

2021 HOUSE APPROPRIATIONS

HB 1001

Department 101 - Governor's Office
House Bill No. 1001

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	18.00	\$4,333,956	\$0	\$4,333,956
2019-21 Legislative Appropriations ¹	18.00	4,492,106	0	4,492,106
Increase (Decrease)	0.00	(\$158,150)	\$0	(\$158,150)

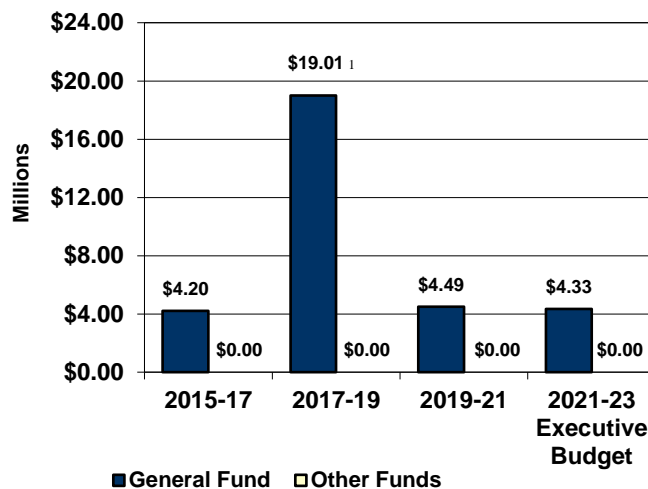
¹The 2019-21 biennium agency appropriation amounts have not been adjusted for:

- Additional special funds of \$190,200 received by the Governor's office pursuant to Section 3 of Senate Bill No. 2001 (2019); and
- Federal coronavirus relief funds spending authority of \$18,083 resulting from Emergency Commission action during the 2019-21 biennium.

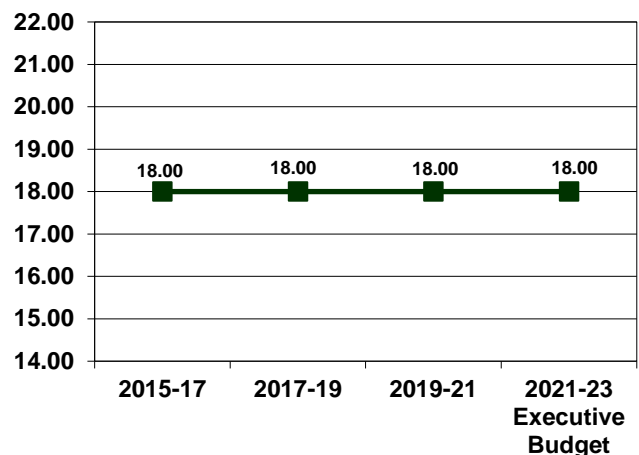
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$4,333,956	\$0	\$4,333,956
2019-21 Legislative Appropriations	4,287,298	204,808	4,492,106
Increase (Decrease)	\$46,658	(\$204,808)	(\$158,150)

Agency Funding



FTE Positions



¹Includes a \$15 million general fund transfer to the Theodore Roosevelt Presidential Library and Museum endowment fund.

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$4,333,956	\$0	\$4,333,956
2021-23 Base Level	4,287,298	0	4,287,298
Increase (Decrease)	\$46,658	\$0	\$46,658

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$90,014 is for salary increases, \$729 is for health insurance increases, and \$18,647 is for retirement contribution increases	\$109,390	\$0	\$109,390
2. Reduces funding in the Governor's salary line item and transfers remaining funding of \$59,747 in the line item to the salaries and wages line item to provide for the Governor to have a salary of \$0 after June 30, 2021	(\$214,365)	\$0	(\$214,365)
3. Adds funding for Microsoft Office 365 license expenses	\$3,195	\$0	\$3,195

4. Adds funding for the proposed Capitol grounds state agency rent model change	\$148,438	\$0	\$148,438
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**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Additional income - Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2021-23 biennium.

Governor's salary - North Dakota Century Code Section 4 would amend Section 54-07-04 to provide the Governor has a salary of \$0 after June 30, 2021.

Lieutenant Governor's salary - Section 5 would amend Section 54-08-03 to increase the Lieutenant Governor's salary by 2 percent on July 1, 2021, and by 2 percent on July 1, 2022, as follows:

	Current Level	July 1, 2021	July 1, 2022
Lieutenant Governor	\$107,917	\$110,075	\$112,277

Continuing Appropriations

Governor's Prevention and Advisory Council - 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

At this time, no major related legislation has been introduced affecting this agency.

Governor's Office - Budget No. 101
House Bill No. 1001
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	18.00	\$4,287,298	\$0	\$4,287,298
2021-23 Ongoing Funding Changes				
Salary increase		\$90,014		\$90,014
Retirement contribution increase		18,647		18,647
Health insurance increase		729		729
Reduce funding in Governor's salary line item		(214,365)		(214,365)
Transfer remaining funding in Governor's salary line item to salaries and wages				0
Add funding for Microsoft Office 365 expenses		3,195		3,195
Add funding for Capitol grounds rent model change		148,438		148,438
Total ongoing funding changes	0.00	\$46,658	\$0	\$46,658
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$46,658	\$0	\$46,658
2021-23 Total Funding	18.00	\$4,333,956	\$0	\$4,333,956
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.1%		1.1%
<i>Total changes as a percentage of base level</i>	0.0%	1.1%		1.1%

Other Sections in Governor's Office - Budget No. 101

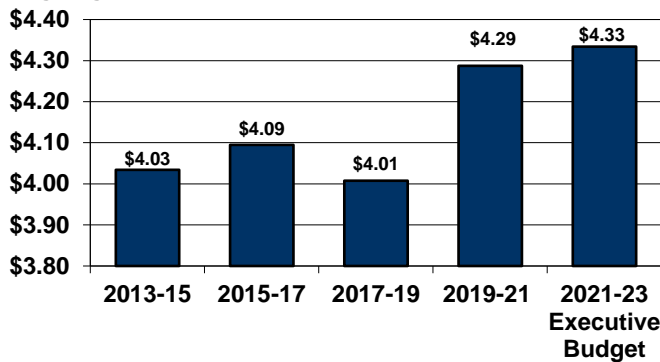
	Executive Budget Recommendation
Additional income received by the Governor's office	Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2021-23 biennium.
Governor's salary	Section 4 would amend Section 54-07-04 to provide the Governor has a salary of \$0 after June 30, 2021.
Lieutenant Governor's salary	Section 5 would amend Section 54-08-03 to increase the Lieutenant Governor's salary by 2 percent on July 1, 2021, and by 2 percent on July 1, 2022.

Department 101 - Governor's Office

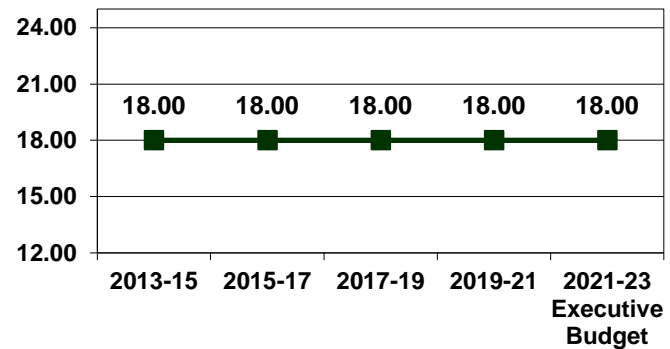
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$4,033,873	\$4,094,559	\$4,007,758	\$4,287,298	\$4,333,956
Increase (decrease) from previous biennium	N/A	\$60,686	(\$86,801)	\$279,540	\$46,658
Percentage increase (decrease) from previous biennium	N/A	1.5%	(2.1%)	7.0%	1.1%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	1.5%	(0.6%)	6.3%	7.4%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

1. No major changes \$0

2017-19 Biennium

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

2019-21 Biennium

1. Underfunded salaries and wages (\$86,305)
2. Added funding for temporary employees \$30,000
3. Increased funding for operating expenses \$60,000

2021-23 Biennium (Executive Budget Recommendation)

1. Reduces funding in the governor's salary line item and transfers remaining funding in the line item to the salaries and wages line item (\$214,365)
2. Adds funding for the proposed Capitol grounds state agency rent model change \$148,438

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, 2021, and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$3,623,946	\$169,137	\$3,793,083
Governor's Salary	274,112	(274,112)	0
Operating Expenses	368,440	151,633	520,073
Contingencies	10,000	0	10,000
Transition In	0	0	0
Transition Out	0	0	0
Roughrider Awards	10,800	0	10,800
Total General Fund	\$4,287,298	\$46,658	\$4,333,956
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-sixth legislative assembly for the 2019-21:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Governor's Transition Lines	\$ 65,000	\$0
Boards and Commissions IT Project	139,808	0
Total General Fund	\$204,808	\$0

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, 2021 and ending June 30, 2023. Any funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon receipt of the funds under this section, the governor's office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received.

SECTION 4. 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-five thousand three hundred sixty-four dollars through June 30, 2020, and one hundred thirty-eight thousand seven hundred forty-eight dollars through June 30, 2021~~ and zero dollars thereafter.

SECTION 5. 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 seven thousand nine hundred seventeen dollars through June 30, 2021 and one hundred ten thousand seventy-five dollars through June 30, 2022 and one hundred twelve thousand two hundred seventy-seven dollars thereafter.~~

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1001
1/18/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

Chairman David Monson called the meeting to order at 2:30 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe	P	

Discussion Topics:

- Office of the Governor overview

JoDee Hanson (2:32 p.m.) testified in favor. Testimony #1226.

Chairman David Monson closed the meeting at 2:38 p.m.

Klarissa Pudwill, Committee Clerk

Testimony of JoDee Hanson
In Support of
2021 HOUSE BILL 1001
OFFICE OF THE GOVERNOR

Presented to
House Appropriations Committee – Education and Environment Division
REPRESENTATIVE MONSON, CHAIRMAN
Monday, January 18, 2021

Chairman Monson and members of the Appropriations Committee, I am JoDee Hanson serving as Chief Administrative Officer for the Governor, and am here to ask for your support for the budget recommendation for the Office of the Governor. The recommended budget for the Office of the Governor for the 2021-23 biennium continues existing positions and programs. The budget was prepared in accordance with the budget guidelines provided to all state agencies. The budget is summarized on the Governor's Office Budget table attached.

Salaries and wages

Recommended funding includes an increase of \$109,390 from the 2019-21 legislative appropriation to fund salary increases, health insurance changes and additional retirement contribution recommended for all state agencies as part of the statewide executive compensation plan.

We achieved the 5% reduction by removing the Governor's salary of \$274,112. A portion of this salary (\$59,747) will be reallocated to the Governor's office salary line.

Operating expenses

The recommended funding for operating expenses is increased by \$151,633. The increase is specific to the proposed rent model change in the Capitol, as well as a small technology fee.

There were no findings in our financial audit report.

Mr. Chairman and members of the House Appropriations Committee, I ask your favorable consideration of this budget and am available, along with Office of Management and Budget staff, to answer any questions you may have.

Thank you.

	2019-21 Legislative Base Level	5% Reduction & Base Changes	Optional Requests	Compensation Package	2021-23 Recommendation
Salaries and Wages	\$3,623,946	59,747	0	109,390	\$3,793,083
Governor's Salary	274,112	(274,112)		0	0
Operating Expenses	368,440	151,633	0		520,073
Contingency	10,000				10,000
Transition In	0				0
Transition Out	0				0
Roughrider Awards	10,800				10,800
Total	\$4,287,298	(62,732)	0	109,390	\$4,333,956
General Fund	\$4,287,298	(62,732)	0	109,390	\$4,333,956
FTE	18.00				18.00

5% Reduction & Base Changes Detail:

Governor's Salary	(\$274,112)
Salary Line	\$59,747
Operating Increases:	
Rent Model Change	\$148,438
Microsoft 365	<u>\$ 3,195</u>
Operating Total	\$151,633
Total Changes	(\$62,732)

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1001

2/4/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

Chairman David Monson called the meeting to order at 3:00 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe	P	

Discussion Topics:

- Base level funding changes
- Vacation accrual time
- Transition funds

JoDee Hanson (3:07 p.m.) testified in favor. Testimony #5556

Additional written testimony: #5557

Chairman David Monson adjourned the meeting at 3:33 p.m.

