

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 appropriation to agencies and institutions of state government; to provide for various transfers
4 and financial transactions; to provide an exemption from the provisions of section 54-44.1-11 of
5 the North Dakota Century Code; to provide statements of legislative intent relating to state
6 employee compensation adjustments, federal program termination, and performance-based
7 program budgeting; to authorize the transfer of special funds to the general fund; to provide for
8 transfers from the Bank of North Dakota to the state general fund; to provide for a legislative
9 council study; to create and enact a new section to chapter 54-23.2 of the North Dakota
10 Century Code, relating to mobile data terminal and 911 service fees; to amend and reenact
11 subsection 2 section 32-12.2-07, sections 54-16-04.1, 54-16-04.2, and 54-27.2-02 of the North
12 Dakota Century Code, relating to the risk management fund, emergency commission
13 approvals, and the budget stabilization fund; to provide for retroactive application; and to
14 declare an emergency.

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

16 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
17 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
18 the state treasury, not otherwise appropriated, and from special funds derived from federal
19 funds and other income, to the various divisions under the supervision of the director of the
20 office of management and budget for the purpose of defraying their expenses, for the biennium
21 beginning July 1, 1999, and ending June 30, 2001, as follows:

22 Subdivision 1.

23 OFFICE OF MANAGEMENT AND BUDGET

Fifty-sixth
Legislative Assembly

1	Administration	\$2,982,026
2	Fiscal management	3,875,828
3	Facility management	7,854,694
4	Central personnel	1,212,300
5	Division of community services	42,035,197
6	Risk management	959,911
7	Statewide compensation plan	<u>5,400,000</u>
8	Total all funds	\$64,319,956
9	Less estimated income	<u>46,088,243</u>
10	Total general fund appropriation	\$18,231,713
11	Subdivision 2.	
12	INFORMATION SERVICES DIVISION	
13	Information resource management	<u>\$49,409,295</u>
14	Total special funds appropriation	\$49,409,295
15	Subdivision 3.	
16	CENTRAL SERVICES	
17	Central services	<u>\$5,454,471</u>
18	Total all funds	\$5,454,471
19	Less estimated income	<u>4,774,332</u>
20	Total general fund appropriation	\$680,139
21	Subdivision 4.	
22	STATE RADIO COMMUNICATIONS	
23	Salaries and wages	\$2,468,120
24	Operating expenses	1,788,580
25	Equipment	<u>160,000</u>
26	Total all funds	\$4,416,700
27	Less estimated income	<u>514,990</u>
28	Total general fund appropriation	\$3,901,710
29	Grand total general fund appropriation S.B. 2015	\$22,813,562
30	Grand total special funds appropriation S.B. 2015	\$100,786,860
31	Grand total all funds appropriation S.B. 2015	\$123,600,422

SECTION 2. APPROPRIATION. There is hereby appropriated from federal funds \$6,000,000, or so much of the sum as may be necessary, to the director of the office of management and budget for the division of community services for flood-related disasters and the weatherization of low-income homes, for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 3. APPROPRIATION - ADDITIONAL STATE EMPLOYEE COMPENSATION. The sums hereinafter listed, or so much thereof as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, and from special funds derived from federal funds or other income as indicated to the agencies and institutions of state government named for the purpose of providing additional compensation to employees of the various agencies and institutions for the biennium beginning July 1, 1999, and ending June 30, 2001:

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$24,738		\$24,738
Secretary of state	23,011		23,011
Office of management and budget	101,580	\$23,183	124,763
Information services division		232,830	232,830
State auditor	46,698	22,232	68,930
Central services	5,842	20,346	26,188
State treasurer	7,952		7,952
Attorney general	178,527	26,492	205,019
Tax commissioner	148,810		148,810
Administrative hearings office		8,632	8,632
Legislative council	53,990		53,990
Supreme court	52,064		52,064
Judicial conduct commission	5,667		5,667
District court	180,026	3,902	183,928
Clerk of court	42,400		42,400
Retirement and investment office		19,038	19,038
Public employees retirement system		17,021	17,021
Department of public instruction	50,137	99,160	149,297

