

Introduced by

Appropriations Committee

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; ~~and to create and~~
 3 enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a
 4 facility management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and
 5 57-40.3-10 of the North Dakota Century Code, relating to the capitol grounds planning
 6 commission spending limit, capitol grounds rent collections, and the allocation of motor vehicle
 7 excise tax collections; to provide for a transfer; to provide an exemption; to provide a report; to
 8 provide an effective date; and to declare an emergency.

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 funds
 11 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 the office of management and budget, for the biennium beginning July 1, 2023,
 15 and ending June 30, 2025, as follows:

	<u>Governor's</u>		
	<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
18 Salaries and wages	\$21,926,979	\$116,143,771	\$21,926,979
19 Operating expenses	15,663,214	19,316,293	15,663,214
20 Emergency commission contingency fund	400,000	400,000	400,000
21 Capital assets	764,515	49,833,155	764,515
22 Guardianship grants	2,450,000	2,450,000	2,450,000
23 Prairie public broadcasting	1,200,000	2,992,450	1,200,000
24 Community service supervision grants	350,000	350,000	350,000

Sixty-eighth
Legislative Assembly

1	State student internship program	0	700,000	0
2	Federal education grants	0	3,659,555	0
3	Total all funds	\$42,754,708	\$195,845,224	\$42,754,708
4	Less estimated income	8,828,309	83,863,624	8,828,309
5	Total all funds	\$33,926,399	\$111,981,600	\$33,926,399
6	Full-time equivalent positions	108.00	117.00	108.00
7			Adjustments or	
8		Base Level	Enhancements	Appropriation
9	Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
10	Operating expenses	15,663,214	3,598,079	19,261,293
11	Capital assets	764,515	14,768,640	15,533,155
12	Emergency commission contingency fund	400,000	0	400,000
13	Guardianship grants	2,450,000	3,650,000	6,100,000
14	Prairie public broadcasting	1,200,000	1,792,450	2,992,450
15	Community service supervision grants	350,000	0	350,000
16	Targeted market equity pool	0	75,000,000	75,000,000
17	State student internship program	0	700,000	700,000
18	Governor's emergency education relief	0	3,659,555	3,659,555
19	Deferred maintenance funding pool	0	20,000,000	20,000,000
20	Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
21	Less estimated income	8,828,309	68,082,864	76,911,173
22	Total all funds	\$33,926,399	\$58,017,935	\$91,944,334
23	Full-time equivalent positions	108.00	3.00	111.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

	One-Time Funding Description	2021-23	2023-25
29	Griggs County medical center grant	\$500,000	\$0
30	Facility consolidation study	350,000	0
31	Special assessments on Capitol grounds	300,000	0

Sixty-eighth
Legislative Assembly

1	Extraordinary repairs	500,000	0
2	Building automation project	518,800	0
3	Interior and exterior signage projects	500,000	0
4	Procurement software	2,021,204	0
5	Statewide budget software	1,230,100	0
6	State student internship program	100,000	0
7	Capitol accessibility consultant	25,000	0
8	Capitol accessibility improvements	750,000	0
9	Critical maintenance projects	10,000,000	0
10	Legislative wing ventilation improvements	7,000,000	0
11	Pierce County medical center grant	1,000,000	0
12	Total all funds	\$24,795,104	\$0
13	Less estimated income	24,695,104	0
14	Total general fund	\$100,000	\$0
15	Griggs County medical center grant	\$500,000	\$0
16	Facility consolidation study	350,000	0
17	Special assessments on capitol grounds	300,000	0
18	Interior and exterior signage projects	500,000	0
19	Statewide budget software	1,230,100	0
20	Capitol accessibility improvements	750,000	0
21	Legislative wing ventilation improvements	7,000,000	0
22	Pierce County medical center grant	1,000,000	0
23	Accrued leave retirement payouts	0	100,369
24	Inflationary increases	0	358,500
25	Capitol accessibility consulting	25,000	100,000
26	Automatic doors in legislative rooms	0	150,000
27	Capitol tour digital enhancements	0	100,000
28	State employee leave management system	0	335,000
29	Procurement software	2,021,204	2,500,000
30	Building automation project	518,800	800,000
31	Extraordinary repairs	500,000	100,000

