

**Department 101 - Governor
Senate Bill No. 2001**

Executive Budget Comparison to Prior Biennium Appropriations

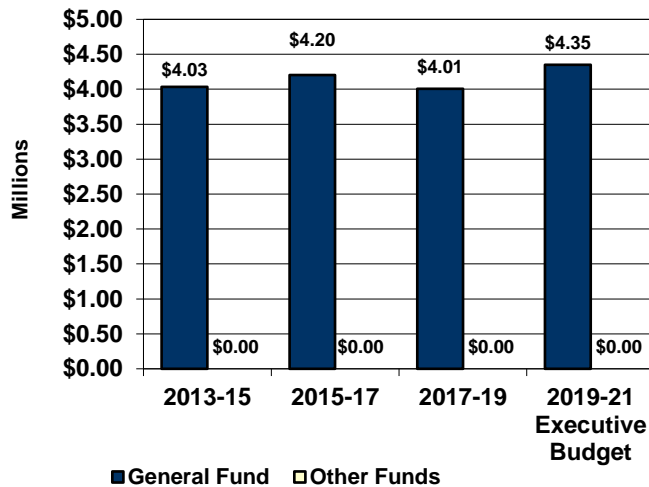
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	18.00	\$4,350,663	\$0	\$4,350,663
2017-19 Legislative Appropriations ¹	18.00	4,007,758	0	4,007,758
Increase (Decrease)	0.00	\$342,905	\$0	\$342,905

¹The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds of \$186,648 received by the Governor's office pursuant to Section 4 of House Bill No. 1001 (2017).

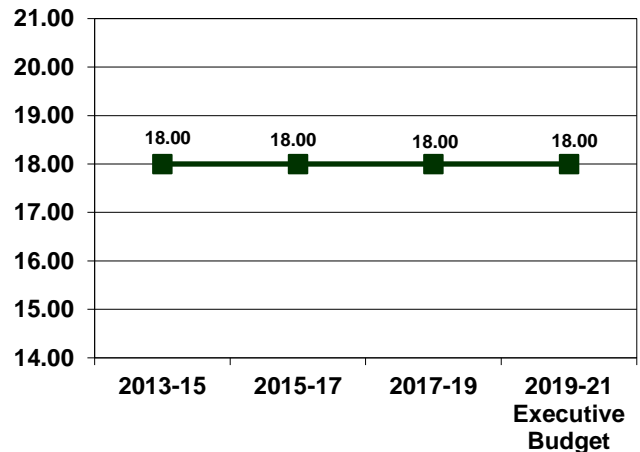
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$4,145,855	\$204,808	\$4,350,663
2017-19 Legislative Appropriations	4,007,758	0	4,007,758
Increase (Decrease)	\$138,097	\$204,808	\$342,905

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$4,350,663	\$0	\$4,350,663
2019-21 Base Level	4,007,758	0	4,007,758
Increase (Decrease)	\$342,905	\$0	\$342,905

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$163,098 is for salary increases, \$64,246 is for health insurance increases, and \$19,634 is for retirement contribution increases. The Senate added funding for salary adjustments of 2 percent per year the 1st year of the biennium and 3 percent the 2nd year of the biennium and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increases.	\$246,978	\$0	\$246,978
2. Reduces funding in the Governor's salary line item. The Senate did not remove this funding.	(\$199,446)	\$0	(\$199,446)

3. Underfunds salaries and wages	(\$86,305)	\$0	(\$86,305)
4. Increases funding for temporary staff	\$30,000	\$0	\$30,000
5. Adds funding for Microsoft Office 365 licensing expenses	\$1,508	\$0	\$1,508
6. Increases funding for operating expenses	\$60,000	\$0	\$60,000
7. Adds one-time funding for Governor's transition in and out expenses	\$65,000	\$0	\$65,000
8. Adds one-time funding for technology improvements to the boards and commissions database	\$139,808	\$0	\$139,808

Other Sections in Senate Bill No. 2001

Additional income - Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2019-21 biennium.

Elected officials' salary increases - Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 2 percent on July 1, 2019, and by 3 percent on July 1, 2020, as follows:

	Current Level	July 1, 2019	July 1, 2020
Governor	\$132,964	\$135,633	\$139,692
Lieutenant Governor	\$103,221	\$105,285	\$108,444

Governor's salary exemption - Section 6 allows the Governor to decline the salary of the office during the 2019-21 biennium and provides that any unexpended funds in the Governor's salary line item must be cancelled at the end of the biennium.

Continuing Appropriations

Governor's Prevention and Advisory Council - North Dakota Century Code Section 54-07-07 - Appropriates any funding obtained by the council to discourage impaired driving and alcohol and drug abuse by minors.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1363 - Executive security and transportation costs - Enacts two new sections in Century Code to require the Department of Transportation and Highway Patrol to maintain records regarding the costs of providing security and transportation to elected officials.

