

2023 SENATE APPROPRIATIONS

SB 2015

**Department 110 - Office of Management and Budget
Senate Bill No. 2015**

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$111,981,600	\$83,863,624	\$195,845,224
2023-25 Base Level	33,926,399	8,828,309	42,754,708
Increase (Decrease)	\$78,055,201	\$75,035,315	\$153,090,516

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$1,456,401 is for salary increases and \$516,502 is for health insurance increases	\$1,681,497	\$291,406	\$1,972,903
2. Adds 9 FTE positions, including 1 learning development manager, 2 business developers, 1 talent acquisition manager, 1 total rewards specialist, 1 talent acquisition specialist, 2 shared communication service specialists, and 1 change management position	\$1,895,224	\$0	\$1,895,224
3. Adds funding to reclassify 2 FTE positions for a public improvements manager and a lease administrator	\$396,888	\$0	\$396,888
4. Adds funding for a salary equity funding pool	\$49,300,000	\$40,400,000	\$89,700,000
5. Adds funding for new procurement software licensing fees	\$1,000,000	\$0	\$1,000,000
6. Adjusts funding for a new Capitol space rent model	(\$3,711,638)	\$4,101,552	\$389,914
7. Adds one-time funding for new procurement software	\$2,500,000	\$0	\$2,500,000
8. Adds one-time funding for a steam boiler replacement project	\$12,000,000	\$0	\$12,000,000
9. Adds one-time funding for Capitol grounds landscaping	\$1,800,000	\$0	\$1,800,000
10. Adds one-time funding for Capitol space utilization improvements	\$5,500,000	\$0	\$5,500,000
11. Adds one-time funding for Prairie Public Broadcasting grants to provide total grant funding of \$2,992,450	\$1,792,450	\$0	\$1,792,450
12. Adds one-time funding from the Capitol building fund for Capitol window replacement	\$0	\$4,000,000	\$4,000,000
13. Adds one-time funding from the strategic investment and improvements fund for a deferred maintenance funding pool	\$0	\$20,000,000	\$20,000,000
14. Adds one-time funding from the federal Governor's Emergency Education Relief (GEER) fund for education grants	\$0	\$3,659,555	\$3,659,555

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships			
	2021-23 Biennium Legislative Budget	2023-25 Biennium Executive Budget	Increase (Decrease)
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues)	\$148,000	\$162,800	\$14,800
Council of State Governments	230,889	240,125	9,236
Western Governors' Association	79,200	83,160	3,960
National Governors Association	75,800	79,590	3,790
National Lieutenant Governors Association	2,000	2,100	100
Education Commission of the States	106,200	117,882	11,682
Western Interstate Commission for Higher Education ¹	0	0	0
Total dues and memberships	\$642,089	\$685,657	\$43,568

¹Funding for the Western Interstate Commission for Higher Education is included in the higher education budget. The executive budget recommendation includes \$330,000 for the 2023-25 biennium compared to \$294,000 in the 2021-23 biennium.

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Tax relief fund to social services finance fund - Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.

Salary equity funding pool - Section 6 would authorize the Office of Management and Budget (OMB) to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.

State employee compensation adjustments - Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.

Legacy earnings fund - Section 10 would amend North Dakota Century Code Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.

Capitol building fund continuing appropriation limit - Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.

Capitol Grounds Planning Commission - Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.

Budget stabilization fund limit - Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.

Facility management operating fund - Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division from the proposed Capitol space rental model.

State share of oil and gas tax revenue allocations ("buckets") - Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.

Capitol space rental model - Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees.

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund.

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the 1st day of the biennium subject to a maximum amount of \$175,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects.

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals.

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies.

Deficiency Appropriations

Senate Bill No. 2025 provides a deficiency appropriation of \$765 from the general fund for costs related to a judgement.

Significant Audit Findings

The operational audit for OMB conducted by the State Auditor's office during the 2021-22 interim identified no significant audit findings.

Major Related Legislation

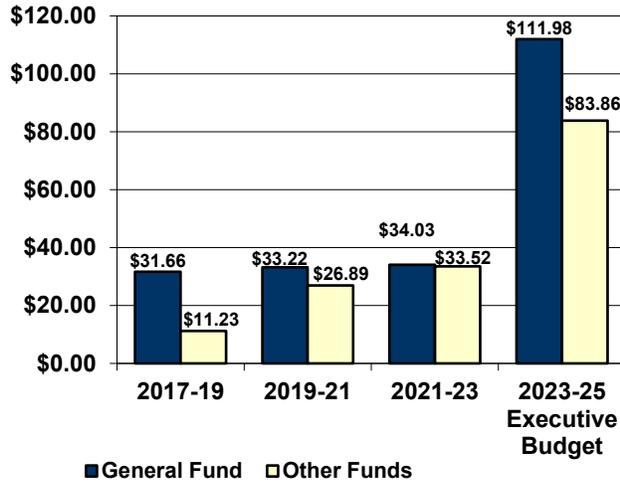
Senate Bill No. 2035 - Appropriates \$500,000 from the general fund for additional guardianship grants.

Senate Bill No. 2042 - Clarifies the procurement process and requires bidders to register with the Secretary of State prior to the contract award.

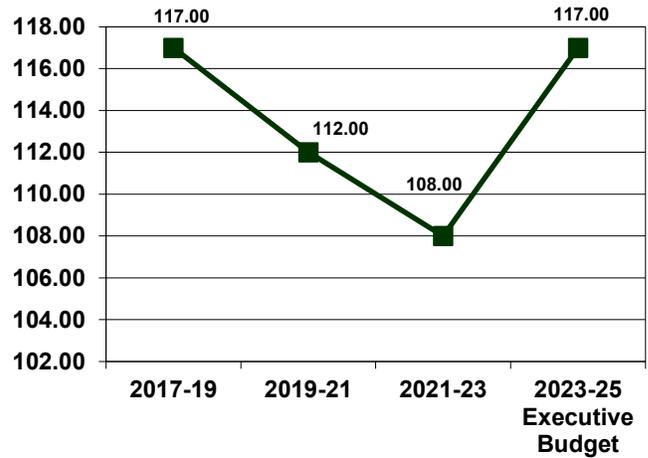
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$30,826,724	\$30,720,260	\$32,915,852	\$33,926,399	\$85,290,281
Increase (decrease) from previous biennium	N/A	(\$106,464)	\$2,195,592	\$1,010,547	\$51,363,882
Percentage increase (decrease) from previous biennium	N/A	(0.3%)	7.1%	3.1%	151.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(0.3%)	6.8%	10.1%	176.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

- Adjusted funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, 1 FTE computer and networking specialist position, 1 FTE facility construction engineer, and 1 FTE human resource officer position (\$862,713)
- Adjusted funding for operating expenses \$171,178
- Increased funding for the Emergency Commission contingency fund \$100,000
- Added funding for extraordinary repairs and bond payments \$773,477
- Removed funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) (\$501,000)
- Reduced funding for Prairie Public Broadcasting from \$1.6 million to \$1.2 million (\$400,000)
- Removed funding for the state student internship program (\$200,000)
- Added funding for community service supervision grants \$350,000

2019-21 Biennium

- Removed 5 FTE positions, including 3 FTE custodian positions and 2 FTE system mechanic positions (\$560,182)
- Underfunded salaries and wages for anticipated savings from vacant positions and employee turnover (\$210,252)
- Added funding to reclassify positions (\$560,678) and for temporary employees (\$56,400) \$617,078
- Reduced funding for IT and maintenance costs (\$588,483)

- 5. Added funding for contract custodians (\$640,000), utility costs (\$427,650), state accounting software and an employee onboarding project (\$483,360), Microsoft Office 365 licensing expenses (\$77,308), and statewide memberships and dues (\$93,614) \$1,700,208
- 6. Reduced funding for the Emergency Commission contingency fund to provide total funding of \$500,000 (\$100,000)
- 7. Reduced funding for bond payments to provide total funding of \$567,125 (\$206,352)
- 8. Increased funding for guardianship grants by \$621,400, from \$1,328,600 to \$1,950,000 \$621,400

2021-23 Biennium

- 1. Added funding to reclassify vacant FTE positions into a human resource officer (\$110,869) and procurement officers (\$104,824) \$215,693
- 2. Decreased funding for operating expenses primarily related to IT costs (\$701,000)
- 3. Added funding for a budget software maintenance agreement (\$403,000) and a procurement software maintenance agreement (\$152,000) \$555,000
- 4. Decreased funding for the Emergency Commission contingency fund to provide total funding of \$400,000 (\$100,000)
- 5. Increased funding for guardianship grants by \$500,000, from \$1,950,600 to \$2,450,000 \$500,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 9 FTE positions, including 1 learning development manager, 2 business developers, 1 talent acquisition manager, 1 total rewards specialist, 1 talent acquisition specialist, 2 shared communication service specialists, and 1 change management position \$1,895,224
- 2. Adds funding to reclassify 2 FTE positions for a public improvements manager and a lease administrator \$396,888
- 3. Adds funding for a salary equity funding pool \$49,300,000
- 4. Adds funding for new procurement software licensing fees \$1,000,000
- 5. Adjusts funding for a new Capitol space rent model (\$3,711,638)

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$6,530,303	\$941,100	\$300,000	\$100,000	\$26,691,319

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Added one-time funding for a grant to the Theodore Roosevelt Center at Dickinson State University \$500,000
- 2. Provided a deficiency appropriation of \$441,100 for lawsuit expenses \$441,000

2019-21 Biennium

- 1. Added one-time funding for the state student internship program \$250,000
- 2. Added one-time funding for an electronic procurement study \$50,000

2021-23 Biennium

- 1. Added one-time funding for the state student internship program \$100,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds one-time funding for new procurement software \$2,500,000
- 2. Adds one-time funding for a steam boiler replacement project \$12,000,000
- 3. Adds one-time funding for Capitol grounds landscaping \$1,800,000
- 4. Adds one-time funding for Capitol space utilization improvements \$5,500,000
- 5. Adds one-time funding for Prairie Public Broadcasting grants to provide total grant funding of \$2,992,450 \$1,792,450

Office of Management and Budget - Budget No. 110
Senate Bill No. 2015
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	108.00	\$33,926,399	\$8,828,309	\$42,754,708
2023-25 Ongoing Funding Changes				
Cost to continue salaries		\$127,384	\$24,024	\$151,408
Salary increase		1,243,185	213,216	1,456,401
Health insurance increase		438,312	78,190	516,502
Adds FTE learning development manager position	1.00	255,452		255,452
Adds FTE business development positions	2.00	381,724		381,724
Adds FTE talent acquisition manager position	1.00	255,452		255,452
Adds FTE total rewards specialist position	1.00	218,472		218,472
Adds FTE talent acquisition specialist position	1.00	218,472		218,472
Adds FTE shared communications services positions	2.00	350,722		350,722
Adds FTE change management position	1.00	214,930		214,930
Adds funding to reclassify an FTE public improvements manager position		198,444		198,444
Adds funding to reclassify an FTE lease administrator position		198,444		198,444
Adds funding for a salary equity pool		49,300,000	40,400,000	89,700,000
Increase in ITD rates		25,067	824	25,891
Adds funding for new procurement software		1,000,000		1,000,000
Adds funding for inflationary increases		323,100	508,674	831,774
Adds funding for classification system administration		12,000		12,000
Adds funding for LinkedIn recruitment tools		95,000		95,000
Adjusts funding for a new Capitol space rent model		(3,711,638)	4,101,552	389,914
Transfers \$200,000 from capital assets to operating expenses				0
Adjusts funding for bond payments		(280,640)		(280,640)
Adds funding for electrical and mechanical repairs		500,000		500,000
Adds funding for Central Services Division software and equipment			24,480	24,480
Total ongoing funding changes	9.00	\$51,363,882	\$45,350,960	\$96,714,842
One-time funding items				
Adds one-time funding for accrued leave retirement payouts		\$74,369	\$26,000	\$100,369
Adds one-time funding for inflationary increases		18,500	340,000	358,500
Adds one-time funding for an ADA compliance study		100,000		100,000
Adds one-time funding for Capitol tour enhancements		100,000		100,000
Adds one-time funding for state employee leave management software		540,000		540,000
Adds one-time funding for new procurement software		2,500,000		2,500,000
Adds one-time funding to continue automation upgrades at the Capitol		800,000		800,000
Adds one-time funding for electrical and mechanical repairs		100,000		100,000
Adds one-time funding for steam boiler replacement		12,000,000		12,000,000
Adds one-time funding to remodel the State Office Building		451,000		451,000
Adds one-time funding for Capitol grounds landscaping		1,800,000		1,800,000
Adds one-time funding for Capitol space utilization improvements		5,500,000		5,500,000
Adds one-time funding for Central Services Division software and		215,000	358,800	573,800
Adds one-time funding for Governor's residence exterior repairs			300,000	300,000
Adds one-time funding to remodel the 18th floor of the Capitol			500,000	500,000
Adds one-time funding for the Brynhild Haugland room			500,000	500,000
Adds one-time funding for Capitol window replacement			4,000,000	4,000,000
Adds one-time funding for a deferred maintenance pool			20,000,000	20,000,000
Adds one-time funding for Prairie Public Broadcasting grants		1,792,450		1,792,450
Adds one-time funding for the state student internship program		700,000		700,000
Adds one-time funding for federal education grants			3,659,555	3,659,555
Total one-time funding changes	0.00	\$26,691,319	\$29,684,355	\$56,375,674
Total Changes to Base Level Funding	9.00	\$78,055,201	\$75,035,315	\$153,090,516
2023-25 Total Funding	117.00	\$111,981,600	\$83,863,624	\$195,845,224
<i>Federal funds included in other funds</i>			\$9,059,555	
<i>Total ongoing changes as a percentage of base level</i>	8.3%	151.4%	513.7%	226.2%
<i>Total changes as a percentage of base level</i>	8.3%	230.1%	849.9%	358.1%

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

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

Executive Budget Recommendation

Tax relief fund to social services finance fund	Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.
Strategic investment and improvements fund	Section 4 would identify \$20 million from the strategic investment and improvements fund for a deferred maintenance funding pool and would authorize OMB to transfer the funding to other eligible state agencies.
State student internship program	Section 5 would authorize OMB to transfer student internship funding to other state agencies.
Salary equity funding pool	Section 6 would authorize OMB to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.
Fiscal management exemption	Section 7 would allow 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.
Grant and expense designations	Section 8 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
State employee compensation adjustments	Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.
Legacy earnings fund	Section 10 would amend North Dakota Century Code Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.
Capitol building fund continuing appropriation limit	Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.
Capitol Grounds Planning Commission	Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.
Budget stabilization fund limit	Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.
Facility management operating fund	Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.
State share of oil and gas tax revenue allocations ("buckets")	Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.
Capitol space rent model	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations.

**SENATE BILL NO. 2015
(Governor’s Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to create a new section to chapter 48-10 relating to office space allocation; to amend and reenact sections 21-10-13, 48-10-02, 54-21-19, 54-27.2-01, 54-44-11, 54-52.1-18, 54-52.1-19, 57-40.3-10 and 57-51.1-07.5 of North Dakota Century Code relating to legacy earnings, capitol grounds planning commission, allocation of space in the capitol, charges for services, the budget stabilization fund, the creation of operating funds, transfer of revenue, and oil tax allocations; to repeal section 54-21-28 of the North Dakota Century Code, relating to space utilization; to repeal section 54-44.4-02.2 of the North Dakota Century Code, relating to a report on exempted services; to provide an exemption; to provide for various transfers; to provide a continuing appropriation; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$21,926,979	\$ 94,216,792	\$ 116,143,771
Operating Expenses	15,663,214	3,653,079	19,316,293
Contingency Fund	400,000	0	400,000
Capital Assets	764,515	49,068,640	49,833,155
Guardianship Grants	2,450,000	0	2,450,000
Community Service Grants	350,000	0	350,000
Prairie Public Broadcasting	1,200,000	1,792,450	2,992,450
State Student Internship	0	700,000	700,000
GEER	<u>0</u>	<u>3,659,555</u>	<u>3,659,555</u>
Total All Funds	\$42,754,367	\$153,090,516	\$195,845,224
Less Estimated Income	<u>8,828,309</u>	<u>75,035,315</u>	<u>83,863,624</u>
Total General Fund	\$33,926,399	\$78,055,201	\$ 111,981,600
Full-time Equivalent Positions	108.00	9.00	117.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO 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 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Deferred Maintenance	\$0	\$ 20,000,000
Space Utilization	0	5,500,000
Special Assessments	300,000	0
Extraordinary Repairs	500,000	7,200,000
Operating Increases	0	458,500
Boiler Replacement	0	12,000,000

Student Internship	100,000	700,000
Prairie Public Broadcasting Projects	0	1,792,450
State Budget System	1,230,100	0
Building Automation Upgrade	518,800	800,000
Facility Consolidation Study	350,000	0
Exterior/Interior Wayfinding Signs	500,000	0
Retirement Leave Payout	0	100,369
Equipment/IT Software	0	908,800
ADA Study	0	100,000
Demolish State Office Building	0	451,000
E-Procurement Software	2,021,204	2,500,000
Total All Funds	\$5,520,104	\$56,170,674
Total Special Funds	5,420,104	29,684,355
Total General Fund	\$ 100,000	\$ 26,486,319

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

SECTION 3. TRANSFER - TAX RELIEF FUND TO SOCIAL SERVICES FINANCE FUND. The office of management and budget shall transfer the sum of \$200,000,000, or so much of the sum as may be necessary, from the tax relief fund to the social services financing fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 4. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in the capital assets line of section 1 of this Act includes the sum of \$20,000,000 from the strategic investment and improvements fund, which is for the deferred maintenance pool. The office of management and budget may transfer funds to eligible state agencies for identified deferred maintenance projects. This funding is considered a one-time funding item.

SECTION 5. STATE STUDENT INTERNSHIP PROGRAM. The office of management and budget may transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 6. EQUITY FUNDING. The salary and wages line item in section 1 of this Act contains \$90 million for salary equity funding for state agencies and institutions of higher education. The office of management and budget shall transfer funds from the equity funding in section 1 of this Act to agencies based on identified inequities in agencies as determined by the human resource management services division of the office of management and budget.

SECTION 7. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2021 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 statewide systems including accounting, management, and payroll, during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 8. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

State Memberships and Related Expenses	\$ 685,657
Unemployment Insurance	\$1,800,000
Capitol Grounds Planning Commission	\$ 25,000

SECTION 9. STATE EMPLOYEE COMPENSATION ADJUSTMENT - GUIDELINES.

1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 6 percent for fiscal year 2024 and 4 percent for fiscal year 2025 and are to be based on documented performance.
2. Agencies may use salaries and wages funding available due to vacant positions and employee

turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2025-27 biennium to continue the additional salary increases.

3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow the compensation philosophy statement under section 54-44.2-01.2.
4. Probationary employees are not entitled to the salary increase. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increase 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 10. AMENDMENT. Section 21-10-13 of the North Dakota Century Code is amended and reenacted as follows:

21-10-13. Legacy earnings fund - State treasurer - Transfers.

1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys transferred to the fund under subsection 2 and all interest and earnings upon moneys in the fund.
2. Any legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota, which may not exceed seven percent of the five-year average value of the legacy fund assets as reported by the state investment board, must be immediately transferred by the state treasurer to the legacy earnings fund.
3. ~~For each biennium subsequent to the biennium in which the legacy fund earnings are transferred under subsection 2, the amount available for appropriation from the legacy earnings fund is seven percent of the five-year average value of the legacy fund assets as reported by the state investment board.~~ The average value of the legacy fund assets must be calculated using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.
4. On July first of each odd-numbered year, from the amount ~~available for appropriation or transfer from~~ in the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order the legislature shall provide for the allocation and appropriation of moneys as follows:
 - a. ~~The first one hundred fifty million dollars~~ Thirty-one percent to the legacy sinking and interest fund under section 6-09.4-10.1.
 - b. ~~The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19~~ Fourteen percent for community and workforce development programs and initiatives.
 - c. Thirty-five percent for economic development and research programs and initiatives ~~Any remaining funds for other purposes as designated by the legislative assembly, including:~~
 - (1) ~~Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;~~
 - (2) ~~Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and~~
 - (3) ~~Up to thirty million dollars for university research programs, the innovation loan fund to support technology advancement, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.~~
 - d. Twenty percent to legacy projects and destination development programs and initiatives.
5. ~~If the amounts transferred under subsection 2 exceed the amount available for appropriation under subsection 3, an amount equal to any appropriations from the legacy sinking and interest fund for bond payments under section 6-09.4-10.1 must be retained in the legacy earnings fund through June 30, 2025, after which an amount equal to twice any appropriations from the legacy sinking and interest fund under section 6-09.4-10.1 for bond payments, but not more than one hundred fifty million dollars, must be retained in the legacy earnings fund. After deducting any amounts to be retained in the legacy earnings fund, the state treasurer shall transfer, within thirty days, any remaining amounts under this subsection in the following order:~~
 - a. ~~The first one hundred million dollars to the legacy fund to become part of the principal.~~

~~b. Any remaining amount to the strategic investment and improvements fund to be used in accordance with the provisions of section 15-08.1-08.~~

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. 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.

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.

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

SECTION 12. 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. A lease or rental agreement or renewal of the lease or rental agreement for the lease or rental of buildings or portions of buildings for use by state agencies, departments, offices, officers, boards, and institutions, other than institutions under the board of higher education, the adjutant general and department of transportation office and storage space for field engineering and maintenance crews, unless approved may be entered by the director of the office of management and budget subject to a determination of the legal sufficiency of the lease or rental agreement and subject to space utilization studies and allocation and assignment of office space as determined by the capitol grounds planning commission pursuant to chapter 48-10. To ensure economy, efficiency, and cooperation between the state and its political subdivisions, and to limit the number of locations of state offices for the convenience of individuals traveling to the offices, the director shall promulgate rules governing the lease or rental of additional buildings or portions of the buildings by state agencies, departments, offices, officers, boards, and institutions other than those under the board of higher education, the adjutant general, and department of transportation office and storage space for field engineering and maintenance crews. The department, agency, or board for which the office space is sought approve the office space before the director may finalize a contract or lease for the office space.

SECTION 13. AMENDMENT. Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-10. Transfer of revenue. Seventy-five percent of all All moneys collected and received under this chapter during the period of July 1, 2023, through June 30, 2024, and fifty percent of all moneys collected and received under this chapter thereafter must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited to the general fund. Twenty-five percent of all moneys collected and received under this chapter during the period of July 1, 2023, through June 30, 2024, and fifty percent of all moneys collected and received under this chapter thereafter must be transmitted monthly by the director to the department of transportation highway fund.

SECTION 14. AMENDMENT. Section 54-21-19 of the North Dakota Century Code is amended and reenacted as follows:

54-21-19. Director to furnish supplies and maintain capitol, state offices, and executive mansion - Authority to charge for services. The director of the office of management and budget shall provide all necessary fuel, electricity, insurance, janitorial, and other services necessary to maintain the state offices on the capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and all other necessary supplies for the executive mansion and the capitol grounds and shall make all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director shall charge an amount equal to the fair value of the office space and other services rendered to all departments ~~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 the waiver subject to further annual renewals after proper application has been filed with the director.

SECTION 15. AMENDMENT. Section 54-27.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-01. Budget stabilization fund. The budget stabilization fund is a special fund in the state treasury. The state investment board shall supervise investment of the budget stabilization fund in accordance with chapter 21-10. Any interest or other budget stabilization fund earnings must be credited to the fund. Any amounts provided by law for deposit in the fund and any interest or earnings of the fund which would bring the balance in the fund at the end of any fiscal year to an amount greater than fifteen percent of the current ongoing biennial state general fund budget minus the general fund portion of the integrated formula payment line appropriated to the department of public instruction, as finally approved by the most recently adjourned special or regular session of the legislative assembly, may not be deposited in or credited to the fund but must be deposited instead in the state general fund.

SECTION 16. AMENDMENT. Section 54-44-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44-11. Office's operating funds creation - Continuing appropriation.

1. The office of management and budget shall establish a state purchasing operating fund to be used for the procurement and maintenance of an inventory of equipment and supplies for the state departments and agencies. Funds in the state purchasing operating fund are appropriated on a continuing basis and may be spent by the office of management and budget for the procurement and maintenance of an inventory of equipment and supplies as provided in this subsection. The director of the office of management and budget shall transfer any unobligated balance in the fund, in excess of one hundred twenty-five thousand dollars, to the state general fund at the end of each fiscal year.
2. The office of management and budget shall establish a state printing operating fund to be used for the procurement and maintenance of an inventory of printing equipment and supplies for the state departments and agencies.
3. The office of management and budget shall establish a state personnel training and development operating fund to be used for the coordination of employee training and career development data, supplies, equipment, and services and for providing or arranging necessary training and development programs to state departments and agencies. Funds in the state personnel training and development operating fund are appropriated on a continuing basis to the office of management and budget and may be spent for the purposes identified in this subsection. Any surplus in this fund in excess of twenty-five thousand dollars on June thirtieth of each year must be transferred to the state general fund.
4. The office of management and budget shall establish a facility management operating fund to be used for the salary and operations of the division of facility management. Rental fees collected pursuant to section 54-21-19 shall be deposited into the fund. The director of the office of management and budget shall transfer any unobligated balance in the fund to the state general fund at least once each biennium.
45. Each office, agency, or institution provided with printing or personnel training services, unless exempted by law, shall pay to the office of management and budget a proportionate share of the cost of such service as determined by the director of the office of management and budget, based on actual costs and actual usage. The amounts paid to the office of management and budget by the

various offices, agencies, and institutions must be deposited in the appropriate operating fund and must be expended in accordance with legislative appropriations.

SECTION 17. AMENDMENT. Section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.5. State share of oil and gas taxes - Deposits. From the revenues designated for deposit in the state general fund under chapters 57-51 and 57-51.1, the state treasurer shall deposit the revenues received each biennium in the following order:

1. The first ~~two~~ ^{three} hundred million dollars into the state general fund;
2. The next two hundred million dollars into the tax relief fund;
3. The next seventy-five million dollars into the budget stabilization fund, but not in an amount that would bring the balance in the fund to more than the limit in section 54-27.2-01;
4. The next ~~two~~ ^{three} hundred million dollars into the state general fund;
5. The next ten million dollars into the lignite research fund;
6. The next fifteen million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than fifteen million dollars;
7. The next thirty million three hundred seventy-five thousand dollars, or the amount necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7, into the municipal infrastructure fund;
8. The next four hundred million dollars into the strategic investment and improvements fund;
9. An amount equal to the deposit under subsection 7 into the county and township infrastructure fund;
10. The next one hundred sixty-nine million two hundred fifty thousand dollars or the amount necessary to provide a total of two hundred thirty million dollars into the funds designated for infrastructure development in non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal infrastructure fund and fifty percent deposited into the county and township infrastructure fund;
11. The next twenty million dollars into the airport infrastructure fund; and
12. Any additional revenues into the strategic investment and improvements fund.

SECTION 18. A new section to chapter 48-10 of the North Dakota Century Code is created and enacted as follows:

Space utilization studies -- Office space allocation -- Continuing appropriation. The capitol grounds planning commission shall:

1. Conduct a periodic comprehensive space utilization study of all executive, legislative, and judicial branch staff located within the facilities on the capitol grounds.
2. Develop a space allocation and design policy which will consider space equalization and maximize the effective use of public facilities in a cost-effective manner.
3. Allocate and assign office space in consultation with the director of the office of management and budget, based upon space utilization studies and the established policies, guidelines, standards, and procedures, to all executive, legislative, and judicial branch staff housed and working in facilities on the capitol grounds.
4. Include in developing standards and criteria to be used in making space allocations, considerations regarding equipment; work stations; private offices; conference rooms; reception areas; vaults; necessary arrangements of dividers, doors, and walls to increase adequate air circulation; telephones; lighting; and heating in the utilization of available space.
5. Be consulted, along with the office of management and budget, and the commission's approval obtained, before any change is made within any assigned and allocated space, and before any structural alteration is made.
6. Funds from the capitol building fund may be expended pursuant to section 48-10-02 for purposes of major interior changes, including new construction, remodeling, or renovation of any kind that are proposed to the commission and approved pursuant to section 48-10-03.

SECTION 19. EMERGENCY. Section 6 of this Act is declared to be an emergency measure.

SECTION 20. REPEAL. Section 54-21-28 and 54-44.4-02.2 of the North Dakota Century Code are repealed.

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2015
1/5/2023

A Bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

2:28 pm Chairman Bekkedahl opened the hearing.

Members present : Senators Bekkedahl, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, Mathern; Members absent: Senator Krebsbach

Discussion Topics:

- Budget overview/introduction
- Introduction of OMB Divisions & staff, structure chart
- FTE needs
- Central Services Division, ie central printing, purchasing, mailroom
- Facility Management Division
- Fiscal Management
- Human Resource Management Services
- Risk Management
- Accomplishments
- Current budget and funding
- Proposed budget and requests
- Goals and Objectives
- Budget changes and needs
- Proposals for more efficiencies, savings
- OMBHRMS overview and needs
- Total Rewards Package – increased equity increases in compensation
- Motor Vehicle tax transfer to Highway Fund

2:28 pm Joe Morrissette – Director of Office of Management and Budget - introduced the bill provides an overview of OMB – handout/testimony # 12438

2:47 pm Molly Herrington – OMBHRMS - answered questions from the committee

2:48 Joe Morrissette continued with overview

3:26 John Boyle – OMB Facilities Management - answered questions from the Committee

3:28 Joe Morrissette continued with overview

Senate Appropriations Committee

SB 2015

1/5/2023

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3:31 Molly Herrington – overview of OMBHRMS, and needs

4:07 Joe Morrissette continued with overview

Chairman Bekkedahl assigned this Bill to the Government Ops Division.

Additional written testimony: Sandra McMerty #17408; Adam Mathiak #21252

4:15 pm Chairman Bekkedahl closed the hearing.

Kathleen Hall, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
1/20/2023

An appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; and to provide an exemption.

8:32 AM Chairman Wanzek opened the meeting.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

Discussion Topics:

- Budget changes
- Automated procurement system
- Automated contract system
- ADA Accessibility
- Building maintenance needs
- State facility project improvements
- Space utilization optimization
- Space standardization policies
- Rent model
- Centralized services and support
- Statewide equity packages
- Prairie Public request
- Guardianship
- Line-item changes
- Other bill draft changes

8:33 AM Joe Morrissette, Director of ND Office Management and Budget, testified affirmatively. Testimony #14648

8:44 AM Sherry Neas, Central Services Division Director ND OMB, testified, Neutral (No written testimony)

8:45 AM John Boyle, Director of Facilities Management ND OMB, testified affirmatively. (No written testimony)

9:01 AM Joe Morrissette continued the budget presentation.

9:34 AM Joe Goplin, Financial Services Director of OM, testified. (No written testimony)

9:39 AM Molly Herrington, Chief People Officer ND OMB, testified affirmatively. (No written testimony)

9:55 AM Recess

10:04 AM Senator Wanzek reopened the meeting.

10:05 AM John Harris, President, and CEO of Prairie Public Broadcasting, presented information and testified affirmatively for SB 2015. Testimony # 14716; #14715

10:13 AM Aaron Birst, Executive Director of ND Association of Counties, testified affirmatively. Testimony # 14771

10:26 AM Scott Bernstein, Executive Director Guardian and Protective Services, provided information. (No written testimony)

10:40 AM Audrey Uhrich, Professional Guardian for Guardian Angels, and Vice-President of GAND, testified. Testimony #14778

11:25 AM Crystal Hogarth, Fiscal Officer of OMB, provided clarification. (No written testimony)

11:27 AM Mr. Morrisette summarized the affirmative testimony for SB 2015.

Additional written testimonies:

David Krebsbach, Vice Chancellor for Administrative Affairs & CFO of the ND University System - #14577

Chelsey Williams, member of ND Community Corrections Association - #14571 and #14572

Terry Traynor, ND Association of Counties - #14727.

11:35 AM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
1/25/2023

An appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; and to provide an exemption.

2:32 PM Chairman Wanzek called the meeting to order.

Chairman Wanzek and Senators Erbele, Roers, Dwyer, and Vedaa were present.

Discussion Topics:

- Equity
- New FTE requests
- Total Rewards compensation expert
- Change management/implementation
- Aid to other agencies
- Communications services
- Software support
- Procurement software
- Contract management component
- Inflation/risk management
- Linked In Recruiter
- Funding source contingency
- One-time inflationary increases
- ADA shortfalls
- State leave software
- Landscaping
- Capitol space utilization/People Soft
- Guided learning software
- One-time capital improvements
- Deferred maintenance fund
- Prairie Public funds
- Education grants
- Guardianship program
- Capitol Building windows

2:36 PM Joe Morrissette, Director of OMB, explained budget increases. Testimony #12438

2:40 PM Molly Herrington, OMBHRMS, addressed staffing needs. (No written testimony)

2:45 PM Adam Mathiak, Legislative Council, testified. Neutral #16855

2:58 PM John Boyle, Director of Facilities Management, testified. Neutral (No written testimony)

3:08 PM Joe Goplin, Director of State Financial Services OMB, testified. Neutral (No written testimony)

3:13 PM Joe Morrissette resumed testimony.

3:15 PM Sherry Neas, Director of Central Services Division OMB, testified online. Neutral (No written testimony)

3:18 PM Joe Morrissette summarized his testimony in support of SB 2015.

4:04 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
2/8/2023

An appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

2:53 PM Chairman Wanzek called the meeting to order.

Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa were present.

Discussion Topics:

- FTE requests
- IT rates
- Software
- Retirement payouts
- Inflation
- ADA compliance
- Employee leave management/FMLA
- ADA/additional costs
- Automation upgrades
- Steam boiler replacement
- Space utilization study
- Rent model
- Governor's residence
- 18th Floor remodel
- Capitol windows
- Deferred maintenance pool
- Prairie Public funds
- Student internship programs
- Federal education grants
- Guardian program
- Tax relief fund
- Capitol Grounds Planning Commission
- Budget stabilization fund
- Oil and gas tax revenue allocations

2:55 PM Becky Deichert, OMB Analyst, testified. Neutral (No written testimony)

3:22 PM John Boyle, Director of Facility Management, testified. (No written testimony)

4:37 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
2/14/2023

An appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; and to provide an exemption.

4:14 PM Chairman Wanzek called the meeting to order.

Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

Discussion Topics:

- Talent acquisition manager
- Total rewards (employee compensation, classification) specialist
- Learning and development manager
- Recruiting specialist
- Change management specialist
- Communications specialist
- Public improvements manager
- Business development specialist
- Equity
- ITD rates
- Software cost and maintenance
- Competitive procurement process
- Contract management
- Capitol space rent model
- Fire suppression system
- Accrued leave retirement payments
- Inflation adjustment
- ADA compliance study
- Building automation upgrades
- Capitol boiler replacement
- Capitol grounds landscaping
- Capitol space utilization study
- Deferred maintenance fund
- Prairie Public transmitters and programming
- Oil and gas tax revenue allocation
- Guardianship funding
- Internship programs

4:17 PM Molly Herrington, Interim Chief People Officer, OMB, testified. (No written testimony.)

4:51 PM Senator Roers made a motion to reclassify 2 FTE positions, add a talent acquisition specialist position, a business development specialist position, and a total-rewards specialist position to the budget.

Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	N
Senator Shawn Vedaa	N

Motion passed. 3-2-0

4:47 PM Sherry Neas, OMB Procurement Director, testified. (No written testimony)

4:55 PM Adam Mathiak, LC Senior Fiscal Analyst, testified. Neutral Testimony #16855

5:07 PM Joe Morrisette testified online. (No written testimony)

5:16 PM John Boyle, OMB Director of Facility Management, testified. (No written testimony)

5:55 PM Jack McDonald, Prairie Public Television, testified. (No written testimony)

6:16 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
2/16/2023

An appropriation for defraying the expenses of the various divisions under the supervision of the director of the Office of Management and Budget; and to provide an exemption.

4:51 PM Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, Vedaa are present.

Discussion Topics:

- FTE positions
- Budget changes
- One-time changes
- Automatic door openers in legislative area
- Eighteenth/observation floor
- Prairie Public funds
- Deferred maintenance
- Guardianship
- Capitol building improvements
- Rent model

4:52 PM Adam Mathiak, LS Senior Fiscal Analyst, testified. Testimony #21105

5:19 PM Senator Vedaa moved to remove all funding for Prairie Public Broadcasting from the proposed amendments (23.0269.01001).

Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	N
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	N
Senator Shawn Vedaa	Y

The motion passed 3-2-0.

5:43 PM Senator Dwyer moved to adopt the Amendments as amended for SB 2015.
Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0.

5:44 PM Senator Dwyer moved a Do Pass as Amended recommendation doe SB 2015.
Senator Vedaa seconded.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

The motion passed 5-0-0.

Senator Wanzek will carry SB 2015.

5:45 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
2/20/2023

An appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; and to provide an exemption.

11:02 Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa were present.

Discussion Topics:

- Deferred maintenance
- Facility study
- Site Logic
- Spending authority

11:02 AM Senator Wanzek testified. Testimony #21155

11:04 AM Joe Morrisette, OMB, testified. Testimony #14648

11:16 AM Senator J. Roers moved to reconsider the amendment to SB 2015.
Senator Roers seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0

11:17 AM Senator J. Roers moved to adopt the proposed language and further amend SB 2015. LC 23.0266.01005 (#21218)
Senator Dwyer seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0

11:18 AM Senator J. Roers moved Do Pass as Amended.
Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0

Senator Dever will carry SB 2015

11:22 AM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2015
2/20/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

4:27 PM Chairman Bekkedahl opened the meeting on SB 2015.

Members present : Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Discussion Topics:

- Office of Management and Budget

4:27 PM Senator Wanzek reviewed the amendment 23.0269.01004 (#21180)

4:41 PM Senator Wanzek moved to adopt the amendment 23.0269.01004.
Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	N
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 15-1-0

4:52 PM Senator Krebsbach moved to adopt amendment 23.0269.01003. (#21183)
Senator Mathern seconded the motion.

4:54 PM Senators Krebsbach and Mathern withdraw the motion.

4:54 PM Senator Krebsbach moves to further amend 23.0269.01004 to add Prairie Public funding..

Senator Mathern seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	N
Senator Robert Erbele	N
Senator Curt Kreun	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	N
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	N
Senator Terry M. Wanzek	Y

Motion passed 10-6-0

5:05 PM Senator Wanzek moved DO PASS AS AMENDED.

Senator Krebsbach seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	N
Senator Terry M. Wanzek	Y

Motion passed 15-1-0

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Senator Wanzek will carry the bill.

5:11 PM Chairman Bekkedahl closed the hearing.

Kathleen Hall, Committee Clerk

*AG
2-21-23*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 1, line 2, replace the second "and" with "to create and enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and 57-40.3-10 of the North Dakota Century Code, relating to the capitol grounds planning commission spending limit, capitol grounds rent collections, and the allocation of motor vehicle excise tax collections; to provide for a transfer;"

Page 1, line 3, after "exemption" insert "; to provide a report; to provide an effective date; and to declare an emergency"

Page 1, remove lines 11 through 23

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000	0	400,000
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
Targeted market equity pool	0	75,000,000	75,000,000
State student internship program	0	700,000	700,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	0	<u>20,000,000</u>	<u>20,000,000</u>
Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
Less estimated income	<u>8,828,309</u>	<u>68,082,864</u>	<u>76,911,173</u>
Total all funds	\$33,926,399	\$58,017,935	\$91,944,334
Full-time equivalent positions	108.00	3.00	111.00"

Page 2, line 3, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 22 with:

"Griggs County medical center grant	\$500,000	\$0
Facility consolidation study	350,000	0
Special assessments on capitol grounds	300,000	0
Interior and exterior signage projects	500,000	0
Statewide budget software	1,230,100	0
Capitol accessibility improvements	750,000	0
Legislative wing ventilation improvements	7,000,000	0
Pierce County medical center grant	1,000,000	0
Accrued leave retirement payouts	0	100,369
Inflationary increases	0	358,500

Capitol accessibility consulting	25,000	100,000	AG 2-21-23
Automatic doors in legislative rooms	0	150,000	
Capitol tour digital enhancements	0	100,000	
State employee leave management system	0	335,000	
Procurement software	2,021,204	2,500,000	
Building automation project	518,800	800,000	
Extraordinary repairs	500,000	100,000	
State office building demolition	0	451,000	
Capitol space utilization improvements	0	5,500,000	
Central services software and equipment	0	573,800	
Governor's residence exterior repairs	0	300,000	
Brynhild Haugland room remodeling project	0	500,000	
Capitol window replacement project	0	4,000,000	
Deferred maintenance projects	10,000,000	20,000,000	
Prairie public broadcasting grants	0	1,792,450	
State student internship program	100,000	700,000	
Governor's emergency education relief	0	3,659,555	
Total all funds	\$24,795,104	\$42,020,674	
Less estimated income	<u>24,695,104</u>	<u>29,184,355</u>	
Total general fund	\$100,000	\$12,836,319	

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

Page 2, after line 27, insert:

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

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item in section 1 of this Act to eligible state agencies for student 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:

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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."

Page 3, replace lines 1 through 3 with:

"Unemployment insurance	\$1,800,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$685,657

**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 branch state employees in accordance with provisions of this section for the period beginning with the effective date of this Act and ending June 30, 2025.
2. The targeted market equity compensation adjustments must be prioritized based on a statewide plan prepared by the office of management and budget based on the funding available in the pool. The plan must address occupational market disparities, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Employees whose documented performance levels do not meet standards are not eligible for the market equity compensation adjustments.
3. All targeted market equity compensation adjustments must be provided by July 1, 2023.
4. The funding allocated to each agency must be used for the cost to continue the compensation adjustments for the 2023-25 biennium, including the effect of the market equity adjustments on funding needed for the salary increases authorized by the legislative assembly in section 10 of this Act.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity funding pool to eligible executive branch state agencies for approved targeted market equity salary adjustments.
6. The office of management and budget shall provide a report to the budget section regarding the statewide plan, any changes to the plan presented to the sixty-eighth legislative assembly, and the appropriation authority transferred from the pool.

SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

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1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 4 percent per eligible employee for the first fiscal year of the biennium and are to average 4 percent per eligible employee for the second year of the biennium. The increases for the first year of the biennium are to be given beginning with the month of July 2023, to be paid in August 2023, and for the second year of the biennium are to be given beginning with the month of July 2024, to be paid in August 2024. Increases for eligible state employees are to be based on documented 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 balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed ~~two~~^{seven} hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

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

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

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

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

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

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

57-40.3-10. Transfer of revenue.

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

Page 3, after line 9, insert:

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

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

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000		400,000
Guardianship grants	2,450,000	3,650,000	6,100,000
Targeted market equity pool		75,000,000	75,000,000
Prairie Public Broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000		350,000
State student internship		700,000	700,000
Governor's emergency education relief		3,659,555	3,659,555
Deferred maintenance funding pool		20,000,000	20,000,000
Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
Less estimated income	8,828,309	68,082,864	76,911,173
General fund	\$33,926,399	\$58,017,935	\$91,944,334
FTE	108.00	3.00	111.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

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	Adds Funding for Cost to Continue Salaries ¹	Adds Funding for Salary and Benefit Increases ²	Adds FTE Positions ³	Adds Funding for Other Salary Adjustments ⁴	Adds Funding for a Targeted Equity Pool ⁵	Adds Funding for Operating Expenses ⁶
Salaries and wages	\$151,408	\$1,618,624	\$664,786	\$497,257		
Operating expenses						\$3,008,165
Capital assets						
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool					\$75,000,000	
Prairie Public Broadcasting						
Community service supervision grants						
State student internship						
Governor's emergency education relief						
Deferred maintenance funding pool						
Total all funds	\$151,408	\$1,618,624	\$664,786	\$497,257	\$75,000,000	\$3,008,165
Less estimated income	24,024	238,955	0	26,000	34,000,000	849,498
General fund	\$127,384	\$1,379,669	\$664,786	\$471,257	\$41,000,000	\$2,158,667
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	Adjusts Funding for Rent Model ⁷	Adjusts Funding for Capital Assets ⁸	Adds Funding for a Deferred Maintenance Pool ⁹	Adjusts Funding for Grants and Other Programs ¹⁰	Total Senate Changes
Salaries and wages					\$2,932,075
Operating expenses	\$389,914	\$200,000			3,598,079
Capital assets		14,768,640			14,768,640
Emergency commission contingency fund					
Guardianship grants				\$3,650,000	3,650,000
Targeted market equity pool					75,000,000
Prairie Public Broadcasting				1,792,450	1,792,450
Community service supervision grants					
State student internship				700,000	700,000
Governor's emergency education relief				3,659,555	3,659,555
Deferred maintenance funding pool			\$20,000,000		20,000,000
Total all funds	\$389,914	\$14,968,640	\$20,000,000	\$9,802,005	\$126,100,799
Less estimated income	4,101,552	5,183,280	20,000,000	3,659,555	68,082,864
General fund	(\$3,711,638)	\$9,785,360	\$0	\$6,142,450	\$58,017,935
FTE	0.00	0.00	0.00	0.00	3.00

¹ Funding is added for cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	General Fund	Other Funds	Total
Salary increase	\$931,273	\$158,966	\$1,090,239
Health insurance increase	448,396	79,989	528,385
Total	\$1,379,669	\$238,955	\$1,618,624

³ Funding of \$664,786 from the general fund is added to the salaries and wages line item as follows:

- \$190,862 for 1 FTE business development position;
- \$255,452 for 1 FTE talent acquisition manager position; and
- \$218,472 for 1 FTE total rewards specialist position.

⁴ Funding of \$497,257 is added to the salaries and wages line item as follows:

- \$396,888 from the general fund to reclassify 2 existing FTE positions to 1 FTE public improvements manager position and 1 FTE lease administrator position.
- \$100,369 of one-time funding, including \$74,369 from the general fund and \$26,000 from other funds, for accrued leave retirement payouts.

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⁵ Funding of \$75 million, including \$41 million from the general fund and \$34 million from other funds, is added for a targeted market equity pool.

⁶ Funding of \$3,008,165 is added to the operating expenses line item as follows:

- \$25,891, including \$25,067 from the general fund and \$824 from other funds, for Information Technology Department rate increases.
- \$1 million from the general fund for new procurement software licensing and maintenance agreements.
- \$831,774, including \$323,100 from the general fund and \$508,674 from other funds for inflationary increases.
- \$12,000 from the general fund for classification system administration contracts.
- \$95,000 from the general fund for LinkedIn recruitment tools.
- \$358,500 of one-time funding, including \$18,500 from the general fund and \$340,000 from other funds, for inflationary increases.
- \$100,000 of one-time funding from the general fund for an Americans with Disabilities Act compliance study.
- \$150,000 of one-time funding from the general fund for automatic doors in legislative areas of the Capitol.
- \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements.
- \$335,000 of one-time funding from the general fund for a state employee leave management system.

⁷ Funding is decreased by \$3,711,638 from the general fund and increased by \$4,101,552 from other funds for a new Capitol space rent model resulting in an increase of \$389,914 from other funds for operating expenses.

⁸ Funding for capital assets is adjusted to provide the following:

- A transfer of \$200,000 from the capital assets line item to the operating expenses line item related to base budget adjustments.
- A decrease of \$280,640 from the general fund related to bond payments.
- \$500,000 from the general fund for electrical and mechanical repairs.
- \$24,480 from other funds for Central Services Division software and equipment.
- \$2,500,000 of one-time funding from the general fund for new procurement software.
- \$800,000 of one-time funding from the general fund for automation upgrades at the Capitol.
- \$100,000 of one-time funding from the general fund for electrical and mechanical repairs.
- \$451,000 of one-time funding from the general fund to demolish the State Office Building.
- \$5,500,000 of one-time funding from the general fund for Capitol space utilization improvements.
- \$573,800 of one-time funding, including \$215,000 from the general fund and \$358,800 from other funds, for Central Services Division software and equipment.
- \$300,000 of one-time funding from the Capitol building fund for exterior repairs at the Governor's residence.
- \$500,000 of one-time funding from the Capitol building fund for a remodeling project in the Brynhild Haugland Room in the Capitol;
- \$4,000,000 of one-time funding from the Capitol building fund for a Capitol window replacement project.

⁹ One-time funding of \$20 million from the strategic investment and improvements fund is added for a deferred maintenance funding pool, including \$12 million for a boiler replacement project at the Capitol.

¹⁰ Funding of \$9,802,005 is adjusted as follows:

- \$3,650,000 from the general fund for guardianship grants is added to provide total funding of \$6,100,000 for guardianship grants.
- \$1,792,450 of one-time funding from the general fund is added for Prairie Public Broadcasting to provide total funding of \$2,992,450, including \$1,200,000 of ongoing base-level funding from the general fund.
- \$700,000 of one-time funding from the general fund is added for the state student internship program.
- \$3,659,555 of one-time funding from the federal Governor's Emergency Education Relief (GEER) fund is added for education grants.

This amendment also:

- Appropriates additional funding from the community service supervision fund for distributions.
- Transfers \$200 million from the tax relief fund to the human service finance fund.
- Authorizes the Office of Management and Budget to transfer state student internship funding to other state agencies.
- Identifies \$20 million from the strategic investment and improvements fund for a deferred maintenance funding

pool, designates up to \$12 million for a boiler replacement project, and authorizes the Office of Management and Budget to transfer funding to other state agencies.

- Identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room (\$500,000), and a Capitol window replacement project (\$4 million).
- Identifies funding for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
- Provides guidelines for a targeted market equity funding pool, authorizes the Office of Management and Budget to transfer the funding to other state agencies, and requires a report to the Budget Section.
- Provides guidelines for state employee compensation increases.
- Increases the amount available each biennium from the Capitol building fund to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.
- Authorizes agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations and creates an operating fund for facility management operations related to the new rent model.
- Allocates 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund by \$169,250,000 for the 2023-25 biennium.
- Provides an exemption allowing 2021-23 biennium appropriation authority for the Fiscal Management Division of the Office of Management and Budget to continue to be available in the 2023-25 biennium.
- Provides an exemption allowing unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium.

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2-21-23

REPORT OF STANDING COMMITTEE

SB 2015: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2015 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 2, replace the second "and" with "to create and enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and 57-40.3-10 of the North Dakota Century Code, relating to the capitol grounds planning commission spending limit, capitol grounds rent collections, and the allocation of motor vehicle excise tax collections; to provide for a transfer;"

Page 1, line 3, after "exemption" insert "; to provide a report; to provide an effective date; and to declare an emergency"

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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
Targeted market equity pool	0	75,000,000	75,000,000
State student internship program	0	700,000	700,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	0	20,000,000	20,000,000
Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
Less estimated income	8,828,309	68,082,864	76,911,173
Total all funds	\$33,926,399	\$58,017,935	\$91,944,334
Full-time equivalent positions	108.00	3.00	111.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 22 with:

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Facility consolidation study	350,000	0
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Interior and exterior signage projects	500,000	0
Statewide budget software	1,230,100	0
Capitol accessibility improvements	750,000	0
Legislative wing ventilation improvements	7,000,000	0
Pierce County medical center grant	1,000,000	0
Accrued leave retirement payouts	0	100,369
Inflationary increases	0	358,500
Capitol accessibility consulting	25,000	100,000
Automatic doors in legislative rooms	0	150,000
Capitol tour digital enhancements	0	100,000
State employee leave management system	0	335,000

Procurement software	2,021,204	2,500,000
Building automation project	518,800	800,000
Extraordinary repairs	500,000	100,000
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Capitol space utilization improvements	0	5,500,000
Central services software and equipment	0	573,800
Governor's residence exterior repairs	0	300,000
Brynhild Haugland room remodeling project	0	500,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
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State student internship program	100,000	700,000
Governor's emergency education relief	0	<u>3,659,555</u>
Total all funds	\$24,795,104	\$42,020,674
Less estimated income	<u>24,695,104</u>	<u>29,184,355</u>
Total general fund	\$100,000	\$12,836,319

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

Page 2, after line 27, insert:

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

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item in section 1 of this Act to eligible state agencies for student 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."

Page 3, replace lines 1 through 3 with:

"Unemployment insurance	\$1,800,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$685,657

**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 branch state employees in accordance with provisions of this section for the period beginning with the effective date of this Act and ending June 30, 2025.
2. The targeted market equity compensation adjustments must be prioritized based on a statewide plan prepared by the office of management and budget based on the funding available in the pool. The plan must address occupational market disparities, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Employees whose documented performance levels do not meet standards are not eligible for the market equity compensation adjustments.
3. All targeted market equity compensation adjustments must be provided by July 1, 2023.
4. The funding allocated to each agency must be used for the cost to continue the compensation adjustments for the 2023-25 biennium, including the effect of the market equity adjustments on funding needed for the salary increases authorized by the legislative assembly in section 10 of this Act.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity funding pool to eligible executive branch state agencies for approved targeted market equity salary adjustments.
6. The office of management and budget shall provide a report to the budget section regarding the statewide plan, any changes to the plan presented to the sixty-eighth legislative assembly, and the appropriation authority transferred from the pool.

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

1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 4 percent per eligible employee for the first fiscal year of the biennium and are to average 4 percent per eligible employee for the second year of the biennium. The increases for the first year of the biennium are to be given beginning with the month of July 2023, to be paid in August 2023, and for the second year of the biennium are to be given beginning with the month of July 2024, to be paid in August 2024. Increases for eligible state employees are to be based on documented 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 balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed ~~two~~seven hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

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

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

The director of the office of management and budget shall provide all necessary fuel, electricity, insurance, janitorial, and other services necessary to maintain the state offices on the capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and all other necessary supplies for the executive mansion and the capitol grounds and shall make all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director shall

charge an amount equal to the fair value of the office space and other services rendered to all departments that receive and expend moneys from other than the ~~general fund executive branch agencies~~, except that for good cause the amounts charged may be waived by the director for a one-year period of time with the waiver subject to further annual renewals after proper application has been filed with the director.

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

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

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

57-40.3-10. Transfer of revenue.

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

Page 3, after line 9, insert:

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

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

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

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

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000		400,000

Guardianship grants	2,450,000	3,650,000	6,100,000
Targeted market equity pool		75,000,000	75,000,000
Prairie Public Broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000		350,000
State student internship		700,000	700,000
Governor's emergency education relief		3,659,555	3,659,555
Deferred maintenance funding pool		20,000,000	20,000,000
Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
Less estimated income	8,828,309	68,082,864	76,911,173
General fund	\$33,926,399	\$58,017,935	\$91,944,334
FTE	108.00	3.00	111.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries ¹	Adds Funding for Salary and Benefit Increases ²	Adds FTE Positions ³	Adds Funding for Other Salary Adjustments ⁴	Adds Funding for a Targeted Equity Pool ⁵	Adds Funding for Operating Expenses ⁶
Salaries and wages	\$151,408	\$1,618,624	\$664,786	\$497,257		
Operating expenses						\$3,008,165
Capital assets						
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool					\$75,000,000	
Prairie Public Broadcasting						
Community service supervision grants						
State student internship						
Governor's emergency education relief						
Deferred maintenance funding pool						
Total all funds	\$151,408	\$1,618,624	\$664,786	\$497,257	\$75,000,000	\$3,008,165
Less estimated income	24,024	238,955	0	26,000	34,000,000	849,498
General fund	\$127,384	\$1,379,669	\$664,786	\$471,257	\$41,000,000	\$2,158,667
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	Adjusts Funding for Rent Model ⁷	Adjusts Funding for Capital Assets ⁸	Adds Funding for a Deferred Maintenance Pool ⁹	Adjusts Funding for Grants and Other Programs ¹⁰	Total Senate Changes
Salaries and wages					\$2,932,075
Operating expenses	\$389,914	\$200,000			3,598,079
Capital assets		14,768,640			14,768,640
Emergency commission contingency fund					
Guardianship grants				\$3,650,000	3,650,000
Targeted market equity pool					75,000,000
Prairie Public Broadcasting				1,792,450	1,792,450
Community service supervision grants					
State student internship				700,000	700,000
Governor's emergency education relief				3,659,555	3,659,555
Deferred maintenance funding pool			\$20,000,000		20,000,000
Total all funds	\$389,914	\$14,968,640	\$20,000,000	\$9,802,005	\$126,100,799
Less estimated income	4,101,552	5,183,280	20,000,000	3,659,555	68,082,864
General fund	(\$3,711,638)	\$9,785,360	\$0	\$6,142,450	\$58,017,935
FTE	0.00	0.00	0.00	0.00	3.00

¹ Funding is added for cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$931,273	\$158,966	\$1,090,239
Health insurance increase	448,396	79,989	528,385
Total	\$1,379,669	\$238,955	\$1,618,624

³ Funding of \$664,786 from the general fund is added to the salaries and wages line item as follows:

- \$190,862 for 1 FTE business development position;
- \$255,452 for 1 FTE talent acquisition manager position; and
- \$218,472 for 1 FTE total rewards specialist position.

⁴ Funding of \$497,257 is added to the salaries and wages line item as follows:

- \$396,888 from the general fund to reclassify 2 existing FTE positions to 1 FTE public improvements manager position and 1 FTE lease administrator position.
- \$100,369 of one-time funding, including \$74,369 from the general fund and \$26,000 from other funds, for accrued leave retirement payouts.

⁵ Funding of \$75 million, including \$41 million from the general fund and \$34 million from other funds, is added for a targeted market equity pool.

⁶ Funding of \$3,008,165 is added to the operating expenses line item as follows:

- \$25,891, including \$25,067 from the general fund and \$824 from other funds, for Information Technology Department rate increases.
- \$1 million from the general fund for new procurement software licensing and maintenance agreements.
- \$831,774, including \$323,100 from the general fund and \$508,674 from other funds for inflationary increases.
- \$12,000 from the general fund for classification system administration contracts.
- \$95,000 from the general fund for LinkedIn recruitment tools.
- \$358,500 of one-time funding, including \$18,500 from the general fund and \$340,000 from other funds, for inflationary increases.
- \$100,000 of one-time funding from the general fund for an Americans with Disabilities Act compliance study.
- \$150,000 of one-time funding from the general fund for automatic doors in legislative areas of the Capitol.
- \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements.
- \$335,000 of one-time funding from the general fund for a state employee leave management system.

⁷ Funding is decreased by \$3,711,638 from the general fund and increased by \$4,101,552 from other funds for a new Capitol space rent model resulting in an increase of \$389,914 from other funds for operating expenses.

⁸ Funding for capital assets is adjusted to provide the following:

- A transfer of \$200,000 from the capital assets line item to the operating expenses line item related to base budget adjustments.
- A decrease of \$280,640 from the general fund related to bond payments.
- \$500,000 from the general fund for electrical and mechanical repairs.
- \$24,480 from other funds for Central Services Division software and equipment.
- \$2,500,000 of one-time funding from the general fund for new procurement software.
- \$800,000 of one-time funding from the general fund for automation upgrades at the Capitol.
- \$100,000 of one-time funding from the general fund for electrical and mechanical repairs.
- \$451,000 of one-time funding from the general fund to demolish the State Office Building.
- \$5,500,000 of one-time funding from the general fund for Capitol space utilization

improvements.

- \$573,800 of one-time funding, including \$215,000 from the general fund and \$358,800 from other funds, for Central Services Division software and equipment.
- \$300,000 of one-time funding from the Capitol building fund for exterior repairs at the Governor's residence.
- \$500,000 of one-time funding from the Capitol building fund for a remodeling project in the Brynhild Haugland Room in the Capitol;
- \$4,000,000 of one-time funding from the Capitol building fund for a Capitol window replacement project.

⁹ One-time funding of \$20 million from the strategic investment and improvements fund is added for a deferred maintenance funding pool, including \$12 million for a boiler replacement project at the Capitol.

¹⁰ Funding of \$9,802,005 is adjusted as follows:

- \$3,650,000 from the general fund for guardianship grants is added to provide total funding of \$6,100,000 for guardianship grants.
- \$1,792,450 of one-time funding from the general fund is added for Prairie Public Broadcasting to provide total funding of \$2,992,450, including \$1,200,000 of ongoing base-level funding from the general fund.
- \$700,000 of one-time funding from the general fund is added for the state student internship program.
- \$3,659,555 of one-time funding from the federal Governor's Emergency Education Relief (GEER) fund is added for education grants.

This amendment also:

- Appropriates additional funding from the community service supervision fund for distributions.
- Transfers \$200 million from the tax relief fund to the human service finance fund.
- Authorizes the Office of Management and Budget to transfer state student internship funding to other state agencies.
- Identifies \$20 million from the strategic investment and improvements fund for a deferred maintenance funding pool, designates up to \$12 million for a boiler replacement project, and authorizes the Office of Management and Budget to transfer funding to other state agencies.
- Identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room (\$500,000), and a Capitol window replacement project (\$4 million).
- Identifies funding for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
- Provides guidelines for a targeted market equity funding pool, authorizes the Office of Management and Budget to transfer the funding to other state agencies, and requires a report to the Budget Section.
- Provides guidelines for state employee compensation increases.
- Increases the amount available each biennium from the Capitol building fund to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.
- Authorizes agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations and creates an operating fund for facility management operations related to the new rent model.
- Allocates 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund by \$169,250,000 for the 2023-25 biennium.
- Provides an exemption allowing 2021-23 biennium appropriation authority for the Fiscal Management Division of the Office of Management and Budget to continue to be available in the 2023-25 biennium.

- Provides an exemption allowing unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium.

2023 HOUSE APPROPRIATIONS

SB 2015

Department 110 - Office of Management and Budget
Senate Bill No. 2015

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$91,944,334	\$76,911,173	\$168,855,507
2023-25 Base Level	33,926,399	8,828,309	42,754,708
Increase (Decrease)	\$58,017,935	\$68,082,864	\$126,100,799

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships			
	2021-23 Biennium Legislative Budget	2023-25 Biennium Senate Version	Increase (Decrease)
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues)	\$148,000	\$162,800	\$14,800
Council of State Governments	230,889	240,125	9,236
Western Governors' Association	79,200	83,160	3,960
National Governors Association	75,800	79,590	3,790
National Lieutenant Governors Association	2,000	2,100	100
Education Commission of the States	106,200	117,882	11,682
Western Interstate Commission for Higher Education ¹	0	0	0
Total dues and memberships	\$642,089	\$685,657	\$43,568

¹Funding for the Western Interstate Commission for Higher Education is included in the higher education budget. The House version includes \$330,000 for the 2023-25 biennium compared to \$294,000 in the 2021-23 biennium.

Selected Bill Sections Included in the First Chamber Version

Community service supervision fund - Section 3 appropriates any money in the community service supervision fund for distributions to community corrections association regions.

Tax relief fund to human service finance fund - Section 4 transfers \$200 million from the tax relief fund to the human service finance fund during the 2023-25 biennium.

Strategic investment and improvements fund - Section 6 identifies \$20 million from the strategic investment and improvements fund (SIIF) for a deferred maintenance funding pool, designates \$12 million for a boiler replacement project, and authorizes the Office of Management and Budget (OMB) to transfer the funding to other eligible state agencies.

Capitol building fund - Section 7 identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room in the Capitol (\$500,000), and a Capitol window replacement project (\$4 million).

Salary equity funding pool - Section 9 provides the guidelines for a targeted market equity funding pool and authorizes OMB to transfer salary equity funding to other state agencies. Section 18 provides an emergency clause related to the equity funding.

State employee compensation adjustments - Section 10 provides guidelines for an average salary increase of 4 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.

Capitol building fund continuing appropriation limit - Section 11 amends North Dakota Century Code Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.

Capitol space rental model - Section 12 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 13 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division from the proposed Capitol space rental model.

Motor vehicle excise tax allocations - Section 14 amends Section 57-40.3-10 to allocate 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund. Section 17 provides an effective date related to the change of allocation for the motor vehicle excise tax collections.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees.

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund.

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the 1st day of the biennium subject to a maximum amount of \$175,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects.

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals.

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies.

Deficiency Appropriations

Senate Bill No. 2025 provides a deficiency appropriation of \$765 from the general fund for costs related to a judgement.

Significant Audit Findings

The operational audit for OMB conducted by the State Auditor's office during the 2021-22 interim identified no significant audit findings.

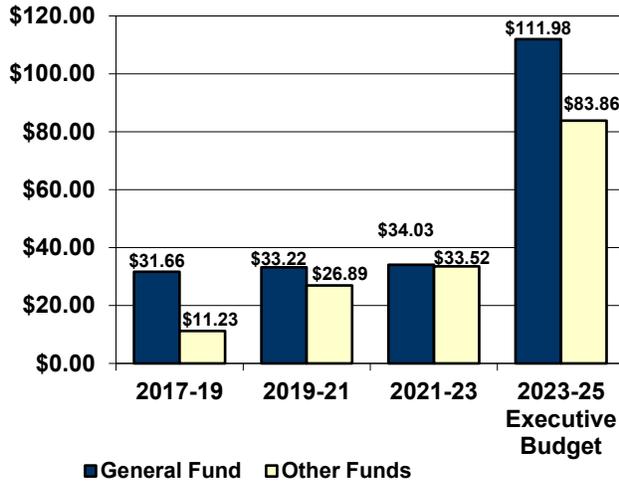
Major Related Legislation

Senate Bill No. 2042 - Clarifies the procurement process and requires bidders to register with the Secretary of State prior to the contract award.

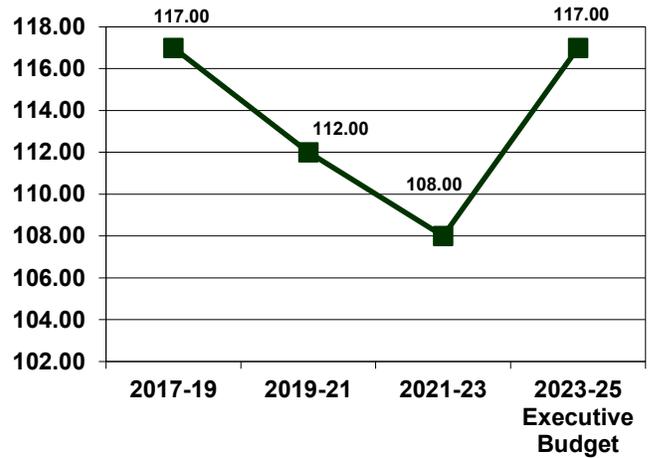
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$30,826,724	\$30,720,260	\$32,915,852	\$33,926,399	\$85,290,281
Increase (decrease) from previous biennium	N/A	(\$106,464)	\$2,195,592	\$1,010,547	\$51,363,882
Percentage increase (decrease) from previous biennium	N/A	(0.3%)	7.1%	3.1%	151.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(0.3%)	6.8%	10.1%	176.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

- Adjusted funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, 1 FTE computer and networking specialist position, 1 FTE facility construction engineer, and 1 FTE human resource officer position (\$862,713)
- Adjusted funding for operating expenses \$171,178
- Increased funding for the Emergency Commission contingency fund \$100,000
- Added funding for extraordinary repairs and bond payments \$773,477
- Removed funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) (\$501,000)
- Reduced funding for Prairie Public Broadcasting from \$1.6 million to \$1.2 million (\$400,000)
- Removed funding for the state student internship program (\$200,000)
- Added funding for community service supervision grants \$350,000

2019-21 Biennium

- Removed 5 FTE positions, including 3 FTE custodian positions and 2 FTE system mechanic positions (\$560,182)
- Underfunded salaries and wages for anticipated savings from vacant positions and employee turnover (\$210,252)
- Added funding to reclassify positions (\$560,678) and for temporary employees (\$56,400) \$617,078
- Reduced funding for information technology (IT) and maintenance costs (\$588,483)

- 5. Added funding for contract custodians (\$640,000), utility costs (\$427,650), state accounting software and an employee onboarding project (\$483,360), Microsoft Office 365 licensing expenses (\$77,308), and statewide memberships and dues (\$93,614) \$1,700,208
- 6. Reduced funding for the Emergency Commission contingency fund to provide total funding of \$500,000 (\$100,000)
- 7. Reduced funding for bond payments to provide total funding of \$567,125 (\$206,352)
- 8. Increased funding for guardianship grants by \$621,400, from \$1,328,600 to \$1,950,000 \$621,400

2021-23 Biennium

- 1. Added funding to reclassify vacant FTE positions into a human resource officer (\$110,869) and procurement officers (\$104,824) \$215,693
- 2. Decreased funding for operating expenses primarily related to IT costs (\$701,000)
- 3. Added funding for a budget software maintenance agreement (\$403,000) and a procurement software maintenance agreement (\$152,000) \$555,000
- 4. Decreased funding for the Emergency Commission contingency fund to provide total funding of \$400,000 (\$100,000)
- 5. Increased funding for guardianship grants by \$500,000, from \$1,950,600 to \$2,450,000 \$500,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 9 FTE positions, including 1 learning development manager, 2 business developers, 1 talent acquisition manager, 1 total rewards specialist, 1 talent acquisition specialist, 2 shared communication service specialists, and 1 change management position \$1,895,224
- 2. Adds funding to reclassify 2 FTE positions for a public improvements manager and a lease administrator \$396,888
- 3. Adds funding for a salary equity funding pool \$49,300,000
- 4. Adds funding for new procurement software licensing fees \$1,000,000
- 5. Adjusts funding for a new Capitol space rent model (\$3,711,638)

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$6,530,303	\$941,100	\$300,000	\$100,000	\$26,691,319

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Added one-time funding for a grant to the Theodore Roosevelt Center at Dickinson State University \$500,000
- 2. Provided a deficiency appropriation of \$441,100 for lawsuit expenses \$441,000

2019-21 Biennium

- 1. Added one-time funding for the state student internship program \$250,000
- 2. Added one-time funding for an electronic procurement study \$50,000

2021-23 Biennium

- Added one-time funding for the state student internship program \$100,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds one-time funding for new procurement software \$2,500,000
- 2. Adds one-time funding for a steam boiler replacement project \$12,000,000
- 3. Adds one-time funding for Capitol grounds landscaping \$1,800,000
- 4. Adds one-time funding for Capitol space utilization improvements \$5,500,000
- 5. Adds one-time funding for Prairie Public Broadcasting grants to provide total grant funding of \$2,992,450 \$1,792,450

Office of Management and Budget - Budget No. 110
Senate Bill No. 2015
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	108.00	\$33,926,399	\$8,828,309	\$42,754,708	108.00	\$33,926,399	\$8,828,309	\$42,754,708
2023-25 Ongoing Funding Changes								
Cost to continue salaries		\$127,384	\$24,024	\$151,408		\$127,384	\$24,024	\$151,408
Salary increase		1,243,185	213,216	1,456,401		931,273	158,966	1,090,239
Health insurance increase		438,312	78,190	516,502		448,396	79,989	528,385
Adds FTE learning development manager position	1.00	255,452		255,452				0
Adds FTE business development positions	2.00	381,724		381,724	1.00	190,862		190,862
Adds FTE talent acquisition manager position	1.00	255,452		255,452	1.00	255,452		255,452
Adds FTE total rewards specialist position	1.00	218,472		218,472	1.00	218,472		218,472
Adds FTE talent acquisition specialist position	1.00	218,472		218,472				0
Adds FTE shared communications services positions	2.00	350,722		350,722				0
Adds FTE change management position	1.00	214,930		214,930				0
Adds funding to reclassify an FTE public improvements manager position		198,444		198,444		198,444		198,444
Adds funding to reclassify an FTE lease administrator position		198,444		198,444		198,444		198,444
Adds funding for a salary equity pool		49,300,000	40,400,000	89,700,000		41,000,000	34,000,000	75,000,000
Increase in Information Technology Department rates		25,067	824	25,891		25,067	824	25,891
Adds funding for new procurement software		1,000,000		1,000,000		1,000,000		1,000,000
Adds funding for inflationary increases		323,100	508,674	831,774		323,100	508,674	831,774
Adds funding for classification system administration		12,000		12,000		12,000		12,000
Adds funding for LinkedIn recruitment tools		95,000		95,000		95,000		95,000
Adjusts funding for a new Capitol space rent model		(3,711,638)	4,101,552	389,914		(3,711,638)	4,101,552	389,914
Transfers \$200,000 from capital assets to operating expenses				0				0
Adjusts funding for bond payments		(280,640)		(280,640)		(280,640)		(280,640)
Adds funding for electrical and mechanical repairs		500,000		500,000		500,000		500,000
Adds funding for Central Services Division software and equipment			24,480	24,480			24,480	24,480
Adds funding for guardianship grants				0		3,650,000		3,650,000
Removes funding for Prairie Public Broadcasting				0				0
Total ongoing funding changes	9.00	\$51,363,882	\$45,350,960	\$96,714,842	3.00	\$45,181,616	\$38,898,509	\$84,080,125
One-Time Funding Items								
Adds one-time funding for accrued leave retirement payouts		\$74,369	\$26,000	\$100,369		\$74,369	\$26,000	\$100,369
Adds one-time funding for inflationary increases		18,500	340,000	358,500		18,500	340,000	358,500
Adds one-time funding for an accessibility compliance study		100,000		100,000		100,000		100,000
Adds one-time funding for automatic doors in legislative areas				0		150,000		150,000
Adds one-time funding for Capitol tour enhancements		100,000		100,000		100,000		100,000
Adds one-time funding for state employee leave management system		540,000		540,000		335,000		335,000
Adds one-time funding for new procurement software		2,500,000		2,500,000		2,500,000		2,500,000
Adds one-time funding to continue automation upgrades at the Capitol		800,000		800,000		800,000		800,000
Adds one-time funding for electrical and mechanical repairs		100,000		100,000		100,000		100,000
Adds one-time funding for steam boiler replacement		12,000,000		12,000,000				0
Adds one-time funding to demolish the State Office Building		451,000		451,000		451,000		451,000
Adds one-time funding for Capitol grounds landscaping		1,800,000		1,800,000				0
Adds one-time funding for Capitol space utilization improvements		5,500,000		5,500,000		5,500,000		5,500,000
Adds one-time funding for Central Services Division software and equipment		215,000	358,800	573,800		215,000	358,800	573,800
Adds one-time funding for Governor's residence exterior repairs			300,000	300,000			300,000	300,000
Adds one-time funding to remodel the 18th floor of the Capitol			500,000	500,000				0
Adds one-time funding for the Brynhild Haugland Room			500,000	500,000			500,000	500,000
Adds one-time funding for Capitol window replacement			4,000,000	4,000,000			4,000,000	4,000,000

Adds one-time funding for a deferred maintenance pool		20,000,000	20,000,000		20,000,000	20,000,000		
Adds one-time funding for Prairie Public Broadcasting grants	1,792,450		1,792,450	1,792,450		1,792,450		
Adds one-time funding for the state student internship program	700,000		700,000	700,000		700,000		
Adds one-time funding for federal education grants		3,659,555	3,659,555		3,659,555	3,659,555		
Total one-time funding changes	0.00	\$26,691,319	\$29,684,355	\$56,375,674	0.00	\$12,836,319	\$29,184,355	\$42,020,674
Total Changes to Base Level Funding	9.00	\$78,055,201	\$75,035,315	\$153,090,516	3.00	\$58,017,935	\$68,082,864	\$126,100,799
2023-25 Total Funding	117.00	\$111,981,600	\$83,863,624	\$195,845,224	111.00	\$91,944,334	\$76,911,173	\$168,855,507
<i>Federal funds included in other funds</i>			\$9,059,555				\$8,659,555	
<i>Total ongoing changes as a percentage of base level</i>	8.3%	151.4%	513.7%	226.2%	2.8%	133.2%	440.6%	196.7%
<i>Total changes as a percentage of base level</i>	8.3%	230.1%	849.9%	358.1%	2.8%	171.0%	771.2%	294.9%

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Community service supervision fund		Section 3 appropriates funding in the community service supervision fund for distributions to community corrections association regions.
Tax relief fund to human service finance fund	Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.	Section 4 transfers \$200 million from the tax relief fund to the human service finance fund during the 2023-25 biennium.
State student internship program	Section 5 would authorize OMB to transfer student internship funding to other state agencies.	Section 5 authorizes OMB to transfer student internship funding to other state agencies.
Strategic investment and improvements fund	Section 4 would identify \$20 million from SIIF for a deferred maintenance funding pool and would authorize OMB to transfer the funding to other eligible state agencies.	Section 6 identifies \$20 million from SIIF for a deferred maintenance funding pool, designates \$12 million for a boiler replacement project, and authorizes OMB to transfer the funding to other eligible state agencies.
Capitol building fund		Section 7 identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room in the Capitol (\$500,000), and a Capitol window replacement project (\$4 million).
Grant and expense designations	Section 8 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 8 identifies the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Salary equity funding pool	Section 6 would authorize OMB to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.	Section 9 provides the guidelines for a targeted market equity funding pool and authorizes OMB to transfer salary equity funding to other state agencies. Section 18 provides an emergency clause related to the equity funding.
State employee compensation adjustments	Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.	Section 10 provides guidelines for an average salary increase of 4 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Capitol building fund continuing appropriation limit	Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.	Section 11 amends Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Capitol space rent model	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations. Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.	Section 12 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 13 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.
Budget stabilization fund limit	Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.	
Motor vehicle excise tax allocations	Section 13 would amend Section 57-40.3-10 to transfer 25 percent of the motor vehicle excise tax collections to the state highway fund during fiscal year 2024 and to transfer 50 percent of the motor vehicle excise tax collections to the state highway fund after fiscal year 2024 decreasing the amount deposited in the general fund.	Section 14 amends Section 57-40.3-10 to allocate 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund. Section 17 provides an effective date related to the change of allocation for the motor vehicle excise tax collections.
Fiscal management exemption	Section 7 would allow 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.	Section 15 allows 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.
Unexpended appropriations		Section 16 allows unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium
Legacy earnings fund	Section 10 would amend Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.	
Capitol Grounds Planning Commission	Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.	
State share of oil and gas tax revenue allocations ("buckets")	Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.	

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
3/7/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

8:34 AM Chairman Monson called the meeting to order.

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Discussion Topics:

- State facility project improvement needs.
- Total rewards recommendation for Team ND
- OMB workforce story
- Guardianship
- Public administrator

Joe Morrisette, Director of Management and Budget (OMB) testified in favor of the bill. Testimony (# 22329)

Sherry Neas, Central Services OMB spoke in favor of the bill and answered questions for the committee.

John Boyle Director of Facility Management OMB, spoke in favor of the bill and answered questions for the committee.

Sherry Neas, Central Services OMB, spoke in favor of the bill and answered questions for the committee.

Molly Herrington, Chief People Office Human Resources OMB, testified in favor of the bill. Testimony (#22329)

Jen Raab Communications Director for OMB, spoke in favor of the bill and answered questions for the committee.

Aaron Birst, Executive Director NDACO testified in favor of the bill. Testimony (#22568)

Scott Bernstein, Executive Director over Guardian Protective Services provided testimony in support of the bill. Testimony (#22712)

Additional written testimony: Chelsey Williams, North Dakota Community Corrections Association Testimony (#22450) (#22449), David Krebsbach, Vice Chancellor of Administrative Affairs/CFO, ND University System Testimony (#22375), Tim Blasl, ND Hospital Association President, ND Hospital Association Testimony (#22323) Shannon Henrickson, Catholic Charities ND Testimony(#22635), John Harris, President/CEO (#22536), Melanie Gaebe, ND Policy Director, Alzheimer's Association Testimony (#22325)

12:05 PM Chairman Monson closed the meeting.

Amy Liepke, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
3/7/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.
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2:13PM Chairman Monson called the meeting to order.

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Discussion Topics:

- Guardianship
- Public Broadcasting
- Parking
- Snow Removal

Audrey Uhrich, Vice President of the Guardianship Association, and Professional Guardian on staff at Guardian Angel's provided oral/written testimony in support of the bill. Testimony (#22556)

Zelda Gebhardt, Edgeley ND Resident, spoke to the committee about her experiences as a legally blind person.

Shelly Peterson President of the Long-Term Care Association, spoke in favor off the bill.

Scott Bernstein, Executive Director over Guardian Protective Services provided testimony in support of the bill. Testimony (#22712)

John Harris, President for Prairie Public Broadcasting provided testimony in support of the bill. Testimony (#22536)

Molly Herrington, Chief People Office Human Resources OMB answered questions for the committee.

Jack McDonald on behalf Prairie Public, spoke in favor of the bill.

John Boyle Director of Facility Management OMB, testified in favor of the bill. Testimony (#22740)

3:50 PM Chairman Monson closed the meeting.

Amy Liepke, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
3/22/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 8:32 AM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Meier, Rep. Pyle, Rep. Mock, Rep. Kempenich

Discussion Topics:

- Additional FTE's
- Budget 110
- Statewide turnover
- Communication FTE

Joseph Morrissette, Director of OMB, Answers questions for the committee.

Jenn Raab, Communications Director, OMB (#26324)

Legislative Council, Budget 110, (#26325, 26311)

Joe Goplin, Director of State Financial Services, (#26327)

Molly Harrington, Chief People officer for OMB, answered questions for the committee.

Joe Goplin, Answered questions for the committee.

Joseph Morrissette answered questions for the committee.

Jenn Raab answered questions for the committee.

Joseph Morrissette answered questions for the committee.

Jenn Raab answered questions for the committee.

Joseph Morrissette answered questions for the committee.

John Boyle, Director of the Facility management for OMB, answered questions for the committee.

Joseph Morrissette answered questions for the committee.

John Boyle answered questions for the committee.

Chairman Monson called recess at 10:34 AM

Chairman Monson reconvened at 10:52 AM

Joseph Morrissette answered questions for the committee.

Sherry Neas, Central services division answers questions for the committee

Joseph Morrissette answered questions for the committee.

Molly Harrington answered questions for the committee

Joseph Morrissette answered questions for the committee.

Sherry Neas, Central services division answers questions for the committee

Additional written testimony: Karla Mongeon-Stewart #26329.

Chairman Monson closed the hearing at 12:09 PM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
3/29/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 11:12 AM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Meier, Rep. Pyle, Rep. Mock

Members absent: Rep. Kempenich

Discussion Topics:

- Budget 110
- Updated capitol tour enhancements
- Capitol space utilization
- New procurement software

Legislative Council, discusses Budget 110 (#26325)

Joe Morrissette, Director of the OMB, answers questions for the committee

Molly Herrington, Human Resources Management & Chief People Officer, answers questions for the public.

Joe Morrissette, Director of the OMB (#26997)

John Boyle, Director of the Facility Management, OMB

Joe Morrissette, answers questions for the committee.

John Boyle, Answers questions for the committee

Chairman Monson closed the hearing at 11:49 AM.

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynild Haugland Room, State Capitol

SB 2015
4/3/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 3:20 PM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Discussion Topics:

- Land scaping enhancements
- Governor's residence fence
- Renovation of the capitol's 18th floor
- Brynhild Haugland room renovation
- Capitol window replacements
- Federal funding
- Special funding
- General funding
- Budget 110

Legislative Council, discusses Budget 110 (#26325)

John Boyle, Director of OMB facility management, Answers questions for the committee.

Joe Morrissette - Director of OMB, answered questions for the committee.

Jack McDonald, Prairie Public broadcasting, answered questions for the committee.

Molly Harrington, Director of Human Resource management, Answers questions for the committee.

Chairman Monson closed the hearing at 4:33 PM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
4/5/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 3:28 PM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Discussion Topics:

- OMB Budget
- Governor's residence
- New crime lab
- New health lab
- New Boiler

Joe Morrissette, Director of OMB answers questions for the committee. (#27314)

Chairman Monson closed the hearing at 4:18 PM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
4/11/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 9:21 AM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Discussion Topics:

- AARPA funds
- Fee and tuition increases

Committee Discussion

Chairman Brandenburg closed the hearing at 9:32 AM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
4/18/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 4:42 PM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Discussion Topics:

- ARPA funds
- Fee and tuition increases
- Amendments
 - (23.0269.02003)
 - (23.0269.02007)
 - (23.0269.02008)
 - (23.0269.02015)
 - (23.0269.02018)

New amendments proposed by committee. (23.0269.02003 [#27688], 23.0269.02007 [27686], 23.0269.02008 [27699], 23.0269.02009 [27698], 23.0269.02015 [27696], 23.0269.02018 [27689]).

Representative Meier Proposed new language. (#27695)

Chairman Monson closed the hearing at 5:06 PM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
4/19/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 1:46 PM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Members absent: Rep. Bellew,

Discussion Topics:

- ARPA funds
- Fee and tuition increases
- Amendments (23.0269.02019) (230.0269.02007)

Representative Pyle Proposes amendment (23.0269.02019) (#27712)

Joe Morrissette, Director OMB, answers questions for the committee

John Boyle, facilities management, OMB, answers questions for the committee

Representative Mock proposes amendment (23.0269.02007) (#27686)

Vice Chairman Brandenburg, Proposes governors' amendment, (#27714)

Vice Chairman Brandenburg moves to adopt proposed amendments.

Representative Mock seconds motion

Roll call vote:

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Larry Bellew	AB
Representative Keith Kempenich	N
Representative Lisa Meier	Y
Representative Corey Mock	Y
Representative Brandy Pyle	Y

Motion carries: 5-1-1

Vice Chairman Brandenburg Moves a DO PASS as amended on SB 2015

Representative Mock

Roll call vote:

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Larry Bellew	AB
Representative Keith Kempenich	Y
Representative Lisa Meier	Y
Representative Corey Mock	Y
Representative Brandy Pyle	Y

Motion carries: 6-0-1

Bill carrier: Chairman Monson

Chairman Monson closed the hearing at 3:04 PM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2015
4/20/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; and to provide an exemption.

Chairman Monson opened the meeting at 8:09 AM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Meier, Rep. Pyle, Rep. Mock, Rep, Kempenich

Members absent: Rep. Bellew

Discussion Topics:

- Committee action
- Amendment (23.0269.02020)

Vice Chairman Brandenburg moves to reconsider passing SB 2015.

Representative Pyle seconds motion

Motion passed without objection.

Vice Chairman Brandenburg moved to remove amendment (23.0269.02020) (#27713)

Representative Meier seconds motion

Roll call vote:

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Larry Bellew	AB
Representative Keith Kempenich	Y
Representative Lisa Meier	Y
Representative Corey Mock	N
Representative Brandy Pyle	Y

Motion carries: 5-1-1

Vice Chairman Brandenburg moves a DO PASS as amended.

Representative Meier seconds motion

Roll call vote:

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Larry Bellew	AB
Representative Keith Kempenich	Y
Representative Lisa Meier	Y
Representative Corey Mock	Y
Representative Brandy Pyle	N

Motion carries: 5-1-1

Bill carrier: Chairman Monson

Chairman Monson closed the hearing at 8:29 AM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2015
4/20/2023

Office Of Management & Budget

2:41 PM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members Present; Chairman Vigesaa, Representatives Kempenich, B. Anderson, Bellew, Brandenburg, Hanson, Kreidt, Martinson, Mitskog, Meier, Mock, Monson, Nathe, J. Nelson, O'Brien, Pyle, Richter, Sanford, Schatz, Schobinger, Strinden, G. Stemen and Swiontek.

Members not Present- Representatives Richter and Meier

Discussion Topics:

- Amendment
- Committee Action

Representative Monson- Gives the statement of purpose and explains amendment 23.0269.02010 (Testimony #27753)

Representative Monson- Move to adopt amendment 23.0269.02010

Representative Brandenburg Seconds the motion.

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	A
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	A

Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 21-0-2

Representative Kempenich Move to further amend by adding 7 ½ million into the budget to reutilize the state office building.

Representative Brandenburg- Seconds the Motion

Committee Discussion – Roll call vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	Y
Representative Bert Anderson	A
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	N
Representative Gary Kreidt	N
Representative Bob Martinson	N
Representative Lisa Meier	Y
Representative Alisa Mitskog	N
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	N
Representative Jon O. Nelson	N
Representative Emily O'Brien	N
Representative Brandy Pyle	N
Representative David Richter	N
Representative Mark Sanford	N
Representative Mike Schatz	A
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Fails 6-15-2

Representative Brandenburg Further amended to add 1 million in to add drain tile to the state office building.

Representative Meier – Seconds the Motion

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	Y
Representative Bert Anderson	A
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	N
Representative Gary Kreidt	N
Representative Bob Martinson	N
Representative Lisa Meier	Y
Representative Alisa Mitskog	N
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	N
Representative Jon O. Nelson	N
Representative Emily O'Brien	N
Representative Brandy Pyle	N
Representative David Richter	N
Representative Mark Sanford	N
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Fails 7-15-1

Representative Bellew – Introduces amendment 23.0269.02011 (Testimony #27754)

Representative Bellew Move to Adopt amendment 23.0269.2011

Representative Schatz Seconds the Motion

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	N
Representative Bert Anderson	A
Representative Larry Bellew	Y
Representative Mike Brandenburg	N
Representative Karla Rose Hanson	N
Representative Gary Kreidt	N
Representative Bob Martinson	N
Representative Lisa Meier	A
Representative Alisa Mitskog	N

Representative Corey Mock	N
Representative David Monson	N
Representative Mike Nathe	N
Representative Jon O. Nelson	N
Representative Emily O'Brien	N
Representative Brandy Pyle	N
Representative David Richter	N
Representative Mark Sanford	N
Representative Mike Schatz	A
Representative Randy A. Schobinger	N
Representative Greg Stemen	N
Representative Michelle Strinden	N
Representative Steve Swiontek	N

Motion Fails 2-19-2

Representative Mock- Move to adopt amendment 23.0269.02022 (Testimony #27759)

Representative Hanson Seconds the Motion

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	N
Representative Bert Anderson	A
Representative Larry Bellew	N
Representative Mike Brandenburg	N
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	N
Representative Bob Martinson	N
Representative Lisa Meier	A
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	A
Representative Mike Nathe	N
Representative Jon O. Nelson	N
Representative Emily O'Brien	N
Representative Brandy Pyle	N
Representative David Richter	N
Representative Mark Sanford	A
Representative Mike Schatz	N
Representative Randy A. Schobinger	N
Representative Greg Stemen	N
Representative Michelle Strinden	N
Representative Steve Swiontek	N

Motion Fails 3-16-4

Representative J. Nelson Move to further amend by adding ADA compliance and improvements for the capitol building fund 150 thousand 1-time funding.

Representative Martinson Seconds the motion

Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	A
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	A
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	y
Representative David Richter	A
Representative Mark Sanford	A
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 19-0-4

Representative Monson- Move for a Do Pass as Amended

Representative Brandenburg Seconds the Motion

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	A
Representative Larry Bellew	N
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y

Representative Gary Kreidt	Y
Representative Bob Martinson	A
Representative Lisa Meier	A
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	A
Representative Mark Sanford	A
Representative Mike Schatz	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	A

Motion Carries 15-2-6 Representative Monson will carry the bill.

4:43 PM Chairman Vigesaa Closed the meeting for SB 2015

Risa Berube, Committee Clerk

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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"

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	8,417,640	9,182,155
Emergency commission contingency fund	400,000	0	400,000
Targeted market equity pool	0	75,000,000	75,000,000
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	0	<u>130,000,000</u>	<u>130,000,000</u>
Total all funds	\$42,754,708	\$247,981,075	\$290,735,783
Less estimated income	<u>8,828,309</u>	<u>138,550,645</u>	<u>147,378,954</u>
Total general fund	\$33,926,399	\$109,430,430	\$143,356,829
Full-time equivalent positions	108.00	0.00	108.00"

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	100,000
Capitol space utilization improvements	0	2,500,000
Central services software and equipment	0	573,800
Governor's residence exterior repairs	0	100,000

Brynhild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	<u>0</u>	<u>3,659,555</u>
Total all funds	\$24,795,104	\$36,101,174
Less estimated income	<u>24,695,104</u>	<u>29,784,355</u>
Total general fund	\$100,000	\$6,316,819"

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Page 3, line 17, replace "**SERVICES**" with "**SERVICE**"

Page 3, after line 21, insert:

"SECTION 4. 2021-23 BIENNIUM - APPROPRIATION - OFFICE OF THE GOVERNOR. There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this Act and ending June 30, 2023.

SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL - FORENSIC AUDIT OF THE STATE AUDITOR - LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for a forensic audit of the state auditor, for the biennium beginning July 1, 2023, and ending June 30, 2025. The legislative audit and fiscal review committee shall arrange for the audit and receive the audit report. The funding provided in this section is considered a one-time funding item."

Page 3, line 22, after the first "**FUND**" insert "**OR SOCIAL SERVICES FUND**"

Page 3, line 24, after the first "fund" insert "or the social services fund under section 57-51.1-07.5"

Page 4, line 4, replace "\$12,000,000" with "\$12,700,000"

Page 4, line 5, after "pool" insert ", including up to \$12,000,000"

Page 4, line 5, after "capitol" insert "and up to \$700,000 for a water mitigation project at the liberty memorial building"

Page 4, line 9, replace "\$4,800,000" with "\$5,400,000"

Page 4, line 12, replace "\$300,000" with "\$150,000 for accessibility improvements in legislative areas of the capitol;

2. \$800,000 for a building automation project;
3. \$100,000 for electrical and mechanical repairs;
4. \$100,000"

Page 4, line 12, replace "exterior repairs and" with "security"

Page 4, line 13, replace "2." with "5."

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 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 - BUDGET SECTION REPORT.

1. The new and vacant FTE funding pool line item in section 1 of this Act includes \$60,000,000 from the general fund and \$70,000,000 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
 - c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.

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3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium; or
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
6. For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as part of the appropriation for salaries and wages.
7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
8. The office of management of 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:

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- 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 ~~nine~~eleven 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 the majority party in the house and one member must be from the majority party in the senate.~~
2. ~~One member~~ The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority

leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.

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3. Four members of the board must be appointed by the governor to serve a term of five years. The Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who ~~by experience~~ is familiar with ~~money management retirement and employee benefit plans~~. The governor shall appoint one citizen member ~~to serve as~~ chairman of the board.
- ~~3. One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.~~
- ~~4. The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- ~~5.4.~~ Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
- ~~6. One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- ~~7.5.~~ The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- ~~8.6.~~ A board member shall serve ~~a five-year term and~~ until the board member's successor qualifies. Each board member is entitled to one vote, and ~~nine~~six of the ~~eleven~~ board members constitute a quorum. ~~Five~~Six votes are necessary for resolution or action by the board at any meeting.

SECTION 19. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the biennium beginning July 1, 2023, and ending June 30, 2025, the retirement board and the state investment board shall continue to invest the public employees retirement system main system defined benefit plan based on an actuarial rate of return assumption of at least six and 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.

