

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions
2 under the supervision of the director of the office of management and budget; to provide an
3 exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to
4 provide a statement of legislative intent relating to state employee compensation adjustments;
5 to authorize transfer of various special funds to the general fund; to provide for mobile data
6 terminals; to provide directives relating to 911 telephone services; to provide for program
7 reductions if federal programs are terminated or reduced; to provide for a transfer from the
8 North Dakota insurance reserve fund to the office of management and budget; to provide for a
9 transfer from the information services division operating fund to the state general fund; to
10 provide legislative intent regarding legislative renovations; and to amend and reenact sections
11 32-12.2-06 and 54-27.2-02 of the North Dakota Century Code, relating to the state risk
12 management fund and to the budget stabilization fund; to provide an expiration date; and to
13 declare an emergency.

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

15 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
16 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
17 the state treasury, not otherwise appropriated, and from special funds derived from federal
18 funds and other income, to the various divisions under the supervision of the director of the
19 office of management and budget for the purpose of defraying their expenses, for the biennium
20 beginning July 1, 1997, and ending June 30, 1999, as follows:

21 Subdivision 1.

22 **OFFICE OF MANAGEMENT AND BUDGET**

23 Administration	\$ 3,405,558
24 Fiscal management	4,066,236

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1	Facility management	8,260,692
2	Central personnel	1,126,728
3	Intergovernmental assistance	39,503,256
4	Risk management	<u>843,818</u>
5	Total all funds	\$ 57,206,288
6	Less estimated income	<u>41,996,220</u>
7	Total general fund appropriation	\$ 15,210,068

8 Subdivision 2.

9 INFORMATION SERVICES DIVISION

10	Information resource management	\$ <u>44,897,969</u>
11	Total special funds appropriation	\$ 44,897,969

12 Subdivision 3.

13 CENTRAL SERVICES

14	Central services	\$ <u>4,601,858</u>
15	Total all funds	\$ 4,601,858
16	Less estimated income	<u>4,247,641</u>
17	Total general fund appropriation	\$ 354,217

18 Subdivision 4.

19 STATE RADIO COMMUNICATIONS

20	Salaries and wages	\$ 2,347,426
21	Operating expenses	1,750,927
22	Equipment	<u>613,201</u>
23	Total all funds	\$ 4,711,554
24	Less estimated income	<u>586,610</u>
25	Total general fund appropriation	\$ 4,124,944

26 Grand total general fund appropriation H.B. 1015 \$ 19,689,229

27 Grand total special funds appropriation H.B. 1015 \$ 91,728,440

28 Grand total all funds appropriation H.B. 1015 \$ 111,417,669

29 **SECTION 2. ADDITIONAL INCOME.** All income in excess of estimated income in the
30 budget appropriated by the legislative assembly to the office of management and budget for the
31 biennium beginning July 1, 1997, and ending June 30, 1999, must be deposited in the

appropriate operating funds in the state treasury and may only be expended with the authorization of the emergency commission. Income exceeding \$50,000 must be approved by the budget section.

SECTION 3. LINE ITEM TRANSFERS. Upon approval of the emergency commission, the director of the office of management and budget may transfer between various line items in subdivisions 1, 2, and 3 of section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

SECTION 4. CAPITOL BUILDING FUND. The amount of \$605,850, or so much of the sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is to be spent by the facility management division from the capitol building fund during the biennium beginning July 1, 1997, and ending June 30, 1999.

SECTION 5. EXEMPTION. The fiscal management appropriation contained in subdivision 1 of section 1 of chapter 37 of the 1995 Session Laws is not subject to the provisions of section 54-44.1-11 for up to an amount of \$800,000 and any unexpended funds from this appropriation are available for continued development and operating costs of the accounting, management, and payroll systems during the biennium beginning July 1, 1997, and ending June 30, 1999.

SECTION 6. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-fifth legislative assembly that 1997-99 compensation adjustments for permanent state employees are to be increases of 1.5 percent beginning with the month of July 1997, to be paid in August 1997, and another 1.5 percent beginning with the month of July 1998, to be paid in August 1998.

In addition, the fifty-fifth legislative assembly has appropriated an additional 1.5 percent employee pay increase each year of the biennium to be used by agency and institution directors to address compression problems and provide merit increases. The additional increases are to be paid in August 1997 for the first year of the biennium and in August 1998 for the second year of the biennium.

Probationary employees and employees whose documented performance levels do not meet standards are not eligible for the general or additional increases.

