

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

That the House recede from its amendments as printed on pages 1543-1550 of the Senate Journal and pages 1720-1727 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, remove line 2

Page 1, line 3, remove "to the creation of an opioid settlement fund;"

Page 1, line 6, remove "to provide for a report; and"

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

Page 1, remove lines 16 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$50,832,646	(\$537,204)	\$50,295,442
Operating expenses	15,237,498	3,503,607	18,741,105
Capital assets	648,055	4,585,572	5,233,627
Grants	3,903,440	400,000	4,303,440
Human trafficking victims grants	1,101,879	3,525	1,105,404
Forensic nurse examiners grants	250,691	791	251,482
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's forensic interviews	0	304,560	304,560
North Dakota lottery	5,254,844	61,790	5,316,634
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	412,169	4,487,137
Law enforcement	<u>3,048,927</u>	<u>82,770</u>	<u>3,131,697</u>
Total all funds	\$85,156,437	\$13,817,580	\$98,974,017
Less estimated income	<u>42,509,719</u>	<u>4,836,388</u>	<u>47,346,107</u>
Total general fund	\$42,646,718	\$8,981,192	\$51,627,910
Full-time equivalent positions	253.00	13.00	266.00"

Page 2, line 22, after "2,818,877" insert

"State crime laboratory capital improvements	0	250,000"
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Page 2, replace line 26 with:

"Anti-methamphetamine program	0	1,772,038"
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Page 2, replace lines 28 through 30 with:

"Total all funds	\$8,536,706	\$11,189,468
Total other funds	<u>8,536,706</u>	<u>6,582,122</u>
Total general fund	\$0	\$4,607,346"

Page 3, after line 11, insert:

"SECTION 4. TRANSFER - LOTTERY OPERATING FUND TO GAMING AND EXCISE TAX ALLOCATION FUND - STATEWIDE LITIGATION FUNDING POOL.

Notwithstanding sections 53-12.1-09 and 53-12.1-10, the attorney general shall transfer \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, for the purpose of defraying litigation expenses of the state through the statewide litigation funding pool during the period beginning with the effective date of this Act, and ending June 30, 2025."

Page 3, line 15, replace "\$4,557,748" with "\$1,797,748"

Page 3, line 15, replace "\$442,252" with "\$3,202,252"

Page 3, line 18, after "the" insert "statewide"

Page 3, line 18, after "litigation" insert "funding"

Page 3, line 26, replace "\$1,111,480" with "\$1,105,404"

Page 4, line 6, replace "\$252,872" with "\$251,482"

Page 4, remove lines 17 through 29

Page 5, remove lines 1 through 12

Page 5, line 14, replace "law enforcement" with "grants"

Page 5, remove lines 24 through 31

Page 6, remove lines 1 through 3

Page 7, line 10, replace "seventy-five" with "seventy-nine"

Page 7, line 11, replace "nine" with "three"

Page 7, line 11, replace "twenty-eight" with "twelve"

Page 7, line 12, replace "eighty-two" with "eighty-six"

Page 7, line 12, replace "nine" with "four"

Page 7, line 12, replace "sixty-five" with "eighty-four"

Page 7, after line 21, insert:

"SECTION 14. EXEMPTION - GAMING TAX REVENUE GRANTS.

Notwithstanding section 53-06.1-12, the attorney general may distribute gaming tax revenue grants to cities and counties relating to the seventh and eighth quarters of the 2021-23 biennium through October 31, 2023."

Page 7, after line 31, insert:

"SECTION 17. EXEMPTION - LEGAL CASE MANAGEMENT SYSTEM. The amount appropriated to the attorney general from other funds for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim information and notification system, and continued into the 2021-23 biennium for the legal case management system, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the legal case management system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, after line 5, insert:

"SECTION 19. EXEMPTION - AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM. The amount of \$300,000 appropriated from federal funds to upgrade the automated biometric identification system during the 2021-23 biennium in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, line 13, replace "\$1,350,000" with "\$1,000,000"

Page 8, line 13, remove ", of"

Page 8, line 14, remove "which \$300,000 was for a missing persons database, \$1,000,000 was"

Page 8, line 15, remove ", and \$50,000 was for charitable gaming information"

Page 8, line 16, replace "technology costs, in subsections 19," with "in subsection"

Page 8, line 16, remove ", and 42"

Page 8, after line 29, insert:

"SECTION 23. ATTORNEY COST-SAVINGS - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly regarding any cost-savings realized by hiring full-time equivalent attorney positions instead of contracting for third-party legal counsel during the 2023-25 biennium.