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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, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. The legislative management shall report its findings and recommendations, together with

any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

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Page 8, line 17, replace "14" with "18"

Page 8, line 17, remove "is effective for motor vehicle excise"

Page 8, line 18, replace "tax collections transmitted to the state treasurer after July 31, 2023" with "becomes effective June 1, 2023"

Page 8, line 19, remove "targeted market equity pool line item in section 1 of this"

Page 8, line 20, replace "Act and section 9 of this Act" with "following"

Page 8, line 20, after "measure" insert ":

1. The targeted market equity pool line item in section 1 of this Act and identified in section 12 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and identified in section 8 of this Act; and
3. Sections 4 and 18 of this Act"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Office of Management and Budget				
Total all funds	\$42,754,708	\$168,855,507	\$121,880,276	\$290,735,783
Less estimated income	<u>8,828,309</u>	<u>76,911,173</u>	<u>70,467,781</u>	<u>147,378,954</u>
General fund	\$33,926,399	\$91,944,334	\$51,412,495	\$143,356,829
FTE	108.00	111.00	(3.00)	108.00
Legislative Council				
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$0	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$42,754,708	\$168,855,507	\$122,380,276	\$291,235,783
Less estimated income	<u>8,828,309</u>	<u>76,911,173</u>	<u>70,467,781</u>	<u>147,378,954</u>
General fund	\$33,926,399	\$91,944,334	\$51,912,495	\$143,856,829
FTE	108.00	111.00	(3.00)	108.00

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

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	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$21,926,979	\$24,859,054	(\$1,700,224)	\$23,158,830
Operating expenses	15,663,214	19,261,293	131,500	19,392,793
Capital assets	764,515	15,533,155	(6,351,000)	9,182,155
Emergency commission contingency fund	400,000	400,000		400,000
Guardianship grants	2,450,000	6,100,000		6,100,000
Targeted market equity pool		75,000,000		75,000,000
Prairie Public Broadcasting	1,200,000	2,992,450		2,992,450
Community service supervision grants	350,000	350,000		350,000
State student internship		700,000	(200,000)	500,000
Governor's emergency education relief		3,659,555		3,659,555
Deferred maintenance funding pool		20,000,000		20,000,000
New and vacant FTE funding pool			130,000,000	130,000,000
Total all funds	\$42,754,708	\$168,855,507	\$121,880,276	\$290,735,783
Less estimated income	8,828,309	76,911,173	70,467,781	147,378,954
General fund	\$33,926,399	\$91,944,334	\$51,412,495	\$143,356,829
FTE	108.00	111.00	(3.00)	108.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes FTE positions ²	Removes Salary Funding for a Funding Pool ³	Adds Funding for Funding Pool ⁴	Adjusts Funding for Operating Expenses ⁵	Adjusts Funding for Capital Assets ⁶
Salaries and wages	\$226,001	(\$664,786)	(\$1,261,439)			
Operating expenses					\$131,500	
Capital assets						(\$6,351,000)
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool						
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				\$130,000,000		
Total all funds	\$226,001	(\$664,786)	(\$1,261,439)	\$130,000,000	\$131,500	(\$6,351,000)
Less estimated income	52,451	0	(184,670)	70,000,000	0	600,000
General fund	\$173,550	(\$664,786)	(\$1,076,769)	\$60,000,000	\$131,500	(\$6,951,000)
FTE	0.00	(3.00)	0.00	0.00	0.00	0.00

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	Decreases Funding for Internships ²	Total House Changes
Salaries and wages		(\$1,700,224)
Operating expenses		131,500
Capital assets		(6,351,000)
Emergency commission contingency fund		
Guardianship grants		
Targeted market equity pool		
Prairie Public Broadcasting		
Community service supervision grants		
State student internship	(\$200,000)	(200,000)
Governor's emergency education relief		
Deferred maintenance funding pool		
New and vacant FTE funding pool		130,000,000
<hr/>		
Total all funds	(\$200,000)	\$121,880,276
Less estimated income	0	70,467,781
General fund	(\$200,000)	\$51,412,495
<hr/>		
FTE	0.00	(3.00)

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$183,634	\$54,250	\$237,884
Health insurance adjustment	(10,084)	(1,799)	(11,883)
Total	\$173,550	\$52,451	\$226,001

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding of \$664,786 from the general fund is removed from the salaries and wages line item as follows:

- \$190,862 for 1 FTE business development position;
- \$255,452 for 1 FTE talent acquisition manager position; and
- \$218,472 for 1 FTE total rewards specialist position.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	(1,076,769)	(184,670)	(1,261,439)
Total	(\$1,076,769)	(\$184,670)	(\$1,261,439)

The Senate did not remove funding for a new and vacant FTE funding pool.

⁴ Funding of \$130 million is added for a new and vacant FTE funding pool, including \$60 million from the general fund and \$70 million from other funds. A section is added providing guidelines for use of funding in the pool. The Senate did not include a new and vacant FTE funding pool.

⁵ Funding for operating expenses is adjusted as follows:

- Removes \$18,500 of one-time funding from the general fund, which was added by the Senate, for inflationary increases.
- 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 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.

- Removes \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements. 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 Senate did not include funding for a cash management study.

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⁶ 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.
- 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.
- Decreases one-time funding from the general fund by \$2.1 million for new procurement software to provide \$400,000. 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.
- Changes \$100,000 of one-time funding from the general fund, which was added by the Senate, to \$100,000 of one-time funding from the Capitol building fund for electrical and mechanical repairs.
- Removes \$451,000 of one-time funding from the general fund added by the Senate to demolish the State Office Building.
- 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 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 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 Senate provided \$500,000 for the remodeling project.

⁷ 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 Senate provided \$700,000 for the program.

This amendment also:

- 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 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 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 \$5.25 million for various capital projects. The Senate identified \$4.8 million from the fund for projects.
- Adds a section to provide guidelines for a new and vacant FTE 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 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. 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 effective date and emergency clause related to the change. The Senate did not include these changes.
- Adds a section directing the State Investment Board and Retirement Board to continue to invest the main system retirement plan based on an actuarial rate of return without consideration of derisking the plan. The Senate did not include this section.
- Adds an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project. The Senate did not provide this exemption.
- Adds Legislative Management studies related to the state fire and tornado fund and state bonding fund administration, the management and maintenance of state facilities, and the state's guardianship programs. The Senate did not include these studies.

Senate Bill No. 2015 - Legislative Council - House Action

	Base Budget	Senate Version	House Changes	House Version
Operating expenses			\$500,000	\$500,000
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00	0.00

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Department 160 - Legislative Council - Detail of House Changes

	Adds Funding for an Audit ¹	Total House Changes
Operating expenses	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	0	0
General fund	\$500,000	\$500,000
FTE	0.00	0.00

¹ One-time funding of \$500,000 is added from the general fund for the Legislative Council to contract for a forensic audit of the State Auditor. The Senate did not include this funding.

REPORT OF STANDING COMMITTEE

SB 2015, as engrossed: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 2 NAYS, 6 ABSENT AND NOT VOTING). Engrossed SB 2015 was placed on the Sixth order on the calendar.

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"

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	8,417,640	9,182,155
Emergency commission contingency fund	400,000	0	400,000
Targeted market equity pool	0	75,000,000	75,000,000
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	0	<u>130,000,000</u>	<u>130,000,000</u>
Total all funds	\$42,754,708	\$247,981,075	\$290,735,783
Less estimated income	<u>8,828,309</u>	<u>138,550,645</u>	<u>147,378,954</u>
Total general fund	\$33,926,399	\$109,430,430	\$143,356,829
Full-time equivalent positions	108.00	0.00	108.00"

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	100,000
Capitol space utilization improvements	0	2,500,000
Central services software and equipment	0	573,800
Governor's residence exterior repairs	0	100,000
Brynhild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000

Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	0	<u>3,659,555</u>
Total all funds	\$24,795,104	\$36,101,174
Less estimated income	<u>24,695,104</u>	<u>29,784,355</u>
Total general fund	\$100,000	\$6,316,819"

Page 3, line 17, replace "**SERVICES**" with "**SERVICE**"

Page 3, after line 21, insert:

"SECTION 4. 2021-23 BIENNIUM - APPROPRIATION - OFFICE OF THE GOVERNOR. There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this Act and ending June 30, 2023.

SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL - FORENSIC AUDIT OF THE STATE AUDITOR - LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for a forensic audit of the state auditor, for the biennium beginning July 1, 2023, and ending June 30, 2025. The legislative audit and fiscal review committee shall arrange for the audit and receive the audit report. The funding provided in this section is considered a one-time funding item."

Page 3, line 22, after the first "**FUND**" insert "**OR SOCIAL SERVICES FUND**"

Page 3, line 24, after the first "fund" insert "or the social services fund under section 57-51.1-07.5"

Page 4, line 4, replace "\$12,000,000" with "\$12,700,000"

Page 4, line 5, after "pool" insert ", including up to \$12,000,000"

Page 4, line 5, after "capitol" insert "and up to \$700,000 for a water mitigation project at the liberty memorial building"

Page 4, line 9, replace "\$4,800,000" with "\$5,400,000"

Page 4, line 12, replace "\$300,000" with "\$150,000 for accessibility improvements in legislative areas of the capitol;

2. \$800,000 for a building automation project;
3. \$100,000 for electrical and mechanical repairs;
4. \$100,000"

Page 4, line 12, replace "exterior repairs and" with "security"

Page 4, line 13, replace "2." with "5."

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 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 - BUDGET SECTION REPORT.

1. The new and vacant FTE funding pool line item in section 1 of this Act includes \$60,000,000 from the general fund and \$70,000,000 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
 - c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of

- amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium; or
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
 6. For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as part of the appropriation for salaries and wages.
 7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
 8. The office of management of 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 ~~nine~~eleven 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 the majority party in the house and one member must be from the majority party in the senate.~~
2. ~~One member~~ The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.
3. Four members of the board must be appointed by the governor to serve a term of five years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management retirement and employee benefit plans. The governor shall appoint one citizen member to serve as chairman of the board.
3. ~~One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.~~
4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- 5.4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under

chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.

- ~~6.~~ ~~One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- ~~7-5.~~ The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- ~~8-6.~~ A board member shall serve ~~a five-year term and~~ until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~^{six} of the ~~nine~~^{eleven} board members constitute a quorum. ~~Five~~^{Six} votes are necessary for resolution or action by the board at any meeting.

SECTION 19. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the biennium beginning July 1, 2023, and ending June 30, 2025, the retirement board and the state investment board shall continue to invest the public employees retirement system main system defined benefit plan based on an actuarial rate of return assumption of at least six and 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, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Page 8, line 17, replace "14" with "18"

Page 8, line 17, remove "is effective for motor vehicle excise"

Page 8, line 18, replace "tax collections transmitted to the state treasurer after July 31, 2023" with "becomes effective June 1, 2023"

Page 8, line 19, remove "targeted market equity pool line item in section 1 of this"

Page 8, line 20, replace "Act and section 9 of this Act" with "following"

Page 8, line 20, after "measure" insert ":

1. The targeted market equity pool line item in section 1 of this Act and identified in section 12 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and identified in section 8 of this Act; and
3. Sections 4 and 18 of this Act"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of House Action

Base
Budget

Senate
Version

House
Changes

House
Version

Office of Management and Budget				
Total all funds	\$42,754,708	\$168,855,507	\$121,880,276	\$290,735,783
Less estimated income	8,828,309	76,911,173	70,467,781	147,378,954
General fund	\$33,926,399	\$91,944,334	\$51,412,495	\$143,356,829
FTE	108.00	111.00	(3.00)	108.00
Legislative Council				
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$42,754,708	\$168,855,507	\$122,380,276	\$291,235,783
Less estimated income	8,828,309	76,911,173	70,467,781	147,378,954
General fund	\$33,926,399	\$91,944,334	\$51,912,495	\$143,856,829
FTE	108.00	111.00	(3.00)	108.00

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$21,926,979	\$24,859,054	(\$1,700,224)	\$23,158,830
Operating expenses	15,663,214	19,261,293	131,500	19,392,793
Capital assets	764,515	15,533,155	(6,351,000)	9,182,155
Emergency commission contingency fund	400,000	400,000		400,000
Guardianship grants	2,450,000	6,100,000		6,100,000
Targeted market equity pool		75,000,000		75,000,000
Prairie Public Broadcasting	1,200,000	2,992,450		2,992,450
Community service supervision grants	350,000	350,000		350,000
State student internship		700,000	(200,000)	500,000
Governor's emergency education relief		3,659,555		3,659,555
Deferred maintenance funding pool		20,000,000		20,000,000
New and vacant FTE funding pool			130,000,000	130,000,000
Total all funds	\$42,754,708	\$168,855,507	\$121,880,276	\$290,735,783
Less estimated income	8,828,309	76,911,173	70,467,781	147,378,954
General fund	\$33,926,399	\$91,944,334	\$51,412,495	\$143,356,829
FTE	108.00	111.00	(3.00)	108.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes FTE positions ²	Removes Salary Funding for a Funding Pool ³	Adds Funding for Funding Pool ⁴	Adjusts Funding for Operating Expenses ⁵	Adjusts Funding for Capital Assets ⁶
Salaries and wages	\$226,001	(\$664,786)	(\$1,261,439)			
Operating expenses					\$131,500	
Capital assets						(\$6,351,000)
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool						
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				\$130,000,000		
Total all funds	\$226,001	(\$664,786)	(\$1,261,439)	\$130,000,000	\$131,500	(\$6,351,000)
Less estimated income	52,451	0	(184,670)	70,000,000	0	600,000
General fund	\$173,550	(\$664,786)	(\$1,076,769)	\$60,000,000	\$131,500	(\$6,951,000)
FTE	0.00	(3.00)	0.00	0.00	0.00	0.00

	Decreases Funding for Internships ¹	Total House Changes
Salaries and wages		(\$1,700,224)
Operating expenses		131,500
Capital assets		(6,351,000)
Emergency commission contingency fund		
Guardianship grants		
Targeted market equity pool		
Prairie Public Broadcasting		
Community service supervision grants		
State student internship	(\$200,000)	(200,000)
Governor's emergency education relief		
Deferred maintenance funding pool		
New and vacant FTE funding pool		130,000,000
Total all funds	(\$200,000)	\$121,880,276
Less estimated income	0	70,467,781
General fund	(\$200,000)	\$51,412,495
FTE	0.00	(3.00)

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$183,634	\$54,250	\$237,884
Health insurance adjustment	(10,084)	(1,799)	(11,883)
Total	\$173,550	\$52,451	\$226,001

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding of \$664,786 from the general fund is removed from the salaries and wages line item as follows:

- \$190,862 for 1 FTE business development position;
- \$255,452 for 1 FTE talent acquisition manager position; and
- \$218,472 for 1 FTE total rewards specialist position.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	(1,076,769)	(184,670)	(1,261,439)
Total	(\$1,076,769)	(\$184,670)	(\$1,261,439)

The Senate did not remove funding for a new and vacant FTE funding pool.

⁴ Funding of \$130 million is added for a new and vacant FTE funding pool, including \$60 million from the general fund and \$70 million from other funds. A section is added providing guidelines for use of funding in the pool. The Senate did not include a new and vacant FTE funding pool.

⁵ Funding for operating expenses is adjusted as follows:

- Removes \$18,500 of one-time funding from the general fund, which was added by the Senate, for inflationary increases.
- 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 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.

- Removes \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements. 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 Senate did not include funding for a cash management study.

⁶ 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.
- 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.
- Decreases one-time funding from the general fund by \$2.1 million for new procurement software to provide \$400,000. 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.
- Changes \$100,000 of one-time funding from the general fund, which was added by the Senate, to \$100,000 of one-time funding from the Capitol building fund for electrical and mechanical repairs.
- Removes \$451,000 of one-time funding from the general fund added by the Senate to demolish the State Office Building.
- 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 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 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 Senate provided \$500,000 for the remodeling project.

⁷ 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 Senate provided \$700,000 for the program.

This amendment also:

- 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 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 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 \$5.25 million for various capital projects. The Senate identified \$4.8 million from the fund for projects.
- Adds a section to provide guidelines for a new and vacant FTE 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 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. 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 effective date and emergency clause related to the change. The Senate did not include these changes.
 - Adds a section directing the State Investment Board and Retirement Board to continue to invest the main system retirement plan based on an actuarial rate of return without consideration of derisking the plan. The Senate did not include this section.
 - Adds an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project. The Senate did not provide this exemption.
 - Adds Legislative Management studies related to the state fire and tornado fund and state bonding fund administration, the management and maintenance of state facilities, and the state's guardianship programs. The Senate did not include these studies.

Senate Bill No. 2015 - Legislative Council - House Action

	Base Budget	Senate Version	House Changes	House Version
Operating expenses			\$500,000	\$500,000
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00	0.00

Department 160 - Legislative Council - Detail of House Changes

	Adds Funding for an Audit ¹	Total House Changes
Operating expenses	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	0	0
General fund	\$500,000	\$500,000
FTE	0.00	0.00

¹ One-time funding of \$500,000 is added from the general fund for the Legislative Council to contract for a forensic audit of the State Auditor. The Senate did not include this funding.

2023 CONFERENCE COMMITTEE

SB 2015

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
4/27/2023 AM
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; and to provide an exemption.
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11:05 AM Chairman Bekkedahl opened the meeting.
Senators Bekkedahl, Hogue, Wanzek, and Representatives Vigesaa, Lefor, and Bosch are present.

Discussion Topics:

- New and Vacant full-time employee (FTE) funding pool
- One-time project funds
- Software funds
- Biennium appropriation – Governor’s office
- Forensic audit of State Auditor
- Human service finance fund
- Deferred maintenance monies
- Cash management study
- State employee compensation guidelines
- Capitol building fund
- Retirement board governing authority
- Study of guardianship programs pass-through fund
- Fiscal management FTE
- Recruitment manager FTE
- Comprehensive space utilization study

11:06 AM Representative Vigesaa reviewed the House changes to SB 2015.
Testimony #27935, #27934

11:21 AM Chairman Bekkedahl closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
4/27/2023 PM
Conference Committee
6:30 PM

A bill for an act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide a report; to provide an effective date; and to declare an emergency

6:30 PM Chairman Bekkedahl opened the meeting.
Senators Bekkedahl, Hogue, Wanzek and Representatives Vigesaa, Lefor, and Bosch are present.

Discussion Topics:

- Amendments to SB 2015
- Emergency measures
- Targeted market equity funding pool
- Tribally controlled community college funding
- Employee retirement system
- Employee leave
- Legislative dues
- Guardianship grants
- State peace officer retirement system
- Career and Technical Education
- Coal development trust fund
- Flexible transportation fund
- Transition payments
- Senior center infrastructure
- Department of Labor
- Capital projects
- Federal State Fiscal Recover Fund

6:32 PM Senator Hogue introduced and moved amendment LC 23.0269.02050
Testimony #27953

6:36 PM Committee consensus.

6:36 PM Representative Vigesaa introduced and moved LC 23.0269.02046
Testimony #27954

6:38 PM Committee consensus.

6:38 PM Representative Lefor introduced and moved LC 23.0269.02034
Testimony #27957

6:39 PM Committee consensus.

6:39 PM Senator Hogue introduced and moved LC 23.0269.02054 Testimony #27955

6:42 PM Committee consensus

6:42 PM Senator Bekkedahl introduced and moved amendment LC 23.0269.02080 #27956

6:45 PM Committee consensus

6:46 PM Representative Lefor introduced and moved amendment LC 23.0269.02063 #27958

6:50 PM Committee set aside amendment LC 23.269.02063 #27958 for further discussion.

6:50 PM Representative Vigesaa introduced and moved amendment LC 23.0269.02058 #27959

6:53 PM Committee consensus

6:53 PM Senator Hogue introduced and moved amendment LC 23.0269.02026 #27960

6:54 PM Committee consensus

6:55 PM Senator Wanzek introduced and moved amendment LC 23.0269.02094 #27961

6:56 PM Committee consensus

6:56 PM Senator Vigesaa introduced and moved amendment LC 23.0269.02041 #27962

6:58 PM Committee consensus

6:58 PM Representative Lefor introduced and moved amendment LC 23.0269.02042 #27963

7:01 PM Committee consensus

7:01 PM Senator Hogue introduced and moved amendment LC 23.0269.02065 #27964

7:06 PM Adam Mathiak, Legislative Council, Senior Fiscal Analyst provided information.
(No written testimony)

7:08 PM Committee consensus

7:08 PM Senator Hogue introduced and moved amendment LC 23.0269.02049 #27965

7:16 PM Committee consensus

7:17 PM Representative Lefor introduced and moved amendment LC 23.0269.02064 #27966

7:18 PM Committee consensus

7:19 PM Senator Wanzek introduced and moved amendment LC 23.0269.02084
Testimony #27967

7:24 PM Committee consensus

7:24 PM Representative Vigesaa introduced and moved amendment LC 23.0269.02090
Testimony #27968

7:26 PM Committee consensus

7:26 PM Senator Hogue introduced and moved amendment LC 23.0269.02055 #27971

7:29 PM Committee consensus

7:29 PM Senator Bekkedahl introduced and moved amendment LC 23.0269.02089 #27969

7:33 PM Adam Mathiak, Legislative Council, Senior Fiscal Analyst provided information.
(No written testimony)

7:36 PM Adam Knudson, Legislative Council, Legislative Budget Analyst and Auditor
provided information. (No written testimony)

7:37 PM Adam Mathiak provided information. (No written testimony)

7:42 PM Committee set aside amendment LC 23.0269.02089 #27969 for further discussion.

7:44 PM Senator Bekkedahl introduced and moved amendment LC 23.0269.02072 #27970

7:45 PM Committee consensus

7:46 PM Representative Vigesaa moved to adopt the amendments agreed to by
consensus. LC 23.0269.02050 #27953, LC 23.0269.02046 #27954, LC 23.0269.02034
#27957, LC 23.0269.02054 #27955, LC 23.0269.02080 #27956, LC 23.0269.02058
#27959, LC 23.0269.02026 #27960, LC 23.0269.02094 #27961, LC 23.0269.020041
#27962, LC 23.0269.02042 #27963, LC 23.0269.02065 #27964, LC 23.0269.02049
#27965, LC 23.0269.02064 #27966, LC 23.0269.02084 #27967, LC 23.0269.02090
#27968, LC 23.0269.02055 #27971 and LC 23.0269.02072 #27970.

7:46 PM Senator Wanzek seconded.

7:46 PM Roll Call Vote- Motion passed 6-0-0

7:47 PM Chairman Bekkedahl closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
4/28/2023
Conference Committee
8:45 PM

A bill for an act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide a report; to provide an effective date; and to declare an emergency

9:03 PM Chairman Bekkedahl opened the meeting.

Senators Bekkedahl, Hogue, Wanzek and Representatives Vigesaa, Lefor, and Bosch are present.

Discussion Topics:

- SB 2015 Amendments
- Joint water resource board
- Carbon pipelines
- Office of Legal Immigration
- Federal fund study
- Workforce education
- Wastewater Recycling Technical Committee

9:03 PM Representative Vigesaa introduced and moved amendment LC 23.0269.02023
Testimony #27972

9:05 PM Committee consensus

9:05 PM Senator Hogue introduced and moved amendment LC23.0269.02070 Testimony
#27973

9:07 PM Representative Lefor moved to reject amendment LC 23.0269.02070 #27973

9:08 PM Representative Bosch seconded.

9:08 PM Roll Call Vote – Motion passed 6-0-0

9:09 PM Representative Lefor introduced and moved amendment LC 23.0269.02077
#27974

9:10 PM Allen Knudson, Legislative Council, Legislative Budget Analyst and Auditor
provided information verbally.

9:12 PM Adam Mathiak, Legislative Council, Senior Fiscal Analyst provided information
verbally.

9:17 PM Committee set aside amendment LC 23.0269.02077 #27974 for further discussion.

9:17 PM Representative Lefor introduced and moved amendment LC 23.0269.02027 #27975.

9:21 PM Representative Bosch moved to reject amendment LC 23.0269.02027 #27975.

9:21 PM Senator Wanzek seconded.

9:21 PM Roll Call Vote – Motion passed 6-0-0

9:21 PM Representative Vigesaa introduced and moved amendment LC 23.0269.02053 #27976.

9:24 PM Representative Vigesaa moved to reject amendment LC 23.0269.02053 #27976.

9:24 PM Roll Call Vote – Motion passed 6-0-0

9:25 PM Senator Hogue introduced and moved amendment LC 23.0269.02052 #27977

9:27 PM Committee consensus

9:33 PM Representative Vigesaa moved to adopt the consensus amendments, LC 23.0269.02023 #27972, LC 23.0269.02052 #27977

9:33 PM Senator Hogue seconded.

9:33 PM Roll Call Vote – Motion passed 6-0-0

9:34 PM Chairman Bekkedahl closed the meeting.

*Sheldon Wolf,
and Carol Thompson, Committee Clerk*

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
4/29/2023 8:39 AM
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide a report; to provide an effective date; and to declare an emergency

8:39 AM Chairman Bekkedahl opened the meeting.

Senators Bekkedahl, Hogue, Wanzek and Representatives Vigesaa, Lefor, and Bosch are present.

Discussion Topics:

- SB 2015 Amendments
- Employer retirement contributions
- Legal immigration
- Fertilizer development incentive program
- Motor vehicle licenses
- Abatement effective date
- State disaster relief fund
- North Dakota Development fund

8:40 AM Representative Bosch introduced and moved amendment LC 23.0269.02071

8:40 AM Adam Mathiak, Legislative Council, Senior Fiscal Analyst indicated that this was included in LC 23.0269.02050 and is not needed.

8:41 AM Senator Wanzek introduced and moved amendment LC 23.0269.02105
Testimony #27978

8:42 AM Allen Knudson, Legislative Council, Legislative Budget Analyst and Auditor provided information.

8:44 AM Committee consensus

8:44 AM Representative Lefor introduced and moved amendment LC 23.0269.02077 from the meeting on April 28, 2023

8:47 AM Committee consensus

8:47 AM Representative Bosch introduced and moved amendment LC 23.0269.02079
Testimony #27979

8:56 AM Committee consensus

8:56 AM Representative Vigesaa introduced and moved amendment LC 23.0269.02011
Testimony #27980

9:00 AM Representative Vigesaa moved to reject amendment LC 23.0269.02011
Testimony #27980

9:00 AM Representative Bosch seconded

9:01 AM Roll Call Vote – Motion passed 4-2-0

9:01 AM Representative Lefor introduced and moved amendment LC 23.0269.02059
Testimony #27981

9:14 AM Committee consensus

9:14 AM Representative Lefor introduced and moved amendment LC 23.0269.02112
Testimony #27983

9:17 AM Committee consensus

9:17 AM Senator Wanzek introduced and moved amendment LC 23.0269.02107 Testimony
#27984

9:23 AM Committee consensus

9:23 AM Senator Hogue introduced and moved amendment LC 23.0269.02075 Testimony
#27985

9:34 AM Committee set aside amendment LC 23.0269.02075 #27985 for further discussion.

9:34 AM Representative Lefor moved to adopt the consensus amendments LC
23.0269.02105 #27978, LC 23.0269.02077, LC 23.0269.02079 #27979, LC 23.0269.02059
#27981, LC 23.0269.02112 #27983, and LC 23.0269.02107 #27984.

9:34 AM Representative Bosch seconded.

9:34 AM Roll Call Vote – Motion passed 6-0-0

9:35 AM Chairman Bekkedahl closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
4/29/2023 11:38 AM
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide a report; to provide an effective date; and to declare an emergency

11:38 AM Chairman Bekkedahl opened the meeting.

Senators Bekkedahl, Hogue, Wanzek and Representatives Vigesaa, Lefor, and Bosch are present.

Discussion Topics:

- SB 2015 Amendments
- Customer relationship management program
- Riverfront revitalization grant
- City of Horace sewer project
- Law enforcement training facility
- Control substance
- Legacy fund earnings
- Behavioral health facility
- Water infrastructure revolving loan fund
- Child support payments

11:39 AM Senator Bekkedahl introduced and moved amendment LC 23.0269.02081.
Testimony #27991

11:46 AM Senator Hogue moved to adopt amendment LC 23.0269.02081 Testimony #27991

11:46 AM Senator Wanzek seconded the motion.

11:46 AM Roll call Vote – Motion passed 5-1-0

11:47 AM Representative Lefor introduced and moved amendment LC 23.0269.02040.
Testimony #27992

11:53 Committee consensus

11:54 AM Senator Hogue introduced and moved LC 23.0269.02085. Testimony #27993

11:56 AM Committee consensus

11:56 AM Representative Lefor introduced and moved amendment LC 23.0269.02104.
Testimony #27994

11:58 AM Committee consensus

11:58 AM Senator Hogue introduced and moved amendment LC 23.0269.02098.
Testimony #28000

12:00 Committee consensus

12:00 PM Representative Bosch introduced and moved amendment 23.0269.02106.
Testimony #27996

12:04 PM Committee set aside this amendment for further consideration.

12:05 PM Representative Vigesaa introduced and moved to adopt amendment LC
23.0269.02110. Testimony #27997

12:08 PM Representative Bosch seconded

12:08 PM Roll Call Vote – Motion failed 2-4-0

12:09 PM Representative Vigesaa introduced and moved to adopt amendment LC
23.0269.02096. Testimony #27998

12:13 PM Representative Bosch seconded.

12:14 PM Roll Call Vote – Motion failed 3-3-0

12:14 PM Representative Lefor introduced and moved to adopt amendment LC
23.0269.02097. Testimony #27999

12:21 PM Allen Knudson, Legislative Council, Budget Analyst and Auditor testified. (No
written testimony)

12:22 PM Representative Bosch seconded.

12:23 PM Senator Wanzek moved to approve consensus amendments. LC 23.0269.02040
#27992, LC 23.0269.02085 #27993, LC 23.0269.02104 #27994 and LC 23.0269.02098
#28000

12:23 PM Representative Bosch seconded.

12:23 PM Roll Call Vote – Motion passed 6-0-0

12:24 PM Conference committee adjourned

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2015
4/29/2023 2:46 PM
Conference Committee

A bill for an act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the Director of the Office of Management and Budget; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide a report; to provide an effective date; and to declare an emergency

2:46 PM Chairman Bekkedahl opened the meeting.

Senators Bekkedahl, Hogue, Wanzek and Representatives Vigesaa, Lefor, and Bosch are present.

Discussion Topics:

- Amendments
- Bill Action

2:47 PM Representative Lefor withdrew the previous amendment LC 23.0269.02114 and introduced revised amendment LC 23.0263.02114 #28009. Testimony #27994

2:51 PM Committee consensus

2:52 PM Representative Bosch introduced amendment LC 23.0269.02116 Testimony #28002

2:56 PM Representative Bosch moved to adopt amendment LC 23.0269.02116 Testimony #28002 Representative Vigesaa Seconded.

2:57 PM Adam Mathiak, Legislative Council, Senior Fiscal Analyst testified.

3:00 PM Roll Call Vote #1 – Motion failed 2-4-0

3:01 PM Representative Lefor introduced amendment LC 23.0269.02117. Testimony #28003.

3:07 PM Committee consensus

3:08 PM Representative Lefor introduced an amendment that provides dollars for university enrolled single parents pilot program for \$4.5 million. Testimony #28004

3:16 PM Representative Lefor moved the amendment.
Representative Vigesaa Seconded.

3:16 PM Roll Call Vote #2 – Motion failed 3-3-0

3:17 PM Representative Bosch asked to revisit amendment LC 23.0269.02106. Testimony #27996.

3:18 PM Kuldip Mohanty, Chief Information Officer, ITD testified in favor. Testimony #28006

3:21 PM Representative Bosch moved to adopt amendment LC 23.0269.02106
Representative Lefor Seconded.

3:22 PM Roll Call Vote #3 – Motion failed 2-4-0

3:23 PM Representative Lefor withdrew LC 23.0269.02063

3:24 PM Representative Bekkedahl addressed amendment LC 23.0269.02089 – Bonding
Bill with email from Karen Tyler. Testimony #28005

3:27 PM Senator Hogue moved to adopt amendment LC 23.0269.02089
Senator Wanzek Seconded.

3:28 PM Roll Call Vote #4 – Motion failed 0-6-0

3:29 PM Senator Hogue moved to reconsider LC 23.0269.02075 Testimony #27985

3:30 PM Roll Call Vote #5– Motion failed 4-2-0

3:31 PM Representative Bosch moved to reconsider LC 23.0269.02115 #28007

3:39 PM Representative Lefor Seconded.

3:39 PM Roll Call Vote #6 – Motion passed 6-0-0

3:40 PM Representative Lefor moved to reconsider LC 23.0269.02075
Representative Bosch Seconded.

3:40 PM Voice vote – Motion passed

3:41 PM Senator Wanzek moved to adopt LC 23.0269.02075
Representative Lefor Seconded.

3:41 PM Roll Call Vote #7 - Motion passed 6-0-0

3:42 PM Representative Vigesaa moved to reconsider LC 23.0269.02050
Senator Hogue Seconded.

3:42 PM Voice vote - Motion passed

3:43 PM Senator Hogue moved DO Not Pass on amendment 23.0269.02050
Representative Lefor Seconded.

3:43 PM Roll Call Vote #8 – Motion passed 6-0-0

3:43 PM Representative Bosch moved to reconsider LC 23.0269.02079 Representative Vigesaa Seconded.

3:44 PM Voice vote – Motion passed

3:44 PM Representative Bosch replaced version LC 23.0269.02079 with LC 23.0269.02101 Testimony #28008

3:47 PM Representative Vigesaa moved Do Not Pass on LC 23.0269.02079 Representative Lefor Seconded.

3:47 PM Roll Call Vote #9– Motion passed 6-0-0

3:51 PM Representative Bosch moved to strike 5A #4 and reinstate original language of 5B and first paragraph of 5 on amendment LC 23.0269.02101 #28008 Representative Lefor Seconded.

3:52 PM Roll Call Vote #10– Motion passed 6-0-0

3:53 PM Representative Vigesaa moved to reconsider action on LC 23.0269.02054 Representative Lefor Seconded.

3:54 PM Voice vote - Motion passed

3:54 PM Representative Vigesaa moved Do Not Pass on LC 23.0269.02054 Senator Hogue Seconded.

3:54 PM Roll call vote #11 Motion passed 6-0-0

3:55 PM Representative Vigesaa moved to reconsider action on LC 23.0269.02065 Testimony #27964

3:59 PM Roll call vote #12 Motion failed 1-5-0

4:00 PM Recess

4:41 PM Chairman Bekkedahl called the meeting back to order.

4:41 PM Senator Wanzek moved to reconsider 23.0269.02079 Representative Lefor Seconded.

4:42 PM Roll call vote #13– Motions passed 5-1-0

4:42:44 PM Senator Wanzek moved to adopt 23.0269.02079 in its original form. Representative Vigesaa Seconded.

4:43 PM Roll call vote #14 – Motion passed 5-1-0

4:44 PM Senator Bekkedahl requested to review each House amendment for the bill.

4:44 PM Representative Vigesaa moved to adopt 23.0269.02086 Testimony # 28010
Representative Lefor Seconded.

4:49 PM Roll call vote #15 – Motion passed 6-0-0

5:07 PM Representative Vigesaa moved to adopt 23.0269.02095 - Testimony #28011
Representative Bosch Seconded.

5:07 PM Roll call vote #16 – Motion passed 6-0-0

5:08 PM Representative Vigesaa moved to adopt LC 23.0269.02083 with a transfer of \$50
million from SIIF to the general fund. Testimony #28012
Representative Lefor seconded.

5:11 PM Roll call vote #17 – Motion passed 6-0-0

5:12 PM Representative Lefor moved to adopt the consensus items discussed.
Senator Wanzek Seconded.

5:12 PM Roll call vote #18 – Motion passed 6-0-0

Additional Testimony: #28001

5:13 PM Conference committee adjourned.

Carol Thompson, Committee Clerk

*4/29/23
153
JAE*

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide an appropriation to the office of the governor, legislative assembly, adjutant general, legislative council, department of environmental quality, labor and human rights, department of public instruction, department of commerce, department of health and human services, department of career and technical education, and judicial branch"

Page 1, line 3, after "enact" insert "a new subsection to section 10-30.5-02 and"

Page 1, line 3, after the second "to" insert "the purpose and use of the North Dakota development fund and"

Page 1, line 4, replace "sections" with "section 15.1-27-04.1 as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, sections 15.1-36-02 and 15.1-36-04, subsection 2 of the new section to chapter 19-03.1, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, subsection 1 of section 21-10-12, as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, section 24-02-37.3, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, sections"

Page 1, line 4, after the first comma insert "54-06-14.7, and"

Page 1, line 4, remove "and"

Page 1, line 5, replace "57-40.3-10" with "sections 54-52-02.5, 54-52-02.9, 54-52-02.11, and 54-52-02.12, as amended in sections 3, 4, 5, and 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52-02.15 as created by section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52-03, subsection 2 of section 54-52-06.4, as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, subsection 4 of section 54-52-17, as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly, section 54-52.2-09 as created by section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 3 of section 54-52.6-01 and section 54-52.6-02 as amended in sections 14 and 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 1 of section 54-52.6-02.1 and section 54-52.6-02.2 as created by sections 16 and 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 2 of section 54-52.6-03 as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52.6-09 as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-63.1-04, and the new subsection to section 61-16.1-11, as created in section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly,"

Page 1, line 5, after "Code" insert "and section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly"

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Page 1, line 5, after "to" insert "baseline funding and the determination of state school aid, loans from the coal development trust fund, evidence of indebtedness, distribution of illegal drugs, legacy fund earnings, the flexible transportation fund,"

Page 1, line 6, after the first comma insert "the state leave sharing program,"

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

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

Page 1, line 7, replace "excise tax collections" with "the public employees retirement system retirement plan, the public employees retirement system plan for state peace officers, the clean sustainable energy authority duties, and joint water resource boards; to repeal section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, relating to a transfer of Bank of North Dakota profits to a water infrastructure revolving loan fund"

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

Page 1, line 7, after "report" insert "; to provide a penalty; to provide for application; to provide a retroactive effective date; to provide a contingent effective date"

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	4,650,000	7,100,000
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	0	98,200,000	98,200,000
Employer retirement contribution pool	0	12,538,779	12,538,779
Infrastructure grant	0	200,000	200,000
Total all funds	\$42,754,708	\$237,569,854	\$280,324,562
Less estimated income	8,828,309	137,175,715	146,004,024
Total general fund	\$33,926,399	\$100,394,139	\$134,320,538
Full-time equivalent positions	108.00	2.00	110.00"

Page 2, remove lines 22 through 31,

Page 3 replace line 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

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Extraordinary repairs	500,000	250,000
Capitol space utilization improvements	0	2,500,000
Central services software and equipment	0	573,800
Governor's residence improvements	0	100,000
Brynild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	0	3,659,555
Infrastructure grant	0	200,000
Total all funds	\$24,795,104	\$36,451,174
Less estimated income	<u>24,695,104</u>	<u>29,934,355</u>
Total general fund	\$100,000	\$6,516,819"

Page 3, line 17, replace "SERVICES" with "SERVICE"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - 2021-23 BIENNIUM - OFFICE OF THE GOVERNOR - LEGISLATIVE ASSEMBLY.

1. There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this section, and ending June 30, 2023.
2. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000, or so much of the sum as may be necessary, to the legislative assembly for international legislators' forum dues for the period beginning with the effective date of this section, and ending June 30, 2023.

SECTION 5. APPROPRIATION - 2021-23 BIENNIUM - ADJUTANT GENERAL - STATE DISASTER RELIEF FUND - SNOW REMOVAL GRANTS - REPORT TO LEGISLATIVE MANAGEMENT.

1. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing full season emergency snow removal grants to tribal governments, counties, cities, and townships, for the period beginning with the effective date of this section, and ending June 30, 2023.
2. A tribal government, county, township, or city may apply to the department of emergency services for a full season emergency snow removal grant for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through April 30, 2023, which exceeded one hundred fifty percent of the average snow removal cost for the seven-month period of October to April for the four lowest cost years for those years during the period beginning October 1, 2017, through April 30, 2022.

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3. Each tribal government, county, city, or township requesting reimbursement under this section shall submit the request in accordance with guidelines developed by the department of emergency services. An award under subsection 2 must be reduced by any amount awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative assembly. A tribal government, county, city, or township may not be required to return any funds awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative assembly, due to the calculation completed under subsection 2.
4. The department of emergency services shall distribute the grants under this section before June 30, 2023, and shall report to the legislative management regarding the grants awarded.

SECTION 6. APPROPRIATION - GENERAL FUND - LEGISLATIVE COUNCIL - DEPARTMENT OF ENVIRONMENTAL QUALITY - DEPARTMENT OF LABOR AND HUMAN RIGHTS - DEPARTMENT OF PUBLIC INSTRUCTION - DEPARTMENT OF COMMERCE - REPORT - ONE-TIME FUNDING. For the biennium beginning July 1, 2023, and ending June 30, 2025, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the following amounts, or so much of the sum as may be necessary:

1. \$500,000 to the legislative council for the purpose of contracting for a performance audit of the state auditor and for other consulting services of interim committees. The chairman of the legislative management shall arrange for the audit and receive the audit report. The performance audit must address the efficiency and effectiveness of the state auditor's office relative to industry best practices. The performance audit must include a review of the appropriateness of the number of hours to complete audits; methods used to monitor staff time and allocate hours charged to audits; billing processes; quality assurance processes; the adequacy and timeliness of communications with audited entities, governing boards, and the public; and other areas as determined by the chairman of the legislative management. The funding provided in this subsection is considered a one-time funding item.
2. \$40,000 to the department of environmental quality for the purpose of providing meeting expense reimbursement to members of the onsite wastewater recycling technical committee. A member of the committee who is not a state employee is entitled to reimbursement for mileage and expenses as provided by law for state officers and employees, to be paid by the department of environmental quality. A state employee who is a member of the committee is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses to be paid by the employing agency.
3. \$50,000 to the department of labor and human rights for the purpose of defraying expenses of analyzing the administration of occupational and professional boards pursuant to Senate Bill No. 2249, as approved by the sixty-eighth legislative assembly. The funding provided in this subsection is considered a one-time funding item.
4. \$3,000,000 to the department of public instruction for the purpose of providing integrated formula payments.

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5. \$500,000 to the department of commerce for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2023-24 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2024, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2024, regarding the use of grant funds. The funding provided in this subsection is considered a one-time funding item.
6. \$2,000,000 to the department of commerce for the purpose of defraying the expenses of the office of legal immigration. The funding provided in this subsection is considered a one-time funding item.

SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF HEALTH AND HUMAN SERVICES - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT. For the biennium beginning July 1, 2023, and ending June 30, 2025, there is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the following amounts, or so much of the sum as may be necessary:

1. \$8,250,000 to the department of health and human services for the purpose of providing a behavioral health facility grant. The department of health and human services shall provide the grant as follows:
 - a. A grant of \$8,250,000 must be provided to establish a behavioral health facility in the badlands human service center service region. The grant recipient must provide matching funds of \$1,950,000 to establish the facility.
 - b. The department shall require an entity receiving funding under this subsection to operate the facility for a period of at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years.
 - c. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this subsection.
 - d. The funding provided under this subsection is a one-time funding item.
2. \$26,500,000 to the department of career and technical education for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium. The department of career and technical education shall distribute the funding to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this subsection is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The

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department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project. The funding provided under this subsection is considered a one-time funding item.

SECTION 8. APPROPRIATION - JUDICIAL BRANCH - EMPLOYER RETIREMENT CONTRIBUTION FUNDING. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

Salaries and wages	<u>\$347,518</u>
Total all funds	\$347,518
Less estimated income	<u>4,273</u>
Total general fund appropriation	\$343,245

SECTION 9. APPROPRIATION - LEGISLATIVE COUNCIL - EMPLOYER RETIREMENT CONTRIBUTION FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$58,283, or so much of the sum as may be necessary, to the legislative council for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 10. APPROPRIATION - TRANSFER OF APPROPRIATION AUTHORITY - FEDERAL STATE FISCAL RECOVERY FUND - EXEMPTION - SPENDING RESTRICTION - REPORT.

1. Notwithstanding any other provision of law, on December 1, 2024, the office of management and budget shall transfer any uncommitted federal state fiscal recovery fund appropriation authority from the state agency that received the appropriation authority to the department of corrections and rehabilitation for the purpose of defraying the expenses of salaries and wages and other operating costs of the department of corrections and rehabilitation for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. The office of management and budget shall transfer any uncommitted accumulated interest and earnings of the federal state fiscal recovery fund to the department of corrections and rehabilitation during the biennium beginning July 1, 2023, and ending June 30, 2025. Any interest and earnings received by the department of corrections and rehabilitation under this section are appropriated to the department for the purpose of defraying the expenses of salaries and wages and other operating costs of the department for the biennium beginning July 1, 2023, and ending June 30, 2025.

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3. The department of corrections and rehabilitation may not spend general fund savings resulting from the use of the federal state fiscal recovery fund moneys.
4. The office of management and budget shall report to the budget section regarding any appropriation authority and interest and earnings transferred under this section."

Page 3, line 22, after "**FUND**" insert "**OR SOCIAL SERVICES FUND**"

Page 3, line 24, after the first "fund" insert "or the social services fund under section 57-51.1-07.5"

Page 3, after line 29, insert:

"SECTION 13. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$50,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 14. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of \$30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 4, line 4, replace "\$12,000,000" with "\$12,700,000"

Page 4, line 5, after "pool" insert ", including up to \$12,000,000"

Page 4, line 5, after "capitol" insert "and up to \$700,000 for a water mitigation project at the liberty memorial building"

Page 4, line 9, replace "\$4,800,000" with "\$5,550,000"

Page 4, line 12, replace "\$300,000" with "\$150,000 for accessibility improvements in legislative areas of the capitol;

2. \$800,000 for a building automation project;
3. \$250,000 for electrical and mechanical repairs;
4. \$100,000"

Page 4, line 12, replace "exterior repairs and" with "security"

Page 4, line 13, replace "2." with "5."

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 17. OPERATING EXPENSES LINE ITEM - CASH MANAGEMENT STUDY - OFFICE OF MANAGEMENT OF BUDGET - REPORT TO LEGISLATIVE

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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 the office of management and budget 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.

SECTION 18. INFRASTRUCTURE GRANT LINE ITEM - RURAL SENIOR CENTER. The infrastructure grant line item in section 1 of this Act includes the sum of \$200,000 from the general fund for the purpose of providing a rural senior center infrastructure grant to an organization in Wells County located in a city with a population between 1,500 and 1,800 according to the 2020 census, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 4, line 23, replace "\$41,000,000" with "\$45,100,000"

Page 4, line 24, replace "\$34,000,000" with "\$37,400,000"

Page 4, line 27, replace "Act" with "section"

Page 5, line 9, replace "10" with "21"

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

Page 6, after line 3, insert:

"SECTION 22. 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 sixty-eighth 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

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- vacant on July 1, 2023, from the date of hiring through the end of the biennium;
- c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
 - d. As requested by the department of transportation, the sum of up to \$7,400,000 for salaries and wages funding needs.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
 4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
 5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium;
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
 - d. Within fifteen days of receiving a request from the department of transportation to transfer the sum of up to \$7,400,000 for salaries and wages funding needs.
 6. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025.

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7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
8. The office of management of budget shall report to each meeting of the budget section regarding salaries and wages, 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.

**SECTION 23. EMPLOYER RETIREMENT CONTRIBUTION POOL -
GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY.**

1. The employer retirement contribution pool line item in section 1 of this Act includes \$5,563,709 from the general fund and \$6,975,070 from special funds derived from federal funds and other income for providing funding to executive branch agencies for the increased cost of the employer retirement contribution increases included in House Bill No. 1040, House Bill No. 1183, and House Bill No. 1309, as approved by the sixty-eighth legislative assembly, in accordance with provisions of this section, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority provided in this section to the listed executive branch state agencies as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Governor	\$26,154	\$0	\$26,154
Secretary of state	24,295	4,050	28,345
Office of management and budget	95,753	16,423	112,176
Information technology department	104,514	525,014	629,528
State auditor	44,533	32,769	77,302
State treasurer	7,502	0	7,502
Attorney general	1,268,037	843,938	2,111,975
Tax commissioner	114,348	0	114,348
Office of administrative hearings	0	7,135	7,135

Commission on legal counsel for indigents	45,111	1,268	46,379
Retirement and investment office	0	42,355	42,355
Public employees retirement system	0	36,736	36,736
Ethics commission	1,957	0	1,957
Department of public instruction	31,605	53,383	84,988
North Dakota university system	39,435	16,789	56,224
Department of trust lands	0	40,947	40,947
Bismarck state college	31,441	56,303	87,744
Lake region state college	14,693	20,449	35,142
Williston state college	8,607	12,224	20,831
University of North Dakota	100,821	520,248	621,069
University of North Dakota school of medicine and health sciences	38,691	68,304	106,995
North Dakota state university	97,772	375,024	472,796
North Dakota state college of science	43,662	53,548	97,210
Dickinson state university	15,061	19,859	34,920
Mayville state university	11,331	43,952	55,283
Minot state university	31,980	49,180	81,160
Valley City state university	17,606	16,577	34,183
Dakota college at Bottineau	8,526	9,863	18,389
North Dakota forest service	8,411	669	9,080
State library	16,695	3,148	19,843
School for the deaf	23,099	1,617	24,716
North Dakota vision services - school for the blind	12,195	1,382	13,577
Center for distance education	9,799	0	9,799
Department of career and technical education	21,878	3,144	25,022
Department of health and human services - public health	49,333	156,146	205,479
Department of environmental quality	51,295	119,961	171,256
Veterans' home	20,372	58,979	79,351
Indian affairs commission	4,454	0	4,454
Department of veterans' affairs	7,261	1,075	8,336
Department of health and human services - human services	1,265,293	831,416	2,096,709
Protection and advocacy project	12,935	16,646	29,581
Job service North Dakota	1,878	138,944	140,822
Insurance commissioner	0	51,040	51,040
Industrial commission	123,610	11,031	134,641
Department of labor and human rights	11,636	2,448	14,084
Public service commission	26,468	21,823	48,291
Aeronautics commission	0	8,712	8,712
Department of financial institutions	0	42,723	42,723
Securities department	0	11,771	11,771
Bank of North Dakota	0	181,939	181,939
Housing finance agency	0	53,004	53,004
Mill and elevator association	0	168,887	168,887
Workforce safety and insurance	0	254,365	254,365
Highway patrol	15,723	14,180	29,903
Department of corrections and rehabilitation	1,111,528	59,883	1,171,411
Adjutant general	128,680	235,829	364,509

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Department of commerce	65,463	12,165	77,628
Agriculture commissioner	46,693	31,803	78,496
Upper great plains transportation institute	4,868	11,964	16,832
Branch research centers	21,139	14,106	35,245
NDSU extension service	22,744	17,085	39,829
Northern crops institute	797	671	1,468
NDSU main research center	33,694	9,151	42,845
Agronomy seed farm	0	2,958	2,958
North Dakota racing commission	2,008	105	2,113
State historical society	66,191	9,389	75,580
Council on the arts	5,650	0	5,650
Game and fish department	0	381,164	381,164
Parks and recreation department	148,484	8,375	156,859
Department of water resources	0	108,163	108,163
Department of transportation	0	<u>1,050,871</u>	<u>1,050,871</u>
Total	\$5,563,709	\$6,975,070	\$12,538,779

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SECTION 24. A new subsection to section 10-30.5-02 of the North Dakota Century Code is created and enacted as follows:

Moneys in the fund may be used to provide financing for projects that enhance production of clean sustainable energy in the state only to the extent the project has been recommended by the clean sustainable energy authority under chapter 54-63.1.

SECTION 25. AMENDMENT. Section 15.1-27-04.1 of the North Dakota Century Code as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective through June 30, 2025)

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
 - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
 - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
 - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
 - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and

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reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

- (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2021-22 school year, seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, and an additional seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid each school year thereafter, until the 2024-25 school year when sixty-eight percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
 - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
 - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
- (1) Mobile home tax revenue;
 - (2) Telecommunications tax revenue; and
 - (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit; and
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline

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funding to calculate state aid for the 2020-21 school year and for each year thereafter.

- 2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
 - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
 - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the ~~2021-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
- 3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.
 - b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:

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- (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~sixty~~sixty-five percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
- a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and
 - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
 - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
 - (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

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- (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.
- 5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
- 6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
- 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
 - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

Baseline funding - Establishment - Determination of state aid. (Effective after June 30, 2025)

- 1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
 - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
 - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
 - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
 - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

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- b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
 - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. ~~The~~ For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the ~~2021-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
- (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.
- b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
- (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any

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weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or

- (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by sixtyfifty-five percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district; and
 - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
 - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
 - (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.
 - (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.
5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

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- 6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
- 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
 - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

SECTION 26. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.

- 1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
- 2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, ~~or~~ an emergency repair, or a legislatively defined condition, and the board of a school district shall:
 - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
- 3. The superintendent of public instruction shall consider each loan application in the order ~~it~~ the application received approval under section 15.1-36-01.
- 4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
 - a. For a loan made under this ~~section~~ subsection:
 - a-(1) The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is ~~two~~ five million dollars;

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- b.(2) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
- e.(3) The interest rate of the loan may not exceed two percent per year.
- b. During the 2023-25 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under subsection 2. For a loan made under this subsection which includes additional expenses due to unanticipated construction inflation:
 - (1) The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021, and before June 30, 2024;
 - (2) The maximum loan amount for which a school district may qualify is five million dollars;
 - (3) The interest rate on the loan may not exceed two percent per year;
 - (4) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
 - (5) The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law.
- 5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.

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- 6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 27. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.

- 1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
- 2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, an emergency repair, or a legislatively defined condition, and the board of a school district shall:
 - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
- 3. The superintendent of public instruction shall consider each loan application in the order the application received approval under section 15.1-36-01.
- 4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
 - a. For a loan made under this ~~subsection~~section:
 - (1)a. The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is five million dollars;
 - (2)b. The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
 - (3)c. The interest rate of the loan may not exceed two percent per year.
 - b. ~~During the 2023-25 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under subsection 2 of this section. For a loan made under this subsection which includes additional expenses due to unanticipated construction inflation:~~
 - (1) ~~The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021, and before June 30, 2024;~~

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- (2) ~~The maximum loan amount for which a school district may qualify is five million dollars;~~
 - (3) ~~The interest rate on the loan may not exceed two percent per year;~~
 - (4) ~~The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and~~
 - (5) ~~The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law.~~
5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 28. AMENDMENT. Section 15.1-36-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-04. Evidences of indebtedness.

~~The~~Except as otherwise provided in this chapter, the board of a school district may issue and sell evidences of indebtedness under chapter 21-02 or 21-03 to finance the construction or improvement of a project approved under this chapter. The principal amount of the loan and the evidences of indebtedness to repay the loan may not exceed the loan amount for which the district is eligible under this chapter. Evidences

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of indebtedness issued under this chapter or chapter 21-03 constitute a general obligation of the school district.

SECTION 29. AMENDMENT. Subsection 2 of the new section to chapter 19-03.1 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

- 2. An individual is guilty of causing death or injury by distributing a controlled substance if the individual willfully ~~supplies another to deliver a controlled substance to an individual who consumes the controlled substance and that delivers a controlled substance, or supplies another to deliver or consume a controlled substance, and an individual dies or is injured from overdosing after consuming a portion of the~~ that controlled substance.
 - a. A violation of this section is a class A felony.
 - b. This section does not limit a conviction under chapter 12.1-16, but an individual may not be found guilty of this section and an offense under chapter 12.1-16 if the conduct arises out of the same course of conduct.

SECTION 30. AMENDMENT. Subsection 1 of section 21-10-12 of the North Dakota Century Code, as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

- 1. "Earnings" means an amount equal to ~~seven~~ eight percent of the five-year average value of the legacy fund assets as reported by the state investment board using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.

SECTION 31. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 10. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

24-02-37.3. Flexible transportation fund - Budget section approval - Report.

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

- 1. The flexible transportation fund must be administered and expended by the director and may be used for the following:
 - a. Providing a match for federal funding obtained by the department of transportation.
 - b. State-funded road and bridge construction and maintenance, and transportation support costs including

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staffing, facilities, and operational expenditures on the state highway system.

- c. State-funded road and bridge construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.
2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.
 3. The director must receive budget section approval for any project that utilizes more than ~~fifteen~~ ten million dollars from the fund except for projects that match federal or private funds and the amount utilized from the fund is fifty percent or less of total project costs. Any request considered by the budget section must comply with section 54-35-02.9.
 4. The director shall allocate at least twenty-five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil-producing county and township road and bridge projects as follows:
 - a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;
 - b. The department shall establish criteria to distribute the funds;
 - c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;
 - d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;
 - e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and
 - f. For purposes of this subsection, "non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.
 5. The director shall provide periodic reports to the budget section regarding the status of the fund and projects receiving allocations from the fund."

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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, after line 2, insert:

"SECTION 33. AMENDMENT. Section 54-06-14.7 of the North Dakota Century Code is amended and reenacted as follows:

54-06-14.7. State leave sharing program - Rulemaking.

1. The human resource management services division of the office of management and budget shall establish a state leave sharing program for permanent employees of the state. The program must provide for a mechanism for state employees to donate accrued annual and sick leave to an employee who does not have available leave who is suffering from a severe, extreme, or life-threatening condition or who is caring for an immediate relative or household member who is suffering from a severe, extreme, or life-threatening condition.
2. A ~~probationary~~, temporary, employee or contracted employee with a limited-term appointment is not eligible to participate in the leave sharing program. An employee may not use more than four months donated leave in any twelve-month period and an employee may not retain leave beyond the occurrence necessitating the leave.
3. The human resource management services division shall:
 - a. Require medical certification from a physician, physician assistant, psychologist, or advanced practice nurse practitioner verifying the severe, extreme, or life-threatening nature of the medical condition and the expected duration of the condition;
 - b. Track the amount of leave taken by permanent state employees under the program; and
 - c. Adopt rules in accordance with chapter 28-32 to implement this section."

Page 7, replace lines 24 through 30 with:"

SECTION 36. AMENDMENT. Section 54-52-02.5 of the North Dakota Century Code, as amended in section 3 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.5. Newly elected and appointed state officials.

1. After December 31, 1999, but before January 1, ~~2025~~2024, an individual elected or appointed to a state office for the first time must, from and after the date that individual qualifies and takes office, be a participating member of the public employees retirement system unless that person makes an election at any time during the first six months after the date the person takes office to participate in the defined contribution retirement plan established under chapter 54-52.6.

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2. After December 31, ~~2024~~2023, an individual elected or appointed to a state office for the first time, from and after the date that individual qualifies and takes office, must be a participating member of the defined contribution retirement plan established under chapter 54-52.6, unless at the time of election or appointment the individual is a participating or deferred member under this chapter, in which case the official remains a participating member under this chapter.
3. As used in this section, the phrase "for the first time" means an individual appointed, who, after December 31, 1999, does not hold office as an appointed official at the time of that individual's appointment.

SECTION 37. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code, as amended in section 4 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

1. Before January 1, ~~2025~~2024, within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system under this chapter and receive credit for service after enrollment. Monthly, the temporary employee shall pay to the fund an amount equal to fourteen and twelve hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by one percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January ~~2025~~2024.
2. If the temporary employee first enrolled:
 - a. Before January 1, 2020, in addition the temporary employee shall pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2.
 - b. After December 31, 2019, the temporary employee shall pay to the fund an additional amount equal to one and fourteen hundredths percent times the temporary employee's present monthly salary.
3. A temporary employee who is a participating member under this chapter due to employment before January 1, ~~2025~~2024, who becomes a permanent employee after December 31, ~~2024~~2023, qualifies to participate in the defined benefit retirement plan under this chapter and receive credit for service after enrollment.
4. After December 31, ~~2024~~2023, and within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the defined contribution retirement plan under chapter 54-52.6.
5. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. A temporary employee may not purchase any additional credit, including

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additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 38. AMENDMENT. Section 54-52-02.11 of the North Dakota Century Code, as amended in section 5 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.11. Participation requirements for nonstate elected officials.

1. Before January 1, ~~2025~~2024, eligible elected officials of participating counties, at their individual option, may enroll in the defined benefit plan within the first six months of their term.
2. After December 31, ~~2024~~2023, eligible elected officials of participating counties, at their individual option, may enroll in the defined contribution retirement plan under chapter 54-52.6 within the first six months of their term.

SECTION 39. AMENDMENT. Section 54-52-02.12 of the North Dakota Century Code, as amended in section 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.12. Participation requirements for nonstate appointed officials.

1. Nonstate appointed officials of participating employers appointed on or after August 1, 1999, but before January 1, ~~2025~~2024, who meet the participation requirements of this chapter must be enrolled in the defined benefit plan effective within the first month of taking office.
2. After December 31, ~~2024~~2023, nonstate appointed officials of participating employers who meet the participation requirements must be enrolled in the defined contribution retirement plan under chapter 54-52.6 effective within the first month of taking office.

SECTION 40. AMENDMENT. Section 54-52-02.15 of the North Dakota Century Code, as created in section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.15. Public employees retirement system main plan - Closure to new hires - Multiple plan membership.

1. Under this section "eligible employee" means a permanent employee who:
 - a. Meets all the eligibility requirements set by this chapter;
 - b. Is at least eighteen years of age;
 - c. Becomes a participating member after December 31, ~~2024~~2023; and
 - d. Is not eligible to participate in the law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
2. Effective January 1, ~~2025~~2024, the public employees retirement system defined benefit main plan maintained for employees is closed to new

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eligible employees. However, an employee who becomes a participating or deferred member under this chapter before January 1, ~~2025~~2024, remains in the defined benefit retirement plan under this chapter, regardless of being rehired after December 31, ~~2024~~2023.

3. Except as otherwise provided under this section, effective January 1, ~~2025~~2024, an eligible employee who begins employment with an employer shall participate in the defined contribution retirement plan under chapter 54-52.6 as provided under section 54-52.6-02.1.
4. This section does not impact an employee to the extent the employee is a participating member in one or more of the following enumerated plans: law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
 - a. A participating or deferred member in the defined contribution retirement plan under chapter 54-52.6 who becomes eligible to participate in a plan enumerated under this subsection is eligible to participate in the retirement plan enumerated under this subsection.
 - b. A participating member of a retirement plan enumerated under this subsection who becomes an eligible employee is not eligible to participate in the defined benefit retirement plan under this chapter but instead participates in the defined contribution retirement plan under chapter 54-52.6. However, this subdivision does not apply to an individual who before January 1, ~~2025~~2024, is a participating or a deferred member under this chapter, as that individual continues to participate in the defined benefit retirement plan under this chapter.
5. The board shall adopt rules to implement this section.

SECTION 41. 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 ~~nine~~eleven 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.
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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.

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- 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 the majority party in the house and one member must be from the majority party in the senate.~~
- 2. ~~One member~~ The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.
- 3. Four members of the board must be appointed by the governor to serve a term of five years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who ~~by experience~~ is familiar with money management retirement and employee benefit plans. The governor shall appoint one citizen member ~~is to serve as~~ chairman of the board.
- 3. ~~One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.~~
- 4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- 5.4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
- 6. ~~One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- 7.5. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- 8.6. A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~six of the ~~nine~~eleven board members constitute a quorum. ~~Five~~Six votes are necessary for resolution or action by the board at any meeting.

SECTION 42. AMENDMENT. Subsection 2 of section 54-52-06.4 of the North Dakota Century Code, as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

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2. The employer of a peace officer employed by the ~~bureau of criminal investigation~~state or national guard security officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment.

SECTION 43. AMENDMENT. Subsection 4 of section 54-52-17 of the North Dakota Century Code, as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

4. The board shall calculate retirement benefits as follows:
 - a. Normal retirement benefits for all retirees, except supreme and district court judges, peace officers employed by the bureau of criminal investigation, and other peace officers employed by the state, reaching normal retirement date equal an annual amount, payable monthly, comprised of a service benefit and a prior service benefit, as defined in this chapter, which is determined as follows:
 - (1) ~~For members first enrolled:~~
 - (a) ~~Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.~~
 - (b) ~~After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment~~The first twenty years of credited service multiplied by three percent of final average salary.
 - (2) ~~Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment~~For years in excess of twenty years of credited service multiplied by one and seventy-five hundredths percent of final average salary.
 - b. Normal retirement benefits for all supreme and district court judges under the public employees retirement system reaching normal retirement date equal an annual amount, payable monthly, comprised of a benefit as defined in this chapter, determined as follows:
 - (1) Benefits must be calculated from the time of appointment or election to the bench and must equal three and one-half percent of final average salary multiplied by the first ten years of judicial service, two and eighty hundredths percent of final average salary multiplied by the second ten years of judicial service, and one and one-fourth percent of final average salary multiplied by the number of years of judicial service exceeding twenty years.
 - (2) Service benefits must include, in addition, an amount equal to the percent specified in subdivision a of final average salary

multiplied by the number of years of nonjudicial employee service and employment.

- c. Normal retirement benefits for a peace officer employed by the bureau of criminal investigation reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
 - (1) For members first enrolled:
 - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
 - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
 - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- d. Normal retirement benefits for a peace officer employed by the state, other than by the bureau of criminal investigation, reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
 - (1) For members first enrolled:
 - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
 - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
 - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- e. Postponed retirement benefits are calculated as for single life benefits for those members who retired on or after July 1, 1977.
- f. Early retirement benefits are calculated as for single life benefits accrued to the date of termination of employment, but must be actuarially reduced to account for benefit payments beginning before the normal retirement date, as determined under subsection 3. Except for a national guard security officer or firefighter, a firefighter, peace officer, or correctional officer employed by a political subdivision, a peace officer employed by the state, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, is eligible for early retirement benefits only after having completed three years of eligible employment. A

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supreme or district court judge retiree is eligible for early retirement benefits only after having completed five years of eligible employment.

- g. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's primary social security benefits and by any workforce safety and insurance benefits paid. The minimum monthly disability retirement benefit under this section is one hundred dollars.

SECTION 44. AMENDMENT. Section 54-52.2-09 of the North Dakota Century Code, as created in section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.2-09. Employer match for members of defined contribution retirement plan.

An employee who first participated in the defined contribution retirement plan under chapter 54-52.6 after December 31, ~~2024~~2023, who elects to contribute less than the optional three percent of wages or salary under subdivision b of subsection 1 of section 54-52.6-09, who participates in the deferred compensation program under this chapter, qualifies for employer matching of contributions made under this section. The employee may elect to contribute an amount of wages or salary which does not exceed any remaining balance of the optional three percent contribution and the employer shall match this contribution. This section does not limit the ability of an employee to contribute unmatched wages or salary under this chapter, subject to federal contribution limitations.

SECTION 45. AMENDMENT. Subsection 3 of section 54-52.6-01 of the North Dakota Century Code, as amended in section 14 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

- 3. "Eligible employee", for employees who become participating members after December 31, ~~2024~~2023, has the same meaning as provided under section 54-52-02.15. For employees who elected to join the defined contribution retirement plan under this chapter before January 1, ~~2025~~2024, the term includes a permanent state employee, except an employee of the judicial branch or an employee of the board of higher education and state institutions under the jurisdiction of the board of higher education, who is at least eighteen years of age and who is in a position not classified by the North Dakota human resource management services.

SECTION 46. AMENDMENT. Section 54-52.6-02 of the North Dakota Century Code, as amended in section 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02. Election through December 31, ~~2024~~2023.

- 1. The board shall provide an opportunity for each eligible employee who is a member of the public employees retirement system on September 30, 2001, and who has not made a written election under this section to transfer to the defined contribution retirement plan before October 1, 2001, to elect in writing to terminate membership in the public employees retirement system and elect to become a participating member under this

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chapter. Except as provided in section 54-52.6-03, an election made by an eligible employee under this section is irrevocable. The board shall accept written elections under this section from eligible employees during the period beginning on July 1, 1999, and ending 12:01 a.m. December 14, 2001. An eligible employee who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. An eligible employee who makes and files a written election under this section ceases to be a member of the public employees retirement system effective twelve midnight December 31, 2001; becomes a participating member in the defined contribution retirement plan under this chapter effective 12:01 a.m. January 1, 2002; and waives all of that person's rights to a pension, annuity, retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective December 31, 2001. This section does not affect an individual's right to health benefits or retiree health benefits under chapter 54-52.1. An eligible employee who is first employed and entered upon the payroll of that person's employer after September 30, 2001, and before January 1, ~~2025~~2024, may make an election to participate in the defined contribution retirement plan established under this chapter at any time during the first six months after the date of employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window.

2. If an individual who is a deferred member of the public employees retirement system on September 30, 2001, is re-employed before January 1, ~~2025~~2024, and by virtue of that employment is again eligible for membership in the public employees retirement system under chapter 54-52, the individual may elect in writing to remain a member of the public employees retirement system or if eligible to participate in the defined contribution retirement plan established under this chapter to terminate membership in the public employees retirement system and become a participating member in the defined contribution retirement plan established under this chapter. An election made by a deferred member under this section is irrevocable. The board shall accept written elections under this section from a deferred member during the period beginning on the date of the individual's re-employment and ending upon the expiration of six months after the date of that re-employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window. A deferred member who makes and files a written election to remain a member of the public employees retirement system retains all rights and is subject to all conditions as a member of that retirement system. A deferred member who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. A deferred member who makes and files a written election to terminate membership in the public employees retirement system ceases to be a member of the public employees retirement system effective on the

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last day of the payroll period that includes the date of the election; becomes a participating member in the defined contribution retirement plan under this chapter effective the first day of the payroll immediately following the date of the election; and waives all of that person's rights to a pension, an annuity, a retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective the last day of the payroll that includes the date of the election. This section does not affect any right to health benefits or retiree health benefits to which the deferred member may otherwise be entitled.

3. An eligible employee who elects under this section to participate in the retirement plan established under this chapter must remain a participant even if that employee returns to the classified service or becomes employed by a political subdivision that participates in the public employees retirement system. The contribution amount must be as provided in this chapter, regardless of the position in which the employee is employed. Notwithstanding the irrevocability provisions of this chapter, if a member who elects to participate in the retirement plan established under this chapter becomes a supreme or district court judge, becomes a member of the highway patrol, becomes employed in a position subject to teachers' fund for retirement membership, or becomes an employee of the board of higher education or state institution under the jurisdiction of the board of higher education who is eligible to participate in an alternative retirement program established under subsection 6 of section 15-10-17, the member's status as a member of the defined contribution retirement plan is suspended, and the member becomes a new member of the retirement plan for which that member's new position is eligible. The member's account balance remains in the defined contribution retirement plan, but no new contributions may be made to that account. The member's service credit and salary history that were forfeited as a result of the member's transfer to the defined contribution retirement plan remain forfeited, and service credit accumulation in the new retirement plan begins from the first day of employment in the new position. If the member later returns to employment that is eligible for the defined contribution retirement plan, the member's suspension must be terminated, the member again becomes a member of the defined contribution retirement plan, and the member's account resumes accepting contributions. At the member's option, and pursuant to rules adopted by the board, the member may transfer any available balance as determined by the provisions of the alternate retirement plan into the member's account under this chapter.
4. After consultation with its actuary, the board shall determine the method by which a participating member or deferred member may make a written election under this section. If the participating member or deferred member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the board may waive this requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
5. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, then the portion that will cause the disqualification does not apply.

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6. A participating member under this section who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee.
 - a. The temporary employee electing to participate in the defined contribution retirement plan shall pay into the plan as provided under section 54-52.6-09.6.
 - b. An employer may not pay the temporary employee's contributions.
 - c. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.
7. A former participating member under this section who has accepted a retirement distribution pursuant to section 54-52.6-13 and who subsequently becomes employed by an entity different from the employer with which the member was employed at the time the member retired but which does participate in any state-sponsored retirement plan may, before re-enrolling in the defined contribution retirement plan, elect to permanently waive future participation in the defined contribution retirement plan, whatever plan in which the new employing entity participates, and the retiree health program and maintain that member's retirement status. Neither the member nor the employer are required to make any future retirement contributions on behalf of that employee.
8. After December 31, ~~2024~~2023, an eligible employee is no longer allowed to elect participation under this section.

SECTION 47. AMENDMENT. Subsection 1 of Section 54-52.6-02.1 of the North Dakota Century Code, as created by section 16 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. Except as otherwise provided under section 54-52-02.5 or 54-52-02.15 or this chapter, effective January 1, ~~2025~~2024, an eligible employee who is first enrolled shall participate in the defined contribution retirement plan under this chapter.

SECTION 48. AMENDMENT. Section 54-52.6-02.2 of the North Dakota Century Code, as created by section 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02.2. Election after December 31, ~~2024~~2023 - Additional employer contribution.

1. As used in this section, "eligible employee" means a permanent state employee who on December 31, ~~2024~~2023, is a participating member of the public employees retirement system main system plan under chapter 54-42, who has been a participating member under chapter 54-52 for no more than five years, and who is at least eighteen years of age.

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2. The board shall provide a three-month election period, from January 1, ~~2025~~2024, through March 31, ~~2025~~2024, for an eligible employee to transfer to the defined contribution plan under this chapter pursuant to the rules and policies adopted by the board.
 - a. An election under this section made by a member of the public employees retirement system under chapter 54-52 to transfer to the defined contribution retirement plan under this chapter is irrevocable.
 - b. For an eligible employee who elects to transfer from the public employees retirement system under chapter 54-52 to the defined contribution retirement plan under this chapter, the board shall transfer a lump sum amount from the public employees retirement system fund to the member's account in the defined contribution retirement plan under this chapter. However, if the eligible employee terminates employment before receiving the lump sum transfer under this section, the election made is ineffective and the eligible employee remains a member of the public employees retirement system under chapter 54-52 and retains all the rights and privileges under that chapter.
 - c. The board shall calculate the lump sum amount to be transferred based on the actuarial present value of the eligible employee's accumulated benefit obligation under the public employees retirement system based on the assumption the eligible employee will retire under the earlier applicable normal retirement age, plus interest from January 1, ~~2025~~2024, to the date of transfer, at the rate of one-half of one percent less than the actuarial interest assumption at the time of the election.
 - d. This section does not affect an eligible individual's right to health benefits under chapter 54-52.1.
3. The state employer of an eligible employee who elects under this section to participate in the defined contribution retirement plan under this chapter shall pay an additional annual contribution of three thousand three hundred and thirty-three dollars for up to three years. Under this subsection, the employer shall pay the additional contribution each year the eligible employee continues permanent employment with the state, beginning January ~~2026~~2025, and extending no further than January ~~2028~~2027.
4. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, that portion that will cause the disqualification does not apply.

SECTION 49. AMENDMENT. Subsection 2 of section 54-52.6-03 of the North Dakota Century Code, as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. The board shall calculate the amount to be transferred for persons employed after September 30, 2001, and before January 1, ~~2025~~2024, using only the formula contained in subdivision b of subsection 1.

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SECTION 50. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code, as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

1. a. A participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly seven percent of the monthly salary or wage paid to the participant.
- b. A participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly four percent of the monthly salary or wage paid to the participant. In addition, the participating member may elect to contribute monthly up to an additional three percent of the monthly salary or wage paid to the participant.
- c. This assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter.
2. a. For a participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to seven and twelve-hundredths percent of the monthly salary or wage of the participating member.
- b. For a participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member, plus up to an additional three percent as an employer matching contribution calculated based on the participating member's election under subdivision b of subsection 1.
- c. For a participating member first enrolled after December 31, 2019, the employer contribution includes an additional increase of one and fourteen-hundredths percent.
- d. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes.
- e. If the employer fails to pay the contributions monthly, or fails to otherwise comply with the board's established wage reporting or payroll reporting process requirements, the employer is subject to a

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civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction of a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.

3. Each employer, at its option, may pay the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the board in writing.

SECTION 51. AMENDMENT. Section 54-63.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-63.1-04. Clean sustainable energy authority - Duties - Report.

1. The authority shall make recommendations to the commission for program guidelines, including eligibility criteria for entities to receive funding under this chapter.
2. The nonvoting technical advisors shall develop a process to review and evaluate projects to determine the technical merits and feasibility of any application, including potential benefits of the development of low-emission technology, the expansion of the development of the state's natural resources or energy production, and the contribution to the economic diversity in the state.
3. The authority may develop a loan program or a loan guarantee program under the clean sustainable energy fund. The Bank of North Dakota shall administer the loan program or loan guarantee program. The interest rate of a loan under this program may not exceed two percent per year. The maximum term of a loan under this section must be approved by the commission based on a recommendation from the authority. The Bank

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shall review applications for loans or loan guarantees and shall consider the business plan, financial statements, and other information necessary to evaluate the application. To be eligible for a loan or loan guarantee, an entity shall agree to provide the Bank of North Dakota with information as requested. The Bank of North Dakota may develop policies for loan participation with local financial institutions.

4. The authority shall make recommendations to the commission for grant awards, loan approvals, or other financial assistance to provide funding to support research, development, and technological advancements for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery in accordance with this chapter. Any projects, processes, activities, and technologies selected by the commission for funding must have been recommended by the authority, must demonstrate feasibility based on a technical review conducted by the nonvoting technical advisors of the authority, must have other sources of financial support, and must achieve the priorities and purposes of the program. At the request of the authority, the Bank of North Dakota shall provide a recommendation regarding the economic feasibility of a project, process, activity, or technology under consideration by the authority. The Bank shall review the business plan, financial statements, and other information necessary to provide a recommendation.
5. The authority shall develop a fertilizer development incentive program, including guidelines to provide loan forgiveness. Funding for the fertilizer development incentive program under this subsection is limited to one hundred twenty-five million dollars.
 - a. To be eligible for the fertilizer development incentive program:
 - (1) The fertilizer production facility must be located within the state;
 - (2) The owner of the fertilizer production facility must be an entity domiciled in the United States or Canada;
 - (3) The owner must borrow money under a program administered by the Bank of North Dakota; and
 - (4) The fertilizer production facility must use hydrogen produced by the electrolysis of water.
 - b. Upon completion of the construction of the fertilizer production facility, the authority shall forgive the loan and shall use fertilizer development incentive funding to repay any outstanding amount borrowed, as certified by the Bank. The authority shall request an appropriation from the strategic investment and improvements fund or other funding sources to provide fertilizer development incentive funding to repay any outstanding amount borrowed.
6. The authority may consult with any other state agency necessary to carry out the purposes under this chapter.
- ~~6.7.~~ Each biennium, the authority shall provide a written report to the legislative management regarding its activities and the program's financial impact on state revenues and the state's economy.

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SECTION 52. AMENDMENT. The new subsection to section 61-16.1-11 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

All districts within the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins shall, by agreement, form and remain a member of a joint water resource board relative to the district's respective drainage basin. All agreements and subsequent amendments must be filed with the department of water resources. Notwithstanding other provisions of law, the board of county commissioners of the member districts in the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins shall may approve a levy of tax not to exceed two mills upon the taxable valuation of the real property within each joint board's respective drainage basin.

SECTION 53. AMENDMENT. Section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 2. RETROACTIVE EFFECTIVE DATE - APPLICATION.

This Act is retroactively effective and applies for taxable years beginning after December 31, ~~2022~~2021. The limitation on time for filing an abatement claim under section 57-23-04 does not apply to refunds of taxes paid or cancellation of taxes levied for taxable year 2022 on property exempt from taxation under this Act. The board of county commissioners shall direct refund of taxes paid or cancellation of taxes levied on property exempt from taxation under this Act.

SECTION 54. REPEAL. Section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, is repealed.

SECTION 55. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The Bank of North Dakota shall extend a line of credit not to exceed \$100,000,000 to the department of water resources to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the sixty-ninth legislative assembly to repay the line of credit.

SECTION 56. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the 2023-25 biennium, the retirement board may not reduce the actuarial rate of return assumption for the public employees retirement system main system defined benefit plan below six and one-half percent.

SECTION 57. PUBLIC EMPLOYEES RETIREMENT SYSTEM - RETIREMENT PLAN TRANSITION EDUCATION. During the 2023-25 biennium, the public employees retirement system shall conduct an informational campaign to educate current and prospective state employees of the transition from the defined benefit retirement plan to the defined contribution retirement plan.

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SECTION 58. 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.

SECTION 59. EXEMPTION - EMPLOYEE BENEFITS PROGRAMS

COMMITTEE. Sections 36 through 50 and sections 56 and 57 of this Act are exempt from the requirements of section 54-35-02.4."

Page 7, after line 30, insert:

"SECTION 62. LEGACY FUND EARNINGS - REPORT TO LEGISLATIVE MANAGEMENT. Each biennium, the state retirement and investment office shall provide a report including the amount of legacy fund earnings above the percent of market value that would have been transferred to the legacy earnings fund had Senate Bill No. 2330 not been passed by the sixty-eighth legislative assembly to the legislative management.

SECTION 63. 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 64. 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.

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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 65. 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, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. 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 66. CONTINGENT EFFECTIVE DATE. Sections 36 through 40 and sections 44 through 50 of this Act become effective on January 1, 2024, if before that date the retirement board certifies to the legislative council that the public employees retirement system is prepared to close the main system defined benefit retirement plan on December 31, 2023, and to open the new defined contribution retirement plan on January 1, 2024."

Page 8, line 17, replace "14" with "41"

Page 8, line 17, remove "is effective for motor vehicle excise"

Page 8, line 18 replace "tax collections transmitted to the state treasurer after July 31, 2023" with "becomes effective on June 1, 2023. Section 27 of this Act becomes effective on July 1, 2024"

Page 8, line 19, remove "targeted market equity pool line item in section 1 of this"

Page 8, line 20, replace "Act and section 9 of this Act" with "following"

Page 8, line 20, after "measure" insert ":

1. The targeted market equity pool line item in section 1 of this Act and section 20 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and section 15 of this Act;
3. Sections 4, 5, 30, and 41 of this Act;
4. Section 4 of Senate Bill No. 2012, as approved by the sixty-eighth legislative assembly; and
5. Senate Bill No. 2024, as approved by the sixty-eighth legislative assembly"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
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Office of Management and Budget						
Total all funds	\$42,754,708	\$168,855,507	\$111,469,055	\$280,324,562	\$290,735,783	(\$10,411,221)
Less estimated income	8,828,309	76,911,173	69,092,851	146,004,024	147,378,954	(1,374,930)
General fund	\$33,926,399	\$91,944,334	\$42,376,204	\$134,320,538	\$143,356,829	(\$9,036,291)
FTE	108.00	111.00	(1.00)	110.00	108.00	2.00
Legislative Council						
Total all funds	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Judicial Branch						
Total all funds	\$0	\$0	\$347,518	\$347,518	\$0	\$347,518
Less estimated income	0	0	4,273	4,273	0	4,273
General fund	\$0	\$0	\$343,245	\$343,245	\$0	\$343,245
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Public Instruction						
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education						
Total all funds	\$0	\$0	\$26,500,000	\$26,500,000	\$0	\$26,500,000
Less estimated income	0	0	26,500,000	26,500,000	0	26,500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Environmental Quality						
Total all funds	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
DHHS - Other						
Total all funds	\$0	\$0	\$8,250,000	\$8,250,000	\$0	\$8,250,000
Less estimated income	0	0	8,250,000	8,250,000	0	8,250,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Labor Commissioner						
Total all funds	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Commerce						
Total all funds	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Bill total						
Total all funds	\$42,754,708	\$168,855,507	\$152,714,856	\$321,570,363	\$291,235,783	\$30,334,580
Less estimated income	8,828,309	76,911,173	103,847,124	180,758,297	147,378,954	33,379,343
General fund	\$33,926,399	\$91,944,334	\$48,867,732	\$140,812,066	\$143,856,829	(\$3,044,763)
FTE	108.00	111.00	(1.00)	110.00	108.00	2.00

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

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	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	1,000,000	7,100,000	6,100,000	1,000,000
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)
Employer retirement contribution pool			12,538,779	12,538,779		12,538,779
Infrastructure grant			200,000	200,000		200,000
Total all funds	\$42,754,708	\$168,855,507	\$111,469,055	\$280,324,562	\$290,735,783	(\$10,411,221)
Less estimated income	8,828,309	76,911,173	69,092,851	146,004,024	147,378,954	(1,374,930)
General fund	\$33,926,399	\$91,944,334	\$42,376,204	\$134,320,538	\$143,356,829	(\$9,036,291)
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	Increases Funding for Targeted Equity Pool ⁴	Adds Funding for Funding Pool ⁵	Adds Funding for Employer Retirement Contribution Pool ⁶
Salaries and wages	\$226,001	(\$218,472)	(\$1,707,753)			
Operating expenses						
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	
Employer retirement contribution pool						\$12,538,779
Infrastructure grant						
Total all funds	\$226,001	(\$218,472)	(\$1,707,753)	\$7,500,000	\$98,200,000	\$12,538,779
Less estimated income	52,451	0	(184,670)	3,400,000	58,100,000	6,975,070
General fund	\$173,550	(\$218,472)	(\$1,523,083)	\$4,100,000	\$40,100,000	\$5,563,709
FTE	0.00	(1.00)	0.00	0.00	0.00	0.00

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	Adjusts Funding for Operating Expenses ⁷	Adjusts Funding for Capital Assets ⁸	Decreases Funding for Internships ⁹	Adds Funding for Rural Senior Center Grant ¹⁰	Increases Funding for Guardianship Grants ¹¹	Total Conference Committee Changes
Salaries and wages						(\$1,700,224)
Operating expenses	\$131,500					131,500
Capital assets		(\$6,201,000)				(6,201,000)
Emergency commission contingency fund						
Guardianship grants					\$1,000,000	1,000,000
Targeted market equity pool						7,500,000
Prairie Public Broadcasting						
Community service supervision grants						
State student internship			(\$200,000)			(200,000)
Governor's emergency education relief						
Deferred maintenance funding pool						
New and vacant FTE funding pool						98,200,000
Employer retirement contribution pool						12,538,779
Infrastructure grant				\$200,000		200,000
Total all funds	\$131,500	(\$6,201,000)	(\$200,000)	\$200,000	\$1,000,000	\$111,469,055
Less estimated income	0	750,000	0	0	0	69,092,851
General fund	\$131,500	(\$6,951,000)	(\$200,000)	\$200,000	\$1,000,000	\$42,376,204
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates, the same as the House, as follows:

	General Fund	Other Funds	Total
Salary increase	\$183,634	\$54,250	\$237,884
Health insurance adjustment	(10,084)	(1,799)	(11,883)
Total	\$173,550	\$52,451	\$226,001

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding of \$218,472 for 1 FTE total rewards specialist position is removed, which was added by the Senate.

The Senate added 3 FTE positions and \$664,786 from the general fund, but the House removed the positions and funding.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$446,314)	\$0	(\$446,314)
Vacant FTE positions	(1,076,769)	(184,670)	(1,261,439)
Total	(\$1,523,083)	(\$184,670)	(\$1,707,753)

The House also removed funding for a new and vacant FTE funding pool, but the Senate did not remove funding for the pool.

⁴ Funding for a targeted market equity pool is adjusted to increase the pool by \$7.5 million to provide total funding of \$82.5 million. Both the House and the Senate provided \$75 million for the funding pool.

⁵ Funding of \$98.2 million is added for a new and vacant FTE funding pool, including \$40.1 million from the general fund and \$58.1 million from other funds. A section is added providing guidelines for use of funding in the pool. The House provided funding of \$130 million, of which \$60 million was from the general fund, for the pool. The Senate did not include a new and vacant FTE funding pool.

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⁶ Ongoing funding of \$12,538,779, including \$5,563,709 from the general fund and \$6,975,070 from other funds, is added for a statewide increased employer contribution retirement pool for the cost of the 1 percent employer retirement contribution increase included in House Bill No. 1040, the cost of changes to the retirement plan for peace officers in House Bill No. 1183, and the cost of changes to the retirement plan for Bureau of Criminal Investigation agents in House Bill No. 1309.

⁷ Funding for operating expenses is adjusted as follows:

- 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.

⁸ 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 Capitol 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.

⁹ 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.

¹⁰ One-time funding of \$200,000 from the general fund is added for a rural senior center infrastructure grant.

¹¹ Ongoing funding of \$1 million is added to provide a total of \$7.1 million for guardianship grants. The House and Senate both included \$6.1 million for guardianship grants.

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.

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- 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 clause for the new members. The House included an effective date and emergency clause related to the membership change, but the Senate did not include these changes.
- Adds a section directing the State Investment Board and Retirement Board to continue to invest the main system retirement plan based on an actuarial rate of return of at least 6.5 percent. The House added a similar section. The Senate did not include this section.
- Adds an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project. The Senate did not provide this exemption.
- Adds Legislative Management studies related to the state fire and tornado fund and state bonding fund administration, the management and maintenance of state facilities, and the state's guardianship programs. The House also added these studies.

Senate Bill No. 2015 - Legislative Council - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$500,000	\$500,000	\$500,000	
Employer retirement contribution			58,283	58,283		\$58,283
Total all funds	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 160 - Legislative Council - Detail of Conference Committee Changes

	Adds Funding for an Audit ¹	Adds Funding for Employer Retirement Contribution ²	Total Conference Committee Changes
Operating expenses	\$500,000		\$500,000
Employer retirement contribution		\$58,283	58,283
Total all funds	\$500,000	\$58,283	\$558,283
Less estimated income	0	0	0
General fund	\$500,000	\$58,283	\$558,283
FTE	0.00	0.00	0.00

¹ One-time funding of \$500,000 is added from the general fund for the Legislative Council to contract for a performance audit of the State Auditor and other consulting services. The House also added this funding for a forensic audit of the State Auditor. The Senate did not include this funding.

² Ongoing funding of \$58,283 from the general fund is added for the cost of a 1 percent employer retirement contribution increase included in House Bill No. 1040.

This amendment also provides a 2021-23 biennium appropriation of \$5,000 from the general fund for International Legislators' Forum dues.

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Senate Bill No. 2015 - Judicial Branch - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Employer retirement contribution			\$347,518	\$347,518		\$347,518
Total all funds	\$0	\$0	\$347,518	\$347,518	\$0	\$347,518
Less estimated income	0	0	4,273	4,273	0	4,273
General fund	\$0	\$0	\$343,245	\$343,245	\$0	\$343,245
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 180 - Judicial Branch - Detail of Conference Committee Changes

	Adds Funding for Employer Retirement Contribution ¹	Total Conference Committee Changes
Employer retirement contribution	\$347,518	\$347,518
Total all funds	\$347,518	\$347,518
Less estimated income	4,273	4,273
General fund	\$343,245	\$343,245
FTE	0.00	0.00

¹ Adds ongoing funding of \$347,518, including \$343,245 from the general fund and \$4,273 from other funds for the cost of a 1 percent employer retirement contribution increase included in House Bill No. 1040.

Senate Bill No. 2015 - Department of Public Instruction - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Integrated formula payments			\$3,000,000	\$3,000,000		\$3,000,000
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 201 - Department of Public Instruction - Detail of Conference Committee Changes

	Adds Funding for Integrated Formula Payments ¹	Total Conference Committee Changes
Integrated formula payments	\$3,000,000	\$3,000,000
Total all funds	\$3,000,000	\$3,000,000
Less estimated income	0	0
General fund	\$3,000,000	\$3,000,000
FTE	0.00	0.00

¹ Ongoing funding of \$3 million is added for an increase in integrated formula payments to school districts relating to transition minimum adjustments.

Senate Bill No. 2015 - Dept. of Career and Technical Education - Conference Committee Action

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	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Career center initiative			\$26,500,000	\$26,500,000		\$26,500,000
Total all funds	\$0	\$0	\$26,500,000	\$26,500,000	\$0	\$26,500,000
Less estimated income	0	0	26,500,000	26,500,000	0	26,500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adds Funding for Career Center Initiative Grant Inflation ¹	Total Conference Committee Changes
Career center initiative	\$26,500,000	\$26,500,000
Total all funds	\$26,500,000	\$26,500,000
Less estimated income	26,500,000	26,500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$26.5 million from the strategic investment and improvements fund is added for defraying inflationary costs of existing projects approved under the statewide career center initiative grant program.

Senate Bill No. 2015 - Department of Environmental Quality - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Onsite wastewater recycling			\$40,000	\$40,000		\$40,000
Total all funds	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 303 - Department of Environmental Quality - Detail of Conference Committee Changes

	Adds Funding for Onsite Wastewater Recycling Committee ¹	Total Conference Committee Changes
Onsite wastewater recycling	\$40,000	\$40,000
Total all funds	\$40,000	\$40,000
Less estimated income	0	0
General fund	\$40,000	\$40,000
FTE	0.00	0.00

¹ Ongoing funding of \$40,000 from the general fund is appropriated to the Department of Environmental Quality for the purpose of providing meeting expense reimbursement to members of the Onsite Wastewater Recycling Technical Committee.

5/15/17
JW

Senate Bill No. 2015 - DHHS - Other - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Behavioral health facility grant			\$8,250,000	\$8,250,000		\$8,250,000
Total all funds	\$0	\$0	\$8,250,000	\$8,250,000	\$0	\$8,250,000
Less estimated income	0	0	8,250,000	8,250,000	0	8,250,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 325 - DHHS - Other - Detail of Conference Committee Changes

	Adds Funding for Behavioral Health Facility Grant ¹	Total Conference Committee Changes
Behavioral health facility grant	\$8,250,000	\$8,250,000
Total all funds	\$8,250,000	\$8,250,000
Less estimated income	8,250,000	8,250,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$8.25 million from the strategic investment and improvements fund is added for a grant to establish a behavioral health facility in the badlands human service center service region.

Senate Bill No. 2015 - Labor Commissioner - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Board administration analyses			\$50,000	\$50,000		\$50,000
Total all funds	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 406 - Labor Commissioner - Detail of Conference Committee Changes

	Adds Funding for Board Analyses ¹	Total Conference Committee Changes
Board administration analyses	\$50,000	\$50,000
Total all funds	\$50,000	\$50,000
Less estimated income	0	0
General fund	\$50,000	\$50,000
FTE	0.00	0.00

¹ One-time funding of \$50,000 from the general fund is added for analyzing the administration of occupational and professional boards.

5/21/23
JK

Senate Bill No. 2015 - Department of Commerce - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Tribal college grants			\$500,000	\$500,000		\$500,000
Office of legal immigration			2,000,000	2,000,000		2,000,000
Total all funds	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Adds Funding for Tribal College Grants ¹	Adds Funding for Office of Legal Immigration ²	Total Conference Committee Changes
Tribal college grants	\$500,000		\$500,000
Office of legal immigration		\$2,000,000	2,000,000
Total all funds	\$500,000	\$2,000,000	\$2,500,000
Less estimated income	0	0	0
General fund	\$500,000	\$2,000,000	\$2,500,000
FTE	0.00	0.00	0.00

¹ One-time funding of \$500,000 from the general fund is added for workforce development grants to tribally controlled community colleges.

² One-time funding of \$2 million from the general fund is added for the Office of Legal Immigration.

Senate Bill No. 2015 - Other Changes - Conference Committee Action

This amendment also makes the following changes that were not included in the House or Senate versions:

- Adds a \$5 million 2021-23 biennium appropriation from the state disaster relief fund to the Adjutant General for emergency snow removal grants.
- Provides for unspent funds and accumulated interest earnings in the federal State Fiscal Recovery Fund to be transferred to the Department of Corrections and Rehabilitation in December 2024 to replace funding from the general fund for salaries and wages.
- Transfers \$50 million from the strategic investment and improvements fund to the general fund.
- Transfers \$30 million from the strategic investment and improvements fund to the North Dakota Development Fund.
- Adjusts the percent of market value calculation for legacy fund earnings to transfer 8 percent of the 5-year average value of legacy fund assets as an emergency clause. This results in a general fund revenue increase of \$34,754,902 and a strategic investment and improvements fund revenue increase of \$34,754,903.
- Directs the Public Employees Retirement System to not reduce the actuarial rate of return assumption for the defined benefit plan below 6.5 percent.
- Allows probationary employees to participate in the state leave sharing program.
- Allows the coal development trust fund to be used for inflationary school construction loans.
- Provides for a \$125 million fertilizer development incentive program under the clean sustainable energy authority.
- Provides for a line of credit from the Bank of North Dakota to provide \$100 million to the water infrastructure revolving loan fund. Section 5 of Senate Bill No. 2020, which provided for a transfer of \$100 million of Bank of North Dakota profits to the water infrastructure revolving loan fund, is repealed.
- Provides for the transition from the defined benefit plan to the new defined contribution retirement plan established in House Bill No. 1040 to be implemented on January 1, 2024, contingent upon the Public Employees Retirement System certifying the plans are prepared.
- Provides for the the clean sustainable energy authority to approve financing for clean sustainable energy projects from the North Dakota Development Fund.
- Amends provisions relating to controlled substances established in Senate Bill No. 2248.
- Amends provisions relating to the flexible transportation fund in House Bill No. 1012 to require Budget Section approval for projects in excess of \$10 million.

5/3/23
JH

- Clarifies changes to the peace officers' retirement plan in House Bill Nos. 1183 and 1309.
- Provides a retroactive effective date for changes to hospital property tax exemptions in House Bill No. 1438.
- Amends language relating to tax levies for water resource boards adopted in Senate Bill No. 2372.
- Provides that changes to the state employee retirement plans made in Senate Bill No. 2015 are exempt from requirements for review by the Employee Benefits Programs Committee.
- Declares Senate Bill No. 2024 and funding for child support payments in Senate Bill No. 2012 to be an emergency measure.

