

**STATEMENT OF JOHN BJORNSON, DIRECTOR,
NORTH DAKOTA LEGISLATIVE COUNCIL,
REGARDING SENATE BILL NO. 2001,
JANUARY 22, 2021**

Mr. Chairman and members of the Senate Appropriations Committee:

I am here this morning appearing on Senate Bill No. 2001 on behalf of the members of the Legislative Assembly and the members of the Legislative Management to explain the budget requests for the Legislative Assembly, the Legislative Management, and the Legislative Council for the 2021-23 biennium.

The Legislative Assembly is established in Article IV of the Constitution of North Dakota and North Dakota Century Code Chapters 54-03, 54-03.1, and 54-03.2. The Legislative Management and Legislative Council are established in Chapter 54-35.

The budget requests for these agencies are prepared using zero-based budgeting, meaning all amounts requested are calculated from a starting point of zero. The financial statements for the fiscal years ending June 30, 2019, and 2018, for the Legislative Assembly and Legislative Council had unqualified opinions and no audit findings.

The 2019-20 interim was extremely challenging for the legislative branch. Some of those challenges included having COVID-19 limit the ability of interim committees to meet in person, preparing for the possibility of the Legislative Assembly having to meet remotely, and transitioning the staff to a work from home environment for a short period of time, as well as having a number of staff members needing to isolate and quarantine periodically. Legislators and the staff responded to the challenge and made it possible to finish the work of all the interim committees. Ultimately, the total number of interim committee meetings was consistent with the number in previous interims.

Systems and processes have been put in place to allow the Legislative Assembly to meet while limiting the public's physical access to legislative deliberations but really expanding the public's access to the Legislative Assembly. I believe this legislative session will prove to be the most accessible and transparent session ever. Legislators are able to participate and vote remotely if they are unable to be physically present at committee meetings or on the floor. Our staff, particularly the IT staff, have gone above and beyond to make this happen.

As I discuss the budget with you today, I will explain how we are planning to further enhance the legislative branch's abilities and to be even more responsive to legislator's and the public's expectations of the legislative branch. Although many of the most noticeable responses to the pandemic were changes in technology, you may have noticed some other initiatives the Legislative Council staff implemented over the last interim as we celebrated the

75th anniversary of the office and the Legislative Management. The Fiscal Division, in addition to producing a significant amount of information regarding the federal Coronavirus funding, began publishing *Budget Basics* which provided concise summaries of the budget process. The Legal Division conducted extensive research and prepared and distributed numerous documents analyzing legal aspects relating to emergency powers and executive orders.

LEGISLATIVE ASSEMBLY

Subdivision 1 of Section 1 of the recommended bill contains the recommended appropriation for the Legislative Assembly for the 2021-23 biennium which totals \$20,330,194 from the general fund. This amount includes \$1,765,032 of one-time funding requests from the general fund. The Legislative Assembly "ongoing" general fund request is \$3,257,407, or 21.3 percent more than the 2019-21 biennium "ongoing" appropriation. The amount requested is considered necessary for the organizational session and a 77-legislative-day (111-calendar-day) regular 2023 legislative session. The following schedule presents the number of legislative days for previous sessions:

Legislative Session	Legislative Days
2019	76
2017	77
2015	79
2013	80
2011	78
2009	79
2007	78
2005	76
2003	76*
2001	77
1999	71
1997	66

*Excludes the 3 legislative days relating to the May 2003 special session.

The Legislative Assembly in 2019 provided funding for an estimated 77-legislative-day 2021 legislative session. The estimated cost per day is approximately \$81,000.

Salaries and Wages

The salaries and wages line item of approximately \$12.3 million includes funding for:

- Legislative employees' pay for the 2023 legislative session based on the number of employees anticipated to be employed for the 2021 legislative session of 83 and 1 percent

1st year and 2 percent 2nd year salary adjustments.

