

**Office of Management and Budget - Budget No. 110**  
**House Bill No. 1015**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	112.00	\$32,915,852	\$8,746,515	\$41,662,367	112.00	\$32,915,852	\$8,746,515	\$41,662,367
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		\$125,958	\$2	\$125,960				\$0
Salary increase		434,053	72,167	506,220				0
Retirement contribution increase		83,215	13,836	97,051				0
Health insurance increase		4,416	734	5,150				0
Transfers 4 FTE positions for IT unification	(4.00)			0				0
Adds funding for a human resource officer		110,869		110,869				0
Increases funding for procurement officers		104,824		104,824				0
Increases funding for temporary salaries			20,000	20,000				0
Changes funding source for the Facility Management Division		(5,245,161)	5,245,161	0				0
Decreases funding for operating expenses		(701,000)	(20,000)	(721,000)				0
Increases funding for budget software contract		403,000		403,000				0
Adds funding for procurement software contract		152,000		152,000				0
Increases funding for Microsoft Office 365 licensing expenses		8,505	197	8,702				0
Adds funding for the Capitol complex rent proposal		488,055		488,055				0
Removes funding for Emergency Commission contingency fund		(500,000)		(500,000)				0
Reduces funding for bond payments		(2,610)		(2,610)				0
Removes funding for grants		(54,000)		(54,000)				0
Decreases funding for Prairie Public Broadcasting		(180,000)		(180,000)				0
Decreases funding for community services supervision grants		(52,500)		(52,500)				0
<b>Total ongoing funding changes</b>	<b>(4.00)</b>	<b>(\$4,820,376)</b>	<b>\$5,332,097</b>	<b>\$511,721</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>One-time funding items</b>								
Adds one-time funding for a facility consolidation study		\$350,000	\$0	\$350,000				0
Adds one-time funding for special assessments (Capitol building fund)			300,000	300,000				0
Adds one-time funding for extraordinary repairs (Capitol building fund)			900,000	900,000				0
Adds one-time funding for building automation (Capitol building fund)			518,800	518,800				0
Adds one-time funding for signage (Capitol building fund)			1,000,000	1,000,000				0
Adds one-time funding for various building projects (bond proceeds)			137,100,000	137,100,000				0
Adds one-time funding for procurement software		2,021,204	0	2,021,204				0
Adds one-time funding for budget software		1,230,100	0	1,230,100				0
Adds one-time funding for the state student internship program		200,000	0	200,000				0
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$3,801,304</b>	<b>\$139,818,800</b>	<b>\$143,620,104</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>(4.00)</b>	<b>(\$1,019,072)</b>	<b>\$145,150,897</b>	<b>\$144,131,825</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>2021-23 Total Funding</b>	<b>108.00</b>	<b>\$31,896,780</b>	<b>\$153,897,412</b>	<b>\$185,794,192</b>	<b>112.00</b>	<b>\$32,915,852</b>	<b>\$8,746,515</b>	<b>\$41,662,367</b>
<i>Total ongoing changes as a percentage of base level</i>	<i>(3.6%)</i>	<i>(14.6%)</i>	<i>61.0%</i>	<i>1.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Total changes as a percentage of base level</i>	<i>(3.6%)</i>	<i>(3.1%)</i>	<i>1659.5%</i>	<i>346.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>

Other Sections in Office of Management and Budget - Budget No. 110

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Tax relief fund to social services finance fund	Section 3 would transfer \$174,380,767 from the tax relief fund to the social services finance fund during the 2021-23 biennium.	
2019-21 biennium legacy fund earnings	Section 4 would designate the 2019-21 biennium for the general fund (\$335,630,000 and any additional legacy fund earnings), the common schools trust fund (\$64,370,000), ITD's cybersecurity initiatives (\$25,000,000), the unmanned aircraft systems fund (\$27,000,000), the innovation loan fund to support technology advancement (\$30,000,000), the housing incentive fund (\$8,000,000), state park infrastructure (\$10,000,000), the environmental quality restoration fund (\$5,000,000), the state parks gift fund (\$10,000,000), and the University System challenge grant program (\$10,000,000).	
Bond proceeds	Section 5 would authorize OMB to transfer bond proceeds of \$130,500,000 for extraordinary repair projects to other state agencies.	
State student internship program	Section 6 would authorize OMB to transfer student internship funding to other state agencies. Section 8 would allow 2019-21 biennium appropriation authority for the state student internship program to continue to be available in the 2021-23 biennium.	
Fiscal management exemption	Section 7 would allow 2019-21 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2021-23 biennium.	
Assessment of state lands and facilities exemption	Section 8 would allow 2019-21 biennium appropriation authority for the assessment of state lands and facilities to continue to be available in the 2021-23 biennium.	
Grant and expense designations	Section 9 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	
State employee compensation adjustments	Section 10 would provide guidelines for an average salary increase of 2 percent to eligible state employees in 1st year and an average salary increase of 2 percent in the 2nd year of the 2021-23 biennium. Additional salary increases would be available if state agencies have savings in their current budget. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	
Infrastructure revolving loan fund	Section 11 would amend the infrastructure revolving loan fund to increase the loan limits; to allow additional types of infrastructure projects; to designate specific amounts from bond proceeds deposited in the fund for water projects, bridges, and other projects; and to require approval from the Department of Transportation and State Water Commission for certain projects.	