1	<u>State office building demolition</u>	0	451,000
2	<u>Capitol space utilization improvements</u>	0	5,500,000
3	<u>Central services software and equipment</u>	0	573,800
4	<u>Governor's residence exterior repairs</u>	0	300,000
5	<u>Brynhild Haugland room remodeling project</u>	0	500,000
6	<u>Capitol window replacement project</u>	0	4,000,000
7	<u>Deferred maintenance projects</u>	10,000,000	20,000,000
8	<u>Prairie public broadcasting grants</u>	0	1,792,450
9	<u>State student internship program</u>	100,000	700,000
10	<u>Governor's emergency education relief</u>	0	3,659,555
11	<u>Total all funds</u>	\$24,795,104	\$42,020,674
12	<u>Less estimated income</u>	24,695,104	29,184,355
13	<u>Total general fund</u>	\$100,000	\$12,836,319

14 The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget
15 for the 2025-27 biennium. The office of management and budget shall report to the
16 appropriations committees of the sixty-ninth legislative assembly on the use of this one-time
17 funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

18 **SECTION 3. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any
19 moneys in the community service supervision fund under section 29-26-22 are appropriated to
20 the office of management and budget for distribution to community corrections association
21 regions on or before August first of each year for the biennium beginning July 1, 2023, and
22 ending June 30, 2025.

23 **SECTION 4. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND.**
24 The office of management and budget shall transfer the sum of \$200,000,000 from the tax relief
25 fund to the human service finance fund during the biennium beginning July 1, 2023, and ending
26 June 30, 2025.

27 **SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO**
28 **STATE AGENCIES.** The office of management and budget shall transfer funds from the state
29 student internship program line item in section 1 of this Act to eligible state agencies for student
30 internships during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEFERRED MAINTENANCE FUNDING POOL - EXEMPTION - TRANSFER TO STATE AGENCIES. The sum of \$20,000,000 included in the deferred maintenance funding pool line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the strategic investment and improvements fund for a deferred maintenance funding pool. The office of management and budget may use up to \$12,000,000 from the deferred maintenance funding pool for a boiler replacement project in the capitol. Notwithstanding any other provision of law, the office of management and budget shall transfer funds from the deferred maintenance funding pool line item in section 1 of this Act to other eligible state agencies for deferred maintenance.

SECTION 7. ESTIMATED INCOME - CAPITOL BUILDING FUND. The sum of \$4,800,000 included in the capital assets line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the capitol building fund for the following:

1. \$300,000 for exterior repairs and improvements at the governor's residence;
2. \$500,000 for a remodeling project in the Brynhild Haugland room in the capitol; and
3. \$4,000,000 for a capitol window replacement project.

SECTION 8. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may be used only for the following grants and special items:

Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$642,089
<u>Unemployment insurance</u>	<u>\$1,800,000</u>
<u>Capitol grounds planning commission</u>	<u>\$25,000</u>
<u>Statewide memberships and related expenses</u>	<u>\$685,657</u>

SECTION 9. TARGETED MARKET EQUITY COMPENSATION ADJUSTMENTS - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET SECTION REPORT.

1. The targeted market equity pool line item in section 1 of this Act includes \$41,000,000 from the general fund and \$34,000,000 from special funds derived from federal funds and other income for the purpose of providing compensation adjustments for executive

1 branch state employees in accordance with provisions of this section for the period
2 beginning with the effective date of this Act and ending June 30, 2025.

3 2. The targeted market equity compensation adjustments must be prioritized based on a
4 statewide plan prepared by the office of management and budget based on the
5 funding available in the pool. The plan must address occupational market disparities,
6 recruitment and retention challenges, and external pay inequities for employees who
7 are critical to the mission of the agency. Employees whose documented performance
8 levels do not meet standards are not eligible for the market equity compensation
9 adjustments.

10 3. All targeted market equity compensation adjustments must be provided by July 1,
11 2023.

12 4. The funding allocated to each agency must be used for the cost to continue the
13 compensation adjustments for the 2023-25 biennium, including the effect of the market
14 equity adjustments on funding needed for the salary increases authorized by the
15 legislative assembly in section 10 of this Act.