- Legislators' salary of \$192 per day for a 77-legislative-day (111-calendar-day) regular session. This includes a 1 percent 1st year and 2 percent 2nd year increase. The statutory changes to provide for this increase are included in Section 6 of the recommended bill (an estimated cost of \$105,644).
- Continuing the additional compensation of \$15 per calendar day for the legislative leaders and \$10 per calendar day for chairmen of the standing committees and assistant legislative leaders. These compensation rates were each increased by \$5 by the Legislative Assembly in 2011.
- Legislators' monthly compensation of \$523 per month for the 1st year of the biennium, a \$5, or 1 percent per month increase and \$533 per month for the 2nd year of the biennium, a \$10, or 2 percent per month increase (an estimated cost of \$36,429). The statutory changes for these increases are included in Section 6 of the recommended bill.
- Additional monthly compensation for House and Senate Majority and Minority Leaders of \$375 per month for the 1st year of the biennium, a \$4, or 1 percent per month increase and \$383 per month for the 2nd year of the biennium, an \$8, or 2 percent per month increase (an estimated cost of \$1,033). The statutory changes for these increases are provided for in Section 6 of the recommended bill.
- Health insurance coverage for 133 legislators, the same number budgeted for the 2017-19 biennium. Current information indicates 134 legislators have requested health insurance.
- One-time funding \$231,918 is added for legislator and legislative employee compensation for the redistricting session to be held later this year.

Operating Expenses

The operating expenses line item of approximately \$7.8 million includes funding for:

- Legislators' travel costs for 16 trips at 57.5 cents per mile during the 2023 regular session and one trip for the 2022 organizational session. The mileage rate currently is 56 cents per mile.
- Lodging costs for 126 legislators for 4 months during the 2023 legislative session at an estimated reimbursement rate of \$1,833 per month. The reimbursement rate for the 2021 legislative session is \$1,814. The budget includes an additional \$19,830 relating to lodging.

- Contribution of \$10,000 annually to the International Legislator's Forum (Manitoba, Minnesota, North Dakota, and South Dakota).
- Ongoing information technology data processing of \$1,365,371, an increase of \$283,915 compared to the 2019-21 biennium. The increase relates to ITD software development and hosting costs.
- Ongoing IT service contracts total \$570,178, an increase of \$481,624 relating to video streaming, archiving, indexing, and closed captioning committee meetings and chamber sessions.
- Ongoing IT software totals \$1,608,485, an increase of \$1,437,594 relating primarily to expanding IT services within the legislative branch. In addition, the budget includes \$1,400,000 of one-time IT software costs relating to this proposed expansion. See Appendix A for more information on the IT expansion proposal.
- Professional services of \$82,000, \$5,000 more than the 2019-21 biennium budget. The increase relates to biennial audit costs because of the \$3.1 million of federal CARES Act funds received by the Legislative Assembly.
- One-time funding of \$83,114 is added for travel-related costs for the redistricting session.

Capital Assets

The capital assets line item of \$6,000 includes funding for unexpected equipment replacement needs during the 2021-23 biennium. There are no funds requested for legislative wing improvements.

National Conference of State Legislatures

The National Conference of State Legislatures (NCSL) line item of \$271,333 is an increase of \$7,900, or 3.0 percent from the 2019-21 biennium budget of \$263,433. This represents North Dakota's contribution to NCSL.

2019-21 Biennium One-time Funding

For the current biennium, the Legislative Assembly received one-time funding to replace the digital signs by committee rooms, to replace legislators' personal computers and iPads, and to upgrade the voting boards. Most of this has been completed, and we anticipate completing the digital signage update after the adjournment of this legislative session.

Use of 2019-21 Federal CARES Act Funding

For the current biennium, the Legislative Assembly received an allocation of \$3.1 million from the federal Coronavirus Relief Fund. Through December, the Legislative Assembly has spent \$2.5 million and committed an additional \$400,000 for:

- Upgrading the voting boards and voting systems in the House and Senate to allow remote participation and voting;
- Remodeling executive branch space to create larger committee rooms to meet social distancing guidelines;
- Equipping all committee rooms to allow for remote participation, public viewing, and public testimony;
- Developing video streaming, archiving, and indexing capabilities for all committees; and
- Purchasing personal protective equipment and supplies to provide a safer working environment.