Fifty-sixth
Legislative Assembly

1	North Dakota university system	35,118		35,118
2	Land department		23,717	23,717
3	Bismarck state college	193,940		193,940
4	University of North Dakota -	59,016		59,016
5	Lake Region			
6	University of North Dakota -	70,208		70,208
7	Williston			
8	University of North Dakota	1,330,237		1,330,237
9	University of North Dakota	900,749		900,749
10	medical center			
11	North Dakota state university	1,212,920	763	1,213,683
12	North Dakota state college of	284,049		284,049
13	science			
14	Dickinson state university	189,770		189,770
15	Mayville state university	105,036		105,036
16	Minot state university	383,481		383,481
17	Valley City state university	141,147		141,147
18	Minot state university -	46,785		46,785
19	Bottineau			
20	North Dakota forest service	18,532		18,532
21	State library	23,552	734	24,286
22	School for the deaf	51,814	1,093	52,907
23	School for the blind	32,328		32,328
24	Board for vocational and	19,823	15,352	35,175
25	technical education			
26	Health department	124,406	221,166	345,572
27	Veterans home	66,734		66,734
28	Indian affairs commission	3,637		3,637
29	Department of veterans affairs	4,889	173	5,062
30	Children's services coordinating		908	908

Fifty-sixth
Legislative Assembly

1	committee			
2	Department of human services	1,588,393	629,946	2,218,339
3	Protection and advocacy project	23,348		23,348
4	Job service		406,010	406,010
5	Insurance commissioner		56,063	56,063
6	Industrial commission	71,165	9,724	80,889
7	Labor commissioner	7,342	1,047	8,389
8	Public service commission	52,244	8,805	61,049
9	Aeronautics commission		7,629	7,629
10	Department of banking and		31,222	31,222
11	financial institutions			
12	Securities commissioner	11,042		11,042
13	Bank of North Dakota		185,708	185,708
14	Housing finance agency		38,400	38,400
15	Highway patrol	223,285	11,936	235,221
16	State radio	31,205		31,205
17	Division of emergency	8,984	12,054	21,038
18	management			
19	Department of corrections and	494,678	39,935	534,613
20	rehabilitation			
21	Adjutant general	37,338	97,835	135,173
22	Department of economic	38,472	3,196	41,668
23	development and finance			
24	Agriculture commissioner	36,373	16,727	53,100
25	Seed department			
26	Upper great plains	5,816	26,911	32,727
27	transportation institute			
28	North Dakota state university	211,009	118,986	329,995
29	extension service			
30	Northern crops institute	7,153	4,554	11,707

Fifty-sixth
Legislative Assembly

1	Main research center	375,408	118,143	493,551
2	Dickinson research extension	17,006	102	17,108
3	center			
4	Central grasslands research	7,561		7,561
5	extension center			
6	Hettinger research extension	7,485	2,071	9,556
7	center			
8	Langdon research extension	7,631	930	8,561
9	center			
10	North central research extension	8,739	1,126	9,865
11	center			
12	Williston research extension	8,697	443	9,140
13	center			
14	Carrington research extension	15,176	4,637	19,813
15	center			
16	Agronomy seed farm		4,468	4,468
17	Historical society	53,883		53,883
18	Council on the arts	4,974		4,974
19	Game and fish department		156,680	156,680
20	Department of tourism	10,897		10,897
21	Department of parks and	39,500	1,680	41,180
22	recreation			
23	Water commission	89,446	13,417	102,863
24	Department of transportation	<u> </u>	<u>1,033,850</u>	<u>1,033,850</u>
25	Total	\$9,713,863	\$3,780,977	\$13,494,840

SECTION 4. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET

SECTION APPROVAL. 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.

1 **SECTION 5. CAPITOL BUILDING FUND.** The amount of \$225,000, or so much of the
2 sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of
3 this Act, is to be spent by the facility management division from the capitol building fund during
4 the biennium beginning July 1, 1999, and ending June 30, 2001. The amount of \$25,000, or so
5 much of the sum as is necessary, included in the estimated income line item in subdivision 1 of
6 section 1 of this Act, is to be spent by the administration division from the capitol building fund
7 for capitol grounds planning during the biennium beginning July 1, 1999, and ending June 30,
8 2001.

9 **SECTION 6. EXEMPTION.** The fiscal management appropriation contained in
10 subdivision 1 of section 1 of chapter 15 of the 1997 Session Laws is not subject to the
11 provisions of section 54-44.1-11 for up to an amount of \$500,000 and any unexpended funds
12 from this appropriation are available for continued development and operating costs of the
13 accounting, management, and payroll systems during the biennium beginning July 1, 1999, and
14 ending June 30, 2001.