16 5. Notwithstanding any other provision of law, the office of management and budget shall
17 transfer appropriation authority from the targeted market equity funding pool to eligible
18 executive branch state agencies for approved targeted market equity salary
19 adjustments.

20 6. The office of management and budget shall provide a report to the budget section
21 regarding the statewide plan, any changes to the plan presented to the sixty-eighth
22 legislative assembly, and the appropriation authority transferred from the pool.

23 **SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

24 1. The 2023-25 biennium compensation adjustments for permanent state employees are
25 to average 4 percent per eligible employee for the first fiscal year of the biennium and
26 are to average 4 percent per eligible employee for the second year of the biennium.
27 The increases for the first year of the biennium are to be given beginning with the
28 month of July 2023, to be paid in August 2023, and for the second year of the
29 biennium are to be given beginning with the month of July 2024, to be paid in
30 August 2024. Increases for eligible state employees are to be based on documented
31 performance and are not to be the same percentage increase for each employee.

2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 11. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

1. The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.
2. Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.
3. The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered

1 balance on the first day of any biennium, and such amount is hereby appropriated to
2 the capitol grounds planning commission. The expenditure may be made, after
3 consideration of the capitol grounds master plan, for projects or planning but may not
4 exceed ~~two~~seven hundred fifty thousand dollars per biennium. The expenditure may
5 only be made upon approval by two-thirds of the total membership of the commission.
6 The expenditure must be made upon a voucher, or vouchers, prepared by the office of
7 management and budget at the direction of the commission.

8 **SECTION 12. AMENDMENT.** Section 54-21-19 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **54-21-19. Director to furnish supplies and maintain capitol, state offices, and**
11 **executive mansion - Authority to charge for services.**

12 The director of the office of management and budget shall provide all necessary fuel,
13 electricity, insurance, janitorial, and other services necessary to maintain the state offices on the
14 capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and
15 all other necessary supplies for the executive mansion and the capitol grounds and shall make
16 all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director
17 shall charge an amount equal to the fair value of the office space and other services rendered
18 to all ~~departments that receive and expend moneys from other than the general fund~~executive
19 branch agencies, except that for good cause the amounts charged may be waived by the
20 director for a one-year period of time with the waiver subject to further annual renewals after
21 proper application has been filed with the director.

22 **SECTION 13.** A new subsection to section 54-44-11 of the North Dakota Century Code is
23 created and enacted as follows:

24 The office of management and budget shall establish a facility management operating
25 fund to be used for the salary and operating expenses of the division of facility
26 management. Rental fees collected pursuant to section 54-21-19 must be deposited in
27 the fund. The director of the office of management and budget shall transfer any
28 unobligated balance in the fund to the general fund at the end of each fiscal year.

29 **SECTION 14. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **57-40.3-10. Transfer of revenue.**

2 All moneys collected and received under this chapter must be transmitted monthly by the
3 director of the department of transportation to the state treasurer ~~to be transferred and credited,~~
4 and the state treasurer shall allocate fifty percent to the state highway fund and the remaining
5 fifty percent to the general fund.

6 **SECTION 15. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
7 fiscal management division, as contained in section 1 of chapter 15 of the 2021 Session Laws is
8 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
9 appropriation are available for continued development and operating costs of the statewide
10 systems, including accounting, management, and payroll, during the biennium beginning July 1,
11 2023, and ending June 30, 2025.

12 **SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
13 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
14 the biennium beginning July 1, 2023, and ending June 30, 2025:

- 15 1. The sum of \$500,000 appropriated from the strategic investment and improvements
16 fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws
17 and continued into the 2021-23 biennium pursuant to section 42 of chapter 15 of the
18 2021 Session Laws for an assessment of state lands and facilities.
- 19 2. The sum of \$350,000 appropriated from the capitol building fund in section 1 and
20 identified in section 2 of chapter 15 of the 2021 Session Laws for a facility
21 consolidation study.

22 **SECTION 17. EFFECTIVE DATE.** Section 14 of this Act is effective for motor vehicle excise
23 tax collections transmitted to the state treasurer after July 31, 2023.

24 **SECTION 18. EMERGENCY.** The targeted market equity pool line item in section 1 of this
25 Act and section 9 of this Act are declared to be an emergency measure.