During the biennium, no general salary increase other than the 1.5 percent in July 1997 and the 1.5 percent in July 1998 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

It is the intent of the fifty-fifth legislative assembly that the workers compensation bureau receive its 1997-99 employee compensation adjustment in a lump sum amount of \$508,406 to provide pay raises based on merit and performance throughout the 1997-99 biennium.

SECTION 7. INTENT. Within the authority included in subdivision 1 of section 1 of this Act, are the following grants and special items:

Boys and girls clubworks	\$ 53,000
State contingencies	500,000
State memberships and related expenses	307,500
Firemen's association	63,000
Unemployment insurance	2,000,000
Capitol grounds planning commission	25,000

SECTION 8. TRANSFER. During the biennium beginning July 1, 1997, and ending June 30, 1999, the director of the office of management and budget is authorized to transfer special funds to the general fund as follows:

Lands and minerals trust fund	\$ 5,500,000
State aid distribution fund	39,372,706

SECTION 9. FIRE AND TORNADO FUND. The amount of \$63,000, or so much of the amount as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the fire and tornado fund.

SECTION 10. MOBILE DATA TERMINALS. Of the amounts included in the operating and equipment line items in subdivision 4 of section 1 of this Act, \$266,180 and \$573,201, respectively, provide for radio tower upgrades for mobile data terminals. These funds may not be expended prior to the completion of the mobile data communications plan provided for in the highway patrol appropriation.

SECTION 11. STATE RADIO - 911 SERVICES. As required by section 18 of 1995 Senate Bill No. 2015, the fifty-fifth legislative assembly specifically provides state radio communications with the authority to expand its 911 services beyond the twenty-county limit set

by the fifty-fourth legislative assembly. The authority to add Golden Valley county to its 911 service begins with the effective date of this Act and ends on June 30, 1999. State radio communications is then limited to providing 911 services to the counties being served as of June 30, 1999.

**SECTION 12. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING
REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET**

SECTION. If the federal government during the 1997-99 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council for its approval.

SECTION 13. RISK MANAGEMENT. The North Dakota insurance reserve fund shall transfer \$5,000,000 of excess equity investment in the North Dakota insurance reserve fund to the office of management and budget on July 1, 1997. This transfer represents final settlement with the North Dakota insurance reserve fund for any claim by the state to any funds held in reserve by the North Dakota insurance reserve fund for claims pending before July 1, 1997.

The recovery of the \$5,000,000, together with current reserves in the risk management fund, are considered sufficient reserves for claims anticipated in the 1997-99 biennium. Therefore, the following amounts shall be deducted from the budgets for risk management premiums as indicated:

	TOTAL CONTRIBUTIONS RECOMMENDED
AGENCY NAME	1997-99

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1	Governor	\$	5,807
2	Secretary of state		8,065
3	Office of management and budget		39,231
4	Information services division		44,199
5	State auditor		16,843
6	Central services		8,065
7	State treasurer		3,441
8	Attorney general		68,782
9	State tax commissioner		50,332
10	Office of administrative hearings		1,742
11	Legislative council		10,001
12	Supreme court		20,216
13	Judicial conduct commission		2,151
14	Trial courts		81,734
15	Retirement and investment office		6,129
16	Public employees retirement system		5,807
17	Superintendent of public instruction		42,732
18	North Dakota university system office		6,387
19	Board of university and school lands		5,408
20	Bismarck state college		45,205
21	University of North Dakota - Lake Region		13,657
22	University of North Dakota - Williston		14,984
23	University of North Dakota		332,362
24	University of North Dakota medical center		169,097
25	North Dakota state university		246,740
26	North Dakota state college of science		80,723
27	Dickinson state university		40,332
28	Mayville state university		23,424
29	Minot state university		99,680
30	Valley City state university		36,719
31	Minot state university - Bottineau		14,988

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1	North Dakota forest service	7,024
2	State library	9,517
3	School for the deaf	16,864
4	School for the blind	11,275
5	State board for vocational and technical education	10,162
6	State department of health	171,531
7	Veterans home	29,930
8	Indian affairs commission	1,075
9	Department of veterans affairs	3,075
10	Children's services coordinating committee	645
11	Department of human services	717,420
12	Protection and advocacy project	13,764
13	Job service North Dakota	144,639
14	Insurance commissioner	16,453
15	Industrial commission	24,092
16	Labor commissioner	2,581
17	Public service commission	16,133
18	Aeronautics commission	1,742
19	Department of banking and financial institutions	10,323
20	Securities commissioner	3,011
21	Bank of North Dakota	67,754
22	North Dakota housing finance agency	16,453
23	North Dakota mill and elevator association	53,341
24	Workers compensation bureau	50,171
25	Highway patrol	105,931
26	State radio communications	9,678
27	Division of emergency management	9,033
28	Department of corrections and rehabilitation	210,807
29	Adjutant general	73,414
30	Department of economic development and finance	9,678
31	Agriculture commissioner	13,954