15 **SECTION 7. SPECIAL COMPENSATION ADJUSTMENTS FOR CLASSIFIED STATE**
16 **EMPLOYEES.** It is the intent of the fifty-sixth legislative assembly that the statewide
17 compensation plan appropriation included in subdivision 1 of section 1 of this Act be used for
18 market equity compensation adjustments for classified state employees. The special market
19 equity adjustments are to begin with the month of July 1999, to be paid in August 1999. The
20 special market equity adjustments are to be independent of any general salary increase
21 provided by this legislative assembly.

22 The special market equity increases are to be prioritized based on equity for employees
23 whose salaries are furthest from their respective salary range midpoints effective July 1, 1999.
24 Special market equity increases may not be given to employees whose salary exceeds the
25 midpoints of their assigned salary range effective July 1, 1999.

26 Probationary employees are eligible for the special market equity increases.
27 Employees whose documented performance levels do not meet standards are not eligible for
28 the special market equity increases.

29 The central personnel division shall provide a model base plan to each agency.
30 Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an
31 alternative plan that meets the intent outlined in this section.

Upon adoption of an appropriate plan and application to the central personnel division, the division shall transfer appropriated general funds or special fund spending authority for the increases to the agencies.

SECTION 8. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-sixth legislative assembly that 1999-2001 compensation adjustments for permanent state employees are to be increases of a minimum of \$35 per month, beginning with the month of July 1999, to be paid in August 1999, and a minimum of \$35 per month, beginning with the month of July 2000, to be paid in August 2000. Any increases greater than \$35 per month may not be given across-the-board and must be based on merit and equity. Agency salary funding is increased by 3.0 percent per year.

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 salary increase other than the \$35 per month in July 1999 and \$35 per month in July 2000 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

It is the intent of the fifty-sixth legislative assembly that the workers compensation bureau provide pay raises based on merit and performance throughout the 1999-2001 biennium.

SECTION 9. 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	600,000
State memberships and related expenses	317,000
Firemen's association	63,000
Unemployment insurance	1,200,000
Capitol grounds planning commission	25,000
State lobbyist	120,000

SECTION 10. TRANSFER. During the biennium beginning July 1, 1999, and ending June 30, 2001, the director of the office of management and budget is authorized to transfer special funds to the general fund as follows:

1	Lands and minerals trust fund	\$3,000,000
2	Public employees life insurance program	1,500,000
3	Financial institutions regulatory fund	200,000

4 **SECTION 11. FIRE AND TORNADO FUND.** The amount of \$63,000, or so much of
5 the amount as is necessary, included in the estimated income line item in subdivision 1 of
6 section 1 of this Act, is from the fire and tornado fund.

7 **SECTION 12. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL**
8 **FUND.** During the biennium ending June 30, 2001, the industrial commission shall transfer to
9 the state general fund up to \$50,000,000 from the current earnings and the accumulated
10 undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount
11 transferred may come from accumulated undivided profits. The moneys must be transferred in
12 the amounts and at such times as requested by the director of the office of management and
13 budget.

14 No transfers may be made that would reduce the Bank's capital structure below
15 \$100,000,000.

16 **SECTION 13. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE**
17 **GENERAL FUND - BUDGET SECTION APPROVAL.** If, during the biennium ending June 30,
18 2001, the director of the office of management and budget determines via revised projections
19 that general fund revenue collections will not meet the revenues as forecast in the March 1999
20 legislative forecast, then the industrial commission shall transfer to the state general fund an
21 additional amount, as determined by the director of the office of management and budget and
22 as approved by the budget section, from the earnings and accumulated and undivided profits of
23 the Bank of North Dakota. Transfers made under the provisions of this section may not be
24 made before July 1, 2000, and may only be made to the extent that the transfer is necessary to
25 achieve a projected June 30, 2001, general fund balance of \$10,000,000. The moneys must
26 be transferred in amounts and at such times as requested by the director of the office of
27 management and budget. The additional amount transferred may not exceed the lesser of
28 \$40,000,000 or the revenue shortfall of actual collections compared to the March 1999
29 legislative forecast.

30 No transfers may be made that would reduce the Bank's capital structure below
31 \$100,000,000.

SECTION 14. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING

REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET

SECTION. If the federal government during the 1999-2001 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 15. PROGRAM-BASED PERFORMANCE BUDGETING. The office of management and budget shall discontinue the program-based performance budgeting pilot project when preparing the 2001-03 biennium budget documents and accompanying appropriation bills. Budget documents for the 2001-03 biennium are to be based on the standard line items and are not to contain agency performance measures.