Klarissa Pudwill, Committee Clerk

Name	ID	Current Balance	Forecasted Balance	LOSE	Hourly rate	AL Payout
Shelley Haugen	7023667	176.43		206		
JoDee Hanson	7031628	211.00		275	35	57.69
Leslie Oliver	7031653	320.00		384	144	56.38
Michael Nowatzki	7031654	368.00		432	192	43.27
Mason Sisk	7031941	167.81		232		
Jace Beehler	7032756	280.57		345	105	43.27
Danelle Hopkins	7033323	260.00		324	84	28.29
Reice Haase	7034328	248.36		312	72	35.68
Dawn Seay	7035194	323.20		287	47	27.97
Maria Neset	7036493	141.24		201		
Andrew Feist	7036607	128.00		192		
Amra Hickel	7036777	144.00		176		
Tammy Miller	7038215	114.00		178		
Michael Kennedy	7040091	20.57		85		
Total				679		\$ 29,241.95

Governor's Office - Budget No. 101
House Bill No. 1001
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	18.00	\$4,287,298	\$0	\$4,287,298	18.00	\$4,287,298	\$0	\$4,287,298
2021-23 Ongoing Funding Changes								
Salary increase		\$90,014		\$90,014				\$0
Retirement contribution increase		18,647		18,647				0
Health insurance increase		729		729				0
Reduce funding in Governor's salary line item		(214,365)		(214,365)				0
Transfer remaining funding in Governor's salary line item to salaries and wages				0				0
Add funding for Microsoft Office 365 expenses		3,195		3,195				0
Add funding for Capitol grounds rent model change		148,438		148,438				0
Total ongoing funding changes	0.00	\$46,658	\$0	\$46,658	0.00	\$0	\$0	\$0
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$46,658	\$0	\$46,658	0.00	\$0	\$0	\$0
2021-23 Total Funding	18.00	\$4,333,956	\$0	\$4,333,956	18.00	\$4,287,298	\$0	\$4,287,298
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.1%		1.1%	0.0%	0.0%		0.0%
<i>Total changes as a percentage of base level</i>	0.0%	1.1%		1.1%	0.0%	0.0%		0.0%

Other Sections in Governor's Office - Budget No. 101

	Executive Budget Recommendation	House Version
Additonal 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 2021-23 biennium.	
Governor's salary	Section 4 would amend Section 54-07-04 to provide the Governor has a salary of \$0 after June 30, 2021.	
Lieutenant Governor's salary	Section 5 would amend Section 54-08-03 to increase the Lieutenant Governor's salary by 2 percent on July 1, 2021, and by 2 percent on July 1, 2022.	

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1001
2/11/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

Chairman David Monson called the meeting to order at 10:39 a.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

Discussion Topics:

- Amendment requests
- Annual leave
- Rough Rider Award
- Travel expenses
- Operating expenses

JoDee Hanson (10:40 a.m.) testified in favor. Testimony #6423

Additional written testimony: #6424

Chairman David Monson adjourned the meeting at 11:12 a.m.

Klarissa Pudwill, Committee Clerk

Amendment Requests / Estimated Turnback -- Governor's Office - February 11, 2021

Request	Budget line	Appropriation Remaining 12/31/20	Transfer Operating to Salary line	Turnback	Carry-forward	Explanation
For the 2019-21 appropriation, a one-time transfer request of \$29,242 from the Operating line to the Salary line. Transfer of funds to be used to payout earned, unused annual leave due to pandemic response.	Operating - Travel	\$ 34,672	\$ 29,242	\$ -	\$ -	<ul style="list-style-type: none"> • Due to the global pandemic response and now the legislative session, the Governor's office team has been working around the clock and many were unable to take their earned annual leave time; with the April 30th deadline for the 'use or lose' policy, any hours above 240 will be lost by no fault of the team. • ND Administrative Code 4-07-12-10 allows for payout of unused leave accrued over the 240 hour threshold for a business-related reason, with prior approval from HRMS, OMB. • As our salary line is very tight, we do not have funds to complete this payout without a transfer of unused operating funds. • We expect limited travel thru the remainder of the biennium, so the \$5,430 which remains in the operating-travel line should suffice.
For the 2019-21 appropriation, a one-time transfer request of \$35,000 from the Operating line to the Salary Line. Transfer will cover the additional salary dollars needed to better reflect the actual costs of the project.	Operating - Boards Upgrade (one-time funding)	\$ 79,027	\$ 35,000	\$ -	\$ -	<ul style="list-style-type: none"> • The Boards and Commissions IT project (one-time funding) in the 2019-2021 budget is \$139,808. • \$60,781 has been expended for this project thru 12/31/20. • In part this upgrade is under budget due to the technical expertise of our Boards & Commissions Manager. She collaborated closely with NDIT, which led to increased efficiencies in the project. She is budgeted at 75% but will have worked full-time for approx 18 months. Based on her technical expertise, we experienced savings on the operating line, however, incurred additional expense on the salary line. This transfer better reflects the true costs of the one-time funding for the boards website upgrade. We are soon to launch the new website, and will use the coming months for additional tweaks and back office reporting enhancements.
Request carry forward of the \$10,800 appropriation for the Roughrider Awards line since the Hall of Fame induction ceremonies were unable to be held this year due to the pandemic. It has been requested by recent inductees for their event to occur in the Fall of 2021.	Rough Rider Awards	\$ 10,800	\$ -	\$ -	\$ 10,800	<ul style="list-style-type: none"> • The two inductees from 2020 have requested their ceremony be postponed until Fall 2021. • Proposed new section of the bill: Section __ Exemption – Roughrider Awards: Any unexpended funds from the Roughrider Awards line are not subject to the provision of section 54-44.1-11. Any unexpended funds in the Roughrider Awards line may be expended during the biennium beginning July 1, 2021 and ending June 30, 2023.
Answer to Chr Monson's question of expected turnback funds	Governor Transition In/out	\$ 65,000	\$ -	\$ 65,000	\$ -	<ul style="list-style-type: none"> • With the requested changes above, we expect to turnback \$65,000.

Agency Office Governor
 Program 101 Office of the Governor
 Reporting Level 00-101-000-00-00-00-00000000

1 Object/Revenue		2 2019-21 Legislative Base	3 Payroll Difference from 2019-21	4 Remove Capital	5 2021-23 Base Budget Changes	6 Compensation	7 2021-23 Recommendation
Description	Code						
10 Salaries and Wages							
Salaries - Permanent	511000	2,511,301	67,602	0	59,747	0	2,638,650
Salary Increase	511010	0	0	0	0	75,069	75,069
Benefit Increase	511011	0	0	0	0	14,945	14,945
Health Increase	511012	0	0	0	0	729	729
Retirement Increase	511013	0	0	0	0	18,647	18,647
Temporary Salaries	513000	30,002	1,229	0	0	0	31,231
Fringe Benefits	516000	1,082,643	(68,831)	0	0	0	1,013,812
TOTAL		3,623,946	0	0	59,747	109,390	3,793,083
MEANS OF FUNDING							
State General Fund	001	3,623,946	0	0	59,747	109,390	3,793,083
General Fund TOTAL		3,623,946	0	0	59,747	109,390	3,793,083
TOTAL		3,623,946	0	0	59,747	109,390	3,793,083
11 Governor's Salary							
Salaries - Permanent	511000	274,112	(89,797)	0	(274,112)	0	(89,797)
Fringe Benefits	516000	0	89,797	0	0	0	89,797
TOTAL		274,112	0	0	(274,112)	0	0
MEANS OF FUNDING							
State General Fund	001	274,112	0	0	(274,112)	0	0
General Fund TOTAL		274,112	0	0	(274,112)	0	0
TOTAL		274,112	0	0	(274,112)	0	0
30 Operating Expenses							
Travel	521000	55,000	0	0	0	0	55,000
Supplies - IT Software	531000	3,400	0	0	0	0	3,400
Supply/Material-Professional	532000	4,000	0	0	0	0	4,000
Miscellaneous Supplies	535000	2,000	0	0	0	0	2,000
Office Supplies	536000	4,000	0	0	0	0	4,000
Postage	541000	4,000	0	0	0	0	4,000
Printing	542000	11,000	0	0	0	0	11,000
IT Equip Under \$5,000	551000	4,500	0	0	0	0	4,500
Other Equip Under \$5,000	552000	250	0	0	0	0	250
Office Equip & Furn Supplies	553000	8,500	0	0	0	0	8,500
Insurance	571000	5,000	0	0	0	0	5,000
Rentals/Leases-Equip & Other	581000	10,000	0	0	0	0	10,000
Repairs	591000	4,000	0	0	0	0	4,000
IT - Data Processing	601000	149,790	0	0	3,195	0	152,985
IT - Communications	602000	40,000	0	0	0	0	40,000
Professional Development	611000	35,400	0	0	0	0	35,400
Operating Fees and Services	621000	2,600	0	0	0	0	2,600
Fees - Professional Services	623000	25,000	0	0	0	0	25,000

Agency Office of the Governor
 Program 101 Office of the Governor
 Reporting Level 00-101-000-00-00-00-00000000

1 Object/Revenue	2 2019-21 Legislative Base	3 Payroll Difference from 2019-21	4 Remove Capital	5 2021-23 Base Budget Changes	6 Compensation	7 2021-23 Recommendation
Description Code						
Operating Budget Adjustment 699000	0	0	0	148,438	0	148,438
TOTAL	368,440	0	0	151,633	0	520,073
MEANS OF FUNDING						
State General Fund 001	368,440	0	0	151,633	0	520,073
General Fund TOTAL	368,440	0	0	151,633	0	520,073
TOTAL	368,440	0	0	151,633	0	520,073
70 Contingency						
Fees - Professional Services 623000	10,000	0	0	0	0	10,000
TOTAL	10,000	0	0	0	0	10,000
MEANS OF FUNDING						
State General Fund 001	10,000	0	0	0	0	10,000
General Fund TOTAL	10,000	0	0	0	0	10,000
TOTAL	10,000	0	0	0	0	10,000
77 Roughrider Awards						
Operating Fees and Services 621000	10,800	0	0	0	0	10,800
TOTAL	10,800	0	0	0	0	10,800
MEANS OF FUNDING						
State General Fund 001	10,800	0	0	0	0	10,800
General Fund TOTAL	10,800	0	0	0	0	10,800
TOTAL	10,800	0	0	0	0	10,800
Agency TOTALS						
TOTAL EXPENDITURES	4,287,298	0	0	(62,732)	109,390	4,333,956
General Fund						
State General Fund 001	4,287,298	0	0	(62,732)	109,390	4,333,956
TOTAL	4,287,298	0	0	(62,732)	109,390	4,333,956
TOTAL FUNDING	4,287,298	0	0	(62,732)	109,390	4,333,956
AUTHORIZED EMPLOYEES						
FTE	18.00	0.00	0.00	0.00	0.00	18.00
TOTAL AUTHORIZED EMPLOYEES	18.00	0.00	0.00	0.00	0.00	18.00