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments**
 - SENATE accede to House Amendments and further amend**
 - HOUSE recede from House amendments**
 - HOUSE recede from House amendments and amend as follows**
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Bosch Seconded by: Representative Vigesaa

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
<i>Brad Bekkedahl</i>		X			X	Don Vigesaa		X			X
David Hogue		X			X	Mike Lefor		X		X	
Terry Wanzek		X			X	Glenn Bosch		X		X	
Total Senate Vote					3	Total Rep. Vote				2	1

Vote Count Yes: 2 No: 4 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Representative Bosch moved to adopt amendment LC 23.0269.02116 #28002

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments**
 - SENATE accede to House Amendments and further amend**
 - HOUSE recede from House amendments**
 - HOUSE recede from House amendments and amend as follows**

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Lefor Seconded by: Representative Vigesaa

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
Brad Bekkedahl		X			X	Don Vigesaa		X		X	
David Hogue		X			X	Mike Lefor		X		X	
Terry Wanzek		X			X	Glenn Bosch		X		X	
Total Senate Vote					3	Total Rep. Vote				3	

Vote Count Yes: 3 No: 3 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Representative Lefor introduced and moved to adopt amendment that provides dollars for university enrolled single parents pilot program for \$4.5 million. Testimony #28004

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriation Committee

- Action Taken**
- SENATE accede to House Amendments**
 - SENATE accede to House Amendments and further amend**
 - HOUSE recede from House amendments**
 - HOUSE recede from House amendments and amend as follows**

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Bosch Seconded by: Representative Lefor

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
Brad Bekkedahl		X			X	Don Vigesaa		X			X
David Hogue		X			X	Mike Lefor		X		X	
Terry Wanzek		X			X	Glenn Bosch		X		X	
Total Senate Vote					3	Total Rep. Vote				2	1

Vote Count Yes: 2 No: 4 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Representative Bosch moved to adopt amendment LC 23.0269.02106.

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Hogue Seconded by: Senator Wanzek

Senators	4/29		Yes	No	Representatives	4/29		Yes	No
Brad Bekkedahl	X			X	Don Vigesaa	X			X
David Hogue	X			X	Mike Lefor	X			X
Terry Wanzek	X			X	Glenn Bosch	X			X
Total Senate Vote				3	Total Rep. Vote				3

Vote Count Yes: 0 No: 6 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Senator Hogue moved to adopt amendment LC 23.0269.0289

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments**
 - SENATE accede to House Amendments and further amend**
 - HOUSE recede from House amendments**
 - HOUSE recede from House amendments and amend as follows**
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Hogue Seconded by: Senator Wanzek

Senators	4/29		Yes	No	Representatives	4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X			X
Terry Wanzek	X		X		Glenn Bosch	X			X
Total Senate Vote			3		Total Rep. Vote			1	2

Vote Count Yes: 4 No: 2 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Senator Hogue moved to reconsider LC 23.0269.02075 Testimony #28007

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken** **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Bosch Seconded by: Representative Lefor

Senators					Representatives				
	4/29		Yes	No		4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X		X	
Terry Wanzek	X		X		Glenn Bosch	X		X	
Total Senate Vote			3		Total Rep. Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Representative Bosch moved to reconsider LC 23.0269.02115

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Wanzek Seconded by: Representative Lefor

Senators					Representatives				
	4/29		Yes	No		4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X		X	
Terry Wanzek	X		X		Glenn Bosch	X		X	
Total Senate Vote			3		Total Rep. Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Senator Wanzek moved to adopt LC 23.0269.02075

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Hogue Seconded by: Representative Lefor

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
Brad Bekkedahl		X		X		Don Vigesaa		X		X	
David Hogue		X		X		Mike Lefor		X		X	
Terry Wanzek		X		X		Glenn Bosch		X		X	
Total Senate Vote				3		Total Rep. Vote				3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Senator Hogue moved Do Not Pass on LC 23.0269.02050

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Vigesaa Seconded by: Representative Lefor

Senators					Representatives				
	4/29		Yes	No		4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X		X	
Terry Wanzek	X		X		Glenn Bosch	X		X	
Total Senate Vote			3		Total Rep. Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Representative Vigesaa moved Do Not Pass on LC 23.0269.02079

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Bosch Seconded by: Representative Lefor

Senators					Representatives				
	4/29		Yes	No		4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X		X	
Terry Wanzek	X		X		Glenn Bosch	X		X	
Total Senate Vote			3		Total Rep. Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

To reinstate original language in amendment 23.0269.02101 and strike Section 5A #4 and reinstate original language of 5B and first paragraph of 5.

2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Vigesaa Seconded by: Senator Hogue

Senators	4/29		Yes	No	Representatives	4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X		X	
Terry Wanzek	X		X		Glenn Bosch	X		X	
Total Senate Vote			3		Total Rep. Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

Do Not Pass on LC 23.0269.02054

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments**
 - SENATE accede to House Amendments and further amend**
 - HOUSE recede from House amendments**
 - HOUSE recede from House amendments and amend as follows**

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Vigesaa Seconded by: _____

Senators					Representatives				
	4/29		Yes	No		4/29		Yes	No
Brad Bekkedahl	X			X	Don Vigesaa	X		X	
David Hogue	X			X	Mike Lefor	X			X
Terry Wanzek	X			X	Glenn Bosch	X			X
Total Senate Vote				3	Total Rep. Vote			1	2

Vote Count Yes: 1 No: 5 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

To adopt LC 23.0269.02065

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Wanzek Seconded by: Representative Lefor

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
Brad Bekkedahl		X		X		Don Vigesaa		X		X	
David Hogue		X		X		Mike Lefor		X		X	
Terry Wanzek		X		X		Glenn Bosch		X			X
Total Senate Vote				3		Total Rep. Vote				2	1

Vote Count Yes: 5 No: 1 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

To reconsider action on LC 23.0269.02079

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken** **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Wanzek Seconded by: Representative Vigesaa

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
Brad Bekkedahl		X		X		Don Vigesaa		X		X	
David Hogue		X		X		Mike Lefor		X		X	
Terry Wanzek		X		X		Glenn Bosch		X			X
Total Senate Vote				3		Total Rep. Vote				2	1

Vote Count Yes: 5 No: 1 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

To adopt LC 23.0269.02079

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken** **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Wanzek Seconded by: Representative Vigesaa

Senators					Representatives				
	4/29		Yes	No		4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X		X	
Terry Wanzek	X		X		Glenn Bosch	X		X	
Total Senate Vote			3		Total Rep. Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

To adopt LC 23.0269.02086

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken** **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Vigesaa Seconded by: Representative Bosch

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
Brad Bekkedahl		X		X		Don Vigesaa		X		X	
David Hogue		X		X		Mike Lefor		X		X	
Terry Wanzek		X		X		Glenn Bosch		X		X	
Total Senate Vote				3		Total Rep. Vote				3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

To adopt LC 23.0269.02095

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken** **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Vigesaa Seconded by: Representative Lefor

Senators					Representatives				
	4/29		Yes	No		4/29		Yes	No
Brad Bekkedahl	X		X		Don Vigesaa	X		X	
David Hogue	X		X		Mike Lefor	X		X	
Terry Wanzek	X		X		Glenn Bosch	X		X	
Total Senate Vote			3		Total Rep. Vote			3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Statement of purpose of amendment:

To adopt LC 23.0269.02083 with the sum of \$50M inserted.

**2023 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2015 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Lefor Seconded by: Senator Wanzek

Senators		4/29		Yes	No	Representatives		4/29		Yes	No
Brad Bekkedahl		X		X		Don Vigesaa		X		X	
David Hogue		X		X		Mike Lefor		X		X	
Terry Wanzek		X		X		Glenn Bosch		X		X	
Total Senate Vote				3		Total Rep. Vote				3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Bekkedahl House Carrier Vigesaa

LC Number 23.0269 . 02119 of amendment

LC Number 23.0269 . 04000 of engrossment

Statement of purpose of amendment:

To adopt the consensus items and final amendment version.

REPORT OF CONFERENCE COMMITTEE

SB 2015, as engrossed: Your conference committee (Sens. Bekkedahl, Hogue, Wanzek and Reps. Vigesaa, Lefor, Bosch) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1851-1861, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide an appropriation to the office of the governor, legislative assembly, adjutant general, legislative council, department of environmental quality, labor and human rights, department of public instruction, department of commerce, department of health and human services, department of career and technical education, and judicial branch"

Page 1, line 3, after "enact" insert "a new subsection to section 10-30.5-02 and"

Page 1, line 3, after the second "to" insert "the purpose and use of the North Dakota development fund and"

Page 1, line 4, replace "sections" with "section 15.1-27-04.1 as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, sections 15.1-36-02 and 15.1-36-04, subsection 2 of the new section to chapter 19-03.1, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, subsection 1 of section 21-10-12, as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, section 24-02-37.3, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, sections"

Page 1, line 4, after the first comma insert "54-06-14.7, and"

Page 1, line 4, remove "and"

Page 1, line 5, replace "57-40.3-10" with "sections 54-52-02.5, 54-52-02.9, 54-52-02.11, and 54-52-02.12, as amended in sections 3, 4, 5, and 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52-02.15 as created by section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52-03, subsection 2 of section 54-52-06.4, as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, subsection 4 of section 54-52-17, as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly, section 54-52.2-09 as created by section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 3 of section 54-52.6-01 and section 54-52.6-02 as amended in sections 14 and 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 1 of section 54-52.6-02.1 and section 54-52.6-02.2 as created by sections 16 and 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 2 of section 54-52.6-03 as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52.6-09 as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-63.1-04, and the new subsection to section 61-16.1-11, as created in section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly,"

Page 1, line 5, after "Code" insert "and section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly"

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Page 1, line 5, after "to" insert "baseline funding and the determination of state school aid, loans from the coal development trust fund, evidence of indebtedness, distribution of illegal drugs, legacy fund earnings, the flexible transportation fund,"

Page 1, line 6, after the first comma insert "the state leave sharing program,"

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

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

Page 1, line 7, replace "excise tax collections" with "the public employees retirement system retirement plan, the public employees retirement system plan for state peace officers, the clean sustainable energy authority duties, and joint water resource boards; to repeal section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, relating to a transfer of Bank of North Dakota profits to a water infrastructure revolving loan fund"

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

Page 1, line 7, after "report" insert "; to provide a penalty; to provide for application; to provide a retroactive effective date; to provide a contingent effective date"

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	4,650,000	7,100,000
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	0	98,200,000	98,200,000
Employer retirement contribution pool	0	12,538,779	12,538,779
Infrastructure grant	0	200,000	200,000
Total all funds	\$42,754,708	\$237,569,854	\$280,324,562
Less estimated income	8,828,309	137,175,715	146,004,024
Total general fund	\$33,926,399	\$100,394,139	\$134,320,538
Full-time equivalent positions	108.00	2.00	110.00"

Page 2, remove lines 22 through 31,

Page 3 replace line 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

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Central services software and equipment	0	573,800
Governor's residence improvements	0	100,000
Brynhild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	0	3,659,555
Infrastructure grant	0	200,000
Total all funds	\$24,795,104	\$36,451,174
Less estimated income	24,695,104	29,934,355
Total general fund	\$100,000	\$6,516,819"

Page 3, line 17, replace "**SERVICES**" with "**SERVICE**"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - 2021-23 BIENNIUM - OFFICE OF THE GOVERNOR - LEGISLATIVE ASSEMBLY.

1. There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this section, and ending June 30, 2023.
2. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000, or so much of the sum as may be necessary, to the legislative assembly for international legislators' forum dues for the period beginning with the effective date of this section, and ending June 30, 2023.

SECTION 5. APPROPRIATION - 2021-23 BIENNIUM - ADJUTANT GENERAL - STATE DISASTER RELIEF FUND - SNOW REMOVAL GRANTS - REPORT TO LEGISLATIVE MANAGEMENT.

1. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing full season emergency snow removal grants to tribal governments, counties, cities, and townships, for the period beginning with the effective date of this section, and ending June 30, 2023.
2. A tribal government, county, township, or city may apply to the department of emergency services for a full season emergency snow removal grant for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through April 30, 2023, which exceeded one hundred fifty percent of the average snow removal cost for the seven-month period of October to April for the four lowest cost years for those years during the period beginning October 1, 2017, through April 30, 2022.
3. Each tribal government, county, city, or township requesting reimbursement under this section shall submit the request in accordance with guidelines developed by the department of emergency services. An award under subsection 2 must be reduced by any amount awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative

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assembly. A tribal government, county, city, or township may not be required to return any funds awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative assembly, due to the calculation completed under subsection 2.

4. The department of emergency services shall distribute the grants under this section before June 30, 2023, and shall report to the legislative management regarding the grants awarded.

SECTION 6. APPROPRIATION - GENERAL FUND - LEGISLATIVE COUNCIL - DEPARTMENT OF ENVIRONMENTAL QUALITY - DEPARTMENT OF LABOR AND HUMAN RIGHTS - DEPARTMENT OF PUBLIC INSTRUCTION - DEPARTMENT OF COMMERCE - REPORT - ONE-TIME FUNDING. For the biennium beginning July 1, 2023, and ending June 30, 2025, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the following amounts, or so much of the sum as may be necessary:

1. \$500,000 to the legislative council for the purpose of contracting for a performance audit of the state auditor and for other consulting services of interim committees. The chairman of the legislative management shall arrange for the audit and receive the audit report. The performance audit must address the efficiency and effectiveness of the state auditor's office relative to industry best practices. The performance audit must include a review of the appropriateness of the number of hours to complete audits; methods used to monitor staff time and allocate hours charged to audits; billing processes; quality assurance processes; the adequacy and timeliness of communications with audited entities, governing boards, and the public; and other areas as determined by the chairman of the legislative management. The funding provided in this subsection is considered a one-time funding item.
2. \$40,000 to the department of environmental quality for the purpose of providing meeting expense reimbursement to members of the onsite wastewater recycling technical committee. A member of the committee who is not a state employee is entitled to reimbursement for mileage and expenses as provided by law for state officers and employees, to be paid by the department of environmental quality. A state employee who is a member of the committee is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses to be paid by the employing agency.
3. \$50,000 to the department of labor and human rights for the purpose of defraying expenses of analyzing the administration of occupational and professional boards pursuant to Senate Bill No. 2249, as approved by the sixty-eighth legislative assembly. The funding provided in this subsection is considered a one-time funding item.
4. \$3,000,000 to the department of public instruction for the purpose of providing integrated formula payments.
5. \$500,000 to the department of commerce for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2023-24 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2024, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by

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October 1, 2024, regarding the use of grant funds. The funding provided in this subsection is considered a one-time funding item.

6. \$2,000,000 to the department of commerce for the purpose of defraying the expenses of the office of legal immigration. The funding provided in this subsection is considered a one-time funding item.

SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF HEALTH AND HUMAN SERVICES - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT. For the biennium beginning July 1, 2023, and ending June 30, 2025, there is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the following amounts, or so much of the sum as may be necessary:

1. \$8,250,000 to the department of health and human services for the purpose of providing a behavioral health facility grant. The department of health and human services shall provide the grant as follows:
 - a. A grant of \$8,250,000 must be provided to establish a behavioral health facility in the badlands human service center service region. The grant recipient must provide matching funds of \$1,950,000 to establish the facility.
 - b. The department shall require an entity receiving funding under this subsection to operate the facility for a period of at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years.
 - c. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this subsection.
 - d. The funding provided under this subsection is a one-time funding item.
2. \$26,500,000 to the department of career and technical education for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium. The department of career and technical education shall distribute the funding to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this subsection is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project. The funding provided under this subsection is considered a one-time funding item.

SECTION 8. APPROPRIATION - JUDICIAL BRANCH - EMPLOYER RETIREMENT CONTRIBUTION FUNDING. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of

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providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

Salaries and wages	<u>\$347,518</u>
Total all funds	\$347,518
Less estimated income	<u>4,273</u>
Total general fund appropriation	\$343,245

SECTION 9. APPROPRIATION - LEGISLATIVE COUNCIL - EMPLOYER RETIREMENT CONTRIBUTION FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$58,283, or so much of the sum as may be necessary, to the legislative council for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 10. APPROPRIATION - TRANSFER OF APPROPRIATION AUTHORITY - FEDERAL STATE FISCAL RECOVERY FUND - EXEMPTION - SPENDING RESTRICTION - REPORT.

1. Notwithstanding any other provision of law, on December 1, 2024, the office of management and budget shall transfer any uncommitted federal state fiscal recovery fund appropriation authority from the state agency that received the appropriation authority to the department of corrections and rehabilitation for the purpose of defraying the expenses of salaries and wages and other operating costs of the department of corrections and rehabilitation for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. The office of management and budget shall transfer any uncommitted accumulated interest and earnings of the federal state fiscal recovery fund to the department of corrections and rehabilitation during the biennium beginning July 1, 2023, and ending June 30, 2025. Any interest and earnings received by the department of corrections and rehabilitation under this section are appropriated to the department for the purpose of defraying the expenses of salaries and wages and other operating costs of the department for the biennium beginning July 1, 2023, and ending June 30, 2025.
3. The department of corrections and rehabilitation may not spend general fund savings resulting from the use of the federal state fiscal recovery fund moneys.
4. The office of management and budget shall report to the budget section regarding any appropriation authority and interest and earnings transferred under this section."

Page 3, line 22, after "**FUND**" insert "**OR SOCIAL SERVICES FUND**"

Page 3, line 24, after the first "fund" insert "or the social services fund under section 57-51.1-07.5"

Page 3, after line 29, insert:

"SECTION 13. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$50,000,000 from the strategic investment and

improvements fund to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 14. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of \$30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 4, line 4, replace "\$12,000,000" with "\$12,700,000"

Page 4, line 5, after "pool" insert ", including up to \$12,000,000"

Page 4, line 5, after "capitol" insert "and up to \$700,000 for a water mitigation project at the liberty memorial building"

Page 4, line 9, replace "\$4,800,000" with "\$5,550,000"

Page 4, line 12, replace "\$300,000" with "\$150,000 for accessibility improvements in legislative areas of the capitol;

2. \$800,000 for a building automation project;
3. \$250,000 for electrical and mechanical repairs;
4. \$100,000"

Page 4, line 12, replace "exterior repairs and" with "security"

Page 4, line 13, replace "2." with "5."

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 17. OPERATING EXPENSES LINE ITEM - CASH MANAGEMENT STUDY - OFFICE OF MANAGEMENT OF BUDGET - 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 the office of management and budget 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.

SECTION 18. INFRASTRUCTURE GRANT LINE ITEM - RURAL SENIOR CENTER. The infrastructure grant line item in section 1 of this Act includes the sum of \$200,000 from the general fund for the purpose of providing a rural senior center infrastructure grant to an organization in Wells County located in a city with a population between 1,500 and 1,800 according to the 2020 census, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 4, line 23, replace "\$41,000,000" with "\$45,100,000"

Page 4, line 24, replace "\$34,000,000" with "\$37,400,000"

Page 4, line 27, replace "Act" with "section"

Page 5, line 9, replace "10" with "21"

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

Page 6, after line 3, insert:

"SECTION 22. 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 sixty-eighth 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;
 - c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
 - d. As requested by the department of transportation, the sum of up to \$7,400,000 for salaries and wages funding needs.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.

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5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium;
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
 - d. Within fifteen days of receiving a request from the department of transportation to transfer the sum of up to \$7,400,000 for salaries and wages funding needs.
6. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025.
7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
8. The office of management of budget shall report to each meeting of the budget section regarding salaries and wages, 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,

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reclassifications, funding used for temporary salaries or overtime in excess of amounts provided by the sixty-eighth legislative assembly, or other purposes.

SECTION 23. EMPLOYER RETIREMENT CONTRIBUTION POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY.

1. The employer retirement contribution pool line item in section 1 of this Act includes \$5,563,709 from the general fund and \$6,975,070 from special funds derived from federal funds and other income for providing funding to executive branch agencies for the increased cost of the employer retirement contribution increases included in House Bill No. 1040, House Bill No. 1183, and House Bill No. 1309, as approved by the sixty-eighth legislative assembly, in accordance with provisions of this section, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority provided in this section to the listed executive branch state agencies as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Governor	\$26,154	\$0	\$26,154
Secretary of state	24,295	4,050	28,345
Office of management and budget	95,753	16,423	112,176
Information technology department	104,514	525,014	629,528
State auditor	44,533	32,769	77,302
State treasurer	7,502	0	7,502
Attorney general	1,268,037	843,938	2,111,975
Tax commissioner	114,348	0	114,348
Office of administrative hearings	0	7,135	7,135
Commission on legal counsel for indigents	45,111	1,268	46,379
Retirement and investment office	0	42,355	42,355
Public employees retirement system	0	36,736	36,736
Ethics commission	1,957	0	1,957
Department of public instruction	31,605	53,383	84,988
North Dakota university system	39,435	16,789	56,224
Department of trust lands	0	40,947	40,947
Bismarck state college	31,441	56,303	87,744
Lake region state college	14,693	20,449	35,142
Williston state college	8,607	12,224	20,831
University of North Dakota	100,821	520,248	621,069
University of North Dakota school of medicine and health sciences	38,691	68,304	106,995
North Dakota state university	97,772	375,024	472,796
North Dakota state college of science	43,662	53,548	97,210
Dickinson state university	15,061	19,859	34,920
Mayville state university	11,331	43,952	55,283
Minot state university	31,980	49,180	81,160
Valley City state university	17,606	16,577	34,183
Dakota college at Bottineau	8,526	9,863	18,389
North Dakota forest service	8,411	669	9,080
State library	16,695	3,148	19,843
School for the deaf	23,099	1,617	24,716
North Dakota vision services - school for the blind	12,195	1,382	13,577
Center for distance education	9,799	0	9,799
Department of career and technical education	21,878	3,144	25,022
Department of health and human	49,333	156,146	205,479

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services - public health			
Department of environmental quality	51,295	119,961	171,256
Veterans' home	20,372	58,979	79,351
Indian affairs commission	4,454	0	4,454
Department of veterans' affairs	7,261	1,075	8,336
Department of health and human	1,265,293	831,416	2,096,709
services - human services			
Protection and advocacy project	12,935	16,646	29,581
Job service North Dakota	1,878	138,944	140,822
Insurance commissioner	0	51,040	51,040
Industrial commission	123,610	11,031	134,641
Department of labor and human rights	11,636	2,448	14,084
Public service commission	26,468	21,823	48,291
Aeronautics commission	0	8,712	8,712
Department of financial institutions	0	42,723	42,723
Securities department	0	11,771	11,771
Bank of North Dakota	0	181,939	181,939
Housing finance agency	0	53,004	53,004
Mill and elevator association	0	168,887	168,887
Workforce safety and insurance	0	254,365	254,365
Highway patrol	15,723	14,180	29,903
Department of corrections and	1,111,528	59,883	1,171,411
rehabilitation			
Adjutant general	128,680	235,829	364,509
Department of commerce	65,463	12,165	77,628
Agriculture commissioner	46,693	31,803	78,496
Upper great plains transportation institute	4,868	11,964	16,832
Branch research centers	21,139	14,106	35,245
NDSU extension service	22,744	17,085	39,829
Northern crops institute	797	671	1,468
NDSU main research center	33,694	9,151	42,845
Agronomy seed farm	0	2,958	2,958
North Dakota racing commission	2,008	105	2,113
State historical society	66,191	9,389	75,580
Council on the arts	5,650	0	5,650
Game and fish department	0	381,164	381,164
Parks and recreation department	148,484	8,375	156,859
Department of water resources	0	108,163	108,163
Department of transportation	0	1,050,871	1,050,871
Total	\$5,563,709	\$6,975,070	\$12,538,779

SECTION 24. A new subsection to section 10-30.5-02 of the North Dakota Century Code is created and enacted as follows:

Moneys in the fund may be used to provide financing for projects that enhance production of clean sustainable energy in the state only to the extent the project has been recommended by the clean sustainable energy authority under chapter 54-63.1.

SECTION 25. AMENDMENT. Section 15.1-27-04.1 of the North Dakota Century Code as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective through June 30, 2025)

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:

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- a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
- b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
- c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
 - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2021-22 school year, seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, and an additional seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid each school year thereafter, until the 2024-25 school year when sixty-eight percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
 - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
 - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
 - (1) Mobile home tax revenue;
 - (2) Telecommunications tax revenue; and

- (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit; and
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.
2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
- b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
- c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. ~~The~~For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the ~~2024-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;

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- (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.
 - b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~sixty-five~~fifty-five percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and
 - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
 - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as

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directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and

- (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.
- (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.
- 5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
- 6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
- 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
 - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

Baseline funding - Establishment - Determination of state aid. (Effective after June 30, 2025)

- 1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
 - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
 - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
 - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:

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- (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2025-26 school year, eighty-five percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
 - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
 - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
- (1) Mobile home tax revenue;
 - (2) Telecommunications tax revenue; and
 - (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year

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thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.

2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
 - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
 - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. ~~The~~For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the ~~2021-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.

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- b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~sixty~~sixty-five percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district; and
 - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
 - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
 - (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.
 - (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all

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revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.

5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
 - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

SECTION 26. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, ~~or~~ an emergency repair, or a legislatively defined condition, and the board of a school district shall:
 - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall consider each loan application in the order ~~the application~~ received approval under section 15.1-36-01.
4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
 - a. For a loan made under this section subsection:

- a-(1) The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is ~~twofive~~ million dollars;
 - b-(2) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
 - e-(3) The interest rate of the loan may not exceed two percent per year.
- b. During the 2023-25 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under subsection 2. For a loan made under this subsection which includes additional expenses due to unanticipated construction inflation:
- (1) The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021, and before June 30, 2024;
 - (2) The maximum loan amount for which a school district may qualify is five million dollars;
 - (3) The interest rate on the loan may not exceed two percent per year;
 - (4) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
 - (5) The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law.
5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not

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subject to taxation by the state or any political subdivision of the state.

6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 27. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, an emergency repair, or a legislatively defined condition, and the board of a school district shall:
 - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall consider each loan application in the order the application received approval under section 15.1-36-01.
4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
 - a. For a loan made under this ~~subsection~~section:
 - (1)~~a.~~ The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is five million dollars;
 - (2)~~b.~~ The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
 - (3)~~c.~~ The interest rate of the loan may not exceed two percent per year.
 - b. ~~During the 2023-25 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under subsection 2 of this section. For a loan made under this subsection which includes additional expenses due to unanticipated construction inflation:~~

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- (1) ~~The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021, and before June 30, 2024;~~
 - (2) ~~The maximum loan amount for which a school district may qualify is five million dollars;~~
 - (3) ~~The interest rate on the loan may not exceed two percent per year;~~
 - (4) ~~The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and~~
 - (5) ~~The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law.~~
5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating the loan originated under this section.
 - b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
 - c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
 - d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 28. AMENDMENT. Section 15.1-36-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-04. Evidences of indebtedness.

~~The~~Except as otherwise provided in this chapter, the board of a school district may issue and sell evidences of indebtedness under chapter ~~21-02~~ or 21-03 to finance the construction or improvement of a project approved under this chapter. The principal amount of the loan and the evidences of indebtedness to repay the

loan may not exceed the loan amount for which the district is eligible under this chapter. Evidences of indebtedness issued under this chapter or chapter 21-03 constitute a general obligation of the school district.

SECTION 29. AMENDMENT. Subsection 2 of the new section to chapter 19-03.1 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. An individual is guilty of causing death or injury by distributing a controlled substance if the individual willfully ~~supplies another to deliver a controlled substance to an individual who consumes the controlled substance and that delivers a controlled substance, or supplies another to deliver or consume a controlled substance, and an~~ individual dies or is injured from overdosing after consuming a portion of ~~the~~that controlled substance.
 - a. A violation of this section is a class A felony.
 - b. This section does not limit a conviction under chapter 12.1-16, but an individual may not be found guilty of this section and an offense under chapter 12.1-16 if the conduct arises out of the same course of conduct.

SECTION 30. AMENDMENT. Subsection 1 of section 21-10-12 of the North Dakota Century Code, as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. "Earnings" means an amount equal to ~~seven~~eight percent of the five-year average value of the legacy fund assets as reported by the state investment board using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.

SECTION 31. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 10. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

24-02-37.3. Flexible transportation fund - Budget section approval - Report.

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

1. The flexible transportation fund must be administered and expended by the director and may be used for the following:
 - a. Providing a match for federal funding obtained by the department of transportation.
 - b. State-funded road and bridge construction and maintenance, and transportation support costs including

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- staffing, facilities, and operational expenditures on the state highway system.
- c. State-funded road and bridge construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.
2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.
 3. The director must receive budget section approval for any project that utilizes more than ~~fifteen~~ million dollars from the fund except for projects that match federal or private funds and the amount utilized from the fund is fifty percent or less of total project costs. Any request considered by the budget section must comply with section 54-35-02.9.
 4. The director shall allocate at least twenty-five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil-producing county and township road and bridge projects as follows:
 - a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;
 - b. The department shall establish criteria to distribute the funds;
 - c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;
 - d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;
 - e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and
 - f. For purposes of this subsection, "non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.
 5. The director shall provide periodic reports to the budget section regarding the status of the fund and projects receiving allocations from the fund."

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, after line 2, insert:

"SECTION 33. AMENDMENT. Section 54-06-14.7 of the North Dakota Century Code is amended and reenacted as follows:

54-06-14.7. State leave sharing program - Rulemaking.

1. The human resource management services division of the office of management and budget shall establish a state leave sharing program for permanent employees of the state. The program must provide for a mechanism for state employees to donate accrued annual and sick leave to an employee who does not have available leave who is suffering from a severe, extreme, or life-threatening condition or who is caring for an immediate relative or household member who is suffering from a severe, extreme, or life-threatening condition.
2. A ~~probationary~~, temporary, employee or contracted employee with a limited-term appointment is not eligible to participate in the leave sharing program. An employee may not use more than four months donated leave in any twelve-month period and an employee may not retain leave beyond the occurrence necessitating the leave.
3. The human resource management services division shall:
 - a. Require medical certification from a physician, physician assistant, psychologist, or advanced practice nurse practitioner verifying the severe, extreme, or life-threatening nature of the medical condition and the expected duration of the condition;
 - b. Track the amount of leave taken by permanent state employees under the program; and
 - c. Adopt rules in accordance with chapter 28-32 to implement this section."

Page 7, replace lines 24 through 30 with:"

SECTION 36. AMENDMENT. Section 54-52-02.5 of the North Dakota Century Code, as amended in section 3 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.5. Newly elected and appointed state officials.

1. After December 31, 1999, but before January 1, ~~2025~~2024, an individual elected or appointed to a state office for the first time must, from and after the date that individual qualifies and takes office, be a participating member of the public employees retirement system unless that person makes an election at any time during the first six months after the date the person takes office to participate in the defined contribution retirement plan established under chapter 54-52.6.
2. After December 31, ~~2024~~2023, an individual elected or appointed to a state office for the first time, from and after the date that individual qualifies and takes office, must be a participating member of the defined contribution retirement plan established under chapter 54-52.6, unless at

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the time of election or appointment the individual is a participating or deferred member under this chapter, in which case the official remains a participating member under this chapter.

3. As used in this section, the phrase "for the first time" means an individual appointed, who, after December 31, 1999, does not hold office as an appointed official at the time of that individual's appointment.

SECTION 37. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code, as amended in section 4 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

1. Before January 1, ~~2025~~2024, within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system under this chapter and receive credit for service after enrollment. Monthly, the temporary employee shall pay to the fund an amount equal to fourteen and twelve hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by one percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January ~~2025~~2024.
2. If the temporary employee first enrolled:
 - a. Before January 1, 2020, in addition the temporary employee shall pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2.
 - b. After December 31, 2019, the temporary employee shall pay to the fund an additional amount equal to one and fourteen hundredths percent times the temporary employee's present monthly salary.
3. A temporary employee who is a participating member under this chapter due to employment before January 1, ~~2025~~2024, who becomes a permanent employee after December 31, ~~2024~~2023, qualifies to participate in the defined benefit retirement plan under this chapter and receive credit for service after enrollment.
4. After December 31, ~~2024~~2023, and within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the defined contribution retirement plan under chapter 54-52.6.
5. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. A temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 38. AMENDMENT. Section 54-52-02.11 of the North Dakota Century Code, as amended in section 5 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.11. Participation requirements for nonstate elected officials.

1. Before January 1, ~~2025~~2024, eligible elected officials of participating counties, at their individual option, may enroll in the defined benefit plan within the first six months of their term.
2. After December 31, ~~2024~~2023, eligible elected officials of participating counties, at their individual option, may enroll in the defined contribution retirement plan under chapter 54-52.6 within the first six months of their term.

SECTION 39. AMENDMENT. Section 54-52-02.12 of the North Dakota Century Code, as amended in section 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.12. Participation requirements for nonstate appointed officials.

1. Nonstate appointed officials of participating employers appointed on or after August 1, 1999, but before January 1, ~~2025~~2024, who meet the participation requirements of this chapter must be enrolled in the defined benefit plan effective within the first month of taking office.
2. After December 31, ~~2024~~2023, nonstate appointed officials of participating employers who meet the participation requirements must be enrolled in the defined contribution retirement plan under chapter 54-52.6 effective within the first month of taking office.

SECTION 40. AMENDMENT. Section 54-52-02.15 of the North Dakota Century Code, as created in section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.15. Public employees retirement system main plan - Closure to new hires - Multiple plan membership.

1. Under this section "eligible employee" means a permanent employee who:
 - a. Meets all the eligibility requirements set by this chapter;
 - b. Is at least eighteen years of age;
 - c. Becomes a participating member after December 31, ~~2024~~2023; and
 - d. Is not eligible to participate in the law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
2. Effective January 1, ~~2025~~2024, the public employees retirement system defined benefit main plan maintained for employees is closed to new eligible employees. However, an employee who becomes a participating or deferred member under this chapter before January 1, ~~2025~~2024, remains in the defined benefit retirement plan under this chapter, regardless of being rehired after December 31, ~~2024~~2023.
3. Except as otherwise provided under this section, effective January 1, ~~2025~~2024, an eligible employee who begins employment with an employer shall participate in the defined contribution retirement plan under chapter 54-52.6 as provided under section 54-52.6-02.1.

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4. This section does not impact an employee to the extent the employee is a participating member in one or more of the following enumerated plans: law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
 - a. A participating or deferred member in the defined contribution retirement plan under chapter 54-52.6 who becomes eligible to participate in a plan enumerated under this subsection is eligible to participate in the retirement plan enumerated under this subsection.
 - b. A participating member of a retirement plan enumerated under this subsection who becomes an eligible employee is not eligible to participate in the defined benefit retirement plan under this chapter but instead participates in the defined contribution retirement plan under chapter 54-52.6. However, this subdivision does not apply to an individual who before January 1, ~~2025~~2024, is a participating or a deferred member under this chapter, as that individual continues to participate in the defined benefit retirement plan under this chapter.
5. The board shall adopt rules to implement this section.

SECTION 41. 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 ~~nine~~eleven 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.
4. ~~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 the majority party in the house and one member must be from the majority party in the senate.~~
2. ~~One member~~ The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.
3. Four members of the board must be appointed by the governor to serve a term of five years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee

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and who by ~~experience~~ is familiar with ~~money management~~ retirement and employee benefit plans. The governor shall appoint one citizen member ~~is to serve as~~ chairman of the board.

- ~~3.~~ One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.
- ~~4.~~ The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.
- ~~5.~~4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
- ~~6.~~ One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.
- ~~7.~~5. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- ~~8.~~6. A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~^{six} of the ~~nine~~^{eleven} board members constitute a quorum. ~~Five~~^{Six} votes are necessary for resolution or action by the board at any meeting.

SECTION 42. AMENDMENT. Subsection 2 of section 54-52-06.4 of the North Dakota Century Code, as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. The employer of a peace officer employed by the ~~bureau of criminal investigation~~^{state} or national guard security officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment.

SECTION 43. AMENDMENT. Subsection 4 of section 54-52-17 of the North Dakota Century Code, as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

4. The board shall calculate retirement benefits as follows:
 - a. Normal retirement benefits for all retirees, except supreme and district court judges, peace officers employed by the bureau of criminal investigation, and other peace officers employed by the state, reaching normal retirement date equal an annual amount, payable monthly, comprised of a service benefit and a prior service benefit, as defined in this chapter, which is determined as follows:
 - (1) ~~For members first enrolled:~~
 - (a) ~~Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.~~
 - (b) ~~After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment~~The first twenty years of credited service multiplied by three percent of final average salary.
 - (2) ~~Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment~~For years in excess of twenty years of credited service multiplied by one and seventy-five hundredths percent of final average salary.
 - b. Normal retirement benefits for all supreme and district court judges under the public employees retirement system reaching normal retirement date equal an annual amount, payable monthly, comprised of a benefit as defined in this chapter, determined as follows:
 - (1) Benefits must be calculated from the time of appointment or election to the bench and must equal three and one-half percent of final average salary multiplied by the first ten years of judicial service, two and eighty hundredths percent of final average salary multiplied by the second ten years of judicial service, and one and one-fourth percent of final average salary multiplied by the number of years of judicial service exceeding twenty years.
 - (2) Service benefits must include, in addition, an amount equal to the percent specified in subdivision a of final average salary multiplied by the number of years of nonjudicial employee service and employment.
 - c. Normal retirement benefits for a peace officer employed by the bureau of criminal investigation reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
 - (1) For members first enrolled:
 - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.

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- (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
- (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- d. Normal retirement benefits for a peace officer employed by the state, other than by the bureau of criminal investigation, reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
 - (1) For members first enrolled:
 - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
 - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
 - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- e. Postponed retirement benefits are calculated as for single life benefits for those members who retired on or after July 1, 1977.
- f. Early retirement benefits are calculated as for single life benefits accrued to the date of termination of employment, but must be actuarially reduced to account for benefit payments beginning before the normal retirement date, as determined under subsection 3. Except for a national guard security officer or firefighter, a firefighter, peace officer, or correctional officer employed by a political subdivision, a peace officer employed by the state, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, is eligible for early retirement benefits only after having completed three years of eligible employment. A supreme or district court judge retiree is eligible for early retirement benefits only after having completed five years of eligible employment.
- g. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's primary social security benefits and by any workforce safety and insurance benefits paid. The minimum monthly disability retirement benefit under this section is one hundred dollars.

SECTION 44. AMENDMENT. Section 54-52.2-09 of the North Dakota Century Code, as created in section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.2-09. Employer match for members of defined contribution retirement plan.

An employee who first participated in the defined contribution retirement plan under chapter 54-52.6 after December 31, ~~2024~~2023, who elects to contribute less than the optional three percent of wages or salary under subdivision b of subsection 1 of section 54-52.6-09, who participates in the deferred compensation program under this chapter, qualifies for employer matching of contributions made under this section. The employee may elect to contribute an amount of wages or salary which does not exceed any remaining balance of the optional three percent contribution and the employer shall match this contribution. This section does not limit the ability of an employee to contribute unmatched wages or salary under this chapter, subject to federal contribution limitations.

SECTION 45. AMENDMENT. Subsection 3 of section 54-52.6-01 of the North Dakota Century Code, as amended in section 14 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

3. "Eligible employee", for employees who become participating members after December 31, ~~2024~~2023, has the same meaning as provided under section 54-52-02.15. For employees who elected to join the defined contribution retirement plan under this chapter before January 1, ~~2025~~2024, the term includes a permanent state employee, except an employee of the judicial branch or an employee of the board of higher education and state institutions under the jurisdiction of the board of higher education, who is at least eighteen years of age and who is in a position not classified by the North Dakota human resource management services.

SECTION 46. AMENDMENT. Section 54-52.6-02 of the North Dakota Century Code, as amended in section 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02. Election through December 31, ~~2024~~2023.

1. The board shall provide an opportunity for each eligible employee who is a member of the public employees retirement system on September 30, 2001, and who has not made a written election under this section to transfer to the defined contribution retirement plan before October 1, 2001, to elect in writing to terminate membership in the public employees retirement system and elect to become a participating member under this chapter. Except as provided in section 54-52.6-03, an election made by an eligible employee under this section is irrevocable. The board shall accept written elections under this section from eligible employees during the period beginning on July 1, 1999, and ending 12:01 a.m. December 14, 2001. An eligible employee who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. An eligible employee who makes and files a written election under this section ceases to be a member of the public employees retirement system effective twelve midnight December 31, 2001; becomes a participating member in the defined contribution retirement plan under this chapter effective 12:01 a.m. January 1, 2002; and waives all of that person's rights to a pension, annuity, retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective December 31, 2001. This section does not affect an individual's right to health benefits or retiree health benefits under chapter 54-52.1. An eligible employee who is first employed and

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- entered upon the payroll of that person's employer after September 30, 2001, and before January 1, ~~2025~~2024, may make an election to participate in the defined contribution retirement plan established under this chapter at any time during the first six months after the date of employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window.
2. If an individual who is a deferred member of the public employees retirement system on September 30, 2001, is re-employed before January 1, ~~2025~~2024, and by virtue of that employment is again eligible for membership in the public employees retirement system under chapter 54-52, the individual may elect in writing to remain a member of the public employees retirement system or if eligible to participate in the defined contribution retirement plan established under this chapter to terminate membership in the public employees retirement system and become a participating member in the defined contribution retirement plan established under this chapter. An election made by a deferred member under this section is irrevocable. The board shall accept written elections under this section from a deferred member during the period beginning on the date of the individual's re-employment and ending upon the expiration of six months after the date of that re-employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window. A deferred member who makes and files a written election to remain a member of the public employees retirement system retains all rights and is subject to all conditions as a member of that retirement system. A deferred member who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. A deferred member who makes and files a written election to terminate membership in the public employees retirement system ceases to be a member of the public employees retirement system effective on the last day of the payroll period that includes the date of the election; becomes a participating member in the defined contribution retirement plan under this chapter effective the first day of the payroll immediately following the date of the election; and waives all of that person's rights to a pension, an annuity, a retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective the last day of the payroll that includes the date of the election. This section does not affect any right to health benefits or retiree health benefits to which the deferred member may otherwise be entitled.
 3. An eligible employee who elects under this section to participate in the retirement plan established under this chapter must remain a participant even if that employee returns to the classified service or becomes employed by a political subdivision that participates in the public employees retirement system. The contribution amount must be as provided in this chapter, regardless of the position in which the employee is employed. Notwithstanding the irrevocability provisions of this chapter, if a member who elects to participate in the retirement plan established under this chapter becomes a supreme or district court judge, becomes a member of the highway patrol, becomes employed in a position subject

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- to teachers' fund for retirement membership, or becomes an employee of the board of higher education or state institution under the jurisdiction of the board of higher education who is eligible to participate in an alternative retirement program established under subsection 6 of section 15-10-17, the member's status as a member of the defined contribution retirement plan is suspended, and the member becomes a new member of the retirement plan for which that member's new position is eligible. The member's account balance remains in the defined contribution retirement plan, but no new contributions may be made to that account. The member's service credit and salary history that were forfeited as a result of the member's transfer to the defined contribution retirement plan remain forfeited, and service credit accumulation in the new retirement plan begins from the first day of employment in the new position. If the member later returns to employment that is eligible for the defined contribution retirement plan, the member's suspension must be terminated, the member again becomes a member of the defined contribution retirement plan, and the member's account resumes accepting contributions. At the member's option, and pursuant to rules adopted by the board, the member may transfer any available balance as determined by the provisions of the alternate retirement plan into the member's account under this chapter.
4. After consultation with its actuary, the board shall determine the method by which a participating member or deferred member may make a written election under this section. If the participating member or deferred member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the board may waive this requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
 5. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, then the portion that will cause the disqualification does not apply.
 6. A participating member under this section who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee.
 - a. The temporary employee electing to participate in the defined contribution retirement plan shall pay into the plan as provided under section 54-52.6-09.6.
 - b. An employer may not pay the temporary employee's contributions.
 - c. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.
 7. A former participating member under this section who has accepted a retirement distribution pursuant to section 54-52.6-13 and who subsequently becomes employed by an entity different from the employer with which the member was employed at the time the member retired but which does participate in any state-sponsored retirement plan may, before re-enrolling in the defined contribution retirement plan, elect to

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permanently waive future participation in the defined contribution retirement plan, whatever plan in which the new employing entity participates, and the retiree health program and maintain that member's retirement status. Neither the member nor the employer are required to make any future retirement contributions on behalf of that employee.

8. After December 31, ~~2024~~2023, an eligible employee is no longer allowed to elect participation under this section.

SECTION 47. AMENDMENT. Subsection 1 of Section 54-52.6-02.1 of the North Dakota Century Code, as created by section 16 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. Except as otherwise provided under section 54-52-02.5 or 54-52-02.15 or this chapter, effective January 1, ~~2025~~2024, an eligible employee who is first enrolled shall participate in the defined contribution retirement plan under this chapter.

SECTION 48. AMENDMENT. Section 54-52.6-02.2 of the North Dakota Century Code, as created by section 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02.2. Election after December 31, ~~2024~~2023 - Additional employer contribution.

1. As used in this section, "eligible employee" means a permanent state employee who on December 31, ~~2024~~2023, is a participating member of the public employees retirement system main system plan under chapter 54-42, who has been a participating member under chapter 54-52 for no more than five years, and who is at least eighteen years of age.
2. The board shall provide a three-month election period, from January 1, ~~2025~~2024, through March 31, ~~2025~~2024, for an eligible employee to transfer to the defined contribution plan under this chapter pursuant to the rules and policies adopted by the board.
 - a. An election under this section made by a member of the public employees retirement system under chapter 54-52 to transfer to the defined contribution retirement plan under this chapter is irrevocable.
 - b. For an eligible employee who elects to transfer from the public employees retirement system under chapter 54-52 to the defined contribution retirement plan under this chapter, the board shall transfer a lump sum amount from the public employees retirement system fund to the member's account in the defined contribution retirement plan under this chapter. However, if the eligible employee terminates employment before receiving the lump sum transfer under this section, the election made is ineffective and the eligible employee remains a member of the public employees retirement system under chapter 54-52 and retains all the rights and privileges under that chapter.
 - c. The board shall calculate the lump sum amount to be transferred based on the actuarial present value of the eligible employee's accumulated benefit obligation under the public employees retirement system based on the assumption the eligible employee will retire under the earlier applicable normal retirement age, plus interest from January 1, ~~2025~~2024, to the date of transfer, at the rate

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of one-half of one percent less than the actuarial interest assumption at the time of the election.

- d. This section does not affect an eligible individual's right to health benefits under chapter 54-52.1.
3. The state employer of an eligible employee who elects under this section to participate in the defined contribution retirement plan under this chapter shall pay an additional annual contribution of three thousand three hundred and thirty-three dollars for up to three years. Under this subsection, the employer shall pay the additional contribution each year the eligible employee continues permanent employment with the state, beginning January ~~2026~~2025, and extending no further than January ~~2028~~2027.
4. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, that portion that will cause the disqualification does not apply.

SECTION 49. AMENDMENT. Subsection 2 of section 54-52.6-03 of the North Dakota Century Code, as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. The board shall calculate the amount to be transferred for persons employed after September 30, 2001, and before January 1, ~~2025~~2024, using only the formula contained in subdivision b of subsection 1.

SECTION 50. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code, as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

1. a. A participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly seven percent of the monthly salary or wage paid to the participant.
- b. A participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly four percent of the monthly salary or wage paid to the participant. In addition, the participating member may elect to contribute monthly up to an additional three percent of the monthly salary or wage paid to the participant.
- c. This assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter.
2. a. For a participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and for an employee who elects to participate in the defined contribution plan under

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section 54-52.6-02.2, the employer shall contribute an amount equal to seven and twelve-hundredths percent of the monthly salary or wage of the participating member.

- b. For a participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member, plus up to an additional three percent as an employer matching contribution calculated based on the participating member's election under subdivision b of subsection 1.
 - c. For a participating member first enrolled after December 31, 2019, the employer contribution includes an additional increase of one and fourteen-hundredths percent.
 - d. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes.
 - e. If the employer fails to pay the contributions monthly, or fails to otherwise comply with the board's established wage reporting or payroll reporting process requirements, the employer is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction of a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.
3. Each employer, at its option, may pay the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the board in writing.

SECTION 51. AMENDMENT. Section 54-63.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-63.1-04. Clean sustainable energy authority - Duties - Report.

1. The authority shall make recommendations to the commission for program guidelines, including eligibility criteria for entities to receive funding under this chapter.
2. The nonvoting technical advisors shall develop a process to review and evaluate projects to determine the technical merits and feasibility of any application, including potential benefits of the development of low-emission technology, the expansion of the development of the state's natural resources or energy production, and the contribution to the economic diversity in the state.
3. The authority may develop a loan program or a loan guarantee program under the clean sustainable energy fund. The Bank of North Dakota shall administer the loan program or loan guarantee program. The interest rate of a loan under this program may not exceed two percent per year. The maximum term of a loan under this section must be approved by the commission based on a recommendation from the authority. The Bank shall review applications for loans or loan guarantees and shall consider the business plan, financial statements, and other information necessary to evaluate the application. To be eligible for a loan or loan guarantee, an entity shall agree to provide the Bank of North Dakota with information as requested. The Bank of North Dakota may develop policies for loan participation with local financial institutions.
4. The authority shall make recommendations to the commission for grant awards, loan approvals, or other financial assistance to provide funding to support research, development, and technological advancements for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery in accordance with this chapter. Any projects, processes, activities, and technologies selected by the commission for funding must have been recommended by the authority, must demonstrate feasibility based on a technical review conducted by the nonvoting technical advisors of the authority, must have other sources of financial support, and must achieve the priorities and purposes of the program. At the request of the authority, the Bank of North Dakota shall provide a recommendation regarding the economic feasibility of a project, process, activity, or technology under consideration by the authority. The Bank shall review the business plan, financial statements, and other information necessary to provide a recommendation.
5. The authority shall develop a fertilizer development incentive program, including guidelines to provide loan forgiveness. Funding for the fertilizer development incentive program under this subsection is limited to one hundred twenty-five million dollars.
 - a. To be eligible for the fertilizer development incentive program:
 - (1) The fertilizer production facility must be located within the state:
 - (2) The owner of the fertilizer production facility must be an entity domiciled in the United States or Canada:

- (3) The owner must borrow money under a program administered by the Bank of North Dakota; and
 - (4) The fertilizer production facility must use hydrogen produced by the electrolysis of water.
- b. Upon completion of the construction of the fertilizer production facility, the authority shall forgive the loan and shall use fertilizer development incentive funding to repay any outstanding amount borrowed, as certified by the Bank. The authority shall request an appropriation from the strategic investment and improvements fund or other funding sources to provide fertilizer development incentive funding to repay any outstanding amount borrowed.
6. The authority may consult with any other state agency necessary to carry out the purposes under this chapter.
- 6-7. Each biennium, the authority shall provide a written report to the legislative management regarding its activities and the program's financial impact on state revenues and the state's economy.

SECTION 52. AMENDMENT. The new subsection to section 61-16.1-11 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

All districts within the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins shall, by agreement, form and remain a member of a joint water resource board relative to the district's respective drainage basin. All agreements and subsequent amendments must be filed with the department of water resources. Notwithstanding other provisions of law, the board of county commissioners of the member districts in the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins ~~shall~~ may approve a levy of tax not to exceed two mills upon the taxable valuation of the real property within each joint board's respective drainage basin.

SECTION 53. AMENDMENT. Section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 2. RETROACTIVE EFFECTIVE DATE - APPLICATION. This Act is retroactively effective and applies for taxable years beginning after December 31, ~~2022~~2021. The limitation on time for filing an abatement claim under section 57-23-04 does not apply to refunds of taxes paid or cancellation of taxes levied for taxable year 2022 on property exempt from taxation under this Act. The board of county commissioners shall direct refund of taxes paid or cancellation of taxes levied on property exempt from taxation under this Act.

SECTION 54. REPEAL. Section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, is repealed.

SECTION 55. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The Bank of North Dakota shall extend a line of credit not to exceed \$100,000,000 to the department of water resources to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the

prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the sixty-ninth legislative assembly to repay the line of credit.

SECTION 56. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the 2023-25 biennium, the retirement board may not reduce the actuarial rate of return assumption for the public employees retirement system main system defined benefit plan below six and one-half percent.

SECTION 57. PUBLIC EMPLOYEES RETIREMENT SYSTEM - RETIREMENT PLAN TRANSITION EDUCATION. During the 2023-25 biennium, the public employees retirement system shall conduct an informational campaign to educate current and prospective state employees of the transition from the defined benefit retirement plan to the defined contribution retirement plan.

SECTION 58. 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.

SECTION 59. EXEMPTION - EMPLOYEE BENEFITS PROGRAMS COMMITTEE. Sections 36 through 50 and sections 56 and 57 of this Act are exempt from the requirements of section 54-35-02.4."

Page 7, after line 30, insert:

"SECTION 62. LEGACY FUND EARNINGS - REPORT TO LEGISLATIVE MANAGEMENT. Each biennium, the state retirement and investment office shall provide a report including the amount of legacy fund earnings above the percent of market value that would have been transferred to the legacy earnings fund had Senate Bill No. 2330 not been passed by the sixty-eighth legislative assembly to the legislative management.

SECTION 63. 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 64. 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 65. 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, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. 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 66. CONTINGENT EFFECTIVE DATE. Sections 36 through 40 and sections 44 through 50 of this Act become effective on January 1, 2024, if before that date the retirement board certifies to the legislative council that the public employees retirement system is prepared to close the main system defined benefit retirement plan on December 31, 2023, and to open the new defined contribution retirement plan on January 1, 2024."

Page 8, line 17, replace "14" with "41"

Page 8, line 17, remove "is effective for motor vehicle excise"

Page 8, line 18 replace "tax collections transmitted to the state treasurer after July 31, 2023" with "becomes effective on June 1, 2023. Section 27 of this Act becomes effective on July 1, 2024"

Page 8, line 19, remove "targeted market equity pool line item in section 1 of this"

Page 8, line 20, replace "Act and section 9 of this Act" with "following"

Page 8, line 20, after "measure" insert ":

1. The targeted market equity pool line item in section 1 of this Act and section 20 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and section 15 of this Act;
3. Sections 4, 5, 30, and 41 of this Act;
4. Section 4 of Senate Bill No. 2012, as approved by the sixty-eighth legislative assembly; and

5. Senate Bill No. 2024, as approved by the sixty-eighth legislative assembly"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$42,754,708	\$168,855,507	\$111,469,055	\$280,324,562	\$290,735,783	(\$10,411,221)
Less estimated income	8,828,309	76,911,173	69,092,851	146,004,024	147,378,954	(1,374,930)
General fund	\$33,926,399	\$91,944,334	\$42,376,204	\$134,320,538	\$143,356,829	(\$9,036,291)
FTE	108.00	111.00	(1.00)	110.00	108.00	2.00
Legislative Council						
Total all funds	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Judicial Branch						
Total all funds	\$0	\$0	\$347,518	\$347,518	\$0	\$347,518
Less estimated income	0	0	4,273	4,273	0	4,273
General fund	\$0	\$0	\$343,245	\$343,245	\$0	\$343,245
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Public Instruction						
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education						
Total all funds	\$0	\$0	\$26,500,000	\$26,500,000	\$0	\$26,500,000
Less estimated income	0	0	26,500,000	26,500,000	0	26,500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Environmental Quality						
Total all funds	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
DHHS - Other						
Total all funds	\$0	\$0	\$8,250,000	\$8,250,000	\$0	\$8,250,000
Less estimated income	0	0	8,250,000	8,250,000	0	8,250,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Labor Commissioner						
Total all funds	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Commerce						
Total all funds	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000

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FTE	0.00	0.00	0.00	0.00	0.00	0.00
Bill total						
Total all funds	\$42,754,708	\$168,855,507	\$152,714,856	\$321,570,363	\$291,235,783	\$30,334,580
Less estimated income	8,828,309	76,911,173	103,847,124	180,758,297	147,378,954	33,379,343
General fund	\$33,926,399	\$91,944,334	\$48,867,732	\$140,812,066	\$143,856,829	(\$3,044,763)
FTE	108.00	111.00	(1.00)	110.00	108.00	2.00

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	1,000,000	7,100,000	6,100,000	1,000,000
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)
Employer retirement contribution pool			12,538,779	12,538,779		12,538,779
Infrastructure grant			200,000	200,000		200,000
Total all funds	\$42,754,708	\$168,855,507	\$111,469,055	\$280,324,562	\$290,735,783	(\$10,411,221)
Less estimated income	8,828,309	76,911,173	69,092,851	146,004,024	147,378,954	(1,374,930)
General fund	\$33,926,399	\$91,944,334	\$42,376,204	\$134,320,538	\$143,356,829	(\$9,036,291)
FTE	108.00	111.00	(1.00)	110.00	108.00	2.00

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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	Increases Funding for Targeted Equity Pool ⁴	Adds Funding for Funding Pool ⁵	Adds Funding for Employer Retirement Contribution Pool ⁶
Salaries and wages	\$226,001	(\$218,472)	(\$1,707,753)			
Operating expenses						
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	
Employer retirement contribution pool						\$12,538,779
Infrastructure grant						
Total all funds	\$226,001	(\$218,472)	(\$1,707,753)	\$7,500,000	\$98,200,000	\$12,538,779
Less estimated income	52,451	0	(184,670)	3,400,000	58,100,000	6,975,070
General fund	\$173,550	(\$218,472)	(\$1,523,083)	\$4,100,000	\$40,100,000	\$5,563,709
FTE	0.00	(1.00)	0.00	0.00	0.00	0.00

	Adjusts Funding for Operating Expenses ⁷	Adjusts Funding for Capital Assets ⁸	Decreases Funding for Internships ⁹	Adds Funding for Rural Senior Center Grant ¹⁰	Increases Funding for Guardianship Grants ¹¹	Total Conference Committee Changes
Salaries and wages						(\$1,700,224)
Operating expenses	\$131,500					131,500
Capital assets		(\$6,201,000)				(6,201,000)
Emergency commission contingency fund						
Guardianship grants					\$1,000,000	1,000,000
Targeted market equity pool						7,500,000
Prairie Public Broadcasting						
Community service supervision grants						
State student internship			(\$200,000)			(200,000)
Governor's emergency education relief						
Deferred maintenance funding pool						
New and vacant FTE funding pool						98,200,000
Employer retirement contribution pool						12,538,779
Infrastructure grant				\$200,000		200,000
Total all funds	\$131,500	(\$6,201,000)	(\$200,000)	\$200,000	\$1,000,000	\$111,469,055
Less estimated income	0	750,000	0	0	0	69,092,851
General fund	\$131,500	(\$6,951,000)	(\$200,000)	\$200,000	\$1,000,000	\$42,376,204
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates, the same as the House, as follows:

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	General Fund	Other Funds	Total
Salary increase	\$183,634	\$54,250	\$237,884
Health insurance adjustment	(10,084)	(1,799)	(11,883)
Total	\$173,550	\$52,451	\$226,001

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding of \$218,472 for 1 FTE total rewards specialist position is removed, which was added by the Senate.

The Senate added 3 FTE positions and \$664,786 from the general fund, but the House removed the positions and funding.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$446,314)	\$0	(\$446,314)
Vacant FTE positions	(1,076,769)	(184,670)	(1,261,439)
Total	(\$1,523,083)	(\$184,670)	(\$1,707,753)

The House also removed funding for a new and vacant FTE funding pool, but the Senate did not remove funding for the pool.

⁴ Funding for a targeted market equity pool is adjusted to increase the pool by \$7.5 million to provide total funding of \$82.5 million. Both the House and the Senate provided \$75 million for the funding pool.

⁵ Funding of \$98.2 million is added for a new and vacant FTE funding pool, including \$40.1 million from the general fund and \$58.1 million from other funds. A section is added providing guidelines for use of funding in the pool. The House provided funding of \$130 million, of which \$60 million was from the general fund, for the pool. The Senate did not include a new and vacant FTE funding pool.

⁶ Ongoing funding of \$12,538,779, including \$5,563,709 from the general fund and \$6,975,070 from other funds, is added for a statewide increased employer contribution retirement pool for the cost of the 1 percent employer retirement contribution increase included in House Bill No. 1040, the cost of changes to the retirement plan for peace officers in House Bill No.1183, and the cost of changes to the retirement plan for Bureau of Criminal Investigation agents in House Bill No. 1309.

⁷ Funding for operating expenses is adjusted as follows:

- 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.

⁸ 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 Capitol 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.

⁹ 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.

¹⁰ One-time funding of \$200,000 from the general fund is added for a rural senior center infrastructure grant.

¹¹ Ongoing funding of \$1 million is added to provide a total of \$7.1 million for guardianship grants. The House and Senate both included \$6.1 million for guardianship grants.

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

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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 clause for the new members. The House included an effective date and emergency clause related to the membership change, but the Senate did not include these changes.
- Adds a section directing the State Investment Board and Retirement Board to continue to invest the main system retirement plan based on an actuarial rate of return of at least 6.5 percent. The House added a similar section. The Senate did not include this section.
- Adds an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project. The Senate did not provide this exemption.
- Adds Legislative Management studies related to the state fire and tornado fund and state bonding fund administration, the management and maintenance of state facilities, and the state's guardianship programs. The House also added these studies.

Senate Bill No. 2015 - Legislative Council - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$500,000	\$500,000	\$500,000	
Employer retirement contribution			58,283	58,283		\$58,283
Total all funds	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$558,283	\$558,283	\$500,000	\$58,283
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 160 - Legislative Council - Detail of Conference Committee Changes

	Adds Funding for an Audit ¹	Adds Funding for Employer Retirement Contribution ²	Total Conference Committee Changes
Operating expenses	\$500,000		\$500,000
Employer retirement contribution		\$58,283	\$58,283
Total all funds	\$500,000	\$58,283	\$558,283
Less estimated income	0	0	0
General fund	\$500,000	\$58,283	\$558,283
FTE	0.00	0.00	0.00

¹ One-time funding of \$500,000 is added from the general fund for the Legislative Council to contract for a performance audit of the State Auditor and other consulting services. The

Insert LC: 23.0269.02119
 Senate Carrier: Bekkedahl
 House Carrier: Vigesaa

House also added this funding for a forensic audit of the State Auditor. The Senate did not include this funding.

² Ongoing funding of \$58,283 from the general fund is added for the cost of a 1 percent employer retirement contribution increase included in House Bill No. 1040.

This amendment also provides a 2021-23 biennium appropriation of \$5,000 from the general fund for International Legislators' Forum dues.

Senate Bill No. 2015 - Judicial Branch - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Employer retirement contribution			\$347,518	\$347,518		\$347,518
Total all funds	\$0	\$0	\$347,518	\$347,518	\$0	\$347,518
Less estimated income	0	0	4,273	4,273	0	4,273
General fund	\$0	\$0	\$343,245	\$343,245	\$0	\$343,245
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 180 - Judicial Branch - Detail of Conference Committee Changes

	Adds Funding for Employer Retirement Contribution ²	Total Conference Committee Changes
Employer retirement contribution	\$347,518	\$347,518
Total all funds	\$347,518	\$347,518
Less estimated income	4,273	4,273
General fund	\$343,245	\$343,245
FTE	0.00	0.00

¹ Adds ongoing funding of \$347,518, including \$343,245 from the general fund and \$4,273 from other funds for the cost of a 1 percent employer retirement contribution increase included in House Bill No. 1040.

Senate Bill No. 2015 - Department of Public Instruction - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Integrated formula payments			\$3,000,000	\$3,000,000		\$3,000,000
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 201 - Department of Public Instruction - Detail of Conference Committee Changes

	Adds Funding for Integrated Formula Payments ¹	Total Conference Committee Changes
Integrated formula payments	\$3,000,000	\$3,000,000
Total all funds	\$3,000,000	\$3,000,000
Less estimated income	0	0
General fund	\$3,000,000	\$3,000,000
FTE	0.00	0.00

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 Senate Carrier: Bekkedahl
 House Carrier: Vigesaa

¹ Ongoing funding of \$3 million is added for an increase in integrated formula payments to school districts relating to transition minimum adjustments.

Senate Bill No. 2015 - Dept. of Career and Technical Education - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Career center initiative			\$26,500,000	\$26,500,000		\$26,500,000
Total all funds	\$0	\$0	\$26,500,000	\$26,500,000	\$0	\$26,500,000
Less estimated income	0	0	26,500,000	26,500,000	0	26,500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adds Funding for Career Center Initiative Grant Inflation ¹	Total Conference Committee Changes
Career center initiative	\$26,500,000	\$26,500,000
Total all funds	\$26,500,000	\$26,500,000
Less estimated income	26,500,000	26,500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$26.5 million from the strategic investment and improvements fund is added for defraying inflationary costs of existing projects approved under the statewide career center initiative grant program.

Senate Bill No. 2015 - Department of Environmental Quality - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Onsite wastewater recycling			\$40,000	\$40,000		\$40,000
Total all funds	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 303 - Department of Environmental Quality - Detail of Conference Committee Changes

	Adds Funding for Onsite Wastewater Recycling Committee ¹	Total Conference Committee Changes
Onsite wastewater recycling	\$40,000	\$40,000
Total all funds	\$40,000	\$40,000
Less estimated income	0	0
General fund	\$40,000	\$40,000
FTE	0.00	0.00

¹ Ongoing funding of \$40,000 from the general fund is appropriated to the Department of Environmental Quality for the purpose of providing meeting expense reimbursement to members of the Onsite Wastewater Recycling Technical Committee.

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 Senate Carrier: Bekkedahl
 House Carrier: Vigesaa

Senate Bill No. 2015 - DHHS - Other - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Behavioral health facility grant			\$8,250,000	\$8,250,000		\$8,250,000
Total all funds	\$0	\$0	\$8,250,000	\$8,250,000	\$0	\$8,250,000
Less estimated income	0	0	8,250,000	8,250,000	0	8,250,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 325 - DHHS - Other - Detail of Conference Committee Changes

	Adds Funding for Behavioral Health Facility Grant ¹	Total Conference Committee Changes
Behavioral health facility grant	\$8,250,000	\$8,250,000
Total all funds	\$8,250,000	\$8,250,000
Less estimated income	8,250,000	8,250,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$8.25 million from the strategic investment and improvements fund is added for a grant to establish a behavioral health facility in the badlands human service center service region.

Senate Bill No. 2015 - Labor Commissioner - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Board administration analyses			\$50,000	\$50,000		\$50,000
Total all funds	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 406 - Labor Commissioner - Detail of Conference Committee Changes

	Adds Funding for Board Analyses ¹	Total Conference Committee Changes
Board administration analyses	\$50,000	\$50,000
Total all funds	\$50,000	\$50,000
Less estimated income	0	0
General fund	\$50,000	\$50,000
FTE	0.00	0.00

¹ One-time funding of \$50,000 from the general fund is added for analyzing the administration of occupational and professional boards.

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 Senate Carrier: Bekkedahl
 House Carrier: Vigesaa

Senate Bill No. 2015 - Department of Commerce - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Tribal college grants			\$500,000	\$500,000		\$500,000
Office of legal immigration			2,000,000	2,000,000		2,000,000
Total all funds	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Adds Funding for Tribal College Grants ¹	Adds Funding for Office of Legal Immigration ²	Total Conference Committee Changes
Tribal college grants	\$500,000		\$500,000
Office of legal immigration		\$2,000,000	2,000,000
Total all funds	\$500,000	\$2,000,000	\$2,500,000
Less estimated income	0	0	0
General fund	\$500,000	\$2,000,000	\$2,500,000
FTE	0.00	0.00	0.00

¹ One-time funding of \$500,000 from the general fund is added for workforce development grants to tribally controlled community colleges.

² One-time funding of \$2 million from the general fund is added for the Office of Legal Immigration.

Senate Bill No. 2015 - Other Changes - Conference Committee Action

This amendment also makes the following changes that were not included in the House or Senate versions:

- Adds a \$5 million 2021-23 biennium appropriation from the state disaster relief fund to the Adjutant General for emergency snow removal grants.
- Provides for unspent funds and accumulated interest earnings in the federal State Fiscal Recovery Fund to be transferred to the Department of Corrections and Rehabilitation in December 2024 to replace funding from the general fund for salaries and wages.
- Transfers \$50 million from the strategic investment and improvements fund to the general fund.
- Transfers \$30 million from the strategic investment and improvements fund to the North Dakota Development Fund.
- Adjusts the percent of market value calculation for legacy fund earnings to transfer 8 percent of the 5-year average value of legacy fund assets as an emergency clause. This results in a general fund revenue increase of \$34,754,902 and a strategic investment and improvements fund revenue increase of \$34,754,903.
- Directs the Public Employees Retirement System to not reduce the actuarial rate of return assumption for the defined benefit plan below 6.5 percent.
- Allows probationary employees to participate in the state leave sharing program.
- Allows the coal development trust fund to be used for inflationary school construction loans.
- Provides for a \$125 million fertilizer development incentive program under the clean sustainable energy authority.
- Provides for a line of credit from the Bank of North Dakota to provide \$100 million to

the water infrastructure revolving loan fund. Section 5 of Senate Bill No. 2020, which provided for a transfer of \$100 million of Bank of North Dakota profits to the water infrastructure revolving loan fund, is repealed.

- Provides for the transition from the defined benefit plan to the new defined contribution retirement plan established in House Bill No. 1040 to be implemented on January 1, 2024, contingent upon the Public Employees Retirement System certifying the plans are prepared.
- Provides for the the clean sustainable energy authority to approve financing for clean sustainable energy projects from the North Dakota Development Fund.
- Amends provisions relating to controlled substances established in Senate Bill No. 2248.
- Amends provisions relating to the flexible transportation fund in House Bill No. 1012 to require Budget Section approval for projects in excess of \$10 million.
- Clarifies changes to the peace officers' retirement plan in House Bill Nos. 1183 and 1309.
- Provides a retroactive effective date for changes to hospital property tax exemptions in House Bill No. 1438.
- Amends language relating to tax levies for water resource boards adopted in Senate Bill No. 2372.
- Provides that changes to the state employee retirement plans made in Senate Bill No. 2015 are exempt from requirements for review by the Employee Benefits Programs Committee.
- Declares Senate Bill No. 2024 and funding for child support payments in Senate Bill No. 2012 to be an emergency measure.

Engrossed SB 2015 was placed on the Seventh order of business on the calendar.

TESTIMONY

SB 2015



Testimony in Support of
Senate Bill No. 2015
Senate Appropriations
January 5, 2023

TESTIMONY OF

Joe Morrisette, Director of OMB

Chairman Bekkedahl and members of the Senate Appropriations Committee. I am Joe Morrisette, the Director of the Office of Management and Budget.

My budget testimony consists of the attached slide deck which summarizes:

- OMB organizational chart
- Filled and vacant positions
- Our current budget and recommended budget
- 2021-23 accomplishments
- Goals for the 2023-25 biennium
- Requested changes to our base budget for the 2023-25 biennium
- Descriptions of the various sections included in the executive bill draft for SB2015 and requested to be incorporated into the Senate version of SB2015

I look forward to working with all of you this session and am available any time to address your questions regarding the OMB budget and any other aspect of the governor's executive budget.

Feel free to contact me either at jmorrisette@nd.gov, my office number at 701-328-406, or my cell phone at 701-220-6361.

SB 2015 TESTIMONY SENATE APPROPRIATIONS

Joe Morrisette, Director
Thursday, January 5, 2023

OUR MISSION

To provide innovative leadership and support to state government.

OUR VISION

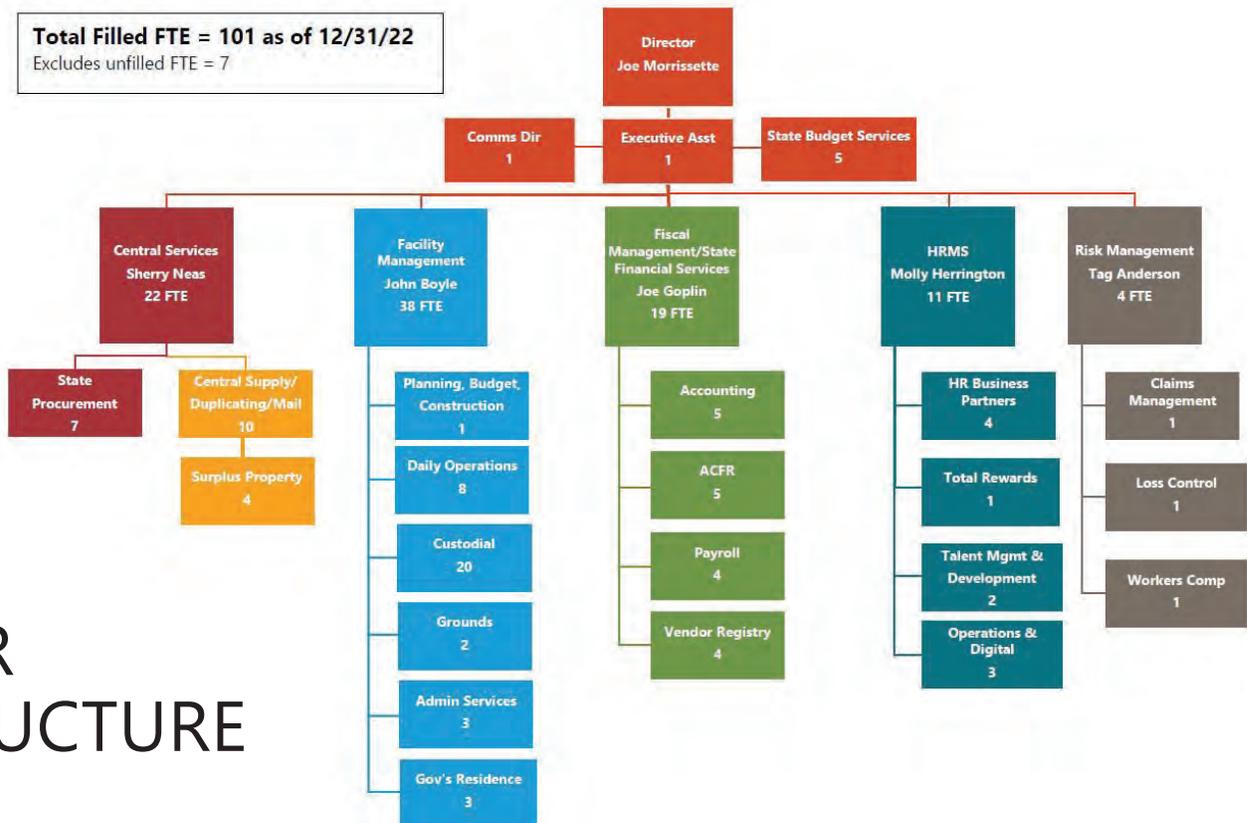
To set the standard for leadership and expertise in state government.

OUR STRUCTURE

Five Divisions

- Central Services
- Facility Management
- Fiscal Management
- Human Resource Management Services (HRMS)
- Risk Management

Total Filled FTE = 101 as of 12/31/22
Excludes unfilled FTE = 7



OUR
STRUCTURE

SEVEN VACANT POSITIONS



Administration

- 1 Director



Central Services

- 1 Procurement Officer
- 1 Central Duplicating/
Supply



Facility Management

- 3 Custodians
- 1 Electrician



CENTRAL SERVICES DIVISION

Who We Serve

- State agencies and NDUS
- Vendors
- K-12, political subdivisions, eligible nonprofits

CENTRAL SERVICES DIVISION

What We Do

- Operate state procurement to obtain needed goods, services, printing and IT through a legal, fair, and competitive process.
- Establish state contracts to save time, money and create efficiency for government entities.
- Provide procurement training and help agencies purchase goods, services, printing and IT.
- Operate a central supply of office products.
- Operate central printing and mailing services, creating efficiency in labor, equipment and space.
- Operates a central mail room for the Capitol.
- Distribute state and federal surplus property to eligible entities and manage e-waste.



FACILITY MANAGEMENT DIVISION

Who We Serve

- State agencies
- The public
- The First Family
- Legislators
- Media

FACILITY MANAGEMENT DIVISION

What We Do

- Maintain the state Capitol complex.
- Review and sign leases for space outside the Capitol complex.
- Provide space utilization and facility planning guidance to state agencies.
- Provide Capitol tours.
- Approve and coordinate events held on the Capitol complex.
- Support the Capitol Grounds Planning Commission.
- Manage construction projects, major improvements and repairs within the Capitol complex.
- Plan for the future through the Capitol Grounds Master Plan.
- Assist state agencies with administrative process for public improvement projects, as requested.
- Provide services for the First Family at the Governor's residence.



FISCAL MANAGEMENT DIVISION

Who We Serve

- State agencies
- State team members
- The Governor
- The public
- Media
- Political subdivisions
- Legislators
- Vendors

FISCAL MANAGEMENT DIVISION

What We Do

- Provide financial management and financial services to state government, including:
 - Budgeting ▪ Accounting ▪ Payroll ▪ Financial reporting
- Manage the state purchasing card (P-card) program, creating a simplified and efficient payment process and generating rebates for the general fund and political subdivisions.
- Maintain the state financial transparency portal.
- Maintain the statewide PeopleSoft Financial/HR Enterprise Resource Planning (ERP) system.
- Operate the online vendor registry system which allows online registration to pay vendors and provide IRS 1099 reporting.



HUMAN RESOURCE MANAGEMENT SERVICES

Who We Serve

- State agencies
- State agency HR leads
- State team members
- Career seekers
- Media

HUMAN RESOURCE MANAGEMENT SERVICES

What We Do

- Provide HR guidance, assistance, and comprehensive HR services to state agencies.
- Promote consistent HR policies and practices.
- Establish and maintain the state classification system and compensation plan.
- Provide professional development and leadership training to state team members.
- Support agencies through the talent acquisition process.
- Maintain the state careers website.
- Support PeopleSoft Human Capital Management (HCM), Enterprise Learning Management (ELM) and job description system.



RISK MANAGEMENT DIVISION

Who We Serve

- State agencies and institutions
- State team members
- Citizens

RISK MANAGEMENT DIVISION

What We Do

- Promote safety and loss control practices.
- Coordinate the management of risk in state governmental activities including:
 - Risk assessment
 - Loss control
 - Risk financing
 - Claims administration
 - Litigation
- Administer the single joint account for all state entities in cooperation with WSI as part of a large deductible program.

2021-23 ACCOMPLISHMENTS



Team member communications and training

- ✓ Delivered diverse training opportunities to over 2,500 learners.
- ✓ Conducted third annual Gallup team member engagement survey.
- ✓ Launched an interagency mentorship program.
- ✓ Lead statewide change management initiative, training over 728 team members in 2022.
- ✓ Launched online/on-demand procurement training.
- ✓ Lead the ongoing development of universal employment policies (37 to date).



Efficiency through innovation and new technology

- ✓ Completed implementation of new state budget development and tracking system.
- ✓ PeopleSoft implementations/milestones:
 - Update Team Member Information (UTMI), remote worker, electronic acknowledgements, statewide shared leave functionality, and automate notification and approval.
 - Recruiting Solutions had 5,410 job postings and 58,277 employment applications were submitted.
 - Securely enabled Direct Deposit self-service.
- ✓ Implemented LinkedIn Recruiter to advertise Team ND job.
- ✓ Completed phase 1 of Enterprise Procurement Automation Project.



Federal fund distribution

- ✓ Managed the distribution of over \$25 million federal American Rescue Plan Act funding to cities and assisted them in meeting reporting obligations.

2021-23 ACCOMPLISHMENTS



Facilities upgrades and enhancements

- ✓ Completed the ADA improvements projects at the Capitol.
- ✓ Completed facilities management and facility optimization study.
- ✓ Implemented self-guided kiosks and virtual Capitol tour enhancements.



Efficient HR business operations

- ✓ Implemented a workforce planning strategy and template with 33 agencies.
- ✓ Implemented enhanced classification job family descriptions.
- ✓ Conducted a robust compensation study as a part of Team ND's total rewards work.

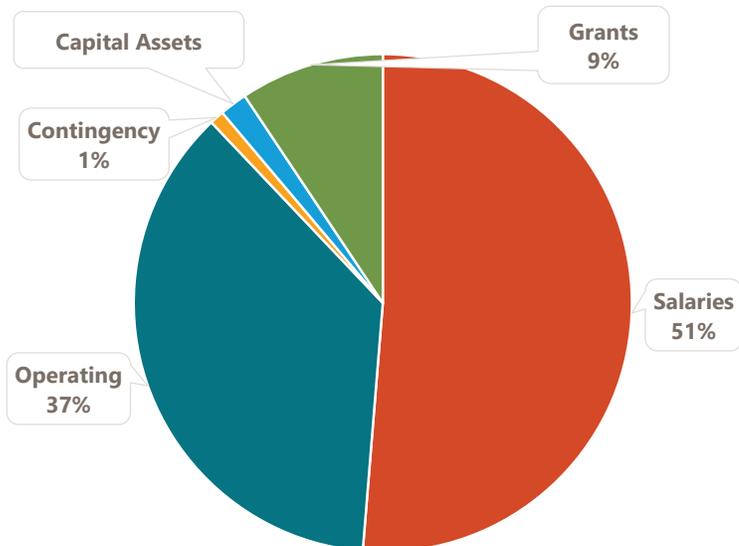


Efficiency through centralization

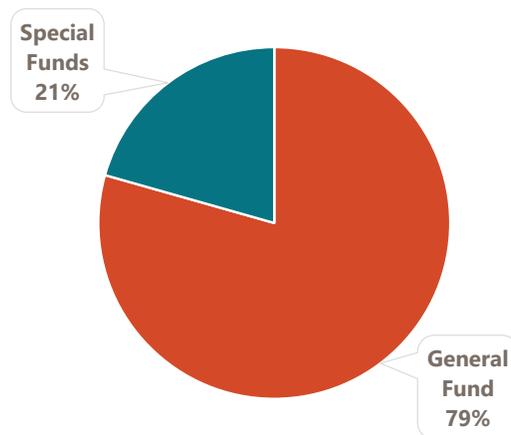
- ✓ Advanced the implementation of HR 2.0, creating a more effective and collaborative HR system.
- ✓ Collaborated with higher education to plan for the selection of a shared online procurement solution.
- ✓ State Surplus Property transferred over \$15M state and federal surplus property to North Dakota government entities and eligible organizations.
- ✓ Print-Mail for NDDOT transitioned to Central Duplicating.
- ✓ Continued central management of state and political subdivision purchasing card program, generating a rebate of over \$3M

OMB LEGISLATIVE BASE BUDGET – 2021-23

2021-23 Appropriation - \$42.8 Million

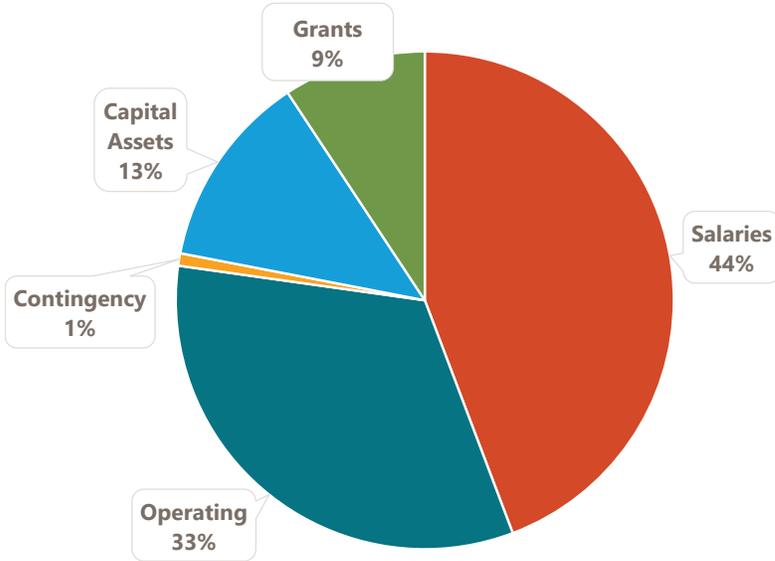


2021-23 Funding - \$42.8 Million

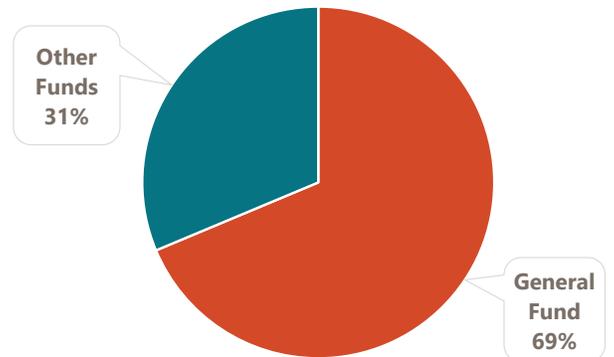


OMB TOTAL BUDGET – 2021-23 ONGOING AND ONE-TIME EXPENDITURES

2021-23 Appropriation - \$49.5 Million

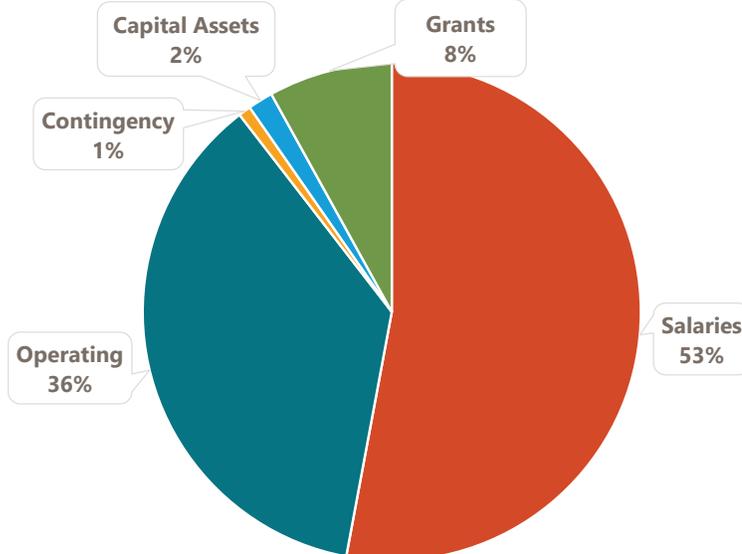


2021-23 Funding - \$49.5 Million

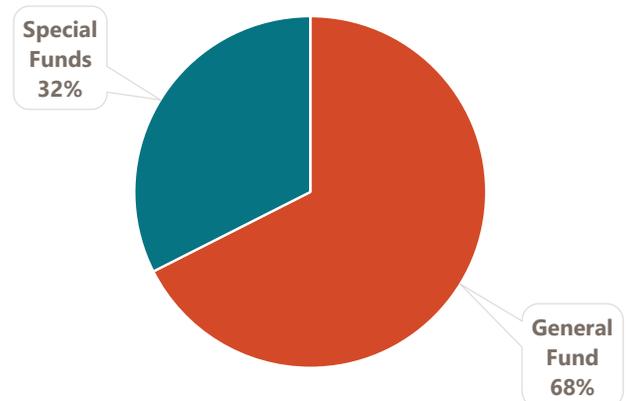


OMB PROPOSED BUDGET – 2023-25 ONGOING EXPENDITURES

2023-25 Appropriation - \$49.7 Million

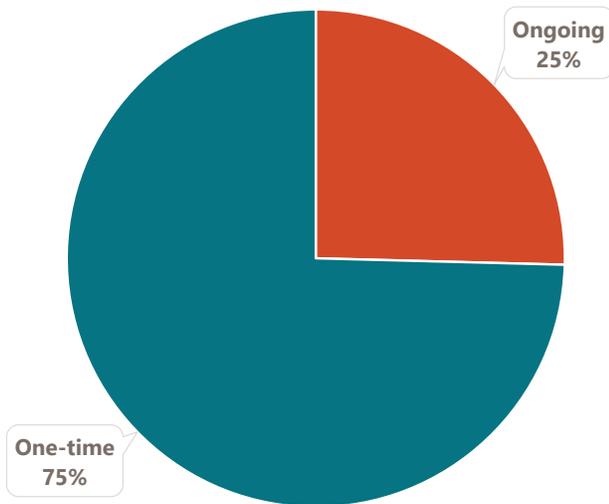


2023-25 Funding - \$49.7 Million

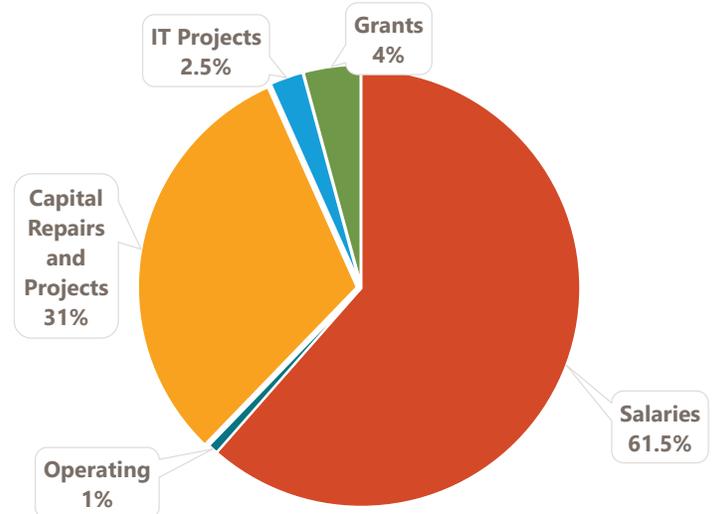


OMB PROPOSED BUDGET – 2023-25 ONGOING AND ONE-TIME EXPENDITURES

2023-25 Total Appropriation - \$195.8 Million



2023-25 One-time - \$146.1 Million



2023-25 GOALS AND OBJECTIVES



Improve facilities and utilization

- Improve utilization of Capitol through space reconfiguration.
- Improve meeting room space through Brynhild Haugland Room remodel.
- Improve state facilities by addressing backlog of deferred maintenance.



Improve efficiency and enhance support

- Continue printing and mailing centralization.
- Continue payroll administration centralization.
- Continue HR services centralization.
- Continue procurement centralization.
- Provide shared communications services.
- Develop centralized lease management and construction management functions.
- Simplify contractual risk requirements.
- Simplify procurement processes.
- Continue to facilitate more consistent HR processes/practices.
- Expand workforce planning.
- Develop talent management program.
- Develop Total Rewards Analysis Database.
- Improve measurement of total rewards value.
- Leverage total rewards to increase team member engagement.
- Optimize projects and adoption through Change Management application and support.

2023-25 GOALS AND OBJECTIVES



Improve efficiency through new technology

- ❑ Implement Procurement Automation system.
- ❑ Implement PeopleSoft travel and expense module.
- ❑ Expand PeopleSoft Testing Framework—a tool that automates testing for upgrades/patches.
- ❑ Integrate Optical Character Recognition with PeopleSoft—scan invoices, digitally attach copy and automate the coding of invoices.
- ❑ Centralize leave management to allow for efficiency and alignment across agencies.
- ❑ Implement automated candidate texting to better communicate with career seekers.
- ❑ Implement automated processes to streamline job candidate entry of work, education, and other info.
- ❑ Develop additional manager self service features in PeopleSoft.
- ❑ Implement PeopleSoft Enterprise eCompensation.



Improve team member communications and training

- ❑ Continue to develop and deliver OMB Agency Essentials training.
- ❑ Continue to develop and deliver Leadership Everywhere training.
- ❑ Implement Oracle Guided Learning—learning/help tool embedded seamlessly within PeopleSoft.
- ❑ Implement an agency-facing Microsoft Teams to centralize communications with OMB and a one-stop-shop for all documentation.
- ❑ Develop and deploy an advanced, multi-level manager development program.
- ❑ Continue to deliver Change Management training for team members to design and implement sustainable change.

GOALS AND OUTCOMES

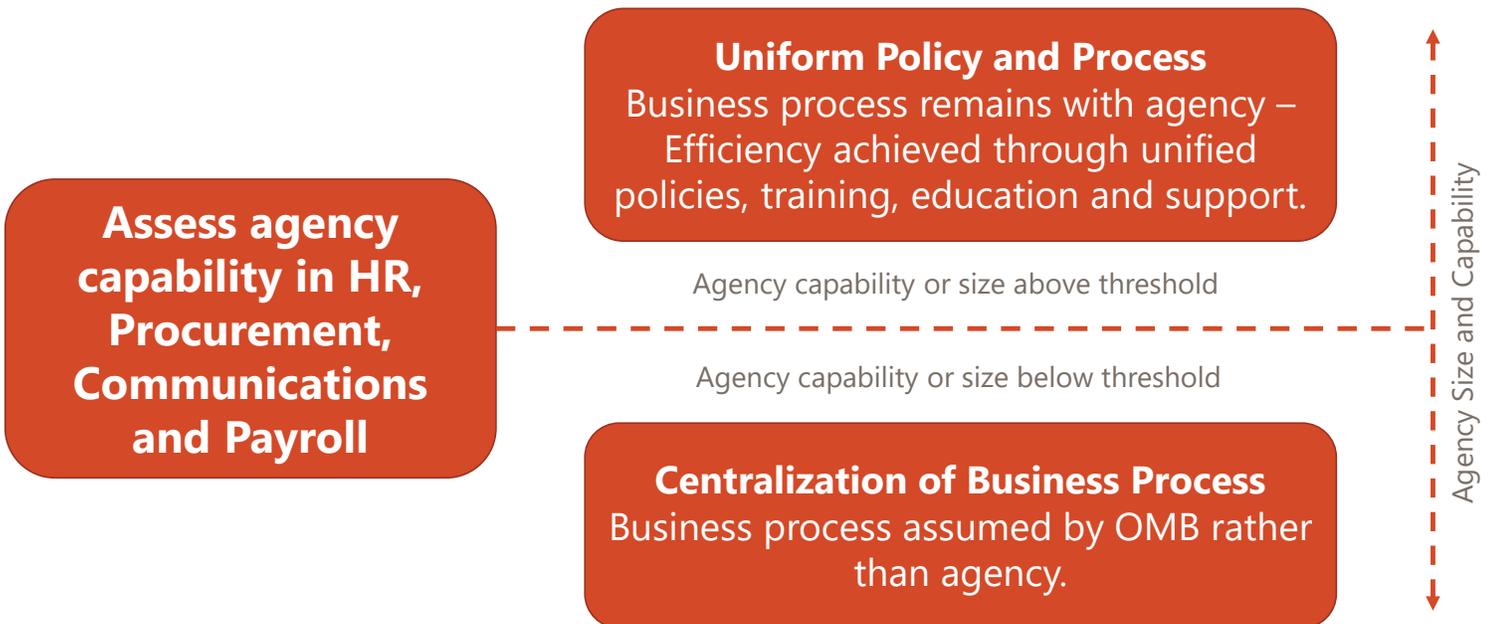
Improved Efficiency/Reduced Costs

Increased Consistency

Operational Improvement

Centralization of processes, policies and operations.

CENTRALIZED SUPPORT STRATEGY FOR HR, PAYROLL, COMMUNICATIONS AND PROCUREMENT



BUDGET CHANGES IT SYSTEM UPGRADES AND REPLACEMENTS

- Procurement automation system
 - Phase two - 2023-2025 - \$2.5M
 - \$1.5M implementation and integration with PeopleSoft
 - \$1M ongoing maintenance and updates
 - Phase one - 2021-23 appropriation of \$1.9M will be partially used during the current biennium, with balance carried over to 2023-25
- Building access automation system
 - Phase two – 2023-25 biennium – \$800,000
 - Phase one – 2021-23 biennium - \$518,800
 - Total project cost of \$1.3M

- \$100,000 for accessibility assessment of state buildings (Capitol complex and other Bismarck locations)
- \$500,000 for improvements to the Brynhild Haugland Room
- \$12M boiler replacement project in Capitol
- \$4M for window replacement in Capitol and Legislative Wing
- \$451,000 for demolition and site reclamation of State Office Building

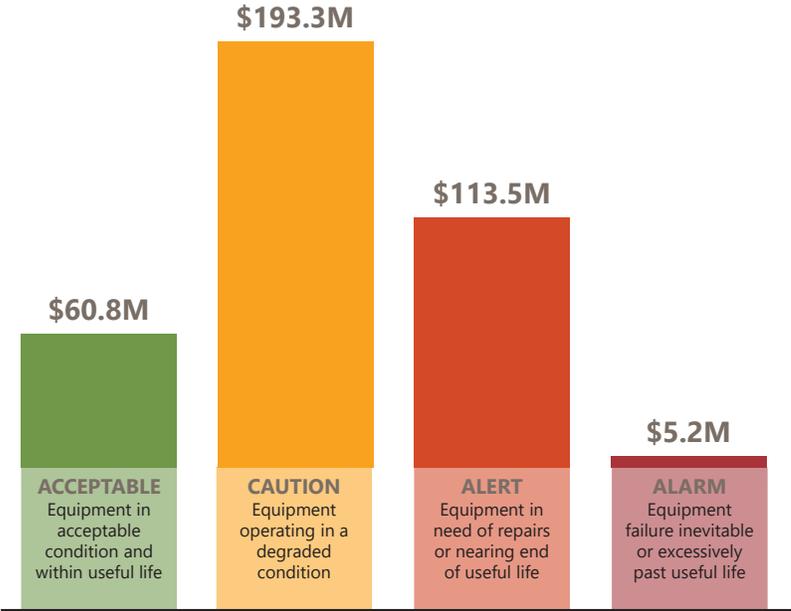


**BUDGET
CHANGES**
CAPITOL
EXTRAORDINARY
REPAIRS



**BUDGET
CHANGES**
STATEWIDE DEFERRED
MAINTENANCE

- \$20 M deferred maintenance pool of funds that may be transferred to state agencies on a prioritized basis.