SECTION 16. LEGISLATIVE COUNCIL INTERIM STUDY OF PERFORMANCE

INCENTIVE PILOT PROGRAMS. The legislative council shall consider studying the establishment of agency performance incentive pilot programs. If conducted, the study should address how agencies could develop, implement, administer, maintain, and evaluate performance incentive pilot programs. The study should also address the development of personnel policies and procedure manuals and how pay raises which may not be across the board are to be awarded as a reward and incentive for superior performance and the length of time they may be in effect. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

1 **SECTION 17. AMENDMENT.** Subsection 2 of section 32-12.2-07 of the 1997
2 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 3 2. The state risk management fund is a special fund in the state treasury
4 administered by the director of the office of management and budget. The fund is
5 a revolving fund consisting of contributions from participating state entities, all
6 payments received by the fund from its activities, and other appropriations by the
7 legislative assembly. The state investment board shall invest the fund in
8 accordance with chapter 21-10. Funds received as contributions from state
9 entities, all other payments deposited in the fund, and interest and income
10 received on investments are hereby appropriated on a continuing basis for the
11 purposes of the fund. Section 54-44.1-11 does not apply to the fund.

12 **SECTION 18. AMENDMENT.** Section 54-16-04.1 of the 1997 Supplement to the North
13 Dakota Century Code is amended and reenacted as follows:

14 **54-16-04.1. May authorize acceptance and disbursement of federal funds.** The
15 emergency commission with the advice and counsel of the executive office of the budget may
16 authorize the state treasurer to receive any moneys not appropriated by the legislative
17 assembly which are made available by any federal agency and which the legislative assembly
18 has not indicated an intent to reject. The emergency commission may authorize pass-through
19 federal funds from one state agency to another state agency. The emergency commission,
20 with approval of the budget section of the legislative council if the amount under consideration
21 exceeds fifty thousand dollars, may authorize any state officer to expend federal moneys from
22 the date such moneys become available until June thirtieth following the next regular legislative
23 session. The expenditures must be consistent with state law and with the terms of the grant
24 and the program may not commit the legislative assembly for matching funds in the future
25 unless the program has first been approved by the legislative assembly. A state officer may not
26 expend funds received from the federal government which have not been specifically
27 appropriated by the legislative assembly except as provided in this chapter. A state officer shall
28 submit an expenditure plan with a request for approval under this section of expenditure of
29 federal funds combined with or as part of a block grant for a new or existing program.

30 **SECTION 19. AMENDMENT.** Section 54-16-04.2 of the 1997 Supplement to the North
31 Dakota Century Code is amended and reenacted as follows:

54-16-04.2. Commission may authorize acceptance and expenditure of moneys.

The emergency commission, upon the advice of the office of management and budget, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize a state officer to receive moneys from gifts, grants, donations, or other sources, not otherwise appropriated by the legislative assembly, for new or existing programs if the legislative assembly has not indicated an intent to reject the moneys or the program. The emergency commission may authorize the state officer to expend money received under this section from the date the money becomes available until June thirtieth following the next regular legislative session.

SECTION 20. A new section to chapter 54-23.2 of the North Dakota Century Code is created and enacted as follows:

Mobile data terminal and 911 service fees. State radio communications shall establish and charge fees to provide mobile data terminal service to interested local law enforcement agencies. The fees must be based on actual costs incurred by state radio communications for providing the service.

State radio communications shall charge at least twenty cents per telephone for 911 services provided to political subdivisions. Each county currently receiving 911 services from state radio communications shall abide by the standards established by the governor's emergency services advisory committee.

SECTION 21. AMENDMENT. Section 54-27.2-02 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-27.2-02. ~~(Effective through June 30, 1999)~~ Certain general fund revenues to be deposited in the budget stabilization fund. Notwithstanding any other provision of law except section 54-27.2-01, any amount in the state general fund in excess of sixty-five million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund. For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

~~**(Effective July 1, 1999) Certain general fund revenues to be deposited in the budget stabilization fund.** Notwithstanding any other provision of law except section 54-27.2-01, any amount in the state general fund in excess of forty million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund. For~~

1 ~~purposes of this section, "at the end of any biennium" means after cancellation of unexpended~~
2 ~~appropriations under section 54 44.1 11.~~

3 **SECTION 22. RETROACTIVE APPLICATION.** Section 17 of this Act is effective for all
4 funds received and deposited into the risk management fund on or after July 1, 1997.

5 **SECTION 23. EMERGENCY.** Section 2 of this Act is declared to be an emergency
6 measure.