Appropriation Status Report

For the Month Ending Dec 31, 2020

Percent of Biennium Remaining 25%

Run Date: Jan 15, 2021

4310AA

Business Unit: 10100 Governor's Office

	Original Appropriation	Current Appropriation	Expenditures	Remaining Appropriation	Encumbrances	% Remaining
Expenditures by Line Item						
10110 Salaries and Wages	3,623,946.00	3,847,702.37	2,885,584.40	962,117.97		25%
10111 Governor's Salary	274,112.00	274,112.00	204,738.48	69,373.52		25%
10130 Operating Expenses	508,248.00	597,422.00	289,058.96	308,363.04		52%
10170 Contingency	10,000.00	10,000.00	10,000.00	0.00		0%
10173 Governor's Transition In	15,000.00	15,000.00		15,000.00		100%
10174 Governor's Transition Out	50,000.00	50,000.00		50,000.00		100%
10177 Roughrider Awards	10,800.00	10,800.00		10,800.00		100%
Total Expenditures	4,492,106.00	4,805,036.37	3,389,381.84	1,415,654.53		29%
Expenditures by Funding Source						
General Funds	4,492,106.00	4,503,005.37	3,117,197.18	1,385,808.19		31%
Federal Funds		18,083.00	18,082.70	0.30		0%
Special Funds		283,948.00	254,101.96	29,846.04		11%
Total Expenditures by Source	4,492,106.00	4,805,036.37	3,389,381.84	1,415,654.53		29%

Operating Unit Detailed Account Report
For the Month Ending Dec 31, 2020

Run Date: Jan 15, 2021
4110BB

Operating Unit: 101 Governor's Office

		Biennium to Date			
	Current Month	General	Federal	Special	Total
Revenues					
443005 Donations				(11,038.34)	(11,038.34)
Total Revenues				(11,038.34)	(11,038.34)
Expenditures					
511005 Salaries Full Time	105,714.51	1,799,954.01	12,700.00		1,812,654.01
511020 Paid Annual Leave		42,049.86			42,049.86
511120 Comp Time Paid		1,807.69			1,807.69
513005 Temporary Salaries	6,577.32	27,155.63		144,000.00	171,155.63
514005 Overtime	92.88	1,014.57			1,014.57
516015 Employee Assist Program	26.18	462.00	3.08		465.08
516055 Health Insurance	24,483.86	400,913.94	2,853.48	29,808.36	433,575.78
516075 Basic Life Insurance	4.76	84.00	0.56		84.56
516165 Section 125 Adm Fee	87.10	1,130.13	5.92		1,136.05
516170 Social Security	10,162.71	157,532.71	965.64	11,016.00	169,514.35
516175 State Retirement	14,335.49	245,653.22	1,554.02		247,207.24
516205 Unemployment Insurance	1,053.01	2,402.19		120.00	2,522.19
516210 Workers Comp Premium		2,397.39			2,397.39
Total 10110 Salaries and Wages	162,537.82	2,682,557.34	18,082.70	184,944.36	2,885,584.40
511005 Salaries Full Time	11,562.36	204,738.48			204,738.48
Total 10111 Governor's Salary	11,562.36	204,738.48			204,738.48
521015 In State - Lodging		2,025.49		558.36	2,583.85
521020 In State - Meals		363.00			363.00
521030 In State - Vehicle Mileage	662.40	1,479.04		293.25	1,772.29
521045 Motor/Aircraft Pool	12.54	2,725.57			2,725.57
521046 Motor Pool Replacement Exp	1.19	14.84			14.84

Operating Unit Detailed Account Report
For the Month Ending Dec 31, 2020

Run Date: Jan 15, 2021
4110BB

Operating Unit: 101 Governor's Office

		Biennium to Date			
	Current Month	General	Federal	Special	Total
521060	Non State Employee Travel	240.50	240.50	2,337.16	2,577.66
521065	Other Transportation & Misc Ex		60.00		60.00
521070	Out of State-Air Transportatio		7,196.65		7,196.65
521075	Out of State - Lodging		5,711.17		5,711.17
521080	Out of State - Meals		334.40		334.40
521085	Out of State-Other Comm Transp		176.54		176.54
531010	IT - Equipment Under \$750		35.20		35.20
531020	Software/Licenses Under \$5,000	641.87	6,410.01		6,410.01
532090	Periodicals & Subscriptions	630.00	1,400.79		1,400.79
535010	Dishes & Silverware		225.00		225.00
535060	Promotional Supply		59.88		59.88
535085	Supplies Not Classified		98.19		98.19
536005	Central Supply	115.62	2,312.37	134.61	2,446.98
536015	Office Supplies	179.67	989.81	136.11	1,125.92
541010	Mailing Services		52.25		52.25
541015	Postage or P.O. Box Rental	402.32	2,436.85	201.45	2,638.30
542005	Central Duplicating - Printing	23.10	1,914.14	284.18	2,198.32
542010	Copier Supplies	54.21	879.41		879.41
542015	Copies (Copy Machine)	91.38	1,233.28		1,233.28
542020	Paper Products	21.96	21.96		21.96
542035	Printing From Others (Non Ctrl		1,921.70		1,921.70
553005	Office Machines	2,191.48	2,191.48		2,191.48
553010	Furniture & Furnishings	1,218.00	2,543.26		2,543.26
571020	Other Insurance		130.00		130.00
571025	Property Insurance		270.46		270.46
571030	Risk Management Premiums		2,914.16		2,914.16
582005	Booth & Room Rental			720.00	720.00

Operating Unit Detailed Account Report
For the Month Ending Dec 31, 2020

Run Date: Jan 15, 2021
4110BB

Operating Unit: 101 Governor's Office

		Biennium to Date			
	Current Month	General	Federal	Special	Total
582020	Miscellaneous Rents & Leases			475.00	475.00
591120	Service Contract-Office Equip	378.59	6,436.02		6,436.02
601005	Data Processing Service	15,114.69	144,902.17	1,955.00	146,857.17
601010	Data Processing-Westlaw		2,436.00		2,436.00
602005	Cellular Phones	217.70	4,954.84		4,954.84
602060	Telephone & Telegraph - Non IT		144.95		144.95
602065	Telephone ITD	873.35	14,364.66	510.00	14,874.66
602070	Television Services	99.43	1,610.21		1,610.21
603030	IT-Other Contracting	20.00	340.00		340.00
611005	Conference Expenses		1,709.08	50,740.81	52,449.89
611010	Dues & Memberships		105.00		105.00
611020	Professional Development		449.58	3,050.42	3,500.00
611040	Leg Reportable Dues&Membership		400.00		400.00
611045	Leg. Reportable-Training		1,455.10		1,455.10
621020	Advertising Services			2,400.00	2,400.00
621285	Licenses & Taxes		36.00		36.00
621325	Other Operating Fees		197.80		197.80
623175	Professionals Not Classified		800.00		800.00
623260	Other Services			5,361.25	5,361.25
691005	Office Equipment Over \$5000	(8,807.45)	(8,807.45)		(8,807.45)
Total 10130 Operating Expenses	14,382.55	219,901.36		69,157.60	289,058.96
513005	Temporary Salaries	10,000.00	10,000.00		10,000.00
Total 10170 Contingency	10,000.00	10,000.00			10,000.00
Total Expenditures	198,482.73	3,117,197.18	18,082.70	254,101.96	3,389,381.84

Governor's Office - Budget No. 101
House Bill No. 1001
Base Level Funding Changes

2/4/2021

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	18.00	\$4,287,298	\$0	\$4,287,298	18.00	\$4,287,298	\$0	\$4,287,298
2021-23 Ongoing Funding Changes								
Salary increase		\$90,014		\$90,014		\$89,904		\$89,904
Retirement contribution increase		18,647		18,647				0
Health insurance increase		729		729		729		729
Reduce funding in Governor's salary line item		(214,365)		(214,365)				0
Transfer remaining funding in Governor's salary line item to salaries and wages				0				(No Transfer)
Add funding for Microsoft Office 365 expenses		3,195		3,195		3,195		3,195
Add funding for Capitol grounds rent model change		148,438		148,438				0
Total ongoing funding changes	0.00	\$46,658	\$0	\$46,658	0.00	\$93,828	\$0	\$93,828
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$46,658	\$0	\$46,658	0.00	\$93,828	\$0	\$93,828
2021-23 Total Funding	18.00	\$4,333,956	\$0	\$4,333,956	18.00	\$4,381,126	\$0	\$4,381,126
<i>Total ongoing changes as a percentage of base level</i>	<i>0.0%</i>	<i>1.1%</i>		<i>1.1%</i>	<i>0.0%</i>	<i>2.2%</i>		<i>2.2%</i>
<i>Total changes as a percentage of base level</i>	<i>0.0%</i>	<i>1.1%</i>		<i>1.1%</i>	<i>0.0%</i>	<i>2.2%</i>		<i>2.2%</i>

Other Sections in Governor's Office - Budget No. 101

	Executive Budget Recommendation	House Version
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 2021-23 biennium.	Section 3 would appropriate any additional federal or other funds available to the Governor's office during the 2021-23 biennium.
Governor's salary	Section 4 would amend Section 54-07-04 to provide the Governor has a salary of \$0 after June 30, 2021.	Section 4 would amend Section 54-07-04 to increase the Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.
Lieutenant Governor's salary	Section 5 would amend Section 54-08-03 to increase the Lieutenant Governor's salary by 2 percent on July 1, 2021, and by 2 percent on July 1, 2022.	Section 5 would amend Section 54-08-03 to increase the Lieutenant Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1001
2/15/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

Chairman David Monson called the meeting to order at 11:29 a.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe		A
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

Discussion Topics:

- Base level funding review

Alex Cronquist (11:28 a.m.) explained the amendment 21.0260.01001

JoDee Hanson (11:30 a.m.) testified in favor.

Representative Mike Schatz made a motion to approve everything discussed for the amendment.

Vice Chairman Jim Schmidt seconded

Roll Call vote was taken:

Representative	Yea	Nay	Absent
Chairman Monson	X		
Vice Chairman Schmidt	X		
Representative Martinson	X		
Representative Nathe			X
Representative Sanford	X		
Representative Schatz	X		
Representative Boe			X

Motion Passed 5 Yea, 0 Nay, 2 Absent

Additional written testimony: #6654, #6653

Chairman David Monson adjourned the meeting at 11:39 a.m.
Klarissa Pudwill, Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, line 2, replace "and" with "to amend and reenact section 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor; to provide an exemption;"

Page 1, line 2, after "report" insert "; and to declare an emergency"

Page 1, replace lines 9 through 17 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,623,946	\$83,109	\$3,707,055
Operating expenses	368,440	(96,805)	271,635
Contingencies	10,000	0	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	<u>274,112</u>	<u>7,524</u>	<u>281,636</u>
Total general fund	\$4,287,298	(\$6,172)	\$4,281,126
Full-time equivalent positions	18.00	0.00	18.00"

Page 2, after line 8, insert:

"SECTION 4. 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-five thousand three hundred sixty-four~~ one hundred forty thousand eight hundred twenty-nine dollars through June 30, ~~2020~~2022, and ~~one hundred thirty-eight thousand seven hundred forty-eight~~ one hundred forty-two thousand nine hundred forty-one dollars thereafter.

SECTION 5. 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 five thousand two hundred eighty-five~~ one hundred nine thousand five hundred thirty-six dollars through June 30, ~~2020~~2022, and ~~one hundred seven thousand nine hundred seventeen~~ one hundred eleven thousand one hundred seventy-nine dollars thereafter.

SECTION 6. EXEMPTION - LINE ITEM TRANSFERS - 2019-21 BIENNium. Notwithstanding section 54-16-04, the office of management and budget may transfer up to \$64,242 of appropriation authority from the operating expenses line item to the salaries and wages line item in section 1 of chapter 26 of the 2019 session laws as requested by the governor.

SECTION 7. EXEMPTION. The funding appropriated in the rough rider awards line item in section 1 of chapter 26 of the 2019 session laws is not subject to the

provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 8. EMERGENCY. Section 6 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$3,623,946	\$83,109	\$3,707,055
Operating expenses	368,440	(96,805)	271,635
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	274,112	7,524	281,636
Total all funds	\$4,287,298	(\$6,172)	\$4,281,126
Less estimated income	0	0	0
General fund	\$4,287,298	(\$6,172)	\$4,281,126
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding for Microsoft Office 365 Licensing Expenses ²	Reduces Funding for Operating Expenses ³	Total House Changes
Salaries and wages	\$83,109			\$83,109
Operating expenses		\$3,195	(\$100,000)	(96,805)
Contingencies				
Rough Rider Awards				
Governor's salary	7,524			7,524
Total all funds	\$90,633	\$3,195	(\$100,000)	(\$6,172)
Less estimated income	0	0	0	0
General fund	\$90,633	\$3,195	(\$100,000)	(\$6,172)
FTE	0.00	0.00	0.00	0.00

¹ The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

General Fund	
Salary increase	\$89,904
Health insurance increase	729
Total	\$90,633

² Funding is added for Microsoft Office 365 licensing expenses.