The remaining amount of approximately \$200,000 is anticipated to be used by the end of the biennium for continuing costs of archiving and indexing committee meetings and floor sessions.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

Subdivision 2 of Section 1 of the recommended bill contains the appropriation for the Legislative Management and Legislative Council for the 2021-23 biennium which totals \$16,015,378, of which \$15,945,379 is from the general fund and \$69,999 is from the insurance regulatory trust fund. This amount includes \$198,000 of one-time funding requests. Ongoing funding from the general fund is \$2,857,061, or 22.2 percent more than the 2019-21 biennium general fund appropriation.

The \$69,999 is from the insurance regulatory trust fund and is for expenses relating to legislator involvement with the National Conference of Insurance Legislators (NCOIL).

The Legislative Council is requesting 44 full-time equivalent (FTE) positions, 8 FTE positions more than authorized for the 2019-21 biennium. The organizational chart reflecting the current staff structure is attached as Appendix B. As indicated, we have 4 vacant FTE positions, one of which is unfunded.

Salaries and Wages

The salaries and wages line item of approximately \$12.4 million includes funding for:

- 44 authorized FTE positions (43 FTE funded), 8 FTE positions more than the 2019-21 biennium. The new positions relate to an IT expansion proposal. See Appendix A for more information.
- The 1 percent 1st year and 2 percent 2nd year state employee salary increase of \$230,417 as recommended by the Governor.
- Health insurance premiums based on a monthly premium of \$1,429 (an increase of \$2,095).

- A retirement contribution increase of 1 percent beginning January 2022 (an increase of \$59,303).
- Temporary employees' pay for the 2023 legislative session.
- Legislators' per diem for interim meetings of \$939,795, \$8,955 less than the 2019-21 budgeted amount. This request is based on the same number of committees (26) budgeted for the 2019-20 interim, assumes an 87 percent attendance rate at committee meetings, and continues the 2019-20 smaller committee membership size of an average of 14 members. The budgeted amount includes a proposed increase for legislators' interim meeting pay of 1 percent the 1st year and 2 percent the 2nd year from the current level of \$186 per day to \$188 per day effective July 1, 2021, and \$192 per day effective July 1, 2022 (an estimated cost of \$21,211). These increases are provided for in Section 7 of the recommended bill.
- Similar to the classification system for the executive branch and the compensation step system for the judicial branch, the Legislative Council has a session retention program. The program is intended to retain key staff members for legislative sessions by providing step-type increases for completing a legislative session. Started after last session, we feel it already has made a difference because, for the first time in memory, we have had no staff turnover between sessions. The budget includes the same amount as the 2019-21 biennium--\$333,512. The Legislative Council employee annual turnover rate averaged 14 percent for 2010 to 2016, was 3 percent in 2017, and 15 percent in 2018. Five employees left within just a few months of the 2019 session. Although we have not had any turnover since before the 2019 session, we have some very talented employees who are attractive targets for other employers. We need to retain them.

Operating Expenses

The operating expenses line item of approximately \$3.6 million includes funding for:

- Travel expenses relating to meetings during the interim of \$1,622,334, which is \$7,998 less than the 2019-21 budget. The funding request is based on the same number of committees (26) budgeted for the 2019-20 interim, assumes an 87 percent attendance rate at committee meetings, and continues the 2019-20 smaller committee membership size of an average of 14 members. Funding for mileage reimbursement is included at a rate of 57.5 cents per mile. The current rate is 56 cents per mile.

- Dues of \$38,400 annually to the Energy Council, the same as the 2019-21 biennium.
- Professional services of \$205,000, an increase of \$5,000 compared to the 2019-21 budget. The \$205,000 includes \$182,000 for consulting services to assist with interim committee studies when required, \$11,000 for contracting for the Legislative Council audit, and \$12,000 for contracting for the State Auditor's office audit. The increase relates to an anticipated increase in the audit costs due to the receipt of federal CARES Act funding.
- Rent of \$331,229 which was added to the budget by the Governor for the legislative branch to pay rent to the executive branch for its space in the Capitol building.
- Service contracts of \$107,756, an increase of \$68,256 relating to video streaming, archiving, and indexing interim committee meetings in the Harvest and Roughrider Rooms.
- Rewriting the public website (one-time funding of \$150,000).
- Office equipment and furniture for the IT expansion proposal (one-time funding of \$48,000). See Appendix A for more information.
- Other operating expenses changes are based on the Office of Management and Budget's guidelines as they are applicable, and anticipated needs in other areas.