- \$5.5M to create an efficient workplace environment in the Capitol and Judicial Wing. These remodeling costs will result in savings through the elimination of leased space in Bismarck. Other results could include:
 - Elimination of underutilized agency conference rooms (over 6,000 sf or one entire Capitol tower floor)
 - Creation of one "hoteling" work location for all state agencies to use
 - Increase in the average occupancy per Capitol tower floor from 30 to 45 employees
- Authority for creation of space standard policies by Capitol Grounds Planning Commission



BUDGET CHANGES

SPACE UTILIZATION OPTIMIZATION



BUDGET CHANGES

RENT MODEL CHANGE

- Current model
 - Only non-general fund agencies pay rent
- Proposed model
 - All executive branch agencies pay a consistent rental rate per square foot
 - Funding added in executive budget for all general fund agencies to pay rent based on current occupied space
 - Offsetting general fund savings in Facility Management salary budget, which would now be funded from special funds
- Outcome
 - Agencies will be incentivized to efficiently manage space utilization and benefit from future rent savings if space is reduced
 - Better utilization of existing space has positive return by minimizing use of offsite space and makes best use of state resources

- Rent model change results in additional rent collection
- Provides opportunity to fund Facility Management (FM) from facility rent payments and move toward self-funded facility services model
- Net amount deposited in general fund remains nearly unchanged:

▪ 2021-23 biennium rent deposited in general fund	\$2.55M
▪ 2023-25 biennium:	
▪ Total rent collected	\$4.18M
▪ Amount used to fund FM salaries (minus admin)	\$4.10M



BUDGET CHANGES FACILITY MANAGEMENT FUNDING SOURCE CHANGE



BUDGET CHANGES CENTRALIZED SERVICES AND SUPPORT - FACILITIES

- Centralized management of leases and construction projects will lead to efficiency and cost savings
- OMB has two vacant Facility Management positions that can be repurposed for this use
- 2 FTE
 - **Statewide Lease Coordinator**
 - Will manage all state agency leases, help determine appropriate space utilization, negotiate lease rates, facilitate sharing of space and service contracts.
 - **Statewide Construction Project Manager**
 - Will manage the solicitation of architects and engineers for construction and remodeling projects, manage the bidding and procurement process, and manage projects or supervise contract project managers, as necessary.
- Total additional salaries and benefits requested = \$396,888



BUDGET CHANGES CENTRALIZED SERVICES AND SUPPORT - COMMUNICATIONS

- Centralized communications support for smaller agencies with no communications professional on staff
- 2 FTE
 - **Multimedia Specialist**
 - Will manage graphic design, video, photography, social media, website updates, newsletter and promotional materials for OMB and partner agencies.
 - **Communications Specialist**
 - Will assist with media inquiries, development of communications campaigns, event planning, project management and writing to include news releases for partner agencies.
- Total additional salaries and benefits requested = \$350,722

- OMB's PeopleSoft, integration, reporting and security experts who support all state agency fiscal team members
- 2 FTE
 - **Financials Functional Leads**
 - Work with OMB's Business and Section leads and NDIT developers on troubleshooting issues; researching new functionality; implementing modules/functionality.
 - Gather business requirements from agencies for requests, testing, creating reports and queries; maintaining security access; and creating and maintaining training/support documentation.
 - Support for all state agency fiscal team members using existing PeopleSoft modules of Accounts Payable, Accounts Receivables, General Ledger, Asset Management, and Lease Administration.
 - Allows both OMB fiscal team and NDIT developer team to be more efficient.
 - Allows us to better serve agencies, reduce growing backlog of PeopleSoft enhancements, and better support new Procurement Automation system.
- Total additional salaries and benefits requested = \$381,724



BUDGET CHANGES CENTRALIZED SERVICES AND SUPPORT - FISCAL



BUDGET CHANGES CENTRALIZED SERVICES AND SUPPORT - HR

- 5 FTE
 - **Talent Acquisition Manger**
 - Plan, develop, and implement statewide talent acquisition strategy.
 - **Talent Acquisition Associate**
 - Provide high level execution and leadership in innovative talent acquisition efforts.
 - **Learning & Development Manager**
 - Develop and implement statewide learning and development strategy, curriculum and training programs.
 - **Total Rewards Specialist**
 - Assist with development and administration of strategies and programs that serve to align compensation, benefits, and rewards to attract, motivate, engage, and retain team members.
 - **Change Management Program Manager**
 - Responsible for delivering enterprise level Change Management services.
- Total additional salaries and benefits requested = \$1,162,778

- Student Internship Program - \$700,000
 - 2023-25 is expected to have over 100 interns requested, more if funding is available (more than double 2021-23)
 - More than 25% of interns transitioned to full-time employment
- Leave Management System - \$335,000
 - Full-service leave management vendor
 - Consistent application and statewide data
 - Compliance with state and federal laws
 - Medical experts to interpret medical documentation
- LinkedIn Recruiter - \$95,000
 - Engage with professionals that have the education and experience that align with talent needs
 - Aid in expanding our candidate pools and resulting in attracting top talent to Team ND



BUDGET CHANGES CENTRALIZED SERVICES AND SUPPORT - HR



BUDGET CHANGES

TOTAL REWARDS PACKAGE



TARGETED EQUITY PACKAGE

EQUITY

one-time – prior to July 1, 2023

Addresses:

- Verifiable, significant market gaps for job categories
- Staffing issues with impact on services and operations
- Relatively low paid employees & agencies

Cost: \$90M Total Funds
(\$49.3M = General Funds)



GENERAL PERFORMANCE INCREASE

6% / 4%

2023 / 2024

Addresses:

- Overall below market position
- Compression concerns
- Performance differentiation relative to recent programs
- Industry increases

Cost: \$210.86M Total Funds
(\$87.7M = General Funds)

OTHER SECTIONS IN BILL DRAFT

- Section 3 – Transfer of \$200M from Tax Relief Fund to Social Services Financing Fund
- Section 4 – Authority to allocate \$20M funding for deferred maintenance to agencies based on facility condition assessment
- Section 5 – Authority to allocate \$700,000 to agencies for state internship cost-sharing program
- Section 6 – Authority to allocate \$90M proposed state equity pool funding

OTHER SECTIONS IN BILL DRAFT

- Section 7 – Turnback exemption for Fiscal Management for support of PeopleSoft and other statewide financial and administrative systems
- Section 8 – Intent for grants and specific items appropriated in section 1 for statewide dues and memberships, state unemployment insurance, and expenses of the Capitol Grounds Planning Commission
- Section 9 – Guidelines for state employee compensation adjustments to be 6% in 2024 and 4% in 2025

OTHER SECTIONS IN BILL DRAFT

- Section 10 – Proposed simplification changes to Legacy Fund earnings allocations:
 - Provides for the transfer to Legacy Earnings Fund of only the amount equal to 7% of 5-year average fund balance
 - Provides intent for allocation of Legacy Earnings Fund:
 - 31% (\$150M) to bond payments and PERS fund
 - 14% (\$68M) for community and workforce development programs and initiatives
 - 35% (\$172M) for economic development and research programs and initiatives
 - 20% (\$96M) for legacy projects and destination development programs and initiatives

OTHER SECTIONS IN BILL DRAFT

- Section 11 – Increases from \$250,000 to \$750,000 the amount of spending authority available from the Capitol Building Fund for expenditures on the Capitol grounds, as determined by the Capitol Grounds Planning Commission
- Section 12 – Space utilization and allocation policies development authority delegated to Capitol Grounds Planning Commission
- Section 13 – Motor vehicle tax transfer to Highway Fund to provide ongoing revenue stream to offset declining gas tax revenues - 25% of the general fund share the first year and 50% thereafter.

OTHER SECTIONS IN BILL DRAFT

- Section 14 – New Capitol rent model allows all executive branch agencies to be charged the same rent per square foot regardless of agency funding source
- Section 15 - Budget stabilization fund maximum balance redefined to exclude general fund one-time expenditures and K-12 formula payments already covered by the Foundation Aid Stabilization Fund
- Section 16 – Establishment of Facility Management Operating Fund to receive rent payments to be used to fund FM costs

OTHER SECTIONS IN BILL DRAFT

- Section 17 – General fund share of oil and gas taxes increased from \$400M to \$600M per biennium
- Section 18 – Assigns duties for conducting space utilization studies, developing space utilization standards, and assigning Capitol building space to the Capitol Grounds Planning Commission
- Section 19 – Emergency clause to allow distribution of salary equity funding prior to June 30, 2022
- Section 20 – Repeal of OMB space utilization study responsibilities and biennial report on procurement exemptions

PASS-THROUGH GRANTS

- Two grants in the OMB budget are pass-through grants
- Supporters of these programs will be available to testify before the Senate Appropriations – Government Operations Division
 - **Guardianship Grants - \$2,450,000 proposed appropriation**
 - Aaron Birst, Executive Director, North Dakota Association of Counties
 - **Prairie Public Broadcasting - \$2,992,450 proposed appropriation**
 - John Harris, President and CEO, Prairie Public Broadcasting

Senate Bill 2015*68th Legislative Assembly*Senate Appropriations – Government Operations DivisionWritten Testimony

January 20, 2023

Chairman Wanzek and all committee members,

My name is Chelsey Williams and I am a member of the North Dakota Community Corrections Association [NDCCA]. I am providing written testimony in support of Senate Bill 2015 which (among other financial items) calls for the allocation of funding to line item Community Service Supervision Grants [Page 1 / Line 19 & Page 2 / Section 3] on behalf of the North Dakota Community Corrections Association in the amount of \$350,000 for the upcoming biennium [2023-2025].

As with many agencies across the State of North Dakota, the NDCCA is still recovering from the difficult circumstances encountered over the last three years and are now attempting to offset costs of inflation while providing competitive wages. The financial hardships members of the NDCCA are facing lead us to ask for the assistance of the North Dakota 68th Legislative Assembly to pass Senate Bill 2015 calling for the allocation of funding to the Community Service Supervision Grants so that we can continue to keep our doors open. Many, if not all, members of the NDCCA have experienced numerous difficulties over the past three years including having to suspend office operations, loss of community service work-sites, loss of referrals for community service and loss of income.

To those who are unfamiliar with the North Dakota Community Corrections Association, the NDCCA was established in 1995 and is composed of sixteen agencies located across North Dakota that monitor adult/juvenile offenders in the community who are ordered to complete community service as part of a court ordered sentence or as ordered by a probation department. Community service is a multifaceted tool as it can be used as an alternative to incarceration, a direct sanction by courts and drug courts, can be worked to pay off court ordered fines or supervision fees or implemented as an intermediate measure for supervised probation offenders.

Benefits of Community Service to Communities & Successfulness of Community Service

- 1) Allows offenders to remain in the community to continue their employment, education and maintain their family unit.
- 2) Offenders can learn life/work skills and maybe even gain employment at a community service work-site.
- 3) Is an opportunity for offenders to learn from their destructive behavior and change their behavioral and thinking patterns for the positive.
- 4) Serves as a restorative purpose as it requires offenders to repay their debt to their local community.
- 5) Non-profit organizations and government entities save on payroll when utilizing community service workers.
- 6) NDCCA covers offenders with volunteer workers insurance to ensure their wellbeing and so that the non-profits we work with do not accrue that risk or cost.
- 7) Communities can save money in jail costs when community service is used as an alternative to incarceration.
- 8) With local jails/prisons being filled to maximum capacity, community service is needed now more than ever in order to ease the high rates of incarceration.
- 9) As part of a NDCCA Recidivism Study, it was found that during a three year period (2016, 2017 and 2018) there was an average successful completion rate of 78.3% of offenders who were ordered to complete community service hours. Furthermore, during that same time frame an average rate of 69.7% of all offenders who were ordered to complete community service did NOT have an act of recidivism in the year following their offense.

Community service is an essential program and it is also a fiscally smart option. Over a 5 year time span (2018 through 2022) the offenders working with the NDCCA performed a total of 164,067 hours of community service; this calculated to \$1,312,536 in saved payroll expenses based on a wage of \$8.00 per hour. Further savings of

\$1,312,536 was saved in jail costs when the estimated cost to house an inmate in jail/prison is \$80.00 per day and typically 10 hours of community service is the equivalent to 1 day in jail. Those savings (payroll expenses and costs of incarceration) total \$2,625,072 in savings across the State of North Dakota from 2018 through 2022. If those numbers aren't impressive enough, please consider this: in that same time frame in which \$2,625,072 was saved (2018-2022) the NDCCA received state funding in the amount of \$875,000 which means \$1,750,072 was added into local communities across the state.

Monies received will be divided among the sixteen agencies over the upcoming biennium so that the NDCCA can continue monitoring community service offenders and supporting local communities. Funding will be used to help each agency offset the costs of maintaining a place of business, purchasing office supplies required for daily duties, financially supporting staff and allowing the NDCCA to remain as an alternative to incarceration for courts and probation departments who are enforcing state laws. The NDCCA does not solely depend on the State of North Dakota for funding; however, monies received greatly impact the effectiveness of each office. Other sources of income vary program to program, but in general include program fees as paid by offenders, grants and city/county funding.

In conclusion, I would like to impress upon you the importance of the North Dakota Community Corrections Association as we request your support for funding in Senate Bill 2015 for the amount of \$350,000 (Community Service Supervision Grants). We are a valuable resource to the State of North Dakota and its citizens as we are making a difference in the lives of offenders, helping non-profit organizations reach their goals and can be utilized as a way to lower incarceration rates as well as incarceration costs. We are greatly appreciative of any funding previously provided and believe we should continue to be funded because in a difficult budgeting session, we are a fiscally good decision.

Included with this testimony is the NDCCA 2018 Recidivism Study – NDCCA Totals.

Sincerely,
Chelsey Williams
NDCCA Member
Grand Forks Community Service Program
Lobbyist ID #1028

North Dakota Community Corrections Association



2018 Recidivism Study

Report Created By

-Chelsey Williams-

Grand Forks Community Service & Restitution Program

September 2021

I. Introduction to the North Dakota Community Corrections Association [NDCCA]

Mission Statement

Community Corrections Programs are strategically placed statewide in an effort to enhance community partnerships while providing community based alternatives to detention. The community based alternatives focus on protecting society, addressing the concerns of victims and providing supervision to offenders in the community.

More specifically, all community service programs are to have a coordinated office which provides:

- Alternatives to incarceration
- Repayment to the community for inappropriate or unlawful behavior
- A positive support system

History

The first community service program was established in Williston, ND in December 1991 and throughout the years additional community service programs were created with the most recent program being established in Dickey County, ND in 2020. As a way to enrich each individual program and support each other, the North Dakota Community Corrections Association [NDCCA] was established in 1995 which also served the purpose of allowing the community service programs to engage in common training, develop goals/projects to enhance the NDCCA as well as the individual programs and share ideas that can lead to better supervision of offenders. A major benefit of the NDCCA is a shared database which allows for the seamless transfer of clientele from one community service agency to another.

These sixteen independent community service programs are located strategically throughout North Dakota and provide community based alternatives to detention. The community service agencies provide the opportunity for adult/juvenile offenders to perform court ordered community service obligations by working at non-profit organizations, government entities and/or for the community at large. The ND Department of Corrections & Rehabilitation: Parole/Probation Division allows offenders to perform community service in lieu of paying their supervision fees at the rate of \$8.00 for each hour of service.

Community Corrections . . . Life Change Through Service.

NDCCA Members Participating in the NDCCA 2018 Recidivism Study

Barnes County Community Service / Valley City, ND
Centre, Inc. – Community Service Program / Bismarck, ND
Dickinson Regional Community Service / Dickinson, ND
Grand Forks Community Service & Restitution Program / Grand Forks, ND
Heart of America Community Service Program / Rugby, ND
Jamestown Community Corrections / Jamestown, ND
Lake Region Community Service Program / Devils Lake, ND
Ransom County Community Service / Lisbon, ND
Rehab Services, Inc. – Community Service Program / Minot, ND
Restore, Inc. / Fargo, ND
Richland County Community Service / Wahpeton, ND
Roulette County Community Service Program / Rolla, ND ****Partial Collection Period / Program began July 2018****
Sargent County Community Service Program / Forman, ND
Williston Region Community Service / Williston, ND

NDCCA Members Not Participating In the NDCCA 2018 Recidivism Study & Reason

Dickey County Community Service Program / Oakes, ND ****Program was not established until August 2020****
LaMoure County Community Service Program / LaMoure, ND ****Program was not established until January 2019****

II. NDCCA Recidivism Study

The NDCCA came together to conduct a study looking at recidivism rates of clients who are involved in the criminal justice system and were ordered to complete community service. The intent of the study is not to determine whether or not community service reduces the probability of recidivism as compared to sentences not requiring community service, but to gather the recidivism rates of clients ordered to perform community service. This is a starting point for the NDCCA to gather information while leaving the option open for future studies to determine the impact of community service on recidivism rates and court sentences.

For the intent and purpose of this study, recidivism is defined as *a tendency to relapse into a previous condition or mode of behavior; especially: relapse into criminal behavior.* [Merriam-Webster Dictionary New Edition © 2016]

Method

All member agencies were asked to collect targeted information of clients who were ordered to perform community service and who enrolled in the community service programs between the dates of January 1, 2018 through December 31, 2018. Participants were asked for permission to use their demographic information, but were assured that no personal identifying material would be published. If a participant did not wish to be involved in the study, then their demographic information (name, date of birth, ethnicity and education level) was identified as anonymous or unknown. However, the specifics of the case (case number, referral source, on supervised probation, offense level, offense category and hours ordered) were entered into the study as those are of public record. An example of the disclosure is as follows as used by the Greater Grand Forks Community Service & Restitution Program.

___ Additionally, I understand that information pertaining to my case may be used in the future as part of a research study; however, personal identifying information will not be published.

**Clients were asked to initial this statement upon their agreement.*

(Image #1)

The targeted information to be collected included: name, gender, date of birth, education level, case number of judgment ordering community service, referral source, whether or not the client was on supervised probation, offense level, offense category, number of community service hours ordered, number of community service hours completed at time of case closure, case closure status and whether or not an act of recidivism occurred. The collected information was entered in an Excel spreadsheet utilized by all NDCCA members and is shown below.

NDCCA 2018 Recidivism Study - TEMPLATE												
Data Collection from January 1, 2018 through December 31, 2018												
Gender	Ethnicity	Date of Birth	Education Level	Case Number	Referral Source	On Supervised Probation	Offense Level	Offense Category	Hours Ordered	Hours Completed	Closure Status	Has Recidivism Occurred?

(Image #2)

The categories of name, date of birth, hours ordered, and hours completed were entered on a case by case basis, but the remaining categories included drop down boxes for NDCCA members to select from to ensure a level of cohesiveness. The drop down selections for the categories were:

Gender	Ethnicity	Education Level	Referral Source	On Supervised Probation	Offense Level	Offense Category	Closure Status	Has Recidivism Occurred
Female	Not Disclosed	Not Disclosed	District Court	Yes	Misdemeanor	Alcohol	Buyout	Yes
Male	African American/Black	< High School	Municipal Court	No	Felony	DUI	Open	No
	Asian	High School	Parole/Probation			Drugs	Successful	
	Caucasian	GED	Drug Court			Sex Offense	Unsuccessful	
	Hispanic	Some College	Out of State Referral			Theft of Property		
	Native American	Associates/Technical				Violent		
	Other	College Grad.				Other		
		Graduate +						

(Image #3)

Collection

The study had a collection period of twelve months during which NDCCA members entered the targeted information. Only participants who enrolled in the community service programs were entered into the Excel spreadsheets; if a participant was referred to a community service program but did not enroll then their data was not collected. The collection period to enter enrolled participants began on January 1, 2018 and went through December 31, 2018; no participants were entered into the spreadsheet if their enrollment date occurred after December 31, 2018.

The NDCCA determined that a three month grace period after December 31, 2018 would be utilized to allow for more thorough data collection; especially, for those participants who did not enroll in the community service programs until December 2018. NDCCA members were asked to review their spreadsheets and enter the number of community service hours completed and closure status of each participant as either buyout, open, successful or unsuccessful as of March 31, 2019. The determination of *successful* or *unsuccessful* was based on whether or not the participant completed their ordered community service as of March 31, 2019. However, if a participant was still working their community service hours as of March 31, 2019 or if their deadline had not been reached by that date then the closure status was identified as *open*. If the client was allowed to pay off (buy out) their community service hours, the closure status was identified as *buyout*. At this point, the only category domain not addressed was "Has Recidivism Occurred?"

Following the end of the collection period, the study then was placed in a one year resting period (January 1, 2019 through December 31, 2019) where no action was taken as that had been deemed the "recidivism"/"resting" period. At the conclusion of the recidivism period, NDCCA members were directed to utilize the North Dakota Courts Records Inquiry website (<http://publicsearch.ndcourts.gov>) to check if a participant was *convicted* of a criminal offense after the conclusion of their case (identified on the NDCCA 2018 Recidivism Study) or within the recidivism period. If a participant had been convicted of a subsequent criminal offense, then "Yes" was selected under the "Has Recidivism Occurred?" domain. If a participant had not been convicted of a subsequent criminal offense, then "No" was selected under the "Has Recidivism Occurred?" domain.

III. NDCCA Regional Statistics Based on Collected Data

Please see the following pages which contain the calculated/categorized statistics for the **North Dakota Community Corrections Association**.

**All percentages documented in the statistics have been rounded to the nearest whole value.*

North Dakota Community Corrections Association

Totals of All NDCCA Members

Demographics & Offense Details

Total Number of Clients = 1,931

Gender

Female	669
Male	1,262



Ethnicity

Not Disclosed	36
African American/Black	127
Asian	13
Caucasian	1,485
Hispanic	88
Native American	162
Other	20

Education Level

< High School	234
High School	582
GED	158
Some College	595
Associates/Technical	133
College Graduate	103
Graduate Plus	10
Not Disclosed	116

Referral Source

District Court	927
Municipal Court	899
Probation	46
Drug Court	52
Out of State Referral	7

On Supervised Probation

Yes	157
No	1,774

Offense Category

Alcohol	498
DUI	449
Drugs	297
Sex Offense	6
Theft of Property	193
Violent	78
Other	410

Offense Level

Misdemeanor	1,781
Felony	150

Closure Status

Buy Out	19
Open	137
Successful	1,513
Unsuccessful	262



Did Recidivism Occur?

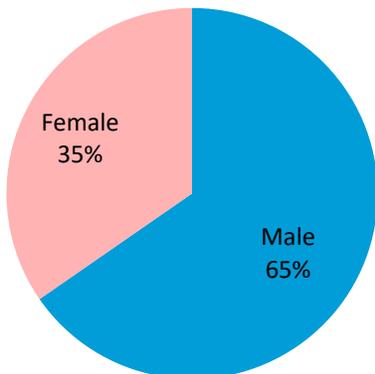
Yes	634
No	1,297

Community Service Hours

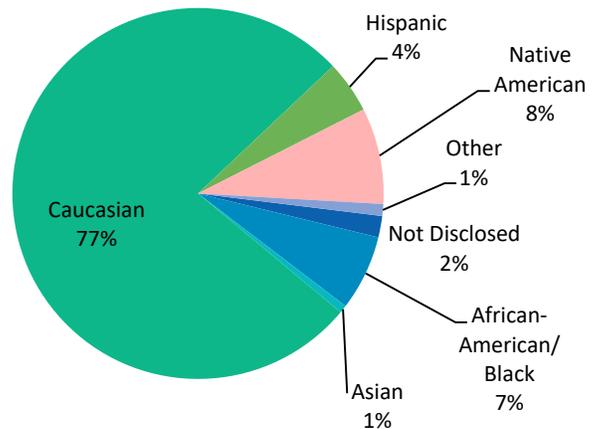
		Percentage of Total Hours
Total Number Hours Ordered	59,872.43	
Number of Hours Bought Out	522	<1%
Number of Hours Completed	42,275.86	71%
Number of Hours Uncompleted	17,074.57	28%

The following graphs show the breakdown of the total number of clients for each category.

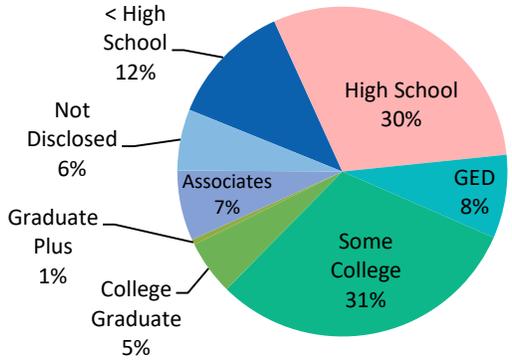
Gender



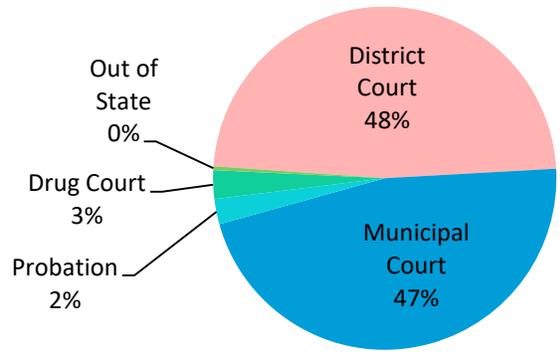
Ethnicity



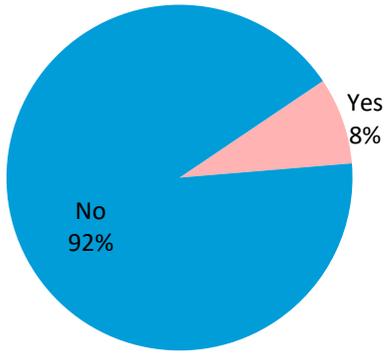
Education



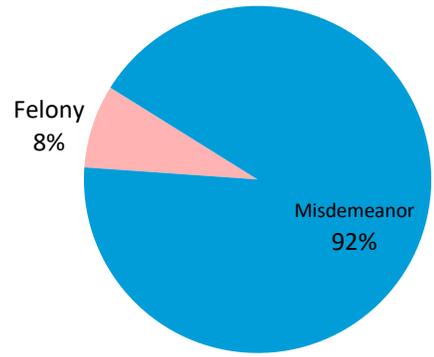
Referral Source



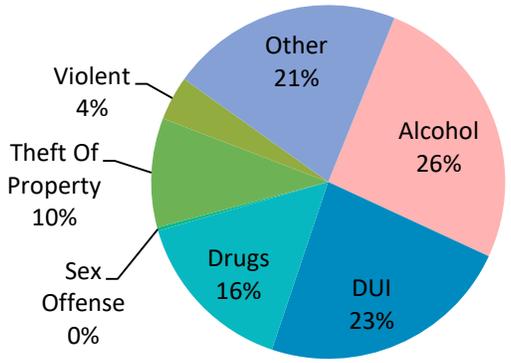
On Supervised Probation?



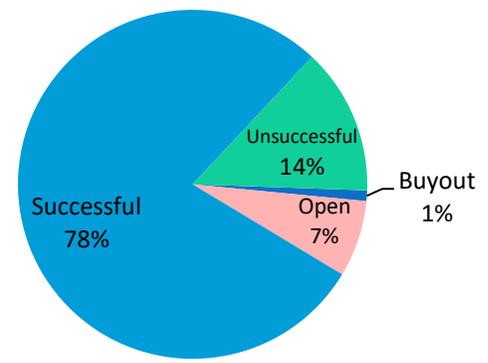
Offense Level



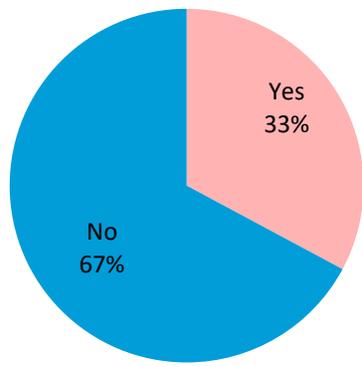
Offense Category



Closure Status



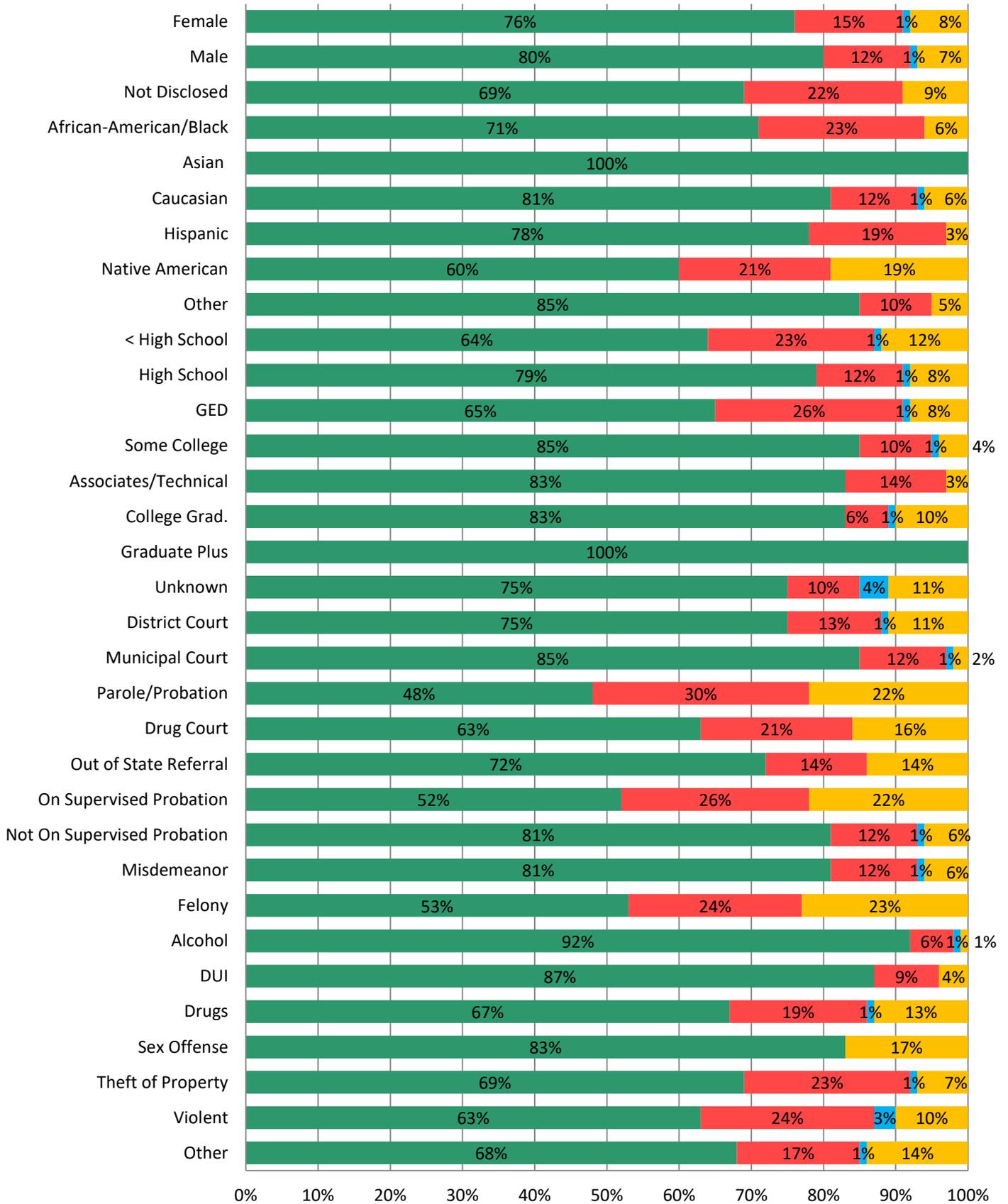
Did Recidivism Occur?



Closure Status of Category Domains

North Dakota Community Corrections Association

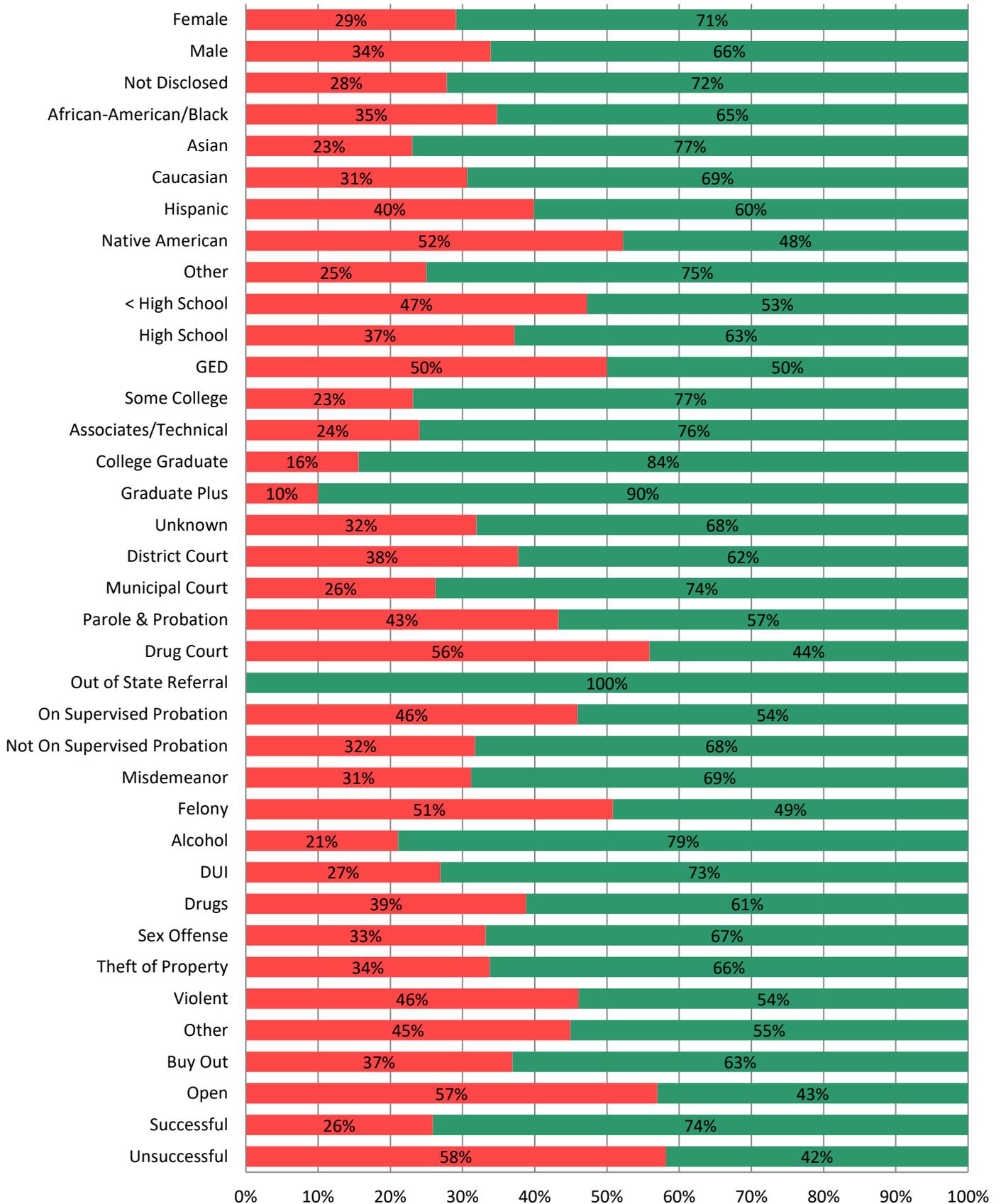
■ Successful
 ■ Unsuccessful
 ■ Buyout
 ■ Open



Recidivism Status of Category Domains

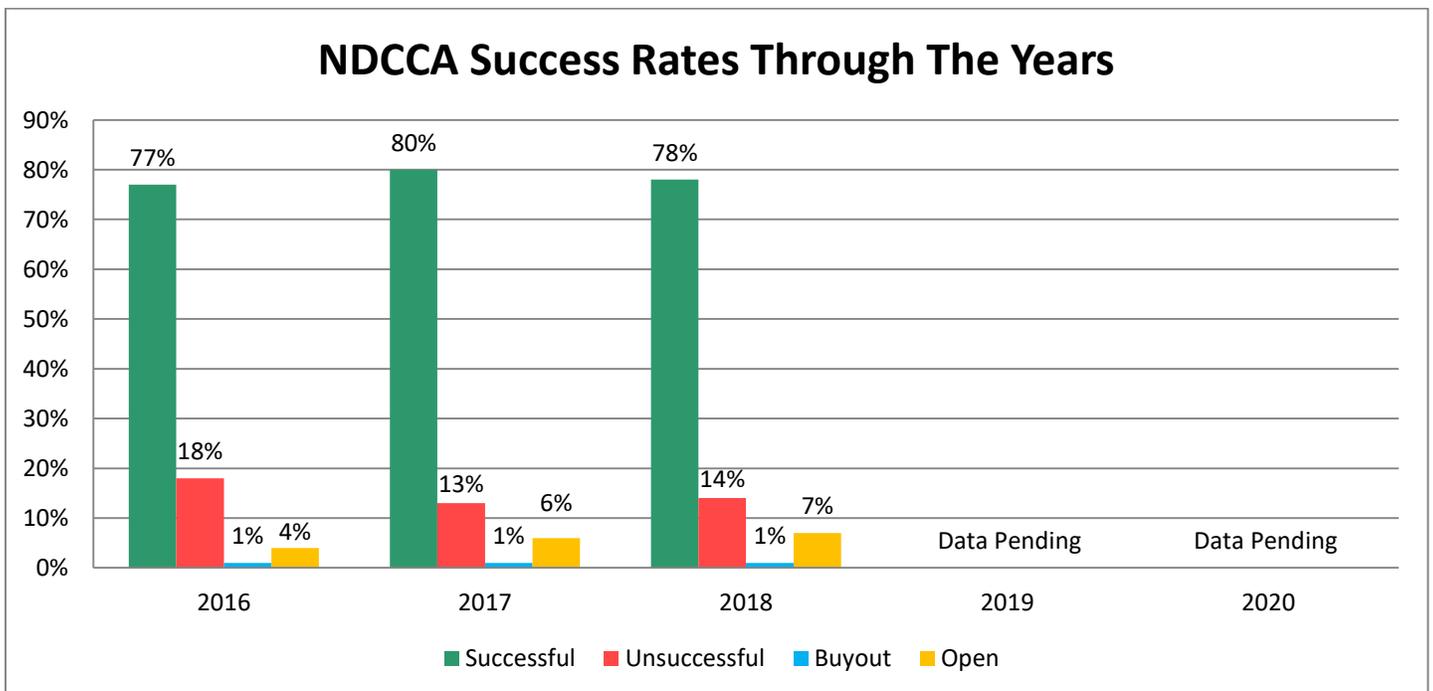
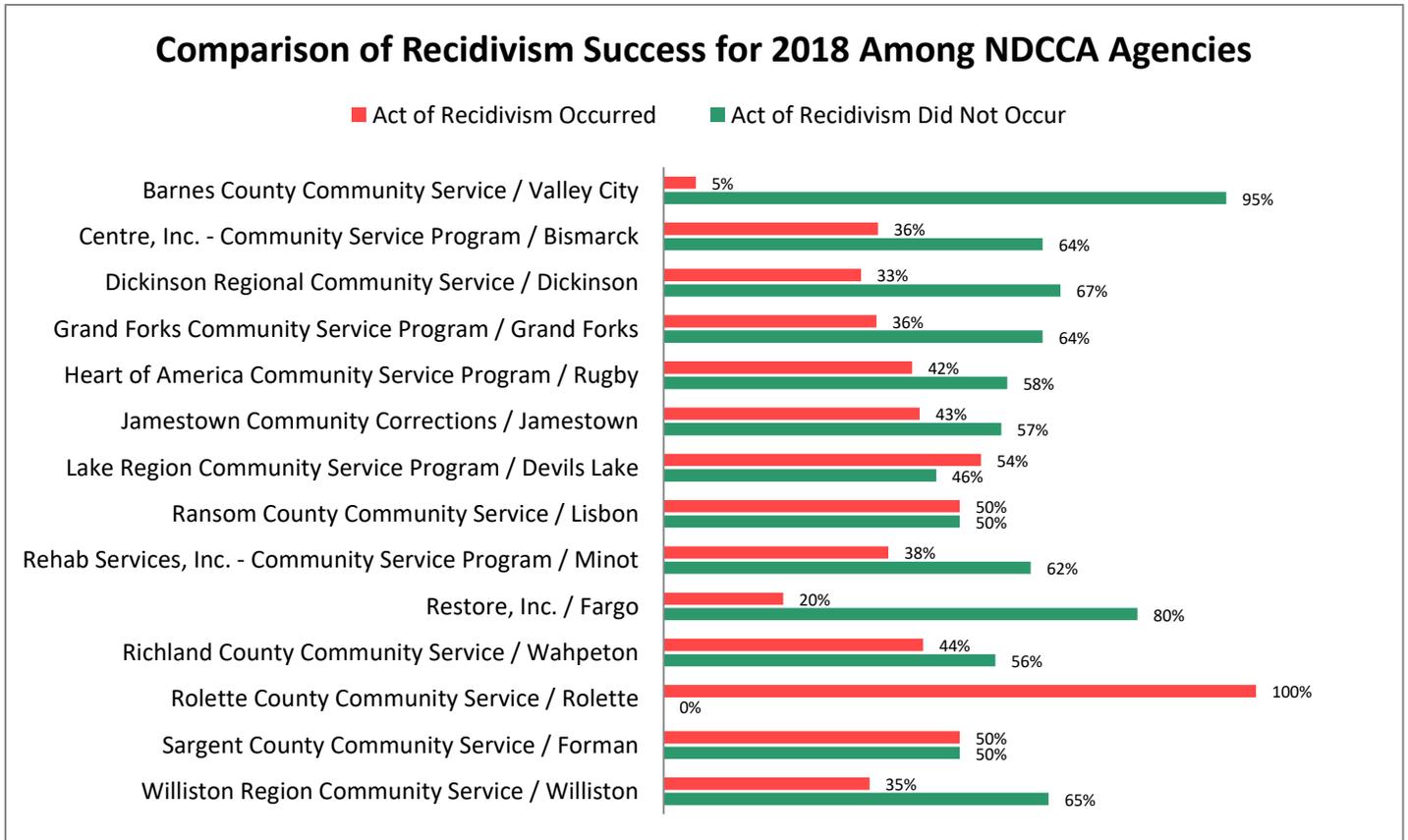
North Dakota Community Corrections Association

■ Act of Recidivism Occurred ■ Act of Recidivism Did Not Occur

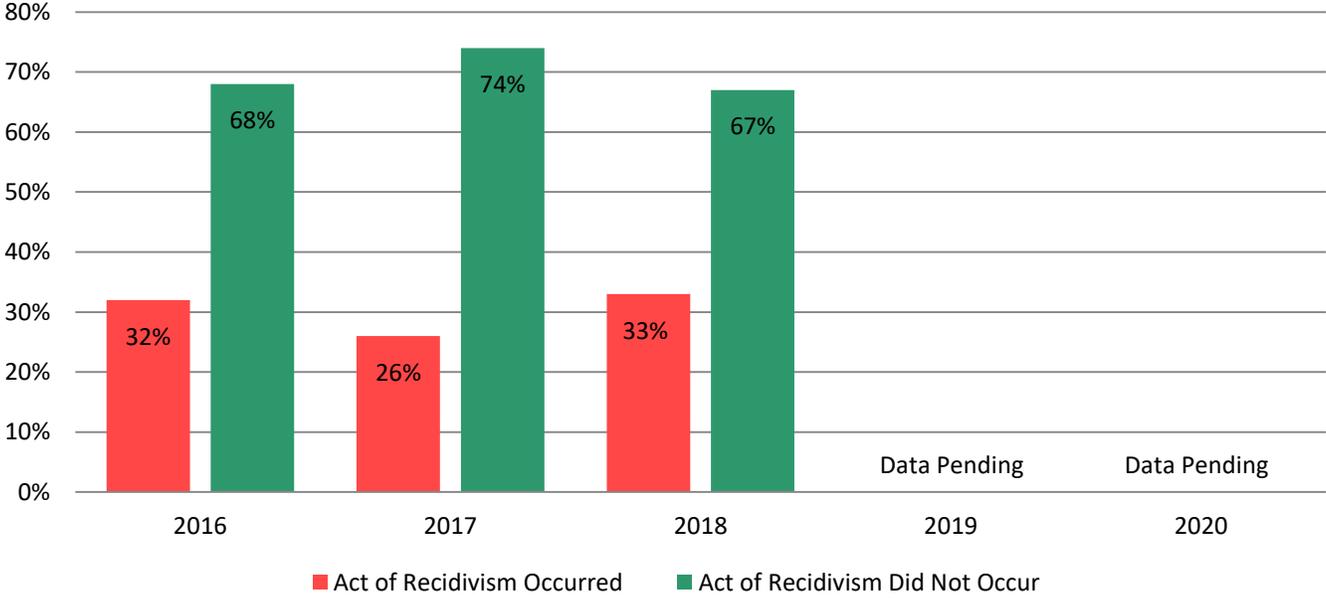


IV. NDCCA Recidivism Study Conclusion & Outcomes

As it relates to the North Dakota Community Corrections Association, the overall results of the 2018 Recidivism Study were favorable in the support of community service being utilized as an alternative to incarceration. Out of 1,931 clients who participated/enrolled in the community service programs across North Dakota, 1,513 successfully completed their community service hours which was a success rate of 78%. Furthermore, 1,297 clients (67%) out of the 1,931 participating clients did not commit an act of recidivism in the year following their criminal case which ordered community service.



NDCCA Recidivism Rates Through The Years





Senate Appropriations - Government Operations Division

January 20, 2023

David Krebsbach, Vice Chancellor for Administrative Affairs & CFO

Chairman Wanzek and members of the Committee. My name is David Krebsbach, and I serve as the Vice Chancellor for Administrative Affairs & Chief Financial Officer of the North Dakota University System (NDUS). **I am providing testimony in support of SB2015, specifically the equity funding pool, on behalf of the North Dakota University System and its eleven institutions.**

The State Board of Higher Education (SBHE) recognized challenges in talent recruitment and retention as a top strategic priority for 2022-2023. Retaining current employees and recruiting new employees has become increasingly challenging because salaries are often below private sector market rates. Additionally, higher wages needed to hire new employees has caused compression with existing employee salaries that must be corrected.

Turnover rates are also increasing. The overall systemwide average was 15.7% in 2022, the highest rate in the last decade. Several individual campuses reported all-time high turnover rates of 25 – 30%. Exiting employees of the NDUS are encouraged to participate in an exit survey. 2021-2022 participating employees listed salary as their #3 reason for leaving. Opportunity for advancement and quality of leadership were the top two reasons.

The NDUS implemented a total rewards survey in the fall of 2022, similar to the survey deployed at the state agencies. The survey had a 56% response rate (3,971/7,144 regular, benefited employees.) Employees identified employer paid healthcare, increased salary and the retirement plan as the most important items in their total rewards package. The top requested change was “more competitive pay.”

The NDUS would utilize the equity dollars to address these concerns. OMB has indicated that the NDUS would receive \$41.2 million of the proposed funding pool, with \$20.6 million from the general fund. The remainder would be special funds authority, which for higher education is derived from tuition paid by students & their families. This would require a tuition rate increase. **We would ask the committee to consider increasing the general fund portion to enable the NDUS to minimize tuition increases.**

The NDUS would gladly provide additional information to the committee if needed. **I respectfully request the committee support SB2015 and the \$90 million equity pool.**



Testimony in Support of
Senate Bill No. 2015
Senate Government Operations Division,
Senate Appropriations
January 20, 2023

TESTIMONY OF

Joe Morrisette, Director of OMB

Chairman Wanzek and members of the Government Operations Division of Senate Appropriations. I am Joe Morrisette, the Director of the Office of Management and Budget (OMB).

My budget testimony consists of the attached slide deck which summarizes:

- OMB organizational chart
- Filled and vacant positions
- Requested changes to our base budget for the 2023-25 biennium
 - Also included among the slide handouts are the following documents:
 - State facility project improvement needs
 - Total rewards recommendations for Team ND
 - OMB workforce story
- Descriptions of the various sections included in the executive bill draft for SB 2015 and requested to be incorporated into the Senate version of SB 2015

I look forward to working with all of you this session and am available any time to address your questions regarding the OMB budget and any other aspect of the governor's executive budget.

Feel free to contact me either at jmorrisette@nd.gov, my office number at 701-328-4606, or my cell phone at 701-220-6361.

SB 2015 TESTIMONY SENATE APPROPRIATIONS

Joe Morrisette, Director
Friday, January 20, 2023

OUR MISSION

To provide innovative leadership and support to state government.

OUR VISION

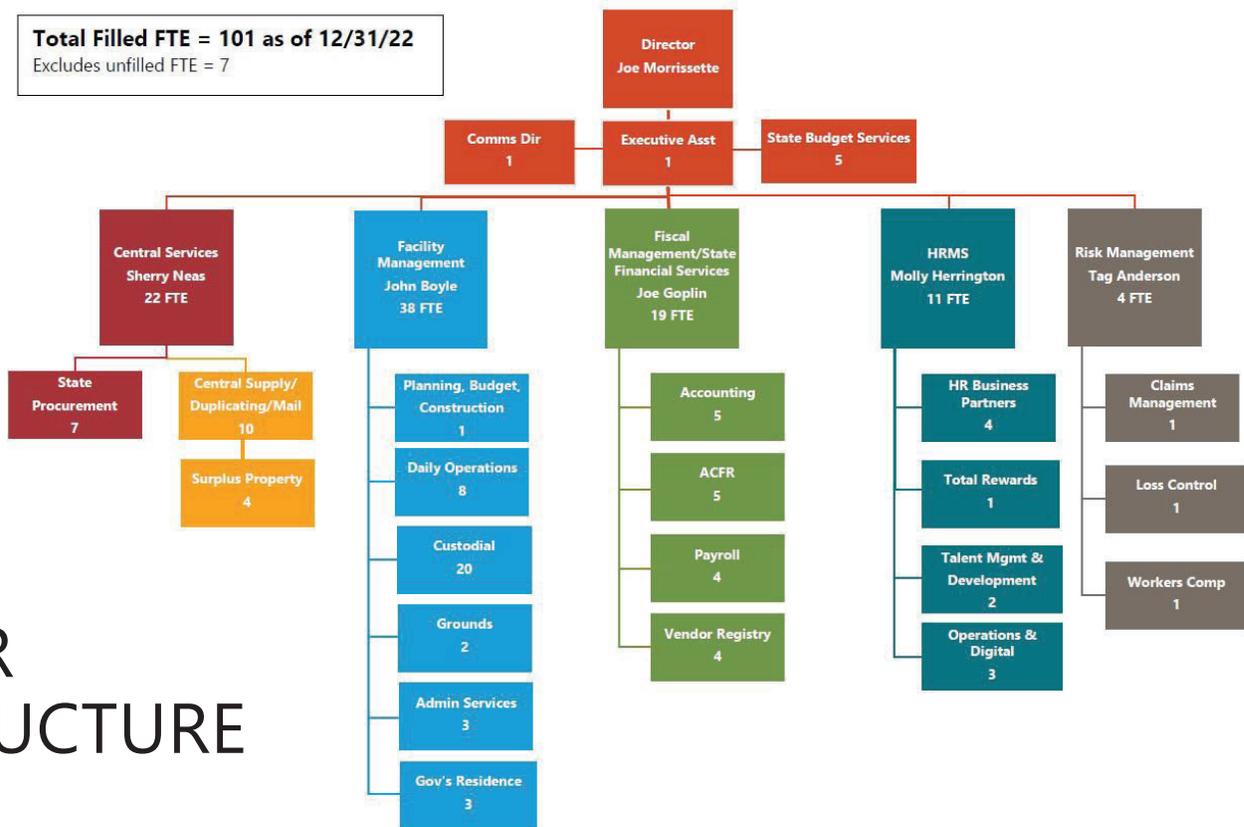
To set the standard for leadership and expertise in state government.

OUR STRUCTURE

Five Divisions

- Central Services
- Facility Management
- Fiscal Management
- Human Resource Management Services (HRMS)
- Risk Management

Total Filled FTE = 101 as of 12/31/22
Excludes unfilled FTE = 7



OUR STRUCTURE

SEVEN VACANT POSITIONS



Administration

- 1 Director



Central Services

- 1 Procurement Officer
- 1 Central Duplicating/
Supply



Facility Management

- 3 Custodians
- 1 Electrician

5



BUDGET CHANGES

IT SYSTEM UPGRADES AND REPLACEMENTS

\$3.3M Request

Procurement automation system

Phase two - 2023-2025 - \$2.5M

- \$1.5M implementation and integration with PeopleSoft
- \$1M ongoing maintenance and updates
- Phase one - 2021-23 appropriation of \$1.9M will be partially used during the current biennium, with balance carried over to 2023-25

Building automation system

Phase two - 2023-25 biennium - \$800,000

- Phase one - 2021-23 biennium - \$518,800
- Total project cost of \$1.3M

6



BUDGET CHANGES

STATEWIDE DEFERRED MAINTENANCE

\$17.05M Request

Accessibility assessment and improvements of state buildings
(Capitol complex and other Bismarck locations)

\$100,000

Brynhild Haugland Room Improvements

\$500,000

Capitol Boiler Replacement Project

\$12M

Capitol & Legislative Wing Window Replacement

\$4M

State Office Building Demo & Site Reclamation

\$451,000

7



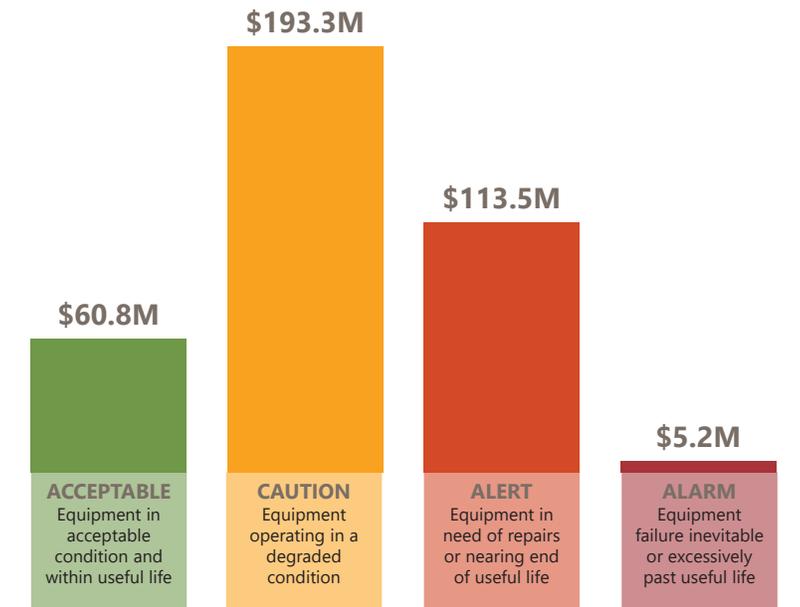
BUDGET CHANGES

CAPITOL EXTRAORDINARY REPAIRS

\$20M Request

Deferred maintenance pool of funds that will be transferred to state agencies on a prioritized basis

\$20M



8

STATE FACILITY PROJECT IMPROVEMENT NEEDS

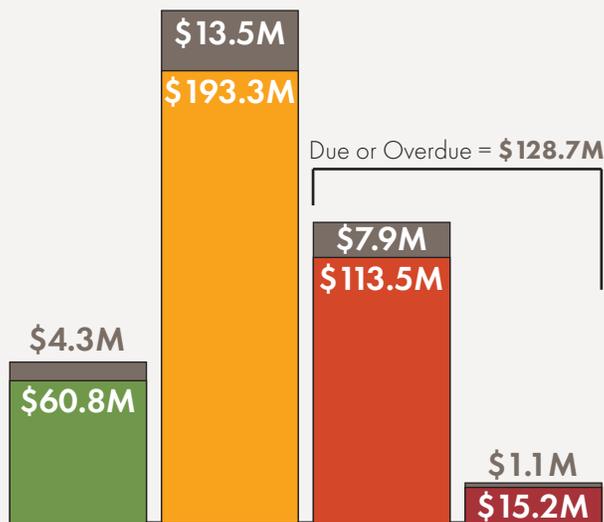
2022 Scope Summary

State-owned building square footage totals over **24 million square feet**, with an insured value of **\$4.4 billion**.

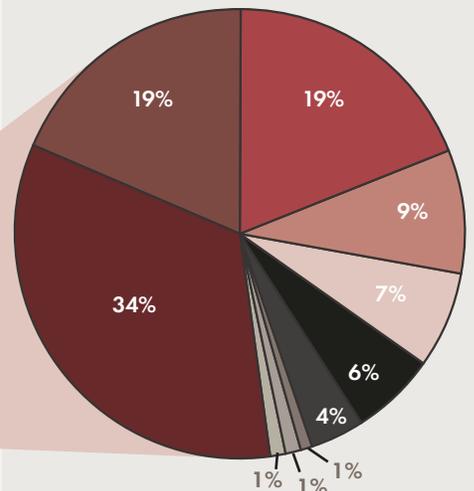
Over **120 state-owned buildings**, occupied by **17 agencies** and comprising **3.7 million square feet** were assessed.

More than **1,350 facility improvement and repair projects** were identified.

IDENTIFIED NEEDS SUMMARY



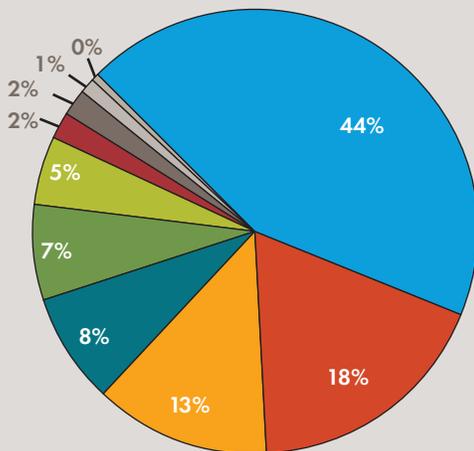
IMMEDIATE PRIORITY "ALARM" NEEDS BY AGENCY = **\$15.2M**



Category	Description
BIENNIAL COST INFLATER	Additional cost incurred if projects are delayed two years
ACCEPTABLE	Equipment in acceptable condition and within useful life
CAUTION	Equipment operating in a degraded condition
ALERT	Equipment in need of repairs or nearing end of useful life
ALARM	Equipment failure inevitable or excessively past useful life

- Historical Society
- Corrections & Rehabilitation
- Adjutant General
- Office of Management & Budget
- Veteran's Home
- Health & Human Services
- Game & Fish
- Transportation
- Attorney General
- Highway Patrol

NEEDS CATEGORIES



- Mechanical (Heating/Cooling)
- Ventilation (Indoor Air Quality)
- Controls (Building Environmental System)
- Exterior (Roofs, Windows, Doors)
- Lighting (convert to LED Technology)
- Electrical Distribution (Electric Service)
- Life Safety (Fire Alarm/Sprinkler)
- Interior Surfaces (Flooring/Finishes)
- Building Envelope (Exterior Walls Sealing)
- ACM (Asbestos Containing Materials)



BUDGET CHANGES

SPACE UTILIZATION OPTIMIZATION

\$5.5M Request

Create an efficient workplace environment in the Capitol and Judicial Wing

\$5.5M

- These remodeling costs will result in savings through the elimination of leased space in Bismarck. Other results could include:
 - Elimination of underutilized agency conference rooms (over 6,000 sf or one entire Capitol tower floor)
 - Creation of one "hoteling" work location for all state agencies to use
 - Increase in the average occupancy per Capitol tower floor from 30 to 45 employees

Authority for creation of space standard policies by Capitol Grounds Planning Commission



BUDGET CHANGES

RENT MODEL CHANGE

CURRENT MODEL

Only non-general fund agencies pay rent

PROPOSED MODEL

- All executive branch agencies pay a consistent rental rate
- Funding added in executive budget for all general fund agencies to pay rent

Facility Management salary budget would be funded from special funds

Proposed Model OUTCOME

- Agencies incentivized to efficiently manage space and benefit from reducing space
- Positive return by minimizing use of offsite space



BUDGET CHANGES

FACILITY MANAGEMENT FUNDING SOURCE CHANGE

- Rent model change results in additional rent collection
 - Rent deposited in special fund rather than general fund
 - Facility Management (FM) salaries funded from special fund rather than general fund
 - Provides opportunity to fund FM from facility rent payments and move toward self-funded facility services model
- | | |
|---|---------|
| ▪ 2021-23 biennium rent deposited in general fund | \$2.55M |
| ▪ 2023-25 biennium: | |
| ▪ Total rent collected | \$4.18M |
| ▪ Amount used to fund FM salaries (minus admin) | \$4.10M |



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - FACILITIES

\$396,888 Request

- Centralized management of leases and construction projects will lead to efficiency and cost savings
 - 2 FTE - OMB has two vacant Facility Management positions that can be repurposed for this use
- Total additional salaries and benefits requested = \$396,888**
- **Statewide Lease Coordinator**
 - Will manage all state agency leases, help determine appropriate space utilization, negotiate lease rates, facilitate sharing of space and service contracts.
 - Will require administrative rule change; no statutory change required
 - **Statewide Construction Project Manager**
 - Will manage the solicitation of architects and engineers for construction and remodeling projects, manage the bidding and procurement process, and manage projects or supervise contract project managers, as necessary.
 - No statutory change required



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - COMMUNICATIONS

- Centralized communications support for smaller agencies with no communications professional on staff
- 2 FTE

Total additional salaries and benefits requested = \$350,722

- **Multimedia Specialist**

- Will manage graphic design, video, photography, social media, website updates, newsletter and promotional materials for OMB and partner agencies.

- **Communications Specialist**

- Will assist with media inquiries, development of communications campaigns, event planning, project management and writing to include news releases for partner agencies.



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - FISCAL

- OMB's PeopleSoft, integration, reporting and security experts who support all state agency fiscal team members
- 2 FTE

Total additional salaries and benefits requested = \$381,724

- **Financials Functional Leads**

- Work with OMB's Business and Section leads and NDIT developers on troubleshooting issues; researching new functionality; implementing modules/functionality.
- Gather business requirements from agencies for requests, testing, creating reports and queries; maintaining security access; and creating and maintaining training/support documentation.
- Support for all state agency fiscal team members using existing PeopleSoft modules of Accounts Payable, Accounts Receivables, General Ledger, Asset Management, and Lease Administration.
- Allows both OMB fiscal team and NDIT developer team to be more efficient.
- Allows us to better serve agencies, reduce growing backlog of PeopleSoft enhancements, and better support new Procurement Automation system.



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - HR

▪ 5 FTE

Total additional salaries and benefits requested = \$1.163M

▪ *Talent Acquisition Manager*

- Plan, develop, and implement statewide talent acquisition strategy.

▪ *Talent Acquisition Associate*

- Provide high level execution and leadership in innovative talent acquisition efforts.

▪ *Learning & Development Manager*

- Develop and implement statewide learning and development strategy, curriculum and training programs.

▪ *Total Rewards Specialist*

- Assist with development and administration of strategies and programs that serve to align compensation, benefits, and rewards to attract, motivate, engage, and retain team members.

▪ *Change Management Program Manager*

- Responsible for delivering enterprise level Change Management services.



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - HR

Student Internship Program

\$700,000

- 2023-25 is expected to have over 100 interns requested, more if funding is available (more than double 2021-23)
- More than 25% of interns transitioned to full-time employment

LinkedIn Recruiter

\$95,000

- Engage with professionals that have the education and experience that align with talent needs
- Aid in expanding our candidate pools and resulting in attracting top talent to Team ND

Leave Management System

\$335,000

- Full-service leave management vendor
- Consistent application and statewide data
- Compliance with state and federal laws
- Medical experts to interpret medical documentation



BUDGET CHANGES

TOTAL REWARDS PACKAGE



TARGETED EQUITY PACKAGE

EQUITY

one-time – prior to July 1, 2023

Cost: \$90M Total Funds
 (\$49.3M = General Funds)



GENERAL PERFORMANCE INCREASE

6% / 4%

FY2024 / FY2025

Cost: \$210.86M Total Funds
 (\$87.7M = General Funds)



TARGETED EQUITY PACKAGE

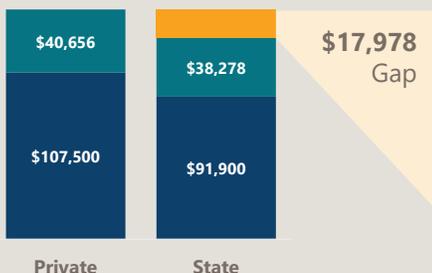
Addresses:

- Verifiable, significant market gaps for job categories
- Staffing issues with impact on services and operations
- Relatively low paid employees & agencies

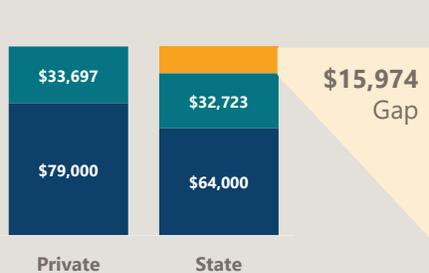
■ Benefits
 ■ Salary



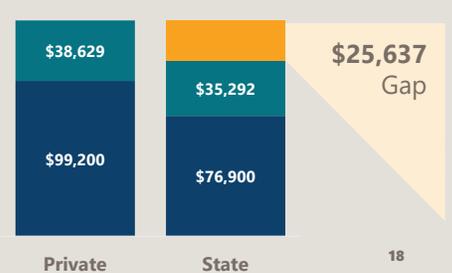
ATTORNEY II



ENGINEER II



INFORMATION SERVICES IV





GENERAL PERFORMANCE INCREASE

6% 2023/4% 2024

Addresses:

- Positions below market
- Compression concerns
- Performance differentiation relative to recent programs
- Industry increases



STATE OF NORTH DAKOTA

TOTAL REWARDS RECOMMENDATIONS

Current Team ND Total Rewards Issues to be Addressed

- Salaries have fallen behind
- Uncertainty in benefit programs
- Increased competition
- Specific competitive pay issues
- Specific agency equity



Recommendations for the 2023/2025 biennium, based on team member survey, economic factors and compensation analysis.

COMPENSATION & EQUITY



TARGETED EQUITY PACKAGE

EQUITY

one-time increase

Addresses verifiable, significant market gaps for job categories, staffing issues with impact on services and operations, relatively low paid employees & agencies

Cost: \$89.7M Total Funds (\$49.3M = General Funds)





GENERAL PERFORMANCE INCREASE

6% / 4%

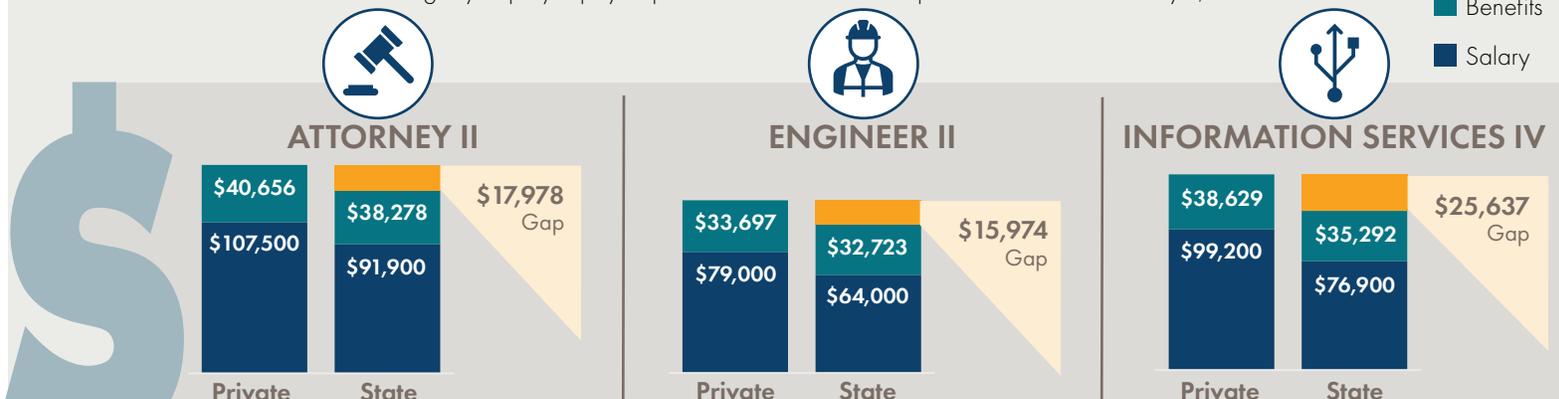
2023/2024

Addresses overall below market position, compression concerns, performance differentiation relative to recent programs, industry increases

Cost: \$210.9M Total Funds (\$87.7M = General Funds)

WHAT IS PAY EQUITY? WHY IS IT IMPORTANT?

Pay equity is compensating team members who have similar job responsibilities, skill and effort in a similar fashion that is fair and competitive in the market. Our internal salaries are not only out of line with the market price, we are also competing internally due to inconsistent pay distribution. We need to fix the starting point for our team members before annual adjustments –the emergency clause is needed so we have to have time to meaningfully deploy equity adjustments before annual adjustments are made on July 1, 2023.



With a 10% cap on proposed equity adjustments, there will still be a gap between private and state salaries in most cases. However, we believe the proposed equity package will go a long way toward recruiting and retaining top talent to Team ND.

STATE OF NORTH DAKOTA

TOTAL REWARDS RECOMMENDATION BASIS

Recommendations for the 2023/2025 biennium, based on team member survey, economic factors and compensation analysis.

TEAM MEMBER SURVEY



MOST IMPORTANT

- Health insurance
- Increased salary
- Retirement plan
- Paid time off



LEAST IMPORTANT

- Tuition reimbursement
- Payroll deductions for voluntary benefits
- Flexible Spending Account
- Service-based rewards



TOP CHANGES

- More competitive pay
- More opportunities for performance bonuses
- More time off

ECONOMIC FACTORS

UNEMPLOYMENT

2.3%

in ND Sept. 2022

U.S. Unemployment
3.5% in Sept. 2022

INFLATION RATE

6.8%

in ND Sept. 2022

U.S. Inflation Rate
8.2% in Sept. 2022

TURNOVER

13.7%

in 2021 = 14 year high

Through Sept. 2022
= **16.4%**

COMPENSATION ANALYSIS

- Below ND market by 3%
- Below national market by 8%
- Below ND counties and cities by 10%
- Estimated to trail the ND market by 7% by July 2023

Recent increases given by other states and cities are far above the 2% given to state of ND team members



NORTH DAKOTA STATE CAPITOL

OFFICE OF MANAGEMENT & BUDGET (OMB)

The OMB workforce is unique in that the primary mission is to support an state government– state agencies, team members and legislators. Since OMB provides leadership, guidance and support services for all state agencies, it is imperative that the workforce be skilled, efficient and experienced in their roles.

WHAT HAPPENS IF WE CAN'T DO OUR JOB...

Noncompliance



OMB provides guidance to all 60+ state agencies, in the areas of compliance with statute, administrative code, and policies in the areas of for fiscal and budget, HR, risk, facilities and procurement.

Inefficient Duplication



OMB's five divisions all perform centralized services and support that in their absence would be done separately by each agency, creating inefficient use of taxpayer dollars and unnecessary duplication in state government.

Inconsistent Government



OMB's services allow agencies to comparatively offer the same policies and experiences to job seekers, vendors, visitors, political subdivisions and the public.

CURRENT AGENCY TEAM MEMBER STATS

108

full-time team members

13%

turnover rate

\$64k

average annual salary

48

average age

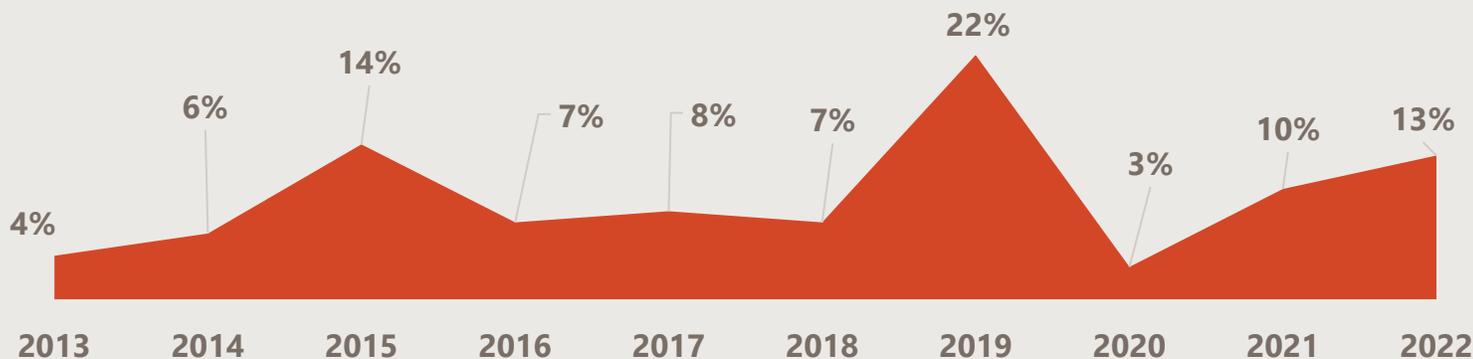
13

average years of service

10%

retirement-eligible

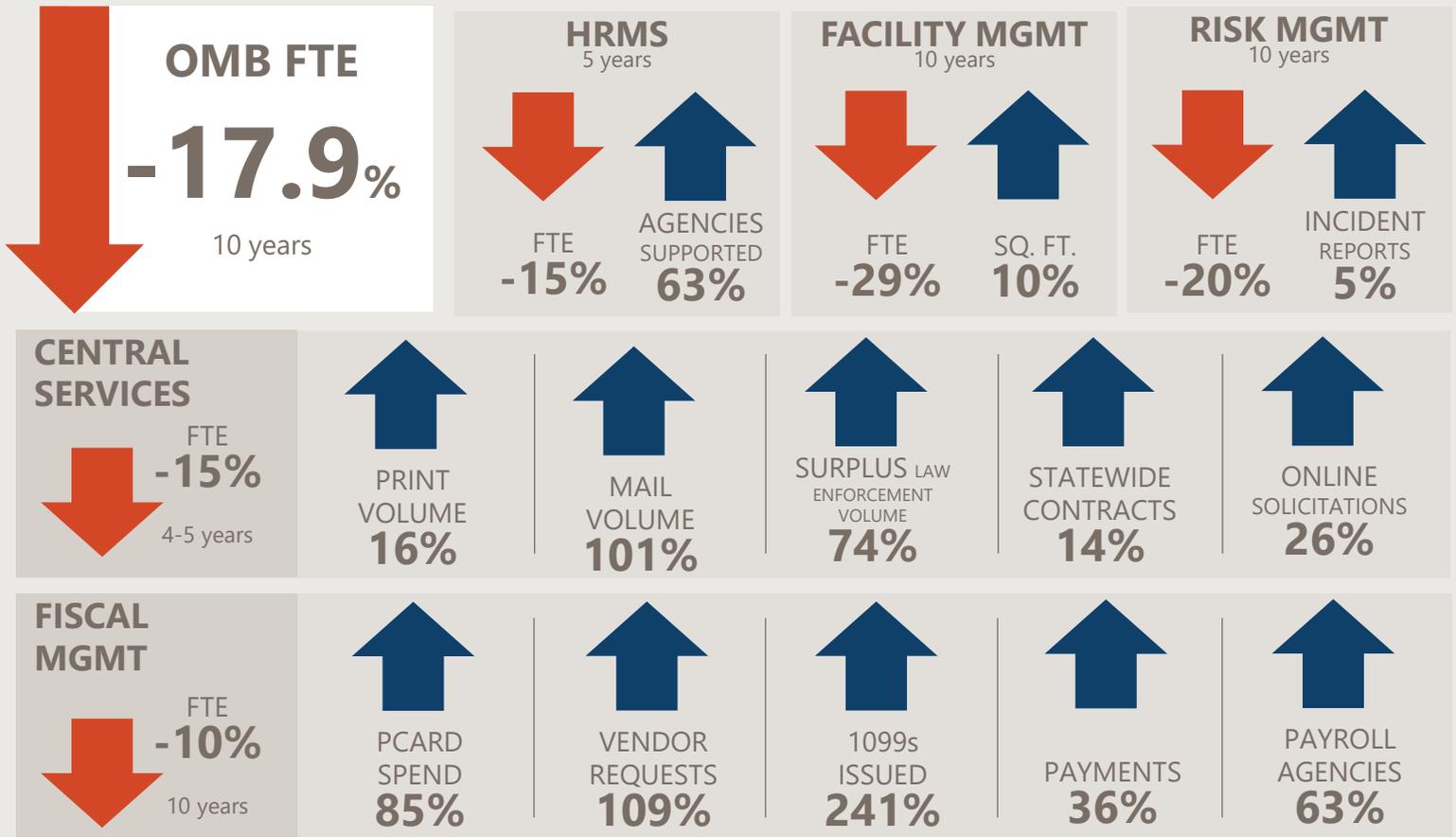
TURNOVER – LAST 10 YEARS



The 2015 and 2019 turnover rates were higher due to retirements and voluntary separations.

- In 2015, the pre-Medicare retiree medical was getting discontinued, unless individuals were already enrolled.
- The 2019 turnover rate is affected by the 2018 voluntary separation incentive program.

OMB WORKLOAD CHANGE



Date comparisons vary based on data available and is noted below each division.

COST OF TURNOVER

\$64.4K

per team member

Figured with 100% of annual salary.

100% of the annual salary is the cost of turnover for an average OMB team member.

That increases to 200% (\$200,000+) of the annual salary for a director-level position, due to the level of recruiting, time to train and/or upskill, and lost productivity of the vacant position

WORKFORCE COMPETITION



Other Government Entities

OMB continues to lose staff to other government entities, including city, state and federal agencies.



Private Industry

With high-demand positions at OMB such as accounting and HR, it is difficult to compete with private sector salaries.

INDUSTRY OUTLOOK: OMB has five very different divisions: Central Services, Facility Management, Fiscal Management, Human Resources Management Services, and Risk Management. The future of all divisions is automation of process and upskilling team members to meet the needs of state government agencies and team members. Recruiting and retaining team members in all industries that affect OMB is challenging in both the public and private sectors.

\$94.22M Increase

LINE-ITEM CHANGES SALARIES



- **\$89.7M** for equity package
- **\$1.9M** for nine new FTE's
 - Learning and development manager \$255,452
 - 2 Financial functional lead positions \$381,724
 - Talent acquisition manager \$255,452
 - Total rewards specialist \$218,472
 - Talent acquisition specialist \$218,472
 - 2 Communications positions \$350,722
 - Change management program manager \$214,930
- **\$396,888** to repurpose two currently vacant FTE to add lease administrator position and a public improvement manager
- **\$1.97M** for the executive compensation package

Funding source change of \$4.1M (increased special funds, decreased general fund) for Facility Management as part of the proposed rent model change

20

\$3.65M Increase

LINE-ITEM CHANGES OPERATING



- **\$2.56M** for ongoing expenses
 - Various increases totaling \$1,938,774:
 - \$200,000 for utilities
 - \$1,000,000 in IT contractual services for new e-procurement system
 - \$500,000 for printing (special fund authority for Central Duplicating)
 - \$238,774 for supplies, professional development, IT costs, membership dues and travel
 - Increase of \$389,914 for change in the rent model (portion OMB will be charged)
- **\$1.1M** for one-time expenses
 - \$358,500 for inflationary increases
 - \$100,000 for an ADA study and improvements
 - \$100,000 for Capitol tour enhancements
 - \$335,000 for a leave management system

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LINE-ITEM CHANGES CAPITAL ASSETS



- **\$49.1M** for the following:
 - \$20.0M for statewide critical maintenance and repair projects based on facility needs assessment
 - \$12.0M for new boilers
 - \$5.5M for reconfiguring space in the capitol building and Judicial wing
 - \$1.8M for landscaping enhancements
 - \$600,000 for miscellaneous mechanical and electrical repairs
 - \$451,000 for the removal of the State Office Building
 - \$5.3M for projects in the capitol complex funded from the Capitol Building Fund, including window replacement in the tower and legislative wing, Brynhild Haugland remodel, 18th floor remodel and security and landscaping items at the Governor's residence
 - \$2.5M for a new eProcurement system
 - \$800,000 for building automation project

LINE-ITEM CHANGES GRANTS



- **Guardianship Grants** – Guardianship grants are continued at the current level of \$2.45M.
- **Community Service Grants** – Grants to community service programs are continued at the current level of \$350,000.
- **Prairie Public Broadcasting** - The operating support grant to Prairie Public Broadcasting is continued at the current level of \$1.2M. The executive budget includes one-time funding of \$1.79M for projects.
- **State Student Internship** – The executive recommendation includes one-time funding of \$700,000 from the general fund to continue the state internship program. The current biennium budget includes a one-time appropriation of \$100,000 plus \$100,000 in carryover funding for the program.

OTHER SECTIONS IN BILL DRAFT

- Section 3 – Transfer of \$200M from Tax Relief Fund to Social Services Financing Fund
- Section 4 – Authority to allocate \$20M funding for deferred maintenance to agencies based on facility condition assessment
- Section 5 – Authority to allocate \$700,000 to agencies for state internship cost-sharing program
- Section 6 – Authority to allocate \$90M proposed state equity pool funding

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OTHER SECTIONS IN BILL DRAFT

- Section 7 – Turnback exemption for Fiscal Management for support of PeopleSoft and other statewide financial and administrative systems
- Section 8 – Intent for grants and specific items appropriated in section 1 for statewide dues and memberships, state unemployment insurance, and expenses of the Capitol Grounds Planning Commission
- Section 9 – Guidelines for state employee compensation adjustments to be 6% in 2024 and 4% in 2025

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OTHER SECTIONS IN BILL DRAFT

- Section 10 – Proposed simplification changes to Legacy Fund earnings allocations:
 - Provides for the transfer to Legacy Earnings Fund of only the amount equal to 7% of 5-year average fund balance
 - Provides intent for allocation of Legacy Earnings Fund:
 - 31% (\$150M) to bond payments and PERS fund
 - 14% (\$68M) for community and workforce development programs and initiatives
 - 35% (\$172M) for economic development and research programs and initiatives
 - 20% (\$96M) for legacy projects and destination development programs and initiatives

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OTHER SECTIONS IN BILL DRAFT

- Section 11 – Increases from \$250,000 to \$750,000 the amount of spending authority available from the Capitol Building Fund for expenditures on the Capitol grounds, as determined by the Capitol Grounds Planning Commission
- Section 12 – Space utilization and allocation policies development authority delegated to Capitol Grounds Planning Commission
- Section 13 – Motor vehicle tax transfer to Highway Fund to provide ongoing revenue stream to offset declining gas tax revenues - 25% of the general fund share the first year and 50% thereafter.

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OTHER SECTIONS IN BILL DRAFT

- Section 14 – New Capitol rent model allows all executive branch agencies to be charged the same rent per square foot regardless of agency funding source
- Section 15 - Budget stabilization fund maximum balance redefined to exclude general fund one-time expenditures and K-12 formula payments already covered by the Foundation Aid Stabilization Fund
- Section 16 – Establishment of Facility Management Operating Fund to receive rent payments to be used to fund FM salary costs

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OTHER SECTIONS IN BILL DRAFT

- Section 17 – General fund share of oil and gas taxes increased from \$400M to \$600M per biennium
- Section 18 – Assigns duties for conducting space utilization studies, developing space utilization standards, and assigning Capitol building space to the Capitol Grounds Planning Commission
- Section 19 – Emergency clause to allow distribution of salary equity funding prior to June 30, 2022
- Section 20 – Repeal of OMB space utilization study responsibilities and biennial report on procurement exemptions

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PASS-THROUGH GRANTS

- Two grants in the OMB budget are pass-through grants
- Supporters of these programs are available to provide testimony
- **Guardianship Grants - \$2,450,000 proposed appropriation**
 - Aaron Birst, Executive Director, North Dakota Association of Counties
- **Prairie Public Broadcasting - \$2,992,450 proposed appropriation**
 - John Harris, President and CEO, Prairie Public Broadcasting

Testimony on SB 2015
Senate Appropriations Subcommittee
John Harris, President & CEO
Prairie Public Broadcasting
January 20, 2023

Mr. Chairman and members of the committee, thank you for the opportunity to speak with you today about the budget request for Prairie Public Broadcasting, North Dakota's public broadcasting network.

For the record, I am John Harris, President and CEO of Prairie Public Broadcasting.

Prairie Public began service to the citizens of North Dakota in 1964 with a single broadcast tower and since then has grown to provide public media services that impact the citizens of our entire state—from childhood through all phases of life.

Education is the cornerstone of Prairie Public's mission. We provide researched, high-quality digital resources and learning materials to students, educators, parents, counselors, librarians, and tech coordinators, and we conduct professional training opportunities to help them use those tools in our region's classrooms.

Prairie Public provides public media services that educate, involve, and inspire the people of the prairie region. Public media strengthens communities and helps them to prosper. The citizens of North Dakota know the importance of a strong and viable public broadcasting entity for our community. We are committed to respect for our audience, civil discourse, and lifelong learning.

In addition, Prairie Public has embraced our public safety mission to maximize our spectrum for the public good. Public television stations are the backbone of the WARN system of presidential alerts in times of national emergency. Prairie Public is vital to our state as a locally owned and operated media organization that can serve in times of crisis.

Even as public distrust of national institutions and media is at an all-time high, studies show that public broadcasters retain the trust of the American people as an essential resource for well-informed citizens.

Prairie Public is a reliable source for international, regional, and local news from the worlds of politics, business, science, and the arts. In fact, our network of television, radio, and online services was one of the most comprehensive and trusted sources for statewide election coverage and debates during the 2022 election—vital for thoughtful citizens and healthy societies. Our coverage of the North Dakota legislature helps you to serve your constituents and communicate the good work you accomplish.

In addition to broadcasting nationally produced television and radio programs such as *PBS NewsHour*, *Nature*, *NOVA*, *Masterpiece*, *Morning Edition*, and *All Things Considered*,

Prairie Public produces an extraordinary amount of quality programming that reflects North Dakota's history, culture, and issues of concern.

Our local productions cover topics ranging from community events to rural healthcare issues to legislative news. We partner with local agencies to help inform our citizens of critical issues that affect each and every one of us.

Prairie Public looks at the history and cultural aspects of our region with shows like *Esta Es Mi Casa*, *Women Behind the Plow*, and *Alba Bales House*. We celebrate local artists with our series *Prairie Musicians*. We interview newsmakers and difference makers every weekday on *Main Street* and weekly on *Prairie Pulse*.

The state of North Dakota has, for years, played a vital supporting role in the operation of our public media services. While the appropriation from the state of North Dakota does not cover all the expenses, many of the services would not be possible without state funding that provide the foundation for support from many other sources. It is important that North Dakota sustain its public broadcasting system.

On behalf of Prairie Public Broadcasting, I request funding consideration of \$1,700,000 for operational support plus a one time only request of \$1,792,450 for the 2023-2025 biennial session. These funds, along with other resources, will be used to continue Prairie Public's services to the citizens of North Dakota.

Prairie Public is requesting an increase in our appropriation to \$1,700,000 because our purchase power has diminished and costs have increased. The increased cost of living also challenges us in hiring, training, and retaining highly qualified employees.

In addition, Prairie Public requests the state consider one time only support of \$1,792,450 to replace ten radio and five television transmitters. While these are not the total needs for Prairie Public, these transmitters are the backbone for delivering our services to North Dakota and require attention. Prairie Public has secured \$2,100,000 from the State of Minnesota for upgrades to the eastern part of our coverage area.

I cannot express enough the thanks Prairie Public and its members extend to you for your past support. In all the years Prairie Public has been broadcasting, technology keeps changing, but our mission to provide services that educate, involve, and inspire has not.

In closing, let me remind you that Prairie Public belongs to the citizens of our region, and with your support Prairie Public will continue to be a community leader and assist the state in achieving its goals of economic strength, educational quality, and pride in our rich heritage.

Mr. Chairman and Members of the Committee, thank you for your time and consideration.



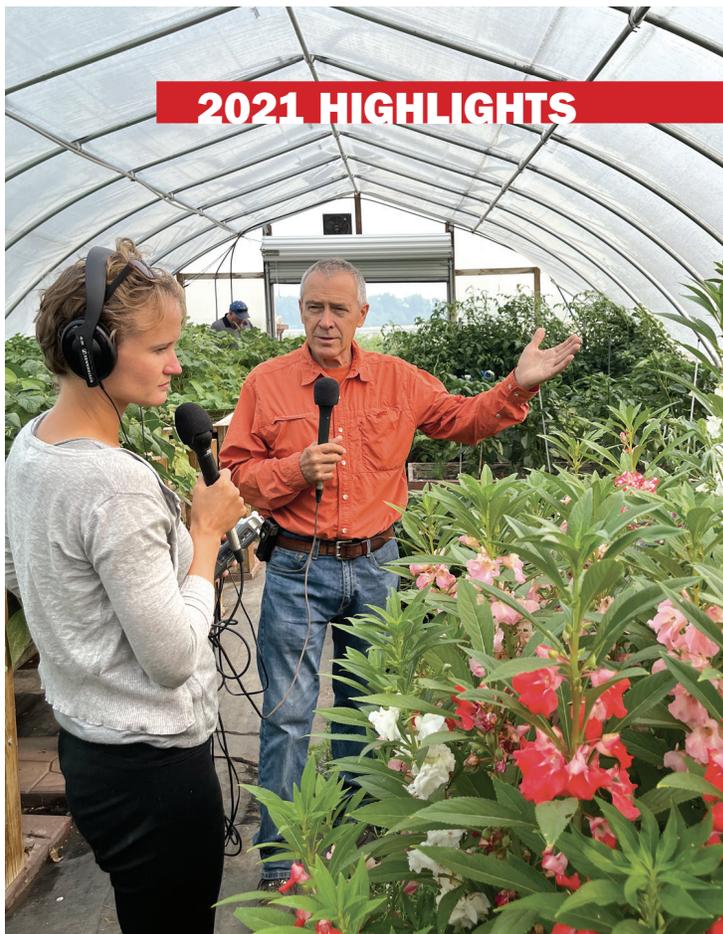
Prairie Public Broadcasting, Inc.

COMMUNITY IMPACT REPORT

Fiscal Year 2021
October 1, 2020-
September 30, 2021



2021 HIGHLIGHTS



We established an innovative **Youth Media Literacy** project to offer resources for today's learners and tomorrow's journalists.

Ten years after the Souris River exceeded record flood levels, **Main Street** reported about Minot's displaced residents, the officials who had to make tough decisions, and city leaders who continue to lead the recovery.



Nature Cat said "Tally Ho!" to families on **Prairie Public Day** in Medora.



Season 12 of **Prairie Mosaic** introduced us to the area artists, musicians, exhibits, history, and destinations that shape our region.

HIGHLIGHTS continue inside

2021 HIGHLIGHTS



Hundreds of children wrote and illustrated their own stories for the **PBS Kids Writers Contest**—especially meaningful for kids who attended school virtually this year.

The Board of Governors of the State Bar Association of North Dakota honored news director Dave Thompson with a Liberty Bell Award for promoting an understanding of government and encouraging a greater respect for the law and the courts.



We invited our prairie neighbors to Facebook Watch Parties to enjoy, together, the classic Prairie Public productions **One Shining Moment**, **Winnipeg in Bloom**, and **Scandinavian Traditions**.

Prairie Pulse celebrated its 18th season of serving as a town square for our region—a place where we all can learn about public affairs, newsmakers, destinations, arts, and culture.



In April, **The Great American Folk Show** celebrated its first tune-fest year on Prairie Public's radio network. Plans to expand this production are in the works for 2022.

Listeners were treated to a philosophical view of current events as **Philosophical Currents** with Jack Russell Weinstein became a new **Main Street** segment and podcast.

On September 25, Prairie Public celebrated the 40th anniversary of its first radio broadcast.



The **Prairie Public Presents** radio series partners with community to help us all experience the benefits of lifelong learning. The North Dakota Council on the Arts "Poetry Out Loud" competition and the "One Book One ND" and "GameChanger" events from Humanities North Dakota are just a few examples.



Prairie Public's board of directors established a diversity and inclusion policy to help us be better community members to everyone in our region and to help us consider ways in which we can engage a more diverse audience.

Radio intern Annie Prafcke's podcast series for Prairie Public, **Chinese Adoptees: Not Abandoned or Alone**, explores the complex identities of her own and three other adopted Chinese women.



Panel guests and 120 participants attended the much-anticipated premiere event for **Ésta Es Mi Casa – This Is My Home**, which was Prairie Public's contribution to the "Moving Lives Minnesota: Stories of Origin & Immigration" television and online initiative.

The popular series **Prairie Musicians** premiered season 13, turning the stage over to solo artists.

PARTNERING ON THE PRAIRIE REGION

As a trusted public media station, Prairie Public significantly contributes to the rich fabric of life in our region—bringing us all closer together around shared cultural experiences.

As I reflect on Prairie Public's successes of 2021, I appreciate that our accomplishments are all thanks to the teamwork of our supporters, our community, and our staff. This collaboration is key and is a hallmark of the public media business model. We are simply responding to the community we serve.

Prairie Public is thriving, thanks to you, and that's what this community impact report is all about. You make it all possible. As always, thank you.



John E. Harris III
Prairie Public
President & CEO

AWARD-WINNING MEDIA

In 2021, Prairie Public documentaries were honored with 42nd Annual Telly Awards and a Regional Emmy® Award.

Wild Rice
Midwest Regional Emmy® Award

Mandy Groom: Alcohol Ink Artist
Gold Telly

The Northwest Angle: Minnesota's Best Kept Secret
Silver Telly

Wild Rice
Bronze Telly

COMMUNITY SUPPORTED MEDIA

Now more than ever, Prairie Public's work is a critical component for public health, safety, and social resilience. Member contributions support the voices that keep you company, the reporting that keeps you informed, and the conversations that keep you connected to your community.

Public television has established a reputation for trusted, ambitious media that educates and entertains.

As storytellers and archivists, our television production crew collects the stories of our region and crafts them into video that's exceptionally watchable. Add award-winning programming from PBS, and the result is visual media that's valued and essential.

The unique power of public radio involves its listeners with their neighbors around the world and right outside their doors.

Prairie Public's daily radio news coverage of our region is credible, fact-based, and respectful of the audience. Combined with trusted national and worldwide coverage from NPR and impressive music and entertainment programming, it's a vital public service for the prairie region.

Resources for educators strengthen our region's learning centers with tools that inspire students and their teachers.

Public media is the nation's largest classroom—providing professional development and free classroom-ready lesson plans for educators, resources for parents and their children, and lifelong learning experiences for us all.



Prairie Public Broadcasting provides quality radio, television, and public media services that educate, involve, and inspire the people of the prairie region.

Prairie Public Broadcasting is a trusted public media service dedicated to building an exciting and productive future for our region and its people by offering a window on the world and creating a forum for discussion of important issues.

When you support Prairie Public, your contribution goes to work to make great television and radio programs happen. It works to secure the very best of PBS and NPR programming, along with high-quality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.



Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.

ANNUAL FINANCIAL REPORT

for the Year Ending 9/30/21 • Prairie Public Broadcasting, Inc.