³ Funding for operating expenses is reduced to provide total operating expenses funding of \$271,635.

This amendment also:

- Amends the North Dakota Century Code sections necessary to provide the Governor and Lieutenant Governor salary increases of 1.5 percent each year of the 2021-23 biennium.
- Authorizes up to \$64,242 to be transferred from the operating expenses line item to the salaries and wages line item in the agency's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000).
- Authorizes 2019-21 biennium funding appropriated for Rough Rider Awards to be continued into the 2021-23 biennium.

Governor's Office - Budget No. 101
House Bill No. 1001
Base Level Funding Changes

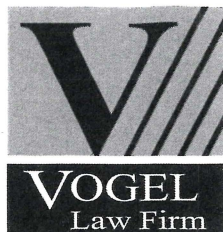
	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	18.00	\$4,287,298	\$0	\$4,287,298	18.00	\$4,287,298	\$0	\$4,287,298
2021-23 Ongoing Funding Changes								
Salary increase		\$90,014		\$90,014		\$89,904		\$89,904
Retirement contribution increase		18,647		18,647				0
Health insurance increase		729		729		729		729
Reduce funding in Governor's salary line item		(214,365)		(214,365)				0
Transfer remaining funding in Governor's salary line item to salaries and wages				0				(No Transfer)
Add funding for Microsoft Office 365 expenses		3,195		3,195		3,195		3,195
Add funding for Capitol grounds rent model change		148,438		148,438				0
Operating expense reduction				0				0
Total ongoing funding changes	0.00	\$46,658	\$0	\$46,658	0.00	\$93,828	\$0	\$93,828
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$46,658	\$0	\$46,658	0.00	\$93,828	\$0	\$93,828
2021-23 Total Funding	18.00	\$4,333,956	\$0	\$4,333,956	18.00	\$4,381,126	\$0	\$4,381,126
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.1%		1.1%	0.0%	2.2%		2.2%
<i>Total changes as a percentage of base level</i>	0.0%	1.1%		1.1%	0.0%	2.2%		2.2%

Other Sections in Governor's Office - Budget No. 101

	Executive Budget Recommendation	House Version
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 2021-23 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2021-23 biennium.
Governor's salary	Section 4 would amend Section 54-07-04 to provide the Governor has a salary of \$0 after June 30, 2021.	Section 4 amends Section 54-07-04 to increase the Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.

Other Sections in Governor's Office - Budget No. 101

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Lieutenant Governor's salary	Section 5 would amend Section 54-08-03 to increase the Lieutenant Governor's salary by 2 percent on July 1, 2021, and by 2 percent on July 1, 2022.	Section 5 amends Section 54-08-03 to increase the Lieutenant Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.
2019-21 biennium line item transfers		Section 6 authorizes up to \$62,242 to be transferred from the operating expenses line item to the salaries and wages line item in the agency's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000). Section 8 declares this section to be an emergency.
Carryover authority		Section 7 authorizes 2019-21 biennium funding for Roughrider Awards to be continued into the 2021-23 biennium.



P.O. Box 1389
 Fargo, ND 58107-1389
 Phone: 701-237-6983 Fax: 701-356-6395

Tax ID #45-0348495

Fargo, Bismarck & Grand Forks ND; Moorhead & Minneapolis MN

Statement Date: December 14, 2020

Statement No: 265866

Account No: 056050.20000

Office of the Governor

Re: Office of the Governor - Research

			HOURS
11/12/20	MJG	Email correspondence with RJP, NMS, and SAT regarding filing petition; conference with AAR regarding finalizing petition and appendix in preparation for filing; conference with RJP regarding finalizing petition and appendix in preparation for filing.	0.60
11/12/20	NMS	Call with Governor's office to discuss Petition	0.50
11/12/20	RJP	Revise Petition; conference with Governor's counsel regarding filing of and content of petition.	2.50
11/13/20	MJG	Receipt of email correspondence from Tyler Yeargain regarding scholarship and research related to legislative vacancies and appointments; conference with RJP regarding the same	0.40
11/13/20	RJP	Analyze order from ND Supreme Court; analyze email with zoom instructions; draft response to ND Supreme Court clerk regarding appearance/argument; telephone conference with Governor's counsel; exchange emails with Yale lawyer regarding additional information on legislative vacancies; telephone conference with Yale counsel; review Yale lawyer articles; exchange emails with Yale attorney.	2.00
11/16/20	NMS	Begin drafting case summaries for oral argument	1.30
11/17/20	MJG	Email correspondence with NMS regarding legislative history.	0.30
11/17/20	MJG	Receipt and analysis of email notification of filing and motion filed by Kathrin Volochenko to join the action.	0.40
11/17/20	MJG	Receipt and analysis of email correspondence from Tyler Yeargain to NDSC with attached leave for file amicus brief and amicus brief.	0.80
11/18/20	MJG	Preparation for oral argument.	0.50
11/18/20	NMS	Reviewed amicus brief filed by attorney Garaas and applicable case law on ripeness in declaratory judgment actions	2.30
11/18/20	NMS	Reviewed election contest case law and application of N.D. Const. art. IV s. 12 to election contests	0.50

December 14, 2020

Re: Office of the Governor - Research

11/18/20	RJP	Research for/prepare for oral argument.	7.10	
11/19/20	MJG	Preparation for oral argument; review of case law and statutory and constitutional provisions cited in brief; drafted sub-outlines of responses to anticipated counter-arguments from respondents.	2.10	
11/19/20	MJG	Review and analysis of Dem-NPL response to petition for declaratory relief, writ of mandamus, and writ of injunction	0.90	
11/19/20	MJG	Review and analysis of District 8 response to petition for declaratory relief, writ of mandamus, and writ of injunction.	0.50	
11/19/20	MJG	Review and analysis of Attorney General response to petition for declaratory relief, writ of mandamus, and writ of injunction	2.30	
11/19/20	MJG	Attended meeting with client in preparation for oral argument	2.00	
11/19/20	MJG	Continued preparing for oral argument; drafted outlines responding to arguments interposed by respondents; drafted outline of argument, opening, and closing; conferences with RJP and NMS regarding upcoming oral argument.	6.10	
11/20/20	MJG	Prep for oral argument; attended oral argument; conference with client following oral argument.	3.00	
11/20/20	NMS	Reviewed cases on laches in election contests cited in AG's response	1.30	
11/20/20	NMS	Oral argument and oral argument debrief	1.80	
11/20/20	RJP	Prepare for oral argument.	1.50	
11/20/20	RJP	Participate in argument and debrief.	1.50	
11/20/20	RJP	Review case law regarding election contests.	0.90	
11/23/20	MJG	Conference with RJP regarding additional research questions posed by client related to District 8 vacancy.	0.20	
11/23/20	MJG	Receipt and analysis of Dem-NPL letter to Court regarding recently filed election contest matter requesting postponement of decision on the Governor's petition for declaratory relief, writ of mandamus, and writ of injunction until after resolution of the election contest; conferences with RJP and NMS regarding the same.	0.40	
TOTAL FEES (NOT INCLUDING COSTS, IF ANY, SHOWN BELOW)			43.70	\$12,321.00

SUMMARY: TIMEKEEPER RECAP

<u>TIMEKEEPER</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
R.J. Pathroff	15.50	350.00	5,425.00
Megan J. Gordon	20.50	250.00	5,125.00
Nicholas M. Surma	7.70	230.00	1,771.00

11/12/2020	North Dakota Supreme Court: North Dakota Supreme Court - Filing Fee for Petition	125.00
	TOTAL ADVANCES	\$125.00

TOTAL NEW CHARGES

\$12,446.00

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1001
2/17/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

9:21 Chairman Delzer Opens the meeting for HB 1001;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	A
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- Amendment

9:22 Representative Schatz- Reviews the budget and the amendment 21.0260.01001

9:24 Representative Schatz Motion to adopt the amendment

Representative Monson Second

9:24 Voice Vote-Motion Carries

9:25 Representative Schatz Make a motion for a Do Pass as amended

Representative Monson Second

9:26 Roll call vote was taken;

Representatives	Vote
Representative Jeff Delzer	N
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	A
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigasaa	Y

Motion carries 19-1-1 Representative Schatz will carry the bill

Additional written testimony: No Written testimony

9:27 Chairman Delzer- Closes the meeting for HB 1001

Risa Berube,

House Appropriations Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, line 2, replace "and" with "to amend and reenact section 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor; to provide an exemption;"

Page 1, line 2, after "report" insert "; and to declare an emergency"

Page 1, replace lines 9 through 17 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,623,946	\$83,109	\$3,707,055
Operating expenses	368,440	(96,805)	271,635
Contingencies	10,000	0	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	<u>274,112</u>	<u>7,524</u>	<u>281,636</u>
Total general fund	\$4,287,298	(\$6,172)	\$4,281,126
Full-time equivalent positions	18.00	0.00	18.00"

Page 2, after line 8, insert:

"SECTION 4. 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-five~~forty thousand ~~three~~eight hundred ~~sixty-four~~twenty-nine dollars through June 30, ~~2020~~2022, and one hundred ~~thirty-eight~~forty-two thousand ~~seven~~nine hundred ~~forty-eight~~forty-one dollars thereafter.

SECTION 5. 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 ~~five~~nine thousand ~~two~~five hundred ~~eighty-five~~thirty-six dollars through June 30, ~~2020~~2022, and one hundred ~~seven~~eleven thousand ~~nine~~one hundred ~~seventeen~~seventy-nine dollars thereafter.

SECTION 6. EXEMPTION - LINE ITEM TRANSFERS - 2019-21 BIENNIUM.

Notwithstanding section 54-16-04, the office of management and budget may transfer up to \$64,242 of appropriation authority from the operating expenses line item to the salaries and wages line item in section 1 of chapter 26 of the 2019 session laws as requested by the governor.

SECTION 7. EXEMPTION. The funding appropriated in the rough rider awards line item in section 1 of chapter 26 of the 2019 session laws is not subject to the

provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 8. EMERGENCY. Section 6 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$3,623,946	\$83,109	\$3,707,055
Operating expenses	368,440	(96,805)	271,635
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	274,112	7,524	281,636
Total all funds	\$4,287,298	(\$6,172)	\$4,281,126
Less estimated income	0	0	0
General fund	\$4,287,298	(\$6,172)	\$4,281,126
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding for Microsoft Office 365 Licensing Expenses ²	Reduces Funding for Operating Expenses ³	Total House Changes
Salaries and wages	\$83,109			\$83,109
Operating expenses		\$3,195	(\$100,000)	(96,805)
Contingencies				
Rough Rider Awards				
Governor's salary	7,524			7,524
Total all funds	\$90,633	\$3,195	(\$100,000)	(\$6,172)
Less estimated income	0	0	0	0
General fund	\$90,633	\$3,195	(\$100,000)	(\$6,172)
FTE	0.00	0.00	0.00	0.00

¹ The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>
Salary increase	\$89,904
Health insurance increase	729
Total	\$90,633

² Funding is added for Microsoft Office 365 licensing expenses.

³ Funding for operating expenses is reduced to provide total operating expenses funding of \$271,635.

This amendment also:

- Amends the North Dakota Century Code sections necessary to provide the Governor and Lieutenant Governor salary increases of 1.5 percent each year of the 2021-23 biennium.
- Authorizes up to \$64,242 to be transferred from the operating expenses line item to the salaries and wages line item in the agency's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000).
- Authorizes 2019-21 biennium funding appropriated for Rough Rider Awards to be continued into the 2021-23 biennium.

