

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 2, after "budget" insert "; to provide appropriations to the legislative council and office of the governor"

Page 1, line 5, replace "57-40.3-10" with "54-52-03"

Page 1, line 6, after "collections" insert ", the retirement board"

Page 1, line 6, remove "allocation of motor vehicle"

Page 1, line 7, replace "excise tax collections" with "public employees retirement system retirement plan"

Page 1, line 7, after "exemption" insert "; to provide for a legislative management study; to provide for application"

Page 1, remove lines 18 through 24

Page 2, replace lines 1 through 8 with:

"Salaries and wages	\$21,926,979	\$1,231,851	\$23,158,830
Operating expenses	15,663,214	3,729,579	19,392,793
Capital assets	764,515	8,567,640	9,332,155
Emergency commission contingency fund	400,000	0	400,000
Targeted market equity pool	0	82,500,000	82,500,000
Guardianship grants	2,450,000	3,650,000	6,100,000
Prairie public broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000	0	350,000
State student internship program	0	500,000	500,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	0	20,000,000	20,000,000
New and vacant FTE funding pool	<u>0</u>	<u>98,200,000</u>	<u>98,200,000</u>
Total all funds	\$42,754,708	\$223,831,075	\$266,585,783
Less estimated income	<u>8,828,309</u>	<u>130,000,645</u>	<u>138,828,954</u>
Total general fund	\$33,926,399	\$93,830,430	\$127,756,829
Full-time equivalent positions	108.00	2.00	110.00"

Page 2, remove lines 22 through 31

Page 3, replace lines 1 through 12 with:

"Accrued leave retirement payouts	0	100,369
Inflationary increases	0	340,000
Capitol accessibility consulting	25,000	50,000
Accessibility improvements - legislative areas	0	150,000
State employee leave management system	0	335,000
Cash management study	0	450,000
Procurement software	2,021,204	400,000
Building automation project	518,800	800,000
Extraordinary repairs	500,000	250,000
Capitol space utilization improvements	0	2,500,000
Central services software and equipment	0	573,800

Page 4, line 13, replace "\$500,000" with "\$250,000"

Page 4, line 14, replace "3." with "6."

Page 4, after line 14, insert:

"SECTION 10. OPERATING EXPENSES LINE ITEM - CASH MANAGEMENT STUDY - REPORT TO LEGISLATIVE MANAGEMENT. The operating expenses line item in section 1 of this Act includes the sum of \$450,000 from the general fund for the purpose of procuring consulting services to conduct a study and develop recommendations for improvement of the cash management practices of the state, for the biennium beginning July 1, 2023, and ending June 30, 2025. The study must include cash management practices employed by the Bank of North Dakota, state treasurer, retirement and investment office, board of university and school lands, and other agencies as determined by the office of management and budget. The office of management and budget shall report to the legislative management before September 30, 2024, regarding the findings and recommendations resulting from its study."

Page 4. line 23, replace "\$41,000,000" with "\$45,300,000"

Page 4. line 24, replace "\$34,000,000" with "\$37,200,000"

Page 5, line 9, replace "10" with "13"

Page 5, line 19, replace "4" with "6"

Page 6, after line 3, insert:

"SECTION 14. NEW AND VACANT FTE FUNDING POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - APPLICATION - BUDGET SECTION REPORT.

1. The new and vacant FTE funding pool line item in section 1 of this Act includes \$40,100,000 from the general fund and \$58,100,000 from special funds derived from federal funds and other income for the purpose of providing funding for hiring new full-time equivalent positions and for agencies that do not realize sufficient savings from vacant full-time equivalent positions in accordance with provisions of this section for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. An executive branch state agency that had funding removed by the sixty-eighth legislative assembly for purposes of the new and vacant full-time equivalent funding pool may submit a request to the office of management and budget for an allocation of funding from the pool:
 - a. To provide funding for the salaries and wages necessary for the 2023-25 biennium for a new full-time equivalent position authorized by the 2023 legislative assembly from the date of hiring through the end of the biennium;
 - b. To provide funding for the salaries and wages necessary for the 2023-25 biennium for filling a full-time equivalent position that was vacant on July 1, 2023, from the date of hiring through the end of the biennium; or

8. The office of management and budget shall report to each meeting of the budget section regarding salaries and wages and vacant position information and use of funding in the pool including:
 - a. The number of agency requests submitted, amounts transferred from the pool, and information on:
 - (1) New full-time equivalent positions, including the date hired; and
 - (2) Vacant full-time equivalent positions, including dates the positions were vacated and filled;
 - b. Salaries and wages savings to date resulting from vacant positions by agency; and
 - c. Each agency's use of salaries and wages funding, including amounts spent for accrued leave payouts, salary increases in addition to general salary increases provided by the sixty-eighth legislative assembly, bonuses, incentive or location pay adjustments, reclassifications, funding used for temporary salaries or overtime in excess of amounts provided by the sixty-eighth legislative assembly, or other purposes."