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1	North Dakota agricultural products utilization commission	645
2	State seed department	10,307
3	Upper great plains transportation institute	3,871
4	North Dakota state university extension service	74,204
5	Northern crops institute	2,581
6	North Dakota state university main research center	109,137
7	Dickinson research center	4,115
8	Central grasslands research center	1,613
9	Hettinger research center	2,581
10	Langdon research center	2,179
11	North central research center	1,936
12	Williston research center	2,581
13	Carrington research center	4,678
14	Agronomy seed farm	968
15	Land reclamation research center	6,696
16	North Dakota state fair	3,637
17	State historical society	16,778
18	Council on the arts	1,774
19	Soil conservation committee	1,936
20	Game and fish department	40,167
21	Department of tourism	3,226
22	Department of parks and recreation	11,033
23	State water commission	36,566
24	Department of transportation	<u>1,095,846</u>
25	Total	\$4,815,508

26 **SECTION 14. TRANSFER.** The director of the office of management and budget shall
27 transfer \$550,000, or an amount equal to the 1997-99 biennium costs relating to the information
28 technology management division of the legislative council, whichever is less, from the
29 information services operating fund to the general fund during the biennium beginning July 1,
30 1997, and ending June 30, 1999. The transfer is to reimburse the general fund for costs
31 relating to information technology research, planning, monitoring, reviewing, and auditing and

for assistance provided to agencies by the information technology management division of the legislative council.

SECTION 15. INTENT - LEGISLATIVE RENOVATIONS. It is the intent of the fifty-fifth legislative assembly that the facility management division of the office of management and budget convert, during the 1997-99 biennium, the house of representatives lounge into a house committee room. The house conference room is then to be renovated and used to provide space and three telephone lines for the doctor of the day.

SECTION 16. AMENDMENT. Section 32-12.2-06 of the North Dakota Century Code is amended and reenacted as follows:

32-12.2-06. (~~Contingent expiration date -- see Note~~) Liability insurance - Reinsurance. Upon approval of the director of the office of management and budget, an entity of the state may participate in a government self-insurance pool or may purchase insurance against liability of the entity and its employees for damages resulting from claims under this chapter. The director shall limit participation in government self-insurance pools and, except as provided in this section, the purchase of insurance to exposures determined to cause an excessive financial risk to the state risk management fund including exposures reasonably expected to deplete the fund and have a significant detrimental impact on the state's budget. The director shall develop a state self-insurance program that provides as much coverage as possible of potential liability recognized by this chapter, but that includes supplemental insurance purchases in a manner that is determined appropriate by the director in consultation with the state risk manager. The insurance may be provided by an insurance company authorized to do business in this state which the commissioner of insurance has determined to be responsible and financially sound, considering the extent of the coverage required, or coverage may be provided by a government self-insurance pool. If a premium savings will result and the director of the office of management and budget approves, the insurance policy or memorandum of coverage may be in force from one through three years from the date of issue. The director may procure an excess loss reinsurance contract for the state.

SECTION 17. AMENDMENT. Section 54-27.2-02 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-02. (~~Effective until June 30, 1997~~) Certain general fund revenues to be deposited in the budget stabilization fund. Notwithstanding any other provision of law

1 except section 54-27.2-01, any amount in the state general fund in excess of ~~seventy~~ sixty-five
2 million dollars at the end of any biennium must be transferred by the state treasurer to the
3 budget stabilization fund. For purposes of this section, "at the end of any biennium" means
4 after cancellation of unexpended appropriations under section 54-44.1-11.

5 ~~(Effective June 30, 1997) Certain general fund revenues to be deposited in the~~
6 ~~budget stabilization fund. Notwithstanding any other provision of law except section~~
7 ~~54-27.2-01, any amount in the state general fund in excess of forty million dollars at the end of~~
8 ~~any biennium must be transferred by the state treasurer to the budget stabilization fund. For~~
9 ~~purposes of this section, "at the end of any biennium" means after cancellation of unexpended~~
10 ~~appropriations under section 54-44.1-11.~~

11 **SECTION 18. EXPIRATION DATE.** Section 17 of this Act is effective through June 30,
12 1999, and after that date is ineffective.

13 **SECTION 19. EMERGENCY.** Section 17 of this Act is declared to be an emergency
14 measure.