REPORT OF STANDING COMMITTEE

HB 1001: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "to amend and reenact section 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor; to provide an exemption;"

Page 1, line 2, after "report" insert "; and to declare an emergency"

Page 1, replace lines 9 through 17 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,623,946	\$83,109	\$3,707,055
Operating expenses	368,440	(96,805)	271,635
Contingencies	10,000	0	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	<u>274,112</u>	<u>7,524</u>	<u>281,636</u>
Total general fund	\$4,287,298	(\$6,172)	\$4,281,126
Full-time equivalent positions	18.00	0.00	18.00"

Page 2, after line 8, insert:

"SECTION 4. 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-five~~ thirty-five thousand ~~three hundred sixty-four~~ three hundred sixty-four thousand ~~two hundred ninety-nine~~ two hundred ninety-nine dollars through June 30, ~~2020~~ 2022, and one hundred ~~thirty-eight~~ thirty-eight thousand ~~seven hundred forty-eight~~ seven hundred forty-eight dollars thereafter.

SECTION 5. 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 ~~five~~ five thousand ~~two hundred eighty-five~~ two hundred eighty-five dollars through June 30, ~~2020~~ 2022, and one hundred ~~seven~~ seven thousand ~~nine hundred seventy-nine~~ nine hundred seventy-nine dollars thereafter.

SECTION 6. EXEMPTION - LINE ITEM TRANSFERS - 2019-21 BIENNIUM.

Notwithstanding section 54-16-04, the office of management and budget may transfer up to \$64,242 of appropriation authority from the operating expenses line item to the salaries and wages line item in section 1 of chapter 26 of the 2019 session laws as requested by the governor.

SECTION 7. EXEMPTION. The funding appropriated in the rough rider awards line item in section 1 of chapter 26 of the 2019 session laws is not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 8. EMERGENCY. Section 6 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$3,623,946	\$83,109	\$3,707,055
Operating expenses	368,440	(96,805)	271,635
Contingencies	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	274,112	7,524	281,636
Total all funds	\$4,287,298	(\$6,172)	\$4,281,126
Less estimated income	0	0	0
General fund	\$4,287,298	(\$6,172)	\$4,281,126
FTE	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding for Microsoft Office 365 Licensing Expenses ²	Reduces Funding for Operating Expenses ³	Total House Changes
Salaries and wages	\$83,109			\$83,109
Operating expenses		\$3,195	(\$100,000)	(96,805)
Contingencies				
Rough Rider Awards				
Governor's salary	7,524			7,524
Total all funds	\$90,633	\$3,195	(\$100,000)	(\$6,172)
Less estimated income	0	0	0	0
General fund	\$90,633	\$3,195	(\$100,000)	(\$6,172)
FTE	0.00	0.00	0.00	0.00

¹ The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

General Fund	
Salary increase	\$89,904
Health insurance increase	729
Total	\$90,633

² Funding is added for Microsoft Office 365 licensing expenses.

³ Funding for operating expenses is reduced to provide total operating expenses funding of \$271,635.

This amendment also:

- Amends the North Dakota Century Code sections necessary to provide the Governor and Lieutenant Governor salary increases of 1.5 percent each year of the 2021-23 biennium.
- Authorizes up to \$64,242 to be transferred from the operating expenses line item to the salaries and wages line item in the agency's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000).
- Authorizes 2019-21 biennium funding appropriated for Rough Rider Awards to be continued into the 2021-23 biennium.

2021 SENATE APPROPRIATIONS

HB 1001

Department 101 - Governor's Office
House Bill No. 1001

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	18.00	\$4,333,956	\$0	\$4,333,956
2019-21 Legislative Appropriations ¹	18.00	4,492,106	0	4,492,106
Increase (Decrease)	0.00	(\$158,150)	\$0	(\$158,150)

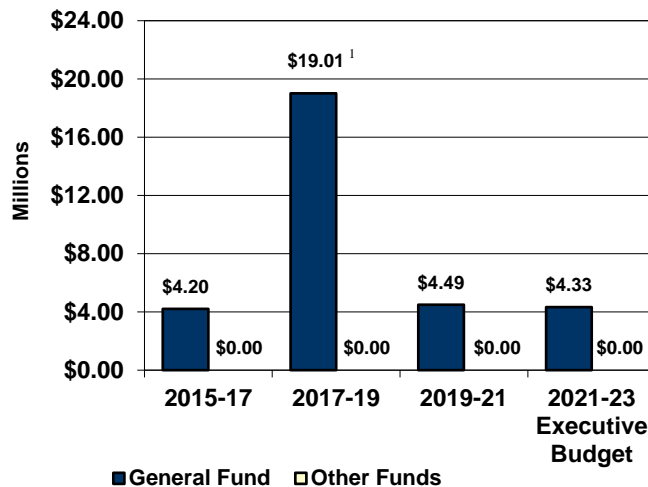
¹The 2019-21 biennium agency appropriation amounts have not been adjusted for:

- Additional special funds of \$190,200 received by the Governor's office pursuant to Section 3 of Senate Bill No. 2001 (2019); and
- Federal coronavirus relief funds spending authority of \$18,083 resulting from Emergency Commission action during the 2019-21 biennium.

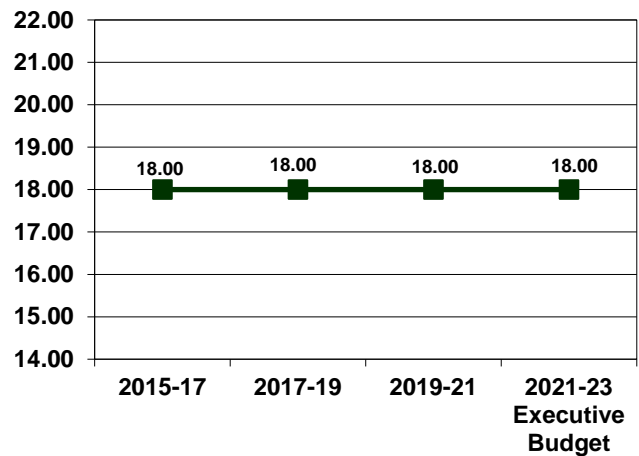
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$4,333,956	\$0	\$4,333,956
2019-21 Legislative Appropriations	4,287,298	204,808	4,492,106
Increase (Decrease)	\$46,658	(\$204,808)	(\$158,150)

Agency Funding



FTE Positions



¹Includes a \$15 million general fund transfer to the Theodore Roosevelt Presidential Library and Museum endowment fund.

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$4,333,956	\$0	\$4,333,956
2021-23 Base Level	4,287,298	0	4,287,298
Increase (Decrease)	\$46,658	\$0	\$46,658

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 \$90,014 is for salary increases, \$729 is for health insurance increases, and \$18,647 is for retirement contribution increases. The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health insurance	\$109,390	\$0	\$109,390

premiums from \$1,427 to \$1,429 per month. The House did not add funding for retirement contribution increases.

- | | | | |
|---|-------------|-----|-------------|
| 2. Reduces funding in the Governor's salary line item and transfers remaining funding of \$59,747 in the line item to the salaries and wages line item to provide for the Governor to have a salary of \$0 after June 30, 2021. The House did not reduce funding in the Governor's salary line item or transfer funding from the line item and provided for the Governor to accept a salary. | (\$214,365) | \$0 | (\$214,365) |
| 3. Adds funding for Microsoft Office 365 license expenses | \$3,195 | \$0 | \$3,195 |
| 4. Adds funding for the proposed Capitol grounds state agency rent model change. The House did not add funding for the state agency rent model change. | \$148,438 | \$0 | \$148,438 |

Other Sections in House Bill No. 1001 (As Detailed in the Attached Appendix)

Additional income - Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2021-23 biennium.

Governor's salary - Section 4 amends North Dakota Century Code Section 54-07-04 to increase the Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022, as follows:

	Current Level	July 1, 2021	July 1, 2022
Governor	\$138,748	\$140,829	\$142,941

Lieutenant Governor's salary - Section 5 amends Section 54-08-03 to increase the Lieutenant Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022, as follows:

	Current Level	July 1, 2021	July 1, 2022
Lieutenant Governor	\$107,917	\$109,536	\$111,179

2019-21 biennium line item transfers - Section 6 authorizes the transfer of \$64,242 from the operating expenses line item to the salaries and wages line item in the Governor's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000). Section 8 declares Section 6 to be an emergency measure.

Carryover authority - Section 7 provides an exemption to authorize the Governor to continue 2019-21 biennium funding for Rough Rider Awards into the 2021-23 biennium.

Continuing Appropriations

Governor's Prevention and Advisory Council - 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

No major related legislation is under consideration affecting this agency.

Governor's Office - Budget No. 101
House Bill No. 1001
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	18.00	\$4,287,298	\$0	\$4,287,298	18.00	\$4,287,298	\$0	\$4,287,298
2021-23 Ongoing Funding Changes								
Salary increase		\$90,014		\$90,014		\$89,904		\$89,904
Retirement contribution increase		18,647		18,647				0
Health insurance increase		729		729		729		729
Reduce funding in Governor's salary line item		(214,365)		(214,365)				0
Transfer remaining funding in Governor's salary line item to salaries and wages				0				(No Transfer)
Add funding for Microsoft Office 365 expenses		3,195		3,195		3,195		3,195
Add funding for Capitol grounds rent model change		148,438		148,438				0
Operating expense reduction				0		(100,000)		(100,000)
Total ongoing funding changes	0.00	\$46,658	\$0	\$46,658	0.00	(\$6,172)	\$0	(\$6,172)
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$46,658	\$0	\$46,658	0.00	(\$6,172)	\$0	(\$6,172)
2021-23 Total Funding	18.00	\$4,333,956	\$0	\$4,333,956	18.00	\$4,281,126	\$0	\$4,281,126
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.1%		1.1%	0.0%	(0.1%)		(0.1%)
<i>Total changes as a percentage of base level</i>	0.0%	1.1%		1.1%	0.0%	(0.1%)		(0.1%)

Other Sections in Governor's Office - Budget No. 101

	Executive Budget Recommendation	House Version
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 2021-23 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2021-23 biennium.
Governor's salary	Section 4 would amend Section 54-07-04 to provide the Governor has a salary of \$0 after June 30, 2021.	Section 4 amends Section 54-07-04 to increase the Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.
Lieutenant Governor's salary	Section 5 would amend Section 54-08-03 to increase the Lieutenant Governor's salary by 2 percent on July 1, 2021, and by 2 percent on July 1, 2022.	Section 5 amends Section 54-08-03 to increase the Lieutenant Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.

Other Sections in Governor's Office - Budget No. 101

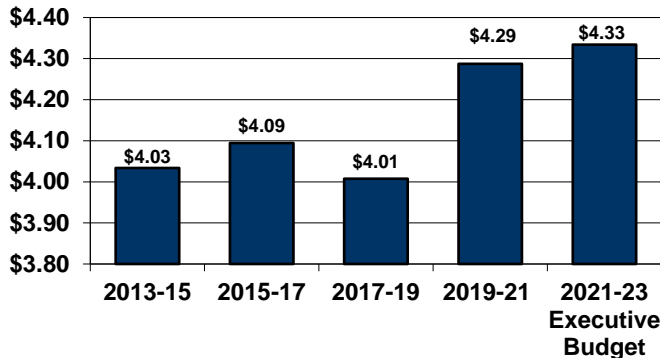
	Executive Budget Recommendation	House Version
2019-21 biennium line item transfers		Section 6 authorizes up to \$64,242 to be transferred from the operating expenses line item to the salaries and wages line item in the agency's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000). Section 8 declares this section to be an emergency.
Carryover authority		Section 7 authorizes 2019-21 biennium funding for Rough Rider Awards to be continued into the 2021-23 biennium.

