North Dakota operations	51,523,916	58,680,831	(138,530)	58,542,301
Accrued leave payments	881,231			
Total all funds	\$53,150,147	\$59,425,831	\$16,861,470	\$76,287,301
Less estimated income	53,150,147	59,425,831	16,861,470	76,287,301
General fund	\$0	\$0	\$0	\$0
FTE	179.50	181.50	0.00	181.50

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

	Adjusts Funding for Health Insurance Premium Increases ¹	Adds One-Time Funding For Financial Center Project ²	Total Senate Changes
Capital assets		\$17,000,000	\$17,000,000
Bank of North Dakota operations	(138,530)		(138,530)
Accrued leave payments			
Total all funds	(\$138,530)	\$17,000,000	\$16,861,470
Less estimated income	(138,530)	17,000,000	16,861,470
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² One-time funding from the Bank of North Dakota's assets is added for a financial center construction project.

This amendment also:

- Provides for a medical partnership in assisting community expansion program to provide interest rate buydowns for medical infrastructure loans for the 2015-17 biennium and provides an emergency clause for the program.
- Requires the Bank of North Dakota to make payments in lieu of property taxes on a financial center building constructed on the Bank's property.
- Provides an exemption for funding for the construction of a financial center and requires the Industrial Commission to report to the Legislative Management on the progress of the project.

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$7,434,877	\$7,778,537	(\$33,503)	\$7,745,034
Operating expenses	3,791,758	3,744,275		3,744,275
Grants	29,533,050	25,930,780		25,930,780
HFA contingencies	100,000	100,000		100,000
Accrued leave payments	147,806			
Housing incentive fund			10,000,000	10,000,000
Total all funds	\$41,007,491	\$37,553,592	\$9,966,497	\$47,520,089
Less estimated income	41,007,491	37,553,592	(33,503)	37,520,089
General fund	\$0	\$0	\$10,000,000	\$10,000,000
FTE	46.00	46.00	0.00	46.00

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

	Adjusts Funding for Health Insurance Premium Increases ¹	General Fund Transfer to Housing Incentive Fund ²	Total Senate Changes
Salaries and wages	(\$33,503)		(\$33,503)
Operating expenses			
Grants			
HFA contingencies			
Accrued leave payments			
Housing incentive fund		10,000,000	10,000,000
Total all funds	(\$33,503)	\$10,000,000	\$9,966,497
Less estimated income	(33,503)	0	(33,503)
General fund	\$0	\$10,000,000	\$10,000,000
FTE	0.00	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² This amendment adds a section to provide for a transfer of \$10 million from the general fund to the housing incentive fund and provides an emergency clause for the transfer.

This amendment provides an exemption for 2013-15 biennium flood-impacted housing assistance funding from the state disaster relief fund.

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$29,141,750	\$35,979,571	\$299,327	\$36,278,898
Operating expenses	21,796,000	27,327,000		27,327,000
Contingencies	400,000	500,000		500,000
Agriculture promotion	210,000	210,000		210,000
Accrued leave payments	575,807			
Total all funds	\$52,123,557	\$64,016,571	\$299,327	\$64,315,898
Less estimated income	52,123,557	64,016,571	299,327	64,315,898
General fund	\$0	\$0	\$0	\$0
FTE	135.00	147.00	0.00	147.00

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

	Adjusts Funding for Health Insurance Premium Increases¹	Adds Funding for Market Equity²	Total Senate Changes
Salaries and wages	(\$110,673)	\$410,000	\$299,327
Operating expenses			
Contingencies			
Agriculture promotion			
Accrued leave payments			
Total all funds	(\$110,673)	\$410,000	\$299,327
Less estimated income	(110,673)	410,000	299,327
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² Funding is added for market equity adjustments.

This amendment also provides for a transfer of 50 percent of Mill and Elevator profits to the general fund up to \$8 million for the 2015-17 biennium. The House version provided for a transfer of 75 percent of the Mill's profits without any limitation for the 2015-17 biennium.