

**Land Department
Budget No. 226
House Bill No. 1013**

	FTE Positions	General Fund	Other Funds	Total
2011-13 executive budget (bills as introduced)	24.75	\$0	\$105,575,020	\$105,575,020
2011-13 legislative appropriations	24.75	0	105,465,189	105,465,189
Legislative increase (decrease) to executive budget	0.00	\$0	(\$109,831)	(\$109,831)
Legislative increase (decrease) to 2009-11 appropriations	3.00	\$0	\$91,672,628	\$91,672,628

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Land Department is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action: Changed the funding source of an FTE office assistant III position added in the executive budget to assist with the duties of the Energy Infrastructure and Impact Office from the Land Department maintenance fund to the oil and gas impact grant fund. The funding source change, including \$90,189 for salaries and wages and \$19,642 for related operating expenses, results in less funding being available for energy infrastructure and impact grants.			(\$109,831)	(\$109,831)
Total	0.00	\$0	(\$109,831)	(\$109,831)

FTE Changes

The 2011-13 biennium appropriation includes funding for 24.75 FTE positions, an increase of 3 FTE positions from the 2009-11 biennium authorized level of 21.75 positions. The Legislative Assembly did not change the executive recommendation to add 3 FTE positions--auditor III (minerals royalty auditor) (\$157,684), accounting budget specialist (\$115,395), and office assistant III (\$90,189).

Increased Costs Relating to Oil Activity

The Legislative Assembly did not change the executive recommendation to provide additional funding for the Land Department for the following increased costs relating to expansion of the Land Department operations as a result of increasing oil activity in the state:

	Funding Increase
Operating costs	\$453,080
Salary reclassifications of several staffing positions due to increased technical skills and responsibilities required	52,800
Increase in the contingency fund line item to provide flexibility to the Board of University and School Lands to adjust spending and allocate resources as demands change	50,000
Total special funds appropriation increase	\$555,880

Other Sections in Bill

Carryover of appropriations for oil and gas impact grants - Section 2 provides that North Dakota Century Code Section 54-44.1-11 does not apply to 2011-13 appropriations for oil and gas impact grants and, therefore, the 2011-13 appropriation authority may be continued into the 2013-15 biennium. This exemption was also included in Senate Bill No. 2013 (2009), providing any unexpended appropriations made for energy development and impact grants to continue into the 2011-13 biennium.

Line item transfers - Section 3 provides, upon approval of the Board of University and School Lands, the commissioner of University and School Lands may transfer funds between the various line items in Section 1, including the contingencies line item to all other line items. The commissioner is to notify the Office of Management and Budget of each transfer made pursuant to this section.

Trust fund distributions to state entities - Section 4 provides the amounts of permanent fund income distributions to state institutions pursuant to Article IX, Section 1, of the Constitution of North Dakota as follows:

	2009-11 Legislative Appropriation	2011-13 Legislative Appropriation	Increase (Decrease)
Common schools	\$77,000,000	\$92,514,000	\$15,514,000
North Dakota State University	1,230,000	1,424,000	194,000
University of North Dakota	1,114,000	1,310,000	196,000
Youth Correctional Center	438,000	528,000	90,000
School for the Deaf	356,000	454,000	98,000
State College of Science	410,000	523,429	113,429
State Hospital	480,000	603,429	123,429
Veterans' Home	276,000	279,429	3,429
Valley City State University	260,000	286,000	26,000
North Dakota Vision Services - School for the Blind	234,000	247,429	13,429
Mayville State University	178,000	184,000	6,000
Dakota College at Bottineau	28,000	31,429	3,429
Dickinson State University	28,000	31,429	3,429
Minot State University	28,000	31,429	3,429
Total	\$82,060,000	\$98,448,003	\$16,388,003

Energy infrastructure and impact grant awards - Section 5 provides authority to the Board of University and School Lands to award and distribute energy infrastructure and impact grants from money deposited in the oil and gas impact grant fund. Annual distributions may not exceed 60 percent of the biennial appropriation for energy infrastructure and impact grants. The board is authorized to create an advisory committee to assist in making grant award determinations.

Energy Infrastructure and Impact Office - Sections 6, 7, 8, 9, and 10 update language to change the name of the Energy Development Impact Office to the Energy Infrastructure and Impact Office.

Oil and gas tax revenues deposits - Section 6 increases the maximum amount of oil and gas tax revenues that may be deposited in the oil and gas impact grant fund by \$92 million per biennium, from \$8 million to \$100 million. The fund is used for providing energy infrastructure and impact grants and the administration of the oil and gas development impact grant program.

Continuing appropriation - Section 8 removes the continuing appropriation for money in the oil and gas impact grant fund.

Powers and duties of the Energy Infrastructure and Impact Office director - Section 10 adds the following items to the powers and duties of the Energy Infrastructure and Impact Office director:

- Receive and review applications for impact assistance.
- Make recommendations at least quarterly to the Board of University and School Lands on grants to counties, cities, school districts, and other political subdivisions in oil and gas development impact areas.

- Recommendations are to provide 35 percent of money available in the oil and gas impact fund to incorporated cities with a population of 10,000 or more. An incorporated city may not receive more than 60 percent of the funds available.
- Recommendations are to provide 65 percent of money available in the oil and gas impact fund to cities not otherwise eligible for funding under this section, counties, school districts, and other political subdivisions impacted by oil and gas development.

Related Legislation

Developmentally disabled facility revolving loan fund program - Senate Bill No. 2121 provides that the Department of Human Services sell loans in the developmentally disabled facility revolving loan fund to the Bank of North Dakota with the proceeds to be deposited in the common schools trust fund. The bill affects the repayment of developmentally disabled loan fund program Nos. 2 and 3 which are currently paid from the lands and minerals trust fund to the common schools trust fund.

Rapid enrollment growth grants - Senate Bill No. 2150 appropriates \$5 million from the oil and gas impact grant fund for grants to school districts that can demonstrate rapid enrollment growth. The bill results in less funding being available for energy infrastructure and impact grants.

Upper Great Plains Transportation Institute report - Senate Bill No. 2325 appropriates \$350,000 from the oil and gas impact grant fund for updating and maintaining reports for transportation infrastructure needs for all county and township roads. The bill results in less funding being available for energy infrastructure and impact grants.