Department 101 - Governor's Office

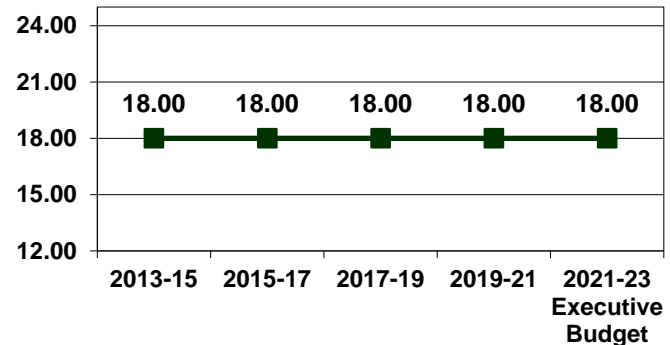
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$4,033,873	\$4,094,559	\$4,007,758	\$4,287,298	\$4,333,956
Increase (decrease) from previous biennium	N/A	\$60,686	(\$86,801)	\$279,540	\$46,658
Percentage increase (decrease) from previous biennium	N/A	1.5%	(2.1%)	7.0%	1.1%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	1.5%	(0.6%)	6.3%	7.4%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

1. No major changes \$0

2017-19 Biennium

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

2019-21 Biennium

1. Underfunded salaries and wages (\$86,305)
2. Added funding for temporary employees \$30,000
3. Increased funding for operating expenses \$60,000

2021-23 Biennium (Executive Budget Recommendation)

1. Reduces funding in the Governor's salary line item and transfers remaining funding in the line item to the salaries and wages line item. **The House did not reduce funding in the Governor's salary line item or transfer funding from the line item.** (\$214,365)
2. Adds funding for the proposed Capitol grounds state agency rent model change. **The House did not add funding for the state agency rent model change.** \$148,438

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, 2021, and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$3,623,946	\$169,137	\$3,793,083
Governor's Salary	274,112	(274,112)	0
Operating Expenses	368,440	151,633	520,073
Contingencies	10,000	0	10,000
Transition In	0	0	0
Transition Out	0	0	0
Roughrider Awards	10,800	0	10,800
Total General Fund	\$4,287,298	\$46,658	\$4,333,956
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-sixth legislative assembly for the 2019-21:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Governor's Transition Lines	\$ 65,000	\$0
Boards and Commissions IT Project	139,808	0
Total General Fund	\$204,808	\$0

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, 2021 and ending June 30, 2023. Any funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon receipt of the funds under this section, the governor's office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received.

SECTION 4. 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-five thousand three hundred sixty-four dollars through June 30, 2020, and one hundred thirty-eight thousand seven hundred forty-eight dollars through June 30, 2021~~ and zero dollars thereafter.

SECTION 5. 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 seven thousand nine hundred seventeen dollars through June 30, 2021 and one hundred ten thousand seventy-five dollars through June 30, 2022~~ and one hundred twelve thousand two hundred seventy-seven dollars thereafter.

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1001
3/12/2021
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor.

Senator Holmberg opened the hearing at 8:33 a.m.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- House Cuts

JoDee Hanson, Chief Administrative Officer, Governor's Office, testified in favor and submitted testimony #8921

Senator Holmberg closed the hearing at 8:48 a.m.

Skyler Strand, Committee Clerk

Testimony of JoDee Hanson
In Support of
2021 HOUSE BILL 1001
OFFICE OF THE GOVERNOR

Presented to
Senate Appropriations Committee
Senator Homberg, Chairman
Friday, March 12, 2021

Good morning Mr. Chairman and Members of the Committee. For the record, I'm JoDee Hanson serving as Chief Administrative Officer for the Governor. Thank you for the opportunity to present the Governor's office budget for the next biennium.

In order to achieve the 95% budget guideline in the Governor's Office budget, we removed the Governor's salary. The House restored funding for his salary.

The House then reduced our operating budget by 27% or \$100,000, leaving us less than \$135,000/year (of which \$95,000 is fixed IT costs) to operate our office of 18 FTE.

We respectfully ask that you restore these operating funds as we operate very lean. For example, our travel budget for the team is \$27,500 annually.

This budget includes funding for the salary increases and health insurance changes recommended for all state agencies as part of the statewide executive compensation plan, as well as a small increase for Office 365 license fee.

For additional background, we provided the following amendments for the 19-21 appropriation to the House, which were adopted and included in the House version of the budget bill:

Line item transfers. Because of COVID we were unable to fully use our travel and professional development budget. Our request is to transfer these funds from the operating line to salary for the following:

- Pay out unused annual leave (approximately \$29,000) which expires on April 30 for the team members who have been unable to utilize their earned leave in the past 12 months. OMB has a policy in place for this situation and considers each agency request. Without this line item transfer, we don't have the dollars in our salary line to cover this payout. This past year has taken an enormous toll on our small team, and losing unused annual leave creates unintended consequences of morale issues for those who have worked tirelessly throughout the pandemic response.
- Thank you for the one-time funding from last session to upgrade our Boards and Commissions website. We are in beta testing for this much improved more user-friendly website and expect to launch in the coming days. We are under budget in part due to the technical expertise of our Boards & Commissions Manager. She collaborated closely with NDIT, which led to increased efficiencies in the project. She is budgeted as a 75% FTE but will have worked full-time for approximately 18 months to complete this project. Based on her technical expertise, we experienced savings on the appropriation, however, incurred additional expense on our salary line. This transfer of \$35,000 to our salary line better reflects the true costs of the one-time funding for the boards website upgrade and removes pressure from our already tight salary line.
 - The Boards and Commissions IT project (one-time funding) in the 2019-2021 budget is \$139,808. \$63,008 has been expended for this project thru 1/31/20.

Carry forward of the appropriation for the Rough Rider Awards.

- The Hall of Fame induction ceremonies were postponed this year due to the pandemic. It has been requested by recent inductees for their event to occur in the fall of 2021.

I ask for your favorable consideration of the proposed budget with the requested change, and along with our budget analyst Stephanie Gullickson, am available to answer any questions you may have.

Thank you!

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1001
3/30/2021
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor.

Senator Holmberg opened committee work at 9:42 a.m.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- **Vote**

Senator Hogue moved to adopt amendment LC 21.0260.02001; testimony #11009 and #11010

Senator Oehlke seconded the motion.

Senators			Senators	
<i>Senator Holmberg</i>	Y		<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y		<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y		<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y		<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y		<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y		<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y		<i>Senator Mathern</i>	Y

Roll Call Vote – 14-0-0. Motion Passed.

Senator Hogue moved DO PASS AS AMENDED

Senator Bekkedahl seconded the motion.

Senators			Senators	
<i>Senator Holmberg</i>	Y		<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y		<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y		<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y		<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y		<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y		<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y		<i>Senator Mathern</i>	Y

Roll Call Vote – 14-0-0. Motion Passed.

Senator Holmberg closed the hearing at 9:49 a.m.

Skyler Strand, Committee Clerk

CS
3/30
10/22

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, replace lines 13 and 14 with:

"Salaries and wages	\$3,623,946	\$87,088	\$3,711,034
Operating expenses	368,440	53,195	421,635"

Page 1, replace lines 17 and 18 with:

"Governor's salary	<u>274,112</u>	<u>10,363</u>	<u>284,475</u>
Total general fund	\$4,287,298	\$150,646	\$4,437,944"

Page 2, line 16, replace "forty-two" with "forty-three"

Page 2, line 16, replace "nine" with "six"

Page 2, line 16, replace "forty-one" with "forty-six"

Page 2, line 22, replace "one" with "seven"

Page 2, line 22, replace "seventy-nine" with "twenty-seven"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,623,946	\$3,707,055	\$3,979	\$3,711,034
Operating expenses	368,440	271,635	150,000	421,635
Contingencies	10,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Governor's salary	<u>274,112</u>	<u>281,636</u>	<u>2,839</u>	<u>284,475</u>
Total all funds	\$4,287,298	\$4,281,126	\$156,818	\$4,437,944
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$4,287,298	\$4,281,126	\$156,818	\$4,437,944
FTE	18.00	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Restores Funding for Operating Expenses ²	Adds Funding for Event Travel Costs ³	Total Senate Changes
Salaries and wages	\$3,979			\$3,979
Operating expenses		\$100,000	\$50,000	150,000
Contingencies				
Rough Rider Awards				
Governor's salary	<u>2,839</u>			<u>2,839</u>
Total all funds	\$6,818	\$100,000	\$50,000	\$156,818
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$6,818	\$100,000	\$50,000	\$156,818
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding for operating expenses removed by the House is restored.

³ Funding is added for travel expenses associated with State of the State and Rough Rider Award ceremonies.

This amendment also makes the statutory changes necessary to provide the Governor and Lieutenant Governor with salary increases of 1.5 percent effective July 1, 2021, and 2 percent effective July 1, 2022. The House had provided 1.5 percent annual increases.

REPORT OF STANDING COMMITTEE

HB 1001, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1001 was placed on the Sixth order on the calendar.

Page 1, replace lines 13 and 14 with:

"Salaries and wages	\$3,623,946	\$87,088	\$3,711,034
Operating expenses	368,440	53,195	421,635"

Page 1, replace lines 17 and 18 with:

"Governor's salary	274,112	10,363	284,475
Total general fund	\$4,287,298	\$150,646	\$4,437,944"

Page 2, line 16, replace "forty-two" with "forty-three"

Page 2, line 16, replace "nine" with "six"

Page 2, line 16, replace "forty-one" with "forty-six"

Page 2, line 22, replace "one" with "seven"

Page 2, line 22, replace "seventy-nine" with "twenty-seven"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,623,946	\$3,707,055	\$3,979	\$3,711,034
Operating expenses	368,440	271,635	150,000	421,635
Contingencies	10,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Governor's salary	274,112	281,636	2,839	284,475
Total all funds	\$4,287,298	\$4,281,126	\$156,818	\$4,437,944
Less estimated income	0	0	0	0
General fund	\$4,287,298	\$4,281,126	\$156,818	\$4,437,944
FTE	18.00	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Restores Funding for Operating Expenses ⁴	Adds Funding for Event Travel Costs ³	Total Senate Changes
Salaries and wages	\$3,979			\$3,979
Operating expenses		\$100,000	\$50,000	150,000
Contingencies				
Rough Rider Awards				
Governor's salary	2,839			2,839
Total all funds	\$6,818	\$100,000	\$50,000	\$156,818
Less estimated income	0	0	0	0
General fund	\$6,818	\$100,000	\$50,000	\$156,818
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding for operating expenses removed by the House is restored.

³ Funding is added for travel expenses associated with State of the State and Rough Rider Award ceremonies.

This amendment also makes the statutory changes necessary to provide the Governor and Lieutenant Governor with salary increases of 1.5 percent effective July 1, 2021, and 2 percent effective July 1, 2022. The House had provided 1.5 percent annual increases.

21.0260.02001

FIRST ENGROSSMENT

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1001

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the
2 governor; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century
3 Code, relating to the salaries of the governor and lieutenant governor; to provide an exemption;
4 to provide for a report; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying
9 the expenses of the office of the governor, for the biennium beginning July 1, 2021, and ending
10 June 30, 2023, as follows:

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Salaries and wages	\$3,623,946	\$83,109	\$3,707,055
14	Operating expenses	368,440	(96,805)	271,635
15	<u>Salaries and wages</u>	<u>\$3,623,946</u>	<u>\$87,088</u>	<u>\$3,711,034</u>
16	<u>Operating expenses</u>	<u>368,440</u>	<u>53,195</u>	<u>421,635</u>
17	Contingencies	10,000	0	10,000
18	Rough rider awards	10,800	0	10,800
19	Governor's salary	274,112	7,524	281,636
20	Total general fund	\$4,287,298	(\$6,172)	\$4,281,126
21	<u>Governor's salary</u>	<u>274,112</u>	<u>10,363</u>	<u>284,475</u>
22	<u>Total general fund</u>	<u>\$4,287,298</u>	<u>\$150,646</u>	<u>\$4,437,944</u>
23	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-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Transition costs	\$65,000	\$0
Boards and commission database project	<u>139,808</u>	<u>0</u>
Total general fund	\$204,808	\$0

SECTION 3. ADDITIONAL INCOME - APPROPRIATION - GOVERNOR'S OFFICE - BUDGET SECTION REPORT. In addition to the amounts appropriated in section 1 of this Act, there is appropriated to the governor's office, any additional income from federal or other funds which may become available to the governor's office, for the biennium beginning July 1, 2021, and ending June 30, 2023. Any funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon the receipt of funds under this section, the governor's office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received.