Capital Assets

The capital assets line item of \$6,000 includes funding for unanticipated equipment replacement needs during the 2021-23 biennium.

2019-21 Biennium One-time Funding

For the current biennium, the Legislative Council received one-time funding to replace the digital signs by committee rooms, to replace staff computers, to purchase software for redistricting, and for expenses relating to a CSG meeting held in North Dakota. All of these were accomplished, with the exception of the digital signage project which is expected to be

completed after adjournment of the legislative session.

Use of 2019-21 Federal CARES Act Funding

- For the current biennium, the Legislative Council was allocated \$100,000 of federal CARES Act funding. Through December 2020, the Legislative Council has spent \$20,000 of this amount and committed an additional \$6,000 for archiving and indexing interim committee meetings and for purchasing personal protective equipment and supplies to provide a safer working environment. The remaining amount is anticipated to be used for archiving and indexing 2021-22 interim committee meetings to the extent the funds remain available.

OTHER AREAS

Sections 4 and 5 of the bill relate to authorizing line item transfers as necessary and the cancellation of previous unspent appropriations.

RELATED BILLS

Other bills under consideration which may affect the budget of the legislative branch include:

- **Senate Bill No. 2218** provides for annual sessions.
- **House Bill No. 1249** appropriates \$40 million from the strategic investment and improvements fund for expanding the legislative wing of the Capitol.
- **House Bill No. 1397** provides for the redistricting process during the 2021-22 interim.
- **House Bill No. 1424** allows legislators to claim meal reimbursement during legislative sessions.

