

Sixty-first
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; to provide for various transfers; to amend and reenact sections 54-21-24 and
4 54-21-24.1 of the North Dakota Century Code, relating to leasing of office space by state
5 agencies; to provide an appropriation for a statewide critical salary funding pool and a
6 statewide salary equity pool; to establish a statewide critical salary funding pool and a
7 statewide salary equity pool; to provide for transfer of appropriation authority, subject to budget
8 section approval; to provide legislative intent; and to provide for a legislative council study.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
11 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
13 other income, to the office of management and budget for the purpose of defraying the
14 expenses of that agency, for the biennium beginning July 1, 2009, and ending June 30, 2011,
15 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$15, 213,766	\$1,433,263	\$16,647,029
19 Operating expenses	11,692,136	2,296,958	13,989,094
20 Capital assets	1,645,019	775,279	2,420,298
21 Grants	54,000	1,000	55,000
22 Prairie public broadcasting	1,337,138	0	1,337,138
23 State student internship program	0	200,000	200,000

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1	Centers of excellence	10,300,000	(10,300,000)	0
2	Centers of excellence - 2007-09	0	8,741,543	8,741,543
3	awarded projects			
4	Heritage center expansion project	1,500,000	(1,500,000)	0
5	Statewide equity plan	10,000,000	(10,000,000)	0
6	State transfers	<u>43,150,000</u>	<u>(43,150,000)</u>	<u>0</u>
7	Total all funds	\$94,892,059	(\$51,501,957)	\$43,390,102
8	Less estimated income	<u>25,229,115</u>	<u>(12,053,004)</u>	<u>13,176,111</u>
9	Total general fund	\$69,662,944	(\$39,448,953)	\$30,213,991
10	Full-time equivalent positions	132.50	(1.00)	131.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-SECOND LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixtieth legislative assembly for the 2007-09 biennium and the 2009-11 one-time funding items included in the appropriation in section 1 of this Act:

15	<u>One-Time Funding Description</u>	<u>2007-09</u>	<u>2009-11</u>
16	Maintenance	\$3,000,000	\$0
17	Prairie public broadcasting	686,000	0
18	Centers of excellence	15,000,000	0
19	ConnectND	0	1,000,000
20	Facility management repairs and equipment	0	1,220,000
21	Administration projects	<u>0</u>	<u>126,041</u>
22	Total all funds	\$18,686,000	\$2,346,041
23	Total special funds	<u>15,000,000</u>	<u>0</u>
24	Total general fund	\$3,686,000	\$2,346,041

The 2009-11 one-time funding amounts are not a part of the entity's base budget for the 2011-13 biennium. The information technology department shall report to the appropriations committees of the sixty-second legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 3. PERMANENT OIL TAX TRUST FUND. The estimated income line item in section 1 of this Act includes \$4,745,432 from the permanent oil tax trust fund for 2007-09

centers of excellence projects that have been awarded but have not yet received funding, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 4. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 3 of chapter 27 of the 2007 session laws is not subject to the provisions of section 54-44.1-11. 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, 2009, and ending June 30, 2011.

SECTION 5. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork	\$53,000
State contingencies	\$700,000
State memberships and related expenses	\$611,000
Unemployment insurance	\$1,500,000
Capitol grounds planning commission	\$25,000

SECTION 6. CAPITOL BUILDING FUND. The amount of \$800,000, or so much of the sum as may be necessary, included in the estimated income line item in 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, 2009, and ending June 30, 2011.

SECTION 7. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line items, as it relates to equity increases authorized in section 9 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011. The agencies shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 8. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency appropriated general fund spending authority from the state student internship program line item contained in section 1 of this Act.

SECTION 9. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-first legislative assembly that 2009-11 compensation adjustments for regular state employees are to vary based on documented performance and equity and are not necessarily to be five percent annual increases for each employee. General

increases based on legislative appropriations are to be given beginning with the month of July 2009, to be paid in August 2009, and beginning with the month of July 2010, to be paid in August 2010. Each agency appropriation is increased by five percent for the first year of the 2009-11 biennium and five percent for the second year of the 2009-11 biennium.

Employees whose overall documented performance level does not meet standards are not eligible for any salary increase. Each employee whose documented performance meets all standards is to receive a minimum increase of \$100 on July 1, 2009, and \$100 on July 1, 2010.

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

During the biennium, no salary increase other than the \$100 minimum increase or a temporary increase may be given to an employee whose salary exceeds or would exceed the salary range maximum.

SECTION 10. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATEWIDE CRITICAL SALARY FUNDING POOL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,950,000, or so much of the sum as may be necessary, and from special funds, derived from federal funds or other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing funding for classified state employees in accordance with provisions of sections 11 and 12 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 11. STATEWIDE CRITICAL SALARY FUNDING POOL. The statewide critical salary funding pool appropriation included in section 10 of this Act may be used only for critical state employee position authorization and funding and the funding related to the filling of vacant employee positions.