SECTION 4. 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-five~~forty thousand ~~three~~eight hundred ~~sixty-four~~twenty-nine dollars through June 30, ~~2020~~2022, and one hundred ~~thirty-eight~~forty-two ~~forty-three~~ thousand ~~seven~~nine ~~six~~ hundred ~~forty-eight~~forty-one ~~forty-six~~ dollars thereafter.

SECTION 5. 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 ~~five~~nine thousand ~~two~~five hundred ~~eighty-five~~thirty-six dollars through June 30, ~~2020~~2022, and one hundred ~~seven~~eleven thousand ~~nine~~one ~~seven~~ hundred ~~seventeen~~seventy-nine ~~twenty-seven~~ dollars thereafter.

SECTION 6. EXEMPTION - LINE ITEM TRANSFERS - 2019-21 BIENNIUM.

Notwithstanding section 54-16-04, the office of management and budget may transfer up to \$64,242 of appropriation authority from the operating expenses line item to the salaries and

1 wages line item in section 1 of chapter 26 of the 2019 session laws as requested by the
2 governor.

3 **SECTION 7. EXEMPTION.** The funding appropriated in the rough rider awards line item in
4 section 1 of chapter 26 of the 2019 session laws is not subject to the provisions of section
5 54-44.1-11 and may be continued into the biennium beginning July 1, 2021, and ending
6 June 30, 2023.

7 **SECTION 8. EMERGENCY.** Section 6 of this Act is declared to be an emergency measure.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, replace lines 13 and 14 with:

"Salaries and wages	\$3,623,946	\$87,088	\$3,711,034
Operating expenses	368,440	53,195	421,635"

Page 1, replace lines 17 and 18 with:

"Governor's salary	<u>274,112</u>	<u>10,363</u>	<u>284,475</u>
Total general fund	\$4,287,298	\$150,646	\$4,437,944"

Page 2, line 16, replace "forty-two" with "forty-three"

Page 2, line 16, replace "nine" with "six"

Page 2, line 16, replace "forty-one" with "forty-six"

Page 2, line 22, replace "one" with "seven"

Page 2, line 22, replace "seventy-nine" with "twenty-seven"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1001 - Governor's Office - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,623,946	\$3,707,055	\$3,979	\$3,711,034
Operating expenses	368,440	271,635	150,000	421,635
Contingencies	10,000	10,000		10,000
Rough Rider Awards	10,800	10,800		10,800
Governor's salary	<u>274,112</u>	<u>281,636</u>	<u>2,839</u>	<u>284,475</u>
Total all funds	\$4,287,298	\$4,281,126	\$156,818	\$4,437,944
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$4,287,298	\$4,281,126	\$156,818	\$4,437,944
FTE	18.00	18.00	0.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Restores Funding for Operating Expenses ²	Adds Funding for Event Travel Costs ³	Total Senate Changes
Salaries and wages	\$3,979			\$3,979
Operating expenses		\$100,000	\$50,000	150,000
Contingencies				
Rough Rider Awards				
Governor's salary	<u>2,839</u>			<u>2,839</u>
Total all funds	\$6,818	\$100,000	\$50,000	\$156,818
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$6,818	\$100,000	\$50,000	\$156,818
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding for operating expenses removed by the House is restored.

³ Funding is added for travel expenses associated with State of the State and Rough Rider Award ceremonies.

This amendment also makes the statutory changes necessary to provide the Governor and Lieutenant Governor with salary increases of 1.5 percent effective July 1, 2021, and 2 percent effective July 1, 2022. The House had provided 1.5 percent annual increases.

2021 CONFERENCE COMMITTEE

HB 1001

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1001
4/14/2021
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

Chairman Bob Martinson called the meeting to order at 10:11 a.m.

Representative	Present	Absent
Chairman Martinson	P	
Representative Schatz	P	
Representative Boe	P	
Chairman Hogue	P	
Senator Sorvaag	P	
Senator Mathern		A

Discussion Topics:

- Base level funding changes
- Governor's award
- State of the State event

Additional written testimony: #11520

Chairman Bob Martinson adjourned the meeting at 10:16 a.m.

Klarissa Pudwill, Committee Clerk

Governor's Office - Budget No. 101
House Bill No. 1001
Base Level Funding Changes

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	18.00	\$4,287,298	\$0	\$4,287,298	18.00	\$4,287,298	\$0	\$4,287,298	0.00	\$0	\$0	\$0
2021-23 Ongoing Funding Changes												
Salary increase		\$89,904		\$89,904		\$96,722		\$96,722		\$6,818		\$6,818
Retirement contribution increase				0				0				0
Health insurance increase		729		729		729		729				0
Reduce funding in Governor's salary line item				0				0				0
Transfer remaining funding in Governor's salary line item to salaries and wages			(No Transfer)	0				0				0
Add funding for Microsoft Office 365 expenses		3,195		3,195		3,195		3,195				0
Add funding for Capitol grounds rent model change				0				0				0
Operating expense reduction		(100,000)		(100,000)		0		0		100,000		100,000
Event travel expenses				0		50,000		50,000		50,000		50,000
Total ongoing funding changes	0.00	(\$6,172)	\$0	(\$6,172)	0.00	\$150,646	\$0	\$150,646	0.00	\$156,818	\$0	\$156,818
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	(\$6,172)	\$0	(\$6,172)	0.00	\$150,646	\$0	\$150,646	0.00	\$156,818	\$0	\$156,818
2021-23 Total Funding	18.00	\$4,281,126	\$0	\$4,281,126	18.00	\$4,437,944	\$0	\$4,437,944	0.00	\$156,818	\$0	\$156,818
<i>Total ongoing changes as a percentage of base level</i>	0.0%	(0.1%)		(0.1%)	0.0%	3.5%		3.5%				
<i>Total changes as a percentage of base level</i>	0.0%	(0.1%)		(0.1%)	0.0%	3.5%		3.5%				

Other Sections in Governor's Office - Budget No. 101

	House Version	Senate Version
Additional income received by the Governor's office	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2021-23 biennium.	Section 3 appropriates any additional federal or other funds available to the Governor's office during the 2021-23 biennium.
Governor's salary	Section 4 amends Section 54-07-04 to increase the Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.	Section 4 amends Section 54-07-04 to increase the Governor's salary by 1.5 percent on July 1, 2021, and by 2 percent on July 1, 2022.
Lieutenant Governor's salary	Section 5 amends Section 54-08-03 to increase the Lieutenant Governor's salary by 1.5 percent on July 1, 2021, and by 1.5 percent on July 1, 2022.	Section 5 amends Section 54-08-03 to increase the Lieutenant Governor's salary by 1.5 percent on July 1, 2021, and by 2 percent on July 1, 2022.

Other Sections in Governor's Office - Budget No. 101

	House Version	Senate Version
2019-21 biennium line item transfers	Section 6 authorizes up to \$64,242 to be transferred from the operating expenses line item to the salaries and wages line item in the agency's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000). Section 8 declares this section to be an emergency.	Section 6 authorizes up to \$64,242 to be transferred from the operating expenses line item to the salaries and wages line item in the agency's 2019-21 biennium appropriation for annual leave payouts (\$29,242) and costs related to the boards and commissions technology project (\$35,000). Section 8 declares this section to be an emergency.
Carryover authority	Section 7 authorizes 2019-21 biennium funding for Rough Rider Awards to be continued into the 2021-23 biennium.	Section 7 authorizes 2019-21 biennium funding for Rough Rider Awards to be continued into the 2021-23 biennium.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1001
4/19/2021
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

Chairman Bob Martinson called the meeting to order at 9:29 a.m.

Representative	Present	Absent
Chairman Martinson	P	
Representative Schatz	P	
Representative Boe	P	
Chairman Hogue	P	
Senator Sorvaag	P	
Senator Mathern	P	

Discussion Topics:

- Base level funding changes
- Additional \$150,000 for salaries
- Removing language about continuing appropriations
- Adding language about how the governor can spend the funding

Chairman Bob Martinson adjourned the meeting at 9:37 a.m.

Klarissa Pudwill, Committee Clerk

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1001
4/26/2021
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to provide for a report.

Chairman Bob Martinson called the meeting to order at 2:37 p.m.

Representative	Present	Absent
Chairman Martinson	P	
Representative Schatz	P	
Representative Boe	P	
Chairman Hogue	P	
Senator Sorvaag	P	
Senator Mathern	P	

Discussion Topics:

- Base level funding changes
- Spending authority

Alex Cronquist (2:40 p.m.) explained a proposed amendment. 21.0260.02005 (Testimony #11717)

Bob Martinson (2:44 p.m.) explained a proposed amendment. 21.0260.02004 (Testimony #11718)

Representative Mike Schatz made a motion to recede from the Senate amendments and amend with 21.0260.02006

Senator Hogue seconded

Roll Call Vote taken:

Motion Carried: 6-0-0

Representative Mike Schatz and Senator Hogue will carry the bill.

Chairman Bob Martinson adjourned the meeting at 2:47 p.m.

Klarissa Pudwill, Committee Clerk

21.0260.02006
Title.04000
Fiscal No. 2

Prepared by the Legislative Council staff for
Conference Committee
April 26, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on pages 1388 and 1389 of the House Journal and pages 1084 and 1085 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 3, after the first semicolon insert "to repeal section 3 of chapter 26 of the 2019 Session Laws, relating to the appropriation of additional income to the office of the governor;"

Page 1, replace lines 13 and 14 with:

"Salaries and wages	\$3,623,946	\$237,088	\$3,861,034
Operating expenses	368,440	53,195	421,635"

Page 1, replace lines 17 through 19 with:

"Governor's salary	<u>274,112</u>	<u>10,363</u>	<u>284,475</u>
Total general fund	\$4,287,298	\$300,646	\$4,587,944
Full-time equivalent positions	18.00	(1.00)	17.00"

Page 2, line 4, replace "In" with "Subject to the limitations of this section, in"

Page 2, line 5, remove "federal or"

Page 2, line 5, after "funds" insert ", excluding federal funds,"

Page 2, line 6, replace "biennium beginning July 1, 2021" with "period beginning with the effective date of this Act"

Page 2, line 7, after "Any" insert "other"

Page 2, line 9, after "of" insert "other"

Page 2, line 10, after the period insert "The governor's office may not expend other funds under this section if the amount of funds received from a source exceeds \$150,000, but may seek emergency commission and budget section authorization under chapter 54-16. Federal funds which may become available to the governor's office may be accepted by the governor's office. Federal funds accepted by the governor's office may not be spent until authorization is received from the legislative assembly or from the emergency commission and budget section under chapter 54-16."

SECTION 4. GOVERNOR'S SALARY - EXEMPTION. The governor's salary line item in section 1 of this Act includes the sum of \$284,475 for the salary of the governor for the biennium beginning July 1, 2021, and ending June 30, 2023. If the governor chooses not to accept the salary or any portion of the salary pursuant to section 54-07-04, section 54-07-04 does not apply to the portion of the salary not accepted. Notwithstanding section 54-16-04, the office of management and budget may transfer appropriation authority from the governor's salary line item to other line items in section 1 of this Act."

Page 2, line 16, replace "forty-two" with "forty-three"

Page 2, line 16, replace "nine" with "six"

DO 4/27/21
2 of 3

Page 2, line 16, replace "forty-one" with "forty-six"

Page 2, line 22, replace "one" with "seven"

Page 2, line 22, replace "seventy-nine" with "twenty-seven"

Page 2, after line 22, insert:

"SECTION 7. REPEAL. Section 3 of chapter 26 of the 2019 session laws is repealed."

