

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 for
3 various transfers and financial transactions; to provide an exemption from the provisions of
4 section 54-44.1-11 of the North Dakota Century Code; to provide statements of legislative
5 intent relating to state employee compensation adjustments; to provide for a reduction in fire
6 and tornado insurance premiums; to provide for a statewide radio system planning fund
7 assessment; to provide a conditional exemption for state property from special assessments for
8 flood control in a city that has received state financial assistance for flood control projects; and
9 to create and enact a new section to chapter 54-44.1 of the North Dakota Century Code,
10 relating to new building construction cost-benefit analyses.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
13 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
14 the state treasury, not otherwise appropriated, and from special funds derived from federal
15 funds and other income, to the various divisions under the supervision of the director of the
16 office of management and budget for the purpose of defraying their expenses, for the biennium
17 beginning July 1, 2001, and ending June 30, 2003, as follows:

18 Subdivision 1.

19 OFFICE OF MANAGEMENT AND BUDGET

20 Salaries and wages	\$11,918,846
21 Operating expenses	9,651,346
22 Equipment	166,000
23 Capital improvements	1,320,620
24 Grants	274,000

Fifty-seventh
Legislative Assembly

1	Statewide compensation plan	<u>5,000,000</u>
2	Total all funds	\$28,330,812
3	Less estimated income	<u>9,442,120</u>
4	Total general fund appropriation	\$18,888,692

5 Subdivision 2.

6 STATE RADIO COMMUNICATIONS

7	Salaries and wages	\$2,655,238
8	Operating expenses	2,270,810
9	Equipment	<u>314,136</u>
10	Total all funds	\$5,240,184
11	Less estimated income	<u>924,432</u>
12	Total general fund appropriation	\$4,315,752
13	Grand total general fund appropriation H.B. 1015	\$23,204,444
14	Grand total special funds appropriation H.B. 1015	\$10,366,552
15	Grand total all funds appropriation H.B. 1015	\$33,570,996

16 **SECTION 2. CAPITOL BUILDING FUND.** The amount of \$25,000, or so much of the
17 sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of
18 this Act, is to be spent by the administration division from the capitol building fund for capitol
19 grounds planning during the biennium beginning July 1, 2001, and ending June 30, 2003.

20 **SECTION 3. EXEMPTION.** The fiscal management appropriation contained in
21 subdivision 1 of section 1 of chapter 37 of the 1999 Session Laws is not subject to the
22 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available
23 for continued development and operating costs of the accounting, management, and payroll
24 systems during the biennium beginning July 1, 2001, and ending June 30, 2003.

25 **SECTION 4. SPECIAL COMPENSATION ADJUSTMENTS FOR CLASSIFIED STATE**
26 **EMPLOYEES.** It is the intent of the fifty-seventh legislative assembly that the statewide
27 compensation plan appropriation included in subdivision 1 of section 1 of this Act be used for
28 market equity compensation adjustments for classified state employees. The special market
29 equity adjustments are to begin with the month of July 2001, to be paid in August 2001. The
30 special market equity adjustments are to be independent of any general salary increase
31 provided by this legislative assembly.

1 The special market equity increases are to be prioritized based on equity for employees
2 whose salaries are furthest from their respective salary range midpoints effective July 1, 2001.

3 Special market equity increases may not be given to employees whose salary exceeds the
4 midpoints of their assigned salary ranges effective July 1, 2001.

5 Probationary employees are eligible for the special market equity increases.
6 Employees whose documented performance levels do not meet standards are not eligible for
7 the special market equity increases.

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

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

14 **SECTION 5. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS -**

15 **GUIDELINES.** It is the intent of the fifty-seventh legislative assembly that 2001-03
16 compensation adjustments for permanent state employees are to be increases of a minimum of
17 \$35 per month, beginning with the month of July 2001, to be paid in August 2001, and a
18 minimum of \$35 per month, beginning with the month of July 2002, to be paid in August 2002.
19 Any increases greater than \$35 per month may not be given across-the-board and must be
20 based on merit and equity. Each agency appropriation is increased by 3.0 percent the first year
21 of the 2001-03 biennium and 2.0 percent the second year of the 2001-03 biennium.

22 Employees whose documented performance levels do not meet standards are not
23 eligible for the general or additional increases.

24 Probationary employees are not entitled to the general or additional increases.
25 However, probationary employees may be given all or a portion of the increases effective July,
26 paid in August, or upon completion of probation, at the discretion of the appointing authority.

27 During the biennium, no salary increase other than the \$35 per month in July 2001 and
28 \$35 per month in July 2002 may be given to an employee whose salary exceeds or would
29 exceed the salary range maximum.

30 It is the intent of the fifty-seventh legislative assembly that the workers compensation
31 bureau provide pay raises based on merit and performance throughout the 2001-03 biennium.

Agency salaries and wages appropriations are increased in total by approximately two percent for the 2001-03 biennium relating to increased health insurance benefit costs.

