

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1513

Introduced by

Representatives Berg, Kaldor, Monson, Skarphol, Svedjan

Senator Christmann

1 A BILL for an Act to create and enact a new section to chapter 54-44.1 of the North Dakota
2 Century Code, relating to continuation of unspent appropriation authority at the end of a
3 biennium; to create a government innovation and efficiency grant program; to create a state
4 employee innovation award program; to provide reports to the legislative council; to provide a
5 contingent appropriation; and to provide a continuing appropriation.

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

7 **SECTION 1. Government innovation and efficiency grant program - Line of credit**
8 **- Continuing appropriation - Report to the budget section.**

- 9 1. The office of management and budget shall establish and administer a government
10 innovation and efficiency grant program to reduce the long-term cost of state
11 government operations and to improve public services. All executive branch state
12 agencies and institutions are eligible to participate in the program.
- 13 2. A state agency or institution may submit to the office of management and budget a
14 proposal to reduce expenditures for the agency or institution or a proposal to
15 improve services provided without an increase in the long-term costs for the
16 agency or institution. The office of management and budget shall review every
17 proposal to determine whether the proposal will result in a reduction to the
18 long-term cost of state government operations or improve public services without
19 an increase in long-term costs and shall approve or reject the proposal.
- 20 3. A state agency or institution that submits a proposal that is approved by the office
21 of management and budget is entitled to receive a grant in the amount of fifty
22 percent of any projected savings for a four-year period or an amount equivalent to
23 up to fifty percent of the estimated value of improved service for a four-year period
24 as determined by the office of management and budget. An agency or institution

1 may use the grant funding for state employee bonuses; state employee early
2 retirement incentives, including the purchase of years of service credit and the
3 payment of health insurance premiums for up to twenty-four months; and for other
4 expenditures that do not increase the agency's or institution's ongoing funding
5 needs.

6 4. The office of management and budget may obtain a line of credit from the Bank of
7 North Dakota which is appropriated on a continuing basis to the office of
8 management and budget for the purpose of providing grants under the government
9 innovation and efficiency grant program. The office of management and budget
10 shall request funding from the legislative assembly to repay any outstanding line of
11 credit balance, including accrued interest.

12 5. The office of management and budget shall report to the budget section annually
13 on the status of the program, including information on proposals submitted and
14 approved and the balance of the line of credit from the Bank of North Dakota.

15 **SECTION 2. State employee innovation award program.**

16 1. There is established an innovation award program for state employees. All
17 persons employed by the state are eligible to participate in the program.

18 2. A state employee or group of state employees may submit a proposal for an
19 innovation award to the office of management and budget. The proposal must
20 result in a reduction to the long-term cost of state government operations, the
21 improvement of public services without an increase in long-term costs, or the
22 expansion of the state's economy. The proposal must have a perceived value to
23 state government of at least ten thousand dollars through cost-savings, improved
24 services, or increased revenues.

25 3. The office of management and budget shall review each proposal and determine
26 whether it is feasible, appropriate, and capable of implementation. The office of
27 management and budget shall prioritize the proposals and submit its
28 recommendation for proposals to receive an award to the legislative council. The
29 legislative council shall approve or reject each proposal recommended to receive
30 an award.

1 4. A state employee or group of state employees submitting a proposal that is
2 approved by the legislative council is entitled to receive an award of up to ten
3 thousand dollars as determined by the office of management and budget based on
4 the projected savings, estimated value of improved service, or estimated state
5 revenues resulting from expansion of the state's economy.

6 **SECTION 3.** A new section to chapter 54-44.1 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Continuation of unexpended appropriations resulting from agency efficiencies.**
9 Notwithstanding section 54-44.1-11, the office of management and budget may allow a state
10 agency or institution to continue up to twenty-five percent of the agency's unexpended
11 appropriations for not more than two years after the expiration of the biennial period during
12 which the appropriations were available. The office of management and budget may allow the
13 continuation of appropriation authority only to the extent that the office of management and
14 budget determines, based on agency-reported information, that agency efficiencies resulted in
15 the unexpended appropriations. An agency may use the appropriations continued under this
16 section only for state employee bonuses, the purchase of assets with an estimated useful life of
17 five years or more, or other expenditures that do not increase the agency's ongoing funding
18 needs.

19 **SECTION 4. CONTINGENT APPROPRIATION.** There is appropriated out of any
20 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
21 \$200,000, or so much of the sum as may be necessary, to the office of management and
22 budget for the purpose of awards grants under the state employee innovation award program
23 established in section 2 of this Act, for the biennium beginning July 1, 2009, and ending
24 June 30, 2011. This appropriation is available only to the extent unexpended general fund
25 appropriations for the 2007-09 biennium cancelled pursuant to section 54-44.1-11 are in excess
26 of the amount estimated at the close of the sixty-first legislative assembly.