Sources	Television		Radio		Total
	Amount	%	Amount	%	
Membership	\$1,623,917	20%	\$597,054	22%	\$2,220,971
Underwriting	\$124,539	2%	\$140,864	5%	\$265,403
Corporation for Public Broadcasting	\$2,002,482	24%	\$391,027	15%	\$2,393,509
Local Production Funding	\$60,127	1%	\$36,642	2%	\$96,769
State of North Dakota	\$541,640	7%	\$180,000	7%	\$721,640
State of Minnesota	\$641,742	8%	\$0	0%	\$641,742
Grants ¹	\$332,573	4%	\$0	0%	\$332,573
Fees, Rents	\$800,137	9%	\$350,164	13%	\$1,150,301
Charitable Gaming	\$1,208,383	14%	\$595,174	22%	\$1,803,557
Planned Giving ²	\$812,099	10%	\$357,372	13%	\$1,169,471
Other	\$82,814	1%	\$28,752	1%	\$111,566
TOTAL SOURCES	\$8,230,453	100%	\$2,677,049	100%	\$10,907,502
Uses					
Programming & Production	\$2,018,481	34%	\$1,061,266	42%	\$3,079,747
Engineering	\$1,235,572	21%	\$329,078	13%	\$1,564,650
Administration	\$998,030	17%	\$491,568	20%	\$1,489,598
Fundraising	\$343,308	6%	\$74,526	3%	\$417,834
System Upgrade & Other	\$324,055	6%	\$72,599	3%	\$396,654
Change in Prairie Public Endowment	\$964,019	16%	\$474,815	19%	\$1,438,834
TOTAL USES	\$5,883,465	100%	\$2,503,852	100%	\$8,387,317
EXCESS (DEFICIT) SOURCES OVER USES	\$2,346,988		\$173,197		\$2,520,185

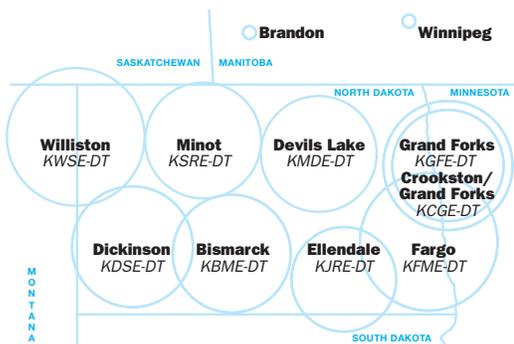
Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

Due to declining interest rates, long term investments held for long-term needs such as equipment purchases were redeemed at maturity at are now being held in short term investments. These amounts are excluded from sources listed.

1. Grants include unrestricted support for operations and grants for capital construction and equipment from the Federal Communication Commission.

2. Planned giving includes contributions to Endowment Funds, Interest Earnings, and Realized and Unrealized Gains from Endowment Funds.

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.



Prairie Public Broadcasting, Inc.
Television
Radio
Education Services
Enterprises

Corporate Offices
207 North 5th Street
 Fargo ND 58102
701-241-6900
800-359-6900

Bismarck Office
1814 North 15th Street
Bismarck ND 58501
701-224-1700

Prairie Public Television (Manitoba), Inc.
PO Box 2640
Winnipeg MB R3C 4B3

prairiepublic.org
info@prairiepublic.org



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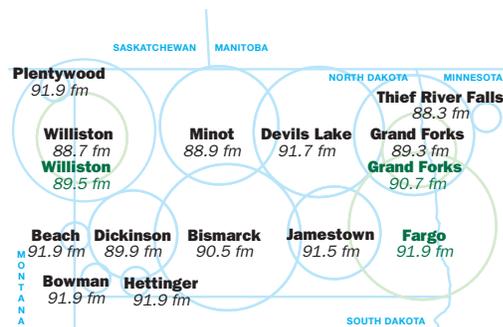
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Radio

Beach	91.9 fm	Hettinger	91.9 fm
Bismarck	90.5 fm	Jamestown	91.5 fm
Bowman	91.9 fm	Minot	88.9 fm
Devils Lake	91.7 fm	Thief River Falls	88.3 fm
Dickinson	89.9 fm	Williston	88.7 fm
Fargo*	91.9 fm	Williston*	89.5 fm
Grand Forks	89.3 fm	Plentywood MT	91.9 fm
Grand Forks*	90.7 fm		*Roots, rock, and jazz

Listeners can choose from three radio formats and can access them all with an HD radio, online at prairiepublic.org, or with the Prairie Public app.

FM1 Classical music featuring **Prebys on Classics** plus public radio's signature news and entertainment programs.

FM2 Roots, rock, and jazz featuring **Into the Music with Mike Olson** and **World Café**, plus two hours of **Morning Edition** on weekdays and **Sounds Eclectic, Mountain Stage**, and **Acoustic Cafe** on the weekends.

FM3 Roots, rock, and jazz with **Morning Edition** and **All Things Considered, Marketplace**, and interviews and discussion on **Main Street**.

Television

Bismarck	KBME	Fargo	KFME
Crookston/Grand Forks	KCGE	Grand Forks	KGFE
Devils Lake	KMDE	Minot	KSRE
Dickinson	KDSE	Williston	KWSE
Ellendale	KJRE	Manitoba, Canada	via cable

Prairie Public broadcasts four television program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and perhaps one or more additional program streams.

- Prairie Public** Prairie Public's high definition schedule, which is also available online at video.prairiepublic.org/livestream
- World** Nonfiction, science, nature, news, public affairs, and lifelong learning programs.
- The MN Channel** High-definition programs produced in and about North Dakota, Manitoba, Minnesota, and the region.
- PBS Kids** The number one educational media brand for kids offers opportunities to explore new ideas and new worlds through television.

COMMUNITY SUPPORTED MEDIA

Individual and community support is a crucial part of Prairie Public's success, and this Community Impact Report celebrates our dedicated partners and contributors.

The individuals, organizations, and businesses listed in this report make it all possible. Thank you!

Prairie Public Broadcasting Boards 2020-2021

The Prairie Public Broadcasting family is fortunate to have dedicated, hardworking, and enthusiastic people to guide the organization and serve on its board and advisory councils.

Prairie Public Broadcasting Board of Directors

The Board of Directors is the governing body of the organization, and members are appointed to serve two three-year terms.

Cesareo Alvarez, New Town ND
Judy Anderson, Winnipeg MB
Nick Archuleta, Bismarck ND
Kjersti Armstrong (Secretary), Bismarck ND
Carolyn Becraft, Fargo ND
Joshua Boschee (Vice Chair), Fargo ND
Andrew Brown, Bismarck ND
Kathy Coyle, Detroit Lakes MN

Greg Dandewich, Winnipeg MB
John E. Harris III (President & CEO), Fargo ND
Sandra Holmberg (Treasurer), Winnipeg MB
Britt Jacobson, Park River ND
Melissa Johnson, Williston ND
Phyllis Johnson, Grand Forks ND
James E. Kotowich (Chair), Winnipeg MB
Lisa Kudelka, Hensler ND
Crysta Parkinson, Williston ND
Connie Triplett, Grand Forks ND
Nick Vogel, Fargo ND
Sarah Smith Warren (Past Chair), New Rockford ND
Ken Zealand, Winnipeg MB

Community Advisory Board

The Community Advisory Board determines that Prairie Public's programming and other policies are meeting the specialized educational and cultural needs of the communities served.

Mike Benson, Fargo ND
Stephanie Blumhagen, Bottineau ND
Ron Bratlie, Detroit Lakes MN
Jeff Dick, Minot ND
John E. Harris III (President & CEO), Fargo ND
Cheryl Kary, Bismarck ND
Susan Milender, Valley City ND
Joe Mocnik, Fargo ND
Peter Morowski, Dickinson ND
Paul Nyren (Co-Chair), Garrison ND
Fred Remer, Grand Forks ND
Craig Whippo (Co-Chair), Dickinson ND

North Central Council for Educational Media Services

NCCEMS is an organization of public schools that contracts with Prairie Public to create a virtual educational service unit and to provide links between educators and educational resources.

Dr. Terry Brenner, Grand Forks Public Schools
Dr. Rupak Gandhi, Fargo Public Schools
Dr. Tonya Greywind (Chair), ND Center for Distance Education
Dr. Robert Grosz, Fargo Public Schools
John E. Harris III (President & CEO), Prairie Public
Tracy Hazal, Hazelton/Moffit/Braddock Schools
Dr. Sherlock Hirning, Divide County Schools
Jason Hornbacher, Bismarck Public Schools
Dr. Bruce Jensen, Northwest Service Cooperative
Josh Johnson, Valley City Public Schools
Michael Kaiser, Ellendale Public School
Jeremy Kovash, Lakes Country Service Cooperative
Jeff Manley (Vice Chair), Cavalier Public School
Rep. David Monson, ND House of Representatives
Lori Olson, Williston Public Schools
Beth Slette, West Fargo Public Schools
Dr. Mark Vollmer, Minot Public Schools
Dr. Tim Wollenzien (Education Services Manager), Prairie Public

Visionary Circle Support



Visionary Circle honors those who have demonstrated visionary philanthropic leadership and cumulative lifetime annual

giving of \$25,000 or more in support of Prairie Public's services. We are grateful for the steadfast, substantial commitment of these Visionary Circle members.

Stewards • \$50,000+

Joyce* and Margaret* Beggs, Winnipeg MB
Frederick P. Baker, Bismarck ND
Drs. Juliette E. and John Cooper, Winnipeg MB
John and Rebecca Petrik, Davis CA
Dr. Rosanne Gasse, Brandon MB
Gus and Mary Staahl, Fargo ND
Jack Trueman, La Salle MB
Anonymous (1)

Founders • \$25,000 to \$49,999

Idatonya and Linda Afonya, Crookston MN

Gloria Y. Anderson*, Sun City AZ
Jennifer, Cindy, and Jay Anderson, Lloyd E. Anderson LP-Pinehurst, Bismarck ND
Mr. and Mrs. Allen Arvig, Perham MN
Margaret-Lynne and Jim Astwood, Winnipeg MB
Ray* and Barbara Bailey, Winnipeg MB
Bill Battershill*, Winnipeg MB
Claudia Berg and Robert Matz, Bismarck ND
Marjorie Blankstein, Winnipeg MB
Julie Burgum, Casselton ND
J. W. Burns, Winnipeg MB
Senator Kent Conrad and Lucy Calautti, Washington DC
Corwin Wilson LLC, Fargo ND
Bob* and Virginia Dambach, Fargo ND
Jane Dynes, Fargo ND
Paul and Gail Ebeltoft, Corning NY
Noel and Judith Fedje, Fargo ND
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Dr. Walter and Carolyn Frank, Bismarck ND
Jane Groves, Winnipeg MB
Christie Iverson and Greg Wentz*, Bismarck ND
Richard and Audrey Kloubec, Fargo ND

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Jerry and Jean Newborg, Bismarck ND
Paul and Anne Nyren, Garrison ND
Mrs. Eleanor Olson, Williston ND
Richard and Barbara Owens, Minneapolis MN
Donna Plant, Winnipeg MB
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John and Kathleen Risch, Bismarck ND
John* and Jean* Rockey, Winnipeg MB
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Mary and Richard Scott, Winnipeg MB
Karen Stoker, Fargo ND
Terracon Development Ltd., Winnipeg MB
David Thompson, Bismarck ND
Constance Triplett and Gerald Groenewold, Grand Forks ND
Joe Westby* and Rita Kelly, Needham Heights MA
Patricia and Kenneth Zealand, Winnipeg MB
Anonymous (5)

* Deceased

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Thank You

This section recognizes the supporters whose financial investments form the foundation for all that Prairie Public does. We are tremendously grateful for their ongoing support and for everything they do to inspire our work.

Investors Circle Support



Prairie Public Broadcasting gratefully thanks its Investors Circle members, a dedicated group of donors who have made annual gifts of \$1,200 or more.

Platinum Investors • \$10,000+

Robert J. Alin and Doris E. Alin Charitable Gift Fund, Fargo ND
Turn to the Wonderful Fund Rabbi Jeff and Mindy Glickman, South Windsor CT
Mrs. Eleanor Olson, Williston ND
Anonymous (1)

Gold Investors • \$5,000 to \$9,999

Mr. and Mrs. Allen Arvig, Perham MN
Margaret-Lynne and Jim Astwood, Winnipeg MB
Frederick P. Baker, Bismarck ND
Christina Broadwell, Fargo ND
Drs. Juliette E. and John Cooper, Winnipeg MB
Rita F. Kelly, Needham Heights MA
Elizabeth Martin, Bainbridge Island WA
David Nygaard, Bowman ND
Thomas Osborne Stair and Lucy H. Caldwell-Stair, Newton MA
Anonymous (2)

Silver Investors • \$2,500 to \$4,999

Claudia Berg and Robert Matz, Bismarck ND
Marjorie Blankstein, Winnipeg MB
Senator Kent Conrad and Lucy Calautti, Washington DC
Jane Dynes, Fargo ND
Terracon Development Ltd, Winnipeg MB
Dr. Calvin K. Fercho, Fargo ND
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Dr. Walter and Carolyn Frank, Bismarck ND
Dr. Rosanne Gasse, Brandon MB
Christie Iverson, Bismarck ND
Gerald and Jean Newborg, Bismarck ND
Tim and Claudette Peterson, West Fargo ND
Donna Plant, Winnipeg MB
John and Kathleen Risch, Bismarck ND
Jim and Cyndy Robinson, Garrison ND
Dennis and Anita Rohde, New Town ND
Bruce and Julie Schwartz, Bismarck ND
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Gary and Martha Sorenson, Keene ND
Paul and Sylvia Steffens, Winnipeg MB
Richard Stevens, Grand Forks ND
Jack Trueman, Winnipeg MB
Anonymous (3)

Bronze Investors • \$1,200 to \$2,499

Dr. Tom Ahlin and Jane Ahlin, Fargo ND
Mr. Dean Anagnost, Bismarck ND
Jennifer, Cindy, and Jay Anderson, Lloyd E. Anderson LP-Pinehurst, Bismarck ND
Kjersti Armstrong, Bismarck ND
Robert Arusell, Fargo ND
Sarah and Ray Baker, Fargo ND
Grace Banash, Winnipeg MB

MacDonald and Taylor Barnes, Jamestown ND
Carolyn Becraft, Fargo ND
Mike and Jan Benson, Fargo ND
Rodney Biggs, Winnipeg MB
Kathy Bingeman and Warren Larson, Bismarck ND
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Troy Davis, Fargo ND
Joanne Douglas, Winnipeg MB
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Jane Finneseth, Catonsville MD
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Jim and Sharon Geyer, Horace ND
Bernice Goodman, Grand Forks ND
Lynn Grahm, Thief River Falls MN
Brian Grave, West Fargo ND
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Jesse Hanson and Lisa Kudelka, Hensler ND
John and Suzanne Harris, Fargo ND
Lenora Harrison, Wahpeton ND
Dr. Jonathan and Maniphone Haug, Grand Forks ND
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Gregory and Dorothy Hoffelt, Mesa AZ
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Mary Ann Johnson, Bismarck ND
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Marianne Krahn, Winnipeg MB
Randy L. and Karen L. Kreil, Bismarck ND
Carol Jean Larsen, Bismarck ND
R. Douglas and Sally Larsen, Fargo ND
Carl and Esther Larson, Dickinson ND

Reuben* and Clarice Liechty through the Gwendolyn Ruth Liechty Memorial Endowment Donor Advised Fund, Jamestown ND
Gregory and Ann Lewis, Valley City ND
David and Joan Locken, Oakes ND
Paul and Lisa Loeffler, Minot ND
Paul and Sharon Madson, Audubon MN
Chris and Janelle Martin, Grand Forks ND
Russell and Christina Martin, Mandan ND
Todd and Janet Mathistad, Minot ND
David and Mary Matson, Cooperstown ND
Dr. Ron H. Miller and Sue Miller, Fargo ND
Cheryl and George Mizell, Bismarck ND
James Moir, Winnipeg MB
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Sharon Mould, Winnipeg MB
Dennis R. Murphy, Bismarck ND
Roger and Margaret Nelson, Fargo ND
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Richard and Virginia Portmann, Fergus Falls MN
Richard and Arlette Preston, Fargo ND
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James Reimers, Horace ND
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Angela and Robert Seitz, Jamestown ND
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Debbie Spracklin, Winnipeg MB
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Karen Stoker, Fargo ND
Kenneth and Nola Storm, Fargo ND
Michael and Priscilla Sturdevant, Bottineau ND
Dale Summers, Fargo ND
Jim and Janice Tennant, Winnipeg MB
David Thompson, Bismarck ND
Susan Thompson, West Fargo ND
Constance Triplett and Gerald Groenewold, Grand Forks ND
Gene Van Eeckhout, Jamestown ND
Nicholas and Ene Vogel, Fargo ND
Robert and Susan Wefald, Bismarck ND
K. Eleanor Wiebe, Winnipeg MB
Leanne Wilcox, Fargo
Albert Wolf, Bismarck ND
Kenneth and Pat Zealand, Winnipeg MB
David and Mary Zentner, Bismarck ND
Anonymous (27)

T. L. Donat Legacy Circle



Prairie Public extends special appreciation to members of the T. L. Donat Legacy Circle. Named for Dr. Ted Donat, Prairie Public's founder, the Legacy Circle provides an opportunity for donors to leave a thoughtful legacy to our region by making a provision for Prairie Public in their wills, trusts, or other estate plans.

Daniel Christ, Bismarck ND
Patricia Duerr*, Lidgerwood ND
Marcus Fiechtner, Bismarck ND
Margaret Fiechtner, Bismarck ND
Carolyn Y. Frank, Bismarck ND
Margaret Garr, East Grand Forks MN
Rev. Carl Hansen, Thief River Falls MN
Paul Hunter, Winnipeg MB
Joanna Koulouriotis, Winnipeg MB
Carol Jean Larsen, Bismarck ND
R. Douglas and Sally Larsen, Fargo ND
Mary Catherine Miller, Henning MN
Dr. Douglas C. Munski, Grand Forks ND
Dr. Laura Munski, Grand Forks ND
Jacqueline Nelson, Winnipeg MB
Barbara Owens, Minneapolis MN
Richard Owens, Minneapolis MN
Robin Reynolds, Hebron ND
Bruce Schwartz, Bismarck ND
Julie Schwartz, Bismarck ND
Neil Souther, Mandan ND
Alan D. and Phyllis Ann Thoren Fund
through The Winnipeg Foundation,
Winnipeg MB
Anonymous (56)

* Deceased

If you have provided for Prairie Public Broadcasting in your will or other estate plans, please let us know. By doing so, you will help us to plan for the future and will allow us to thank you for your outstanding commitment to the mission of public broadcasting.

Bequests

During fiscal year 2021, the following honored Prairie Public with gifts in their estates. With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of Paula Achtemichuk
Estate of David Anderson
Estate of Geoffrey Chambers
Estate of Apryl Davenport
Estate of Ardith Magnuson

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Endowment: Funding the Future

Through endowed gifts from many donors, Prairie Public has established the Prairie Public Broadcasting Endowment Fund, a North Dakota tax-qualified endowment at Bremer Trust. Other endowment funds that are held on Prairie Public's behalf reside at Fargo-Moorhead Area Foundation, North Dakota Community Foundation, and The Winnipeg Foundation.

These professionally managed funds provide annual interest income that helps to ensure the future of Prairie Public and enhances the quality of programming, education services, and outreach services Prairie Public provides to those in our region.

Prairie Public thanks all donors who have contributed to these endowed funds. Endowment gifts of \$5,000 or more are listed below.

\$100,000+

Lucien C. Barnes and Edna Barnes Fund,
a component of the Fargo-Moorhead
Area Foundation, Fargo ND

\$50,000 to \$99,999

Paul and Gail Ebeltoft, Corning NY
Anonymous (1)

\$25,000 to \$49,000

Ruth Landfield*, Fargo ND
Lloyd and Margaret Thilmony,
Valley City ND
John and Kathleen Risch, Bismarck ND
Anonymous, Bismarck ND
Anonymous, Minot ND

\$10,000 to \$24,999

Arnold L. Johnson, Garrison, ND
Duane Slovarp*, in memory of Alfred E.
Slovarp, Bismarck ND
Myron and Jenneice Sommerfeld,
Valley City ND
Gus and Mary Staahl, Fargo ND
Michael and Priscilla Sturdevant,
Bottineau ND
Anonymous (2)

\$5,000 to \$9,999

Barbara and Steven Andrist, Bismarck ND
Andrew and Amy Brown, Gold River CA
Arthur and Shirley Carlson, Bismarck ND
William O. Chubb*, Winnipeg MB
Richard and Elizabeth Gross, Bismarck ND
Gerald and Jean Newborg, Bismarck ND
John and Rebecca Petrik, Davis CA
Ron and Nancy Saeger, Fargo ND
Nicholas and Ene Vogel, Fargo ND
Anonymous (8)

* Deceased

Board-Directed Endowment Fund

This fund, established in fiscal year 2007, comprises unrestricted assets allocated to the fund in accordance with policies adopted by Prairie Public's board of directors. The fund provides long-term general support to meet the financial needs of Prairie Public, and is managed by Bremer Trust based upon the investment policies approved by Prairie Public's board of directors.

Matching Gifts

Many businesses encourage their employees to be philanthropic by offering matching gift programs. We salute the companies listed below that matched their employees' contributions to Prairie Public.

American Crystal Sugar Company
Apex Engineering Group
Bank of America
Canadian Pacific
Caterpillar Foundation
Cornerstone Bank
Enclave
Gate City Bank
IBM Corporation
John Deere Foundation
Microsoft
Midland National Life Insurance Company
Thrivent Financial for Lutherans
United Health Group Foundation
US Bancorp
Xcel Energy Foundation

Matching Grants

Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you make a contribution to Prairie Public, it is often matched dollar-for-dollar by these grants.



Many Prairie Public local television productions are funded in part by the following: Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!

Sponsor Support

Prairie Public thanks the following for investing in underwriting support for television, radio, and outreach services in fiscal year 2021.

AARP North Dakota
Abalon Construction
Alliance Real Estate
Arts Center
Avant Hair & Skin Care Studio
Basin Electric Power Coop
Bell Bank
Bell Insurance
Benedictine Health System
Bethany Retirement Living
Bismarck State College
Bismarck-Mandan Civic Chorus
Bismarck-Mandan Symphony
Blackbird Woodfire Pizza
BNC National Bank
Body Measure
Books On Broadway
Bryant Clinic of Chiropractic & Acupuncture
Capitol Shakespeare
Carellan Sewing Centre
Cass County Electric Coop
Cinema 100
Classic 107 FM Winnipeg
Community Healthcare Association of The Dakotas
Cottonwood Productions
Covantage Health Partners/
Next Blue of ND
Creative Kitchen
Dakota Stage Ltd.
Empire Arts Center
Erickson Motors
Fargo Airsho
Fargo Moorhead Visual Artists-Studio Crawl
Fargo Public Library
Fargo-Moorhead Choral Artists
Fargo-Moorhead Opera
Farmers Union
FM Area Foundation
FM Kicks Band
Great River Energy
Greater Grand Forks Symphony Orchestra
Health Sciences Centre Foundation
Heritage Education Commission
High Plains Reader
Historical & Cultural Society of Clay County
Home of Economy
Hornbacher's
Humanities North Dakota
Jade Presents
Jamestown Regional Medical Center
Jaq's Garage
Joshua Boschee-Hatch Realty
Lundeen Foundation/Victor Lundeen Company
Manitoba Gardener
Martin Media
Matt Fern
McPhillips Hearing & Audiology Centre Inc.
Medora Area CVB
Midco Communications
Mike's Pizza & Pub
Minot Symphony Orchestra

Missouri Valley Chamber Orchestra
Moe Events LLC
Mohr Family-Dacotah Paper
MSUM College of Arts, Media and Communication
Metcalf Archaeological Consulting
Nichole's Fine Pastry
Nodak Insurance Co
North Dakota Academy of Nutrition And Dietetics
North Dakota Association of Rural Electric Cooperatives
North Dakota Horizons Magazine
North Dakota Living
North Dakota Museum of Art
North Dakota Tourism
North Dakota United
North End Weatherstripping
Old Red Old Ten Scenic Byway
Otter Tail Power Company
Plain and Fancy Antique Mall
Prairie St. Johns
Retina Consultants Ltd
River City Jewelers
Ron Paul Garden Centre
Sleepy Hollow Summer Theatre
Spirit Room
Starion Financial
Stoneridge Software
Temanson Law Office
The Arts Partnership
Theatre B
Tri-Valley Opportunity Council
Trollwood Performing Arts School
TruNorth Theatre Company
UND Chester Fritz Auditorium
UND School of Medicine & Health Sciences
United Tribes Technical College
Urgent Med
Vogel Law Firm
West Fargo Public Library
Western Minnesota Steam Threshers Reunion
Western Plains Opera Company
Zandbroz Variety
Zorells Jewelry

Additional Support

A broad base of individual, corporate, and foundation support generates substantial municipal, state, and federal support for Prairie Public's services. Funds support operations, capital improvements, and specific outreach programs and productions. Prairie Public received support from the following in fiscal year 2020.

AARP
Benevity
Berdie and Irvin Cohen Memorial Fund through the Jewish Foundation of Manitoba
Corporation for Public Broadcasting Fargo, Moorhead, and West Fargo through an Arts Partnership grant
John Heggen Family Trust
Hartz Foundation
Humanities North Dakota
Jewish Foundation of Manitoba
Eric and Courtney Lorack Family Fund
North Dakota Women Suffrage Centennial Committee
Floyd and Harriet Miller Endowment Fund through West Central Initiative
The Minnesota Arts and Cultural Heritage Fund
North Dakota Community Foundation
North Dakota Council on the Arts
North Dakota State University
Public Broadcasting Service
State of Minnesota
State of North Dakota
Thrivent Choice through Thrivent Financial for Lutherans
University of North Dakota
The Winnipeg Foundation
The Winnipeg Foundation—
Dr. Ken and Lorna Thorlakson Fund
The Winnipeg Foundation—
Lampe Family Fund
WETA



Prairie Public Broadcasting, Inc.

Television
Radio
Education Services
Enterprises

Corporate Offices

207 North 5th Street
Fargo ND 58102
701-241-6900
800-359-6900

Bismarck Office

1814 North 15th Street
Bismarck ND 58501
701-224-1700

Prairie Public Television (Manitoba), Inc.

PO Box 2640
Winnipeg MB R3C 4B3

prairiepublic.org
info@prairiepublic.org

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.



cue

A quarterly
newsletter
for members
and friends of
Prairie Public

WINTER 2022

prairie musicians

Prairie Musicians is back
with a new season of concerts from
the Prairie Public sound stage.

BEYOND THE TREES
HANNAH LOU WOODS
THE HERO AND THE VILLAIN
KYLE COLBY
NICOLE JASPERSE
ROOTZ WITHIN
SARAH MORRIS
WALKING PHOENIX

*Thursdays at 9pm
beginning January 5*

TELEVISION HIGHLIGHTS

The Peabody Award-winning series **Craft in America** honors the originality of craftsmanship and explores the inter-relationship of what artists do, how they do it, and why they have chosen a life of creating art. Two back-to-back episodes explore *Inspiration* and *Home*.
Friday, December 16, at 8pm & 9pm



Chefs Angela Hartnett and Monica Galetti join Mary Berry to share their favorite festive recipes in **Mary Berry's Ultimate Christmas**. Plus, Mary and English broadcaster and model Rylan Clark try to convert some kids to Brussels sprouts.
Monday, December 19, at 8pm

Life in Poplar will return to normal after last season's tragic cliffhanger. **Call the Midwife Holiday Special 2022** sees the midwives moving to their maternity clinic, and they're delighted when their first patient is a familiar face. Everyone will unite for a festive talent show.
Sunday, December 25, at 8pm



Season 3 of **All Creatures Great and Small** begins in spring 1939 as James and Helen prepare to walk down the aisle. Should their wedding go off without a hitch—and what are the chances of that? *Sunday, January 8, at 8pm*

1900s Vienna is a hotbed of philosophy, science, and art. Dr. Max Liebermann's perception and Detective Inspector Oskar Rheinhardt's determination lead them to some of the city's most mysterious cases in season 3 of *Vienna Blood*.
Sunday, January 8, at 9pm



LA OTRA MIRADA: WATCH THE 11-PART SERIES WITH YOUR PASSPORT MEMBER BENEFIT.



Set in 1920s Seville, a woman with a mysterious past and a secret flees to a girls' academy. *Unsure if you have access to PBS Passport? Check your Passport status at pbs.org/passport/lookup.*





A new Dakota Datebook series has debuted

After months of prep work, the new **Dakota Datebook: Teachings of Our Elders** narratives are ready for broadcast.

The series is a partnership of Prairie Public and the North Dakota Native American Essential Understandings project—developed by the North Dakota Department of Public Instruction to fulfill Senate Bill 2304, signed into law in 2021, that sets a new precedent for education and serves as an example of tribal-state partnership in advancing Native education for all.

The project has been in the works since April 2015, when the first gathering of elders from North Dakota tribal groups joined together in sharing, storytelling, and wisdom conversations to develop essential “understandings” about native culture, history, and lifestyle.

From those conversations came the plan for the **Dakota Datebook** series. Educators Scott Simpson and Sharla Steever crafted the new **Dakota Datebooks** from those elder interviews.

You’ll hear the new radio series in the usual **Dakota Datebook** timeslots—one a week and a total of 100. Follow along online at prairiepublic.org.

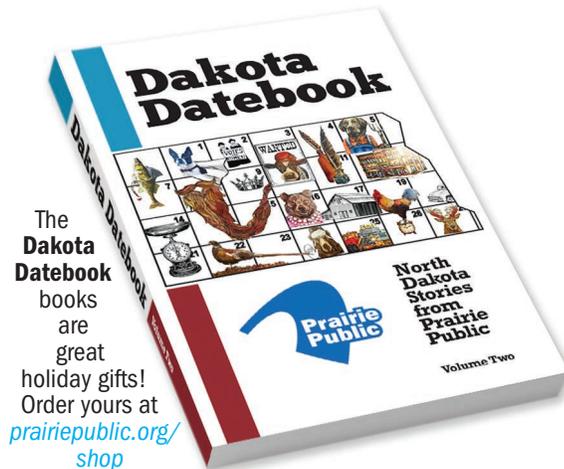


Adventure to the wild side of our region with Chuck Lura’s **Natural North Dakota**—heard on the radio every Saturday, available as a podcast, and so popular that now you can have it delivered to your inbox every week!

From box elder bugs to beavers, meteor showers to bird migration, and through all the seasons, spend a couple minutes a week renewing your spirit with the natural science, lore, and beauty of our prairie region. [Sign up for the new Natural North Dakota newsletter at prairiepublic.org](http://prairiepublic.org).



Each week during the 2023 legislative session, Prairie Public news director Dave Thompson will host conversations with newsmakers and legislators for the radio, television, and digital series **North Dakota Legislative Review**.



The **Dakota Datebook** books are great holiday gifts! Order yours at prairiepublic.org/shop



Prairie Public is the proud media sponsor of the second annual **FirstLink**

Film Festival and Competition, "Silence Speaks Aloud," which encourages young people to learn about suicide prevention and mental health through storytelling.

Submitted films will premiere at the Fargo Theatre on Thursday, April 13, and select films will be awarded a cash prize of up to \$1,000.

Submissions are accepted through April 10. More information about competition rules, theme descriptions, and scoring guidelines, as well as the link to submit, can be found at prairiepublic.org/community.

TRAVEL WITH PRAIRIE PUBLIC!

Prairie Public is hosting a trip to experience the Wonders of England August 15-24, 2023. Join us for excursions to filming locations



including **Les Misérables**, **Mr. Selfridge**, **The Crown**, **Poldark**, **Call the Midwife**, and **Sherlock**. We'll tour Highclere Castle, made famous in **Downton Abbey**, and we'll visit the picturesque fishing village where **Doc Martin** is filmed. Stonehenge, Agatha Christie's summer vacation home, and Windsor Castle, are also on the itinerary.

The tour includes airfare, deluxe motorcoach transportation, first class accommodations, 14 meals, activity admissions, and a professional tour manager. Proceeds partially benefit Prairie Public.

For complete information about this exciting trip, contact Troy Davis at 701-239-7510 or go to prairiepublic.org/england

MANZANAR DIVERTED,
WHEN WATER BECOMES DUST

Join us for a free film screening and panel discussion at the North Dakota Heritage Center in Bismarck on Sunday, January 8.



WRITERS CONTEST

Prairie Public's Writers Contest is back!

The deadline for entries is March 17, 2023

Children from kindergarten through 3rd grade are invited to write and illustrate their own stories to submit to the **Prairie Public 2023 PBS Kids Writers Contest**. Find the rules and entry forms at prairiepublic.org. **Every entrant is a winner** and will receive a Certificate of Achievement. Top stories will win prizes, and are featured on the radio and online.

Prairie Public appreciates teachers for all their hard work and wants to send them extra thanks for encouraging students to participate in the contest. Teachers who submit entries for their students will receive a set of books to add to their classrooms and be entered to win one of three \$100 Target gift cards!

Thanks for being part of the team

As the new year approaches, I'm thinking of what we've accomplished in 2022 and planning 2023's projects. And I'm thinking of you and all the other dedicated members of Prairie Public who help to make it all possible.



As we enter the new year, we'll continue delivering on our mission—providing families with 24/7 access to enriching children's programs, offering regional and national news for an informed community,

Your support assures that Prairie Public can continue to be a town square and historian for our region, and is why we have access to the vast resources offered by PBS, NPR, and other independent producers and public broadcasting stations.

equipping educators and lifelong learners with skill-building tools, and presenting content using television, radio, and digital services to educate, involve, and inspire.

You are a member of a huge community of like-minded individuals who know that public media is vital to a healthy, educated community.

As always, thank you for your support and your advocacy. And thank you for being an integral part of Prairie Public's team!

Prairie Public's future looks bright. Our ongoing infrastructure improvements, superior programming, volunteer board members, and skilled staff all work together to assure that public media is available now and for future generations. I hope you understand how fundamental *your* contribution is to our public media legacy.

Best wishes for 2023,

John E. Harris III
Prairie Public President & CEO

P.S. A self-addressed envelope is included in this issue of Cue, in case you'd like to make a special year-end gift to support your favorite programming on Prairie Public. Thank you!



Our gratitude goes out to Prairie Public's Board of Directors and Community Advisory Board members. Some are pictured here. Back row: Matuor Alier, Judy Anderson, Lisa Kudelka, Mike Benson, Sandra Holmberg, Ken Zealand, Melissa Johnson, Fred Remer, and Judy Larson. Front row: Paul Nyren, Craig Whippo, Kjersti Armstrong, Joshua Boschee, Jeff Dick, and Scott Nelson.



Giving Hearts Day

**PLEASE REMEMBER
PRAIRIE PUBLIC ON
GIVING HEARTS DAY
February 9, 2023**

We value your membership in Prairie Public and strive to provide you with excellent service. Switchboard hours at Prairie Public are **Monday–Friday, 8 am to 5 pm CT**. After hours, you may leave a message and your call will be returned. Call us at **701-241-6900** or **800-359-6900**. Fax us at **701-239-7650** or use a TTY in North Dakota at **800-366-6888**. E-mail your questions and comments to info@prairiepublic.org and find Prairie Public on the web at prairiepublic.org

Prairie Public Broadcasting is a member of the Public Broadcasting Service, a private, nonprofit corporation. PBS provides quality television programming and related services to Prairie Public Broadcasting. Prairie Public is also a member of NPR, a network owned by its member stations.



Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!





Tax receipts will be mailed in early January, or you can download your 2022 tax receipt today with your Prairie Public MyAccount. Create your online member account today at prairiepublic.org/myaccount.

Short Testimony

01/20/23

Mr. Chairman and members of the committee, good morning and thank you for the opportunity to speak today about the budget request for Prairie Public Broadcasting.

For the record, I am John Harris, President & CEO of Prairie Public Broadcasting.

My full testimony and supporting materials have been submitted so I will make this brief.

The state of North Dakota provides an important foundation of support for educational and informative public media services in our region, and I want to thank you for your past support.

On behalf of Prairie Public Broadcasting, we request funding of an appropriation of \$1,700,000 for operational support plus a one time only request of \$1,792,450 for the 2023-2025 biennial session.

These funds, along with other resources, will be used to continue Prairie Public's services to the citizens of North Dakota.

Prairie Public provides quality media services that educate, involve, and inspire, and over the years, support from individuals and from local, state, and federal sources have helped to build a public media network in North Dakota that is essential and treasured.

In Senate Bill 2015, we ask that you support funding for Prairie Public of \$1.7-million-dollars, to maintain our vital services to homes, schools, and workplaces throughout the state.

In addition, Prairie Public requests the committee support a one time only capital request to help fund transmitters in the amount of \$1,792,450.

While these are not the total needs for Prairie Public, these transmitters require attention. Prairie Public will continue to seek matching grants to assist with funding where possible. In fact, Prairie Public has secured \$2,100,000 from the State of Minnesota for upgrades to the eastern part of our coverage area.

With your support, Prairie Public will continue to be a community leader, assisting the state in achieving its goals of economic strength, pride in our rich heritage, and high quality, accessible educational resources.

Mr. Chairman and Members of the Committee, thank you for your time and consideration.

Testimony Prepared for the
Senate Appropriations Committee
 January 20, 2023
 By the North Dakota Association of Counties



RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Thank you, for the opportunity to communicate our Association's support for enhanced public guardianship funding, and to urge your consideration and approval of a total appropriation level much higher to fully fund the actual guardianship need.

Since 2013, the legislature has appropriated General Funds in the OMB budget for distribution to the private agencies and private individuals that serve as Public Guardians for indigent adults. (This does not include individuals served under the Developmental Disabilities program as their guardians are contracted and funded through DHS).

These wards are individuals that the District Court has determined are incapacitated and cannot adequately look after their own affairs due to age/dementia, physical disability, mental illness, addiction, etc. An advisory group (Courts, OMB, DHS, 1 Provider, & NDACo) directs the reimbursement of public guardians for (non-DD) wards whose resources total less than 100% of poverty and/or are receiving Medicaid-funded services.

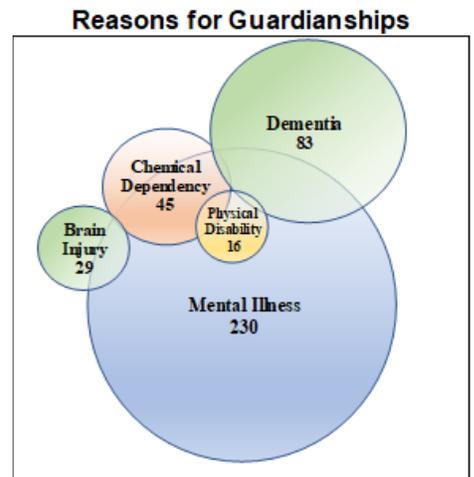
As the North Dakota's population of elderly and disabled individuals has grown, the number of those that lack resources has grown as well. This has steadily increased the need for public guardians.

- The current biennial funding supports a **\$10/day per ward stipend** to the persons and charitable entities that are ordered by the State Court to serve these vulnerable individuals. Their collective **caseload has grown from 314 to 443 over the first 18 months of this biennium**. Each month we see the termination of 2-3 cases and the addition of 7-8 cases statewide. With an average monthly net growth of 5, the **caseload is projected to reach 478 by the end of this biennium**, and we anticipate the current appropriation amount (\$2,450,000) will be insufficient to meet THIS biennium's need.
- The **Legislature's consultant, in 2012, recommended** a daily rate for professional guardians of **\$14/day**. Due to funding constraints and rapid caseload growth the appropriation has **limited rates to \$10/day**. It is requested that the 2023-25 appropriation reflect a significant rate increase.
- **The Executive Budget** for OMB, however, **recommends flat funding for 2021-25**, requiring that caseloads be immediately frozen, and the reimbursed cases dropped by 5 per month until the total was back down under 400 – **leaving a projected 200+ incapacitated adults without guardian support**. We expect the State Court will continue to seek guardians for a net increase of 5 wards per month for the upcoming biennium, **reaching close to 600 cases by June 2025**. To support this caseload an provide a rate increase, the appropriation will need to grow.

Public guardianships are a critical support for our most vulnerable citizens. Their ability to monitor and represent their wards not only benefits the wards, but serves the hospitals, clinics and nursing homes where critical medical decision-making cannot take place for an incapacitated person without a legally appointed guardian. Thank you, for your consideration of this request.

FUNDING OF PUBLIC GUARDIANSHIPS - BACKGROUND

In response to a previous interim study of guardianship issues by the Legislature’s consultant, Dr. Winsor Schmidt, the 2013 Legislature began a process of reforming the Public Administrator “system.” The haphazard and unequally funded public guardianships throughout the State were set on a course for greater uniformity, better training, and limited, but consistent, funding. This initiative was supported by a broad cross-section of medical and social service entities, recognizing the personal and financial impact caused by the existing system’s deficits.



November 2022 Caseload	
Guardian & Protective Services	73
DKK, Inc.	74
Opportunity Inc.	18
Catholic Charities	71
Veronica Miller	5
LSS of MN	90
Guardian Angels	88
Lighthouse	13
Family Advocacy Services	11

The legislature provided financial support to guardians serving indigent individuals that are not served separately by the developmentally disabilities system for guardianships. As the bubble chart indicates, many of those served are incapacitated due to several issues. Currently, seven agencies and one individual provide public guardianship services supported by this funding.

PASS Funds Projections

2021-23 Biennium

5 cases/month growth - No Stipend Change

		Cases	\$ Expended
2021	July:	314	94,200
	August:	321	96,270
	September:	320	95,900
	October:	321	96,280
	November:	324	97,340
	December:	330	99,090
	January:	328	98,440
	February:	334	100,220
	March:	342	102,510
	April:	340	102,080
	May:	374	112,240
2022	June:	392	117,550
	July:	429	128,580
	August:	431	129,350
	September:	436	130,850
	October:	437	131,070
	November:	443	132,910
	December:	448	134,410
	January:	453	135,910
	February:	458	137,410
	March:	463	138,910
	April:	468	140,410
	May:	473	141,910
2023	June:	478	143,410
	Estimated Funding Need	2,837,250	
	2019-21 Carry-In	103,336	
	2021-23 Approp	2,450,000	

Projected Deficit (283,914)

2023-24 Biennium

5 cases/month growth - Various Stipend Levels

		Cases	\$10/day	\$14/day	\$20/day
2023	July:	481	144,300	202,020	288,600
	August:	486	145,800	204,120	291,600
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	October:	496	148,800	208,320	297,600
	November:	501	150,300	210,420	300,600
	December:	506	151,800	212,520	303,600
	January:	511	153,300	214,620	306,600
	February:	516	154,800	216,720	309,600
	March:	521	156,300	218,820	312,600
	April:	526	157,800	220,920	315,600
	May:	531	159,300	223,020	318,600
2024	June:	536	160,800	225,120	321,600
	July:	541	162,300	227,220	324,600
	August:	546	163,800	229,320	327,600
	September:	551	165,300	231,420	330,600
	October:	556	166,800	233,520	333,600
	November:	561	168,300	235,620	336,600
	December:	566	169,800	237,720	339,600
	January:	571	171,300	239,820	342,600
	February:	576	172,800	241,920	345,600
	March:	581	174,300	244,020	348,600
	April:	586	175,800	246,120	351,600
	May:	591	177,300	248,220	354,600
2025	June:	596	178,800	250,320	357,600
	23-25 Biennium Total		3,877,200	5,428,080	7,754,400
	21-23 Biennium Deficit		283,914	283,914	283,914
	Total Approp. Needed		4,161,114	5,711,994	8,038,314

Testimony Prepared for the
Senate Appropriations Committee
 January 20, 2023
 By the North Dakota Association of Counties



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December:	506	151,800	212,520	303,600
January:	511	153,300	214,620	306,600
February:	516	154,800	216,720	309,600
March:	521	156,300	218,820	312,600
April:	526	157,800	220,920	315,600
May:	531	159,300	223,020	318,600
2024 June:	536	160,800	225,120	321,600
July:	541	162,300	227,220	324,600
August:	546	163,800	229,320	327,600
September:	551	165,300	231,420	330,600
October:	556	166,800	233,520	333,600
November:	561	168,300	235,620	336,600
December:	566	169,800	237,720	339,600
January:	571	171,300	239,820	342,600
February:	576	172,800	241,920	345,600
March:	581	174,300	244,020	348,600
April:	586	175,800	246,120	351,600
May:	591	177,300	248,220	354,600
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Testimony Prepared for the

Senate Appropriations – Government Operations Committee

January 20, 2023

By Audrey Uhrich, Guardian Angels, vice president GAND

RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Thank you for the opportunity to address the committee. I am Audrey Uhrich, vice president of the Guardian Association of ND and professional guardian on staff at Guardian Angels.

Public (professional) guardians are court appointed to serve vulnerable adults who:

- Have no family OR
- Family is not appropriate to serve due to their own health issues; case too complex for family members; or family members may have exploited the vulnerable person.

Once appointed a guardian can:

- Review an individual's finances, apply for appropriate benefits – SSDI, SNAP, M/A, etc.
- Address the care, medical, and housing needs of the individual. Monitor all services being received to ensure needs are being met and make changes as their condition changes.
- Attend medical appointments, care conferences, consult with medical providers, and make important medical decisions as needed.
- Be available 24/7 for all emergent needs.

Without public guardians, vulnerable adults without legal decision makers:

- May stay home in unsafe situations because they are unwilling to accept services.
- Often use the Emergency Room, to manage their health instead of following up with their provider.
- Are hospitalized longer as there is no legal decision maker to authorize a safe placement.
- May end up in nursing homes sooner because of inconsistent self-care, inadequate medical follow-up, or noncompliance with prescriptions.

At this time, there are not enough public/professional guardians due to insufficient funding for the PASS Program. Vulnerable adults may be unsafe, being financially exploited and remain in terrible situations because they have no decision maker to advocate for them, stop exploitation, and find a safe setting for them.

Guardians are an essential piece in the continuum of care for vulnerable adults in our state. We're asking for support to increase funding in the OMB budget for the PASS program.

Office of Management and Budget - Budget No. 110
Senate Bill No. 2015
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	108.00	\$33,926,399	\$8,828,309	\$42,754,708	108.00	\$33,926,399	\$8,828,309	\$42,754,708
2023-25 Ongoing Funding Changes								
Cost to continue salaries		\$127,384	\$24,024	\$151,408				\$0
Salary increase		1,243,185	213,216	1,456,401				0
Health insurance increase		438,312	78,190	516,502				0
Adds FTE learning development manager position	1.00	255,452		255,452				0
Adds FTE business development positions	2.00	381,724		381,724				0
Adds FTE talent acquisition manager position	1.00	255,452		255,452				0
Adds FTE total rewards specialist position	1.00	218,472		218,472				0
Adds FTE talent acquisition specialist position	1.00	218,472		218,472				0
Adds FTE shared communications services positions	2.00	350,722		350,722				0
Adds FTE change management position	1.00	214,930		214,930				0
Adds funding to reclassify an FTE public improvements manager position		198,444		198,444				0
Adds funding to reclassify an FTE lease administrator position		198,444		198,444				0
Adds funding for a salary equity pool		49,300,000	40,400,000	89,700,000				0
Increase in ITD rates		25,067	824	25,891				0
Adds funding for new procurement software		1,000,000		1,000,000				0
Adds funding for inflationary increases		323,100	508,674	831,774				0
Adds funding for classification system administration		12,000		12,000				0
Adds funding for LinkedIn recruitment tools		95,000		95,000				0
Adjusts funding for a new Capitol space rent model		(3,711,638)	4,101,552	389,914				0
Transfers \$200,000 from capital assets to operating expenses				0				0
Adjusts funding for bond payments		(280,640)		(280,640)				0
Adds funding for electrical and mechanical repairs		500,000		500,000				0
Adds funding for Central Services Division software and equipment			24,480	24,480				0
Total ongoing funding changes	9.00	\$51,363,882	\$45,350,960	\$96,714,842	0.00	\$0	\$0	\$0
One-Time Funding Items								
No one-time funding items				\$0				\$0
Adds one-time funding for accrued leave retirement payouts		\$74,369	\$26,000	\$100,369				0
Adds one-time funding for inflationary increases		18,500	340,000	358,500				0
Adds one-time funding for an ADA compliance study		100,000		100,000				0
Adds one-time funding for Capitol tour enhancements		100,000		100,000				0
Adds one-time funding for state employee leave management software		540,000		540,000				0
Adds one-time funding for new procurement software		2,500,000		2,500,000				0
Adds one-time funding to continue automation upgrades at the Capitol		800,000		800,000				0
Adds one-time funding for electrical and mechanical repairs		100,000		100,000				0
Adds one-time funding for steam boiler replacement		12,000,000		12,000,000				0
Adds one-time funding to remodel the State Office Building		451,000		451,000				0
Adds one-time funding for Capitol grounds landscaping		1,800,000		1,800,000				0
Adds one-time funding for Capitol space utilization improvements		5,500,000		5,500,000				0
Adds one-time funding for Central Services Division software and equipment		215,000	358,800	573,800				0
Adds one-time funding for Governor's residence exterior repairs			300,000	300,000				0
Adds one-time funding to remodel the 18th floor of the Capitol			500,000	500,000				0
Adds one-time funding for the Brynhild Haugland room			500,000	500,000				0
Adds one-time funding for Capitol window replacement			4,000,000	4,000,000				0
Adds one-time funding for a deferred maintenance pool			20,000,000	20,000,000				0
Adds one-time funding for Prairie Public Broadcasting grants		1,792,450		1,792,450				0

Adds one-time funding for the state student internship program		700,000		700,000				0
Adds one-time funding for federal education grants			3,659,555	3,659,555				0
Total one-time funding changes	0.00	\$26,691,319	\$29,684,355	\$56,375,674	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	9.00	\$78,055,201	\$75,035,315	\$153,090,516	0.00	\$0	\$0	\$0
2023-25 Total Funding	117.00	\$111,981,600	\$83,863,624	\$195,845,224	108.00	\$33,926,399	\$8,828,309	\$42,754,708
<i>Federal funds included in other funds</i>			\$9,059,555				\$0	
<i>Total ongoing changes as a percentage of base level</i>	8.3%	151.4%	513.7%	226.2%	0.0%	0.0%	0.0%	0.0%
<i>Total changes as a percentage of base level</i>	8.3%	230.1%	849.9%	358.1%	0.0%	0.0%	0.0%	0.0%

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Tax relief fund to social services finance fund	Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.	
Strategic investment and improvements fund	Section 4 would identify \$20 million from the strategic investment and improvements fund for a deferred maintenance funding pool and would authorize OMB to transfer the funding to other eligible state agencies.	
State student internship program	Section 5 would authorize OMB to transfer student internship funding to other state agencies.	
Salary equity funding pool	Section 6 would authorize OMB to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.	
Fiscal management exemption	Section 7 would allow 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.	
Grant and expense designations	Section 8 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	
State employee compensation adjustments	Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.	
Legacy earnings fund	Section 10 would amend North Dakota Century Code Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.	
Capitol building fund continuing appropriation limit	Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.	

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Capitol Grounds Planning Commission	Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.	
Budget stabilization fund limit	Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.	
Facility management operating fund	Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.	
State share of oil and gas tax revenue allocations ("buckets")	Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.	
Capitol space rent model	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations.	

	2021-2023 Leg Base	2023-25 Jaeger Budget Request	2023-25 Recommended Executive Budget	Difference b/w Jaeger Request & Exec Budget	Adjustments to Exec Budget	2023-2025 Revised Request	Summary Notes
Salaries and Wages							
511000 Salaries - Permanent	3,497,025	3,774,908	3,945,197	170,289	425,000	4,370,197	Staffing - 2 New FTEs
512000 Salaries - Other	0.00	300,000	100,000	(200,000)	200,000	300,000	Staffing - Repurpose/Reclass Request
513000 Temporary Salaries	194,140	167,280	167,280	-		167,280	
514000 Overtime	100,000	100,000	100,000	-		100,000	
516000 Fringe Benefits	1,736,917	1,932,096	2,074,963	142,867		2,074,963	
Total: Salaries and Wages	5,528,082	6,274,284	6,387,440	113,156	625,000	7,012,440	
General	4,839,051	5,376,508	5,429,154	52,646	1,583,286	7,012,440	Staffing shift from Federal/Special
Federal	121,865	330,610	362,111	31,501	(362,111)	-	Shift salaries from Federal --> General
Special	567,166	567,166	596,175	29,009	(596,175)	-	Shift salaries from Special --> General
Total by Funds: Salaries and Wages	5,528,082	6,274,284	6,387,440	113,156	625,000	7,012,440	**Salary Shift includes \$200K Fed Match
Operating Expenses							
521000 Travel	58,900	58,900	58,900	-		58,900	
531000 Supplies - IT Software	172,500	2,202,500	2,802,500	600,000		2,802,500	\$1.5 IT New Tech - SIF One-Time
532000 Supply/Material - Professional	38,765	38,765	38,765	-		38,765	
535000 Miscellaneous Supplies	1,000	1,000	1,000	-		1,000	
536000 Office Supplies	42,500	42,500	42,500	-		42,500	
541000 Postage	150,000	133,406	133,406	-		133,406	
542000 Printing	250,000	250,000	250,000	-		250,000	
551000 IT Equipment under \$5,000	4,000	4,000	4,000	-		4,000	
553000 Office Equip & Furniture-Under	37,000	37,000	37,000	-		37,000	
571000 Insurance	6,900	6,900	6,900	-		6,900	
582000 Rentals/Leases - Bldg/Land	-	-	201,331	201,331		201,331	OMB Rent Model
591000 Repairs	6,000	6,000	6,000	-		6,000	
601000 IT - Data Processing	1,186,895	1,573,065	1,548,065	(25,000)		1,548,065	
602000 IT - Communications	61,600	61,600	61,600	-		61,600	
603000 IT Contractual Services and Re	910,936	1,485,936	910,936	(575,000)	1,500,000	2,410,936	\$1.5M - IT Support/Technology On-Going
611000 Professional Development	20,000	20,000	20,000	-		20,000	
621000 Operating Fees and Services	238,075	238,075	238,075	-		238,075	
623000 Professional Fees and Services	123,353	123,353	123,353	-		123,353	
Total: Operating Expenses	3,308,424	6,283,000	6,484,331	201,331	1,500,000	7,984,331	
General	391,570	2,208,582	744,913	(1,463,669)	1,500,000	2,244,913	
Federal	-	-	-	-	-	-	
Special	2,916,854	4,074,418	5,739,418	1,665,000		5,739,418	Special Fund Issue - less 1.5 million SIF = 4,239,418 + 596,175 = 4.835 Million Gen Services Fund
Total by Funds: Operating Expenses	3,308,424	6,283,000	6,484,331	201,331	1,500,000	7,984,331	Est. Revenue to Agency from Special fund fee retention in 2023-2025 = \$2M
Grants							
712000 Tribal Grants	25,000	25,000	25,000	-		25,000	
Total: Grants	25,000	25,000	25,000	-		25,000	
Petition Review							
541000 Postage	4,000	4,000	4,000	-		4,000	
542000 Printing	4,000	4,000	4,000	-		4,000	
Total: Petition Review	8,000	8,000	8,000	-		8,000	
Election Reform							
511000 Salaries - Permanent	200,000	390,000	140,556	(249,444)		140,556	Original request included 4 FTE's 1 General Fund and 3 FTEs thru Federal Funding. The Executive Recommendation removed 3 FTEs and associated costs. Agency still needs authority for the federal dollars which is restored at \$389,242.
513000 Temporary Salaries	-	-	-	-		-	
514000 Overtime	30,000	-	-	-		-	
516000 Fringe Benefits	10,000	182,850	63,052	(119,798)		63,052	
520000 Operating Expenses	-	30,000	10,000	(20,000)		10,000	
521000 Travel	5,000	5,000	5,000	-		5,000	
531000 Supplies - IT Software	4,044,689	1,400,000	1,400,000	-	1,000,000	2,400,000	Pending - 2023 Federal HAVA Award
532000 Supply/Material - Professional	-	-	-	-		-	
535000 Miscellaneous Supplies	-	-	-	-		-	
536000 Office Supplies	-	-	-	-		-	
541000 Postage	-	-	-	-		-	
542000 Printing	-	-	-	-		-	
551000 IT Equipment under \$5,000	-	-	-	-		-	
571000 Insurance	-	-	-	-		-	
582000 Rentals/Leases - Bldg/Land	-	-	-	-		-	
601000 IT - Data Processing	300,000	2,699,390	2,699,390	-		2,699,390	
602000 IT - Communications	10,000	20,000	20,000	-		20,000	
603000 IT Contractual Services and Re	100,000	100,000	100,000	-		100,000	
611000 Professional Development	-	-	-	-		-	
621000 Operating Fees and Services	-	-	-	-		-	
623000 Professional Fees and Services	-	-	-	-	389,242	389,242	
691000 Equipment Over \$5000	-	-	-	-		-	
Total: Election Reform	4,699,689	4,827,240	4,437,998	(389,242)	1,389,242	5,827,240	
Federal	3,000,000	4,272,240	3,882,998	(389,242)	1,389,242	5,272,240	**STATE MATCH - noted in 425K Salaries Above
Special	1,699,689	555,000	555,000	-		555,000	FEDERAL AUTHORITY NEED - Election Reform has current balance of \$280K, so although \$550 appropriated this can't all be spent. We have \$4m of HAVA plus interest and the new \$1m so Fed Approp needs to be at least \$5 million.
Total by Funds: Election Reform	4,699,689	4,827,240	4,437,998	(389,242)	1,389,242	5,827,240	
10875 - Public Printing							
532000 Supply/Material - Professional	257,931	255,335	255,335	-		255,335	
541000 Postage	-	8,000	8,000	-		8,000	
542000 Printing	-	8,000	8,000	-		8,000	
Total: Public Printing	257,931	271,335	271,335	-		271,335	
Total: Office of the Secretary of State	13,827,126	17,688,859	17,614,104	(74,755)	3,514,242	21,128,346	
Total FTE	33.00	37.00	34.00	(3.00)	1.00	35.00	
Total of all operating lines by fund							
General	5,521,552	7,889,425	6,478,402	(1,411,023)	3,083,286	9,561,688	
Federal	3,121,865	4,602,850	4,245,109	(357,741)	1,027,131	5,272,240	
Special	5,183,709	5,196,584	6,890,593	1,694,009	(596,175)	6,294,418	
Total of all operating lines by fund	13,827,126	17,688,859	17,614,104	(74,755)	3,514,242	21,128,346	

Office of Management and Budget - Budget No. 110
Senate Bill No. 2015
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease) - Executive Budget			Total
									FTE Positions	General Fund	Other Funds	
2023-25 Biennium Base Level	108.00	\$33,926,399	\$8,828,309	\$42,754,708	108.00	\$33,926,399	\$8,828,309	\$42,754,708	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Cost to continue salaries												
Salary increase		\$127,384	\$24,024	\$151,408		\$127,384	\$24,024	\$151,408				\$0
Health insurance increase		1,243,185	213,216	1,456,401		931,273	158,966	1,090,239		(311,912)	(54,250)	(366,162)
Adds FTE learning development manager position	1.00	438,312	78,190	516,502		448,396	79,989	528,385		10,084	1,799	11,883
Adds FTE business development positions	2.00	255,452		255,452				0	(1.00)	(255,452)		(255,452)
Adds FTE talent acquisition manager position	1.00	381,724		381,724	1.00	190,862		190,862	(1.00)	(190,862)		(190,862)
Adds FTE total rewards specialist position	1.00	255,452		255,452	1.00	255,452		255,452				0
Adds FTE talent acquisition specialist position	1.00	218,472		218,472	1.00	218,472		218,472				0
Adds FTE shared communications services positions	1.00	218,472		218,472				0	(1.00)	(218,472)		(218,472)
Adds FTE change management position	2.00	350,722		350,722				0	(2.00)	(350,722)		(350,722)
Adds funding to reclassify an FTE public improvements manager position	1.00	214,930		214,930				0	(1.00)	(214,930)		(214,930)
Adds funding to reclassify an FTE lease administrator position		198,444		198,444		198,444		198,444				0
Adds funding for a salary equity pool		198,444		198,444		198,444		198,444				0
Increase in ITD rates		49,300,000	40,400,000	89,700,000		41,000,000	34,000,000	75,000,000		(8,300,000)	(6,400,000)	(14,700,000)
Adds funding for new procurement software		25,067	824	25,891		25,067	824	25,891				0
Adds funding for inflationary increases		1,000,000		1,000,000		1,000,000		1,000,000				0
Adds funding for classification system administration		323,100	508,674	831,774		323,100	508,674	831,774				0
Adds funding for LinkedIn recruitment tools		12,000		12,000		12,000		12,000				0
Adjusts funding for a new Capitol space rent model		95,000		95,000		95,000		95,000				0
Transfers \$200,000 from capital assets to operating expenses		(3,711,638)	4,101,552	389,914		(3,711,638)	4,101,552	389,914				0
Adjusts funding for bond payments				0				0				0
Adds funding for electrical and mechanical repairs		(280,640)		(280,640)		(280,640)		(280,640)				0
Adds funding for Central Services Division software and equipment		500,000		500,000		500,000		500,000				0
Adds funding for guardianship grants			24,480	24,480			24,480	24,480				0
Total ongoing funding changes	9.00	\$51,363,882	\$45,350,960	\$96,714,842	3.00	\$3,650,000	\$38,898,509	\$84,080,125	(6.00)	(\$6,182,266)	(\$6,452,451)	(\$12,634,717)
One-Time Funding Items												
Adds one-time funding for accrued leave retirement payouts		\$74,369	\$26,000	\$100,369		74,369	26,000	100,369				0
Adds one-time funding for inflationary increases		18,500	340,000	358,500		18,500	340,000	358,500				0
Adds one-time funding for an ADA compliance study		100,000		100,000		100,000		100,000				0
Adds one-time funding for automatic doors in legislative areas				0		150,000		150,000		150,000		150,000
Adds one-time funding for Capitol tour enhancements		100,000		100,000		100,000		100,000				0
Adds one-time funding for state employee leave management system		540,000		540,000		335,000		335,000		(205,000)		(205,000)
Adds one-time funding for new procurement software		2,500,000		2,500,000		2,500,000		2,500,000				0
Adds one-time funding to continue automation upgrades at the Capitol		800,000		800,000		800,000		800,000				0
Adds one-time funding for electrical and mechanical repairs		100,000		100,000		100,000		100,000				0
Adds one-time funding for steam boiler replacement		12,000,000		12,000,000				0		(12,000,000)		(12,000,000)
Adds one-time funding to demolish the State Office Building		451,000		451,000		451,000		451,000				0
Adds one-time funding for Capitol grounds landscaping		1,800,000		1,800,000				0		(1,800,000)		(1,800,000)
Adds one-time funding for Capitol space utilization improvements		5,500,000		5,500,000		5,500,000		5,500,000				0
Adds one-time funding for Central Services Division software and equipment		215,000	358,800	573,800		215,000	358,800	573,800				0
Adds one-time funding for Governor's residence exterior repairs			300,000	300,000			300,000	300,000				0
Adds one-time funding to remodel the 18th floor of the Capitol			500,000	500,000			500,000	500,000				0
Adds one-time funding for the Brynhild Haugland room			500,000	500,000			500,000	500,000				0
Adds one-time funding for Capitol window replacement			4,000,000	4,000,000			4,000,000	4,000,000				0
Adds one-time funding for a deferred maintenance pool			20,000,000	20,000,000			20,000,000	20,000,000				0
Adds one-time funding for Prairie Public Broadcasting grants		1,792,450		1,792,450		1,792,450		1,792,450				0

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Capitol space rent model	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations. Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.	Section 12 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 13 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.
Budget stabilization fund limit	Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.	
Motor vehicle excise tax allocations	Section 13 would amend Section 57-40.3-10 to transfer 25 percent of the motor vehicle excise tax collections to the state highway fund during fiscal year 2024 and to transfer 50 percent of the motor vehicle excise tax collections to the state highway fund after fiscal year 2024 decreasing the amount deposited in the general fund.	Section 14 amends Section 57-40.3-10 to allocate 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund. Section 16 provides an effective date related to the change of allocation for the motor vehicle excise tax collections.
Fiscal management exemption	Section 7 would allow 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.	Section 15 allows 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.
Legacy earnings fund	Section 10 would amend North Dakota Century Code Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.	
Capitol Grounds Planning Commission	Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.	
State share of oil and gas tax revenue allocations ("buckets")	Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.	

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 3, after line 9, insert:

SECTION 6. EXEMPTION – STATE FACILITY ASSESSMENT. The amount of \$150,000 appropriated from the strategic investment and improvements fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws and \$100,000 appropriated from the capitol building trust fund in section 1 and identified in section 2 of chapter 15 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available to the office of management and budget to continue the assessment of state lands and facilities during the biennium beginning July 1, 2023, and ending June 30, 2025.

23.0269.01004
Title.

Prepared by the Legislative Council staff for
the Senate Appropriations - Government
Operations Division Committee
February 20, 2023

Fiscal No. 4

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 1, line 2, replace the second "and" with "to create and enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and 57-40.3-10 of the North Dakota Century Code, relating to the capitol grounds planning commission spending limit, capitol grounds rent collections, and the allocation of motor vehicle excise tax collections; to provide for a transfer;"

Page 1, line 3, after "exemption" insert "; to provide a report; to provide an effective date; and to declare an emergency"

Page 1, remove lines 11 through 23

Page 2, replace lines 1 and 2 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000	0	400,000
Guardianship grants	2,450,000	3,650,000	6,100,000
Prairie public broadcasting	1,200,000	(1,200,000)	0
Community service supervision grants	350,000	0	350,000
Targeted market equity pool	0	75,000,000	75,000,000
State student internship program	0	700,000	700,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	0	<u>20,000,000</u>	<u>20,000,000</u>
Total all funds	\$42,754,708	\$123,108,349	\$165,863,057
Less estimated income	<u>8,828,309</u>	<u>68,082,864</u>	<u>76,911,173</u>
Total all funds	\$33,926,399	\$55,025,485	\$88,951,884
Full-time equivalent positions	108.00	3.00	111.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 22 with:

"Griggs County medical center grant	\$500,000	\$0
Facility consolidation study	350,000	0
Special assessments on capitol grounds	300,000	0
Interior and exterior signage projects	500,000	0
Statewide budget software	1,230,100	0
Capitol accessibility improvements	750,000	0
Legislative wing ventilation improvements	7,000,000	0
Pierce County medical center grant	1,000,000	0
Accrued leave retirement payouts	0	100,369

Inflationary increases	0	358,500
Capitol accessibility consulting	25,000	100,000
Automatic doors in legislative rooms	0	150,000
Capitol tour digital enhancements	0	100,000
State employee leave management system	0	335,000
Procurement software	2,021,204	2,500,000
Building automation project	518,800	800,000
Extraordinary repairs	500,000	100,000
State office building demolition	0	451,000
Capitol space utilization improvements	0	5,500,000
Central services software and equipment	0	573,800
Governor's residence exterior repairs	0	300,000
Brynhild Haugland room remodeling project	0	500,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
State student internship program	100,000	700,000
Governor's emergency education relief	0	<u>3,659,555</u>
Total all funds	\$24,795,104	\$40,228,224
Less estimated income	<u>24,695,104</u>	<u>29,184,355</u>
Total general fund	\$100,000	\$11,043,869

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

Page 2, after line 27, insert:

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

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item in section 1 of this Act to eligible state agencies for student 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."

Page 3, replace lines 1 through 3 with:

"Unemployment insurance	\$1,800,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$685,657

**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 branch state employees in accordance with provisions of this section for the period beginning with the effective date of this Act and ending June 30, 2025.
2. The targeted market equity compensation adjustments must be prioritized based on a statewide plan prepared by the office of management and budget based on the funding available in the pool. The plan must address occupational market disparities, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Employees whose documented performance levels do not meet standards are not eligible for the market equity compensation adjustments.
3. All targeted market equity compensation adjustments must be provided by July 1, 2023.
4. The funding allocated to each agency must be used for the cost to continue the compensation adjustments for the 2023-25 biennium, including the effect of the market equity adjustments on funding needed for the salary increases authorized by the legislative assembly in section 10 of this Act.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity funding pool to eligible executive branch state agencies for approved targeted market equity salary adjustments.
6. The office of management and budget shall provide a report to the budget section regarding the statewide plan, any changes to the plan presented to the sixty-eighth legislative assembly, and the appropriation authority transferred from the pool.

SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 4 percent per eligible employee for the first fiscal year of the biennium and are to average 4 percent per eligible employee for the second year of the biennium. The increases for the first year of the biennium are to be given beginning with the month of July 2023, to be paid in August 2023, and for the second year of the biennium are to be given beginning with the month of July 2024, to be paid in August 2024. Increases for eligible state employees are to be based on documented 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 balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed ~~tw~~seven hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

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

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

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

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

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

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

57-40.3-10. Transfer of revenue.

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

Page 3, after line 9, insert:

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

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

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

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

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000		400,000
Guardianship grants	2,450,000	3,650,000	6,100,000
Targeted market equity pool		75,000,000	75,000,000
Prairie Public Broadcasting	1,200,000	(1,200,000)	
Community service supervision grants	350,000		350,000
State student internship		700,000	700,000
Governor's emergency education relief		3,659,555	3,659,555
Deferred maintenance funding pool		20,000,000	20,000,000
Total all funds	\$42,754,708	\$123,108,349	\$165,863,057
Less estimated income	8,828,309	68,082,864	76,911,173
General fund	\$33,926,399	\$55,025,485	\$88,951,884
FTE	108.00	3.00	111.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries ¹	Adds Funding for Salary and Benefit Increases ²	Adds FTE Positions ³	Adds Funding for Other Salary Adjustments ⁴	Adds Funding for a Targeted Equity Pool ⁵	Adds Funding for Operating Expenses ⁶
Salaries and wages	\$151,408	\$1,618,624	\$664,786	\$497,257		
Operating expenses						\$3,008,165
Capital assets						
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool					\$75,000,000	
Prairie Public Broadcasting						
Community service supervision grants						
State student internship						
Governor's emergency education relief						
Deferred maintenance funding pool						
Total all funds	\$151,408	\$1,618,624	\$664,786	\$497,257	\$75,000,000	\$3,008,165
Less estimated income	24,024	238,955	0	26,000	34,000,000	849,498
General fund	\$127,384	\$1,379,669	\$664,786	\$471,257	\$41,000,000	\$2,158,667
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	Adjusts Funding for Rent Model ⁷	Adjusts Funding for Capital Assets ⁸	Adds Funding for a Deferred Maintenance Pool ⁹	Adjusts Funding for Grants and Other Programs ¹⁰	Total Senate Changes
Salaries and wages					\$2,932,075
Operating expenses	\$389,914	\$200,000			3,598,079
Capital assets		14,768,640			14,768,640
Emergency commission contingency fund					
Guardianship grants				\$3,650,000	3,650,000
Targeted market equity pool					75,000,000
Prairie Public Broadcasting				(1,200,000)	(1,200,000)
Community service supervision grants					
State student internship				700,000	700,000
Governor's emergency education relief				3,659,555	3,659,555
Deferred maintenance funding pool			\$20,000,000		20,000,000
Total all funds	\$389,914	\$14,968,640	\$20,000,000	\$6,809,555	\$123,108,349
Less estimated income	4,101,552	5,183,280	20,000,000	3,659,555	68,082,864
General fund	(\$3,711,638)	\$9,785,360	\$0	\$3,150,000	\$55,025,485
FTE	0.00	0.00	0.00	0.00	3.00

¹ Funding is added for cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	General Fund	Other Funds	Total
Salary increase	\$931,273	\$158,966	\$1,090,239
Health insurance increase	448,396	79,989	528,385
Total	\$1,379,669	\$238,955	\$1,618,624

³ Funding of \$664,786 from the general fund is added to the salaries and wages line item as follows:

- \$190,862 for 1 FTE business development position;
- \$255,452 for 1 FTE talent acquisition manager position; and
- \$218,472 for 1 FTE total rewards specialist position.

⁴ Funding of \$497,257 is added to the salaries and wages line item as follows:

- \$396,888 from the general fund to reclassify 2 existing FTE positions to 1 FTE public improvements manager position and 1 FTE lease administrator position.
- \$100,369 of one-time funding, including \$74,369 from the general fund and \$26,000 from other funds, for accrued leave retirement payouts.

⁵ Funding of \$75 million, including \$41 million from the general fund and \$34 million from other funds, is added for a targeted market equity pool.

⁶ Funding of \$3,008,165 is added to the operating expenses line item as follows:

- \$25,891, including \$25,067 from the general fund and \$824 from other funds, for Information Technology Department rate increases.
- \$1 million from the general fund for new procurement software licensing and maintenance agreements.
- \$831,774, including \$323,100 from the general fund and \$508,674 from other funds for inflationary increases.
- \$12,000 from the general fund for classification system administration contracts.
- \$95,000 from the general fund for LinkedIn recruitment tools.
- \$358,500 of one-time funding, including \$18,500 from the general fund and \$340,000 from other funds, for inflationary increases.
- \$100,000 of one-time funding from the general fund for an Americans with Disabilities Act compliance study.
- \$150,000 of one-time funding from the general fund for automatic doors in legislative areas of the Capitol.
- \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements.
- \$335,000 of one-time funding from the general fund for a state employee leave management system.

⁷ Funding is decreased by \$3,711,638 from the general fund and increased by \$4,101,552 from other funds for a new Capitol space rent model resulting in an increase of \$389,914 from other funds for operating expenses.

⁸ Funding for capital assets is adjusted to provide the following:

- A transfer of \$200,000 from the capital assets line item to the operating expenses line item related to base budget adjustments.
- A decrease of \$280,640 from the general fund related to bond payments.
- \$500,000 from the general fund for electrical and mechanical repairs.
- \$24,480 from other funds for Central Services Division software and equipment.
- \$2,500,000 of one-time funding from the general fund for new procurement software.
- \$800,000 of one-time funding from the general fund for automation upgrades at the Capitol.
- \$100,000 of one-time funding from the general fund for electrical and mechanical repairs.
- \$451,000 of one-time funding from the general fund to demolish the State Office Building.
- \$5,500,000 of one-time funding from the general fund for Capitol space utilization improvements.
- \$573,800 of one-time funding, including \$215,000 from the general fund and \$358,800 from other funds, for Central Services Division software and equipment.
- \$300,000 of one-time funding from the Capitol building fund for exterior repairs at the Governor's residence.
- \$500,000 of one-time funding from the Capitol building fund for a remodeling project in the Brynhild Haugland Room in the Capitol;
- \$4,000,000 of one-time funding from the Capitol building fund for a Capitol window replacement project.

⁹ One-time funding of \$20 million from the strategic investment and improvements fund is added for a deferred maintenance funding pool, including \$12 million for a boiler replacement project at the Capitol.

¹⁰ Funding of \$6,809,555 is adjusted as follows:

- \$3,650,000 from the general fund for guardianship grants is added to provide total funding of \$6,100,000 for guardianship grants.
- \$1,200,000 from the general fund is removed to eliminate state funding for Prairie Public Broadcasting.
- \$700,000 of one-time funding from the general fund is added for the state student internship program.
- \$3,659,555 of one-time funding from the federal Governor's Emergency Education Relief (GEER) fund is added for education grants.

This amendment also:

- Appropriates additional funding from the community service supervision fund for distributions.
- Transfers \$200 million from the tax relief fund to the human service finance fund.
- Authorizes the Office of Management and Budget to transfer state student internship funding to other state agencies.
- Identifies \$20 million from the strategic investment and improvements fund for a deferred maintenance funding pool, designates up to \$12 million for a boiler replacement project, and authorizes the Office of Management

and Budget to transfer funding to other state agencies.

- Identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room (\$500,000), and a Capitol window replacement project (\$4 million).
- Identifies funding for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
- Provides guidelines for a targeted market equity funding pool, authorizes the Office of Management and Budget to transfer the funding to other state agencies, and requires a report to the Budget Section.
- Provides guidelines for state employee compensation increases.
- Increases the amount available each biennium from the Capitol building fund to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.
- Authorizes agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations and creates an operating fund for facility management operations related to the new rent model.
- Allocates 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund by \$169,250,000 for the 2023-25 biennium.
- Provides an exemption allowing 2021-23 biennium appropriation authority for the Fiscal Management Division of the Office of Management and Budget to continue to be available in the 2023-25 biennium.
- Provides an exemption allowing unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium.

23.0269.01003
 Title.
 Fiscal No. 3

Prepared by the Legislative Council staff for
 Senator Krebsbach
 February 20, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 1, line 2, replace the second "and" with "to create and enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and 57-40.3-10 of the North Dakota Century Code, relating to the capitol grounds planning commission spending limit, capitol grounds rent collections, and the allocation of motor vehicle excise tax collections; to provide for a transfer;"

Page 1, line 3, after "exemption" insert "; to provide a report; to provide an effective date; and to declare an emergency"

Page 1, remove lines 11 through 23

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000	0	400,000
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
Targeted market equity pool	0	75,000,000	75,000,000
State student internship program	0	700,000	700,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	<u>0</u>	<u>20,000,000</u>	<u>20,000,000</u>
Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
Less estimated income	<u>8,828,309</u>	<u>68,082,864</u>	<u>76,911,173</u>
Total all funds	\$33,926,399	\$58,017,935	\$91,944,334
Full-time equivalent positions	108.00	3.00	111.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 22 with:

"Griggs County medical center grant	\$500,000	\$0
Facility consolidation study	350,000	0
Special assessments on capitol grounds	300,000	0
Interior and exterior signage projects	500,000	0
Statewide budget software	1,230,100	0
Capitol accessibility improvements	750,000	0
Legislative wing ventilation improvements	7,000,000	0
Pierce County medical center grant	1,000,000	0
Accrued leave retirement payouts	0	100,369
Inflationary increases	0	358,500

Capitol accessibility consulting	25,000	100,000
Automatic doors in legislative rooms	0	150,000
Capitol tour digital enhancements	0	100,000
State employee leave management system	0	335,000
Procurement software	2,021,204	2,500,000
Building automation project	518,800	800,000
Extraordinary repairs	500,000	100,000
State office building demolition	0	451,000
Capitol space utilization improvements	0	5,500,000
Central services software and equipment	0	573,800
Governor's residence exterior repairs	0	300,000
Brynhild Haugland room remodeling project	0	500,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	700,000
Governor's emergency education relief	0	3,659,555
Total all funds	\$24,795,104	\$42,020,674
Less estimated income	<u>24,695,104</u>	<u>29,184,355</u>
Total general fund	\$100,000	\$12,836,319

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

Page 2, after line 27, insert:

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

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item in section 1 of this Act to eligible state agencies for student 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."

Page 3, replace lines 1 through 3 with:

"Unemployment insurance	\$1,800,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$685,657

**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 branch state employees in accordance with provisions of this section for the period beginning with the effective date of this Act and ending June 30, 2025.
2. The targeted market equity compensation adjustments must be prioritized based on a statewide plan prepared by the office of management and budget based on the funding available in the pool. The plan must address occupational market disparities, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Employees whose documented performance levels do not meet standards are not eligible for the market equity compensation adjustments.
3. All targeted market equity compensation adjustments must be provided by July 1, 2023.
4. The funding allocated to each agency must be used for the cost to continue the compensation adjustments for the 2023-25 biennium, including the effect of the market equity adjustments on funding needed for the salary increases authorized by the legislative assembly in section 10 of this Act.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity funding pool to eligible executive branch state agencies for approved targeted market equity salary adjustments.
6. The office of management and budget shall provide a report to the budget section regarding the statewide plan, any changes to the plan presented to the sixty-eighth legislative assembly, and the appropriation authority transferred from the pool.

SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 4 percent per eligible employee for the first fiscal year of the biennium and are to average 4 percent per eligible employee for the second year of the biennium. The increases for the first year of the biennium are to be given beginning with the month of July 2023, to be paid in August 2023, and for the second year of the biennium are to be given beginning with the month of July 2024, to be paid in August 2024. Increases for eligible state employees are to be based on documented 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 balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed ~~twoseven~~ hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

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

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

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

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

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

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

57-40.3-10. Transfer of revenue.

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

Page 3, after line 9, insert:

"SECTION 16. EFFECTIVE DATE. Section 14 of this Act is effective for motor vehicle excise tax collections transmitted to the state treasurer after July 31, 2023.

SECTION 17. EMERGENCY. The targeted market equity pool line item in section 1 of this Act and section 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000		400,000
Guardianship grants	2,450,000	3,650,000	6,100,000
Targeted market equity pool		75,000,000	75,000,000
Prairie Public Broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000		350,000
State student internship		700,000	700,000
Governor's emergency education relief		3,659,555	3,659,555
Deferred maintenance funding pool		20,000,000	20,000,000
Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
Less estimated income	8,828,309	68,082,864	76,911,173
General fund	\$33,926,399	\$58,017,935	\$91,944,334
FTE	108.00	3.00	111.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries ¹	Adds Funding for Salary and Benefit Increases ²	Adds FTE Positions ³	Adds Funding for Other Salary Adjustments ⁴	Adds Funding for a Targeted Equity Pool ⁵	Adds Funding for Operating Expenses ⁶
Salaries and wages	\$151,408	\$1,618,624	\$664,786	\$497,257		
Operating expenses						\$3,008,165
Capital assets						
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool					\$75,000,000	
Prairie Public Broadcasting						
Community service supervision grants						
State student internship						
Governor's emergency education relief						
Deferred maintenance funding pool						
Total all funds	\$151,408	\$1,618,624	\$664,786	\$497,257	\$75,000,000	\$3,008,165
Less estimated income	24,024	238,955	0	26,000	34,000,000	849,498
General fund	\$127,384	\$1,379,669	\$664,786	\$471,257	\$41,000,000	\$2,158,667
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	Adjusts Funding for Rent Model ¹	Adjusts Funding for Capital Assets ²	Adds Funding for a Deferred Maintenance Pool ³	Adjusts Funding for Grants and Other Programs ⁴	Total Senate Changes
Salaries and wages					\$2,932,075
Operating expenses	\$389,914	\$200,000			3,598,079
Capital assets		14,768,640			14,768,640
Emergency commission contingency fund					
Guardianship grants				\$3,650,000	3,650,000
Targeted market equity pool					75,000,000
Prairie Public Broadcasting				1,792,450	1,792,450
Community service supervision grants					
State student internship				700,000	700,000
Governor's emergency education relief				3,659,555	3,659,555
Deferred maintenance funding pool			\$20,000,000		20,000,000
Total all funds	\$389,914	\$14,968,640	\$20,000,000	\$9,802,005	\$126,100,799
Less estimated income	4,101,552	5,183,280	20,000,000	3,659,555	68,082,864
General fund	(\$3,711,638)	\$9,785,360	\$0	\$6,142,450	\$58,017,935
FTE	0.00	0.00	0.00	0.00	3.00

¹ Funding is added for cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$931,273	\$158,966	\$1,090,239
Health insurance increase	<u>448,396</u>	<u>79,989</u>	<u>528,385</u>
Total	\$1,379,669	\$238,955	\$1,618,624

³ Funding of \$664,786 from the general fund is added to the salaries and wages line item as follows:

- \$190,862 for 1 FTE business development position;
- \$255,452 for 1 FTE talent acquisition manager position; and
- \$218,472 for 1 FTE total rewards specialist position.

⁴ Funding of \$497,257 is added to the salaries and wages line item as follows:

- \$396,888 from the general fund to reclassify 2 existing FTE positions to 1 FTE public improvements manager position and 1 FTE lease administrator position.
- \$100,369 of one-time funding, including \$74,369 from the general fund and \$26,000 from other funds, for accrued leave retirement payouts.

⁵ Funding of \$75 million, including \$41 million from the general fund and \$34 million from other funds, is added for a targeted market equity pool.

⁶ Funding of \$3,008,165 is added to the operating expenses line item as follows:

- \$25,891, including \$25,067 from the general fund and \$824 from other funds, for Information Technology Department rate increases.
- \$1 million from the general fund for new procurement software licensing and maintenance agreements.
- \$831,774, including \$323,100 from the general fund and \$508,674 from other funds for inflationary increases.
- \$12,000 from the general fund for classification system administration contracts.
- \$95,000 from the general fund for LinkedIn recruitment tools.
- \$358,500 of one-time funding, including \$18,500 from the general fund and \$340,000 from other funds, for inflationary increases.
- \$100,000 of one-time funding from the general fund for an Americans with Disabilities Act compliance study.
- \$150,000 of one-time funding from the general fund for automatic doors in legislative areas of the Capitol.
- \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements.
- \$335,000 of one-time funding from the general fund for a state employee leave management system.

⁷ Funding is decreased by \$3,711,638 from the general fund and increased by \$4,101,552 from other funds for a

new Capitol space rent model resulting in an increase of \$389,914 from other funds for operating expenses.

⁸ Funding for capital assets is adjusted to provide the following:

- A transfer of \$200,000 from the capital assets line item to the operating expenses line item related to base budget adjustments.
- A decrease of \$280,640 from the general fund related to bond payments.
- \$500,000 from the general fund for electrical and mechanical repairs.
- \$24,480 from other funds for Central Services Division software and equipment.
- \$2,500,000 of one-time funding from the general fund for new procurement software.
- \$800,000 of one-time funding from the general fund for automation upgrades at the Capitol.
- \$100,000 of one-time funding from the general fund for electrical and mechanical repairs.
- \$451,000 of one-time funding from the general fund to demolish the State Office Building.
- \$5,500,000 of one-time funding from the general fund for Capitol space utilization improvements.
- \$573,800 of one-time funding, including \$215,000 from the general fund and \$358,800 from other funds, for Central Services Division software and equipment.
- \$300,000 of one-time funding from the Capitol building fund for exterior repairs at the Governor's residence.
- \$500,000 of one-time funding from the Capitol building fund for a remodeling project in the Brynhild Haugland Room in the Capitol;
- \$4,000,000 of one-time funding from the Capitol building fund for a Capitol window replacement project.

⁹ One-time funding of \$20 million from the strategic investment and improvements fund is added for a deferred maintenance funding pool, including \$12 million for a boiler replacement project at the Capitol.

¹⁰ Funding of \$9,802,005 is adjusted as follows:

- \$3,650,000 from the general fund for guardianship grants is added to provide total funding of \$6,100,000 for guardianship grants.
- \$1,792,450 of one-time funding from the general fund is added for Prairie Public Broadcasting to provide total funding of \$2,992,450, including \$1,200,000 of ongoing base-level funding from the general fund.
- \$700,000 of one-time funding from the general fund is added for the state student internship program.
- \$3,659,555 of one-time funding from the federal Governor's Emergency Education Relief (GEER) fund is added for education grants.

This amendment also:

- Appropriates additional funding from the community service supervision fund for distributions.
- Transfers \$200 million from the tax relief fund to the human service finance fund.
- Authorizes the Office of Management and Budget to transfer state student internship funding to other state agencies.
- Identifies \$20 million from the strategic investment and improvements fund for a deferred maintenance funding pool, designates up to \$12 million for a boiler replacement project, and authorizes the Office of Management and Budget to transfer funding to other state agencies.
- Identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room (\$500,000), and a Capitol window replacement project (\$4 million).
- Identifies funding for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
- Provides guidelines for a targeted market equity funding pool, authorizes the Office of Management and Budget to transfer the funding to other state agencies, and requires a report to the Budget Section.
- Provides guidelines for state employee compensation increases.
- Increases the amount available each biennium from the Capitol building fund to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.
- Authorizes agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations and creates an operating fund for facility management operations related to the new rent model.
- Allocates 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund by \$169,250,000 for the 2023-25 biennium.
- Provides an exemption allowing 2021-23 biennium appropriation authority for the Fiscal Management Division of the Office of Management and Budget to continue to be available in the 2023-25 biennium.

23.0269.01005

Sixty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2015

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>
Salaries and wages	\$21,926,979	\$116,143,771	\$21,926,979
Operating expenses	15,663,214	19,316,293	15,663,214
Emergency commission contingency fund	400,000	400,000	400,000
Capital assets	764,515	49,833,155	764,515
Guardianship grants	2,450,000	2,450,000	2,450,000
Prairie public broadcasting	1,200,000	2,992,450	1,200,000
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.

Prepared for the Senate Appropriations Committee

Department 110 - Office of Management and Budget
Senate Bill No. 2015

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$111,981,600	\$83,863,624	\$195,845,224
2023-25 Base Level	33,926,399	8,828,309	42,754,708
Increase (Decrease)	\$78,055,201	\$75,035,315	\$153,090,516

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$1,456,401 is for salary increases and \$516,502 is for health insurance increases	\$1,681,497	\$291,406	\$1,972,903
2. Adds 9 FTE positions, including 1 learning development manager, 2 business developers, 1 talent acquisition manager, 1 total rewards specialist, 1 talent acquisition specialist, 2 shared communication service specialists, and 1 change management position	\$1,895,224	\$0	\$1,895,224
3. Adds funding to reclassify 2 FTE positions for a public improvements manager and a lease administrator	\$396,888	\$0	\$396,888
4. Adds funding for a salary equity funding pool	\$49,300,000	\$40,400,000	\$89,700,000
5. Adds funding for new procurement software licensing fees	\$1,000,000	\$0	\$1,000,000
6. Adjusts funding for a new Capitol space rent model	(\$3,711,638)	\$4,101,552	\$389,914
7. Adds one-time funding for new procurement software	\$2,500,000	\$0	\$2,500,000
8. Adds one-time funding for a steam boiler replacement project	\$12,000,000	\$0	\$12,000,000
9. Adds one-time funding for Capitol grounds landscaping	\$1,800,000	\$0	\$1,800,000
10. Adds one-time funding for Capitol space utilization improvements	\$5,500,000	\$0	\$5,500,000
11. Adds one-time funding for Prairie Public Broadcasting grants to provide total grant funding of \$2,992,450	\$1,792,450	\$0	\$1,792,450
12. Adds one-time funding from the Capitol building fund for Capitol window replacement	\$0	\$4,000,000	\$4,000,000
13. Adds one-time funding from the strategic investment and improvements fund for a deferred maintenance funding pool	\$0	\$20,000,000	\$20,000,000
14. Adds one-time funding from the federal Governor's Emergency Education Relief (GEER) fund for education grants	\$0	\$3,659,555	\$3,659,555

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships			
	2021-23 Biennium Legislative Budget	2023-25 Biennium Executive Budget	Increase (Decrease)
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues)	\$148,000	\$162,800	\$14,800
Council of State Governments	230,889	240,125	9,236
Western Governors' Association	79,200	83,160	3,960
National Governors Association	75,800	79,590	3,790
National Lieutenant Governors Association	2,000	2,100	100
Education Commission of the States	106,200	117,882	11,682
Western Interstate Commission for Higher Education ¹	0	0	0
Total dues and memberships	\$642,089	\$685,657	\$43,568

¹Funding for the Western Interstate Commission for Higher Education is included in the higher education budget. The executive budget recommendation includes \$330,000 for the 2023-25 biennium compared to \$294,000 in the 2021-23 biennium.

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Tax relief fund to social services finance fund - Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.

Salary equity funding pool - Section 6 would authorize the Office of Management and Budget (OMB) to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.

State employee compensation adjustments - Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.

Legacy earnings fund - Section 10 would amend North Dakota Century Code Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.

Capitol building fund continuing appropriation limit - Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.

Capitol Grounds Planning Commission - Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.

Budget stabilization fund limit - Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.

Facility management operating fund - Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division from the proposed Capitol space rental model.

State share of oil and gas tax revenue allocations ("buckets") - Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.

Capitol space rental model - Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees.

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund.

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the 1st day of the biennium subject to a maximum amount of \$175,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects.

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals.

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies.

Deficiency Appropriations

Senate Bill No. 2025 provides a deficiency appropriation of \$765 from the general fund for costs related to a judgement.

Significant Audit Findings

The operational audit for OMB conducted by the State Auditor's office during the 2021-22 interim identified no significant audit findings.

Major Related Legislation

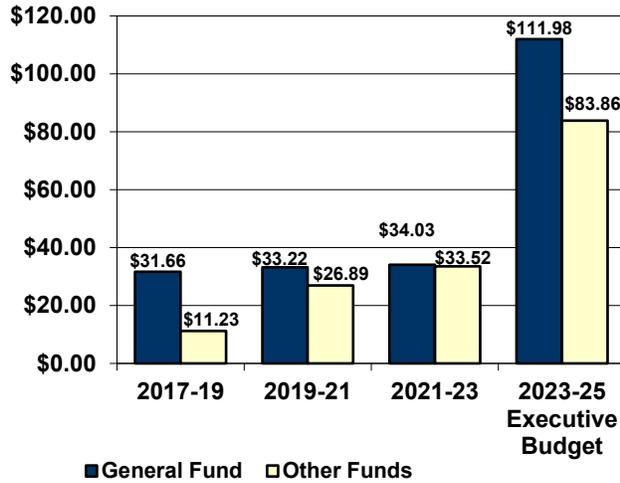
Senate Bill No. 2035 - Appropriates \$500,000 from the general fund for additional guardianship grants.

Senate Bill No. 2042 - Clarifies the procurement process and requires bidders to register with the Secretary of State prior to the contract award.