SECTION 6. 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	333,200
Firemen's association	126,000
Unemployment insurance	1,200,000
Capitol grounds planning commission	25,000
State consultant	120,000

SECTION 7. TRANSFER. During the biennium beginning July 1, 2001, and ending June 30, 2003, the director of the office of management and budget is authorized to transfer special funds to the general fund as follows:

Land and minerals trust fund	\$3,545,102
Financial institutions regulatory fund	300,000

SECTION 8. DEVELOPMENTAL DISABILITIES REVOLVING LOAN FUND - AUTHORITY TO SELL LOANS - TRANSFERS. At the request of the director of the office of management and budget, the executive director or the department of human services shall sell such loans in the developmental disabilities revolving loan fund created under North Dakota Century Code section 6-09.6-01, as may be necessary to the Bank of North Dakota to provide \$2,000,000, or so much thereof as may be necessary, with the proceeds to be deposited in the general fund.

SECTION 9. FIRE AND TORNADO FUND. The amount of \$126,000, 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. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. During the biennium ending June 30, 2003, the industrial commission shall transfer to the state general fund up to \$60,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount transferred shall come from accumulated undivided profits. The moneys shall be transferred in

the amounts and at such times as requested by the director of the office of management and budget.

No transfers may be made that would reduce the Bank's capital structure below \$140,000,000.

SECTION 11. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND - BUDGET SECTION APPROVAL. If, during the biennium ending June 30, 2003, the director of the office of management and budget determines via revised projections that general fund revenue collections will not meet the revenues as forecast in the March 2001 legislative forecast, then the industrial commission shall transfer to the state general fund an additional amount, as determined by the director of the office of management and budget as approved by the budget section, from the earnings and accumulated and undivided profits of the Bank of North Dakota. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget. The additional amount transferred may not exceed the lesser of \$25,000,000 or the revenue shortfall of actual collections compared to the March 2001 legislative forecast.

No transfers may be made that would reduce the Bank's capital structure below \$140,000,000.

SECTION 12. STUDENT LOAN TRUST TRANSFER TO STATE GENERAL FUND. The industrial commission shall transfer to the general fund in the state treasury the sum of \$9,000,000 from the North Dakota student loan trust. The moneys must be transferred in such amounts and at such times as requested by the director of the office management and budget during the biennium beginning July 1, 2001, and ending June 30, 2003, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

SECTION 13. STATEWIDE RADIO SYSTEM PLANNING FUND. The estimated income line item included in subdivision 2 of section 1 of this Act includes \$400,000, or so much of the sum as is necessary, to be made available to state radio communications from the statewide radio system planning fund for developing a statewide radio system engineering plan during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 14. REDUCTION IN STATE FIRE AND TORNADO INSURANCE

PREMIUM. Notwithstanding section 26.1-22-14 and other sections in chapter 26.1-22, the commissioner of insurance shall reduce the insurance premium of every entity insured with the state fire and tornado fund for the first year of the biennium beginning July 1, 2001, and ending June 30, 2003. The reduction for each entity is fifteen percent of the insurance premium paid by that entity for the fiscal year ending June 30, 2001.

SECTION 15. STATEWIDE RADIO SYSTEM PLANNING FUND ASSESSMENT. The

commissioner of insurance shall assess and collect from every entity insured with the state fire and tornado fund a statewide radio system planning fund assessment in an amount equal to twelve and one-half percent of the entity's insurance premium for the first year of the biennium beginning July 1, 2001, and ending June 30, 2003. The commissioner shall use the applicable collection procedures provided for in chapter 26.1-22 to collect the statewide radio system planning fund assessments and deposit all money collected under this section in the statewide radio system planning fund.

SECTION 16. STATEWIDE RADIO SYSTEM PLANNING FUND. There is created in

the state treasury a statewide radio system planning fund. The fund consists of statewide radio system planning fund assessment money collected by the commissioner of insurance under section 15 of this Act. The money in this fund is to be used by state radio communications for a statewide radio system engineering plan. Any excess funds remaining in this fund on June 30, 2003, must be deposited in the state fire and tornado fund.

SECTION 17. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING

REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET

SECTION. If the federal government during the 2001-03 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

1 grant or similar measure, consistent with the terms of that measure, notwithstanding any other
2 provision of law intended to conform to or implement the provisions of the repealed federal Act,
3 and shall report any program terminations, reductions, or changes resulting from this section to
4 the budget section of the legislative council for its approval.

5 **SECTION 18. City flood control special assessment exemption for state property.**

6 Notwithstanding any other provision of law, property of the state in a city subject to this section
7 is exempt from special assessments levied for flood control purposes. Upon request by the
8 governing body of the city, the exemption under this section may be completely or partially
9 waived by majority vote of the budget section of the legislative council. A city is subject to the
10 exemption under this section in recognition of state financial assistance for flood control
11 provided to the city pursuant to section 61-02.1-01 or other appropriation or commitment of
12 state funds.

13 **SECTION 19.** A new section to chapter 54-44.1 of the North Dakota Century Code is
14 created and enacted as follows:

15 **Office of the budget and information technology department - New building**
16 **construction cost-benefit analyses.** The office of the budget shall complete a cost-benefit
17 analysis for each new building construction project included in budget requests submitted by
18 state agencies, departments, and institutions. The analysis must review options for co-locating
19 with other state agencies, departments, or institutions and consider information on related
20 technology costs and savings. The office of the budget shall obtain the assistance of the
21 information technology department, and that department shall review the technology costs and
22 savings involved in the proposed building and provide the analysis to the office of the budget.
23 The office of the budget shall report on the cost-benefit analyses for building projects included
24 in the governor's budget recommendation to the legislative assembly at the same time as the
25 governor's budget and revenue proposals are presented.