ATTACH:2



North Dakota Legislative Council

Prepared for Senate Appropriations Committee
Appendix A
January 2021

PROPOSAL TO EXPAND LEGISLATIVE INFORMATION TECHNOLOGY SERVICES

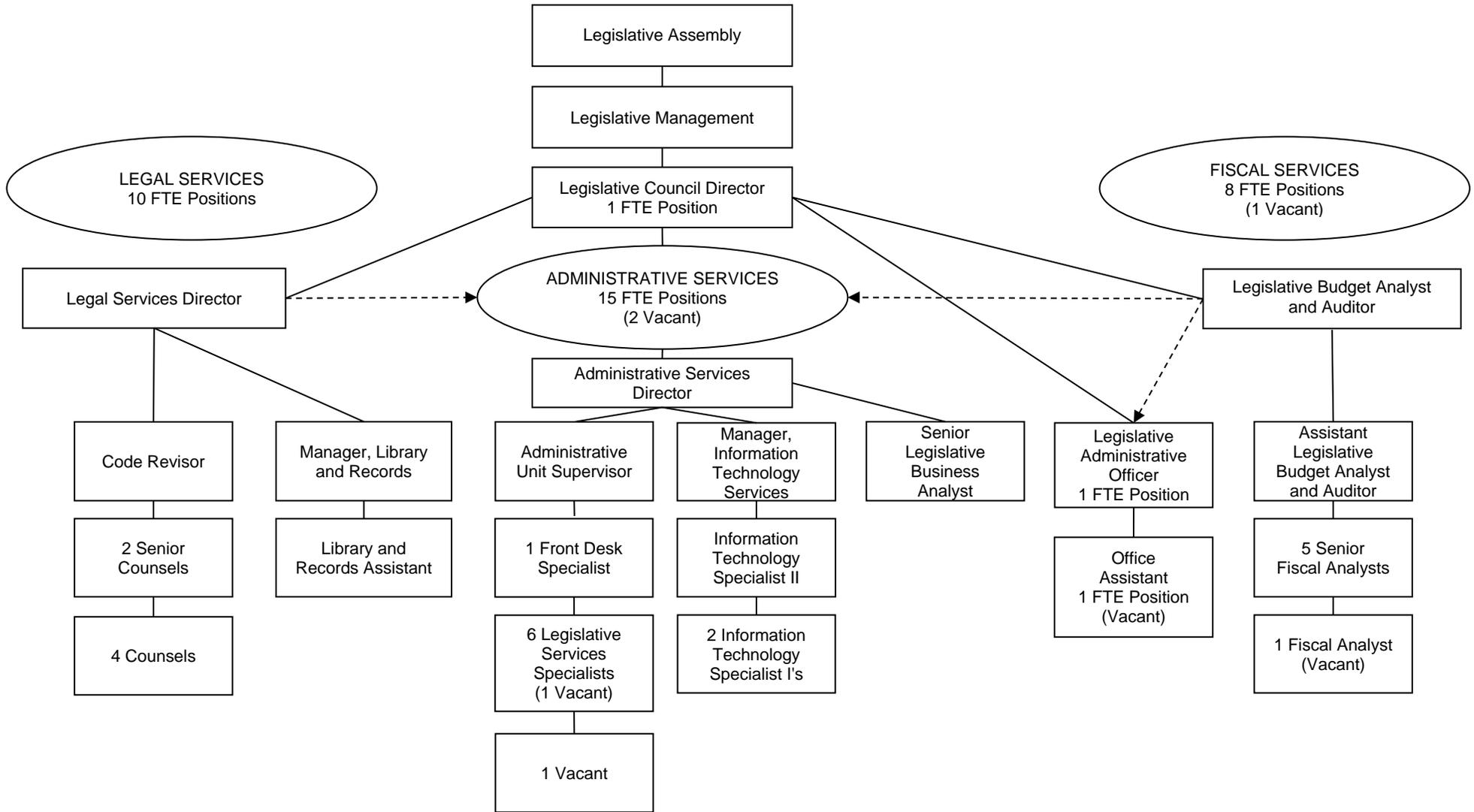
The Legislative Assembly and Legislative Council budget requests include a proposal to expand information technology services of the legislative branch and reduce reliance on the Information Technology Department (ITD). The 2021-23 biennium budget request includes the following amounts for the expansion:

Legislative Council	
Salaries and wages	
<ul style="list-style-type: none"> 4 FTE information technology specialists 4 FTE information technology programmers 	\$968,000 764,000
Total salaries and wages	\$1,732,000
Operating expenses	
<ul style="list-style-type: none"> One-time costs for office equipment, furniture, and supplies Ongoing operating expenses 	\$48,000 24,000
Total operating expenses	\$72,000
Total - Legislative Council	\$1,804,000
Legislative Assembly	
Operating expenses	
<ul style="list-style-type: none"> One-time hardware/software licenses One-time program migration costs Ongoing hardware/software licenses 	\$1,300,000 150,000 1,400,000
Total Legislative Assembly	\$2,850,000
Total Legislative Branch	
<ul style="list-style-type: none"> Grand total one-time costs Grand total ongoing costs Grand total all costs 	\$1,498,000 3,156,000 \$4,654,000

The 2021-23 biennium budget requests for the Legislative Assembly and Legislative Council include over \$2.0 million to be paid to ITD for information technology services during the biennium. While these costs may not be eliminated during the 2021-23 biennium because of the transition time necessary to expand the legislative branch information technology services, an estimated \$1.6 million of these costs could be eliminated in the 2023-25 biennium budget.

The ongoing costs of the proposal total \$3,156,000 per biennium. Deducting the \$1.6 million of ongoing costs currently being paid to ITD that could be eliminated in the 2023-25 biennium results in an ongoing cost increase of \$1,556,000 per biennium.

LEGISLATIVE COUNCIL ORGANIZATIONAL CHART



36 FTE Positions Authorized
(4 Vacant) one (1) of which is unfunded

———— Line of Authority

- - - - - Input and Assigned Oversight Responsibilities