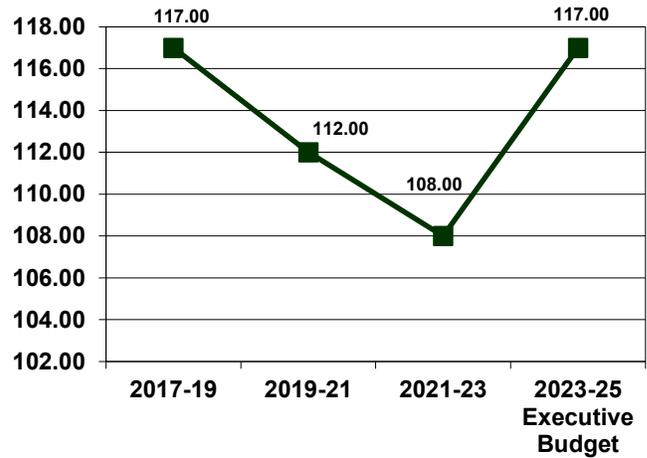
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$30,826,724	\$30,720,260	\$32,915,852	\$33,926,399	\$85,290,281
Increase (decrease) from previous biennium	N/A	(\$106,464)	\$2,195,592	\$1,010,547	\$51,363,882
Percentage increase (decrease) from previous biennium	N/A	(0.3%)	7.1%	3.1%	151.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(0.3%)	6.8%	10.1%	176.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

- Adjusted funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, 1 FTE computer and networking specialist position, 1 FTE facility construction engineer, and 1 FTE human resource officer position (\$862,713)
- Adjusted funding for operating expenses \$171,178
- Increased funding for the Emergency Commission contingency fund \$100,000
- Added funding for extraordinary repairs and bond payments \$773,477
- Removed funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) (\$501,000)
- Reduced funding for Prairie Public Broadcasting from \$1.6 million to \$1.2 million (\$400,000)
- Removed funding for the state student internship program (\$200,000)
- Added funding for community service supervision grants \$350,000

2019-21 Biennium

- Removed 5 FTE positions, including 3 FTE custodian positions and 2 FTE system mechanic positions (\$560,182)
- Underfunded salaries and wages for anticipated savings from vacant positions and employee turnover (\$210,252)
- Added funding to reclassify positions (\$560,678) and for temporary employees (\$56,400) \$617,078
- Reduced funding for IT and maintenance costs (\$588,483)

- 5. Added funding for contract custodians (\$640,000), utility costs (\$427,650), state accounting software and an employee onboarding project (\$483,360), Microsoft Office 365 licensing expenses (\$77,308), and statewide memberships and dues (\$93,614) \$1,700,208
- 6. Reduced funding for the Emergency Commission contingency fund to provide total funding of \$500,000 (\$100,000)
- 7. Reduced funding for bond payments to provide total funding of \$567,125 (\$206,352)
- 8. Increased funding for guardianship grants by \$621,400, from \$1,328,600 to \$1,950,000 \$621,400

2021-23 Biennium

- 1. Added funding to reclassify vacant FTE positions into a human resource officer (\$110,869) and procurement officers (\$104,824) \$215,693
- 2. Decreased funding for operating expenses primarily related to IT costs (\$701,000)
- 3. Added funding for a budget software maintenance agreement (\$403,000) and a procurement software maintenance agreement (\$152,000) \$555,000
- 4. Decreased funding for the Emergency Commission contingency fund to provide total funding of \$400,000 (\$100,000)
- 5. Increased funding for guardianship grants by \$500,000, from \$1,950,600 to \$2,450,000 \$500,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 9 FTE positions, including 1 learning development manager, 2 business developers, 1 talent acquisition manager, 1 total rewards specialist, 1 talent acquisition specialist, 2 shared communication service specialists, and 1 change management position \$1,895,224
- 2. Adds funding to reclassify 2 FTE positions for a public improvements manager and a lease administrator \$396,888
- 3. Adds funding for a salary equity funding pool \$49,300,000
- 4. Adds funding for new procurement software licensing fees \$1,000,000
- 5. Adjusts funding for a new Capitol space rent model (\$3,711,638)

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$6,530,303	\$941,100	\$300,000	\$100,000	\$26,691,319

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Added one-time funding for a grant to the Theodore Roosevelt Center at Dickinson State University \$500,000
- 2. Provided a deficiency appropriation of \$441,100 for lawsuit expenses \$441,000

2019-21 Biennium

- 1. Added one-time funding for the state student internship program \$250,000
- 2. Added one-time funding for an electronic procurement study \$50,000

2021-23 Biennium

- 1. Added one-time funding for the state student internship program \$100,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds one-time funding for new procurement software \$2,500,000
- 2. Adds one-time funding for a steam boiler replacement project \$12,000,000
- 3. Adds one-time funding for Capitol grounds landscaping \$1,800,000
- 4. Adds one-time funding for Capitol space utilization improvements \$5,500,000
- 5. Adds one-time funding for Prairie Public Broadcasting grants to provide total grant funding of \$2,992,450 \$1,792,450

Office of Management and Budget - Budget No. 110
Senate Bill No. 2015
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	108.00	\$33,926,399	\$8,828,309	\$42,754,708
2023-25 Ongoing Funding Changes				
Cost to continue salaries		\$127,384	\$24,024	\$151,408
Salary increase		1,243,185	213,216	1,456,401
Health insurance increase		438,312	78,190	516,502
Adds FTE learning development manager position	1.00	255,452		255,452
Adds FTE business development positions	2.00	381,724		381,724
Adds FTE talent acquisition manager position	1.00	255,452		255,452
Adds FTE total rewards specialist position	1.00	218,472		218,472
Adds FTE talent acquisition specialist position	1.00	218,472		218,472
Adds FTE shared communications services positions	2.00	350,722		350,722
Adds FTE change management position	1.00	214,930		214,930
Adds funding to reclassify an FTE public improvements manager position		198,444		198,444
Adds funding to reclassify an FTE lease administrator position		198,444		198,444
Adds funding for a salary equity pool		49,300,000	40,400,000	89,700,000
Increase in ITD rates		25,067	824	25,891
Adds funding for new procurement software		1,000,000		1,000,000
Adds funding for inflationary increases		323,100	508,674	831,774
Adds funding for classification system administration		12,000		12,000
Adds funding for LinkedIn recruitment tools		95,000		95,000
Adjusts funding for a new Capitol space rent model		(3,711,638)	4,101,552	389,914
Transfers \$200,000 from capital assets to operating expenses				0
Adjusts funding for bond payments		(280,640)		(280,640)
Adds funding for electrical and mechanical repairs		500,000		500,000
Adds funding for Central Services Division software and equipment			24,480	24,480
Total ongoing funding changes	9.00	\$51,363,882	\$45,350,960	\$96,714,842
One-time funding items				
Adds one-time funding for accrued leave retirement payouts		\$74,369	\$26,000	\$100,369
Adds one-time funding for inflationary increases		18,500	340,000	358,500
Adds one-time funding for an ADA compliance study		100,000		100,000
Adds one-time funding for Capitol tour enhancements		100,000		100,000
Adds one-time funding for state employee leave management software		540,000		540,000
Adds one-time funding for new procurement software		2,500,000		2,500,000
Adds one-time funding to continue automation upgrades at the Capitol		800,000		800,000
Adds one-time funding for electrical and mechanical repairs		100,000		100,000
Adds one-time funding for steam boiler replacement		12,000,000		12,000,000
Adds one-time funding to remodel the State Office Building		451,000		451,000
Adds one-time funding for Capitol grounds landscaping		1,800,000		1,800,000
Adds one-time funding for Capitol space utilization improvements		5,500,000		5,500,000
Adds one-time funding for Central Services Division software and		215,000	358,800	573,800
Adds one-time funding for Governor's residence exterior repairs			300,000	300,000
Adds one-time funding to remodel the 18th floor of the Capitol			500,000	500,000
Adds one-time funding for the Brynhild Haugland room			500,000	500,000
Adds one-time funding for Capitol window replacement			4,000,000	4,000,000
Adds one-time funding for a deferred maintenance pool			20,000,000	20,000,000
Adds one-time funding for Prairie Public Broadcasting grants		1,792,450		1,792,450
Adds one-time funding for the state student internship program		700,000		700,000
Adds one-time funding for federal education grants			3,659,555	3,659,555
Total one-time funding changes	0.00	\$26,691,319	\$29,684,355	\$56,375,674
Total Changes to Base Level Funding	9.00	\$78,055,201	\$75,035,315	\$153,090,516
2023-25 Total Funding	117.00	\$111,981,600	\$83,863,624	\$195,845,224
<i>Federal funds included in other funds</i>			\$9,059,555	
<i>Total ongoing changes as a percentage of base level</i>	8.3%	151.4%	513.7%	226.2%
<i>Total changes as a percentage of base level</i>	8.3%	230.1%	849.9%	358.1%

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

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

Executive Budget Recommendation

Tax relief fund to social services finance fund	Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.
Strategic investment and improvements fund	Section 4 would identify \$20 million from the strategic investment and improvements fund for a deferred maintenance funding pool and would authorize OMB to transfer the funding to other eligible state agencies.
State student internship program	Section 5 would authorize OMB to transfer student internship funding to other state agencies.
Salary equity funding pool	Section 6 would authorize OMB to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.
Fiscal management exemption	Section 7 would allow 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.
Grant and expense designations	Section 8 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
State employee compensation adjustments	Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.
Legacy earnings fund	Section 10 would amend North Dakota Century Code Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.
Capitol building fund continuing appropriation limit	Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.
Capitol Grounds Planning Commission	Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.
Budget stabilization fund limit	Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.
Facility management operating fund	Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.
State share of oil and gas tax revenue allocations ("buckets")	Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.
Capitol space rent model	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations.

**SENATE BILL NO. 2015
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to create a new section to chapter 48-10 relating to office space allocation; to amend and reenact sections 21-10-13, 48-10-02, 54-21-19, 54-27.2-01, 54-44-11, 54-52.1-18, 54-52.1-19, 57-40.3-10 and 57-51.1-07.5 of North Dakota Century Code relating to legacy earnings, capitol grounds planning commission, allocation of space in the capitol, charges for services, the budget stabilization fund, the creation of operating funds, transfer of revenue, and oil tax allocations; to repeal section 54-21-28 of the North Dakota Century Code, relating to space utilization; to repeal section 54-44.4-02.2 of the North Dakota Century Code, relating to a report on exempted services; to provide an exemption; to provide for various transfers; to provide a continuing appropriation; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$21,926,979	\$ 94,216,792	\$ 116,143,771
Operating Expenses	15,663,214	3,653,079	19,316,293
Contingency Fund	400,000	0	400,000
Capital Assets	764,515	49,068,640	49,833,155
Guardianship Grants	2,450,000	0	2,450,000
Community Service Grants	350,000	0	350,000
Prairie Public Broadcasting	1,200,000	1,792,450	2,992,450
State Student Internship	0	700,000	700,000
GEER	<u>0</u>	<u>3,659,555</u>	<u>3,659,555</u>
Total All Funds	\$42,754,367	\$153,090,516	\$195,845,224
Less Estimated Income	<u>8,828,309</u>	<u>75,035,315</u>	<u>83,863,624</u>
Total General Fund	\$33,926,399	\$78,055,201	\$ 111,981,600
Full-time Equivalent Positions	108.00	9.00	117.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO 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 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Deferred Maintenance	\$0	\$ 20,000,000
Space Utilization	0	5,500,000
Special Assessments	300,000	0
Extraordinary Repairs	500,000	7,200,000
Operating Increases	0	458,500
Boiler Replacement	0	12,000,000

Student Internship	100,000	700,000
Prairie Public Broadcasting Projects	0	1,792,450
State Budget System	1,230,100	0
Building Automation Upgrade	518,800	800,000
Facility Consolidation Study	350,000	0
Exterior/Interior Wayfinding Signs	500,000	0
Retirement Leave Payout	0	100,369
Equipment/IT Software	0	908,800
ADA Study	0	100,000
Demolish State Office Building	0	451,000
E-Procurement Software	2,021,204	2,500,000
Total All Funds	\$5,520,104	\$56,170,674
Total Special Funds	5,420,104	29,684,355
Total General Fund	\$ 100,000	\$ 26,486,319

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

SECTION 3. TRANSFER - TAX RELIEF FUND TO SOCIAL SERVICES FINANCE FUND. The office of management and budget shall transfer the sum of \$200,000,000, or so much of the sum as may be necessary, from the tax relief fund to the social services financing fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 4. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in the capital assets line of section 1 of this Act includes the sum of \$20,000,000 from the strategic investment and improvements fund, which is for the deferred maintenance pool. The office of management and budget may transfer funds to eligible state agencies for identified deferred maintenance projects. This funding is considered a one-time funding item.

SECTION 5. STATE STUDENT INTERNSHIP PROGRAM. The office of management and budget may transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 6. EQUITY FUNDING. The salary and wages line item in section 1 of this Act contains \$90 million for salary equity funding for state agencies and institutions of higher education. The office of management and budget shall transfer funds from the equity funding in section 1 of this Act to agencies based on identified inequities in agencies as determined by the human resource management services division of the office of management and budget.

SECTION 7. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2021 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 statewide systems including accounting, management, and payroll, during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 8. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

State Memberships and Related Expenses	\$ 685,657
Unemployment Insurance	\$1,800,000
Capitol Grounds Planning Commission	\$ 25,000

SECTION 9. STATE EMPLOYEE COMPENSATION ADJUSTMENT - GUIDELINES.

1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 6 percent for fiscal year 2024 and 4 percent for fiscal year 2025 and are to be based on documented performance.
2. Agencies may use salaries and wages funding available due to vacant positions and employee

turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2025-27 biennium to continue the additional salary increases.

3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow the compensation philosophy statement under section 54-44.2-01.2.
4. Probationary employees are not entitled to the salary increase. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increase 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 10. AMENDMENT. Section 21-10-13 of the North Dakota Century Code is amended and reenacted as follows:

21-10-13. Legacy earnings fund - State treasurer - Transfers.

1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys transferred to the fund under subsection 2 and all interest and earnings upon moneys in the fund.
2. Any legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota, which may not exceed seven percent of the five-year average value of the legacy fund assets as reported by the state investment board, must be immediately transferred by the state treasurer to the legacy earnings fund.
3. ~~For each biennium subsequent to the biennium in which the legacy fund earnings are transferred under subsection 2, the amount available for appropriation from the legacy earnings fund is seven percent of the five-year average value of the legacy fund assets as reported by the state investment board.~~ The average value of the legacy fund assets must be calculated using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.
4. On July first of each odd-numbered year, from the amount ~~available for appropriation or transfer from~~ in the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order the legislature shall provide for the allocation and appropriation of moneys as follows:
 - a. ~~The first one hundred fifty million dollars~~ Thirty-one percent to the legacy sinking and interest fund under section 6-09.4-10.1.
 - b. ~~The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19~~ Fourteen percent for community and workforce development programs and initiatives.
 - c. Thirty-five percent for economic development and research programs and initiatives ~~Any remaining funds for other purposes as designated by the legislative assembly, including:~~
 - (1) ~~Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;~~
 - (2) ~~Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and~~
 - (3) ~~Up to thirty million dollars for university research programs, the innovation loan fund to support technology advancement, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.~~
 - d. Twenty percent to legacy projects and destination development programs and initiatives.
5. ~~If the amounts transferred under subsection 2 exceed the amount available for appropriation under subsection 3, an amount equal to any appropriations from the legacy sinking and interest fund for bond payments under section 6-09.4-10.1 must be retained in the legacy earnings fund through June 30, 2025, after which an amount equal to twice any appropriations from the legacy sinking and interest fund under section 6-09.4-10.1 for bond payments, but not more than one hundred fifty million dollars, must be retained in the legacy earnings fund. After deducting any amounts to be retained in the legacy earnings fund, the state treasurer shall transfer, within thirty days, any remaining amounts under this subsection in the following order:~~
 - a. ~~The first one hundred million dollars to the legacy fund to become part of the principal.~~

~~b. Any remaining amount to the strategic investment and improvements fund to be used in accordance with the provisions of section 15-08.1-08.~~

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. 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.

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.

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

SECTION 12. 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. A lease or rental agreement or renewal of the lease or rental agreement for the lease or rental of buildings or portions of buildings for use by state agencies, departments, offices, officers, boards, and institutions, other than institutions under the board of higher education, the adjutant general and department of transportation office and storage space for field engineering and maintenance crews, unless approved may be entered by the director of the office of management and budget subject to a determination of the legal sufficiency of the lease or rental agreement and subject to space utilization studies and allocation and assignment of office space as determined by the capitol grounds planning commission pursuant to chapter 48-10. To ensure economy, efficiency, and cooperation between the state and its political subdivisions, and to limit the number of locations of state offices for the convenience of individuals traveling to the offices, the director shall promulgate rules governing the lease or rental of additional buildings or portions of the buildings by state agencies, departments, offices, officers, boards, and institutions other than those under the board of higher education, the adjutant general, and department of transportation office and storage space for field engineering and maintenance crews. The department, agency, or board for which the office space is sought approve the office space before the director may finalize a contract or lease for the office space.

SECTION 13. AMENDMENT. Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-10. Transfer of revenue. Seventy-five percent of all All moneys collected and received under this chapter during the period of July 1, 2023, through June 30, 2024, and fifty percent of all moneys collected and received under this chapter thereafter must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited to the general fund. Twenty-five percent of all moneys collected and received under this chapter during the period of July 1, 2023, through June 30, 2024, and fifty percent of all moneys collected and received under this chapter thereafter must be transmitted monthly by the director to the department of transportation highway fund.

SECTION 14. AMENDMENT. Section 54-21-19 of the North Dakota Century Code is amended and reenacted as follows:

54-21-19. Director to furnish supplies and maintain capitol, state offices, and executive mansion - Authority to charge for services. The director of the office of management and budget shall provide all necessary fuel, electricity, insurance, janitorial, and other services necessary to maintain the state offices on the capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and all other necessary supplies for the executive mansion and the capitol grounds and shall make all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director shall charge an amount equal to the fair value of the office space and other services rendered to all departments ~~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 the waiver subject to further annual renewals after proper application has been filed with the director.

SECTION 15. AMENDMENT. Section 54-27.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-01. Budget stabilization fund. The budget stabilization fund is a special fund in the state treasury. The state investment board shall supervise investment of the budget stabilization fund in accordance with chapter 21-10. Any interest or other budget stabilization fund earnings must be credited to the fund. Any amounts provided by law for deposit in the fund and any interest or earnings of the fund which would bring the balance in the fund at the end of any fiscal year to an amount greater than fifteen percent of the current ongoing biennial state general fund budget minus the general fund portion of the integrated formula payment line appropriated to the department of public instruction, as finally approved by the most recently adjourned special or regular session of the legislative assembly, may not be deposited in or credited to the fund but must be deposited instead in the state general fund.

SECTION 16. AMENDMENT. Section 54-44-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44-11. Office's operating funds creation - Continuing appropriation.

1. The office of management and budget shall establish a state purchasing operating fund to be used for the procurement and maintenance of an inventory of equipment and supplies for the state departments and agencies. Funds in the state purchasing operating fund are appropriated on a continuing basis and may be spent by the office of management and budget for the procurement and maintenance of an inventory of equipment and supplies as provided in this subsection. The director of the office of management and budget shall transfer any unobligated balance in the fund, in excess of one hundred twenty-five thousand dollars, to the state general fund at the end of each fiscal year.
2. The office of management and budget shall establish a state printing operating fund to be used for the procurement and maintenance of an inventory of printing equipment and supplies for the state departments and agencies.
3. The office of management and budget shall establish a state personnel training and development operating fund to be used for the coordination of employee training and career development data, supplies, equipment, and services and for providing or arranging necessary training and development programs to state departments and agencies. Funds in the state personnel training and development operating fund are appropriated on a continuing basis to the office of management and budget and may be spent for the purposes identified in this subsection. Any surplus in this fund in excess of twenty-five thousand dollars on June thirtieth of each year must be transferred to the state general fund.
4. The office of management and budget shall establish a facility management operating fund to be used for the salary and operations of the division of facility management. Rental fees collected pursuant to section 54-21-19 shall be deposited into the fund. The director of the office of management and budget shall transfer any unobligated balance in the fund to the state general fund at least once each biennium.
45. Each office, agency, or institution provided with printing or personnel training services, unless exempted by law, shall pay to the office of management and budget a proportionate share of the cost of such service as determined by the director of the office of management and budget, based on actual costs and actual usage. The amounts paid to the office of management and budget by the

various offices, agencies, and institutions must be deposited in the appropriate operating fund and must be expended in accordance with legislative appropriations.

SECTION 17. AMENDMENT. Section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.5. State share of oil and gas taxes - Deposits. From the revenues designated for deposit in the state general fund under chapters 57-51 and 57-51.1, the state treasurer shall deposit the revenues received each biennium in the following order:

1. The first ~~two~~ ^{three} hundred million dollars into the state general fund;
2. The next two hundred million dollars into the tax relief fund;
3. The next seventy-five million dollars into the budget stabilization fund, but not in an amount that would bring the balance in the fund to more than the limit in section 54-27.2-01;
4. The next ~~two~~ ^{three} hundred million dollars into the state general fund;
5. The next ten million dollars into the lignite research fund;
6. The next fifteen million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than fifteen million dollars;
7. The next thirty million three hundred seventy-five thousand dollars, or the amount necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7, into the municipal infrastructure fund;
8. The next four hundred million dollars into the strategic investment and improvements fund;
9. An amount equal to the deposit under subsection 7 into the county and township infrastructure fund;
10. The next one hundred sixty-nine million two hundred fifty thousand dollars or the amount necessary to provide a total of two hundred thirty million dollars into the funds designated for infrastructure development in non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal infrastructure fund and fifty percent deposited into the county and township infrastructure fund;
11. The next twenty million dollars into the airport infrastructure fund; and
12. Any additional revenues into the strategic investment and improvements fund.

SECTION 18. A new section to chapter 48-10 of the North Dakota Century Code is created and enacted as follows:

Space utilization studies -- Office space allocation -- Continuing appropriation. The capitol grounds planning commission shall:

1. Conduct a periodic comprehensive space utilization study of all executive, legislative, and judicial branch staff located within the facilities on the capitol grounds.
2. Develop a space allocation and design policy which will consider space equalization and maximize the effective use of public facilities in a cost-effective manner.
3. Allocate and assign office space in consultation with the director of the office of management and budget, based upon space utilization studies and the established policies, guidelines, standards, and procedures, to all executive, legislative, and judicial branch staff housed and working in facilities on the capitol grounds.
4. Include in developing standards and criteria to be used in making space allocations, considerations regarding equipment; work stations; private offices; conference rooms; reception areas; vaults; necessary arrangements of dividers, doors, and walls to increase adequate air circulation; telephones; lighting; and heating in the utilization of available space.
5. Be consulted, along with the office of management and budget, and the commission's approval obtained, before any change is made within any assigned and allocated space, and before any structural alteration is made.
6. Funds from the capitol building fund may be expended pursuant to section 48-10-02 for purposes of major interior changes, including new construction, remodeling, or renovation of any kind that are proposed to the commission and approved pursuant to section 48-10-03.

SECTION 19. EMERGENCY. Section 6 of this Act is declared to be an emergency measure.

SECTION 20. REPEAL. Section 54-21-28 and 54-44.4-02.2 of the North Dakota Century Code are repealed.



2023 SENATE BILL 2015
House Appropriations Committee – Government Operations Division
Representative David Monson, Chairman
March 7, 2023

Chairman Monson and members of the House Appropriations Committee Government Operations Division, I am Tim Blasl, President, of the North Dakota Hospital Association (NDHA). I provide this testimony in support of Senate Bill 2015 and ask that you give this bill a **Do Pass** recommendation.

Hospitals support this bill because it provides funding for indigent guardianship services grants. We support efforts to increase the reimbursement rate and number of corporate guardians. When a hospitalized patient is unable to make health care decisions for himself and does not have anyone qualified to make decisions for him, the patient can unfortunately be stuck in a hospital bed long after discharge should have happened. In a perfect world, the process of securing a guardian would take a few days to a week, but the process takes an average of 30-90 days. In some cases, it is much longer.

These situations present many challenges for the patient and hospital. When the patient is ready for discharge, but is waiting for guardianship services, the bed is not available for another patient who needs it. While the patient remains in limbo, the hospital has no one to make health care decisions for that patient. Hospitals cannot employ or choose guardians directly because the guardian could be viewed as lacking the necessary independence to make decisions as required by law. They must rely on the patient's family and friends or, if none are willing or able to serve, a corporate guardian, to initiate the process and serve.

By better funding indigent and corporate guardianship services, SB 2015 addresses these barriers and takes the right step toward more efficiently connecting vulnerable patients to the services they need. Please give the bill a **Do Pass** recommendation. Thank you for your time.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association



**Senate Bill 2015
House Appropriations
Government Operations Division
Representative David Monson, Chair
January 30, 2023**

Chairman Monson and members of the House Appropriations Government Operations Division, my name is Melanie Gaebe, Director of Public Policy for the Alzheimer's Association in North Dakota. Thank you for the opportunity to express the Association's support for the increased funding for guardianship in SB 2015.

There are currently an estimated 15,000 North Dakotans living with dementia and that number is expected to increase to 16,000 by 2025. What this really means is there are currently North Dakotans living with mild cognitive impairment, some of whom are wards in the guardianship system. These guardians are taking responsibility for some of the most difficult decisions that can be made by a person, much less on behalf of a person who is not a family member.

Imagine, you have chosen to become a public guardian. You have a new ward who is an older adult without any family. You are now responsible for making decisions we take for granted every day. You will now be responsible for choosing such things as where your ward lives, who is able to visit that person, how their finances will be handled, and how their health care will proceed.

Now imagine you are the person who is responsible for making these high stakes decisions for another person and you are told that work is valued at \$10 a day. This rate in no way reflects the value and weight of the responsibilities guardians carry in the work they do for our most vulnerable residents.

Thank you for your time and consideration.

TESTIMONY OF

Joe Morrissette, Director of OMB

Chairman Monson and members of the Government Operations Division of House Appropriations. I am Joe Morrissette, the Director of the Office of Management and Budget (OMB).

My budget testimony consists of the attached slide deck which summarizes:

- OMB organizational chart
- Filled and vacant positions
- Requested changes to our base budget for the 2023-25 biennium
 - Also included among the slide handouts are the following documents:
 - State facility project improvement needs
 - Total rewards recommendations for Team ND
 - OMB workforce story
- Descriptions of the various sections included in the executive bill draft for SB 2015 and notations of what was included in the Senate version.

I look forward to continuing to work with all of you this session and am available any time to address your questions regarding the OMB budget and any other aspect of the governor's executive budget.

Feel free to contact me either at jmorrissette@nd.gov, my office number at 701-328-4606, or my cell phone at 701-220-6361.

ENGROSSED SB 2015 HOUSE APPROPS – GO

Joe Morrisette, Director
March 7, 2023

OUR MISSION

To provide innovative leadership and support to state government.

OUR VISION

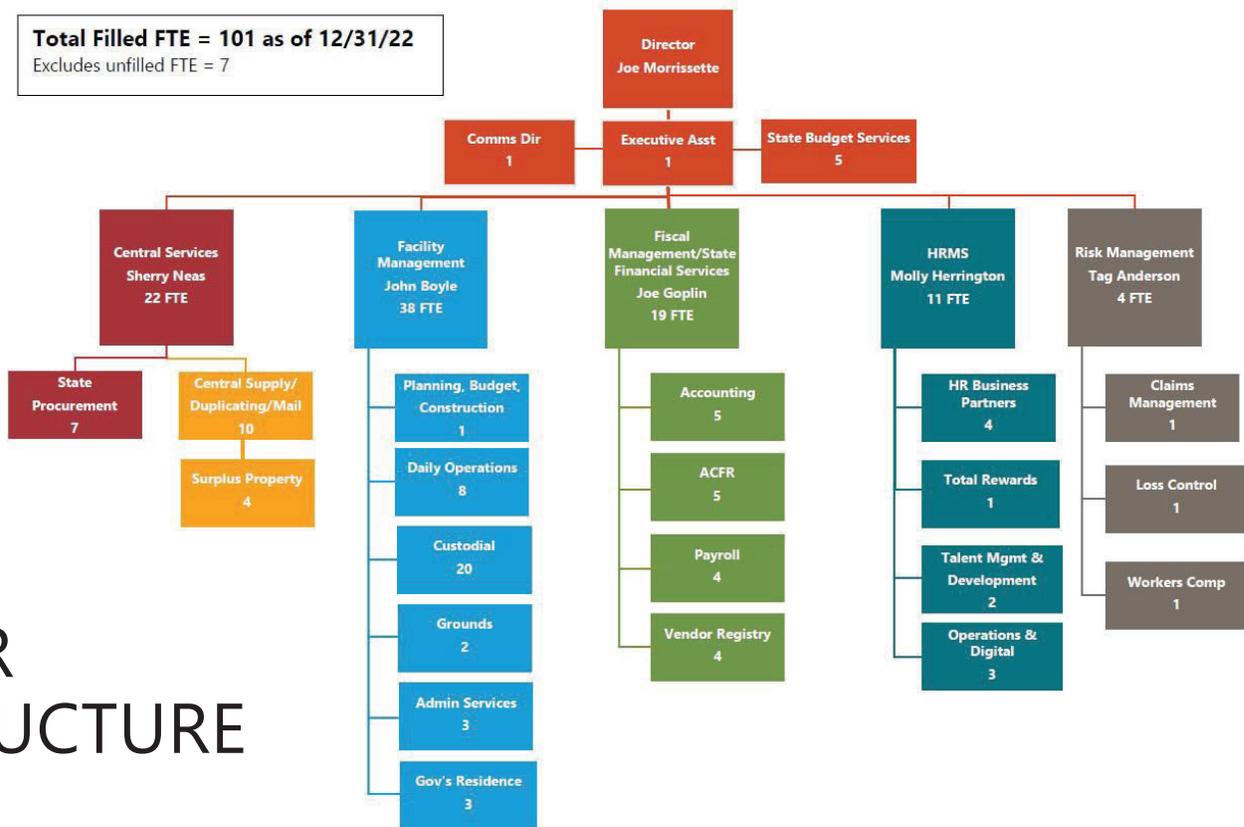
To set the standard for leadership and expertise in state government.

OUR STRUCTURE

Five Divisions

- Central Services
- Facility Management
- Fiscal Management
- Human Resource Management Services (HRMS)
- Risk Management

Total Filled FTE = 101 as of 12/31/22
Excludes unfilled FTE = 7



OUR STRUCTURE

SEVEN VACANT POSITIONS



Administration

- 1 Director



Central Services

- 1 Procurement Officer
- 1 Central Duplicating/
Supply



Facility Management

- 3 Custodians
- 1 Electrician



CENTRAL SERVICES DIVISION

Who We Serve

- State agencies and NDUS
- Vendors
- K-12, political subdivisions, eligible nonprofits

CENTRAL SERVICES DIVISION

What We Do

- Operate state procurement to obtain needed goods, services, printing and IT through a legal, fair, and competitive process.
- Establish state contracts to save time, money and create efficiency for government entities.
- Provide procurement training and help agencies purchase goods, services, printing and IT.
- Operate a central supply of office products.
- Operate central printing and mailing services, creating efficiency in labor, equipment and space.
- Operate a central mail room for the Capitol.
- Distribute state and federal surplus property to eligible entities and manage state government e-waste.



FACILITY MANAGEMENT DIVISION

Who We Serve

- State agencies
- The public
- The First Family
- Legislators
- Media

FACILITY MANAGEMENT DIVISION

What We Do

- Maintain the state Capitol complex.
- Review and sign leases for space outside the Capitol complex.
- Provide space utilization and facility planning guidance to state agencies.
- Provide Capitol tours.
- Approve and coordinate events held on the Capitol complex.
- Support the Capitol Grounds Planning Commission.
- Manage construction projects, major improvements and repairs within the Capitol complex.
- Plan for the future through the Capitol Grounds Master Plan.
- Assist state agencies with administrative process for public improvement projects, as requested.
- Provide services for the First Family at the Governor's residence.



FISCAL MANAGEMENT DIVISION

Who We Serve

- State agencies
- State team members
- The Governor
- The public
- Media
- Political subdivisions
- Legislators
- Vendors

FISCAL MANAGEMENT DIVISION

What We Do

- Provide financial management and financial services to state government, including:
 - Budgeting
 - Accounting
 - Payroll
 - Financial reporting
- Manage the state purchasing card (P-card) program, creating a simplified and efficient payment process and generating rebates for the general fund and political subdivisions.
- Maintain the state financial transparency portal.
- Maintain the statewide PeopleSoft Financial/HR Enterprise Resource Planning (ERP) system.
- Operate the online vendor registry system which allows online registration to pay vendors and provide IRS 1099 reporting.



HUMAN RESOURCE MANAGEMENT SERVICES

Who We Serve

- State agencies
- State agency HR leads
- State team members
- Career seekers
- Media

HUMAN RESOURCE MANAGEMENT SERVICES

What We Do

- Provide HR guidance, assistance, and comprehensive HR services to state agencies.
- Promote consistent HR policies and practices.
- Establish and maintain the state classification system and compensation plan.
- Provide professional development and leadership training to state team members.
- Support agencies through the recruitment and hiring process.
- Maintain the state careers website.
- Support PeopleSoft Human Capital Management (HCM), Enterprise Learning Management (ELM) and job description system.



RISK MANAGEMENT DIVISION

Who We Serve

- State agencies and institutions
- State team members
- Citizens

RISK MANAGEMENT DIVISION

What We Do

- Promote safety and loss control practices.
- Coordinate the management of risk in state governmental activities including:
 - Risk assessment
 - Loss control
 - Risk financing
 - Claims administration
 - Litigation
- Administer the single joint account for all state entities in cooperation with WSI as part of a large deductible program.

2021-23 ACCOMPLISHMENTS



Efficiency through centralization

- ✓ Advanced the implementation of HR 2.0, creating a more effective and collaborative HR system.
- ✓ Collaborated with higher education to plan for the selection of a shared online procurement solution.
- ✓ State Surplus transferred to state and local government approximately \$10M of federal property.
- ✓ State Surplus Law Enforcement Support Office (LESO) program facilitated the transfer and use of \$16M in property by 63 ND law enforcement entities.
- ✓ Print-Mail for NDDOT transitioned to Central Duplicating.
- ✓ Continued central management of state and political subdivision purchasing card program, generating a rebate of over \$3M for CY 2021.



Efficiency through innovation and new technology

- ✓ Completed implementation of new state budget development and tracking system.
- ✓ PeopleSoft implementations/milestones:
 - Update Team Member Information (UTMI), remote worker, electronic acknowledgements, statewide shared leave functionality, and automated notification and approval.
 - Recruiting Solutions had 4,838 job postings and 45,260 employment applications were submitted.
 - Securely enabled Direct Deposit self-service.
- ✓ Implemented LinkedIn Recruiter to improve marketing of Team ND jobs.
- ✓ Completed phase 1 of Enterprise Procurement Automation Project.

2021-23 ACCOMPLISHMENTS



Team member communications and training

- ✓ Delivered diverse training opportunities to over 2,500 learners.
- ✓ Conducted third annual Gallup team member engagement survey.
- ✓ Launched an interagency mentorship program.
- ✓ Lead statewide change management initiative, training over 1,500 to date.
- ✓ Launched online/on-demand procurement training.
- ✓ Lead the ongoing development of universal employment policies (37 to date).
- ✓ Launched Team ND Connect, the statewide intranet available to all state team members.
- ✓ Launched new OMB website on the statewide platform.



Facilities upgrades and enhancements

- ✓ Completed the ADA improvements projects at the Capitol.
- ✓ Completed facilities management and facility optimization study.
- ✓ Implemented self-guided kiosks and virtual Capitol tour enhancements.



Efficient HR business operations

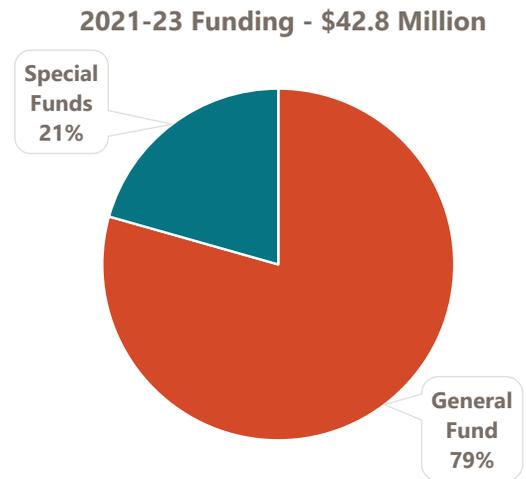
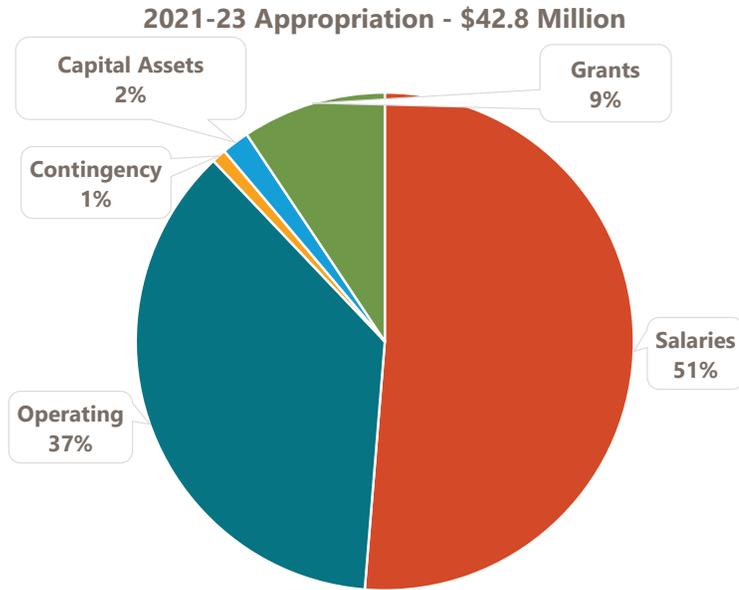
- ✓ Implemented a workforce planning strategy and template with 33 agencies.
- ✓ Implemented enhanced classification job family descriptions.
- ✓ Conducted a robust compensation study as a part of Team ND's total rewards work.



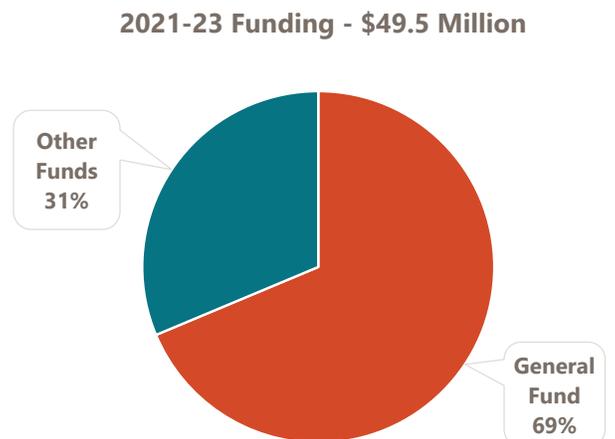
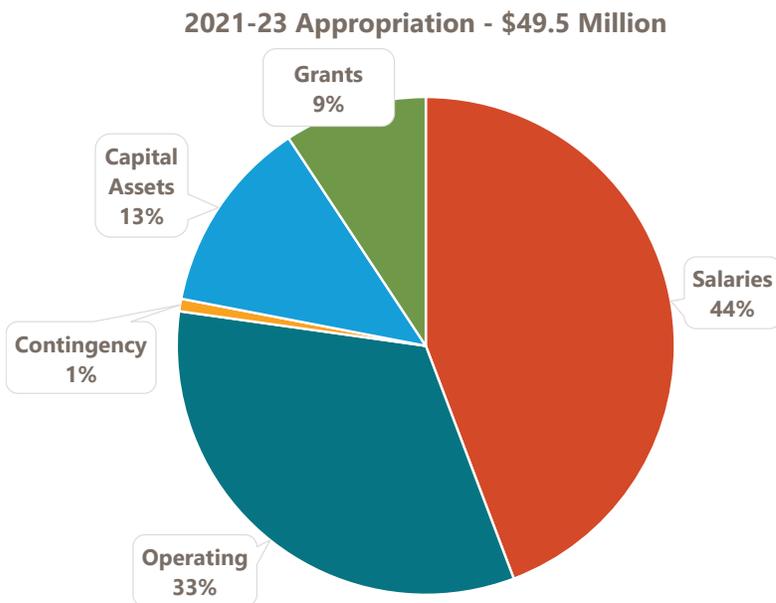
Federal fund distribution

- ✓ Managed the state's reporting requirements for the \$1.25 billion federal CRF and \$1 B ARPA funding with no additional staff.
- ✓ Managed the distribution of over \$50 million federal ARPA funding to cities and assisted them in meeting reporting obligations.

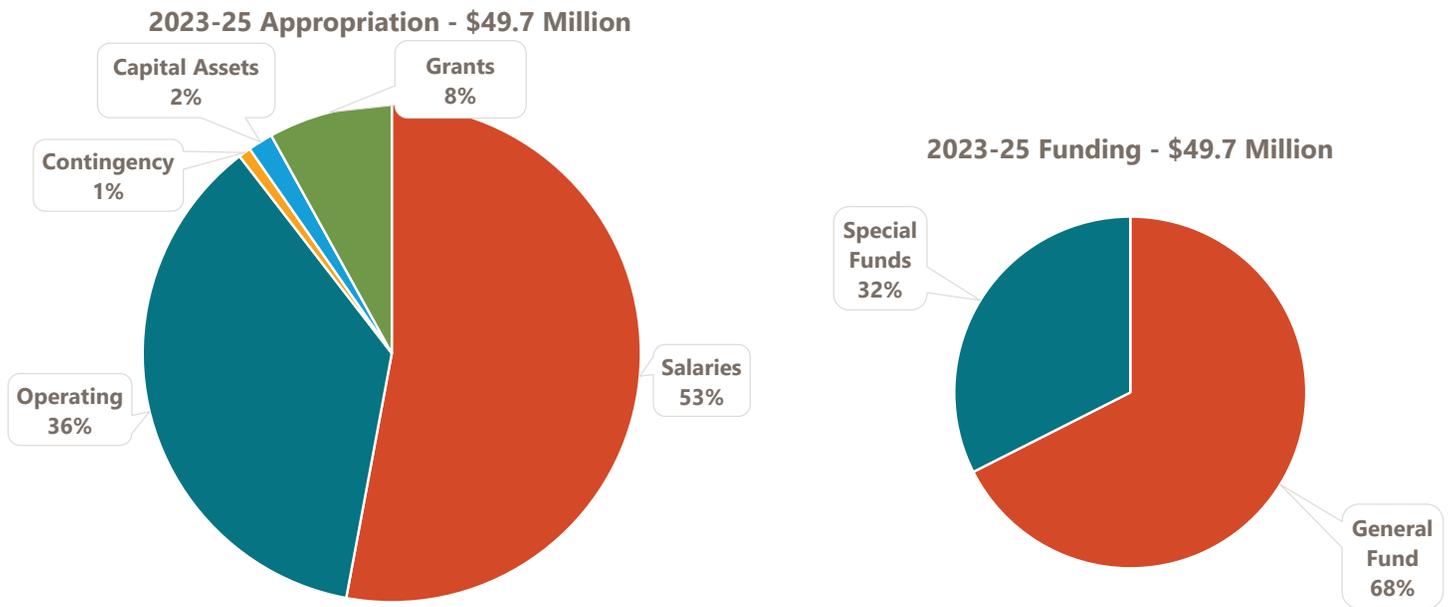
OMB LEGISLATIVE BASE BUDGET – 2021-23



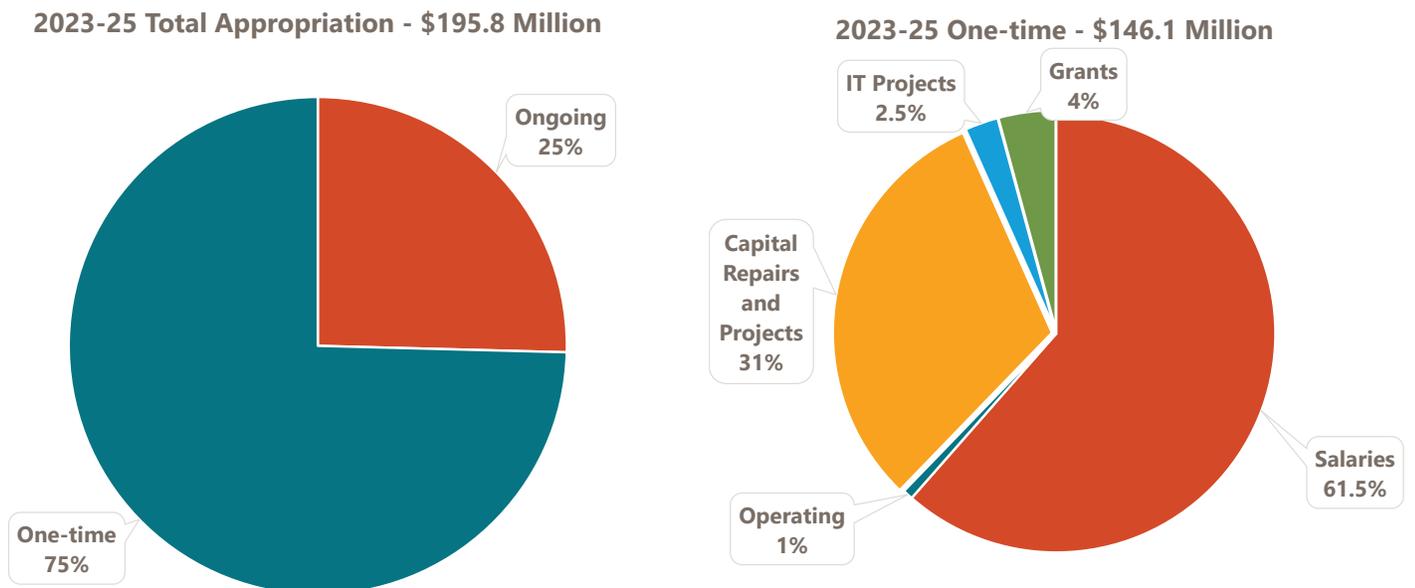
OMB TOTAL BUDGET – 2021-23 ONGOING AND ONE-TIME EXPENDITURES



OMB PROPOSED BUDGET – 2023-25 ONGOING EXPENDITURES



OMB PROPOSED BUDGET – 2023-25 ONGOING AND ONE-TIME EXPENDITURES



2023-25 GOALS AND OBJECTIVES



Improve facilities and utilization

- Improve utilization of Capitol through space reconfiguration.
- Improve meeting room space through Brynhild Haugland Room remodel.
- Improve state facilities by addressing backlog of deferred maintenance.



Improve efficiency and enhance support

- Continue printing and mailing centralization.
- Continue payroll administration centralization.
- Continue HR services centralization and support.
- Continue procurement centralization and support.
- Provide shared communications services.
- Develop centralized lease management and construction management functions.
- Simplify contractual risk requirements.
- Simplify procurement processes.
- Continue to facilitate more consistent HR processes/practices.
- Expand workforce planning assistance to agencies.
- Develop talent management program.
- Develop Total Rewards Analysis Database.
- Improve measurement of total rewards value.
- Increase team member engagement through total rewards development and education.
- Optimize projects and adoption through Change Management application and support.

2023-25 GOALS AND OBJECTIVES



Improve efficiency through new technology

- Implement Procurement Automation system.
- Implement PeopleSoft travel and expense module.
- Expand PeopleSoft Testing Framework—a tool that automates testing for upgrades/patches.
- Integrate Optical Character Recognition with PeopleSoft—scan invoices, digitally attach copy and automate the coding of invoices.
- Centralize leave management of federal FMLA to allow for efficiency and alignment across agencies.
- Implement automated candidate texting to better communicate with career seekers.
- Implement automated processes to streamline job candidate entry of work, education, and other info.
- Develop additional manager self-service features in PeopleSoft.
- Implement PeopleSoft Enterprise eCompensation.



Improve team member communications and training

- Continue to develop and deliver OMB Agency Essentials training.
- Continue to develop and deliver Leadership Everywhere training.
- Implement Oracle Guided Learning—learning/help tool embedded seamlessly within PeopleSoft.
- Develop and deploy an advanced, multi-level manager development program.
- Continue to deliver Change Management training for team members to design and implement sustainable change.



BUDGET CHANGES

IT SYSTEM UPGRADES AND REPLACEMENTS

\$3.3M Request

Procurement automation system

Phase two - 2023-25 - \$2.5M..... **In Senate Version**

- \$1.5M implementation and integration with PeopleSoft
- \$1M ongoing maintenance and updates
- Phase one - 2021-23 appropriation of \$1.9M will be partially used during the current biennium, with balance carried over to 2023-25

Building automation system

Phase two – 2023-25 biennium – \$800,000..... **In Senate Version**

- Phase one – 2021-23 biennium - \$518,800
- Total project cost of \$1.3M



BUDGET CHANGES

STATEWIDE DEFERRED MAINTENANCE

\$17.05M Request

Accessibility Assessment and Improvements of State Buildings (Capitol complex and other Bismarck locations)

\$100,000..... **In Senate Version**

Brynhild Haugland Room Improvements

\$500,000..... **In Senate Version**

Capitol Boiler Replacement Project

\$12M..... **In Senate Version Deferred Maintenance**

Capitol & Legislative Wing Window Replacement

\$4M..... **In Senate Version**

State Office Building Demo & Site Reclamation

\$451,000..... **In Senate Version**

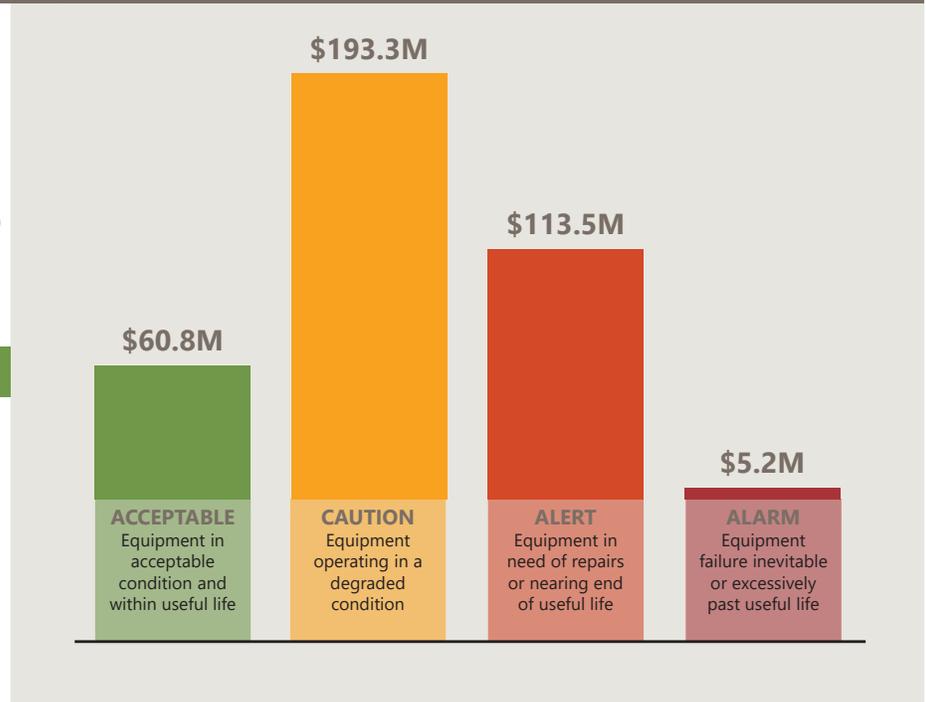


BUDGET CHANGES

CAPITOL EXTRAORDINARY REPAIRS

Deferred maintenance pool of funds to be transferred to state agencies on a prioritized basis

\$20M..... **In Senate Version**



BUDGET CHANGES

SPACE UTILIZATION OPTIMIZATION

Create an efficient workplace environment in the Capitol and Judicial Wing

\$5.5M..... **In Senate Version**

- Remodeling costs to better utilize existing space and result in savings through the elimination of leased space. Other results could include:
 - Elimination of underutilized agency conference rooms (over 6,000 sf or one entire Capitol tower floor)
 - Creation of one "hoteling" work location for all state agencies to use
 - Increase in the average occupancy per Capitol tower floor from 30 to 45 employees

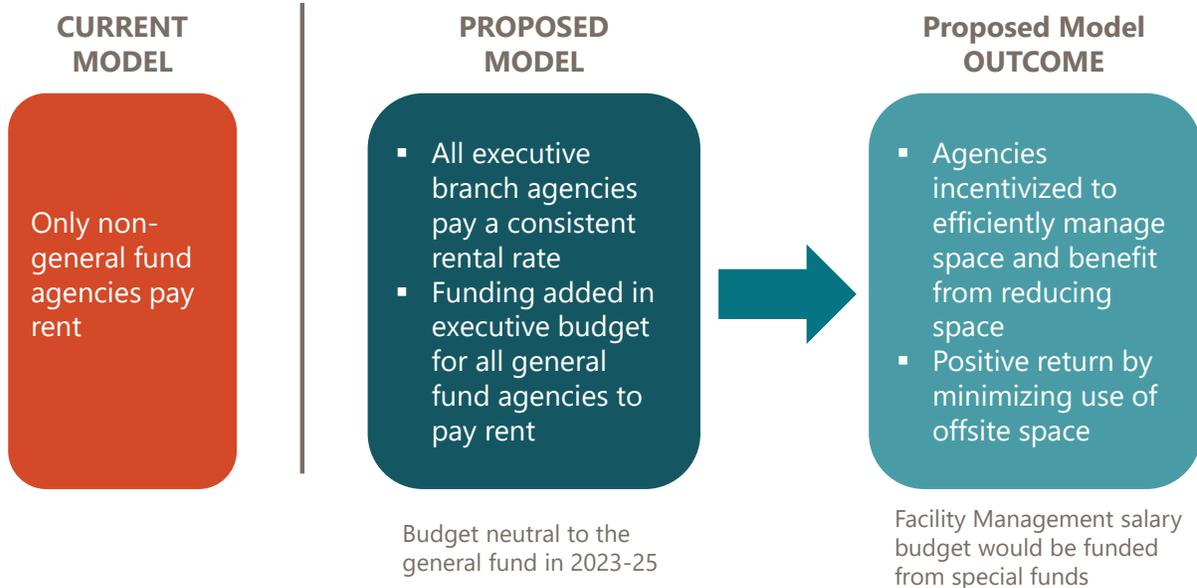
Authority for creation of space standard policies by Capitol Grounds Planning Commission

..... **NOT In Senate Version**



BUDGET CHANGES

RENT MODEL CHANGE (INCLUDED IN SENATE VERSION)



BUDGET CHANGES

FACILITY MANAGEMENT FUNDING SOURCE CHANGE

In Senate Version

- Rent model change results in additional rent collection
- Rent deposited in special fund rather than general fund
- Facility Management (FM) salaries funded from special fund rather than general fund
- Provides opportunity to fund FM from facility rent payments and move toward self-funded facility services model

▪ 2021-23 biennium rent deposited in general fund	\$2.55M
▪ 2023-25 biennium:	
▪ Total rent collected	\$4.18M
▪ Amount used to fund FM salaries (minus admin)	\$4.10M



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - FACILITIES

- Centralized management of leases and construction projects will lead to efficiency and cost savings
- 2 FTE - OMB has two vacant Facility Management positions that can be repurposed for this use

Total additional salaries and benefits requested = \$396,888

In Senate Version

.....
▪ **Statewide Lease Coordinator**

- Will manage all state agency leases, help determine appropriate space utilization, negotiate lease rates, facilitate sharing of space and service contracts.
- Will require administrative rule change; no statutory change required.

▪ **Statewide Construction Project Manager**

- Will manage the solicitation of architects and engineers for construction and remodeling projects, manage the bidding and procurement process, and manage projects or supervise contract project managers, as necessary.
- No statutory change required



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - COMMUNICATIONS

- Centralized communications support for smaller agencies with no communications professional on staff
- 2 FTE

Total additional salaries and benefits requested = \$350,722

NOT In Senate Version

.....
▪ **Multimedia Specialist**

- Will manage graphic design, video, photography, social media, website updates, newsletter and promotional materials for OMB and partner agencies.

▪ **Communications Specialist**

- Will assist with media inquiries, development of communications campaigns, event planning, project management and writing to include news releases for partner agencies.



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - FISCAL

- OMB’s PeopleSoft experts and accounting professionals support and train state agency fiscal team members in utilizing the state PeopleSoft system’s various modules for accounting, payroll, reporting and other fiscal operations

▪ 2 FTE

Total additional salaries and benefits requested = \$381,724

1 FTE and \$190,862 in Senate Version

▪ **Financial Services - Agency Support**

- As additional PeopleSoft functionality is deployed, such as automated Travel & Expense reimbursement and the Procurement Automation system, additional resources are needed to support state team members.
- Provide support for all state agency fiscal team members in financial reporting and using existing PeopleSoft modules of Accounts Payable, Accounts Receivables, General Ledger, Asset Management, Procurement, Inventory, Supplier Lifecycle and Lease Administration.
- Allows us to better serve agencies and reduce growing backlog of PeopleSoft support items.



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - HR

▪ 5 FTE

Total additional salaries and benefits requested = \$1.163M

2 FTE and \$473,924 in Senate Version

▪ **Recruiting Manager**

(Talent Acquisition Manager)

In Senate Version

- Plan, develop, and implement statewide recruiting strategy and systems.

▪ **Compensation & Benefits Specialist**

(Total Rewards Specialist)

In Senate Version

- Assist with development and administration of strategies and programs that serve to align compensation, benefits, and rewards to attract, motivate, engage, and retain team members.

▪ **Learning & Development Manager**

NOT In Senate Version

- Develop and implement statewide learning and development strategy and training programs, to include talent management/succession program development.

▪ **Recruiting Associate**

(Talent Acquisition Associate)

NOT In Senate Version

- Provide high level execution and leadership in innovative statewide recruiting efforts.

▪ **Change Management Program Manager**

NOT In Senate Version

- Responsible for delivering statewide Change Management training and services.



BUDGET CHANGES

CENTRALIZED SERVICES AND SUPPORT - HR

Student Internship Program

\$700,000..... **In Senate Version**

- 2023-25 is expected to have over 100 interns requested, more if funding is available (more than double 2021-23)
- More than 25% of interns transitioned to full-time employment

Leave Management System

\$335,000..... **In Senate Version**

- Full-service leave management vendor
- Consistent application and statewide data
- Compliance with state and federal laws
- Medical experts to interpret medical documentation

LinkedIn Recruiter

\$95,000..... **In Senate Version**

- Engage with professionals that have the education and experience that align with talent needs
- Aid in expanding our candidate pools and resulting in attracting top talent to Team ND



BUDGET CHANGES

TOTAL REWARDS PACKAGE



TARGETED EQUITY PACKAGE

EQUITY

one-time – prior to July 1, 2023

Cost: \$90M Total Funds
(\$49.3M = General Funds)

\$75M in Senate Version





GENERAL PERFORMANCE INCREASE

6% / 4%

FY2024 / FY2025

Cost: \$210.86M Total Funds
(\$87.7M = General Funds)

4% / 4% in Senate Version

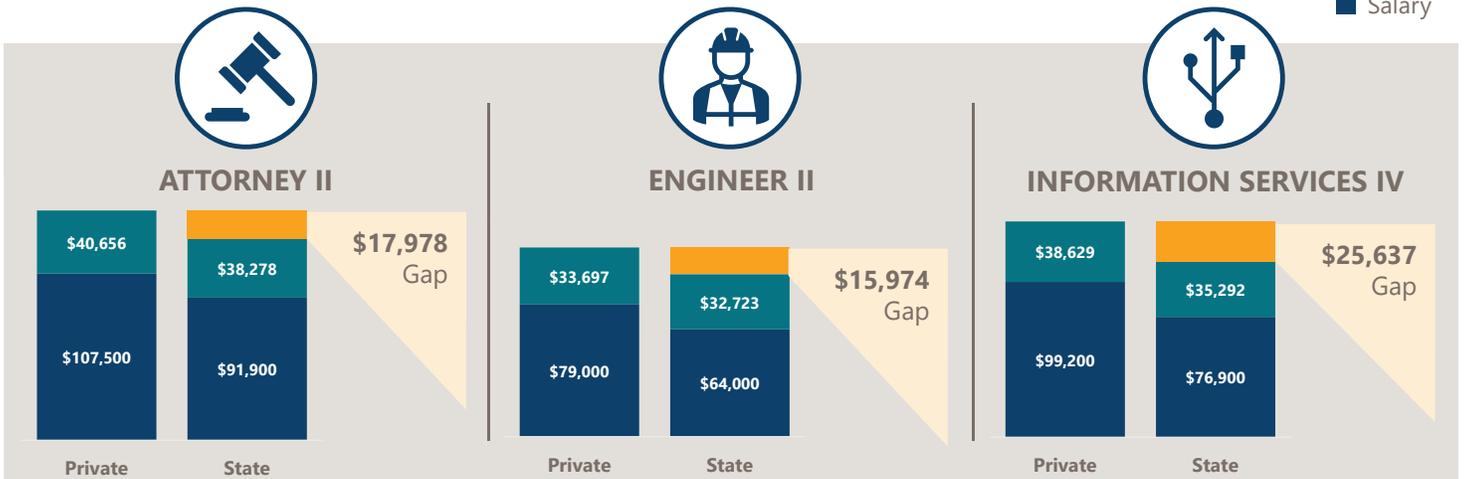


TARGETED EQUITY PACKAGE

Addresses:

- Verifiable, significant market gaps for job categories
- Staffing issues with impact on services and operations
- Relatively low paid employees and agencies

■ Benefits
■ Salary





GENERAL PERFORMANCE INCREASE

6% 2023 / 4% 2024

Addresses:

- Positions below market
- Compression concerns
- Performance differentiation relative to recent programs
- Industry increases



SALARY INCREASE COMPARISON

Year	North Dakota State Employee Increase	National Market Increase	Gap	North Dakota Market Increase	Gap
2017	0%	3.0%	3.0%	2.9%	2.9%
2018	0%	3.1%	3.1%	2.9%	2.9%
2019	2% <small>With \$120 minimum</small>	3.2%	1.2%	3.2%	1.2%
2020	2.5%	2.9%	0.4%	2.8%	0.3%
2021	1.5% <small>With \$100 minimum</small>	2.9%	1.4%	2.7%	1.2%
2022	2.0%	4.1%	2.1%	4.1%	2.1%

Source: World at Work Salary Budget Survey Averages

\$2.93M Increase

LINE-ITEM CHANGES ENGROSSED BILL - SALARIES



- **\$151,408** cost to continue current salaries
- **\$665,000** for 3 new FTE's
 - Financial Services - Agency Services and Support \$190,862
 - Statewide Recruiting Manager \$255,452
 - Compensation & benefits specialist \$218,472
- **\$396,888** to repurpose two currently vacant FTE to add lease administrator position and a public improvement manager
- **\$1.6M** for the legislative compensation package including health insurance increases
- **\$100,369** one-time funding for retirement leave payouts

Funding source change of \$4.1M (increased special funds, decreased general fund) for Facility Management as part of the proposed rent model change

\$3.60M Increase

LINE-ITEM CHANGES OPERATING



- **\$2.56M** for ongoing expenses, including:
 - Various increases totaling \$1,938,774:
 - \$200,000 for utilities
 - \$1,000,000 in IT contractual services for new e-procurement system
 - \$500,000 for printing (special fund authority for Central Duplicating)
 - \$238,774 for supplies, professional development, IT costs, membership dues and travel
 - Increase of \$389,914 for change in the rent model (portion OMB will be charged)
- **\$1.1M** for one-time expenses, including:
 - \$358,500 for inflationary increases
 - \$100,000 for an ADA study and improvements
 - \$100,000 for Capitol tour enhancements
 - \$335,000 for a leave management system

\$14.77M Increase

LINE-ITEM CHANGES CAPITAL ASSETS



- **\$15.5M** for the following:
 - \$5.5M for reconfiguring space in the Capitol building and Judicial wing
 - \$600,000 for miscellaneous mechanical and electrical repairs
 - \$451,000 for the demolition of the State Office Building
 - \$4.8M for projects in the Capitol complex funded from the Capitol Building Fund, including window replacement in the tower and legislative wing, Brynhild Haugland remodel, and security and landscaping items at the Governor's residence
 - \$2.5M for a new eProcurement system
 - \$800,000 for building automation upgrade project
 - \$150,000 for automatic door openers for legislative committee rooms

LINE-ITEM CHANGES GRANTS AND OTHER LINES



- **Equity** – \$75.0M for equity package (*executive recommendation of \$90M*)
- **Guardianship Grants** – Guardianship grants are increased to \$6.1M (*continued at the current level of \$2.45M in the executive budget*).
- **Community Service Grants** – Grants to community service programs are continued at the current level of \$350,000.
- **Prairie Public Broadcasting** – The operating support grant to Prairie Public Broadcasting is continued at the current level of \$1.2M, along with one-time funding of \$1.79M for projects.
- **State Student Internship** – The executive recommendation and Senate version includes one-time funding of \$700,000 from the general fund to continue and expand the state internship program. The current biennium budget includes a one-time appropriation of \$100,000 plus \$100,000 in carryover funding for the program.
- **Deferred Maintenance Funding** – \$20.0M for statewide critical maintenance and repair projects based on facility needs assessment (*the Senate version proposes that \$12.0M for new boilers in the Capitol come from this pool; the executive recommendation included this as a separate appropriation*)

OTHER SECTIONS IN ENGROSSED BILL

- **Section 3** – Appropriation of any moneys in the community service supervision fund to be distributed to community corrections association regions
- **Section 4** – Transfer of \$200M from Tax Relief Fund to Social Services Financing Fund
- **Section 5** – Authority to allocate \$700,000 to agencies for state internship cost-sharing program
- **Section 6** – Authority to allocate \$20M funding for deferred maintenance to agencies based on facility condition assessment

OTHER SECTIONS IN ENGROSSED BILL

- **Section 7** – Summarizes the \$4.8 M appropriation in section 1 of the bill from the Capitol Building Fund
- **Section 8** – Intent for grants and specific items appropriated in section 1 for statewide dues and memberships, state unemployment insurance, and expenses of the Capitol Grounds Planning Commission
- **Section 9** – Authority to allocate \$75M proposed state equity pool funding to agencies to address targeted market equity issues

OTHER SECTIONS IN ENGROSSED BILL

- **Section 10** – State employee compensation adjustment guidelines providing 4% adjustments each year
- **Section 11** – Increases from \$250,000 to \$750,000 the amount of spending authority available from the Capitol Building Fund for expenditures on the Capitol grounds, as determined by the Capitol Grounds Planning Commission
- **Section 12** - New Capitol rent model allows all executive branch agencies to be charged the same rent per square foot regardless of agency funding source

- **Section 13** – Establishment of Facility Management (FM) Operating Fund to receive rent payments to be used to fund FM salary costs within the limits of legislative appropriation; balance transferred to GF
- **Section 14** – Transfer of 50% of motor vehicle tax to Highway Fund to provide ongoing revenue stream to offset declining gas tax revenues. (*Executive budget proposal was 25% of the general fund share the first year and 50% thereafter.*)
- **Section 15** – Turnback exemption for Fiscal Management Division for support of PeopleSoft and other statewide financial and administrative systems

OTHER SECTIONS IN ENGROSSED BILL

- **Section 16** – Authority to carryover unspent special fund appropriations for state facility assessments. Approximately \$250,000 may be available to update facility condition assessments during the 2023-25 biennium.
- **Section 17** – Effective date for allocation of a portion of motor vehicle excise taxes to the general fund
- **Section 18** – Emergency clause to allow distribution of salary equity funding prior to June 30, 2023

SECTIONS REQUESTED TO BE ADDED

- Budget stabilization fund maximum balance redefined to exclude general fund one-time expenditures and K-12 formula payments already covered by the Foundation Aid Stabilization Fund
- Space utilization and allocation policies development authority delegated to Capitol Grounds Planning Commission
- Assign duties for conducting space utilization studies, developing space utilization standards, and assigning Capitol building space to the Capitol Grounds Planning Commission

PASS-THROUGH GRANTS

- The OMB budget includes pass-through grants for guardianship programs and to support Prairie Public Broadcasting
- Supporters of these programs are available to provide testimony
- **Guardianship Grants - \$6,100,000 proposed appropriation** *(increased by the Senate from the \$2.45M included in the executive budget)*
 - Aaron Birst, Executive Director, North Dakota Association of Counties
- **Prairie Public Broadcasting - \$2,992,450 proposed appropriation**
 - John Harris, President and CEO, Prairie Public Broadcasting

STATE FACILITY PROJECT IMPROVEMENT NEEDS

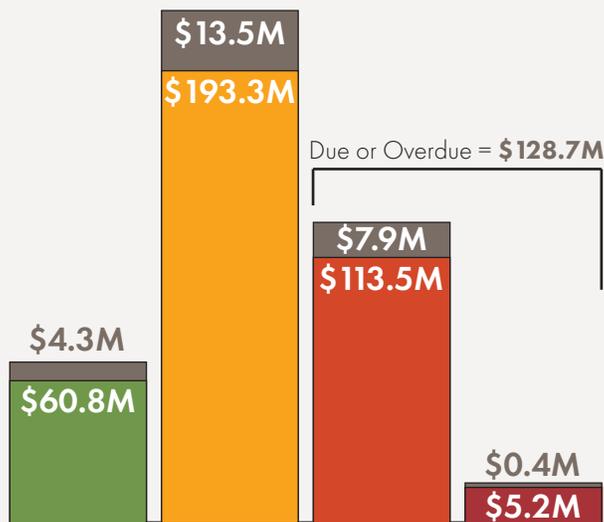
2022 Scope Summary

State-owned building square footage totals over **24 million square feet**, with an insured value of **\$4.4 billion**.

Over **120 state-owned buildings**, occupied by **17 agencies** and comprising **3.7 million square feet** were assessed.

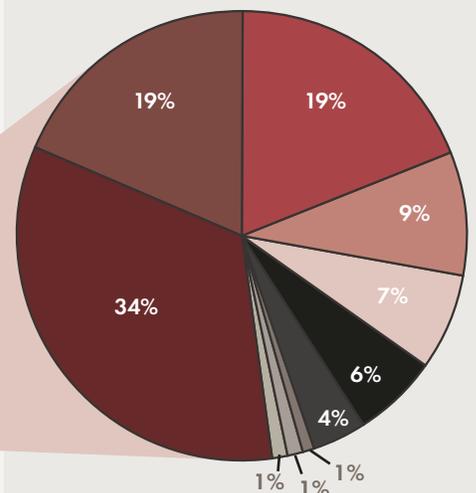
More than **1,350 facility improvement and repair projects** were identified.

IDENTIFIED NEEDS SUMMARY



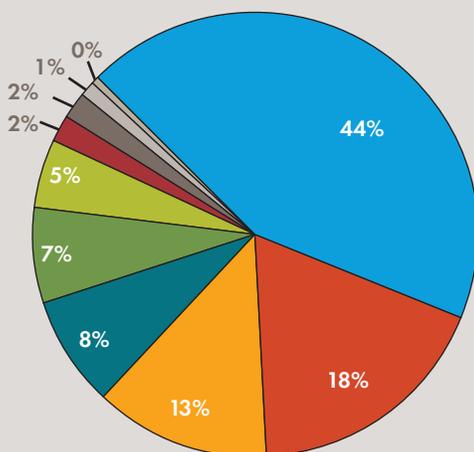
BIENNIAL COST INFLATER	ACCEPTABLE	CAUTION	ALERT	ALARM
Additional cost incurred if projects are delayed two years	Equipment in acceptable condition and within useful life	Equipment operating in a degraded condition	Equipment in need of repairs or nearing end of useful life	Equipment failure inevitable or excessively past useful life

IMMEDIATE PRIORITY "ALARM" NEEDS BY AGENCY = \$15.2M



- Historical Society
- Corrections & Rehabilitation
- Adjutant General
- Office of Management & Budget
- Veteran's Home
- Health & Human Services
- Game & Fish
- Transportation
- Attorney General
- Highway Patrol

NEEDS CATEGORIES



- Mechanical (Heating/Cooling)
- Ventilation (Indoor Air Quality)
- Controls (Building Environmental System)
- Exterior (Roofs, Windows, Doors)
- Lighting (convert to LED Technology)
- Electrical Distribution (Electric Service)
- Life Safety (Fire Alarm/Sprinkler)
- Interior Surfaces (Flooring/Finishes)
- Building Envelope (Exterior Walls Sealing)
- ACM (Asbestos Containing Materials)

STATE OF NORTH DAKOTA

TOTAL REWARDS RECOMMENDATIONS

Current Team ND Total Rewards Issues to be Addressed

- Salaries have fallen behind
- Uncertainty in benefit programs
- Increased competition
- Specific competitive pay issues
- Specific agency equity



Recommendations for the 2023/2025 biennium, based on team member survey, economic factors and compensation analysis.

COMPENSATION & EQUITY



TARGETED EQUITY PACKAGE

EQUITY

one-time increase

Addresses verifiable, significant market gaps for job categories, staffing issues with impact on services and operations, relatively low paid employees & agencies

Cost: \$89.7M Total Funds (\$49.3M = General Funds)





GENERAL PERFORMANCE INCREASE

6% / 4%

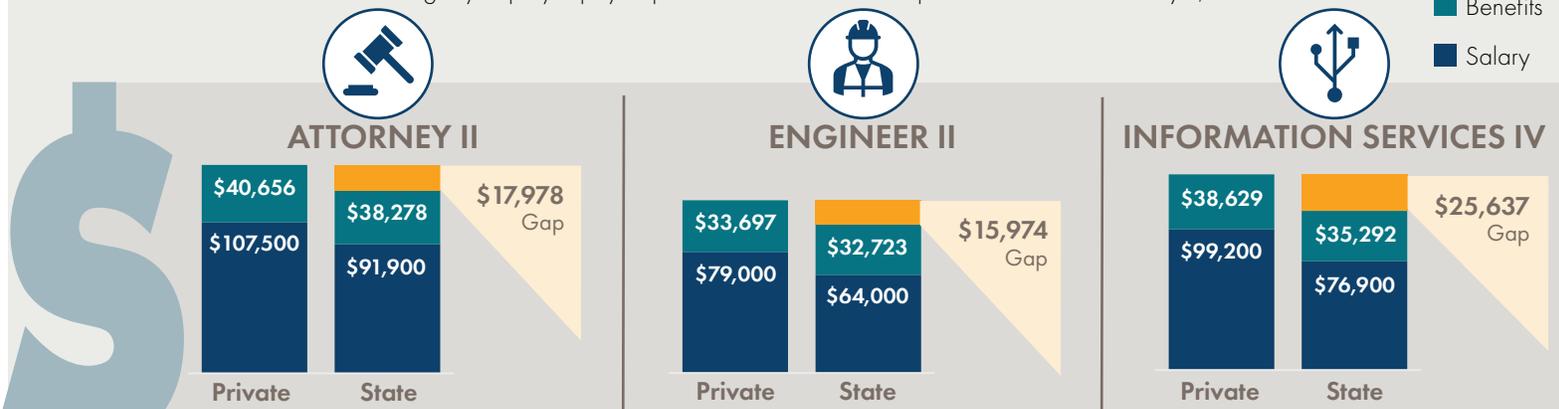
2023/2024

Addresses overall below market position, compression concerns, performance differentiation relative to recent programs, industry increases

Cost: \$210.9M Total Funds (\$87.7M = General Funds)

WHAT IS PAY EQUITY? WHY IS IT IMPORTANT?

Pay equity is compensating team members who have similar job responsibilities, skill and effort in a similar fashion that is fair and competitive in the market. Our internal salaries are not only out of line with the market price, we are also competing internally due to inconsistent pay distribution. We need to fix the starting point for our team members before annual adjustments –the emergency clause is needed so we have to have time to meaningfully deploy equity adjustments before annual adjustments are made on July 1, 2023.



With a 10% cap on proposed equity adjustments, there will still be a gap between private and state salaries in most cases. However, we believe the proposed equity package will go a long way toward recruiting and retaining top talent to Team ND.

STATE OF NORTH DAKOTA

TOTAL REWARDS RECOMMENDATION BASIS

Recommendations for the 2023/2025 biennium, based on team member survey, economic factors and compensation analysis.

TEAM MEMBER SURVEY



MOST IMPORTANT

- Health insurance
- Increased salary
- Retirement plan
- Paid time off



LEAST IMPORTANT

- Tuition reimbursement
- Payroll deductions for voluntary benefits
- Flexible Spending Account
- Service-based rewards



TOP CHANGES

- More competitive pay
- More opportunities for performance bonuses
- More time off

ECONOMIC FACTORS

UNEMPLOYMENT

2.3%

in ND Sept. 2022

U.S. Unemployment
3.5% in Sept. 2022

INFLATION RATE

6.8%

in ND Sept. 2022

U.S. Inflation Rate
8.2% in Sept. 2022

TURNOVER

13.7%

in 2021 = 14 year high

Through Sept. 2022
= **16.4%**

COMPENSATION ANALYSIS

- Below ND market by 3%
- Below national market by 8%
- Below ND counties and cities by 10%
- Estimated to trail the ND market by 7% by July 2023

Recent increases given by other states and cities are far above the 2% given to state of ND team members



NORTH DAKOTA STATE CAPITOL

OFFICE OF MANAGEMENT & BUDGET (OMB)

The OMB workforce is unique in that the primary mission is to support an state government– state agencies, team members and legislators. Since OMB provides leadership, guidance and support services for all state agencies, it is imperative that the workforce be skilled, efficient and experienced in their roles.

WHAT HAPPENS IF WE CAN'T DO OUR JOB...

Noncompliance



OMB provides guidance to all 60+ state agencies, in the areas of compliance with statute, administrative code, and policies in the areas of for fiscal and budget, HR, risk, facilities and procurement.

Inefficient Duplication



OMB's five divisions all perform centralized services and support that in their absence would be done separately by each agency, creating inefficient use of taxpayer dollars and unnecessary duplication in state government.

Inconsistent Government



OMB's services allow agencies to comparatively offer the same policies and experiences to job seekers, vendors, visitors, political subdivisions and the public.

CURRENT AGENCY TEAM MEMBER STATS

108

full-time team members

13%

turnover rate

\$64k

average annual salary

48

average age

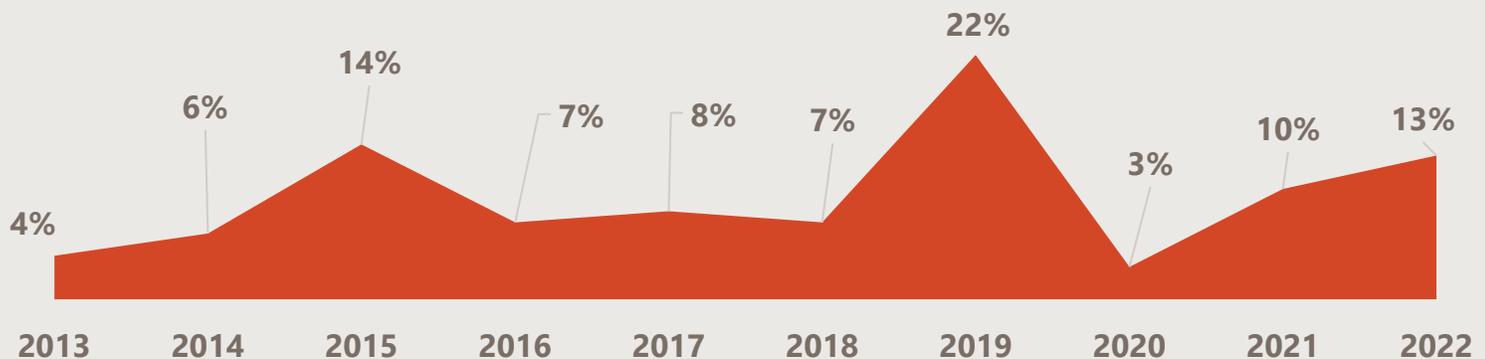
13

average years of service

10%

retirement-eligible

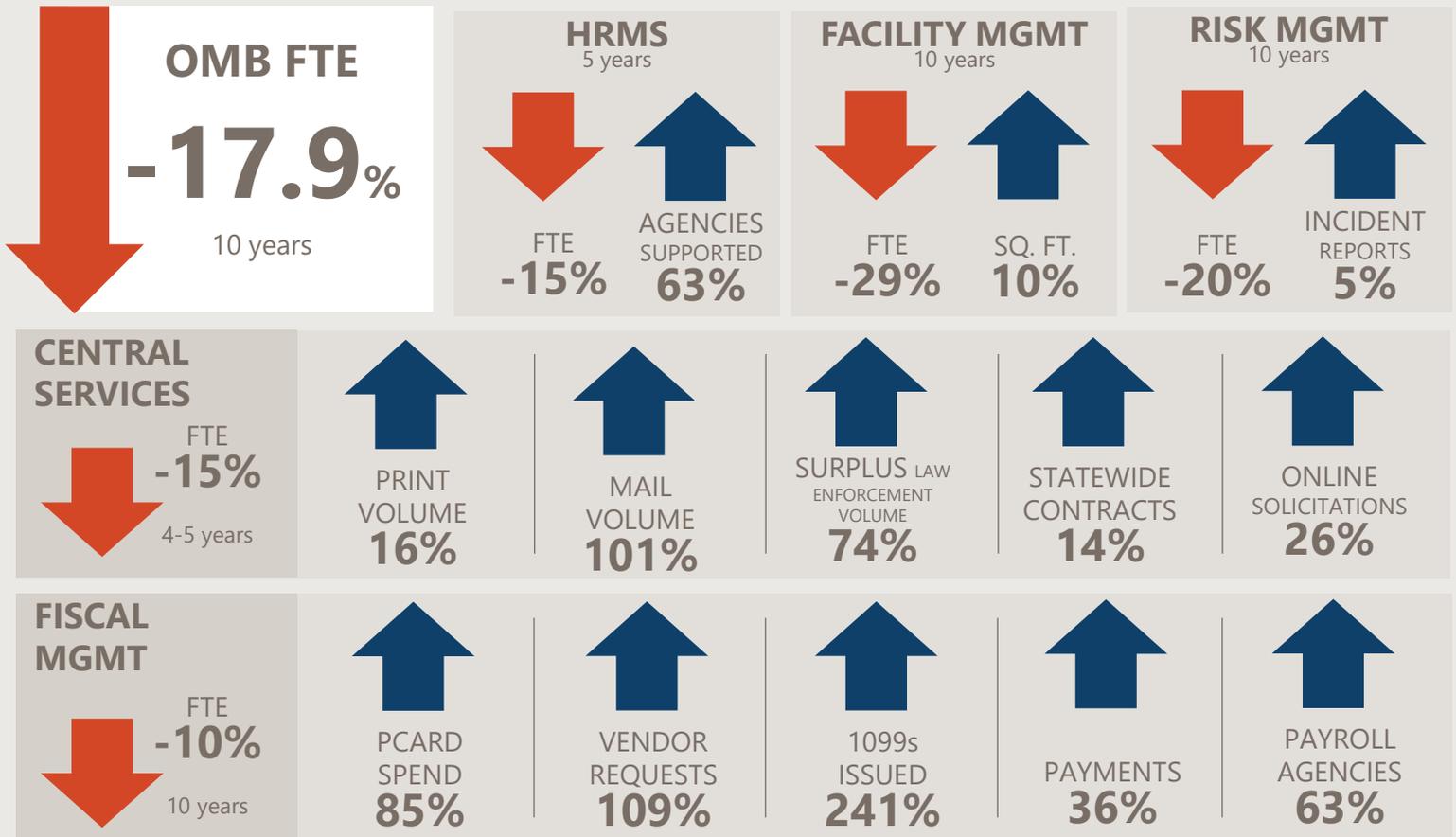
TURNOVER – LAST 10 YEARS



The 2015 and 2019 turnover rates were higher due to retirements and voluntary separations.

- In 2015, the pre-Medicare retiree medical was getting discontinued, unless individuals were already enrolled.
- The 2019 turnover rate is affected by the 2018 voluntary separation incentive program.

OMB WORKLOAD CHANGE



Date comparisons vary based on data available and is noted below each division.

COST OF TURNOVER

\$64.4K

per team member

Figured with 100% of annual salary.

100% of the annual salary is the cost of turnover for an average OMB team member.

That increases to 200% (\$200,000+) of the annual salary for a director-level position, due to the level of recruiting, time to train and/or upskill, and lost productivity of the vacant position

WORKFORCE COMPETITION



Other Government Entities

OMB continues to lose staff to other government entities, including city, state and federal agencies.



Private Industry

With high-demand positions at OMB such as accounting and HR, it is difficult to compete with private sector salaries.

INDUSTRY OUTLOOK: OMB has five very different divisions: Central Services, Facility Management, Fiscal Management, Human Resources Management Services, and Risk Management. The future of all divisions is automation of process and upskilling team members to meet the needs of state government agencies and team members. Recruiting and retaining team members in all industries that affect OMB is challenging in both the public and private sectors.



House Appropriations - Government Operations Division

March 7, 2023

David Krebsbach, Vice Chancellor for Administrative Affairs & CFO

Chairman Monson and members of the Committee. My name is David Krebsbach, and I serve as the Vice Chancellor for Administrative Affairs & Chief Financial Officer of the North Dakota University System (NDUS). **I am providing testimony in support of SB2015, specifically the equity funding pool, on behalf of the North Dakota University System and its eleven institutions.**

The State Board of Higher Education (SBHE) recognized challenges in talent recruitment and retention as a top strategic priority for 2022-2023. Retaining current employees and recruiting new employees has become increasingly challenging because salaries are often below private sector market rates. Additionally, higher wages needed to hire new employees has caused compression with existing employee salaries that must be corrected.

Turnover rates are also increasing. The overall systemwide average was 15.7% in 2022, the highest rate in the last decade. Several individual campuses reported all-time high turnover rates of 25 – 30%. Exiting employees of the NDUS are encouraged to participate in an exit survey. 2021-2022 participating employees listed salary as their #3 reason for leaving. Opportunity for advancement and quality of leadership were the top two reasons.

The NDUS implemented a total rewards survey in the fall of 2022, similar to the survey deployed at the state agencies. The survey had a 56% response rate (3,971/7,144 regular, benefited employees.) Employees identified employer paid healthcare, increased salary, and the retirement plan as the most important items in their total rewards package. The top requested change was “more competitive pay.”

The NDUS would utilize the equity dollars to address these concerns. OMB has indicated that the Executive Budget recommendation provides NDUS with \$41.2 million of the proposed funding pool, with \$20.6 million from the general fund. The remainder would be special funds authority, which for higher education is derived from tuition paid by students & their families. This would require a tuition rate increase or may limit NDUS’s ability to utilize these funds. It’s been indicated the Senate supported \$34.3 million in equity funding, with \$16.7 million from the general fund and the remainder being special funds authority. **We would ask the committee to consider increasing the general fund portion to enable the NDUS to minimize tuition increases.**

The NDUS would gladly provide additional information to the committee if needed. **I respectfully request the committee support SB2015 and the \$75 million equity pool.**

AID, Inc.

Self-Help Center & Thrift Shop

314 West Main Street • Mandan, ND 58554

(701) 663-1274 • (701) 663-2122

February 8, 2023

To Whom It May Concern:

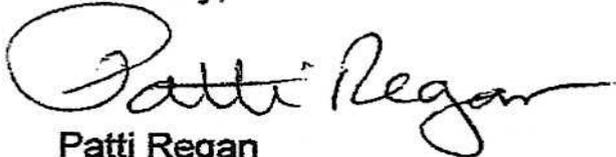
I am writing to you to express my concerns for the future funding of Centre, Inc. As a non-profit operating in the Bismarck-Mandan communities we frequently utilize the services and diverse talents of the individuals of Centre, Inc.

Not only do we provide an avenue for those individuals navigating the court system, but we receive capable workers often for several days if not several weeks. Individuals put in hundreds of hours annually helping us with our mission of providing emergency, temporary assistance to the working poor and those working to help themselves.

The loss of a program such as this would have a significant impact on our business and put many more obstacles in the path of those needing the services that Centre, Inc. currently provides.

Please understand that we are the richer for this program.

Sincerely,



Patti Regan
Executive Director
AID, Incorporated

MISSION STATEMENT

To provide emergency, temporary assistance to the working poor.
www.aidincnd.com



Corrections and Rehabilitation

PAROLE & PROBATION | BISMARCK

February 6, 2023

ND Legislative Assembly
North Dakota State Capitol
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Distinguished Members of the Legislative Assembly:

I am writing to you in support of RESTORE's community service program, as it pertains to SB 2015 and appropriation in the Executive Budget. This program is a referral source for people under supervision who have been court ordered to complete community service in lieu of jail time. This frees up jail space, saves taxpayers money, and provides accountability via restorative justice.

Additionally, RESTORE provides a source for parole and probation officers to refer clients for domestic violence assessments. These assessments provide the officer and the individual on supervision with a recommendation for domestic violence interventions that can reduce the risk that the person will continue to commit these offenses.

For these reasons, I ask for your support for SB 2015 and the appropriation as outlined in Governor Burgum's Executive Budget. Please feel free to contact me with any questions.

Sincerely,



Thomas Erhardt
Director, North Dakota Parole and Probation Division



February 6, 2023

ND Legislative Assembly
North Dakota State Capitol
600 E Boulevard Ave.
Bismarck, ND 58505

Dear Distinguished Members of the Legislative Assembly,

I am writing to you to offer my support of RESTORE, INC., in Fargo, ND. The majority of my interaction with RESTORE, INC. is through sending clients of mine into RESTORE, INC., to complete community service hours ordered by the Cass County District Court (and other court administrations). I see this option as a great incentive for pushing individuals into programming that encourages accountability by the defendant as well as providing a valuable service to the Fargo/Moorhead/West Fargo community overall.

Community service hours via RESTORE, INC., in lieu of jail time opens up valuable space in our overcrowded correctional centers, which in turn has a beneficial impact on taxes for our citizens. Moreover, the staff is incredibly helpful and well run. With the fees for opening and maintaining files paid by the participants/defendants, I cannot think of a better program for the State of North Dakota to support if the ultimate goal is effective punishment and rehabilitation without a costly incarceration program.

If you have any questions or wish to discuss this further, please feel free to contact me anytime.

Sincerely,

Lindsey D. Haugen



Office of the State's Attorney

February 13, 2023

ND Legislative Assembly
North Dakota State Capitol
600 E Boulevard Ave
Bismarck, ND 58505

Dear Distinguished Members of the Legislative Assembly,

I am writing to you in support of the Greater Grand Forks Community Service & Restitution Program. The organization provides drug testing to criminal defendants released on bond and administers community services hours imposed by the court.

An investment into this program saves taxpayer dollars and ensures accountability within the criminal justice system. Allowing low risk offenders to complete community service hours in lieu of jail time frees up space at our correctional center, which all too often is running near or at capacity. The administration of drug testing imposed by the court as a condition of bond for criminal defendants helps to keep our communities safer while also helping to alleviate correctional center capacity issues.

The program is very well run with low overhead. While a majority of its revenue is generated from fees from defendants using the program, the state dollars invested into the program over the years has become an essential portion of its operational budget.

I encourage you to continue your ongoing support for community service programs throughout the state as it has proved to be a very worthwhile investment. If you have any questions or wish to discuss this further, please feel free to contact the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Haley Wamstad".

Haley L. Wamstad
Grand Forks County State's Attorney

From:	"McCarthy, Jason" <jmccarthy@ndcourts.gov>
To:	Chelsey Williams <gfcom@invisimax.com>
Date:	Tue, Feb 14, 2023 01:13 PM
Subject:	FW: Senate Bill 2015 / Letter of Support

Chelsey,

Per your request, here is my letter of support:

ND Legislative Assembly,

This letter is in support of continued funding for community service supervision grants in SB 2015/Line 19. Community service programs are vital to our criminal justice system and generate significant savings for taxpayers as community service is an excellent alternative, in some cases, to costly incarceration. If you have any questions, feel free to contact me.

Thank you,

M. Jason McCarthy

District Judge

NECJD

State of North Dakota

February 13, 2023

The North Dakota Legislature
2023 Session
Capital Building
Bismarck, ND.

Re: Funding for Community Svc
offices across the state
Senate Bill 2015

Dear Legislators:

I am writing you to let you know as an agency which greatly depends on the Community Svc programs, what that service does for all receiving these volunteers. Non-profits throughout the state receive thousands of hours of volunteer workers, many of whom are skilled workers. They willingly perform whatever task we give them; unloading trucks of food deliveries, making food baskets, removing snow, mowing, cooking, repackaging food, building repairs or whatever we need. These Com. Svc. workers are very hard workers, are respectful, energetic, and

many times they continue to volunteer after their court ordered hours are completed. This is a win-win-win for the criminal justice program. It keeps our jails available for violent offenders & it provides volunteers for our community's non-profits. If we had to pay all these volunteers, it would put a heavy strain on our budgets. Having these volunteers helps our morale, and in turn these volunteers have a very positive experience & a boost to their morale for helping out those less fortunate in our communities. We all make bad decisions at one time or another in our lives. Some of us get caught, but some of us don't. I choose to give someone a second chance to make up for their mistakes. That compassion can set someone on a path to greatness, or at least to become a good giving member of society, that's a great thing!

(2)

I have been involved with the Community Serv. programs of North Dakota & Minnesota since about 1993. First through Habitat for Humanity as a board member and as executive director. Having skilled volunteers through Com. Serv. was priceless as we all worked together to build simple, decent, affordable homes for low income families. Next I founded a charity garden in N.D. and one in Minnesota in partnership with All Seasons Garden Center & the City of East Grand Forks, Minn. All vegetables grown are donated to all the local food pantries in Grand Forks and the one in East Grand Forks, Minn. I am 72 years old and have broken many bones, which prevented me from performing the tasks needed to plant 29 acres of vegetables. I have had to rely on the Community Serv. program for volunteers to do everything - operating my equipment, repairing equipment, driving my tractor, planting, (3)

watering, picking veggies,
weeding, everything. I'm
sure the farm & ranch families
in the Legislature could tell
you wonderful free volunteers
could be for their organizations.
My projects could not survive
without the help of the Com.
Svc program. After getting
my charity gardens going
I started volunteering at
the Salvation Army Corp
offices in Grand Forks in the
winter & early spring months.
I supervise the volunteers
that Com. Svc. sends to us.
These volunteers help us
do any task at hand. Any
employer would be lucky
to have these volunteers
on their payroll; but we
are so grateful & blessed
to have them as our volunteers.
I don't know how we could
put a dollar amount on the
value of their help, but
I personally think that
this is one of the best ideas
that has come out of our
criminal justice system!

(4)

If you have any questions
for me or need clarification
of any of my comments, my
cell phone # is 218-791-1000.

Sincerely,

DONNA STUMPH F

Volunteer for the Salvation Army Corp.
in Grand Forks; also served on the
Disaster Response Team

Founder & "Boss Lady"

Grandma's Giving Gardens
a food charity program

Former Board member & Exec Director
Habitat for Humanity
Grand Forks County & Polk County



February 13, 2023

ND Legislative Assembly
North Dakota State Capitol
600 E Boulevard Ave
Bismarck, ND 58505

Dear Members of the Legislative Assembly,

I am writing to you in support of the Jamestown Community Corrections program. The organization administers community services hours imposed by the court and assigns minor offenders to complete those hours at the City of Jamestown Civic Center.

Our partnership with the community corrections program saves taxpayer dollars and excessive wages that would otherwise be paid into overtime.

The program is very effective with a low financial overhead. Most of its revenue is generated from fees from defendants using the program, as well as city and county contracts. The state dollars invested into the program are essential to its operating budget.

I urge you to continue your ongoing support for community service programs throughout the state. If you have any questions, please feel free to contact me.

Sincerely,

Pamela Fosse
Director
Jamestown Civic Center

State of North Dakota
Chambers of
The District Court

Cherie L Clark
District Judge

Angela Holland
Judicial Secretary - Court Reporter

Southeast Judicial District
Stutsman County Courthouse

511 2nd Ave SE
Jamestown, ND 58401

Telephone (701)251-6327

ND Legislative Assembly
North Dakota State Capitol
600 E Boulevard Ave
Bismarck, ND 58505

Dear Distinguished Members of the Legislative Assembly,

I am writing to express the valuable support the Court receives from Jamestown Community Action Partnership. Continued funding for programs of this nature saves taxpayer dollars and ensures accountability within the criminal justice system. Partnerships with nonprofit agencies allows seamless delivery of service efficiently and proactively.

Offenders may be sentenced to community service hours in lieu of jail time. This helps our community with necessary task completion, and ensures jail beds are designated for those with the highest need.

Of specific relevance, Sarah Frohlich, the Director of Jamestown Community Action Partnership, works directly with the Stutsman/ Barnes Drug Court Program ensuring costs don't present barriers to Defendants participating in community service hours. The Orphan Train, a local nonprofit organization providing food and clothing to disadvantaged families, has provided positive feedback concerning drug court/community service participation. Without your ongoing support this would not be possible.

I encourage you to continue your ongoing support for community service programs throughout the state. Please feel free to contact the undersigned.

Sincerely,



Judge Cherie Clark

LaMOURE COUNTY DISTRICT COURT

Box 128-LaMoure ND 58458

Phone: 701-883-6050

Fax: 701-883-4240

Email: 23clerk@ndcourts.gov

Billi Warcken, Clerk

Sandy Knudsen and Karin Boom, Deputy Clerks

February 8, 2023

ND Legislative Assembly
North Dakota State Capitol
600 E Boulevard Ave
Bismarck ND 58505

Dear Distinguished Members of the Legislative Assembly,

I'm writing to urge your support for our community service program. In our county, it is administered through a community service program coordinator located in our sheriff's department. Our coordinator is local and is acquainted with the area agencies and has a good relationship with the local job sites and their supervisors.

Having the community service coordinator office in the courthouse is optimal as it provides easy access for defendants coming from court. This office already has an established relationship with the court having access to court files for filing compliance reports.

Community service is win/win for all parties. The benefits to the community, giving defendants the option of avoiding jail or burdensome fines and giving the Court flexibility in sentencing.

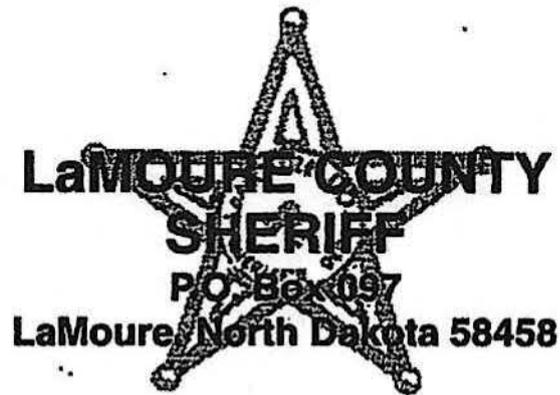
Local community service office in the county is very efficient both financially and functionally and we would urge your whole hearted support of this program.

Sincerely,



Billi Warcken
Clerk of District Court for LaMoure County

BOB FERNANDES
Sheriff



Telephone: (701) 883-5720 Ext. #1
Fax: (701) 883-5833

February 8, 2023

ND Legislative Assembly
North Dakota State Capital
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Members of the Legislative Assembly,

I am writing to you in support of the community service programs that are currently in place across North Dakota. We have had our own community service program in LaMoure County for the past 4 years.

Community service programs along with other programs are used by the court system as an alternative to incarceration. This helps alleviate over crowding in our jails, eases the financial burden to taxpayers and allows individuals placed on community service to continue to work, provide for their families and serve their community. There have been instances in LaMoure County where individuals placed on community service have obtained employment with the non-profit organization upon completion of their court ordered community service.

I strongly encourage you to continue your support for the community service programs throughout North Dakota.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Fernandes", with a long horizontal flourish extending to the right.