Governor - Budget No. 101
Senate Bill No. 2001
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	18.00	\$4,007,758	\$0	\$4,007,758	18.00	\$4,007,758	\$0	\$4,007,758
2019-21 Ongoing Funding Changes								
Base payroll and budget changes		\$85,362		\$85,362		\$85,362		\$85,362
Salary increase		163,098		163,098		114,235		114,235
Health insurance increase		64,246		64,246		75,856		75,856
Retirement contribution increase		19,634		19,634				0
Underfund salaries and wages		(86,305)		(86,305)		(86,305)		(86,305)
Reduce Governor's salary line item		(199,446)		(199,446)				0
Add funding for temporary staff		30,000		30,000		30,000		30,000
Microsoft Office 365 licensing costs		1,508		1,508		1,508		1,508
Operating expense increase		60,000		60,000		60,000		60,000
Total ongoing funding changes	0.00	\$138,097	\$0	\$138,097	0.00	\$280,656	\$0	\$280,656
One-time funding items								
Governor transition costs		\$65,000		\$65,000		\$65,000		\$65,000
Boards and commission technology project		139,808		139,808		139,808		139,808
Total one-time funding changes	0.00	\$204,808	\$0	\$204,808	0.00	\$204,808	\$0	\$204,808
Total Changes to Base Level Funding	0.00	\$342,905	\$0	\$342,905	0.00	\$485,464	\$0	\$485,464
2019-21 Total Funding	18.00	\$4,350,663	\$0	\$4,350,663	18.00	\$4,493,222	\$0	\$4,493,222

Other Sections for Governor - Budget No. 101

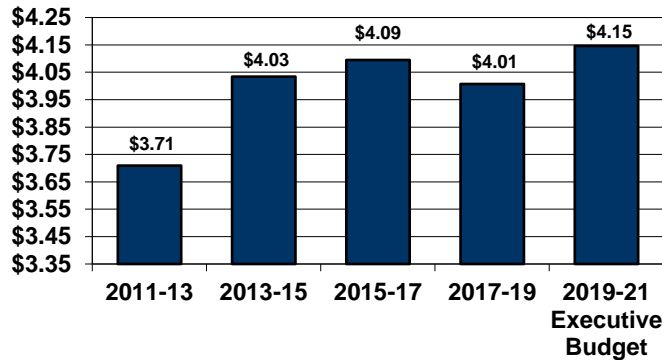
	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Additional income received by the Governor's office	Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2019-21 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2019-21 biennium.
Line item transfers	Section 4 would authorize the agency to transfer up to 10 percent of the agency's appropriation authority between line items in Section 1 of the bill.	
Salary of the Governor and Lieutenant Governor	Sections 5 and 6 would provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 4 percent on July 1, 2019, and by 2 percent on July 1, 2020.	Sections 4 and 5 provide the statutory changes to increase the Governor's and Lieutenant Governor's salaries by 2 percent on July 1, 2019, and by 3 percent on July 1, 2020.
Governor's salary exemption		Section 6 allows the Governor to decline the salary of the office during the 2019-21 biennium and provides that any unexpended funds in the Governor's salary line item must be canceled at the end of the biennium.

Department 101 - Governor's office

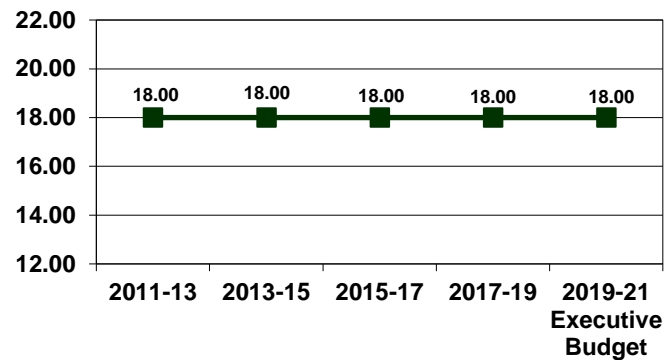
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$3,708,942	\$4,033,873	\$4,094,559	\$4,007,758	\$4,145,855
Increase (decrease) from previous biennium	\$234,584	\$324,931	\$60,686	(\$86,801)	\$138,097
Percentage increase (decrease) from previous biennium	N/A	8.8%	1.5%	(2.1%)	3.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	8.8%	10.4%	8.1%	11.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. No major changes

2015-17 Biennium

1. No major changes

2017-19 Biennium

1. Reduced funding for salaries and wages (\$93,004)
2. Reduced funding for operating expenses (\$45,254)

2019-21 Biennium (Executive Budget Recommendation)

1. Reduces funding in the Governor's salary line item. **The Senate did not remove this funding.** (\$199,466)
2. Underfunds salaries and wages (\$86,305)
3. Adds funding for temporary staff \$30,000
4. Increases funding for operating expenses \$60,000

**GOVERNOR'S RECOMMENDATION FOR THE
GOVERNOR'S OFFICE AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
		Adjustments or	
Salaries and wages	\$3,422,574	\$254,157	\$3,676,731
Governor's Salary	265,928	(186,044)	79,884
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Transition In	0	15,000	15,000
Transition Out	0	50,000	50,000
Roughrider awards	<u>10,800</u>	<u>0</u>	<u>10,800</u>
Total general fund	\$4,007,758	\$342,905	\$4,350,663
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Governor's transition lines	\$0	\$65,000
Boards and Commissions IT Project	0	<u>139,808</u>
Total general fund	\$0	\$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - GOVERNOR'S OFFICE. In addition to the amounts appropriated to the governor's office in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. FUNDING TRANSFERS – EXEPTION – AUTHORIZATION. Notwithstanding section 54-16-04, the governor's office may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The governor's office shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section

SECTION 5. AMENDMENT. Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

54-07-04. Salary of governor.

The annual salary of the governor is ~~one hundred thirty two thousand nine hundred sixty four dollars through June 30, 2018 and~~ one hundred thirty-eight thousand two hundred eighty-two dollars through June 30, 2020 and one hundred forty-one thousand forty eight dollars thereafter.

SECTION 6. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred three thousand two hundred twenty one dollars through June 30, 2018 and~~ one hundred seven thousand three hundred fifty dollars through June 30, 2020 and one hundred nine thousand four hundred ninety seven dollars thereafter.