SECTION 24. EMERGENCY. The \$250,000 appropriated from the general fund in the capital assets line item in section 1 for state crime laboratory capital improvements and sections 4 and 14 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Attorney General - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$50,295,349	\$56,475,611	(\$6,180,169)	\$50,295,442	\$50,295,442	
Operating expenses	15,237,498	17,688,435	1,052,670	18,741,105	18,771,105	(\$30,000)
Capital assets	648,055	3,560,577	1,673,050	5,233,627	5,233,627	
Grants	3,903,440	3,903,440	400,000	4,303,440	4,303,440	
Litigation fees	127,500	127,500		127,500	127,500	
Medical examinations	660,000	660,000		660,000	660,000	
North Dakota lottery	5,254,844	5,433,446	(116,812)	5,316,634	5,316,634	
Arrest and return of fugitives	8,500	8,500		8,500	8,500	
Gaming commission	7,489	7,489		7,489	7,489	
Criminal justice information sharing	4,074,968	4,546,645	(59,508)	4,487,137	4,487,137	
Law enforcement	3,048,927	7,194,705	(4,063,008)	3,131,697	3,131,697	
Human trafficking victims grants	1,101,879	1,111,480	(6,076)	1,105,404	1,105,404	
Forensic nurse examiners grants	250,691	252,872	(1,390)	251,482	251,482	
State Crime Laboratory salary equity	537,297					
Statewide litigation pool		5,000,000		5,000,000	5,000,000	
Additional income		250,000		250,000	250,000	

Children's medical examinations					304,560	(304,560)
Children's forensic interviews			304,560	304,560		304,560
Total all funds	\$85,156,437	\$106,220,700	(\$6,996,683)	\$99,224,017	\$99,254,017	(\$30,000)
Less estimated income	42,509,719	42,633,849	4,962,258	47,596,107	47,596,107	0
General fund	\$42,646,718	\$63,586,851	(\$11,958,941)	\$51,627,910	\$51,657,910	(\$30,000)
FTE	253.00	260.00	6.00	266.00	266.00	0.00

Department 125 - Attorney General - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adds Funding for Salary Equity Increases and Reclassifications ²	Adjusts Funding for Prior Biennium Salary Equity Increases ³	Adds Funding for FTE Positions ⁴	Removes Salary Funding for Funding Pool ⁵	Adjusts Base Level Funding ⁶
Salaries and wages	\$701,762	\$258,668		\$1,271,188	(\$8,411,787)	
Operating expenses				447,682		\$34,000
Capital assets						222,000
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	33,740				(150,552)	
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	17,294				(76,802)	
Law enforcement	48,223				(211,231)	
Human trafficking victims grants	1,738				(7,814)	
Forensic nurse examiners grants	398				(1,788)	
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Children's medical examinations						
Children's forensic interviews						
Total all funds	\$803,155	\$258,668	\$0	\$1,718,870	(\$8,859,974)	\$256,000
Less estimated income	355,283	14,487	1,866,992	0	(2,157,983)	46,881
General fund	\$447,872	\$244,181	(\$1,866,992)	\$1,718,870	(\$6,701,991)	\$209,119
FTE	0.00	0.00	0.00	6.00	0.00	0.00

	Adds Funding for Children's Forensic Interviews⁷	Adjusts One- Time Funding⁸	Adjusts One- Time Funding for the Litigation Funding Pool⁹	Total Conference Committee Changes
Salaries and wages				(\$6,180,169)
Operating expenses		\$570,988		1,052,670
Capital assets		1,451,050		1,673,050
Grants		400,000		400,000
Litigation fees				
Medical examinations				
North Dakota lottery				(116,812)
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				(59,508)
Law enforcement		(3,900,000)		(4,063,008)
Human trafficking victims grants				(6,076)
Forensic nurse examiners grants				(1,390)
State Crime Laboratory salary equity				
Statewide litigation pool				
Additional income				
Children's medical examinations				
Children's forensic interviews	\$304,560			304,560
Total all funds	\$304,560	(\$1,477,962)	\$0	(\$6,996,683)
Less estimated income	304,560	1,772,038	2,760,000	4,962,258
General fund	\$0	(\$3,250,000)	(\$2,760,000)	(\$11,958,941)
FTE	0.00	0.00	0.00	6.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$464,271	\$365,724	\$829,995
Health insurance reduction	(16,399)	(10,441)	(26,840)
Total	\$447,872	\$355,283	\$803,155