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Bonding authorization	Sections 12, 13, 14, 32, and 33 would authorize the Public Finance Authority to issue up to \$1,250,000,000 of bonds, including \$700,000,000 for the infrastructure revolving loan fund, \$302,400,000 for state road and bridge projects, \$30,500,000 for state park projects, \$45,000,000 for career academies, \$19,000,000 for higher education challenge grants, \$137,100,000 for state building projects, \$14,000,000 for a North Dakota State University agriculture center, and \$2,000,000 to Dakota College at Bottineau for an Old Main renovation project.	
Political subdivision bonding authority	Sections 15, 16, and 28 would allow political subdivisions to issue bonds for up to 30 years, rather than the current law limit of 20 years, and would authorize political subdivisions to use additional sources of mill levy authority to repay bonds.	
Legacy fund earnings funds	Section 17 would create two new sections to Chapter 21-10 relating to the deposit of legacy fund earnings for projects.	
Emergency Commission borrowing authority	Sections 18 and 19 would amend Section 54-16-04 and create Section 54-16-04.4 to authorize the Emergency Commission to borrow from the Bank of North Dakota to address a state contingency.	
Capitol complex rental program	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies funded by appropriations from the general fund.	
Shared services fund	Section 21 would create a new section to Chapter 54-27 to establish a shared services fund to allow state agencies to make payments to each other for shared services, including equipment, operating expenses, or salaries.	
Budget stabilization fund limit	Section 22 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 to 10 percent of the most recent general fund budget.	
Facility management operating fund	Section 23 would amend Section 54-44-11 to authorize OMB to create an operating fund for the facility management division operations to fund the operations of the Facility Management Division from the proposed Capitol complex rental program.	
Political subdivision budgets	Section 24 would amend Section 54-44.1-18 to remove the requirement for OMB to publish political subdivision budgets to OMB's website if a political subdivision submits the budget to OMB.	
Environmentally preferable products	Sections 25 and 26 would amend sections 54-44.4-07 and 54-44.4-08 to remove the requirement to specify the amount of recycled content included in the items purchased by the state.	
Business improvement projects	Section 27 would create Section 54-49-40 to authorize state agencies to borrow funds for business improvement projects if the projects are estimated to provide savings to the state agency within 6 years.	

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County deficiency borrowing	Section 29 would amend Section 57-47-02 to allow counties to borrow for up to 20 years, rather than the current 5-year limit, if the county tax levies are insufficient to pay mandatory expenses.	
State share of oil and gas tax revenue allocations ("buckets")	Section 30 would increase the allocation of oil and gas tax revenues to the general fund by \$100 million, from \$400 million to \$500 million, per biennium.	
Transfer of water project loans	Section 31 would transfer loans for water projects held in an infrastructure revolving loan fund within the resources trust fund to the infrastructure revolving loan fund. Section 34 would transfer loans from the community water facility loan fund to the infrastructure revolving loan fund. Section 36 would repeal the community water facility loan fund and an infrastructure revolving loan fund within the resources trust fund.	
Human resources services unification	Section 35 provide for OMB to transfer 2 FTE positions and \$424,739 from ITD for a human resources services unification initiative. Section 38 would make the transfer effective on July 1, 2022.	
State Employee Compensation Commission	Section 37 would repeal Section 54-06-25 relating to the State Employee Compensation Commission.	
State Personnel Board	Section 37 would repeal Section 54-44.3-03 to eliminate the State Personnel Board.	