Page 6, line 28, after "planning" insert "related to remodeling expenses"

Page 6, line 29, remove the overstrike over "~~two~~"

Page 6, line 29, remove "seven"

Page 7, replace lines 24 through 30 with:

"SECTION 18. AMENDMENT. Section 54-52-03 of the North Dakota Century Code is amended and reenacted as follows:

54-52-03. Governing authority.

1. A state agency is hereby created to constitute the governing authority of the system to consist of a board of ~~nineeleven~~ individuals known as the retirement board. No more than one elected member of the board may be in the employ of a single department, institution, or agency of the state or in the employ of a political subdivision. An employee of the public employees retirement system or the state retirement and investment office may not serve on the board.
1. ~~Two~~
2. Four members of the legislative assembly must be appointed ~~by the chairman of the legislative management~~ to serve on the board.
 - a. ~~If the same political party has the greatest number of members in both the house and senate, one member must be from that majority party and one member from the political party with the next greatest number of members in the house and senate.~~
 - b. ~~If the same political party does not have the greatest number of members in both the house and senate, one member must be from~~

one-half percent, and the retirement board and the state investment board may not make any investment decision with the goal of derisking the investments for this plan during the biennium.

SECTION 20. EXEMPTION - INFRASTRUCTURE REVOLVING LOAN FUND.

Notwithstanding any other provision of law, a park district may apply for a loan from the infrastructure revolving loan fund under section 6-09-49, during the biennium beginning July 1, 2023, and ending June 30, 2025, to refinance an outstanding loan for a project completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project."

Page 8, after line 16, insert:

"SECTION 23. LEGISLATIVE MANAGEMENT STUDY - STATE FIRE AND TORNADO FUND AND STATE BONDING FUND ADMINISTRATION. During the 2023-24 interim, the legislative management shall consider studying, in collaboration with the insurance commissioner and the director of the office of management and budget, the feasibility and desirability of changing administration of the state fire and tornado fund and state bonding fund from the insurance commissioner to the director of the office of management and budget. The study must include an analysis of the statutory changes necessary to accomplish the change in administration and other statutory changes necessary to facilitate the office of management and budget's administration of these funds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 24. LEGISLATIVE MANAGEMENT STUDY - MANAGEMENT AND MAINTENANCE OF STATE FACILITIES.

1. During the 2023-24 interim, the legislative management shall consider studying the policies and procedures of state agencies, excluding institutions under the control of the state board of higher education, for managing, maintaining, and leasing state facilities.
2. The study must include consideration of:
 - a. The most efficient and cost-effective organizational structure for managing, maintaining, and leasing state facilities, including a comparison of allocating funding and full-time equivalent positions to various agencies and centralizing funding and full-time equivalent positions under one agency.
 - b. The costs and benefits of leasing or owning state facilities.
 - c. The appropriate use of contracts for service and full-time equivalent positions for custodial services, mechanical services, snow removal, lawn care, and maintenance.
3. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 25. LEGISLATIVE MANAGEMENT STUDY - GUARDIANSHIP PROGRAMS. During the 2023-24 interim, the legislative management shall study the state's guardianship programs. The study must include consideration of the existing structure for the programs under the office of management and budget, judicial branch,

Senate Bill No. 2015 - Office of Management and Budget - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$21,926,979	\$24,859,054	(\$1,700,224)	\$23,158,830	\$23,158,830	
Operating expenses	15,663,214	19,261,293	131,500	19,392,793	19,392,793	
Capital assets	764,515	15,533,155	(6,201,000)	9,332,155	9,182,155	\$150,000
Emergency commission contingency fund	400,000	400,000		400,000	400,000	
Guardianship grants	2,450,000	6,100,000		6,100,000	6,100,000	
Targeted market equity pool		75,000,000	7,500,000	82,500,000	75,000,000	7,500,000
Prairie Public Broadcasting	1,200,000	2,992,450		2,992,450	2,992,450	
Community service supervision grants	350,000	350,000		350,000	350,000	
State student internship		700,000	(200,000)	500,000	500,000	
Governor's emergency education relief		3,659,555		3,659,555	3,659,555	
Deferred maintenance funding pool		20,000,000		20,000,000	20,000,000	
New and vacant FTE funding pool			98,200,000	98,200,000	130,000,000	(31,800,000)
Total all funds	\$42,754,708	\$168,855,507	\$97,730,276	\$266,585,783	\$290,735,783	(\$24,150,000)
Less estimated income	8,828,309	76,911,173	61,917,781	138,828,954	147,378,954	(8,550,000)
General fund	\$33,926,399	\$91,944,334	\$35,812,495	\$127,756,829	\$143,356,829	(\$15,600,000)
FTE	108.00	111.00	(1.00)	110.00	108.00	2.00

Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes an FTE position ²	Removes Salary Funding for a Funding Pool ³	Adds Funding for Targeted Equity Pool ²	Adds Funding for Funding Pool ³	Adjusts Funding for Operating Expenses ⁴
Salaries and wages	\$226,001	(\$218,472)	(\$1,707,753)			
Operating expenses						\$131,500
Capital assets						
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool				\$7,500,000		
Prairie Public Broadcasting						
Community service supervision grants						
State student internship						
Governor's emergency education relief						
Deferred maintenance funding pool						
New and vacant FTE funding pool					\$98,200,000	
Total all funds	\$226,001	(\$218,472)	(\$1,707,753)	\$7,500,000	\$98,200,000	\$131,500
Less estimated income	52,451	0	(184,670)	3,200,000	58,100,000	0
General fund	\$173,550	(\$218,472)	(\$1,523,083)	\$4,300,000	\$40,100,000	\$131,500
FTE	0.00	(1.00)	0.00	0.00	0.00	0.00

- Removes \$18,500 of one-time funding from the general fund, which was added by the Senate, for inflationary increases. The House also removed this funding.
- Decreases one-time funding from the general fund by \$50,000 for an Americans with Disabilities Act compliance study to provide total funding of \$50,000. The House also decreased the funding. The Senate provided \$100,000 for the study.
- Removes \$150,000 of one-time funding from the general fund, which was added by the Senate, for automatic doors in legislative areas of the Capitol and adds similar funding for accessibility improvements to the capital assets line item. The House also removed this funding.
- Removes \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements, the same as the House. The Senate added this funding.
- Adds \$450,000 of one-time funding from the general fund for a cash management study with the criteria for the study identified in a new section of the bill, the same as the House. The Senate did not include funding for a cash management study.

⁷ Funding for capital assets is adjusted as follows:

- Removes \$500,000 of ongoing funding from the general fund for electrical and mechanical repairs, which was added by the Senate. The House also removed this funding.
- Adds \$150,000 of one-time funding from the Capitol building fund for accessibility improvements in legislative areas of the Capitol. The Senate provided \$150,000 of one-time funding from the general fund for automatic doors under the operating expenses line item. The House also added this funding.
- Decreases one-time funding from the general fund by \$2.1 million for new procurement software to provide \$400,000, the same as the House. The Senate provided \$2.5 million of one-time funding for new procurement software.
- Changes \$800,000 of one-time funding from the general fund, which was added by the Senate, to \$800,000 of one-time funding from the Capitol building fund for automation upgrades at the Capitol. The House also included this change.
- Changes \$100,000 of one-time funding from the general fund, which was added by the Senate, to \$250,000 of one-time funding from the Capitol building fund for electrical and mechanical repairs. The House provided \$100,000 from the capital building fund.
- Removes \$451,000 of one-time funding from the general fund added by the Senate to demolish the State Office Building. The House also removed this funding.
- Decreases one-time funding from the general fund by \$3 million for Capitol space utilization improvements to provide total funding of \$2.5 million, the same as the House. The Senate provided \$5.5 million of one-time funding for the improvements.
- Decreases one-time funding from the Capitol building fund by \$200,000 for improvements at the Governor's residence to provide total funding of \$100,000 for security improvements, the same as the House. The Senate provided \$300,000 for exterior repairs.
- Decreases one-time funding from the Capitol building fund by \$250,000 for a remodeling project in the Brynhild Haugland Room in the Capitol to provide total funding of \$250,000, the same as the House. The Senate provided \$500,000 for the remodeling project.

⁸ One-time funding from the general fund for the state student internship program is decreased by \$200,000 to provide total funding of \$500,000, the same as the House. The Senate provided \$700,000 for the program.

This amendment also includes the following changes:

- Provides a deficiency appropriation of \$6,500 from other funds to the Office of the Governor for the salaries and wages line item and includes an emergency clause for the funding, the same as provided by the House. The Senate did not provide a deficiency appropriation for the Office of the Governor.
- Clarifies the deferred maintenance funding pool includes \$700,000 for water mitigation at the Liberty Memorial Building and adds an emergency clause for the deferred maintenance funding pool. The House also approved these changes. The Senate did not identify funding for the Liberty Memorial Building and did not include an emergency clause for the funding pool.
- Adjusts the amount designated from the Capitol building fund to reflect \$5.55 million for various capital projects. The House identified \$5.4 million from the fund for the projects. The Senate identified \$4.8 million.
- Adds a section to provide guidelines for a new and vacant FTE funding pool. The House also added a section for the funding pool. The Senate did not include this funding pool.
- Clarifies the continuing appropriation authority of \$250,000 from the Capitol building fund may be used only for remodeling projects, the same as the House. The Senate increased the continuing appropriation authority by \$500,000, from \$250,000 to \$750,000.
- Removes a section, which was added by the Senate, related to the allocation of motor vehicle excise tax collections to the state highway fund. The House also removed this section. House Bill No. 1012 changes the allocation of motor vehicle excise tax collections.
- Adds a section to increase the size of the Retirement Board from 9 to 11 members and adds an application