Page 3, line 1, replace "Section 6" with "Sections 3, 7, and 8"

Page 3, line 1, replace "is" with "are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,623,946	\$3,707,055	\$153,979	\$3,861,034	\$3,711,034	\$150,000
Operating expenses	368,440	271,635	150,000	421,635	421,635	
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	274,112	281,636	2,839	284,475	284,475	
Total all funds	\$4,287,298	\$4,281,126	\$306,818	\$4,587,944	\$4,437,944	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$4,287,298	\$4,281,126	\$306,818	\$4,587,944	\$4,437,944	\$150,000
FTE	18.00	18.00	(1.00)	17.00	18.00	(1.00)

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adds Salary Equity Funding ²	Restores Funding for Operating Expenses ³	Adds Funding for Event Travel Costs ⁴	Removes FTE Position ⁵	Total Conference Committee Changes
Salaries and wages	\$3,979	\$150,000				\$153,979
Operating expenses			\$100,000	\$50,000		150,000
Contingencies						
Rough Rider Awards						
Governor's salary	2,839					2,839
Total all funds	\$6,818	\$150,000	\$100,000	\$50,000	\$0	\$306,818
Less estimated income	0	0	0	0	0	0
General fund	\$6,818	\$150,000	\$100,000	\$50,000	\$0	\$306,818
FTE	0.00	0.00	0.00	0.00	(1.00)	(1.00)

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding is added for salary equity adjustments. The House and Senate versions did not include salary equity adjustments.

³ Funding for operating expenses removed by the House is restored. The Senate also restored this funding.

⁴ Funding is added for travel expenses associated with State of the State and Rough Rider Award ceremonies, the same as the Senate version.

⁵ An unfunded, vacant FTE position is removed. This position was not removed in the House version nor the Senate version.

This amendment also:

- Makes the statutory changes necessary to provide the Governor and Lieutenant Governor with salary increases of 1.5 percent effective July 1, 2021, and 2 percent effective July 1, 2022, the same as the Senate. The House had provided 1.5 percent annual increases.
- Amends Section 3 regarding additional funding that may be accepted and expended by the Governor. This section was not previously amended by the House or Senate.
- Adds a section to allow the Governor to decline a salary and authorizes funding for the Governor's salary to be transferred to other line items. This section was not previously added by the House or Senate.
- Adds a section to repeal Section 3 of Chapter 26 of the 2019 Session Laws, relating to additional funding that may be accepted and expended by the Governor. This section was not previously added by the House or Senate.

**2021 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 1001 as engrossed

House Conference Committee

- Action Taken** ☐ **HOUSE accede to Senate Amendments**
☐ **HOUSE accede to Senate Amendments and further amend**
☐ **SENATE recede from Senate amendments**
☒ **SENATE recede from Senate amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Mike Schatz Seconded by: Senator Hogue

Representatives	4/14	4/19	4/26	Yes	No		Senators	4/14	4/19	4/26	Yes	No
Chairman Martinson	P	P	P	X			Chairman Hogue	P	P	P	X	
Representative Schatz	P	P	P	X			Senator Sorvaag	P	P	P	X	
Representative Boe	P	P	P	X			Senator Mathern	A	P	P	X	
Total Rep. Vote				3	0		Total Senate Vote				3	0

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Representative Schatz Senate Carrier Senator Hogue

LC Number 21.0260 . 02006 of amendment

LC Number 21.0260 . 04000 of engrossment

Emergency clause added

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Hogue, Sorvaag, Mathern and Reps. Martinson, Schatz, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1388-1389, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1388 and 1389 of the House Journal and pages 1084 and 1085 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 3, after the first semicolon insert "to repeal section 3 of chapter 26 of the 2019 Session Laws, relating to the appropriation of additional income to the office of the governor;"

Page 1, replace lines 13 and 14 with:

"Salaries and wages	\$3,623,946	\$237,088	\$3,861,034
Operating expenses	368,440	53,195	421,635"

Page 1, replace lines 17 through 19 with:

"Governor's salary	<u>274,112</u>	<u>10,363</u>	<u>284,475</u>
Total general fund	\$4,287,298	\$300,646	\$4,587,944
Full-time equivalent positions	18.00	(1.00)	17.00"

Page 2, line 4, replace "In" with "Subject to the limitations of this section, in"

Page 2, line 5, remove "federal or"

Page 2, line 5, after "funds" insert ", excluding federal funds,"

Page 2, line 6, replace "biennium beginning July 1, 2021" with "period beginning with the effective date of this Act"

Page 2, line 7, after "Any" insert "other"

Page 2, line 9, after "of" insert "other"

Page 2, line 10, after the period insert "The governor's office may not expend other funds under this section if the amount of funds received from a source exceeds \$150,000, but may seek emergency commission and budget section authorization under chapter 54-16. Federal funds which may become available to the governor's office may be accepted by the governor's office. Federal funds accepted by the governor's office may not be spent until authorization is received from the legislative assembly or from the emergency commission and budget section under chapter 54-16."

SECTION 4. GOVERNOR'S SALARY - EXEMPTION. The governor's salary line item in section 1 of this Act includes the sum of \$284,475 for the salary of the governor for the biennium beginning July 1, 2021, and ending June 30, 2023. If the governor chooses not to accept the salary or any portion of the salary pursuant to section 54-07-04, section 54-07-04 does not apply to the portion of the salary not accepted. Notwithstanding section 54-16-04, the office of management and budget may transfer appropriation authority from the governor's salary line item to other line items in section 1 of this Act."

Page 2, line 16, replace "forty-two" with "forty-three"

Page 2, line 16, replace "nine" with "six"

Page 2, line 16, replace "forty-one" with "forty-six"

Page 2, line 22, replace "one" with "seven"

Page 2, line 22, replace "seventy-nine" with "twenty-seven"

Page 2, after line 22, insert:

"SECTION 7. REPEAL. Section 3 of chapter 26 of the 2019 session laws is repealed."

Page 3, line 1, replace "Section 6" with "Sections 3, 7, and 8"

Page 3, line 1, replace "is" with "are"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,623,946	\$3,707,055	\$153,979	\$3,861,034	\$3,711,034	\$150,000
Operating expenses	368,440	271,635	150,000	421,635	421,635	
Contingencies	10,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	274,112	281,636	2,839	284,475	284,475	
Total all funds	\$4,287,298	\$4,281,126	\$306,818	\$4,587,944	\$4,437,944	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$4,287,298	\$4,281,126	\$306,818	\$4,587,944	\$4,437,944	\$150,000
FTE	18.00	18.00	(1.00)	17.00	18.00	(1.00)

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adds Salary Equity Funding ²	Restores Funding for Operating Expenses ³	Adds Funding for Event Travel Costs ⁴	Removes FTE Position ⁵	Total Conference Committee Changes
Salaries and wages	\$3,979	\$150,000				\$153,979
Operating expenses			\$100,000	\$50,000		150,000
Contingencies						
Rough Rider Awards						
Governor's salary	2,839					2,839
Total all funds	\$6,818	\$150,000	\$100,000	\$50,000	\$0	\$306,818
Less estimated income	0	0	0	0	0	0
General fund	\$6,818	\$150,000	\$100,000	\$50,000	\$0	\$306,818
FTE	0.00	0.00	0.00	0.00	(1.00)	(1.00)

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding is added for salary equity adjustments. The House and Senate versions did not include salary equity adjustments.

³ Funding for operating expenses removed by the House is restored. The Senate also restored this funding.

⁴ Funding is added for travel expenses associated with State of the State and Rough Rider Award ceremonies, the same as the Senate version.

⁵ An unfunded, vacant FTE position is removed. This position was not removed in the House version nor the Senate version.

This amendment also:

- Makes the statutory changes necessary to provide the Governor and Lieutenant Governor with salary increases of 1.5 percent effective July 1, 2021, and 2 percent effective July 1, 2022, the same as the Senate. The House had provided 1.5 percent annual increases.
- Amends Section 3 regarding additional funding that may be accepted and expended by the Governor. This section was not previously amended by the House or Senate.
- Adds a section to allow the Governor to decline a salary and authorizes funding for the Governor's salary to be transferred to other line items. This section was not previously added by the House or Senate.
- Adds a section to repeal Section 3 of Chapter 26 of the 2019 Session Laws, relating to additional funding that may be accepted and expended by the Governor. This section was not previously added by the House or Senate.

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

21.0260.02005
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Conference Committee
April 19, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on pages 1388 and 1389 of the House Journal and pages 1084 and 1085 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, replace lines 13 and 14 with:

"Salaries and wages	\$3,623,946	\$237,088	\$3,861,034
Operating expenses	368,440	53,195	421,635"

Page 1, replace lines 17 and 18 with:

"Governor's salary	<u>274,112</u>	<u>10,363</u>	<u>284,475</u>
Total general fund	\$4,287,298	\$300,646	\$4,587,944"

Page 2, line 4, replace "In" with "Subject to the limitations of this section, in"

Page 2, line 10, after the period insert "The governor's office may not expend funds under this section if the amount of funds received from a source exceeds \$50,000."

SECTION 4. GOVERNOR'S SALARY - EXEMPTION. The Governor's salary line item in section 1 of this Act includes the sum of \$284,475 for the salary of the governor for the biennium beginning July 1, 2021, and ending June 30, 2023. If the governor chooses to not accept the salary or any portion of the salary pursuant to section 54-07-04, section 54-07-04 does not apply to the portion of the salary not accepted. Notwithstanding section 54-16-04, the office of management and budget may transfer appropriation authority from the governor's salary line item to other line items in section 1 of this Act."

Page 2, line 16, replace "forty-two" with "forty-three"

Page 2, line 16, replace "nine" with "six"

Page 2, line 16, replace "forty-one" with "forty-six"

Page 2, line 22, replace "one" with "seven"

Page 2, line 22, replace "seventy-nine" with "twenty-seven"

Page 3, line 1, replace "6" with "7"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,623,946	\$3,707,055	\$153,979	\$3,861,034	\$3,711,034	\$150,000
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Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary	<u>274,112</u>	<u>281,636</u>	<u>2,839</u>	<u>284,475</u>	<u>284,475</u>	

Total all funds	\$4,287,298	\$4,281,126	\$306,818	\$4,587,944	\$4,437,944	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$4,287,298	\$4,281,126	\$306,818	\$4,587,944	\$4,437,944	\$150,000
FTE	18.00	18.00	0.00	18.00	18.00	0.00

Department 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adds Salary Equity Funding ²	Restores Funding for Operating Expenses ³	Adds Funding for Event Travel Costs ⁴	Total Conference Committee Changes
Salaries and wages	\$3,979	\$150,000			\$153,979
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Governor's salary	2,839				2,839
Total all funds	\$6,818	\$150,000	\$100,000	\$50,000	\$306,818
Less estimated income	0	0	0	0	0
General fund	\$6,818	\$150,000	\$100,000	\$50,000	\$306,818
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

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This amendment also:

- Makes the statutory changes necessary to provide the Governor and Lieutenant Governor with salary increases of 1.5 percent effective July 1, 2021, and 2 percent effective July 1, 2022, the same as the Senate. The House had provided 1.5 percent annual increases.
- Amends Section 3 regarding additional funding that may be accepted and expended by the Governor.
- Adds a section to allow the Governor to decline a salary and authorizes funding for the Governor's salary to be transferred to other line items. This section was not previously added by the House and Senate.

21.0260.02004
Title.

Prepared by the Legislative Council staff for
Representative Schatz
April 16, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from the Senate amendments as printed on pages 1388 and 1389 of the House Journal and pages 1084 and 1085 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 2, line 3, remove "- **APPROPRIATION**"

Page 2, line 5, remove "there is appropriated to"

Page 2, line 5, replace the comma with "may accept"

Page 2, line 7, remove "must be used for the specific"

Page 2, line 8, replace "purpose intended for the funds or transferred to the appropriate state agency or institution" with "may not be spent until authorization is received from the legislative assembly or from the emergency commission and budget section under chapter 54-16"

Renumber accordingly