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding of \$223,000 is added from the general fund for salary equity funding and \$35,668 is added to reclassify employee positions, including \$21,181 from the general fund for finance staff and \$14,487 from the Attorney General refund fund for Consumer Protection and Antitrust Division staff. The House also added this funding. The Senate did not add funding for these purposes.

³ Funding of \$1,866,992 for prior biennium salary equity increases for attorneys, Bureau of Criminal Investigation (BCI), and Medicaid Fraud Control Unit (MFCU) positions is transferred from the general fund to the Attorney General refund fund to restore the funding to the base level, the same as provided by the House. The Senate transferred this funding from the Attorney General refund fund to the general fund.

The Senate also transferred \$537,297 for prior biennium salary equity increases for State Crime Laboratory positions from the Attorney General refund fund to the general fund. The House and the Conference Committee did not adjust this funding.

⁴ Funding is added from the general fund for the following FTE positions, the same as provided by the House:

	FTE Positions	Salaries and Wages	Operating Expenses	Total
Attorney positions	2.00	\$461,954	\$96,060	\$558,014
State Crime Laboratory positions	2.00	356,452	262,389	618,841
IT programmers and analyst positions	2.00	452,782	51,761	504,543
MFCU positions authorized by the Senate	<u>0.00</u>	<u>0</u>	<u>37,472</u>	<u>37,472</u>
Total	6.00	\$1,271,188	\$447,682	\$1,718,870

The Conference Committee did not change the 15 FTE positions added by the Senate, including 2 FTE attorney positions, 3 FTE BCI cybercrime positions, 3 FTE BCI criminal investigator positions, 4 FTE State Crime Laboratory positions, and 3 FTE MFCU positions, totaling \$4,206,994, of which \$3,593,367 is from the general fund and \$613,627 is from federal funds. This is the same as provided by the House.

Funding for salaries and wages and operating expenses of 21 new FTE positions, as approved by the Conference Committee, totals \$5,925,864, of which \$5,312,237 is from the general fund and \$613,627 is from federal funds, prior to the removal of funding for the new and vacant FTE position pool. This is the same as provided by the House.

⁵ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$4,066,038)	(\$536,813)	(\$4,602,851)
Vacant FTE positions	<u>(2,635,953)</u>	<u>(1,621,170)</u>	<u>(4,257,123)</u>
Total	(\$6,701,991)	(\$2,157,983)	(\$8,859,974)

The House also removed this funding. The Senate did not remove funding for the new and vacant FTE funding pool.

⁶ Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts funding from the Attorney General refund fund as a result of settlement proceeds from the JUUL Labs, Inc. lawsuit no longer being available to the Attorney General for salaries and operating expenses. The Senate did not adjust funding for this purpose.	\$809,381	(\$809,381)	\$0
Adjusts funding for Information Technology Division and Criminal Justice Information Sharing Division operating expenses by adding funding from the Attorney General refund fund to restore funding to the base level. The Senate provided this funding from the general fund.	(856,262)	856,262	0
Adds funding to the \$419,297 from the general fund added by the Senate for increased software maintenance and subscription costs.	34,000	0	34,000
Adds funding for State Crime Laboratory building and equipment maintenance contract costs. The Senate did not add funding for this purpose.	<u>222,000</u>	<u>0</u>	<u>222,000</u>
Total	\$209,119	\$46,881	\$256,000

The Conference Committee adjusted each of these items the same as the House adjustments. The House also added \$30,000 from the general fund for a retired law enforcement dogs program. The Conference Committee did not add funding for this program.