SECTION 12. TRANSFERS OF STATEWIDE CRITICAL SALARY FUNDING POOL APPROPRIATION AUTHORITY - BUDGET SECTION APPROVAL. An executive branch agency or institution may submit a request to the office of management and budget for a transfer of spending authority and full-time equivalent authorization from the statewide critical salary funding pool appropriation in section 10 of this Act to the agency or institution for:

1. Restoration of a critical state employee full-time equivalent position.

2. Restoration of funding for a critical vacant full-time equivalent employee position.

The office of management and budget shall review any request and, if approved, transfer, subject to budget section approval, the amount of appropriation authority and related full-time equivalent position authorization from the statewide critical salary funding pool to the state agency or institution making the request.

SECTION 13. AGENCY LINE ITEM TRANSFERS. An executive branch agency or institution may, pursuant to section 54-16-04, request a line item transfer from another line item of the agency's or institution's budget to the salaries and wages line item to provide, if necessary, additional salaries and wages funding to restore funding for a critical full-time equivalent position, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 14. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATEWIDE SALARY EQUITY POOL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from special funds, derived from federal funds or other income, the sum of \$4,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing statewide salary equity adjustments for classified state employees in accordance with provisions of section 15 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 15. STATEWIDE SALARY EQUITY POOL FOR CLASSIFIED STATE EMPLOYEES. The statewide salary equity pool appropriation included in section 14 of this Act must be used for market equity compensation adjustments for classified state employees. The market equity adjustments are to begin with the month of July 2009, to be paid in August 2009. The market equity adjustments are independent of any general salary increase provided by the legislative assembly.

The market equity increases are to be prioritized based on equity for employees whose salaries are furthest from their respective salary range midpoints effective July 1, 2009.

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

Human resource management services shall provide a model base plan to each agency. Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an alternative plan that meets the intent outlined in this section.

Upon adoption of an appropriate plan and application to human resource management services, the fiscal management division shall transfer to each eligible agency appropriated general fund or special fund spending authority from the statewide salary equity pool appropriation contained in section 14 of this Act.

SECTION 16. AMENDMENT. Section 54-21-24 of the North Dakota Century Code is amended and reenacted as follows:

54-21-24. Additional office space may be obtained outside state capitol. ~~In the event that~~ If office space in the state capitol building becomes insufficient to accommodate the various state departments, agencies, and boards, the director of the office of management and budget ~~may upon request of the department, agency, or board shall negotiate for, contract for, and obtain such~~ additional office space outside the state capitol in the city of Bismarck or in the Bismarck area as is necessary in order to provide accommodations for all state departments, agencies, and boards. When office space is obtained in this manner, ~~any~~ the department, agency, or board ~~which that~~ occupies ~~such the~~ office space ~~must be~~ is deemed to be located at the state capitol for purposes of statutes ~~which that~~ require that a department, agency, or board must be maintained at the state capitol, and the director shall charge an amount equal to the fair value of the office space and other services rendered to all departments ~~which that~~ receive and expend moneys from other than the general fund, except that for good cause the amounts charged may be waived by the director for a one-year period of time with ~~such the~~ waiver being subject to further annual renewals after proper application has been filed with the director. The department, agency, or board for which the office space is sought must approve the office space before the director may finalize a contract or lease for the office space.

SECTION 17. AMENDMENT. Section 54-21-24.1 of the North Dakota Century Code is amended and reenacted as follows:

54-21-24.1. Lease of additional space by state agencies, departments, offices, officers, boards, and institutions. ~~No~~ A lease or rental agreement or renewal of ~~such the~~ lease or rental agreement for the lease or rental of buildings or portions of buildings for use by ~~the state may be entered into by~~ state agencies, departments, offices, officers, boards, and

1 institutions, other than institutions under the board of higher education, the adjutant general and
2 department of transportation office and storage space for field engineering and maintenance
3 crews, unless approved may be entered by the director of the office of management and
4 budget ~~and unless the attorney general has determined~~ subject to a determination of the legal
5 sufficiency of ~~such~~ the lease or rental agreement. To ~~assure~~ ensure economy, efficiency, and
6 cooperation between the state and its political subdivisions, and to limit the number of locations
7 of state offices for the convenience of ~~persons~~ individuals traveling to ~~such~~ the offices, the
8 director shall promulgate rules ~~and regulations~~ governing the lease or rental of additional
9 buildings or portions ~~thereof~~ of the buildings by ~~such~~ state agencies, departments, offices,
10 officers, boards, and institutions other than those under the board of higher education, the
11 adjutant general, and department of transportation office and storage space for field
12 engineering and maintenance crews. The department, agency, or board for which the office
13 space is sought must approve the office space before the director may finalize a contract or
14 lease for the office space.

15 **SECTION 18. LEGISLATIVE COUNCIL STUDY - CAPITOL GROUNDS.** During the
16 2009-10 interim, the legislative council shall consider studying the capitol complex master plan,
17 including a review of parking needs on the capitol grounds. The legislative council shall report
18 its findings and recommendations, together with any legislation required to implement the
19 recommendations, to the sixty-second legislative assembly.