⁷ Funding of \$304,560 from the insurance regulatory trust fund is added in a new line item for children's forensic interviews related to North Dakota Century Code Section 12.1-34-07, the same as provided by the House. This amount is in addition to \$660,000 of base level funding from the insurance regulatory trust fund for medical examinations. The Senate did not add funding for this purpose. The Conference Committee amendment renames the line item "children's forensic interviews" rather than "children's medical examinations."

⁸ One-time funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for State Crime Laboratory capital improvements. The Senate did not add funding for this purpose.	\$250,000	\$0	\$250,000
Removes funding approved by the Senate for the back the blue grant program.	(3,500,000)	0	(3,500,000)
Transfers \$400,000 from the general fund approved by the Senate for the law enforcement resiliency grant program from the law enforcement line item to the grants line item.	0	0	0
Adds federal funding for the United States Department of Justice Community Oriented Policing Services (COPS) anti-methamphetamine program, of which \$570,988 is for operating expenses and \$1,201,050 is for capital assets. In December 2022, the Emergency Commission and Budget Section approved \$2,000,000 for the program for the 2021-23 biennium, of which approximately \$227,962 will be spent by the end of the 2021-23 biennium. The Senate did not add funding for this purpose.	<u>0</u>	<u>1,772,038</u>	<u>1,772,038</u>
Total	(\$3,250,000)	\$1,772,038	(\$1,477,962)

The Conference Committee adjusted each of these items the same as the House adjustments.

⁹ One-time funding of \$2,760,000 is adjusted for the statewide litigation funding pool by reducing the general fund and increasing funding from the gaming and excise tax allocation fund, the same as provided by the House. A section is added to the bill to provide for the transfer of \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund. This will reduce 2021-23 biennium general fund revenues by \$2,760,000. This section was also added by the House.

Total funding for the statewide litigation funding pool as approved by the Conference Committee and the House is \$5,000,000 of which \$1,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund. The Senate approved \$5,000,000, of which \$4,557,748 was from the general fund and \$442,252 was from the gaming and excise tax allocation fund.

The Conference Committee:

- Did not add a section previously added by the House to amend Section 53-06.1-11.2 to provide up to \$4 million of gaming tax revenues be deposited in the Attorney General operating fund instead of the general fund.
- Did not add a section previously added by the House to add a new section to Chapter 54-12 to establish a retired law enforcement dog program.

This amendment also provides for the following, the same as provided by the House:

- Adds a section to transfer funding from the lottery operating fund to the gaming and excise tax allocation fund for the statewide litigation funding pool.
- Amends a section authorizing the transfer of funding from the gaming and excise tax allocation fund and the general fund to state agencies for litigation expenses through the statewide litigation funding pool. This section is declared an emergency measure.
- Amends a section identifying the amount of funding included in Section 1 for the human trafficking victims grants program.
- Amends a section identifying the amount of funding included in Section 1 for the forensic nurse examiners grant program.
- Removes a section identifying an appropriation for back the blue grants. Funding for this program is included in House Bill No. 1307.
- Removes a section creating an opioid settlement fund. The creation of this fund is proposed in House Bill No. 1447.
- Amends a section providing for the salary of the Attorney General reflecting a 6 percent 1st year and 4 percent 2nd year salary increase.
- Adds a section to provide an exemption allowing the Attorney General may distribute quarters 7 and 8 of 2021-23 biennium gaming tax revenues to cities and counties through October 31, 2023. This section is declared an emergency measure.
- Adds a section to allow the Attorney General to continue any remaining funding from the 2017-19 biennium that was continued into the 2019-21 biennium for the statewide automated victim information and notification program and into the 2021-23 biennium for the legal case management system to be continued into the 2023-25 biennium for the legal case management system. The Attorney General anticipates \$117,000 will be continued into the 2023-25 biennium.
- Adds a section to provide an exemption to allow the Attorney General to continue any remaining funding of the \$300,000 appropriated from federal funds during the 2021-23 biennium for the automated biometric

identification system, formerly known as the automated fingerprint identification system, into the 2023-25 biennium.

- Amends a section authorizing the Attorney General an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session.
- Adds a section to require the Attorney General to provide a report to the 69th Legislative Assembly regarding cost-savings realized by hiring FTE attorney positions instead of contracting for third-party legal counsel.
- Adds a section to declare \$250,000 appropriated in Section 1 for State Crime Laboratory capital improvements and Sections 4 and 14 to be an emergency measure.