Robert Fernandes
LaMoure County Sheriff

To Whom it may concern:

My name is Dennis Peterson, and I am the groundskeeper at Lake LaMoure, in LaMoure County. I have supervised community service workers for the past 3 years. All the workers were easy to work with, and were willing to work at any task assigned to them.

This program has helped in the maintenance of the public lake grounds through accomplishing tasks that needed extra help from workers. I would encourage the state legislature to continue the funding for this program.

Community service time can be two fold. As a person completes their legal obligations, they also help beautify and clean up their communities public areas that can be enjoyed by everyone.

In our small town it is important to build pride in their local community. Often I have seen former workers in the restitution program return to the lake, to show their friends the areas they helped improve.

Please continue this program, as it helps those involved, who intern are helping their community.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Peterson". The signature is written in black ink and is positioned below the word "Sincerely,".

Dennis Peterson
Groundskeeper at Lake LaMoure

LaMoure County Highway Department

505 4th Avenue SE * LaMoure, ND 58458 * (701) 883-5131

February 6, 2023

To Whom It May Concern,

The LaMoure County Highway Department has successfully utilized the LaMoure County Community Service Program many times. When asked by our local office, we've been able to put clients to work on projects which need attention and we haven't the time.

It is good to be of service to someone in need of a positive work experience.



Tim Geinert

LaMoure County Highway Dept

**PIERCE COUNTY
STATE'S ATTORNEY**

*Galen J. Mack
State's Attorney*

*120 SE 2nd St
PO Box 196
Rugby ND 58368-0196
Tele. (701) 776-5246
Fax (701) 776-5180*

February 4, 2023

RE: Senate Bill 2015

To Whom It May Concern:

I write in SUPPORT of Senate Bill 2015 currently pending before the 2023 North Dakota Legislature.

SB 2015 will provide financial support to the Community Service programs of North Dakota.

The Community Service programs provide invaluable support for alternatives to incarceration. Such programs also provide a means for criminal defendants to "give back" to local communities as a form of remuneration for their misconduct to society and also serve to build self-esteem to criminal defendants as they work towards self-worth while benefitting their home communities.

Because the defendants travel freely within the state, and their actions affect multiple counties, financial support from the State of North Dakota is equitable and necessary to sustain the important Community Service programs spread throughout North Dakota.

I consent to this letter being submitted to the North Dakota Legislature as SUPPORT of Senate Bill 2015 and respectfully request all legislators to vote YES for SB 2015.

Sincerely,



State's Attorney Galen J. Mack
Pierce County, North Dakota

GJM/mjg

Dunseith Fitness Center

February 13, 2023,

To whom this may concern,

I am writing this letter in regards to the Community Service work program, which I have been involved in for many years through the Rolette County Sheriff office, Bottineau County and Rugby.

Clients have completed their Community Service hours here at the Dunseith Fitness Center since May of 2005, when I became Director. Currently, our community does not have very many facilities that are available to accommodate the CS program.

Each individual punches in on a Timecard to verify that they are completing the hours required of them.

Due to the high rate of unemployment in the County most of the clients are forced to pay their dues through Community Service. I hope this will continue to help each person that depends on this program.

It is much better than being incarcerated. For some of these individuals, you will find they are very good workers and also pleasant, respectful, and kind people. Some may even land themselves a job.

If you have any questions regarding this matter feel free to contact me at 1-701-263-4483.

Sincerely,

Carla M. Decoteau, Director of Dunseith Fitness Center



Fallon M. Kelly

Ransom County State's Attorney

316 Main Street
P.O. Box 391
Lisbon, ND 58054-0391

telephone: 701-683-4123
fax: 701-683-4124
email: fkelly@drtel.net

March 3, 2023

ND Legislative Assembly
North Dakota State Capitol
600 E Boulevard Ave.
Bismarck, ND 58505

Dear Legislative Assembly,

As a member of the Judicial System of the Southeast District I feel it is very important to inform you of the significance the Ransom County Community Service program is to the success of the court system in our area.

The cost of housing and transporting low level criminals can quickly deplete smaller counties' budgets. With the option to have these individuals serving the community, in place of serving time in jail, it would make a definite impact on the taxpayers of our county.

Our local sheriff's office has trained officers who manage the systems such as drug and alcohol testing procedures associated with conditions of the court. The cost of the programs are very manageable in comparison to the extremely costly jail contracts for counties like ours who do not have a correctional facility. A majority of the funding for the program is generated from the same defendants who are using the program.

The offenders who are participating in the community service program are no longer taking up space in our jails but they are doing community projects in a time when labor is difficult to come by. The goals are to help minimize the repeat drug and alcohol offenders and to keep them available in the work force rather than being incarcerated.

I ask that you please offer your support for the community service programs in the state of North Dakota so that we can continue to have cost saving options available to the courts of our great state. I am available for more input on the success of our program so feel free to contact my office.

Sincerely,

Fallon M Kelly
Ransom County State's Attorney



District Judge
Bradley A. Cruff

Court Recorder
Cindy L. Keller

State of North Dakota

DISTRICT COURT
SOUTHEAST JUDICIAL DISTRICT

418 Second Avenue North
Wahpeton, ND 58075

Telephone: 701-671-1510
Fax: 701-671-1512

February 07, 2023

Whom It May Concern

RE: *Richland County Community Service*

Dear Madames or Sirs,

I write to express my support for community service in North Dakota.

I use community service extensively in Richland County and find it to be very beneficial for both the participant and the community for the following reasons:

- 1) Child Support – As an alternative to incarceration I require non-paying or delinquent obligors to perform 40 hours of community service per week until an income withholding order is in place. This is a very effective incentive as a rarely see obligors a second time for non-payment of child support. Also, an obligor sitting in jail does not generate any money to support their children;
- 2) Community service as an alternative to incarceration is especially important when our correctional facility is at capacity or reduced capacity due to pandemic, staffing etc.;
- 3) Participants gain work experience, interview skills, confidence, and contribute to non-profits in the community, with some participants gaining permanent employment as a direct result of their community service; and
- 4) Youthful Offenders – Community service is not something that mom, dad or somebody else can do for them such as pay their fines and fees and as such is a great deterrent.

Community service is integral to rehabilitation, saves significantly on incarceration, and benefits our community.

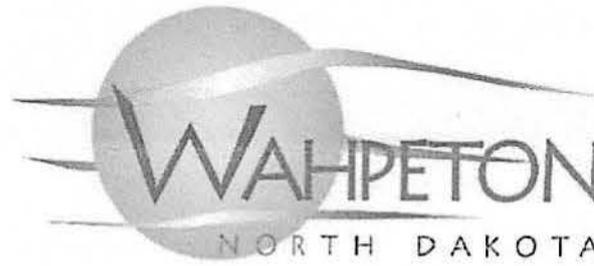
I appreciate your consideration,

A handwritten signature in black ink, appearing to read "BAC", written over the typed name of the District Judge.

Bradley A. Cruff, District Judge

Municipal Court

1900 4th Street North
Wahpeton, ND 58075
clerkofcourt@wahpeton.com
701-591-2112



February 21, 2023

Darlene Lee
Director of Community Service
413 3rd Ave. N
Wahpeton, ND 58075

RE: Richland County Community Service Office

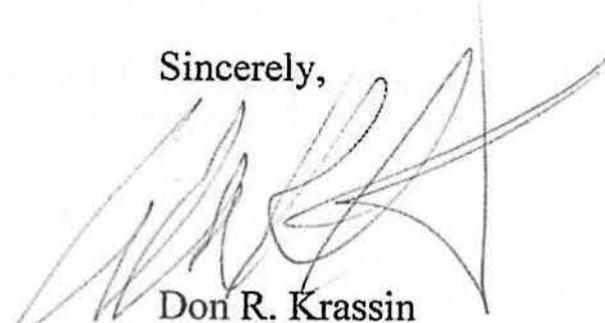
Dear Ms. Lee:

Please consider this an enthusiastic letter of support for the Richland County Community Service program. Due to the issues of with Covid, we have not been able to use this service as much as we would have liked. However, that should be changing in the coming months.

As Judge of Municipal Court, I very much appreciate having community service available as one of the options in sentencing out of Municipal Court. In my opinion, community service is helpful to the participants. They give back something to their community. Also, they hopefully have some time to think about what got them into that position.

Our current Richland County Community Service Director has always done an excellent job. I do hope her work can continue.

Sincerely,



Don R. Krassin
Judge of Municipal Court



St. John the Evangelist

Rev. Dale Lagodinski, Pastor
115 2nd Street North
Wahpeton, ND 58075-4505
Telephone 701-642-6982
Fax 701-642-2601

February 14, 2023

To whom it may concern:

I want again to express my gratitude for the years that you have included Saint John's as a work site for those who have service hours to complete. As you may know, Butch Nelson, our maintenance manager died suddenly this past month. He has been such a strong, positive influence in the lives of those who have put in service hours during his time with us. In addition to putting in their hours, I clearly observed their improved behavior and sense of responsibility. Many returned to thank us for being good mentors as well as respectful overseers.

We are pleased to have hired Brian Finnie who applied for Butch's position. He brings to our staff remarkable qualities which will serve well in the management and oversight of any individuals who are entrusted to us for completion of service hours.

I sincerely hope that you will continue to include Saint John's as a suitable facility for individuals who need to complete service hours. We provide a variety of work opportunities and a respectful and competent staff whose presence will provide a positive environment.

We have been honored that you have been willing to entrust community service people to us and we are glad for the ways our team has affected them for the good.

Sincerely yours,

Very Reverend Dale Lagodinski
Pastor

Senate Bill 2015*68th Legislative Assembly*House Appropriations – Government Operations DivisionWritten Testimony

March 7, 2023

Chairman David Monson and all committee members,

My name is Chelsey Williams and I am a member of the North Dakota Community Corrections Association [NDCCA]. I am providing written testimony in support of Senate Bill 2015 which (among other financial items) calls for the allocation of funding to line item Community Service Supervision Grants [Page 1 / Line 24 & Page 2 / Section 3] on behalf of the North Dakota Community Corrections Association in the amount of \$350,000 for the upcoming biennium [2023-2025].

As with many agencies across the State of North Dakota, the NDCCA is still recovering from the difficult circumstances encountered over the last three years and are now attempting to offset costs of inflation while providing competitive wages. The financial hardships members of the NDCCA are facing lead us to ask for the assistance of the North Dakota 68th Legislative Assembly to pass Senate Bill 2015 calling for the allocation of funding to the Community Service Supervision Grants so that we can continue to keep our doors open. Many, if not all, members of the NDCCA have experienced numerous difficulties over the past three years including having to suspend office operations, loss of community service work-sites, loss of referrals for community service and loss of income.

To those who are unfamiliar with the North Dakota Community Corrections Association, the NDCCA was established in 1995 and is composed of sixteen agencies located across North Dakota that monitor adult/juvenile offenders in the community who are ordered to complete community service as part of a court ordered sentence or as ordered by a probation department. Community service is a multifaceted tool as it can be used as an alternative to incarceration, a direct sanction by courts and drug courts, can be worked to pay off court ordered fines or supervision fees or implemented as an intermediate measure for supervised probation offenders.

Benefits of Community Service to Communities & Successfulness of Community Service

- 1) Allows offenders to remain in the community to continue their employment, education and maintain their family unit.
- 2) Offenders can learn life/work skills and maybe even gain employment at a community service work-site.
- 3) Is an opportunity for offenders to learn from their destructive behavior and change their behavioral and thinking patterns for the positive.
- 4) Serves as a restorative purpose as it requires offenders to repay their debt to their local community.
- 5) Non-profit organizations and government entities save on payroll when utilizing community service workers.
- 6) NDCCA covers offenders with volunteer workers insurance to ensure their wellbeing and so that the non-profits we work with do not accrue that risk or cost.
- 7) Communities can save money in jail costs when community service is used as an alternative to incarceration.
- 8) With local jails/prisons being filled to maximum capacity, community service is needed now more than ever in order to ease the high rates of incarceration.
- 9) As part of a NDCCA Recidivism Study, it was found that during a three year period (2016, 2017 and 2018) there was an average successful completion rate of 78.3% of offenders who were ordered to complete community service hours. Furthermore, during that same time frame an average rate of 69.7% of all offenders who were ordered to complete community service did NOT have an act of recidivism in the year following their offense.

Community service is an essential program and it is also a fiscally smart option. Over a 5 year time span (2018 through 2022) the offenders working with the NDCCA performed a total of 164,067 hours of community service; this calculated to \$1,312,536 in saved payroll expenses based on a wage of \$8.00 per hour. Further savings of

\$1,312,536 was saved in jail costs when the estimated cost to house an inmate in jail/prison is \$80.00 per day and typically 10 hours of community service is the equivalent to 1 day in jail. Those monies (payroll expenses and costs of incarceration) total \$2,625,072 in savings across the State of North Dakota from 2018 through 2022. If those numbers aren't impressive enough, please consider this: in that same time frame in which \$2,625,072 was saved (2018-2022) the NDCCA received state funding in the amount of \$875,000 which means \$1,750,072 was added into local communities across the state.

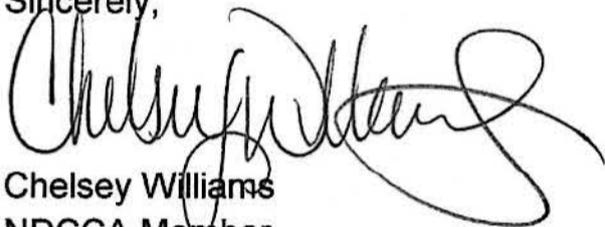
Monies received will be divided among the sixteen agencies over the upcoming biennium (two years) so that the NDCCA can continue monitoring community service offenders and supporting local communities. Funding will be used to help each agency offset the costs of maintaining a place of business, purchasing office supplies required for daily duties, financially supporting staff and allowing the NDCCA to remain as an alternative to incarceration for courts and probation departments who are enforcing state laws. The NDCCA does not solely depend on the State of North Dakota for funding; however, monies received greatly impact the effectiveness of each office. Other sources of income vary program to program, but in general include program fees as paid by offenders, grants and city/county funding.

In conclusion, I would like to impress upon you the importance of the North Dakota Community Corrections Association as we request your support for funding in Senate Bill 2015 for the amount of \$350,000 (Community Service Supervision Grants). We are a valuable resource to the State of North Dakota and its citizens as we are making a difference in the lives of offenders, helping non-profit organizations reach their goals and can be utilized as a way to lower incarceration rates as well as incarceration costs. We are greatly appreciative of any funding previously provided and believe we should continue to be funded because in a difficult budgeting session, we are a fiscally good decision.

Previous testimony submitted on January 19, 2023 included the NDCCA 2018 Recidivism Study – NDCCA Totals.

Attached for your review are several letters of support for community service/NDCCA members from various agencies/individuals/officials that work with us.

Sincerely,



Chelsey Williams
NDCCA Member
Grand Forks Community Service Program
Lobbyist ID #1028

Testimony on SB 2015
House Appropriations Subcommittee
John Harris, President & CEO
Prairie Public Broadcasting
March 7, 2023

Mr. Chairman and members of the committee, thank you for the opportunity to speak with you today about the budget request for Prairie Public Broadcasting, North Dakota's public media network.

For the record, I am John Harris, President and CEO of Prairie Public Broadcasting.

Prairie Public began service to the citizens of North Dakota in 1964 with a single broadcast tower and since then has grown to provide public media services that impact the citizens of our entire state—from childhood through all phases of life.

Education is the cornerstone of Prairie Public's mission. We provide researched, high-quality digital resources and learning materials to students, educators, parents, counselors, librarians, and tech coordinators, and we conduct professional training opportunities to help them use those tools in our region's classrooms.

Prairie Public provides public media services that educate, involve, and inspire the people of the prairie region. Public media strengthens communities and helps them to prosper. The citizens of North Dakota know the importance of a strong and viable public media entity for our community. We are committed to respect for our audience, civil discourse, and lifelong learning.

In addition, Prairie Public has embraced our public safety mission to maximize our spectrum for the public good. Public television stations are the backbone of the WARN system of presidential alerts in times of national emergency. Prairie Public is vital to our state as a locally owned and operated media organization that can serve in times of crisis.

Even as public distrust of national institutions and media is at an all-time high, studies show that public broadcasters retain the trust of the American people as an essential resource for well-informed citizens.

Prairie Public is a reliable source for international, regional, and local news from the worlds of politics, business, science, and the arts. In fact, our network of television, radio, and online services was one of the most comprehensive and trusted sources for statewide election coverage and debates during the 2022 election—vital for thoughtful citizens and healthy societies. Our coverage of the North Dakota legislature helps you to serve your constituents and communicate the good work you accomplish.

In addition to broadcasting nationally produced television and radio programs such as *PBS NewsHour*, *Nature*, *NOVA*, *Masterpiece*, *Morning Edition*, and *All Things Considered*,

Prairie Public produces an extraordinary amount of quality programming that reflects North Dakota's history, culture, and issues of concern.

Our local productions cover topics ranging from community events to rural healthcare issues to legislative news. We partner with local agencies to help inform our citizens of critical issues that affect each and every one of us.

Prairie Public looks at the history and cultural aspects of our region with shows like *Esta Es Mi Casa*, *Women Behind the Plow*, and *Alba Bales House*. We celebrate local artists with our series *Prairie Musicians*. We interview newsmakers and difference makers every weekday on *Main Street* and weekly on *Prairie Pulse*.

The state of North Dakota has, for years, played a vital supporting role in the operation of our public media services. While the appropriation from the state of North Dakota does not cover all the expenses, many of the services would not be possible without state funding that provide the foundation for support from many other sources. It is important that North Dakota sustain its public media system.

On behalf of Prairie Public Broadcasting, I request funding of \$1,200,000 for operational support plus one time only funding of \$1,792,450 for the 2023-2025 biennial session for a total request of \$2,992,450. These funds, along with other resources from local and federal sources, will be used to continue Prairie Public's services to the citizens of North Dakota.

Prairie Public requests the state fund one time only support of \$1,792,450 to assist in the replacement of ten radio and five television transmitters. While these are not the total needs for Prairie Public, these transmitters are the backbone for delivering our services to North Dakota and require attention. Prairie Public has secured \$2,100,000 from the State of Minnesota for upgrades to the eastern part of our coverage area.

I cannot express enough the thanks Prairie Public and its members extend to you for your past support. In all the years Prairie Public has been broadcasting, technology keeps changing, but our mission to provide services that educate, involve, and inspire has not.

In closing, let me remind you that Prairie Public belongs to the citizens of our region, and with your support Prairie Public will continue to be a community leader and assist the state in achieving its goals of economic strength, educational quality, and pride in our rich heritage.

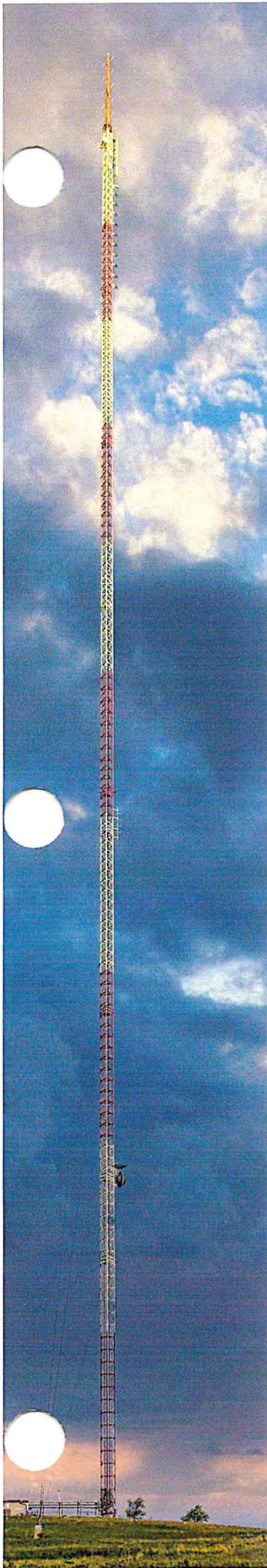
Mr. Chairman and Members of the Committee, thank you for your time and consideration.



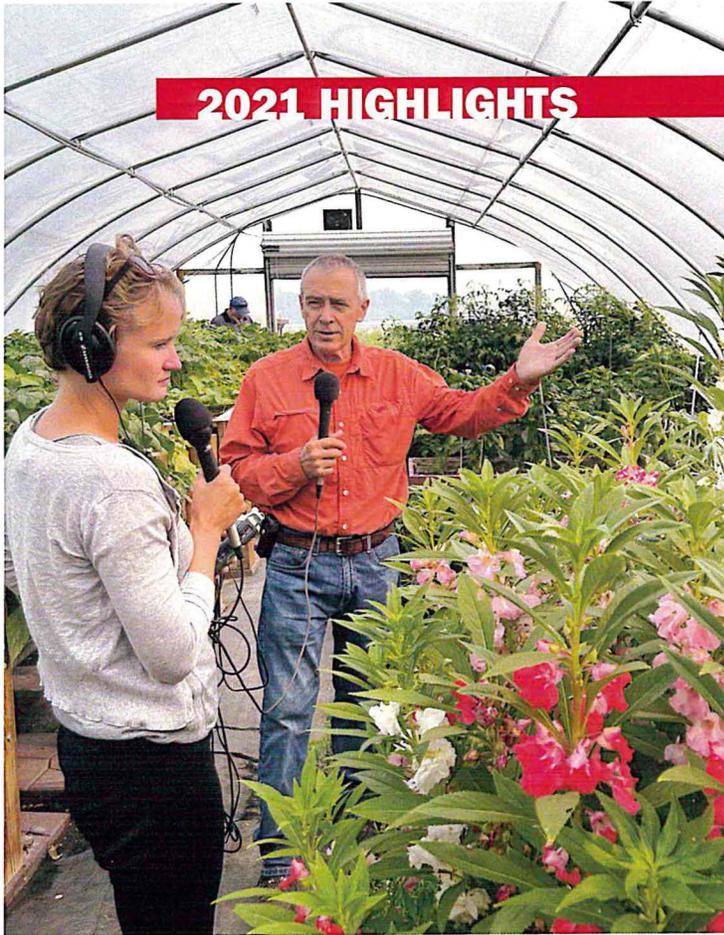
Prairie Public Broadcasting, Inc.

COMMUNITY IMPACT REPORT

Fiscal Year 2021
October 1, 2020-
September 30, 2021



2021 HIGHLIGHTS



We established an innovative **Youth Media Literacy** project to offer resources for today's learners and tomorrow's journalists.

Ten years after the Souris River exceeded record flood levels, **Main Street** reported about Minot's displaced residents, the officials who had to make tough decisions, and city leaders who continue to lead the recovery.

Nature Cat said "Tally Ho!" to families on **Prairie Public Day** in Medora.



Season 12 of **Prairie Mosaic** introduced us to the area artists, musicians, exhibits, history, and destinations that shape our region.

HIGHLIGHTS continue inside

2021 HIGHLIGHTS



Hundreds of children wrote and illustrated their own stories for the **PBS Kids Writers Contest**—especially meaningful for kids who attended school virtually this year.

The Board of Governors of the State Bar Association of North Dakota honored news director Dave Thompson with a Liberty Bell Award for promoting an understanding of government and encouraging a greater respect for the law and the courts.



We invited our prairie neighbors to Facebook Watch Parties to enjoy, together, the classic Prairie Public productions **One Shining Moment**, **Winnipeg in Bloom**, and **Scandinavian Traditions**.

Prairie Pulse celebrated its 18th season of serving as a town square for our region—a place where we all can learn about public affairs, newsmakers, destinations, arts, and culture.



In April, **The Great American Folk Show** celebrated its first tuneful year on Prairie Public's radio network. Plans to expand this production are in the works for 2022.

Listeners were treated to a philosophical view of current events as **Philosophical Currents** with Jack Russell Weinstein became a new **Main Street** segment and podcast.

On September 25, Prairie Public celebrated the 40th anniversary of its first radio broadcast.



The **Prairie Public Presents** radio series partners with community to help us all experience the benefits of lifelong learning. The North Dakota Council on the Arts "Poetry Out Loud" competition and the "One Book One ND" and "GameChanger" events from Humanities North Dakota are just a few examples.



Prairie Public's board of directors established a diversity and inclusion policy to help us be better community members to everyone in our region and to help us consider ways in which we can engage a more diverse audience.

Radio intern Annie Prafcke's podcast series for Prairie Public, **Chinese Adoptees: Not Abandoned or Alone**, explores the complex identities of her own and three other adopted Chinese women.



Panel guests and 120 participants attended the much-anticipated premiere event for **Ésta Es Mi Casa – This Is My Home**, which was Prairie Public's contribution to the "Moving Lives Minnesota: Stories of Origin & Immigration" television and online initiative.

The popular series **Prairie Musicians** premiered season 13, turning the stage over to solo artists.

PARTNERING ON THE PRAIRIE REGION

As a trusted public media station, Prairie Public significantly contributes to the rich fabric of life in our region—bringing us all closer together around shared cultural experiences.

As I reflect on Prairie Public's successes of 2021, I appreciate that our accomplishments are all thanks to the teamwork of our supporters, our community, and our staff. This collaboration is key and is a hallmark of the public media business model. We are simply responding to the community we serve.

Prairie Public is thriving, thanks to you, and that's what this community impact report is all about. You make it all possible. As always, thank you.



John E. Harris III
Prairie Public
President & CEO

AWARD-WINNING MEDIA

In 2021, Prairie Public documentaries were honored with 42nd Annual Telly Awards and a Regional Emmy® Award.

Wild Rice
Midwest Regional Emmy® Award

Mandy Groom: Alcohol Ink Artist
Gold Telly

The Northwest Angle: Minnesota's Best Kept Secret
Silver Telly

Wild Rice
Bronze Telly

COMMUNITY SUPPORTED MEDIA

Now more than ever, Prairie Public's work is a critical component for public health, safety, and social resilience. Member contributions support the voices that keep you company, the reporting that keeps you informed, and the conversations that keep you connected to your community.

Public television has established a reputation for trusted, ambitious media that educates and entertains.

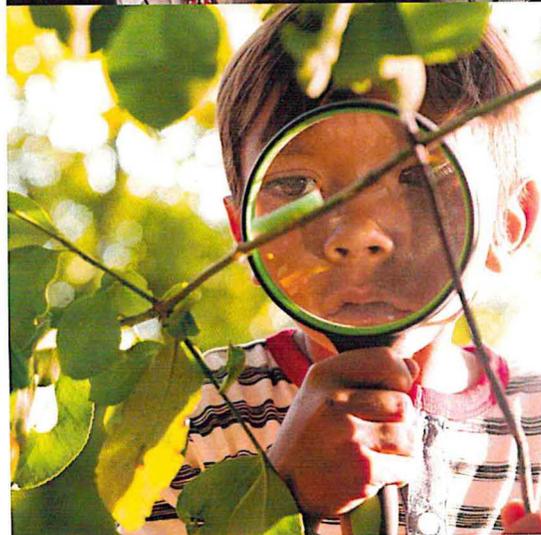
As storytellers and archivists, our television production crew collects the stories of our region and crafts them into video that's exceptionally watchable. Add award-winning programming from PBS, and the result is visual media that's valued and essential.

The unique power of public radio involves its listeners with their neighbors around the world and right outside their doors.

Prairie Public's daily radio news coverage of our region is credible, fact-based, and respectful of the audience. Combined with trusted national and worldwide coverage from NPR and impressive music and entertainment programming, it's a vital public service for the prairie region.

Resources for educators strengthen our region's learning centers with tools that inspire students and their teachers.

Public media is the nation's largest classroom—providing professional development and free classroom-ready lesson plans for educators, resources for parents and their children, and lifelong learning experiences for us all.



Prairie Public Broadcasting provides quality radio, television, and public media services that educate, involve, and inspire the people of the prairie region.

Prairie Public Broadcasting is a trusted public media service dedicated to building an exciting and productive future for our region and its people by offering a window on the world and creating a forum for discussion of important issues.

When you support Prairie Public, your contribution goes to work to make great television and radio programs happen. It works to secure the very best of PBS and NPR programming, along with high-quality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.



Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.

ANNUAL FINANCIAL REPORT

for the Year Ending 9/30/21 • Prairie Public Broadcasting, Inc.

Sources	Television		Radio		Total
	Amount	%	Amount	%	
Membership	\$1,623,917	20%	\$597,054	22%	\$2,220,971
Underwriting	\$124,539	2%	\$140,864	5%	\$265,403
Corporation for Public Broadcasting	\$2,002,482	24%	\$391,027	15%	\$2,393,509
Local Production Funding	\$60,127	1%	\$36,642	2%	\$96,769
State of North Dakota	\$541,640	7%	\$180,000	7%	\$721,640
State of Minnesota	\$641,742	8%	\$0	0%	\$641,742
Grants ¹	\$332,573	4%	\$0	0%	\$332,573
Fees, Rents	\$800,137	9%	\$350,164	13%	\$1,150,301
Charitable Gaming	\$1,208,383	14%	\$595,174	22%	\$1,803,557
Planned Giving ²	\$812,099	10%	\$357,372	13%	\$1,169,471
Other	\$82,814	1%	\$28,752	1%	\$111,566
TOTAL SOURCES	\$8,230,453	100%	\$2,677,049	100%	\$10,907,502

Uses	Television		Radio		Total
	Amount	%	Amount	%	
Programming & Production	\$2,018,481	34%	\$1,061,266	42%	\$3,079,747
Engineering	\$1,235,572	21%	\$329,078	13%	\$1,564,650
Administration	\$998,030	17%	\$491,568	20%	\$1,489,598
Fundraising	\$343,308	6%	\$74,526	3%	\$417,834
System Upgrade & Other	\$324,055	6%	\$72,599	3%	\$396,654
Change in Prairie Public Endowment	\$964,019	16%	\$474,815	19%	\$1,438,834
TOTAL USES	\$5,883,465	100%	\$2,503,852	100%	\$8,387,317
EXCESS (DEFICIT) SOURCES OVER USES	\$2,346,988		\$173,197		\$2,520,185

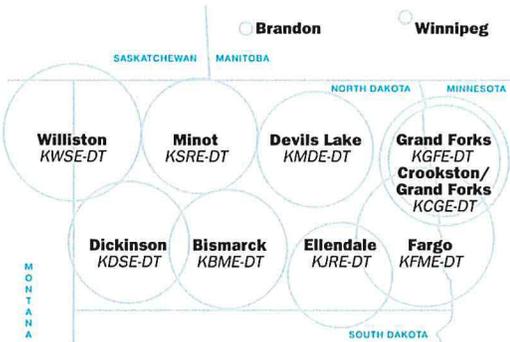
Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

Due to declining interest rates, long term investments held for long-term needs such as equipment purchases were redeemed at maturity at are now being held in short term investments. These amounts are excluded from sources listed.

1. Grants include unrestricted support for operations and grants for capital construction and equipment from the Federal Communication Commission.

2. Planned giving includes contributions to Endowment Funds, Interest Earnings, and Realized and Unrealized Gains from Endowment Funds.

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.



Prairie Public Broadcasting, Inc.
Television
Radio
Education Services
Enterprises

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207 North 5th Street
Fargo ND 58102
701-241-6900
800-359-6900

Bismarck Office
1814 North 15th Street
Bismarck ND 58501
701-224-1700

Prairie Public Television (Manitoba), Inc.
PO Box 2640
Winnipeg MB R3C 4B3

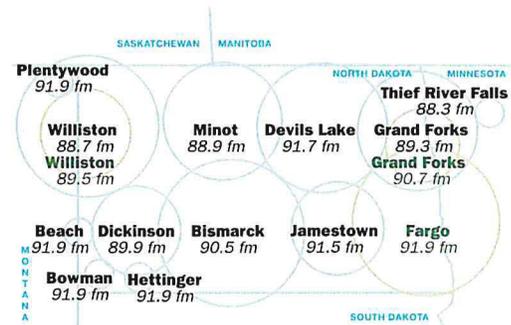
prairiepublic.org
info@prairiepublic.org

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Our app for your mobile device

Follow us
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Radio

Beach	91.9 fm	91.9 fm	Hettinger	91.9 fm
Bismarck	90.5 fm	90.5 fm	Jamestown	91.5 fm
Bowman	91.9 fm	91.9 fm	Minot	88.9 fm
Devils Lake	91.7 fm	91.7 fm	Thief River Falls	88.3 fm
Dickinson	89.9 fm	89.9 fm	Williston	88.7 fm
Fargo*	91.9 fm	91.9 fm	Williston*	89.5 fm
Grand Forks	89.3 fm	89.3 fm	Plentywood MT	91.9 fm
Grand Forks*	90.7 fm	90.7 fm		

Listeners can choose from three radio formats and can access them all with an HD radio, online at prairiepublic.org, or with the Prairie Public app.

FM1 Classical music featuring Prebys on Classics plus public radio's signature news and entertainment programs.

FM2 Roots, rock, and jazz featuring Into the Music with Mike Olson and World Café, plus two hours of Morning Edition on weekdays and Sounds Eclectic, Mountain Stage, and Acoustic Cafe on the weekends

FM3 Roots, rock, and jazz with Morning Edition and All Things Considered, Marketplace, and interviews and discussion on Main Street.

Television

Bismarck	.KBME	Fargo	.KFME
Crookston/Grand Forks	.KCGE	Grand Forks	.KGFE
Devils Lake	.KMDE	Minot	.KSRE
Dickinson	.KDSE	Williston	.KWSE
Ellendale	.KJRE	Manitoba, Canada	via cable

Prairie Public broadcasts four television program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and perhaps one or more additional program streams.

1 **Prairie Public** Prairie Public's high definition schedule, which is also available online at video.prairiepublic.org/livestream

2 **World** Nonfiction, science, nature, news, public affairs, and lifelong learning programs.

3 **The MN Channel** High-definition programs produced in and about North Dakota, Manitoba, Minnesota, and the region.

4 **PBS Kids** The number one educational media brand for kids offers opportunities to explore new ideas and new worlds through television.

Testimony Prepared for the
House Appropriations – Government Operations Committee
March 7, 2023
By Audrey Uhrich, Guardian Angels, vice president GAND

RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Chairman Monson and members of the committee, thank you for this opportunity. I am Audrey Uhrich, vice president of the Guardianship Association of ND and professional guardian on staff at Guardian Angels. I've been working as a guardian for almost 17 years.

In that time, much has changed for guardians in our state –

- State requirements include backgrounds checks, state court on-line training and national certification for professional guardians or accreditation for the programs.
- Individuals needing guardians come with more complicated issues including chronic mental health, addictions, brain injuries, criminal histories, and complex family issues.

Some things haven't changed –

- North Dakota still needs more guardians to meet the guardianship need of vulnerable adults. The lack of guardians is simply due to the PASS program being underfunded.
- The responsibilities of guardians haven't changed. When serving the most vulnerable individuals who are unable to make decisions for themselves, we will:
 - Address their care, medical, and housing needs, review finances, and apply for appropriate benefits – SSDI, SNAP, M/A, etc.
 - Attend medical appointments, care conferences, consult with medical providers, make important medical decisions and be available 24/7.

It's important, challenging work and much of it happens outside of the regular work week.

- Last week I was called at 6 am on Saturday morning and notified of the death of one of our individuals. That morning I made multiple calls - notifying the family contact person and the funeral home to communicate all necessary information.
- Early in February I was called at 7 pm on a weeknight from the doctor of one of our individuals. She updated me on a change in his condition regarding his cancer diagnosis. We discussed at length the treatment options available for him.

As guardians, we know the value of our work for the state of North Dakota. Realistically, the \$6.1 million approved by the Senate won't allow for the increase in staffing needed.

I respectfully ask you to support a funding increase to \$8.1 million. Thank you for your consideration.

Testimony Prepared for the
House Appropriations Committee
March 7, 2023
By the North Dakota Association of Counties



RE: Senate Bill 2015 – OMB Budget/Public Guardianship Funding

Thank you, for the opportunity to communicate our Association's support for enhanced public guardianship funding, and to urge your consideration and approval of a total appropriation level much higher to fully fund the actual guardianship need.

Since 2013, the legislature has appropriated General Funds in the OMB budget for distribution to the private agencies and private individuals that serve as Public Guardians for indigent adults. (This does not include individuals served under the Developmental Disabilities program as their guardians are contracted and funded through DHS).

These wards are individuals that the District Court has determined are incapacitated and cannot adequately look after their own affairs due to age/dementia, physical disability, mental illness, addiction, etc. An advisory group (Courts, OMB, DHS, 1 Provider, & NDACo) directs the reimbursement of public guardians for (non-DD) wards whose resources total less than 100% of poverty and/or are receiving Medicaid-funded services.

As the North Dakota's population of elderly and disabled individuals has grown, the number of those that lack resources has grown as well. This has steadily increased the need for public guardians.

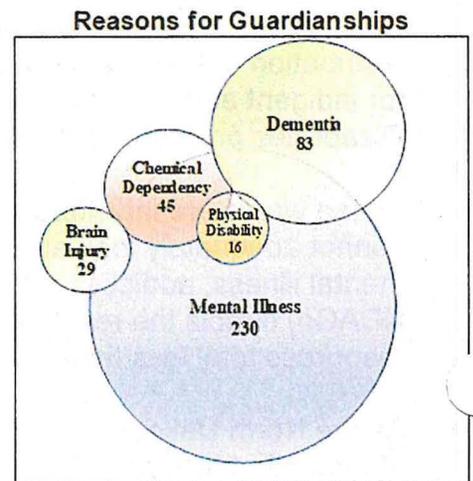
- The current biennial funding supports a **\$10/day per ward stipend** to the persons and charitable entities that are ordered by the State Court to serve these vulnerable individuals. Their collective **caseload has grown from 314 to 443 over the first 18 months of this biennium**. Each month we see the termination of 2-3 cases and the addition of 7-8 cases statewide. With an average monthly net growth of 5, the **caseload is projected to reach 478 by the end of this biennium**, and we anticipate the current appropriation amount (\$2,450,000) will be insufficient to meet THIS biennium's need.
- The **Legislature's consultant, in 2012, recommended** a daily rate for professional guardians of **\$14/day**. Due to funding constraints and rapid caseload growth the appropriation has **limited rates to \$10/day**. It is requested that the 2023-25 appropriation reflect a significant rate increase.
- The **Executive Budget** for OMB, however, **recommends flat funding for 2021-25**, requiring that caseloads be immediately frozen, and the reimbursed cases dropped by 5 per month until the total was back down under 400 – **leaving a projected 200+ incapacitated adults without guardian support**. We expect the State Court will continue to seek guardians for a net increase of 5 wards per month for the upcoming

biennium, **reaching close to 600 cases by June 2025.** To support this caseload and provide a rate increase, the appropriation will need to grow.

Public guardianships are a critical support for our most vulnerable citizens. Their ability to monitor and represent their wards not only benefits the wards, but serves the hospitals, clinics and nursing homes where critical medical decision-making cannot take place for an incapacitated person without a legally appointed guardian. Thank you, for your consideration of this request.

FUNDING OF PUBLIC GUARDIANSHIPS - BACKGROUND

In response to a previous interim study of guardianship issues by the Legislature’s consultant, Dr. Winsor Schmidt, the 2013 Legislature began a process of reforming the Public Administrator “system.” The haphazard and unequally funded public guardianships throughout the State were set on a course for greater uniformity, better training, and limited, but consistent, funding. This initiative was supported by a broad cross-section of medical and social service entities, recognizing the personal and financial impact caused by the existing system’s deficits.



November 2022 Caseload	
Guardian & Protective Services	73
DKK, Inc.	74
Opportunity Inc.	18
Catholic Charities	71
Veronica Miller	5
LSS of MN	90
Guardian Angels	88
Lighthouse	13
Family Advocacy Services	11

The legislature provided financial support to guardians serving indigent individuals that are not served separately by the developmentally disabilities system for guardianships. As the bubble chart indicates, many of those served are incapacitated due to several issues. Currently, seven agencies and one individual provide public guardianship services supported by this funding.

PASS Funds Projections

2021-23 Biennium

5 cases/month growth - No Stipend Change

		Cases	\$ Expended
2021	July:	314	94,200
	August:	321	96,270
	September:	320	95,900
	October:	321	96,280
	November:	324	97,340
	December:	330	99,090
	January:	328	98,440
	February:	334	100,220
	March:	342	102,510
	April:	340	102,080
	May:	374	112,240
2022	June:	392	117,550
	July:	429	128,580
	August:	431	129,350
	September:	436	130,850
	October:	437	131,070
	November:	443	132,910
	December:	448	134,410
	January:	453	135,910
	February:	458	137,410
	March:	463	138,910
	April:	468	140,410
	May:	473	141,910
2023	June:	478	143,410
	Estimated Funding Need		2,837,250
	2019-21 Carry-In		103,336
	2021-23 Approp		2,450,000
	Projected Deficit		(283,914)

2023-24 Biennium

5 cases/month growth - Various Stipend Levels

		Cases	\$10/day	\$15/day	\$20/day
2023	July:	481	144,300	216,450	288,600
	August:	486	145,800	218,700	291,600
	September:	491	147,300	220,950	294,600
	October:	496	148,800	223,200	297,600
	November:	501	150,300	225,450	300,600
	December:	506	151,800	227,700	303,600
	January:	511	153,300	229,950	306,600
	February:	516	154,800	232,200	309,600
	March:	521	156,300	234,450	312,600
	April:	526	157,800	236,700	315,600
	May:	531	159,300	238,950	318,600
2024	June:	536	160,800	241,200	321,600
	July:	541	162,300	243,450	324,600
	August:	546	163,800	245,700	327,600
	September:	551	165,300	247,950	330,600
	October:	556	166,800	250,200	333,600
	November:	561	168,300	252,450	336,600
	December:	566	169,800	254,700	339,600
	January:	571	171,300	256,950	342,600
	February:	576	172,800	259,200	345,600
	March:	581	174,300	261,450	348,600
	April:	586	175,800	263,700	351,600
	May:	591	177,300	265,950	354,600
2025	June:	596	178,800	268,200	357,600
	23-25 Biennium Total		3,877,200	5,815,800	7,754,400
	21-23 Biennium Deficit		283,914	283,914	283,914
	Total Approp. Needed		4,161,114	6,099,714	8,038,314

House Appropriations – Government Operations Division

Testimony on Senate Bill 2015

Representative David Monson – Chairman

March 7, 2023

Chairman Monson and members of the House Appropriations – Government Operations Division Committee, my name is Shannon Henrickson and I am the Director of a new program at Catholic Charities North Dakota (CCND) called Guardianship Services for the Vulnerable (GSV). CCND respectfully requests that the funding in Senate Bill 2015 for Public Administrator Support Services (PASS) be increased to \$8,100,000 to adequately meet the needs of the most vulnerable individuals in the state of North Dakota.

I would like to first start by providing you with the North Dakota court definition of Adult Guardianship:

“A guardianship of an adult is a court process where a North Dakota state district court judge or judicial referee determines if an adult (18 years or older) is incapacitated to the point they are unable to care for themselves responsibly or their incapacity endangers their health or safety.

If the judge or judicial referee decides, based on the evidence presented, that the adult is incapacitated, a guardian is appointed to make medical, legal, residential, educational, vocational, and some financial decisions for the adult. After a guardian is appointed, the adult is referred to as the Ward”.

Guardianship Service for the Vulnerable (GSV) is a separate program from or corporate guardianship (GDID) that serves only Individuals with Intellectual Disabilities. I would like to take this opportunity to explain what it truly looks like to be a provider of guardian/conservator services in North Dakota for our most vulnerable population. As a group we are trying to help the most vulnerable citizens of our state. We are the guardians of last resort to be the decision maker supporting elderly individuals with dementia/Alzheimer’s, those with persistent mental illness, traumatic brain injury, cognitively impaired, severe medical conditions, chemical dependency, homelessness or other related vulnerabilities.

At CCND, we began serving as guardian for 28 individuals in April of 2020. Almost 3 years later we are serving 103 individuals and have tripled our capacity. We have an additional 17 individuals that are currently in some stage of the guardianship petitioning process or waiting to

be accepted. We currently have nine (9) staff members on our team: five (5) guardianship workers, one (1) financial support, two (2) part time clerical staff working the equivalent of 1 FTE and myself. The five (5) guardianship workers must have a minimum of a 4 year degree in a human service related field.

Providing these much needed services is no small feat. In many instances we are expected to be the person going to medical appointments, transporting, grocery shopping for food, clothing and other needed items, moving furniture to a new living arrangement, cleaning out apartments and providing 24 hour on-call, simply because there is no one else. We get pushed from all directions (providers, social workers, medical providers, family) - "Well, you're the guardian". This is an extremely hard job requiring much dedication and caring to determine what is needed for each of the individuals. In serving individuals with severe and persistent mental health issues, we find that they are losing their place of residence, not complying with medications, not able to find a support team due to lack of a workforce and/or refusing to let providers in (when we can find one) to support their needs.

In the area of the elderly, we are trying to discover the person's protected assets, find income(s) they are entitled to, determine if friends or family have taken advantage of them and if financial exploitation has occurred. We also have to sell/manage assets such as bank accounts, vehicles, houses, land, mineral rights, efficiently and effectively to meet their long-term care needs and to maintain the individual in the community while keeping them safe and healthy for as long as possible. We focus on the least restrictive most person centered care possible to reduce the cost of long-term care spending to the state of North Dakota.

For all of the individuals we serve, we may have to complete applications for Medicare, Medical Assistance, apply to be representative payee for Social Security, determine if they have some other types of income, such as pensions, Veterans benefits, retirement accounts, IRA's etc., set up bank accounts, determine bills to be paid and pay those expenses, complete applications for housing, community based services, adult foster care, basic care, skilled nursing home care or memory care depending on the individual's needs, provide transportation, take them shopping, pick up medications, take them and sit at medical appointments. In addition, we are accountable to the court and must complete yearly well-being and financial court reports. We must complete

annual reporting to Social Security. Getting all of this done on a timely basis depends on the person you encounter on the other end of each of the scenarios mentioned.

In 2022, we encountered 6,755 contacts to talk about guardian/conservator questions or concerns on behalf of clients. This is where there can be a gap in education for providers of service, community industries such as banks, utility companies, phone vendors, clothing stores, grocery stores etc. Many do not understand the power of court ordered guardianships and will make statements like, do you have POA, do you know the PIN for the account, the court papers you have are not good enough, we need a state issued ID, or birth certificate etc.

In the case of PASS program the standard is to complete guardianship work within 3 to 4 hours per month for only \$300. Agencies must also cover the cost of mileage and time for its staff to travel to see individuals monthly for a required face to face visit. If truth be told, on average, a guardianship worker spends 6 - 10 hours a month on a case. Guardians can travel over 100 (+) miles one way to visit a client. In 2022, we, at CCND, made 1,632 visits on behalf of 85 clients this past year traveling 36,336 miles in 19 counties.

In closing, just remember, day in and day out we deal with the most difficult of guardianship cases. This takes time, dedication, expertise, human resources, and funding to support these vulnerable individuals in need. At the current rate we receive (\$10/day), we will not be able to continue to provide the current services much longer. We spend double the time to complete what is *necessary* to maintain the health and safety of the individual. We need to receive an increase in the rates that reflects that work being done. For the biennium we need 8,100,000 (\$20/day). The reason I say this, is the fifteen being suggested in SB 2345 will only cover current costs and not allow for us to add workers, to assist the weekly social workers calls from: vulnerable adult protection services (VAP's), counties, hospitals, nursing homes, families and the state hospital. Without the increase funding of (\$20/day) our only option is to provide the courts definition of the work; to be a decision maker. It would be my exception that there will be a lot more ER visits, hospitalization, falls, people in jail, and more people in the state hospital. All of which will cost the state a lot more money than what is being requested.

SB 2015
House Appropriations – Government Operations Division
March 7, 2023
Testimony of Scott Bernstein

Chairman Monson and members of the House Appropriations – Government Operations Division. For the record, my name is Scott Bernstein. I am the Executive Director of Guardian and Protective Services here in Bismarck.

I. Professional Guardianship – We are Court Appointed

I'm pleased to have the opportunity to speak about Guardianship. By way of a quick reminder, North Dakota Century Code legally gives the Court the option of appointing a guardian to make decisions that the protected person is unable to make. Appointed professional guardians are the guardian of last resort. In other words, the adult protected person is below the poverty line, has limited social support, and no family members or capable friends to assist them.

As professional guardians of last resort, we cover **part of our costs** for providing this service through a reimbursement from the PASS fund...(Public Administrator Support Services). PASS funds are in the OMB budget.

The job description of a guardian is comprehensive and the requisite knowledge to be a legal professional guardian is extensive. In States where State employees provide guardianship, those employees are classified or graded higher due to the complexity and legal implications of their work.

Keep in mind, removing of rights and personal agency is a VERY serious decision. A professional guardian takes the Court's plenary orders, giving the guardian broad authority to make decisions, very seriously. Professional guardians are always balancing AUTONOMY and RESTRICTIONS. Obviously, the safety of the protected person and society is of the utmost importance. However, a professional guardian is always working to include the protected person in the decision making process.

Court appointed professional guardians are YOUR guardians. At this point, the State does not have a Department of Professional Guardianship. Not-for-profit agencies provide your guardianship services across the State. As professional guardians, working on your

behalf, we work diligently every day to preserve the protected person's dignity and serve quietly.

I can unabashedly say, we are much needed. Right now, the State is in a guardianship crisis. At this moment, there are over 125 people that need a professional guardian that sadly, we can't serve. The decision that you have been entrusted to make will determine the direction of guardianship in the State and ability to meet the need.

II. This Decision Determines Destiny of Professional Guardianship

If you are an advocate for small government, then I ask that you listen carefully.

We are standing at a fork on the guardianship road. At this junction you can go either right or left. The right lane will appropriately fund PASS. This allows not-for-profits and professional guardianship to continue providing service to vulnerable adult North Dakotans.

OR

You can take the left lane. So how do you get on the left lane? You take the left lane when you underfund PASS. When PASS is underfunded, not-for-profit agencies, providing your professional guardianship are left with two choices:

- A. Professional guardian services, go away, as some already have OR
- B. We have to reduce the number of PASS clients we accept.

Unfortunately, the left lane comes with significant unintended consequences. The most significant is the formation of a State Department of Public Guardianship...with all the accompanying expenses incurred when running a State Department.

The need for Guardianship doesn't go away. In fact, it only increases. You just decide how vulnerable individuals will receive guardian services.

At this moment 481 protected persons receive professional guardian services through PASS funding (Public Administrator Support Services). The PASS fund has run out of money. Not only that, agencies are running in the red. The legislature authorized an expert to do a study on North Dakota Guardianship. The report was returned in 2012. The expert's conservative advice on funding was not followed. This has created a guardianship crisis.

THE RETURN ON INVESTMENT

The present model of providing guardianship through not-for-profit agencies is amazing. If for no other reason than the ROI. The return on investment is nearly four times the investment. Four times. For every dollar you put into guardian services you save \$4.00. Let that in.

If I were sitting in your chair I would say: Prove it Bernstein.

No problem.

One man...let's call him Sam.

In one year Sam had 64 visits to the emergency room.

Sam had four hospital stays for a total 12 days of hospitalization.

Sam was arrested six times for disorderly conduct.

Sam spent three days in jail.

Sam faced two charges related to shop lifting.

Obviously, Sam made several court appearances AND required a public defender.

Sam lost his place to live, blew his SS and became a recognized trouble maker at the homeless shelter.

Sam conservatively cost the State \$150,000.

Sam was finally able to get a guardian.

One year later...0 ER visits. 0 hospitalizations. 0 arrests. 0 court appearances. 0 nights in jail. 0 needs for a public defender. He now lives in an efficiency apartment on a rent voucher.

Under our present request for funding, \$8.1 million, the State would pay \$7,200 to provide a professional guardian for the year...saving the State \$117,800.

KEEP IN MIND: The State pays one way or another – you just determine how much you want to pay and who gets the dollars.

Here's another example:

A man was hospitalized in the Fargo Sanford Hospital for NINE months. He didn't have one physical need that made continued hospitalization a necessity. He could have been out in two days but he couldn't be safely discharged. WHY? There were no guardians. Again, this man was hospitalized for NINE months. Professional guardians wanted to help. They couldn't. They were overloaded and the compensation was so low nobody could hire guardians.

Senator Kristin Roers gave this first hand report. She had this man on her floor in the hospital. She testified on the Senate floor that the final bill was \$550,000. If a professional guardian were reimbursed, based on the \$8.1 million, the cost to the State would be \$5,400. The State would have saved \$544,600.

I think it's safe to say, no one can accuse the citizens of the State of North Dakota of being penny pinchers. Why spend less when you can spend more?

The citizens of North Dakota are paying for people to stay in the State Hospital because there are no guardians. North Dakotans are paying for inmates to remain incarcerated. They were eligible for parole two-three years ago...but there are no guardians. Right now there are nearly 100 individuals in nursing homes in need of a guardian.

III. THE UNINTENDED CONSEQUENCE OF UNDER FUNDING

There is the other option. Instead of funding PASS for \$8.1 million the State can pay \$28 million in tangible costs that are never tied back to a 'cause' for that expenditure. The expenditure is caused by underfunding guardianship.

Funding guardianship, with evidenced savings, puts a whole different spin on TAX RELIEF.

1. The conservative projection for PASS guardianship by 2025 is 596 protected persons. I would contend that number is actually low. It is projected that by 2025 16,000 North Dakotans will be diagnosed with Alzheimer's Disease. If only 5% of those 16,000 North Dakotans need a guardian that will be another 800 individuals.
2. Underfunding will result in not-for-profits reducing guardianships or will close. This will immediately impact the 481 individuals receiving PASS funded guardianship. It could leave over 250 protected persons without a guardian.
3. In light of the guardian crisis, North Dakota is heading toward making the same choice other States made that underfunded not-for-profits providing guardianship. Choosing bigger government.
4. The unintended consequence of underfunding is the formation of a State Department of Public Guardianship to meet the need.
5. Oregon is just one example. Their Department of Public Guardianship has 12 State FTEs. They serve 132 individuals. Their biennium budget is \$4,000,000.
6. Let's do the math. We are requesting \$8.1 million to provide professional guardianship to 596 protected persons. Oregon's State Department of Public Guardianship would need a biennium budget of \$18.1 million dollars to serve 596

protected persons with 54 FTEs. I've had conversations with the Oregon State Director. When he heard that \$8.1 million in PASS funding would cover 596 protected persons he was speechless. He finally broke the silence with, "Well, I guess every State spends their money differently."

In my head I said, "No kidding Sherlock. I believe North Dakotan's are just smarter than Oregonians."

Beyond the dollars, at the end of the day there is a HUGE intangible return on investment.

Guardians become YOUR hands extended to the most vulnerable among us. While others walk by on the other side – which include even family, the Professional Guardian stops, stoops and serves.

70% of our clients suffer from significant mental illness. I never fault a friend or a family for stepping away. These are very challenging people and many we will serve for life. Regardless, they still bear the image of God.

Recently, one of our Guardians had to make a very difficult decision regarding a protected person. The end-of-life decision. While the protected person may not have been the most competent decision maker the guardian tried to explain the realities. The goal is to always involve the protected person in their decisions. It was clear. The individual simply wanted to go – but they had two things they wanted before they left. They wanted watermelon and some slices of canned grapefruit. The guardian knew that when life support was withdrawn this individual would only have minutes. The guardian made the decision to keep the life support in place and ran to the store. They picked up some watermelon and canned grapefruit.

The guardian propped the individual up and fed them a bite of watermelon and slice of canned grapefruit. The last request had been honored. The protected person leaned back and indicated the guardian could leave. The guardian understood. This person had lived such an isolated life they would take their last journey alone. The guardian stepped out of the room and in less than 10 minutes stepped back in and they were gone. The guardian took the gnarled hand and cried. By the way, the guardian took their own time and drove a few hundred miles to attend the simple memorial – that no family attended.

Giving to the most vulnerable conveys dignity. When we lift something to give to another we actually lift ourselves as well. We become more.

My brother, who is a CFO for a company in the Big Government State of Minnesota has been watching this process unfold. Which road will North Dakota take?

He wrote me the other day and said,

“If there is any belief that we have a moral and social responsibility to provide care for the most vulnerable among us, then there is no service more worthy than this service. This service provides care to those who are no longer able to advocate and seek the best care for themselves and defend themselves from being taken advantage of.”

Friends, you have a clear choice. I personally believe I am here for this moment to urge you act with kindness toward the least of these and make a fiscally responsible decision for North Dakotans.

Personally, this is the kind of North Dakota I want to live in and I believe you do too.

I have also submitted along with my testimony a much deeper dive into the financial realities and return on investment. The not-for-profit agency model provides a remarkable return on investment. This is consistently substantiated by studies done on guardianship across the country and right here in North Dakota.

I'll be happy to answer any questions.

Public Guardianship Cost Benefit Analysis Regarding SB 2015

Prepared by Scott Bernstein

Adults under guardianship are among the most vulnerable North Dakotans. They typically have long-term, complex physical and/or mental conditions such as mental illness, dementia, traumatic brain injury, autism or cognitive impairment.

When adults are placed under guardianship by the Court, the Court legally removes some or all of their rights and grants another individual – a family member, friend or Professional Guardian – control over their affairs. Guardians are on duty 24/7, 365 days a year and make potentially life-altering decisions, such as: where the adult lives, the medical or mental health care that they receive, who the adult can have contact with, distribution of financial assets, coverage through benefits and even end of life decisions.

Since 2013, the legislature has appropriated General Funds in the OMB budget for distribution to the private agencies and private individuals that serve as Public Guardians for indigent adults. The resources of the adult served must be less than 100% of poverty and/or are receiving Medicaid-funded services.

The funding appropriated by the legislature is distributed to the Public Guardians as a pass through managed by the North Dakota Association of Counties. The funding is referred to as PASS (Public Administrators Support Services). The NDACo does not receive any remuneration for this service.

STATE FACTS SUMMARY

States Using Agency Guardianships

The States of Washington, Common Wealth of Virginia and Florida use contracted services through not-for-profit agencies, similar to North Dakota, to provide Guardian Services. The States in this summary have a daily per diem rate per client that is significantly higher than North Dakota's \$10.00 per day.

COMMON WEALTH OF VIRGINIA

Two year Cost Benefit Analysis showed a 59% Return on Investment.

STATE OF WASHINGTON

Residential costs per client decreased by \$8,131. The average cost for providing a Public Guardian was \$7,907 per client during the time of the study.

Personal care decreased by an average of 29 hours per month for Public Guardianship clients, compared to an increase in care hours for similar clients without a Public Guardian.

Total savings to the State exceeded program costs.

FLORIDA

Guardianship produced cost savings more than 3 ½ times the amount allocated. The annual savings were \$29,039,986.24.

State Office of Public Guardianship

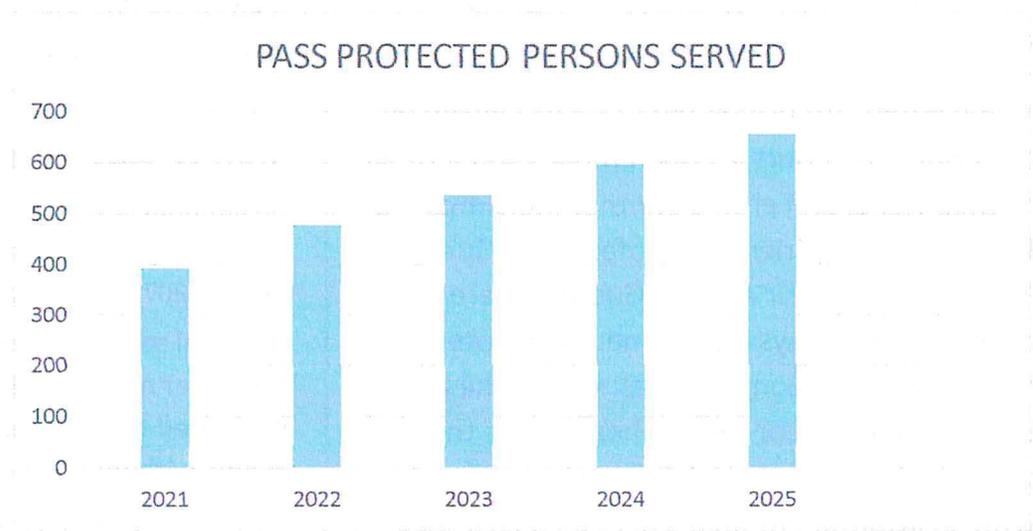
Oregon has an Office of Public Guardianship providing Public Guardianship. A staff of 12 provides guardianship services to 132 clients. The biennium budget for the OPG is \$3.9 million. That equates to \$14,773 per client per year.

The per client rate is well over the reimbursed rate of any State Agency in the survey. However, Oregon is now documenting cost savings. One client had over 100 ER visits in the year prior to guardianship and zero ER visits per year while under guardianship.

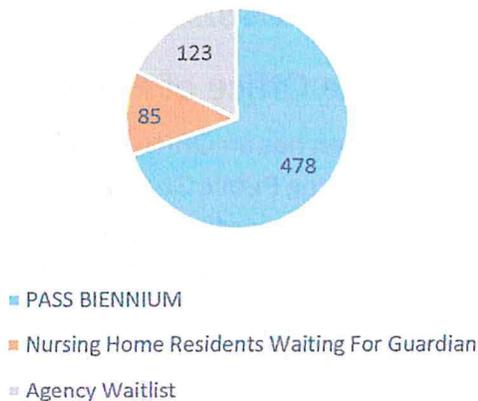
Indigent protected persons (previously referred to as 'wards') are individuals the District Court has determined are not capable of adequately looking after their own affairs. This determination by the Court requires that a guardian be appointed to act in the best interest of the protected person.

The current biennium funding supports a **\$10/day per protected person stipend** to not-for-profit agencies ordered by the District Court to serve as Public Guardians for these vulnerable adults. Individuals receiving services under the Developmental Disability Waiver are not a part of this appropriation. Developmental Disability funding is part of the Health and Human Services Budget.

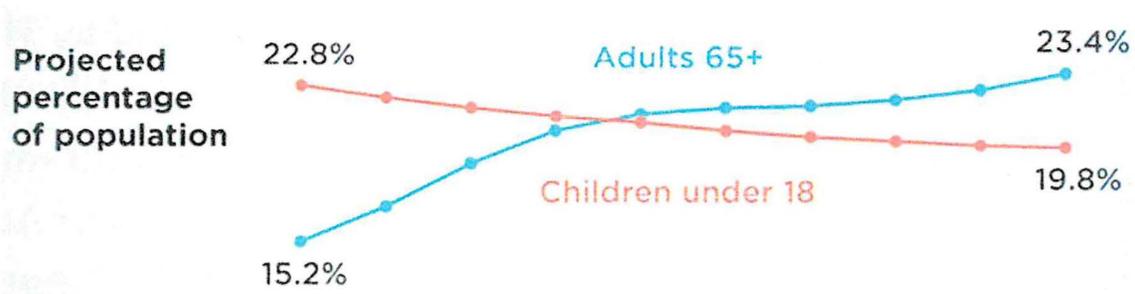
The collective **caseload has grown from 314 to over 450 in the first 19 months of this biennium.** With an average monthly net growth of 5, the **caseload is projected to reach 478 by the end of this biennium.** The current appropriation of \$2,450,000 is insufficient to meet this biennium's need.



Active Guardianships & Pending Need



The need for guardians has increased over the past biennium and will only continue to increase. We are an aging nation and North Dakota is an aging State. Currently, 16% of North Dakota's population is made up of individuals 65+. For the first time in U.S. history, older adults are projected to outnumber children by 2034.



The aging of the Boomers is creating a Tsunami of need. This is only exacerbated by the ever increasing number of individuals with mild cognitive impairment and Alzheimer’s disease.

The Alzheimer’s Association has determined **16,000 North Dakotans will be diagnosed with Alzheimer’s by 2025**. If only 5% need a guardian that will add 800 more North Dakotans to the Guardian Waitlist.

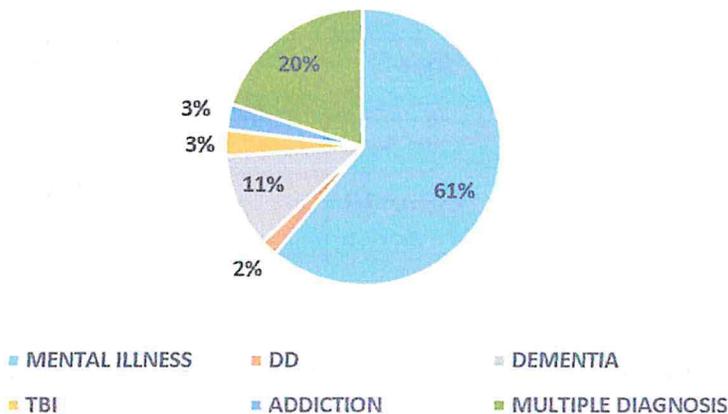
There are prisoners eligible for parole who remain incarcerated because there is no guardian.

Hospitals have individuals that cannot be safely discharged because they need a guardian. One individual remained in the hospital with no prevailing health condition for nine months.

Due to the Fentanyl crisis increasing numbers of people are admitted to Psychiatric care. This month the Bismarck Sanford inpatient Psychiatrist reported to the Senate Human Services Committee that many young people will never recover and may require living in a ‘memory care’ type environment. These are individuals with a life expectancy of another 50-60 years. It is unlikely that family and friends will be willing to take on a lifetime guardianship. These individuals generally fall below the poverty line and will need guardian agency services.

Across the country, Guardianship Agencies that take clients below the poverty line are consistently reporting that over 60% of their clients have one or more mental illness diagnoses. North Dakota is no different.

Diagnosis of Adult Protected Persons



**Information
Provided by Three
North Dakota
Agencies serving the
majority of Adult
PASS Clients**

COST BENEFIT ANALYSIS

The tangible and intangible costs to the State of North Dakota to NOT have a guardian are significantly higher than the cost associated with appropriately funding guardianship. The costs are also much higher when there is a State funded and operated Department of Guardianship versus partnering with a not-for-profit agency to provide guardianship services. Oregon is just one such example of the costs associated with a State Department of Guardian and Protective Services.

Studies going back to 1988 have been done on the cost impact of Guardianship.

A detailed study published by Spring Publishing Company in the Journal of Ethics, Law and Aging, Vol 5, No. 2, 1999 examined the issue of cost.. The study found that a guardian had a significant impact on improving a protected person's ability to thrive and reduced the costs incurred regarding care, housing, nutrition and medical treatment. The evidence for reduced costs and ability to thrive is consistently proven year after year.

COMMONWEALTH OF VIRGINIA

In 2003 the Center for Gerontology at Virginia Polytech released the findings from a two year study (100 pages) evaluating Public Guardianship. The model of providing guardianships was similar to North Dakota.

The study began in 2001 and the average monthly funding cost was \$250 a month per protected person or around \$3,000 a year. (\$8.33 a day – in 2001).

The total two year funding was \$2,143,687. This covered the cost for serving 360 clients for two years.

Across the two years the Commonwealth was able to help 85 protected person move to less restrictive environments saving the Commonwealth \$5,625,514. Other cost savings related to arranging pre-paid funerals and receiving community based services saved the Commonwealth an additional \$685,340. One protected person was restored to competency and because the complexity of the process of guardianship had now been put in manageable order, six protected persons had friends or family members step in. This saved the Commonwealth another \$21,000. And the quality of life for those served by a guardian was substantially improved.

**Two Year Saving of
\$5,248,096 on a
\$2,143,687 Appropriation.
A 59% ROI**

The study showed a two million dollar expenditure saved the Commonwealth (costs savings minus total State funding) \$2,623,756 in year 1 and \$2,615,340 in year two for a total of \$5,248,096.

Virginia is now reports saving \$5.6 million in health care costs in one year.

It should be noted that Virginia strictly complies with the NGA guardian to protected person ratio of 1:20 and conditions their reimbursement based on complying with this ratio.



By the end of the study total savings had exceeded program costs and 21% of the protected persons showed improvement in self-sufficiency.

WASHINGTON STATE

In 2011 the legislature for the State of Washington ordered the Washington State Institute for Public Policy to conduct a study to determine the effectiveness of their guardianship program (similar to North Dakota). They wanted to analyze the costs and off-setting savings to the State from the delivery of Public Guardianship services as well as client outcomes.

At the time of the study, (a look back from 2008-2011) Washington contracted with Public Guardians at a daily rate of \$10.68 per protected person (or \$325 per month). The State also allowed a billing variance of \$525 for the first three months of a protected person’s guardianship due to the extensive time required to launch guardianship. However the total annual billing could not exceed \$3,900. This amount did not include reimbursement for mileage or other approved extraneous expenditures incurred in the guardianship of a client.

Residential costs per client decreased by \$8,131. The average cost for providing a Public Guardian was \$7,907 per client during the time of the study. Just the savings in housing costs covered the cost of a Public Guardian.

Personal care decreased by an average of 29 hours per month for public guardianship clients, compared to an increase in care hours for similar clients.

Again, it should be noted that Washington closely monitors their guardian to protected person ratio (1:20). They also have significant training requirements for guardians. Some of that training is offered by the State.

FLORIDA

In March of 2019 a report was presented to the Office of Public and Professional Guardians – Florida Department of Elder Affairs. Florida, like North Dakota, partners with 17 agencies throughout Florida to provide Guardianship Services. The study used data from 2018-2019.

Among one of the significant cost saving elements that was NOT fully calculated was State labor costs that would be incurred by Florida if they formed a state run department of guardianship (similar to Oregon). They only looked at the wages of a Full Time Equivalent. They did not take into consideration initial outlay costs related to recruitment, hiring, onboarding, equipping, paying mileage/travel, possibly providing vehicles, etc. The initial expenditure to launch a guardianship department would be millions of dollars.

The Florida report went on to recommend fully funding guardianship because lack of consistent funding, which requires agencies to seek other funding sources, (pro bono, internships, grants, donations) is neither sustainable nor advisable. While the need for guardianship continues to increase a guardian agency may be limited in the number they can serve due to lack of donated funds that ultimately create a barrier to hiring qualified guardians.

FLORIDA REPORT SUMMARY:

“Thoroughly documented tangible and intangible cost savings by all programs ... The programs produced substantial cost savings to the State – more than 3 ½ times the amount allocated – or \$29,039,986.24 for one year. If the programs were provided with stable, recurring funding they would still produce a cost savings to the State of \$14,311,954.93.”

The report, due to the increasing complexity of the of public guardian cases, recommended complying with the evidence-based standard of one guardian to 20 protected persons.

The report also recommended dollars be allocated to agencies based on the 1:20 ratio.

North Dakota Guardianship

In 2011 Dr. Winsor Schmidt conducted a guardianship study, requested by North Dakota. The Winsor Schmidt study and recommendations were submitted in 2012. The focus of the study was on the delivery of guardianship services and costs.

It should be noted that at the time of the study, one agency reported moving protected persons from expensive settings to less restrictive settings for 22 guardianship clients in 2011, including 7 clients moving from the State Hospital, 2 clients moving from the Developmental Center, 2 clients moving from a nursing home to a supportive living apartment (AL) and 1 client moving from a hospital to a nursing home. These transitions, made by only one agency, provided significant savings to the State.

THE WINSOR REPORT INFO ON COSTS

Dr. Winsor indicated in his report that there are several published studies of costs associated with providing public guardianship.

In 1983 the cost per client in Florida was \$2,857.00 per year. In 2008 the cost was \$2,955.00.

In 1997 the cost per client in Virginia was \$2,662.00 per year. In 2002 the cost was \$2,955.00.

In 2011 the cost per client in the State of Washington was \$3,163 per year.

IN 2012 DR. SCHMIDT RECOMMENDED A NORTH DAKOTA DAILY RATE OF...

\$10.93 PER DAY FOR 2013-2014 = \$3,935 PER/YR

\$11.24 PER DAY FOR 2014-2015 = \$4,046 PER/YR

THE LEGISLATURE SET THE DAILY RATE

AT \$8.33 A DAY = \$2,999 PER/YR

2023 NORTH DAKOTA DAILY RATE IS NOW

\$10.00 PER DAY = \$3,600 PER/YR

Based on the Winsor Schmidt study and the reported savings, it was recommended that the daily cost for serving protected persons be \$11.24 a day. (In 2010 there were 2,038 Guardianship and Conservatorship cases in North Dakota.) The report also recommended complying with the National Guardian Association protected person ratio of 1:20.

KEEP IN MIND, a daily rate of \$11.24 in 2011 did **NOT** fully fund the guardianship of a protected person. It defrayed the majority of the incurred costs. Agencies would still be dependent upon unpredictable sources of revenue (grants, donations, fund raisers, etc.) to cover costs and end in the black. **The North Dakota Legislature rejected the recommended daily rate. They approved \$8.33 a day which significantly underfunded PASS and significantly impacted guardianship agencies.**

In the later part of 2019 the appropriated sum for PASS allowed the daily rate to be increased to \$10.00. However, it should be noted that PASS funding has been running a deficit.

Lack of funding has resulted in an increase of guardian to protected persons ratio. The **National Guardian Association's recommended guardian to protected person ratio is 1:20.**

Low daily rates impact the ability to hire qualified staff to handle the increasing need to serve more protected persons.



**NORTH DAKOTA GUARDIAN TO
PROTECTED PERSON RATIO**

1:39

**RURAL AREAS WHERE PROTECTED
PERSONS ARE OVER 200 MILES APART**

1:29

The Winsor Schmidt report indicated they conservatively **estimated the cost savings** that would be directly associated with the daily rate as outlined in the recommendation and following the National Guardian Association guardian ratio of 1:20 to be **\$2,400 per month per guardian.**

Using the Winsor Report's 2012 cost of \$2,400 per month saved by having a person under guardianship. The total savings for 536 protected persons for two years:

\$30,873,600

The Cost of Investment recommended for a two year appropriation to fund indigent guardianship services:

\$8,100,000

The State achieves a 74% Return On Investment.

Court appointed Public Guardians are the guardians of last resort. They are working with individuals below the poverty line and the majority have significant mental illness issues. The need and number of protected persons has and will continue to increase.

Since the Study/Report, many North Dakota Public Guardians have taken steps to pursue training, national certification and are now licensed social workers.

However, there is a dire shortage of guardians. The primary explanation for that shortage is that the daily per diem rate of reimbursement does not cover actual expenses. Agencies are consistently running deficits and must constantly seek other funding sources to offset expenses incurred for providing guardianship services to North Dakota's most vulnerable.

The growth rate in the number of PASS clients under guardianship is a direct reflection on the lack of guardians available to assume new clients.

The lack of guardians is the result of underfunding guardianship.

CONCLUSION

Since 2021, PASS Funded Case have been growing at five (5) new cases per month. This will put the case load, by the end of 2025, at nearly 600 cases. This number does not reflect the nearly 90 nursing home residents currently waiting for a guardian.

It does not include the guardianship Tsunami at the door caused by the increased number of North Dakotans diagnosed with Alzheimer's, mental illness, traumatic brain injury and impacts from addiction.

TANGIBLE AND INTANGIBLE COSTS DUE TO LACK OF GUARDIANS

At any given time the State Hospital has between 5-10 patients needing guardianship. The daily rate for their continued hospitalization is \$691 to \$1,244 per day.

A prisoner who cannot be paroled will cost the State \$150 or more a day to continue incarceration.

A hospitalized patient's average cost for an unnecessary hospital stay is \$2,873 a day.

*Protected Persons transition in their housing needs at a substantially slower rate:
Independent Living → Home and Community Based Services → Basic Care/AL → Skilled.
This provides a substantial saving to the State every year.*

Guardians are a remarkable example of how a small expenditure can reap a huge return on investment. Not only are State dollars saved but the protected person's quality of life reaps a huge reward.

Studies indicate that a vulnerable adult with a guardian make fewer visits to the emergency room, experience fewer and shorter hospital stays and experience a 'guardian-health-lift'. This occurs because the guardian monitors medication management, chronic conditions, and nutrition.

Protected Persons are no longer abused, reducing legal implications; are not as susceptible to exploitation (preserving or restoring assets) and no longer prone to neglect.

Guardians Advocate For Those That Have Lost Their Voice
And Are Easily Unheard.

SUPPORT An Increase to \$8.1

As Guardians working with Protected Persons funded through PASS we urge you to vote YES on an increase to \$8.1.

This request was originally in SB 2345, Section 3 ... PASS Funding:

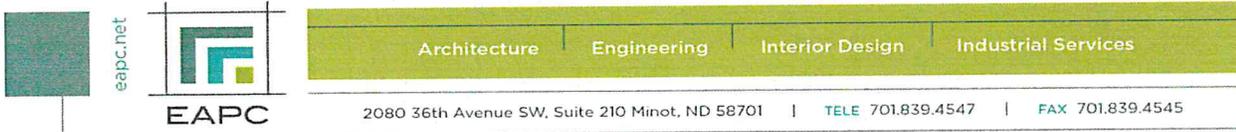
SECTION 3. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - GUARDIANSHIP SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,100,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing grants for indigent guardianship services, for the biennium beginning July 1, 2023, and ending June 30, 2025.

The increase in the PASS daily rate will:

- 1. Permit Guardian Agencies to Hire More Guardians.**
- 2. Expand Services (especially rural and western regions).**
- 3. Save the State tangible and intangible costs due to the shortage of guardians.**

The requested funding will cover the PASS funding at the present rate of growth of five (5) new protected persons per month.

It will also cover the deficit in PASS funding and essentially raise the PASS daily reimbursement rate to \$20 a day.



State Office Building Water Damage Repair Project - FULL GUT and Rebuild

EAPC Proj. No: 20224340

Source	DESCRIPTION	QTY.	UNIT	Cost/UNIT	TOTAL
Project Total:					\$7,319,125
Testing					\$8,444.25
Badlands Environmental	Trip Charge	1	ea.	\$521.25	\$521.25
Badlands Environmental	Initial baseline air quality/spore counts/swabs testing per sample	30	ea.	\$132.05	\$3,961.50
Badlands Environmental	post construction air quality/spore counts & swabs testing	30	ea.	\$132.05	\$3,961.50
Demolition					\$1,582,670
Exterior					\$595,605.90
07.05.05.10-5620	Remove dryvit	9766	SF	\$5.00	\$48,830.00
07.05.05.10-5870	Remove sheeting substrate	9766	SF	\$2.50	\$24,415.00
07.05.05.10-0620	Remove fiberglass batt insulation& vapor barrier	9766	SF	\$2.00	\$19,532.00
allowance	collect, haul & dispose of debris	1	ea.	\$7,645.00	\$7,645.00
07.05.05.10-3720	Tear off existing roofing	9766	SF	\$11.23	\$109,683.90
Get Fargo actual no.	excavate foundation, waterproofg, drain tile, backfill	514	LF	\$750.00	\$385,500.00
Basement					\$248,015.46
03.05.05.10-0050	Negative air fan setup & operation for demo phase	1	ea.	\$1,737.50	\$1,737.50
06.05.05.10-6720	Demo partition walls	10179	SF	\$4.35	\$44,285.78
allowance	Dispose of partition walls	10179	SF	\$1.03	\$10,470.12
09.05.05.30-1000	Remove all ACT ceiling	14062	SF	\$3.53	\$49,647.30
allowance	Dispose of ACT ceiling	14062	SF	\$0.28	\$3,909.24
allowance	Remove gypsum wall board from exterior walls	5140	SF	\$2.74	\$14,074.86
allowance	Dispose gypsum wall board	5140	SF	\$0.29	\$1,500.37
03.05.05.10-0050	Break concrete floor into sections for disposal	260	CY	\$61.16	\$15,926.52
03.05.05.10-0150	Remove concrete (pcs < 2,0000 lbs. each)	527	TN	\$113.98	\$60,104.50
08.05.05.20-0280	Remove Windows	8	ea.	\$234.91	\$1,879.28
allowance	Diconnect & demo electrical	1	ea.	\$16,680.00	\$16,680.00
allowance	Demo Mech room (all)	1	ea.	\$27,800.00	\$27,800.00
First Floor					\$368,764.05
03.05.05.10-0050	Negative air fan setup & operation for demo phase	1	ea.	\$1,737.50	\$1,737.50
06.05.05.10-6720	Demo partition walls	8721	SF	\$4.35	\$37,942.45
allowance	Dispose of partition walls	8721	SF	\$1.03	\$8,970.42
09.05.05.30-1000	Remove GWB from all exterior walls	4626	SF	\$4.54	\$21,002.04
allowance	Dispose gypsum wall board	4626	SF	\$2.50	\$11,565.00
09.05.05.30-1000	Remove all ACT ceiling	11333	SF	\$3.53	\$40,012.29
allowance	Dispose of ACT ceiling	11333	SF	\$0.28	\$3,150.57
allowance	Concrobium mist of all exposed surfaces/wall framing	20071	SF	\$3.13	\$62,772.05
08.05.05.20-0280	Remove Windows	92	ea.	\$234.91	\$21,611.72
allowance	Remove storefront entrances	2	ea.	\$5,000.00	\$10,000.00
allowance	Diconnect & demo electrical	1	ea.	\$75,000.00	\$75,000.00
allowance	Demo Mechanical	1	ea.	\$75,000.00	\$75,000.00
Second Floor					\$370,284.86
03.05.05.10-0050	Negative air fan setup & operation for demo phase	1	ea.	\$1,737.50	\$1,737.50
06.05.05.10-6720	Demo partition walls	12906	SF	\$4.35	\$56,150.13
allowance	Dispose of partition walls	12906	SF	\$1.03	\$13,275.11
09.05.05.30-1000	Remove GWB from all exterior walls	4626	SF	\$4.54	\$21,002.04
allowance	Dispose gypsum wall board	4626	SF	\$2.50	\$11,565.00
09.05.05.30-1000	Remove all ACT ceiling	11333	SF	\$2.54	\$28,785.82
allowance	Dispose of ACT ceiling	11333	SF	\$0.28	\$3,150.57
allowance	Concrobium mist of all exposed surfaces/wall framing	20071	SF	\$3.13	\$62,772.05
08.05.05.20-0280	Remove Windows	93	ea.	\$234.91	\$21,846.63
allowance	Diconnect & demo electrical	1	ea.	\$75,000.00	\$75,000.00
allowance	Demo Mechanical	1	ea.	\$75,000.00	\$75,000.00

New Construction					\$2,980,400
Exterior					\$791,526.35
07.24.13.10-0130	Replace dryvit & sheeting	9766	SF	\$35.06	\$342,354.94
07.21.16.20-0860	Replace fiberglass batt insulation	9766	SF	\$13.82	\$134,932.92
07.26.13.10-1200	Replace interior vapor barrier	98	sq.	\$10.90	\$1,064.26
Target	Replace roofing	9766	SF	\$30.86	\$301,359.23
allowance	Rake, topsoil, reseeding, irrigation, lawn & sidewalk repair	1	ea.	\$11,815.00	\$11,815.00
Basement					\$976,592.36
A1030.120-3360	Pour & finish concrete floor	14062	SF	\$12.98	\$182,561.32
allowance	Concrete conveyance into basement	260	CY	\$14.25	\$3,710.15
09.51.23.30-0830	Replace ACT ceiling	14062	SF	\$12.44	\$174,938.31
09.29.10.30-0350	Replace GWB on all exterior walls	2313	SF	\$5.17	\$11,960.06
09.91.23.72-0590	Paint exterior walls	2313	SF	\$2.68	\$6,205.09
C1010.142-6100	Replace interior partition walls	1131	LF	\$20.82	\$23,549.91
09.91.23.72-0590	Paint partition walls	20358	SF	\$2.68	\$54,614.41
09.65.13.13-0710	Cove base	2262	LF	\$9.65	\$21,820.61
08.12.13.13-0025	HM frames	50	ea.	\$583.80	\$29,190.00
08.12.13.13-0060	interior door panels	50	ea.	\$1,070.30	\$53,515.00
Thorsrud	Door hardware	50	ea.	\$938.25	\$46,912.50
allowance	Electrical/lighting	1	ea.	\$20,850.00	\$20,850.00
allowance	Replace Mech room mech. equipment	1	ea.	\$291,900.00	\$291,900.00
allowance	New mechanical ducts & vav boxes	1	ea.	\$50,000.00	\$50,000.00
	I-wave ionizer in air duct	1	ea.	\$4,865.00	\$4,865.00
First Floor					\$571,680.29
09.29.10.30-0350	Replace GWB on all exterior walls	4626	SF	\$5.17	\$23,920.12
09.91.23.72-0590	Paint interior side of exterior walls	4626	SF	\$4.07	\$18,840.31
C1010.142-6100	Replace interior partition walls	969	LF	\$20.82	\$20,176.71
09.91.23.72-0590	Paint partition walls	17442	SF	\$2.68	\$46,791.65
09.65.13.13-0710	Replace cove base along all partition walls	1938	lf	\$9.65	\$18,695.11
09.65.13.13-0710	Replace cove base along exterior walls	514	lf	\$9.65	\$4,958.35
09.51.23.30-0830	Replace ACT ceiling	11318	SF	\$12.44	\$140,801.58
08.51.13.20-2000	Replace Windows	92	ea.	\$1,702.75	\$156,653.00
08.12.13.13-0025	HM frames	27	ea.	\$583.80	\$15,762.60
08.12.13.13-0060	interior door panels	27	ea.	\$1,070.30	\$28,898.10
Thorsrud	Door hardware	27	ea.	\$938.25	\$25,332.75
allowance	Electrical/lighting	1	ea.	\$20,850.00	\$20,850.00
allowance	New mechanical ducts & vav boxes	1	ea.	\$50,000.00	\$50,000.00
Second Floor					\$640,601.01
09.29.10.30-0350	Replace GWB on all exterior walls	4626	SF	\$5.17	\$23,920.12
09.91.23.72-0590	Paint interior side of exterior walls	4626	SF	\$4.07	\$18,840.31
C1010.142-6100	Replace interior partition walls	1434	LF	\$20.82	\$29,859.03
09.91.23.72-0590	Paint partition walls	25812	SF	\$2.68	\$69,245.85
09.65.13.13-0710	Replace cove base along all partition walls	2868	lf	\$9.65	\$27,666.45
09.65.13.13-0710	Replace cove base along exterior walls	514	lf	\$9.65	\$4,958.35
09.51.23.30-0830	Replace ACT ceiling	11333	SF	\$12.44	\$140,988.19
08.51.13.20-2000	Replace Windows	93	ea.	\$1,702.75	\$158,355.75
08.12.13.13-0025	HM frames	37	ea.	\$583.80	\$21,600.60
08.12.13.13-0060	interior door panels	37	ea.	\$1,070.30	\$39,601.10
Thorsrud	Door hardware	37	ea.	\$938.25	\$34,715.25
allowance	Electrical/lighting	1	ea.	\$20,850.00	\$20,850.00
allowance	New mechanical ducts & vav boxes	1	ea.	\$50,000.00	\$50,000.00

Misc. Items				
	Emergency Generator for Building	1	ea	\$500,000.00
	Drain Tile around exterior building perimeter			\$383,005.52
	Asbestos Removal			\$100,000.00
	FULL GUT and Rebuild Existing Building			
	Subtotal:			\$4,571,514.52
	10% A/E fees:			\$457,151.45
	General Conditions 10%:			\$571,439.31
	Subtotal with General Conditions:			\$5,142,953.83
	Overhead and Profit 10%:			\$514,295.38
	Next year project Contingency 12%:			\$678,869.91
	Plus Misc Items			\$983,005.52
	Grand Total:			\$7,319,124.64

Prepared for the House Appropriations Committee

**Department 110 - Office of Management and Budget
Senate Bill No. 2015**

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$91,944,334	\$76,911,173	\$168,855,507
2023-25 Base Level	33,926,399	8,828,309	42,754,708
Increase (Decrease)	\$58,017,935	\$68,082,864	\$126,100,799

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships			
	2021-23 Biennium Legislative Budget	2023-25 Biennium Senate Version	Increase (Decrease)
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues)	\$148,000	\$162,800	\$14,800
Council of State Governments	230,889	240,125	9,236
Western Governors' Association	79,200	83,160	3,960
National Governors Association	75,800	79,590	3,790
National Lieutenant Governors Association	2,000	2,100	100
Education Commission of the States	106,200	117,882	11,682
Western Interstate Commission for Higher Education ¹	0	0	0
Total dues and memberships	\$642,089	\$685,657	\$43,568

¹Funding for the Western Interstate Commission for Higher Education is included in the higher education budget. The House version includes \$330,000 for the 2023-25 biennium compared to \$294,000 in the 2021-23 biennium.

Selected Bill Sections Included in the First Chamber Version

Community service supervision fund - Section 3 appropriates any money in the community service supervision fund for distributions to community corrections association regions.

Tax relief fund to human service finance fund - Section 4 transfers \$200 million from the tax relief fund to the human service finance fund during the 2023-25 biennium.

Strategic investment and improvements fund - Section 6 identifies \$20 million from the strategic investment and improvements fund (SIIF) for a deferred maintenance funding pool, designates \$12 million for a boiler replacement project, and authorizes the Office of Management and Budget (OMB) to transfer the funding to other eligible state agencies.

Capitol building fund - Section 7 identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room in the Capitol (\$500,000), and a Capitol window replacement project (\$4 million).

Salary equity funding pool - Section 9 provides the guidelines for a targeted market equity funding pool and authorizes OMB to transfer salary equity funding to other state agencies. Section 18 provides an emergency clause related to the equity funding.

State employee compensation adjustments - Section 10 provides guidelines for an average salary increase of 4 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.

Capitol building fund continuing appropriation limit - Section 11 amends North Dakota Century Code Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.

Capitol space rental model - Section 12 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 13 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division from the proposed Capitol space rental model.

Motor vehicle excise tax allocations - Section 14 amends Section 57-40.3-10 to allocate 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund. Section 17 provides an effective date related to the change of allocation for the motor vehicle excise tax collections.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees.

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund.

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the 1st day of the biennium subject to a maximum amount of \$175,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects.

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals.

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies.

Deficiency Appropriations

Senate Bill No. 2025 provides a deficiency appropriation of \$765 from the general fund for costs related to a judgement.

Significant Audit Findings

The operational audit for OMB conducted by the State Auditor's office during the 2021-22 interim identified no significant audit findings.

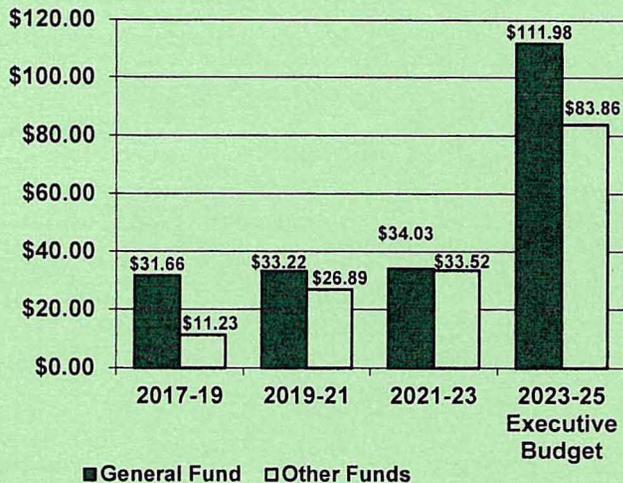
Major Related Legislation

Senate Bill No. 2042 - Clarifies the procurement process and requires bidders to register with the Secretary of State prior to the contract award.

Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$30,826,724	\$30,720,260	\$32,915,852	\$33,926,399	\$85,290,281
Increase (decrease) from previous biennium	N/A	(\$106,464)	\$2,195,592	\$1,010,547	\$51,363,882
Percentage increase (decrease) from previous biennium	N/A	(0.3%)	7.1%	3.1%	151.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(0.3%)	6.8%	10.1%	176.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

- Adjusted funding for FTE positions, including the removal of 1.5 FTE administrative assistant positions, 1 FTE maintenance position, 1 FTE computer and networking specialist position, 1 FTE facility construction engineer, and 1 FTE human resource officer position (\$862,713)
- Adjusted funding for operating expenses \$171,178
- Increased funding for the Emergency Commission contingency fund \$100,000
- Added funding for extraordinary repairs and bond payments \$773,477
- Removed funding for community service supervision grants (\$500,000) and reduces funding for other grants (\$1,000) (\$501,000)
- Reduced funding for Prairie Public Broadcasting from \$1.6 million to \$1.2 million (\$400,000)
- Removed funding for the state student internship program (\$200,000)
- Added funding for community service supervision grants \$350,000

2019-21 Biennium

- Removed 5 FTE positions, including 3 FTE custodian positions and 2 FTE system mechanic positions (\$560,182)
- Underfunded salaries and wages for anticipated savings from vacant positions and employee turnover (\$210,252)
- Added funding to reclassify positions (\$560,678) and for temporary employees (\$56,400) \$617,078
- Reduced funding for information technology (IT) and maintenance costs (\$588,483)

- 5. Added funding for contract custodians (\$640,000), utility costs (\$427,650), state accounting software and an employee onboarding project (\$483,360), Microsoft Office 365 licensing expenses (\$77,308), and statewide memberships and dues (\$93,614) \$1,700,208
- 6. Reduced funding for the Emergency Commission contingency fund to provide total funding of \$500,000 (\$100,000)
- 7. Reduced funding for bond payments to provide total funding of \$567,125 (\$206,352)
- 8. Increased funding for guardianship grants by \$621,400, from \$1,328,600 to \$1,950,000 \$621,400

2021-23 Biennium

- 1. Added funding to reclassify vacant FTE positions into a human resource officer (\$110,869) and procurement officers (\$104,824) \$215,693
- 2. Decreased funding for operating expenses primarily related to IT costs (\$701,000)
- 3. Added funding for a budget software maintenance agreement (\$403,000) and a procurement software maintenance agreement (\$152,000) \$555,000
- 4. Decreased funding for the Emergency Commission contingency fund to provide total funding of \$400,000 (\$100,000)
- 5. Increased funding for guardianship grants by \$500,000, from \$1,950,600 to \$2,450,000 \$500,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 9 FTE positions, including 1 learning development manager, 2 business developers, 1 talent acquisition manager, 1 total rewards specialist, 1 talent acquisition specialist, 2 shared communication service specialists, and 1 change management position \$1,895,224
- 2. Adds funding to reclassify 2 FTE positions for a public improvements manager and a lease administrator \$396,888
- 3. Adds funding for a salary equity funding pool \$49,300,000
- 4. Adds funding for new procurement software licensing fees \$1,000,000
- 5. Adjusts funding for a new Capitol space rent model (\$3,711,638)

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$6,530,303	\$941,100	\$300,000	\$100,000	\$26,691,319

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Added one-time funding for a grant to the Theodore Roosevelt Center at Dickinson State University \$500,000
- 2. Provided a deficiency appropriation of \$441,100 for lawsuit expenses \$441,000

2019-21 Biennium

- 1. Added one-time funding for the state student internship program \$250,000
- 2. Added one-time funding for an electronic procurement study \$50,000

2021-23 Biennium

- Added one-time funding for the state student internship program \$100,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds one-time funding for new procurement software \$2,500,000
- 2. Adds one-time funding for a steam boiler replacement project \$12,000,000
- 3. Adds one-time funding for Capitol grounds landscaping \$1,800,000
- 4. Adds one-time funding for Capitol space utilization improvements \$5,500,000
- 5. Adds one-time funding for Prairie Public Broadcasting grants to provide total grant funding of \$2,992,450 \$1,792,450

Office of Management and Budget - Budget No. 110
Senate Bill No. 2015
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	108.00	\$33,926,399	\$8,828,309	\$42,754,708	108.00	\$33,926,399	\$8,828,309	\$42,754,708
2023-25 Ongoing Funding Changes								
Cost to continue salaries		\$127,384	\$24,024	\$151,408		\$127,384	\$24,024	\$151,408
Salary increase		1,243,185	213,216	1,456,401		931,273	158,966	1,090,239
Health insurance increase		438,312	78,190	516,502		448,396	79,989	528,385
Adds FTE learning development manager position	1.00	255,452		255,452				0
Adds FTE business development positions	2.00	381,724		381,724	1.00	190,862		190,862
Adds FTE talent acquisition manager position	1.00	255,452		255,452	1.00	255,452		255,452
Adds FTE total rewards specialist position	1.00	218,472		218,472	1.00	218,472		218,472
Adds FTE talent acquisition specialist position	1.00	218,472		218,472				0
Adds FTE shared communications services positions	2.00	350,722		350,722				0
Adds FTE change management position	1.00	214,930		214,930				0
Adds funding to reclassify an FTE public improvements manager position		198,444		198,444		198,444		198,444
Adds funding to reclassify an FTE lease administrator position		198,444		198,444		198,444		198,444
Adds funding for a salary equity pool		49,300,000	40,400,000	89,700,000		41,000,000	34,000,000	75,000,000
Increase in Information Technology Department rates		25,067	824	25,891		25,067	824	25,891
Adds funding for new procurement software		1,000,000		1,000,000		1,000,000		1,000,000
Adds funding for inflationary increases		323,100	508,674	831,774		323,100	508,674	831,774
Adds funding for classification system administration		12,000		12,000		12,000		12,000
Adds funding for LinkedIn recruitment tools		95,000		95,000		95,000		95,000
Adjusts funding for a new Capitol space rent model		(3,711,638)	4,101,552	389,914		(3,711,638)	4,101,552	389,914
Transfers \$200,000 from capital assets to operating expenses				0				0
Adjusts funding for bond payments		(280,640)		(280,640)		(280,640)		(280,640)
Adds funding for electrical and mechanical repairs		500,000		500,000		500,000		500,000
Adds funding for Central Services Division software and equipment			24,480	24,480			24,480	24,480
Adds funding for guardianship grants				0		3,650,000		3,650,000
Removes funding for Prairie Public Broadcasting				0				0
Total ongoing funding changes	9.00	\$51,363,882	\$45,350,960	\$96,714,842	3.00	\$45,181,616	\$38,898,509	\$84,080,125
One-Time Funding Items								
Adds one-time funding for accrued leave retirement payouts		\$74,369	\$26,000	\$100,369		\$74,369	\$26,000	\$100,369
Adds one-time funding for inflationary increases		18,500	340,000	358,500		18,500	340,000	358,500
Adds one-time funding for an accessibility compliance study		100,000		100,000		100,000		100,000
Adds one-time funding for automatic doors in legislative areas				0		150,000		150,000
Adds one-time funding for Capitol tour enhancements		100,000		100,000		100,000		100,000
Adds one-time funding for state employee leave management system		540,000		540,000		335,000		335,000
Adds one-time funding for new procurement software		2,500,000		2,500,000		2,500,000		2,500,000
Adds one-time funding to continue automation upgrades at the Capitol		800,000		800,000		800,000		800,000
Adds one-time funding for electrical and mechanical repairs		100,000		100,000		100,000		100,000
Adds one-time funding for steam boiler replacement		12,000,000		12,000,000				0
Adds one-time funding to demolish the State Office Building		451,000		451,000		451,000		451,000
Adds one-time funding for Capitol grounds landscaping		1,800,000		1,800,000				0
Adds one-time funding for Capitol space utilization improvements		5,500,000		5,500,000		5,500,000		5,500,000
Adds one-time funding for Central Services Division software and equipment		215,000	358,800	573,800		215,000	358,800	573,800
Adds one-time funding for Governor's residence exterior repairs			300,000	300,000			300,000	300,000
Adds one-time funding to remodel the 18th floor of the Capitol			500,000	500,000				0
Adds one-time funding for the Brynhild Haugland Room			500,000	500,000			500,000	500,000
Adds one-time funding for Capitol window replacement			4,000,000	4,000,000			4,000,000	4,000,000

Adds one-time funding for a deferred maintenance pool		20,000,000	20,000,000		20,000,000	20,000,000		
Adds one-time funding for Prairie Public Broadcasting grants	1,792,450		1,792,450	1,792,450		1,792,450		
Adds one-time funding for the state student internship program	700,000		700,000	700,000		700,000		
Adds one-time funding for federal education grants		3,659,555	3,659,555		3,659,555	3,659,555		
Total one-time funding changes	0.00	\$26,691,319	\$29,684,355	\$56,375,674	0.00	\$12,836,319	\$29,184,355	\$42,020,674
Total Changes to Base Level Funding	9.00	\$78,055,201	\$75,035,315	\$153,090,516	3.00	\$58,017,935	\$68,082,864	\$126,100,799
2023-25 Total Funding	117.00	\$111,981,600	\$83,863,624	\$195,845,224	111.00	\$91,944,334	\$76,911,173	\$168,855,507
<i>Federal funds included in other funds</i>			\$9,059,555				\$8,659,555	
<i>Total ongoing changes as a percentage of base level</i>	8.3%	151.4%	513.7%	226.2%	2.8%	133.2%	440.6%	196.7%
<i>Total changes as a percentage of base level</i>	8.3%	230.1%	849.9%	358.1%	2.8%	171.0%	771.2%	294.9%

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Community service supervision fund		Section 3 appropriates funding in the community service supervision fund for distributions to community corrections association regions.
Tax relief fund to human service finance fund	Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.	Section 4 transfers \$200 million from the tax relief fund to the human service finance fund during the 2023-25 biennium.
State student internship program	Section 5 would authorize OMB to transfer student internship funding to other state agencies.	Section 5 authorizes OMB to transfer student internship funding to other state agencies.
Strategic investment and improvements fund	Section 4 would identify \$20 million from SIIF for a deferred maintenance funding pool and would authorize OMB to transfer the funding to other eligible state agencies.	Section 6 identifies \$20 million from SIIF for a deferred maintenance funding pool, designates \$12 million for a boiler replacement project, and authorizes OMB to transfer the funding to other eligible state agencies.
Capitol building fund		Section 7 identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room in the Capitol (\$500,000), and a Capitol window replacement project (\$4 million).
Grant and expense designations	Section 8 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 8 identifies the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Salary equity funding pool	Section 6 would authorize OMB to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.	Section 9 provides the guidelines for a targeted market equity funding pool and authorizes OMB to transfer salary equity funding to other state agencies. Section 18 provides an emergency clause related to the equity funding.
State employee compensation adjustments	Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.	Section 10 provides guidelines for an average salary increase of 4 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Capitol building fund continuing appropriation limit	Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.	Section 11 amends Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Capitol space rent model	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations. Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.	Section 12 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 13 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.
Budget stabilization fund limit	Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.	
Motor vehicle excise tax allocations	Section 13 would amend Section 57-40.3-10 to transfer 25 percent of the motor vehicle excise tax collections to the state highway fund during fiscal year 2024 and to transfer 50 percent of the motor vehicle excise tax collections to the state highway fund after fiscal year 2024 decreasing the amount deposited in the general fund.	Section 14 amends Section 57-40.3-10 to allocate 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund. Section 17 provides an effective date related to the change of allocation for the motor vehicle excise tax collections.
Fiscal management exemption	Section 7 would allow 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.	Section 15 allows 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.
Unexpended appropriations		Section 16 allows unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium
Legacy earnings fund	Section 10 would amend Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.	
Capitol Grounds Planning Commission	Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.	
State share of oil and gas tax revenue allocations ("buckets")	Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.	

Agencies with a PIO/Communications Position

Agency	#
Governor's Office	2
Secretary of State	1
Office of Mgmt & Budget	1
Information Technology Dept	2
State Auditor	2
Attorney General	1
Retirement and Investment Office	1
State Tax Commissioner	1
Public Employees Retire System	1
Public Instruction	2
State Library	1
ND Health and Human Services	7
Environmental Quality	1
Job Service ND	1
Insurance Department	1
Industrial Commission - Mineral Resources	1
Public Service Commission	1
Bank of North Dakota	4
Housing Finance Agency	2
Workforce Safety & Insurance	3
Highway Patrol	2
Corrections & Rehab	1
Adjutant General (DES)	2
Department of Commerce	4
Department of Agriculture	2
ND Soybean Council	2
Corn Council	1
Historical Society	4
Council on the Arts	1
Game and Fish Department	5
ND Parks & Recreation Dept	2
Department of Water Resources	1
Department of Transportation	8
33 Agencies	71

Agencies with NO Known PIO/Communications Position

Agency
ND Securities Department
Office of the State Treasurer
Office of Administrative Hearings
Legislative Council
Judicial Branch
Commission on Legal Counsel of Indigents
Department of Trust Lands
Ethics Commission
ND Forest Service
ND School for the Deaf
Vision Services/ND School for the Blind
NDSU Extension Service
Career and Technical Education
NDSU Main Research Center
Veterans Home
Indian Affairs Commission
Department of Veterans Affairs
Protection and Advocacy Project
Dept. of Labor & Human Rights
Aeronautics Commission
Department of Financial Institutions
ND Mill and Elevator Association
ND School for the Blind
ND Racing Commission

24 Agencies

Office of Management and Budget - Budget No. 110
Senate Bill No. 2015
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease) - Executive Budget			
									FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	108.00	\$33,926,399	\$8,828,309	\$42,754,708	108.00	\$33,926,399	\$8,828,309	\$42,754,708	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Cost to continue salaries		\$127,384	\$24,024	\$151,408		\$127,384	\$24,024	\$151,408				\$0
Salary increase		1,243,185	213,216	1,456,401		931,273	158,966	1,090,239		(311,912)	(54,250)	(366,162)
Health insurance increase		438,312	78,190	516,502		448,396	79,989	528,385		10,084	1,799	11,883
Adds FTE learning development manager position	1.00	255,452		255,452				0	(1.00)	(255,452)		(255,452)
Adds FTE business development positions	2.00	381,724		381,724	1.00	190,862		190,862	(1.00)	(190,862)		(190,862)
Adds FTE talent acquisition manager position	1.00	255,452		255,452	1.00	255,452		255,452				0
Adds FTE total rewards specialist position	1.00	218,472		218,472	1.00	218,472		218,472				0
Adds FTE talent acquisition specialist position	1.00	218,472		218,472				0	(1.00)	(218,472)		(218,472)
Adds FTE shared communications services positions	2.00	350,722		350,722				0	(2.00)	(350,722)		(350,722)
Adds FTE change management position	1.00	214,930		214,930				0	(1.00)	(214,930)		(214,930)
Adds funding to reclassify an FTE public improvements manager position		198,444		198,444		198,444		198,444				0
Adds funding to reclassify an FTE lease administrator position		198,444		198,444		198,444		198,444				0
Adds funding for a salary equity pool		49,300,000	40,400,000	89,700,000		41,000,000	34,000,000	75,000,000		(8,300,000)	(6,400,000)	(14,700,000)
Increase in Information Technology Department rates		25,067	824	25,891		25,067	824	25,891				0
Adds funding for new procurement software		1,000,000		1,000,000		1,000,000		1,000,000				0
Adds funding for inflationary increases		323,100	508,674	831,774		323,100	508,674	831,774				0
Adds funding for classification system administration		12,000		12,000		12,000		12,000				0
Adds funding for LinkedIn recruitment tools		95,000		95,000		95,000		95,000				0
Adjusts funding for a new Capitol space rent model		(3,711,638)	4,101,552	389,914		(3,711,638)	4,101,552	389,914				0
Transfers \$200,000 from capital assets to operating expenses				0				0				0
Adjusts funding for bond payments		(280,640)		(280,640)		(280,640)		(280,640)				0
Adds funding for electrical and mechanical repairs		500,000		500,000		500,000		500,000				0
Adds funding for Central Services Division software and equipment			24,480	24,480			24,480	24,480				0
Adds funding for guardianship grants				0		3,650,000		3,650,000		3,650,000		3,650,000
Removes funding for Prairie Public Broadcasting				0				0				0
Total ongoing funding changes	9.00	\$51,363,882	\$45,350,960	\$96,714,842	3.00	\$45,181,616	\$38,898,509	\$84,080,125	(6.00)	(\$6,182,266)	(\$6,452,451)	(\$12,634,717)
One-Time Funding Items												
Adds one-time funding for accrued leave retirement payouts		\$74,369	\$26,000	\$100,369		\$74,369	\$26,000	\$100,369				0
Adds one-time funding for inflationary increases		18,500	340,000	358,500		18,500	340,000	358,500				0
Adds one-time funding for an accessibility compliance study		100,000		100,000		100,000		100,000				0
Adds one-time funding for automatic doors in legislative areas				0		150,000		150,000		150,000		150,000
Adds one-time funding for Capitol tour enhancements		100,000		100,000		100,000		100,000				0
Adds one-time funding for state employee leave management system		540,000		540,000		335,000		335,000		(205,000)		(205,000)
Adds one-time funding for new procurement software		2,500,000		2,500,000		2,500,000		2,500,000				0
Adds one-time funding to continue automation upgrades at the Capitol		800,000		800,000		800,000		800,000				0
Adds one-time funding for electrical and mechanical repairs		100,000		100,000		100,000		100,000				0
Adds one-time funding for steam boiler replacement		12,000,000		12,000,000				0		(12,000,000)		(12,000,000)
Adds one-time funding to demolish the State Office Building		451,000		451,000		451,000		451,000				0
Adds one-time funding for Capitol grounds landscaping		1,800,000		1,800,000				0		(1,800,000)		(1,800,000)
Adds one-time funding for Capitol space utilization improvements		5,500,000		5,500,000		5,500,000		5,500,000				0
Adds one-time funding for Central Services Division software and equipment		215,000	358,800	573,800		215,000	358,800	573,800				0
Adds one-time funding for Governor's residence exterior repairs			300,000	300,000			300,000	300,000				0
Adds one-time funding to remodel the 18th floor of the Capitol			500,000	500,000				0			(500,000)	(500,000)
Adds one-time funding for the Brynhild Haugland Room			500,000	500,000			500,000	500,000				0
Adds one-time funding for Capitol window replacement			4,000,000	4,000,000			4,000,000	4,000,000				0
Adds one-time funding for a deferred maintenance pool			20,000,000	20,000,000			20,000,000	20,000,000				0

Adds one-time funding for Prairie Public Broadcasting grants		1,792,450		1,792,450		1,792,450		1,792,450					0
Adds one-time funding for the state student internship program		700,000		700,000		700,000		700,000					0
Adds one-time funding for federal education grants			3,659,555	3,659,555		3,659,555		3,659,555					0
Total one-time funding changes	0.00	\$26,691,319	\$29,684,355	\$56,375,674	0.00	\$12,836,319	\$29,184,355	\$42,020,674	0.00	(\$13,855,000)	(\$500,000)	(\$14,355,000)	
Total Changes to Base Level Funding	9.00	\$78,055,201	\$75,035,315	\$153,090,516	3.00	\$58,017,935	\$68,082,864	\$126,100,799	(6.00)	(\$20,037,266)	(\$6,952,451)	(\$26,989,717)	
2023-25 Total Funding	117.00	\$111,981,600	\$83,863,624	\$195,845,224	111.00	\$91,944,334	\$76,911,173	\$168,855,507	(6.00)	(\$20,037,266)	(\$6,952,451)	(\$26,989,717)	
<i>Federal funds included in other funds</i>			\$9,059,555				\$8,659,555				(\$400,000)		
<i>Total ongoing changes as a percentage of base level</i>	8.3%	151.4%	513.7%	226.2%	2.8%	133.2%	440.6%	196.7%					
<i>Total changes as a percentage of base level</i>	8.3%	230.1%	849.9%	358.1%	2.8%	171.0%	771.2%	294.9%					

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Community service supervision fund		Section 3 appropriates funding in the community service supervision fund for distributions to community corrections association regions.
Tax relief fund to human service finance fund	Section 3 would transfer \$200 million from the tax relief fund to the social services finance fund during the 2023-25 biennium.	Section 4 transfers \$200 million from the tax relief fund to the human service finance fund during the 2023-25 biennium.
State student internship program	Section 5 would authorize OMB to transfer student internship funding to other state agencies.	Section 5 authorizes OMB to transfer student internship funding to other state agencies.
Strategic investment and improvements fund	Section 4 would identify \$20 million from SIIF for a deferred maintenance funding pool and would authorize OMB to transfer the funding to other eligible state agencies.	Section 6 identifies \$20 million from SIIF for a deferred maintenance funding pool, designates \$12 million for a boiler replacement project, and authorizes OMB to transfer the funding to other eligible state agencies.
Capitol building fund		Section 7 identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room in the Capitol (\$500,000), and a Capitol window replacement project (\$4 million).
Grant and expense designations	Section 8 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	Section 8 identifies the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.
Salary equity funding pool	Section 6 would authorize OMB to transfer salary equity funding to other state agencies, and Section 19 would provide an emergency clause related to the equity funding.	Section 9 provides the guidelines for a targeted market equity funding pool and authorizes OMB to transfer salary equity funding to other state agencies. Section 18 provides an emergency clause related to the equity funding.
State employee compensation adjustments	Section 9 would provide guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 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.	Section 10 provides guidelines for an average salary increase of 4 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
Capitol building fund continuing appropriation limit	Section 11 would amend Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.	Section 11 amends Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.

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

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Capitol space rent model	Section 20 would amend Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by agencies receiving general fund appropriations. Section 16 would amend Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.	Section 12 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 13 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.
Budget stabilization fund limit	Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations.	
Motor vehicle excise tax allocations	Section 13 would amend Section 57-40.3-10 to transfer 25 percent of the motor vehicle excise tax collections to the state highway fund during fiscal year 2024 and to transfer 50 percent of the motor vehicle excise tax collections to the state highway fund after fiscal year 2024 decreasing the amount deposited in the general fund.	Section 14 amends Section 57-40.3-10 to allocate 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund. Section 17 provides an effective date related to the change of allocation for the motor vehicle excise tax collections.
Fiscal management exemption	Section 7 would allow 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.	Section 15 allows 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.
Unexpended appropriations		Section 16 allows unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium
Legacy earnings fund	Section 10 would amend Section 21-10-13 to provide allocations based on percentages rather than dollar amounts and to return any earnings exceeding the percent of market value calculation to the legacy fund to become part of the principal.	
Capitol Grounds Planning Commission	Section 12 would amend Section 54-21-24.1, Section 18 would create a new section in Chapter 48-10, and Section 20 would repeal Section 54-44.4-02 to provide a continuing appropriation to the Capitol Grounds Planning Commission for space utilization studies and improvements at the Capitol and to authorize the commission to establish policies for space allocations in the Capitol.	
State share of oil and gas tax revenue allocations ("buckets")	Section 17 would increase the allocation of oil and gas tax revenues to the general fund by \$200 million, from \$400 million to \$600 million, per biennium.	

NORTH
Dakota | Fiscal Management
 Be Legendary. MANAGEMENT AND BUDGET

STATE FISCAL SERVICES NEED

Financial Services - Agency Support

OMB's PeopleSoft experts and accounting professionals support and train state agency fiscal employees in utilizing the state PeopleSoft system's various modules for accounting, payroll, reporting and other fiscal operations.

EXECUTIVE BUDGET

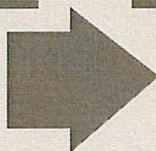
2 FTE

Salary & Benefits = \$381,724

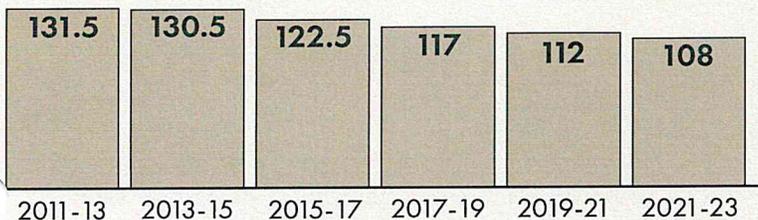
SENATE VERSION

1 FTE

Salary & Benefits = \$190,862



With OMB FTE at a 10-year low, and system usage and support needs at an all-time high, **two additional FTE** are needed to support state employees as additional system functionality is deployed.



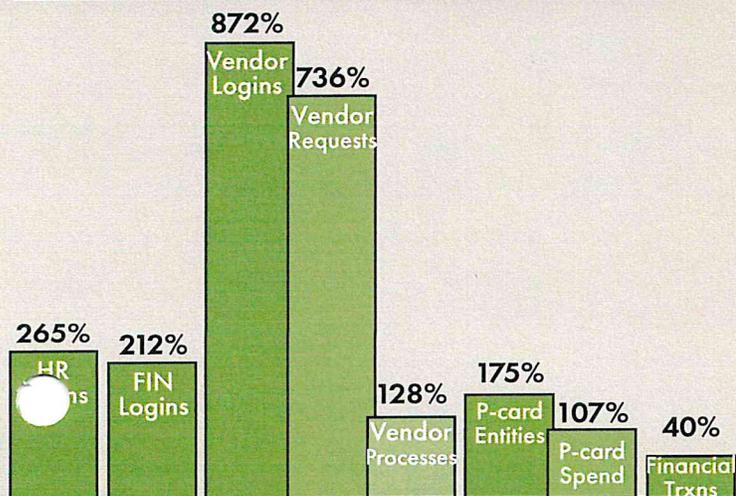
OMB FTE 10-year low = Doing more with less

Usage of OMB systems all-time high = More OMB agency support needed

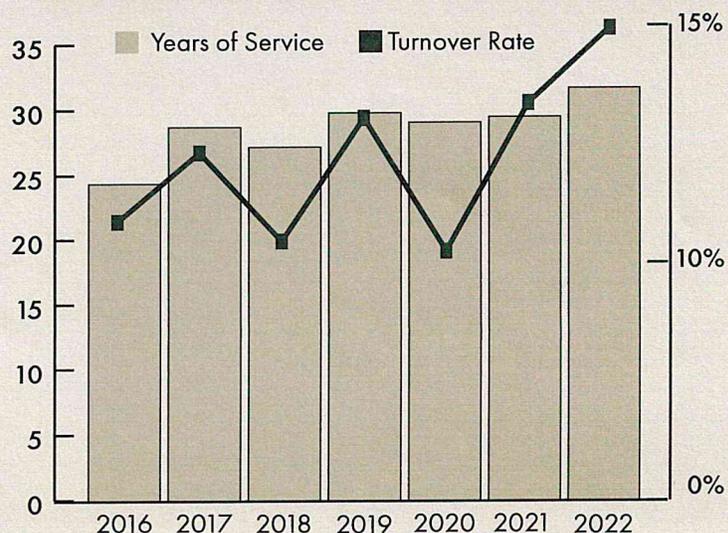
State employee turnover 15% = More OMB agency support needed

Turnover average years of service 32 = Knowledge leaving/more OMB agency support needed

OMB STATS



STATEWIDE TURNOVER STATS



SB 2015

House Appropriations Committee – Government Operations

March 22, 2023

Karla Mongeon-Stewart, VP for Finance and Administration, UND

701-777-3511; karla.stewart@und.edu

Chair Monson and members of the House Appropriations Committee – Government Operations. My name is Karla Mongeon-Stewart, and I serve as the Vice President for Finance and Operations and Chief Operating Officer for the University of North Dakota. I am providing testimony in support of SB 2015.

SB 2015, Section 9 provides North Dakota higher education institutions funding for market equity compensation adjustments. We are grateful for consideration of this funding and excited about the impact it can have on our campus community.

Item #3 in Section 9 requires all targeted market equity compensation adjustments to be provided by July 1, 2023. UND is requesting consideration to change the language of this item as follows:

All targeted market equity compensation adjustments must be provided no later than January 1, 2024 and equity increases must be backdated to July 1, 2023.

UND has recently engaged a firm to assist with a complete market and equity study for all permanent faculty and staff positions. This RFP took several months to secure a vendor as the first RFP failed to garner any qualified vendors. This has led to a delay in completing a comprehensive equity and market study at UND.

The equity funding proposed in this bill will have a significant positive impact on our campus community. It is critical that UND take the time to fully review all positions eligibility and execute any equity compensation adjustments with the utmost care and accuracy. Therefore, UND believes that it is in the best interest of the state and the university to take the time needed to properly review and allocate any dollars provided by the state for this purpose.

UND believes the proposed language above will allow the institution sufficient time to ensure equity adjustments are administered after a thorough and comprehensive review that would not be possible with the current date of July 1, 2023.

Thank you for your consideration.

PROCUREMENT AUTOMATION PROJECT
 Info & Options

OMB's budget request of \$2.5M one-time is for a statewide procurement, contract management and eMarketPlace solution for state agencies and the North Dakota University Systems. This will replace an antiquated, nearly 20-year old system, and add new enterprise contract management and eMarketplace solutions.

Increase efficiency by automating current manual processes.

Reduce IT system redundancy with enterprise contract management system.

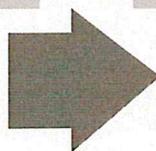
Improved experience for government users and vendors doing business with the state.

Enterprise solutions to increase transparency, reporting, and aggregation of spend.

SENATE VERSION

Bid Management • Contract Management • eMarketPlace

\$2.5M
 +Annual/Ongoing = \$1M

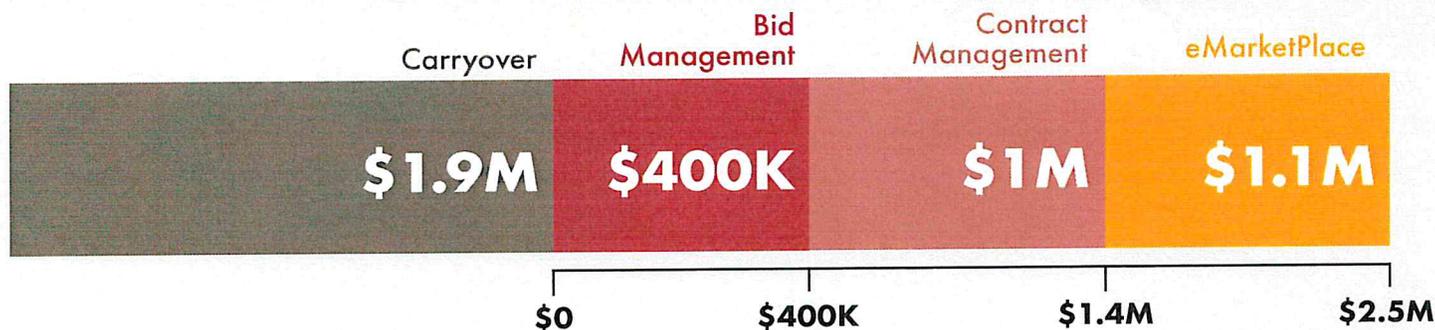


LIMITED SCOPE OPTION

Bid Management • Contract Management

\$1.4M
 +Annual/Ongoing = \$850K

COST BREAKDOWN



Phase One of Procurement Automation Project Complete

- PeopleSoft Exploration – Some modules were included in PeopleSoft, but never implemented. Did demonstrations, reference checks with other PeopleSoft states, Proof-of Concept of PeopleSoft Contract Management, Gartner Group eProcurement reviews.
- ESC Approved Solicitation Process to evaluate non-PeopleSoft vendors. Evaluation focused heavily on ability of the solution to successfully integrate with PeopleSoft.



House Appropriations – GO Request from April 3, 2023 SB 2015

Attached is the information the House Appropriations – Government Operations Committee requested on April 3, 2023, regarding SB 2015. Included are:

- Expenses for the Governor’s residence (ongoing costs/base budget)
- Cost estimate for proposed fence, driveway and security enhancements for the Governor’s Residence
- Landscaping plan for Governor’s Residence
 - Schematic Design of the proposed new fence layout
 - View of the proposed new fence from 4th Street
 - View of the proposed new driveway and fence leading to the residence from 4th Street
 - 10 future proposed projects at the residence
- Prioritized deferred maintenance projects

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Organizational Status Report by Summary Account
For the Month Ending Jun 2021

Level: (8500) Governor's Residence

	Biennium to Date
	Actuals
Expenditures	
511000 - Salaries - Permanent	263,238.10
513000 - Temporary Salaries	38,825.08
514000 - Overtime	754.61
516000 - Fringe Benefits	149,927.26
Total 510000 - Salaries and Benefits	452,745.05
521000 - Travel	4,959.45
532000 - Supply/Material - Professional	53.99
533000 - Food and Clothing	155.43
534000 - Bldg, Grounds, Vehicle Supply	10,231.81
535000 - Miscellaneous Supplies	11,766.58
536000 - Office Supplies	66.91
542000 - Printing	126.73
551000 - IT Equipment under \$5,000	15.78
552000 - Other Equipment under \$5,000	3,129.94
553000 - Office Equip & Furniture-Under	2,630.65
571000 - Insurance	4,127.00
591000 - Repairs	8,063.57
611000 - Professional Development	74.00
621000 - Operating Fees and Services	3,813.54
623000 - Professional Fees and Services	4,475.00
Total 520000 - Operating Expenses	53,690.38
Total Expenditures	506,435.43
Expenditures by Source	
Total General Fund Expenditures	506,435.43
Total Expenditures by Source	506,435.43

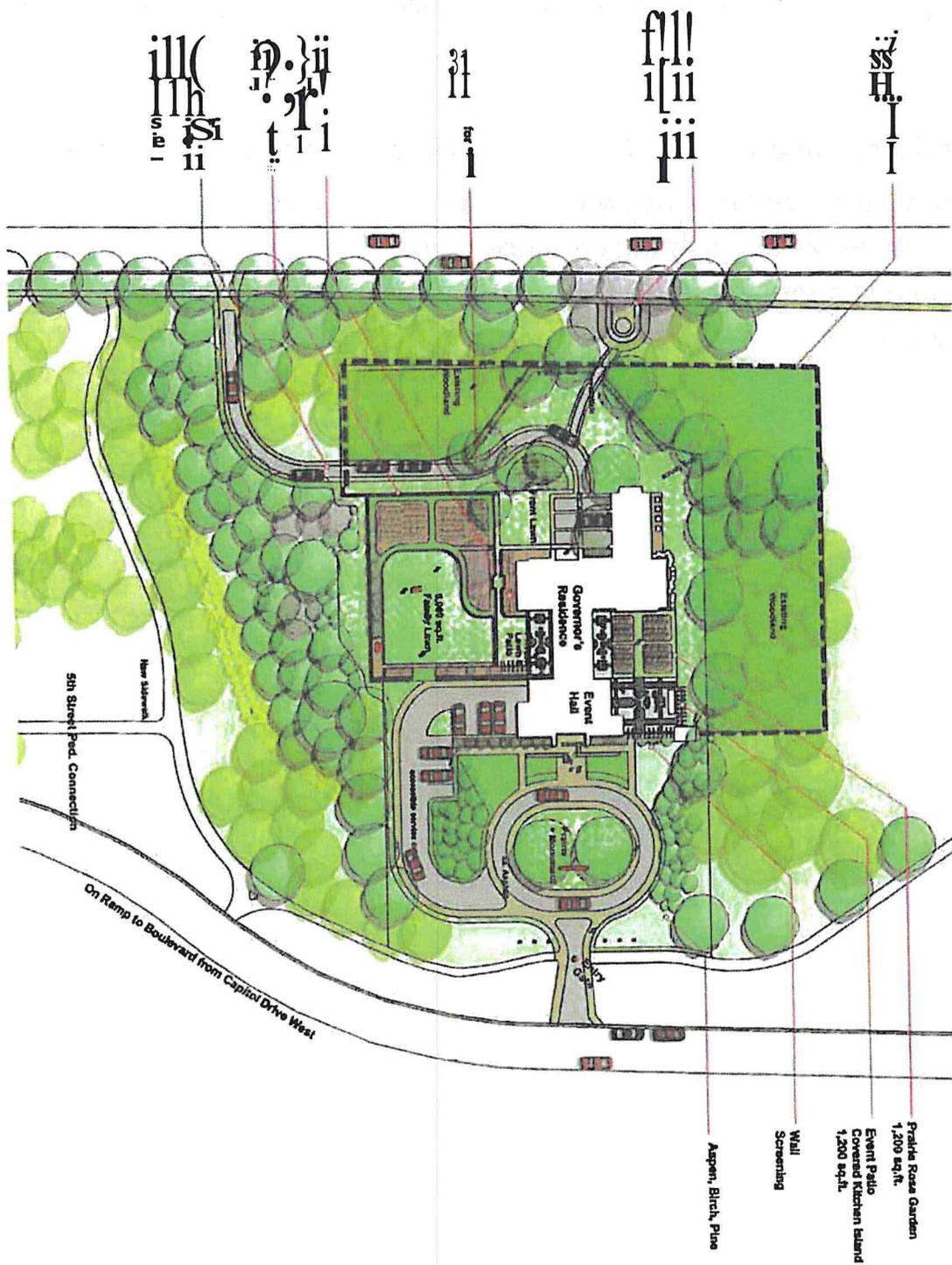
Organizational Status Report by Summary Account
For the Month Ending Apr 2023

Level: (8500) Governor's Residence

	Biennium to Date
	Actuals
Expenditures	
511000 - Salaries - Permanent	257,143.15
516000 - Fringe Benefits	134,341.43
Total 510000 - Salaries and Benefits	391,484.58
521000 - Travel	6,030.49
533000 - Food and Clothing	288.57
534000 - Bldg, Grounds, Vehicle Supply	4,777.32
535000 - Miscellaneous Supplies	10,051.21
536000 - Office Supplies	338.79
542000 - Printing	980.97
552000 - Other Equipment under \$5,000	4,670.78
553000 - Office Equip & Furniture-Under	4,859.78
571000 - Insurance	2,237.00
581000 - Rentals/Leases-Equipment&Other	345.40
591000 - Repairs	6,277.51
603000 - IT Contractual Services and Re	12,320.00
621000 - Operating Fees and Services	2,169.40
623000 - Professional Fees and Services	11,167.50
Total 520000 - Operating Expenses	66,514.72
Total Expenditures	457,999.30
Expenditures by Source	
Total General Fund Expenditures	457,999.30
Total Expenditures by Source	457,999.30

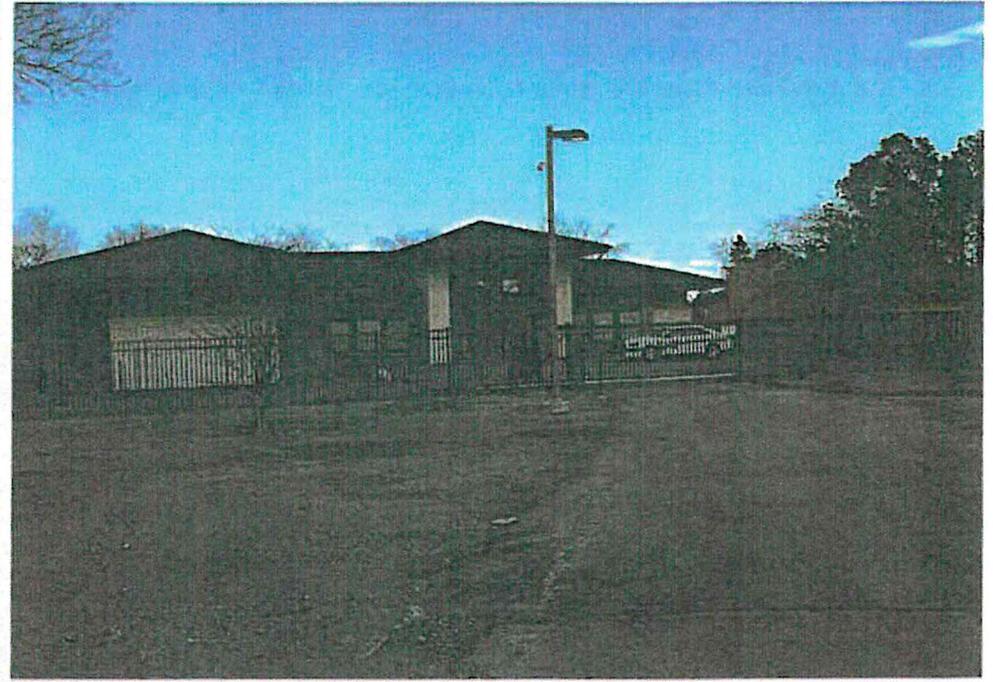
Proposed New Fence, Driveway and Security Enhancements

<u>Item</u>	<u>Estimate</u>
Removal and installation of new fence; reusing portions of existing fence	\$220,000
New driveway entrance and driveway leading from 4 th Street	130,000
New security cameras and lighting enhancements	100,000
Architect and engineering fees	50,000
Total Cost Estimate	\$500,000



The Grounds at the ND Governor's Residence

Schematic Design

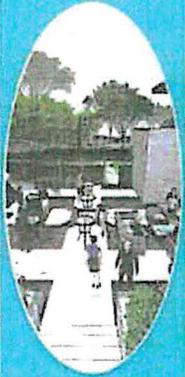


View from 4th Street
'Trick or Treat'





PERIMETER
SECURITY
FENCE and
PLANTING



EVENTS
PATIO with
KITCHEN and
PAVILION



PUBLIC
ENTRANCE
SIGN, GATE,
PAVING,
LIGHTING
SECURITY



PRAIRIE-
ROSE
GARDEN and
UPPER
TERRACE



NORTHSIDE
FAMILY
LAWN and
LANDSCAPE



PRIVATE
FAMILY PATIO



TERRACE
GARDEN and
GRANITE
WALLS



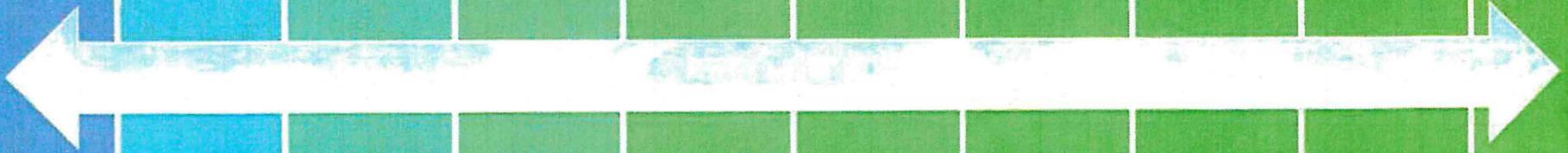
PRIVATE
FORECOURT
and Garden



NEW
PRIVATE
DRIVE and
GATE



DIGNATARIES
and FAMILY
GARDENS



Facility	Facility Improvement Measure	Cost	Current Con	Interconnec	Other System	Agency Prior	Return on In
Human Services	E.1b - Lighting Retrofit - Enhanced Project	\$ 243,000	5	4	5	4.7	
Lonetree Office	E.13b - Lighting Retrofit - Enhanced Project	\$ 54,250	5	5	5	4.7	
Human Services	C.1b - Complete Energy Management System	\$ 679,000	5	5	5	1	
Bismarck District Office	E.4b - Lighting Retrofit - Enhanced Project	\$ 29,250	3.5	5	5	4.7	
Chateau De More	C.2 - Energy Management and DDC	\$ 18,600	3.5	5	5	3.7	
Confluence Center	C.4 - Energy Management and DDC	\$ 24,750	3.5	5	5	3.7	
Pembina State Museum	E.3b - Lighting Retrofit - Enhanced Project	\$ 31,750	3.5	4	5	5	
North Dakota State Penitentiary	P.1b - Domestic Fixture Efficiency - SS Fixtures	\$ 2,336,650	5	3	5	4.7	
Capitol Tower, Legislative and Judicial W	C.1 - Steam Riser Control Valves	\$ 134,500	5	5	5	0	
Missouri River Correctional Center	EXT.1 - Seal Building Envelope to Minimize Air Leakage	\$ 31,750	3.5	2	5	4.7	
North Dakota State Penitentiary	C.2 - Upgrade Rough Rider Buildings to DDC	\$ 289,250	5	5	5	1	
Fort Abercrombie	C.1 - Electric Controls Upgrade	\$ 1,450	2	5	5	4.7	
North Dakota State Penitentiary	E.4 - Transformer Replacement Allowance	\$ 540,750	5	4	5	0	
Worker's Comp	M.2 - Heat Pump Replacement	\$ 2,120,000	4	5	5	0	
Crime Lab	C.1b - Energy Management and DDC - Enhanced Scope	\$ 224,500	2	5	5	4.7	
Dickinson District Bldgs	C.5b - Energy Management and DDC - Enhance Scope (Dickinson)	\$ 80,750	2	5	5	4.7	
Bismarck District Office	C.3b - Energy Management and DDC - Enhance Scope	\$ 166,000	3.5	5	5	1	
James River Correctional Center	EIP.1 - Ionization Installation	\$ 347,750	5	3	4	0	
Riverdale Office	C.7b - Convert to ETS	\$ 105,750	3.5	4	5	1	
James River Correctional Center	EXT.22 - Roof Replacement (Kitchen/Education)	\$ 489,250	5	2	5	0	
North Dakota State Penitentiary	EXT.3 - Window Replacement (Overflow Building)	\$ 464,500	4	3	5	1	
Garrison Dam Fish Hatchery	E.14 - Electrical Switchgear and Distribution Upgrade	\$ 243,000	5	5	5	0	
Fargo District Building	C.6b - Energy Management and DDC-Enhanced Scope	\$ 167,500	2	5	5	3.7	
Valley City District Bldgs	C.9b - Energy Management and DDC-Enhanced Scope	\$ 145,500	2	5	5	3.7	
Cross Ranch	C.7 - Recommission Energy Management System	\$ 7,900	2	5	5	3.7	
Water Commission	C.1 - Electric Thermostat Replacement	\$ 4,250	2	5	5	3.7	
Dickinson District Bldgs	M.21 - Heat Pump Loop Heat Injection Valve Replacement (Dickinson)	\$ 9,050	3.5	5	5	0	
Valley City District Bldgs	E.18 - Electrical Switchgear and Distribution Replacement	\$ 278,000	3.5	5	5	0	
Devils Lake Office	LS.1 - Fire Alarm System Upgrade	\$ 27,000	3.5	5	5	0	
Human Services	LS.1 - Fire Alarm System Upgrade	\$ 264,000	3.5	5	5	0	
Bank of North Dakota	E.1b - Lighting Retrofit - Enhanced Project	\$ 228,000	2	4	5	4.7	
Chateau De More	E.2b - Lighting Retrofit - Enhanced Project	\$ 40,250	2	4	5	4.7	
North Dakota State Penitentiary	M.10b - AHU Replacement to Return Air Systems (Rough Rider Industry Buildings)	\$ 5,370,000	5	3	5	1	
Youth Correctional Center	M.6 - Classroom AHU (Admin Building)	\$ 56,550	5	3	5	1	
Youth Correctional Center	M.32 - AHU-1 Replacement (Brown Cottage)	\$ 67,850	5	3	5	1	
Dickinson District Bldgs	C.5c - Energy Management and DDC - Comprehensive Scope	\$ 188,500	2	5	5	3.2	
Minot District Bldgs	C.8b - Energy Management and DDC-Enhanced Scope	\$ 144,500	2	5	5	3.2	
Heritage Center (Icelandic)	C.2 - Electric Controls Upgrade	\$ 12,900	2	5	5	3.2	
Turtle River	C.1 - Electric Controls Upgrade	\$ 4,500	2	5	5	3.2	
Devils Lake Office	C.4 - Electric Controls ReCx	\$ 11,700	3.5	4	5	0	
Dickinson Office	C.5 - Electric Controls ReCx	\$ 15,000	3.5	4	5	0	
Jamestown Office	C.6 - Electric Controls ReCx	\$ 2,850	3.5	4	5	0	
Worker's Comp	E.1b - Lighting Retrofit - Enhanced Project	\$ 659,000	2	4	5	4.7	
School for the Blind	HAZ.2 - Asbestos Abatement Ceiling Allowance	\$ 156,500	5	5	4	0	
North Dakota State Penitentiary	EXT.1 - Seal Building Envelope to Minimize Air Leakage	\$ 58,750	3.5	2	5	4.7	
Bismarck District Office	V.4 - AHU-1 Replacement	\$ 108,500	5	5	3	0	
Grand Forks District Bldgs	V.8 - RTU Replacement (Grand Forks Office)	\$ 67,750	5	5	3	0	
Grand Forks District Bldgs	V.9 - MAU Replacement (Grand Forks Office)	\$ 82,000	5	5	3	0	
Grand Forks District Bldgs	V.10 - MAU Replacement (Grand Forks Shop)	\$ 231,000	5	5	3	0	
Grand Forks District Bldgs	V.11 - MAU Replacement (Sign Shop)	\$ 43,250	5	5	3	0	
Minot District Bldgs	V.12 - Multizone AHU Replacement	\$ 162,500	5	5	3	0	
Minot District Bldgs	V.13 - Gas Fired AHU Replacement	\$ 203,000	5	5	3	0	
Capitol Tower, Legislative and Judicial W	V.1 - AHU-1 Replacement (Judicial Wing)	\$ 850,000	5	5	3	0	
Capitol Tower, Legislative and Judicial W	V.2 - AHU-2 Replacement (Judicial Wing)	\$ 108,500	5	5	3	0	
Capitol Tower, Legislative and Judicial W	V.3 - AHU-3 Replacement (Judicial Wing)	\$ 94,000	5	5	3	0	
Capitol Tower, Legislative and Judicial W	V.4 - AHU-4 Replacement (Judicial Wing)	\$ 48,750	5	5	3	0	
Capitol Tower, Legislative and Judicial W	V.5 - Soffit AHU Replacement (Judicial Wing)	\$ 45,250	5	5	3	0	
Heritage Center	V.14 - S-1 Replacement	\$ 415,000	5	5	3	0	
Heritage Center	V.15 - S-2 Replacement	\$ 217,000	5	5	3	0	
Heritage Center	V.16 - S-4 Replacement	\$ 126,500	5	5	3	0	
Heritage Center	V.17 - S-5 Replacement	\$ 115,500	5	5	3	0	
Heritage Center	V.18 - S-6 Replacement	\$ 86,500	5	5	3	0	
Heritage Center	V.19 - S-7 Replacement	\$ 108,500	5	5	3	0	
Heritage Center	V.20 - S-8 Replacement	\$ 99,500	5	5	3	0	
		\$ 19,789,500					
School for the Deaf	V.4 - Admin HV-1 & 3 Replacement	\$ 223,000	5	5	3	0	
School for the Blind	LS.1 - Fire Alarm System Upgrade	\$ 223,000	5	5	3	0	
School for the Blind	V.1 - Replace Outreach Center AHU	\$ 133,500	5	5	3	0	
Bank of North Dakota	S.1 - Security System Upgrades	\$ 326,000	3.5	3	5	0	

Missouri River Correctional Center	M.8 - Shop Furnace Replacement (Shop/Laundry)	\$ 7,550	5	3	5	0
Missouri River Correctional Center	M.10 - Hanging Unit Heater Replacement (Maintenance)	\$ 9,425	5	3	5	0
Missouri River Correctional Center	M.13 - Gym Furnace Replacement (Gym)	\$ 7,550	5	3	5	0
Missouri River Correctional Center	M.14 - Hanging Unit Heater Replacement (Gym)	\$ 9,425	5	3	5	0
North Dakota State Penitentiary	P.2 - Domestic Piping Distribution Replacement (West Cell Block)	\$ 810,100	5	3	5	0
Veteran's Home	LS.1 - Upgrade Fire Alarm Panel	\$ 162,500	3	5	5	0
School for the Blind	INT.2 - Replace Sprayed Ceiling	\$ 42,000	5	3	3	0
Bismarck Material & Research	E.3 - Electrical Distribution System Replacement	\$ 256,000	3.5	4	5	0
City Office - Bismarck	E.7 - Electrical Switchgear Replacement	\$ 532,000	3.5	4	5	0
Dickinson District Bldgs	E.11 - Electrical Distribution Replacement	\$ 336,000	3.5	4	5	0
Grand Forks District Bldgs	E.15 - Electrical Switchgear and Distribution Replacement	\$ 538,000	3.5	4	5	0
Minot District Bldgs	E.17 - Electrical Switchgear and Distribution Replacement	\$ 273,000	3.5	4	5	0
Williston District Bldgs	E.20 - Electrical Distribution Upgrade	\$ 209,000	3.5	4	5	0
School for the Deaf	E.2 - Electrical Distribution Replacement (Spear Building)	\$ 168,000	3.5	4	5	0
School for the Deaf	E.3 - Electrical Distribution Replacement (Gymnasium)	\$ 171,500	3.5	4	5	0
School for the Deaf	E.4 - Electrical Switchgear and Distribution Replacement (Natatorium)	\$ 167,000	3.5	4	5	0
School for the Deaf	E.5 - Electrical Distribution (Resource Center)	\$ 84,750	3.5	4	5	0
School for the Deaf	E.6 - Electrical Switchgear and Distribution Replacement (Admin)	\$ 222,000	3.5	4	5	0
Crime Lab	PROG.1c - Building Addition (3 Labs)	\$ 2,480,000	3	4	5	0
James River Correctional Center	EXT.25 - Roof Replacement (Dining)	\$ 473,500	5	2	4	0
Fort Ransom	E.1b - Lighting Retrofit - Enhanced Project	\$ 17,600	2	4	5	3.2
Bismarck District Office	P.2 - Upgrade Plumbing Systems	\$ 37,750	3.5	3	3	5
Dickinson District Bldgs	M.25 - Heat Pump Replacement (Dickinson)	\$ 228,000	3.5	5	4	0
James River Correctional Center	EXT.4 - Roof Replacement (ET Building) -6th Floor	\$ 221,250	4	4	4	1
James River Correctional Center	M.38 - AC-3 Replacement (Forensics)	\$ 39,600	5	3	4	1
James River Correctional Center	M.39 - AC-4 Replacement (Forensics)	\$ 84,800	5	3	4	1
Human Services	M.3b - MAU Replacement	\$ 98,000	5	3	3	1
Veteran's Home	INT.7 - Vinyl Flooring Replacement (D-Wing)	\$ 85,000	2	3	5	1.7
Williston District Bldgs	C.10b - Energy Management and DDC-Enhanced Scope	\$ 132,000	2	5	5	1
Lewis and Clark Interpretive Center	C.5 - Recommission Energy Management System	\$ 16,900	0.5	5	5	4.1
James River Correctional Center	EXT.23 - Exterior Door Replacement (Dining)	\$ 64,050	5	2	4	1
James River Correctional Center	EXT.28 - Window Replacement (Laundry)	\$ 104,850	5	2	4	1
		\$ 29,366,700				

23.0269.02007
Title.

Prepared by the Legislative Council staff

April 10, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 4, after the second comma insert "54-52-03,"

Page 1, line 6, after the second comma insert "the retirement board,"

Page 7, after line 23, insert:

"**SECTION 14. 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 ~~nine~~eleven 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 the majority party in the house and one member must be from the majority party in the senate.~~
2. ~~One member~~The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.
3. Four members of the board must be appointed by the governor to serve a term of five years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who ~~by experience~~ is familiar with ~~money management retirement and employee benefit plans~~. The governor shall appoint one citizen member ~~is to serve as~~ chairman of the board.
3. ~~One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.~~

4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- 5.4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
- ~~6. One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- 7.5. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- 8.6. A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and fivesix of the nineeleven board members constitute a quorum. FiveSix votes are necessary for resolution or action by the board at any meeting."

Page 8, line 17, after "Act" insert "becomes effective June 1, 2023. Section 15 of this Act"

Page 8, line 20, replace "section" with "sections"

Page 8, line 20, after "9" insert "and 14"

Renumber accordingly

23.0269.02003
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 7, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 7, after the first semicolon insert "to provide for a report;"

Page 3, after line 21, insert:

**"SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET
- CASH MANAGEMENT STUDY - REPORT TO LEGISLATIVE MANAGEMENT.**

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$450,000, or so much of the sum as may be necessary, to the office of management and budget 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."

Renumber accordingly

*Language to allow
Add \$700K for drain tile at state library.*

federal or other sources are not available for the salaries and wages of the full-time equivalent position.

4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium; or
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
6. For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as part of the appropriation for salaries and wages.
7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
8. The office of management of 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 8, line 17, replace "14" with "15"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$21,926,979	\$24,859,054		\$24,859,054
Operating expenses	15,663,214	19,261,293		19,261,293
Capital assets	764,515	15,533,155		15,533,155
Emergency commission contingency fund	400,000	400,000		400,000
Guardianship grants	2,450,000	6,100,000		6,100,000
Targeted market equity pool		75,000,000		75,000,000
Prairie Public Broadcasting	1,200,000	2,992,450		2,992,450
Community service supervision grants	350,000	350,000		350,000
State student internship		700,000		700,000
Governor's emergency education relief		3,659,555		3,659,555
Deferred maintenance funding pool		20,000,000		20,000,000
New and vacant FTE funding pool			\$130,000,000	130,000,000
Total all funds	\$42,754,708	\$168,855,507	\$130,000,000	\$298,855,507
Less estimated income	8,828,309	76,911,173	70,000,000	146,911,173
General fund	\$33,926,399	\$91,944,334	\$60,000,000	\$151,944,334
FTE	108.00	111.00	0.00	111.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adds Funding for Funding Pool ¹	Total House Changes
Salaries and wages		
Operating expenses		
Capital assets		
Emergency commission contingency fund		
Guardianship grants		
Targeted market equity pool		
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	\$130,000,000	\$130,000,000
Total all funds	\$130,000,000	\$130,000,000
Less estimated income	70,000,000	70,000,000
General fund	\$60,000,000	\$60,000,000
FTE	0.00	0.00

¹ Funding of \$130 million is added for a new a vacant FTE funding pool, including \$60 million from the general fund and \$70 million from other funds. A section is added providing guidelines for use of funding in the pool.

SECTION ____ . LEGISLATIVE MANAGEMENT STUDY – MANAGEMENT AND MAINTENANCE OF STATE-OWNED FACILITIES.

During the 2023-24 interim, the legislative management shall consider studying the practices of state agencies, not including institutions of higher education, regarding the management and maintenance of state-owned facilities. The study shall consider:

1. The most efficient and cost-effective organizational structure for the state of North Dakota to provide for the management and maintenance of state-owned facilities, including the allocation of funding and positions to each agency with jurisdiction over a state-owned facility, or the centralization of the funding and positions under a single agency. and leasing
2. The appropriate balance between contracts for services and state full-time equivalent positions in the areas of custodial services, mechanical services, snow removal, lawn care, and maintenance.

3. include leasing

23.0269.02015
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 17, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 7, after "collections" insert "; to provide for investment of the public employees retirement system funds"

Page 6, after line 3, insert:

"SECTION 11. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the 2023-25 biennium, the retirement board and the state investment board shall continue to invest the public employees retirement system main system defined benefit plan based on an actuarial rate of return assumption of at least six and one-half percent. 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 2023-25 biennium."

Page 8, line 17, replace "14" with "15"

Renumber accordingly

23.0269.02009
Title.

Prepared by the Legislative Council staff for
Representative Pyle
April 12, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 7, after the first semicolon insert "to provide for a legislative management study;"

Page 7, after line 30, insert:

"SECTION 15. 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 budget and management, 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."

Renumber accordingly

23.0269.02008
Title.

Prepared by the Legislative Council staff for
Representative Porter
April 11, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 7, after line 30, insert:

"SECTION 15. 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."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project.

23.0269.02019

FIRST ENGROSSMENT

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2015

Introduced by

Appropriations Committee

Changes on
Section 4.

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

10 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

11 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds
12 as may be necessary, are appropriated out of any moneys in the general fund in the state
13 treasury, not otherwise appropriated, and from special funds derived from federal funds and
14 other income, to the office of management and budget for the purpose of defraying the
15 expenses of the office of management and budget, for the biennium beginning July 1, 2023,
16 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
19 Operating expenses	15,663,214	3,598,079	19,261,293
20 Capital assets	764,515	14,768,640	15,533,155
21 Emergency commission contingency fund	400,000	0	400,000
22 Guardianship grants	2,450,000	3,650,000	6,100,000
23 Prairie public broadcasting	1,200,000	1,792,450	2,992,450

Sixty-eighth
Legislative Assembly

1	Community service supervision grants	350,000	0	350,000
2	Targeted market equity pool	0	75,000,000	75,000,000
3	State student internship program	0	700,000	700,000
4	Governor's emergency education relief	0	3,659,555	3,659,555
5	Deferred maintenance funding pool	<u>0</u>	<u>20,000,000</u>	<u>20,000,000</u>
6	Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
7	Less estimated income	<u>8,828,309</u>	<u>68,082,864</u>	<u>76,911,173</u>
8	Total all funds	\$33,926,399	\$58,017,935	\$91,944,334
9	Full-time equivalent positions	108.00	3.00	111.00

10 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
 11 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 12 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
 13 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

14	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
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

Sixty-eighth
Legislative Assembly

1	State office building demolition	0	451,000
2	Capitol space utilization improvements	0	5,500,000
3	Central services software and equipment	0	573,800
4	Governor's residence exterior repairs	0	300,000
5	Brynhild Haugland room remodeling project	0	500,000
6	Capitol window replacement project	0	4,000,000
7	Deferred maintenance projects	10,000,000	20,000,000
8	Prairie public broadcasting grants	0	1,792,450
9	State student internship program	100,000	700,000
10	Governor's emergency education relief	<u>0</u>	<u>3,659,555</u>
11	Total all funds	\$24,795,104	\$42,020,674
12	Less estimated income	<u>24,695,104</u>	<u>29,184,355</u>
13	Total general fund	\$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. APPROPRIATION - LEGISLATIVE COUNCIL - FORENSIC AUDIT OF THE**
24 **STATE AUDITOR - LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - ONE-TIME**
25 **FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury,
26 not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary,
27 to the legislative council for the purpose of contracting for a forensic audit of the state auditor,
28 for the biennium beginning July 1, 2023, and ending June 30, 2025. The legislative audit and
29 fiscal review committee shall arrange for the audit and receive the audit report. The funding
30 provided in this section is considered a one-time funding item.

1 **SECTION 5. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND.**

2 The office of management and budget shall transfer the sum of \$200,000,000 from the tax relief
3 fund to the human service finance fund during the biennium beginning July 1, 2023, and ending
4 June 30, 2025.

5 **SECTION 6. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO**

6 **STATE AGENCIES.** The office of management and budget shall transfer funds from the state
7 student internship program line item in section 1 of this Act to eligible state agencies for student
8 internships during the biennium beginning July 1, 2023, and ending June 30, 2025.

9 **SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**
10 **FUND - DEFERRED MAINTENANCE FUNDING POOL - EXEMPTION - TRANSFER TO**

11 **STATE AGENCIES.** The sum of \$20,000,000 included in the deferred maintenance funding pool
12 line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from
13 the strategic investment and improvements fund for a deferred maintenance funding pool. The
14 office of management and budget may use up to \$12,000,000 from the deferred maintenance
15 funding pool for a boiler replacement project in the capitol. Notwithstanding any other provision
16 of law, the office of management and budget shall transfer funds from the deferred maintenance
17 funding pool line item in section 1 of this Act to other eligible state agencies for deferred
18 maintenance.

19 **SECTION 8. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The sum of \$4,800,000
20 included in the capital assets line item in section 1 of this Act and identified as one-time funding
21 in section 2 of this Act is from the capitol building fund for the following:

- 22 1. \$300,000 for exterior repairs and improvements at the governor's residence;
23 2. \$500,000 for a remodeling project in the Brynhild Haugland room in the capitol; and
24 3. \$4,000,000 for a capitol window replacement project.

25 **SECTION 9. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation
26 authority which may be used only for the following grants and special items:

27 Unemployment insurance	\$1,800,000
28 Capitol grounds planning commission	\$25,000
29 Statewide memberships and related expenses	\$685,657

1 **SECTION 10. TARGETED MARKET EQUITY COMPENSATION ADJUSTMENTS -**
2 **GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET**
3 **SECTION REPORT.**

- 4 1. The targeted market equity pool line item in section 1 of this Act includes \$41,000,000
5 from the general fund and \$34,000,000 from special funds derived from federal funds
6 and other income for the purpose of providing compensation adjustments for executive
7 branch state employees in accordance with provisions of this section for the period
8 beginning with the effective date of this Act and ending June 30, 2025.
- 9 2. The targeted market equity compensation adjustments must be prioritized based on a
10 statewide plan prepared by the office of management and budget based on the
11 funding available in the pool. The plan must address occupational market disparities,
12 recruitment and retention challenges, and external pay inequities for employees who
13 are critical to the mission of the agency. Employees whose documented performance
14 levels do not meet standards are not eligible for the market equity compensation
15 adjustments.
- 16 3. All targeted market equity compensation adjustments must be provided by July 1,
17 2023.
- 18 4. The funding allocated to each agency must be used for the cost to continue the
19 compensation adjustments for the 2023-25 biennium, including the effect of the market
20 equity adjustments on funding needed for the salary increases authorized by the
21 legislative assembly in section 10 of this Act.
- 22 5. Notwithstanding any other provision of law, the office of management and budget shall
23 transfer appropriation authority from the targeted market equity funding pool to eligible
24 executive branch state agencies for approved targeted market equity salary
25 adjustments.
- 26 6. The office of management and budget shall provide a report to the budget section
27 regarding the statewide plan, any changes to the plan presented to the sixty-eighth
28 legislative assembly, and the appropriation authority transferred from the pool.

29 **SECTION 11. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 30 1. The 2023-25 biennium compensation adjustments for permanent state employees are
31 to average 4 percent per eligible employee for the first fiscal year of the biennium and

1 are to average 4 percent per eligible employee for the second year of the biennium.
2 The increases for the first year of the biennium are to be given beginning with the
3 month of July 2023, to be paid in August 2023, and for the second year of the
4 biennium are to be given beginning with the month of July 2024, to be paid in
5 August 2024. Increases for eligible state employees are to be based on documented
6 performance and are not to be the same percentage increase for each employee.

- 7 2. The office of management and budget shall develop guidelines for use by state
8 agencies for providing compensation adjustments for classified state employees. The
9 guidelines must follow the compensation philosophy statement under section
10 54-44.3-01.2.
- 11 3. Probationary employees are not entitled to the increases. However, at the discretion of
12 the appointing authority, probationary employees may be given all or a portion of the
13 increases effective in July, paid in August, or upon completion of probation. Employees
14 whose overall documented performance level does not meet standards are not eligible
15 for any salary increase.

16 **SECTION 12. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **48-10-02. Capitol building fund to be administered by the capitol grounds planning**
19 **commission - Continuing appropriation - Procedure for expenditure of certain funds.**

- 20 1. The capitol grounds planning commission shall have general powers to superintend
21 the administration of the capitol building fund, its interest and income fund, and its
22 investments and properties. It may cause any lands now held in such funds to be sold
23 at market value, direct the conversion of any securities now held by such funds to
24 cash, approve expenditures from such funds subject to law and legislative
25 appropriations, and to do all other things necessary to carry out the intent and
26 purposes of this section. The board of university and school lands or its designee, on
27 the commission's behalf, shall see to the investment and management of the capitol
28 building fund and its interest and income fund and shall account to the commission
29 concerning these funds at the commission's request.
- 30 2. Provided further, all moneys and other property in the capitol building fund, except as
31 otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose

1 of the construction of an addition to the legislative wing of the state capitol building,
2 and the capitol grounds planning commission shall take necessary steps to
3 accumulate and conserve the money and property in the capitol building fund for such
4 purpose.

5 3. The commission may, during any biennium, expend from the interest and income fund
6 of the capitol building fund a sum not to exceed fifty percent of the unencumbered
7 balance on the first day of any biennium, and such amount is hereby appropriated to
8 the capitol grounds planning commission. The expenditure may be made, after
9 consideration of the capitol grounds master plan, for projects or planning but may not
10 exceed ~~twoseven~~ seventy hundred fifty thousand dollars per biennium. The expenditure may
11 only be made upon approval by two-thirds of the total membership of the commission.
12 The expenditure must be made upon a voucher, or vouchers, prepared by the office of
13 management and budget at the direction of the commission.

14 **SECTION 13. AMENDMENT.** Section 54-21-19 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **54-21-19. Director to furnish supplies and maintain capitol, state offices, and**
17 **executive mansion - Authority to charge for services.**

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

28 **SECTION 14.** A new subsection to section 54-44-11 of the North Dakota Century Code is
29 created and enacted as follows:

30 The office of management and budget shall establish a facility management operating
31 fund to be used for the salary and operating expenses of the division of facility

1 management. Rental fees collected pursuant to section 54-21-19 must be deposited in
2 the fund. The director of the office of management and budget shall transfer any
3 unobligated balance in the fund to the general fund at the end of each fiscal year.

4 **SECTION 15. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-40.3-10. Transfer of revenue.**

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

11 **SECTION 16. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
12 fiscal management division, as contained in section 1 of chapter 15 of the 2021 Session Laws is
13 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
14 appropriation are available for continued development and operating costs of the statewide
15 systems, including accounting, management, and payroll, during the biennium beginning July 1,
16 2023, and ending June 30, 2025.

17 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
18 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
19 the biennium beginning July 1, 2023, and ending June 30, 2025:

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

27 **SECTION 18. EFFECTIVE DATE.** Section 14 of this Act is effective for motor vehicle excise
28 tax collections transmitted to the state treasurer after July 31, 2023.

29 **SECTION 19. EMERGENCY.** The targeted market equity pool line item in section 1 of this
30 Act and section 9 of this Act are declared to be an emergency measure.

23.0269.02020
Title.

Prepared by the Legislative Council staff for
Representative Mock
April 19, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, after "54-44-11" insert "and a new section to chapter 54-52.6"

Page 1, line 4, after "fund" insert "and an additional employer contribution fund"

Page 1, line 5, after "Code" insert "and sections 36 and 37 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert "; and the public employees retirement system"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO ADDITIONAL EMPLOYER CONTRIBUTION FUND - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the additional employer contribution fund for the biennium beginning July 1, 2023, and ending June 30, 2025, for the purpose of paying additional employer contributions under section 54-52.6-02.2. This funding is considered a one-time funding item."

Page 7, after line 23, insert:

"SECTION 15. A new section to chapter 54-52.6 of the North Dakota Century Code is created and enacted as follows:

Additional employer contribution fund - Continuing appropriation.

There is created an additional employer contribution fund in the state treasury. All moneys in the fund are appropriated to the public employees retirement system on a continuing basis for the purpose of paying additional employer contributions under section 54-52.6-02.2. Interest earned on moneys in the fund must be credited to the fund."

Page 7, after line 30, insert:

"SECTION 17. AMENDMENT. Section 36 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 36. APPLICATION. Subdivision a of subsection 1 of section 54-52-06, as amended under section 10 of this Act, applies to employer contributions beginning January ~~2026~~2024, using a contribution rate based on the July 1, ~~2024~~2022, actuarial analysis.

SECTION 18. AMENDMENT. Section 37 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 37. EFFECTIVE DATE. Sections 9, 31, 33, 34, and 35 of this Act become effective August 1, 2023; sections 10 and 36 of this Act become effective January 1, 2024; sections 1 through 8, sections 11

through ~~22, sections 24 through 30, and section 32~~ of this Act become effective January 1, 2025; and ~~sections 10, 23, and 36~~ of this Act become effective January 1, 2026."

Renumber accordingly

OMB

AMENDMENT TO SB 2015

Amend Section 2. ADDITIONAL INCOME – GOVERNOR’S OFFICE 101

In addition to the amounts appropriated to the Governor’s Office in section 1 of SB2001 of the sixty-seventh assembly, there is appropriated up to \$6,500 of additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2021 and ending June 30, 2023. The governor’s office is authorized to receive other funds in the amount of \$6,500 and upon receipt of these funds shall provide a report to legislative management regarding the source, amount and purpose of the funds received.

Emergency Clause Required

23.0269.02010
Title.

Prepared by the Legislative Council staff for
the House Appropriations - Government
Operations Division Committee
April 20, 2023

Fiscal No. 2

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"

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	8,267,640	9,032,155
Emergency commission contingency fund	400,000	0	400,000
Targeted market equity pool	0	75,000,000	75,000,000
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	0	130,000,000	130,000,000
Total all funds	\$42,754,708	\$247,831,075	\$290,585,783
Less estimated income	<u>8,828,309</u>	<u>138,400,645</u>	<u>147,228,954</u>
Total general fund	\$33,926,399	\$109,430,430	\$143,356,829
Full-time equivalent positions	108.00	0.00	108.00"

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
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	100,000
Capitol space utilization improvements	0	2,500,000
Central services software and equipment	0	573,800
Governor's residence exterior repairs	0	100,000

Brynhild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	<u>0</u>	<u>3,659,555</u>
Total all funds	\$24,795,104	\$35,951,174
Less estimated income	<u>24,695,104</u>	<u>29,634,355</u>
Total general fund	\$100,000	\$6,316,819"

Page 3, line 17, replace "**SERVICES**" with "**SERVICE**"

Page 3, after line 21, insert:

"SECTION 4. 2021-23 BIENNIUM - APPROPRIATION - OFFICE OF THE GOVERNOR. There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this Act and ending June 30, 2023.

SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL - FORENSIC AUDIT OF THE STATE AUDITOR - LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for a forensic audit of the state auditor, for the biennium beginning July 1, 2023, and ending June 30, 2025. The legislative audit and fiscal review committee shall arrange for the audit and receive the audit report. The funding provided in this section is considered a one-time funding item."

Page 3, line 22, after the first "**FUND**" insert "**OR SOCIAL SERVICES FUND**"

Page 3, line 24, after the first "fund" insert "or the social services fund under section 57-51.1-07.5"

Page 4, line 4, replace "\$12,000,000" with "\$12,700,000"

Page 4, line 5, after "pool" insert ", including up to \$12,000,000"

Page 4, line 5, after "capitol" insert "and up to \$700,000 for a water mitigation project at the liberty memorial building"

Page 4, line 9, replace "\$4,800,000" with "\$5,250,000"

Page 4, line 12, replace "\$300,000" with "\$800,000 for a building automation project;

2. \$100,000 for electrical and mechanical repairs;

3. \$100,000"

Page 4, line 12, replace "exterior repairs and" with "security"

Page 4, line 13, replace "2." with "4."

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

Page 4, line 14, replace "3." with "5."

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 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 - BUDGET SECTION REPORT.

1. The new and vacant FTE funding pool line item in section 1 of this Act includes \$60,000,000 from the general fund and \$70,000,000 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
 - c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency

certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.

4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium; or
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
6. For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as part of the appropriation for salaries and wages.
7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
8. The office of management of 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 the majority party in the house and one member must be from the majority party in the senate.~~
2. ~~One member~~ The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.

- ~~3.~~ 3. Four members of the board must be appointed by the governor to serve a term of five years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who ~~by experience~~ is familiar with ~~money management~~retirement and employee benefit plans. The governor shall appoint one citizen member ~~isto serve as~~ chairman of the board.
- ~~3.~~ 3. ~~One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.~~
- ~~4.~~ 4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- ~~5.4.~~ 5.4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
- ~~6.~~ 6. ~~One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- ~~7.5.~~ 7.5. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- ~~8.6.~~ 8.6. A board member shall serve ~~a five-year term and~~ until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~six of the ~~nine~~eleven board members constitute a quorum. ~~Five~~Six votes are necessary for resolution or action by the board at any meeting.

SECTION 19. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the biennium beginning July 1, 2023, and ending June 30, 2025, the retirement board and the state investment board shall continue to invest the public employees retirement system main system defined benefit plan based on an actuarial rate of return assumption of at least six and 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, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Page 8, line 17, replace "14" with "18"

Page 8, line 17, remove "is effective for motor vehicle excise"

Page 8, line 18, replace "tax collections transmitted to the state treasurer after July 31, 2023" with "becomes effective June 1, 2023"

Page 8, line 19, remove "targeted market equity pool line item in section 1 of this"

Page 8, line 20, replace "Act and section 9 of this Act" with "following"

Page 8, line 20, after "measure" insert ":

1. The targeted market equity pool line item in section 1 of this Act and identified in section 12 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and identified in section 8 of this Act; and
3. Sections 4 and 18 of this Act"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Office of Management and Budget				
Total all funds	\$42,754,708	\$168,855,507	\$121,730,276	\$290,585,783
Less estimated income	<u>8,828,309</u>	<u>76,911,173</u>	<u>70,317,781</u>	<u>147,228,954</u>
General fund	\$33,926,399	\$91,944,334	\$51,412,495	\$143,356,829
FTE	108.00	111.00	(3.00)	108.00
Legislative Council				
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$0	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$42,754,708	\$168,855,507	\$122,230,276	\$291,085,783
Less estimated income	<u>8,828,309</u>	<u>76,911,173</u>	<u>70,317,781</u>	<u>147,228,954</u>
General fund	\$33,926,399	\$91,944,334	\$51,912,495	\$143,856,829
FTE	108.00	111.00	(3.00)	108.00

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$21,926,979	\$24,859,054	(\$1,700,224)	\$23,158,830
Operating expenses	15,663,214	19,261,293	131,500	19,392,793
Capital assets	764,515	15,533,155	(6,501,000)	9,032,155
Emergency Commission contingency fund	400,000	400,000		400,000
Guardianship grants	2,450,000	6,100,000		6,100,000
Targeted market equity pool		75,000,000		75,000,000
Prairie Public Broadcasting	1,200,000	2,992,450		2,992,450
Community service supervision grants	350,000	350,000		350,000
State student internship		700,000	(200,000)	500,000
Governor's emergency education relief		3,659,555		3,659,555
Deferred maintenance funding pool		20,000,000		20,000,000
New and vacant FTE funding pool			130,000,000	130,000,000
Total all funds	\$42,754,708	\$168,855,507	\$121,730,276	\$290,585,783
Less estimated income	8,828,309	76,911,173	70,317,781	147,228,954
General fund	\$33,926,399	\$91,944,334	\$51,412,495	\$143,356,829
FTE	108.00	111.00	(3.00)	108.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes FTE positions ²	Removes Salary Funding for a Funding Pool ³	Adds Funding for Funding Pool ⁴	Adjusts Funding for Operating Expenses ⁵	Adjusts Funding for Capital Assets ⁶
Salaries and wages	\$226,001	(\$664,786)	(\$1,261,439)			
Operating expenses					\$131,500	
Capital assets						(\$6,501,000)
Emergency Commission contingency fund						
Guardianship grants						
Targeted market equity pool						
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				\$130,000,000		
Total all funds	\$226,001	(\$664,786)	(\$1,261,439)	\$130,000,000	\$131,500	(\$6,501,000)
Less estimated income	52,451	0	(184,670)	70,000,000	0	450,000
General fund	\$173,550	(\$664,786)	(\$1,076,769)	\$60,000,000	\$131,500	(\$6,951,000)
FTE	0.00	(3.00)	0.00	0.00	0.00	0.00

	Decreases Funding for Internships ¹	Total House Changes
Salaries and wages		(\$1,700,224)
Operating expenses		131,500
Capital assets		(6,501,000)
Emergency Commission contingency fund		
Guardianship grants		
Targeted market equity pool		
Prairie Public Broadcasting Community service supervision grants		
State student internship	(\$200,000)	(200,000)
Governor's emergency education relief		
Deferred maintenance funding pool		
New and vacant FTE funding pool		130,000,000
Total all funds	(\$200,000)	\$121,730,276
Less estimated income	0	70,317,781
General fund	(\$200,000)	\$51,412,495
 FTE	 0.00	 (3.00)

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$183,634	\$54,250	\$237,884
Health insurance adjustment	(10,084)	(1,799)	(11,883)
Total	\$173,550	\$52,451	\$226,001

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding of \$664,786 from the general fund is removed from the salaries and wages line item as follows:

- \$190,862 for 1 FTE business development position;
- \$255,452 for 1 FTE talent acquisition manager position; and
- \$218,472 for 1 FTE total rewards specialist position.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	(1,076,769)	(184,670)	(1,261,439)
Total	(\$1,076,769)	(\$184,670)	(\$1,261,439)

The Senate did not remove funding for a new and vacant FTE funding pool.

⁴ Funding of \$130 million is added for a new and vacant FTE funding pool, including \$60 million from the general fund and \$70 million from other funds. A section is added providing guidelines for use of funding in the pool. The Senate did not include a new and vacant FTE funding pool.

⁵ Funding for operating expenses is adjusted as follows:

- Removes \$18,500 of one-time funding from the general fund, which was added by the Senate, for inflationary increases.
- 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 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.
- Removes \$100,000 of one-time funding from the general fund for Capitol tour digital enhancements. 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 Senate did not include funding for a cash management study.

⁶ 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.
- Decreases one-time funding from the general fund by \$2.1 million for new procurement software to provide \$400,000. 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.
- Changes \$100,000 of one-time funding from the general fund, which was added by the Senate, to \$100,000 of one-time funding from the Capitol building fund for electrical and mechanical repairs.
- Removes \$451,000 of one-time funding from the general fund added by the Senate to demolish the State Office Building.
- 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 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 exterior repairs at the Governor's residence to provide total funding of \$100,000. The Senate provided \$300,000 for the 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 Senate provided \$500,000 for the remodeling project.

⁷ 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 Senate provided \$700,000 for the program.

This amendment also:

- 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 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 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 \$5.25 million for various capital projects. The Senate identified \$4.8 million from the fund for projects.
- Adds a section to provide guidelines for a new and vacant FTE 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 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. 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 effective date and emergency clause related to the change. The Senate did not include these changes.
- Adds a section directing the State Investment Board and Retirement Board to continue to invest the main system retirement plan based on an actuarial rate of return without consideration of derisking the plan. The Senate did not include this section.
- Adds an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project. The Senate did not provide this exemption.
- Adds Legislative Management studies related to the state fire and tornado fund and state bonding fund administration, the management and maintenance of state facilities, and the state's guardianship programs. The Senate did not include these studies.

Senate Bill No. 2015 - Legislative Council - House Action

	Base Budget	Senate Version	House Changes	House Version
Operating expenses			\$500,000	\$500,000
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00	0.00

Department 160 - Legislative Council - Detail of House Changes

	Adds Funding for an Audit ¹	Total House Changes
Operating expenses	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	0	0
General fund	\$500,000	\$500,000
FTE	0.00	0.00

¹ One-time funding of \$500,000 is added from the general fund for the Legislative Council to contract for a forensic audit of the State Auditor. The Senate did not include this funding.

23.0269.02011
Title.

Prepared by the Legislative Council staff for
Representative Bellew
April 12, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 2, replace line 1 with:

"Targeted market equity pool - other	0	40,600,000	40,600,000
Targeted market equity pool - higher ed	0	17,300,000	17,300,000"

Page 2, replace lines 5 through 7 with:

"Total all funds	\$42,754,708	\$109,000,799	\$151,755,507
Less estimated income	<u>8,828,309</u>	<u>50,982,864</u>	<u>59,811,173</u>
Total general fund	\$33,926,399	\$58,017,935	\$91,944,334"

Page 4, line 23, after "pool" insert "- other"

Page 4, line 23, replace "\$41,000,000" with "\$23,700,000"

Page 4, line 24, replace "\$34,000,000" with "\$16,900,000"

Page 4, line 26, after "employees" insert ", excluding higher education,"

Page 5, line 9, replace "10" with "11"

Page 5, after line 16, insert:

**"SECTION 10. TARGETED MARKET EQUITY COMPENSATION
ADJUSTMENTS - NORTH DAKOTA UNIVERSITY SYSTEM - GUIDELINES -
EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET SECTION
REPORT.**

1. The targeted market equity pool - higher ed line item in section 1 of this Act includes \$17,300,000 from the general fund for the purpose of providing compensation adjustments for North Dakota university system employees in accordance with provisions of this section for the period beginning with the effective date of this Act and ending June 30, 2025.
2. The targeted market equity compensation adjustments must be prioritized based on a statewide plan prepared by the North Dakota university system office based on the funding available in the pool. The plan must address occupational market disparities, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the institution. Employees whose documented performance levels do not meet standards are not eligible for the market equity compensation adjustments.
3. All targeted market equity compensation adjustments must be provided by December 31, 2023.
4. The funding allocated to each agency must be used for the cost to continue the compensation adjustments for the 2023-25 biennium, including the effect of the market equity adjustments on funding needed for the salary increases authorized by the legislative assembly in section 11 of this Act.

5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity funding pool to eligible institutions for approved targeted market equity salary adjustments.
6. The North Dakota university system office shall provide a report to the budget section regarding the statewide plan, any changes to the plan presented to the sixty-eighth legislative assembly, and the amounts transferred from the pool."

Page 8, line 17, replace "14" with "15"

Page 8, line 19, after "pool" insert "- other"

Page 8, line 19, after "item" insert "and the targeted market equity pool - higher ed line item"

Page 8, line 20, replace "section 9" with "sections 9 and 10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a separate equity funding pool for the North Dakota University System and removes \$17.1 million of special fund authority for its equity increases.

23.0269.02022
Title.

Prepared by the Legislative Council staff for
Representative Mock
April 20, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 5, after "Code" insert "and sections 36 and 37 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert "; and the public employees retirement system"

Page 7, after line 30, insert:

"SECTION 15. AMENDMENT. Section 36 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 36. APPLICATION. Subdivision a of subsection 1 of section 54-52-06, as amended under section 10 of this Act, applies to employer contributions beginning January ~~2026~~2024, using a contribution rate based on the July 1, ~~2024~~2022, actuarial analysis.

SECTION 16. AMENDMENT. Section 37 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 37. EFFECTIVE DATE. Sections 9, 31, 33, 34, and 35 of this Act become effective August 1, 2023; sections 10 and 36 of this Act become effective January 1, 2024; sections 1 through 8, sections 11 through ~~22~~, ~~sections 24 through 30~~, and section 32 of this Act become effective January 1, 2025; ~~and sections 10, 23, and 36 of this Act become effective January 1, 2026.~~

Renumber accordingly

23.0269.03000

Sixty-eighth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2015**

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; to provide
3 appropriations to the legislative council and office of the governor; to create and enact a new
4 subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility
5 management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and 54-52-03
6 of the North Dakota Century Code, relating to the capitol grounds planning commission
7 spending limit, capitol grounds rent collections, the retirement board, and the public employees
8 retirement system retirement plan; to provide for a transfer; to provide an exemption; to provide
9 for a legislative management study; to provide a report; to provide an effective date; and to
10 declare an emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
13 as may be necessary, are appropriated out of any moneys in the general fund in the state
14 treasury, not otherwise appropriated, and from special funds derived from federal funds and
15 other income, to the office of management and budget for the purpose of defraying the
16 expenses of the office of management and budget, for the biennium beginning July 1, 2023,
17 and ending June 30, 2025, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20 Salaries and wages	\$21,926,979	\$1,231,851	\$23,158,830
21 Operating expenses	15,663,214	3,729,579	19,392,793
22 Capital assets	764,515	8,417,640	9,182,155
23 Emergency commission contingency fund	400,000	0	400,000
24 Targeted market equity pool	0	75,000,000	75,000,000

Sixty-eighth
Legislative Assembly

1	Guardianship grants	2,450,000	3,650,000	6,100,000
2	Prairie public broadcasting	1,200,000	1,792,450	2,992,450
3	Community service supervision grants	350,000	0	350,000
4	State student internship program	0	500,000	500,000
5	Governor's emergency education relief	0	3,659,555	3,659,555
6	Deferred maintenance funding pool	0	20,000,000	20,000,000
7	New and vacant FTE funding pool	<u>0</u>	<u>130,000,000</u>	<u>130,000,000</u>
8	Total all funds	\$42,754,708	\$247,981,075	\$290,735,783
9	Less estimated income	<u>8,828,309</u>	<u>138,550,645</u>	<u>147,378,954</u>
10	Total general fund	\$33,926,399	\$109,430,430	\$143,356,829
11	Full-time equivalent positions	108.00	0.00	108.00

12 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
13 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
14 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
15 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

16	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
17	Griggs County medical center grant	\$500,000	\$0
18	Facility consolidation study	350,000	0
19	Special assessments on capitol grounds	300,000	0
20	Interior and exterior signage projects	500,000	0
21	Statewide budget software	1,230,100	0
22	Capitol accessibility improvements	750,000	0
23	Legislative wing ventilation improvements	7,000,000	0
24	Pierce County medical center grant	1,000,000	0
25	Accrued leave retirement payouts	0	100,369
26	Inflationary increases	0	340,000
27	Capitol accessibility consulting	25,000	50,000
28	Accessibility improvements - legislative areas	0	150,000
29	State employee leave management system	0	335,000
30	Cash management study	0	450,000
31	Procurement software	2,021,204	400,000

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1	Building automation project	518,800	800,000
2	Extraordinary repairs	500,000	100,000
3	Capitol space utilization improvements	0	2,500,000
4	Central services software and equipment	0	573,800
5	Governor's residence exterior repairs	0	100,000
6	Brynhild Haugland room remodeling project	0	250,000
7	Capitol window replacement project	0	4,000,000
8	Deferred maintenance projects	10,000,000	20,000,000
9	Prairie public broadcasting grants	0	1,792,450
10	State student internship program	100,000	500,000
11	Governor's emergency education relief	<u>0</u>	<u>3,659,555</u>
12	Total all funds	\$24,795,104	\$36,101,174
13	Less estimated income	<u>24,695,104</u>	<u>29,784,355</u>
14	Total general fund	\$100,000	\$6,316,819

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

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

24 **SECTION 4. 2021-23 BIENNIUM - APPROPRIATION - OFFICE OF THE GOVERNOR.**
 25 There is appropriated from special funds derived from federal funds or other income, not
 26 otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the
 27 office of the governor for the salaries and wages line item for the period beginning with the
 28 effective date of this Act and ending June 30, 2023.

29 **SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL - FORENSIC AUDIT OF THE**
 30 **STATE AUDITOR - LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - ONE-TIME**
 31 **FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury,

1 not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary,
2 to the legislative council for the purpose of contracting for a forensic audit of the state auditor,
3 for the biennium beginning July 1, 2023, and ending June 30, 2025. The legislative audit and
4 fiscal review committee shall arrange for the audit and receive the audit report. The funding
5 provided in this section is considered a one-time funding item.

6 **SECTION 6. TRANSFER - TAX RELIEF FUND OR SOCIAL SERVICES FUND TO**
7 **HUMAN SERVICE FINANCE FUND.** The office of management and budget shall transfer the
8 sum of \$200,000,000 from the tax relief fund or the social services fund under section
9 57-51.1-07.5 to the human service finance fund during the biennium beginning July 1, 2023,
10 and ending June 30, 2025.

11 **SECTION 7. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO**
12 **STATE AGENCIES.** The office of management and budget shall transfer funds from the state
13 student internship program line item in section 1 of this Act to eligible state agencies for student
14 internships during the biennium beginning July 1, 2023, and ending June 30, 2025.

15 **SECTION 8. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**
16 **FUND - DEFERRED MAINTENANCE FUNDING POOL - EXEMPTION - TRANSFER TO**
17 **STATE AGENCIES.** The sum of \$20,000,000 included in the deferred maintenance funding pool
18 line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from
19 the strategic investment and improvements fund for a deferred maintenance funding pool. The
20 office of management and budget may use up to \$12,700,000 from the deferred maintenance
21 funding pool, including up to \$12,000,000 for a boiler replacement project in the capitol and up
22 to \$700,000 for a water mitigation project at the liberty memorial building. Notwithstanding any
23 other provision of law, the office of management and budget shall transfer funds from the
24 deferred maintenance funding pool line item in section 1 of this Act to other eligible state
25 agencies for deferred maintenance.

26 **SECTION 9. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The sum of \$5,400,000
27 included in the capital assets line item in section 1 of this Act and identified as one-time funding
28 in section 2 of this Act is from the capitol building fund for the following:

- 29 1. \$150,000 for accessibility improvements in legislative areas of the capitol;
- 30 2. \$800,000 for a building automation project;
- 31 3. \$100,000 for electrical and mechanical repairs;

- 1 4. \$100,000 for security improvements at the governor's residence;
- 2 5. \$250,000 for a remodeling project in the Brynhild Haugland room in the capitol; and
- 3 6. \$4,000,000 for a capitol window replacement project.

4 **SECTION 10. OPERATING EXPENSES LINE ITEM - CASH MANAGEMENT STUDY -**
5 **REPORT TO LEGISLATIVE MANAGEMENT.** The operating expenses line item in section 1 of
6 this Act includes the sum of \$450,000 from the general fund for the purpose of procuring
7 consulting services to conduct a study and develop recommendations for improvement of the
8 cash management practices of the state, for the biennium beginning July 1, 2023, and ending
9 June 30, 2025. The study must include cash management practices employed by the Bank of
10 North Dakota, state treasurer, retirement and investment office, board of university and school
11 lands, and other agencies as determined by the office of management and budget. The office of
12 management and budget shall report to the legislative management before September 30,
13 2024, regarding the findings and recommendations resulting from its study.

14 **SECTION 11. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation
15 authority which may be used only for the following grants and special items:

16 Unemployment insurance	\$1,800,000
17 Capitol grounds planning commission	\$25,000
18 Statewide memberships and related expenses	\$685,657

19 **SECTION 12. TARGETED MARKET EQUITY COMPENSATION ADJUSTMENTS -**
20 **GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET**
21 **SECTION REPORT.**

- 22 1. The targeted market equity pool line item in section 1 of this Act includes \$41,000,000
23 from the general fund and \$34,000,000 from special funds derived from federal funds
24 and other income for the purpose of providing compensation adjustments for executive
25 branch state employees in accordance with provisions of this section for the period
26 beginning with the effective date of this Act and ending June 30, 2025.
- 27 2. The targeted market equity compensation adjustments must be prioritized based on a
28 statewide plan prepared by the office of management and budget based on the
29 funding available in the pool. The plan must address occupational market disparities,
30 recruitment and retention challenges, and external pay inequities for employees who
31 are critical to the mission of the agency. Employees whose documented performance

- 1 levels do not meet standards are not eligible for the market equity compensation
2 adjustments.
- 3 3. All targeted market equity compensation adjustments must be provided by July 1,
4 2023.
- 5 4. The funding allocated to each agency must be used for the cost to continue the
6 compensation adjustments for the 2023-25 biennium, including the effect of the market
7 equity adjustments on funding needed for the salary increases authorized by the
8 legislative assembly in section 13 of this Act.
- 9 5. Notwithstanding any other provision of law, the office of management and budget shall
10 transfer appropriation authority from the targeted market equity funding pool to eligible
11 executive branch state agencies for approved targeted market equity salary
12 adjustments.
- 13 6. The office of management and budget shall provide a report to the budget section
14 regarding the statewide plan, any changes to the plan presented to the sixty-eighth
15 legislative assembly, and the appropriation authority transferred from the pool.

16 **SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 17 1. The 2023-25 biennium compensation adjustments for permanent state employees are
18 to average 6 percent per eligible employee for the first fiscal year of the biennium and
19 are to average 4 percent per eligible employee for the second year of the biennium.
20 The increases for the first year of the biennium are to be given beginning with the
21 month of July 2023, to be paid in August 2023, and for the second year of the
22 biennium are to be given beginning with the month of July 2024, to be paid in
23 August 2024. Increases for eligible state employees are to be based on documented
24 performance and are not to be the same percentage increase for each employee.
- 25 2. The office of management and budget shall develop guidelines for use by state
26 agencies for providing compensation adjustments for classified state employees. The
27 guidelines must follow the compensation philosophy statement under section
28 54-44.3-01.2.
- 29 3. Probationary employees are not entitled to the increases. However, at the discretion of
30 the appointing authority, probationary employees may be given all or a portion of the
31 increases effective in July, paid in August, or upon completion of probation. Employees

1 whose overall documented performance level does not meet standards are not eligible
2 for any salary increase.

3 **SECTION 14. NEW AND VACANT FTE FUNDING POOL - GUIDELINES - EXEMPTION -**
4 **TRANSFER OF APPROPRIATION AUTHORITY - BUDGET SECTION REPORT.**

- 5 1. The new and vacant FTE funding pool line item in section 1 of this Act includes
6 \$60,000,000 from the general fund and \$70,000,000 from special funds derived from
7 federal funds and other income for the purpose of providing funding for hiring new
8 full-time equivalent positions and for agencies that do not realize sufficient savings
9 from vacant full-time equivalent positions in accordance with provisions of this section
10 for the biennium beginning July 1, 2023, and ending June 30, 2025.
- 11 2. An executive branch state agency that had funding removed by the sixty-eighth
12 legislative assembly for purposes of the new and vacant full-time equivalent funding
13 pool may submit a request to the office of management and budget for an allocation of
14 funding from the pool:
- 15 a. To provide funding for the salaries and wages necessary for the 2023-25
16 biennium for a new full-time equivalent position authorized by the 2023 legislative
17 assembly from the date of hiring through the end of the biennium;
- 18 b. To provide funding for the salaries and wages necessary for the 2023-25
19 biennium for filling a full-time equivalent position that was vacant on July 1, 2023,
20 from the date of hiring through the end of the biennium; or
- 21 c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25
22 biennium if actual salaries and wages savings from vacant positions adjusted for
23 other salaries and wages uses are less than the estimate used by the sixty-eighth
24 legislative assembly in the development of the agency's appropriation.
- 25 3. The office of management and budget may transfer general fund appropriation
26 authority from the pool to an agency only upon the agency certifying to the office of
27 management and budget that special funds from federal or other sources are not
28 available for the salaries and wages of the full-time equivalent position.
- 29 4. An agency may not receive more funding from the pool than the amount that was
30 removed from the agency budget for new and vacant full-time equivalent positions as

- 1 contained in the statement of purpose of amendment of bills approved by the
2 sixty-eighth legislative assembly as printed in the house and senate journals.
- 3 5. Notwithstanding any other provision of law, the office of management and budget shall
4 transfer appropriation authority from the new and vacant full-time equivalent funding
5 pool to eligible executive branch state agencies:
- 6 a. Within fifteen days of receiving an agency request for the hiring of a new full-time
7 equivalent position authorized by the sixty-eighth legislative assembly, along with
8 documentation of the salaries and wages necessary for the position for the
9 remainder of the biennium, limited to the amount identified for the position in the
10 statement of purpose of amendment;
- 11 b. Within fifteen days of receiving an agency request for filling a full-time equivalent
12 position that was vacant on July 1, 2023, along with documentation verifying that
13 funding available for salaries and wages within the agency's budget is insufficient
14 to provide funding for the position for the remainder of the biennium; or
- 15 c. Within thirty days of receiving an agency request, along with documentation
16 verifying that actual salaries and wages savings from vacant positions through
17 February 2025 and estimates for the remainder of the biennium adjusted for
18 other salaries and wages uses are less than the estimate used by the sixty-eighth
19 legislative assembly in the development of the agency's appropriation.
- 20 6. For the purpose of determining salaries and wages amounts under section 54-27-10,
21 the office of management and budget shall consider the amounts removed from the
22 agency budget for new and vacant full-time equivalent positions as contained in the
23 statement of purpose of amendment of bills approved by the sixty-eighth legislative
24 assembly as part of the appropriation for salaries and wages.
- 25 7. If funding in the new and vacant full-time equivalent funding pool is insufficient to
26 provide the necessary salaries and wages funding for the biennium, the office of
27 management and budget shall request a deficiency appropriation from the sixty-ninth
28 legislative assembly. Any funding remaining in the funding pool at the end of the
29 biennium must be canceled in accordance with the provisions of section 54-44.1-11.

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

17 **SECTION 15. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **48-10-02. Capitol building fund to be administered by the capitol grounds planning**
20 **commission - Continuing appropriation - Procedure for expenditure of certain funds.**

- 21 1. The capitol grounds planning commission shall have general powers to superintend
22 the administration of the capitol building fund, its interest and income fund, and its
23 investments and properties. It may cause any lands now held in such funds to be sold
24 at market value, direct the conversion of any securities now held by such funds to
25 cash, approve expenditures from such funds subject to law and legislative
26 appropriations, and to do all other things necessary to carry out the intent and
27 purposes of this section. The board of university and school lands or its designee, on
28 the commission's behalf, shall see to the investment and management of the capitol
29 building fund and its interest and income fund and shall account to the commission
30 concerning these funds at the commission's request.

1 2. Provided further, all moneys and other property in the capitol building fund, except as
2 otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose
3 of the construction of an addition to the legislative wing of the state capitol building,
4 and the capitol grounds planning commission shall take necessary steps to
5 accumulate and conserve the money and property in the capitol building fund for such
6 purpose.

7 3. The commission may, during any biennium, expend from the interest and income fund
8 of the capitol building fund a sum not to exceed fifty percent of the unencumbered
9 balance on the first day of any biennium, and such amount is hereby appropriated to
10 the capitol grounds planning commission. The expenditure may be made, after
11 consideration of the capitol grounds master plan, for projects or planning related to
12 remodeling expenses but may not exceed two hundred fifty thousand dollars per
13 biennium. The expenditure may only be made upon approval by two-thirds of the total
14 membership of the commission. The expenditure must be made upon a voucher, or
15 vouchers, prepared by the office of management and budget at the direction of the
16 commission.

17 **SECTION 16. AMENDMENT.** Section 54-21-19 of the North Dakota Century Code is
18 amended and reenacted as follows:

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

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

1 **SECTION 17.** A new subsection to section 54-44-11 of the North Dakota Century Code is
2 created and enacted as follows:

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

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

10 **54-52-03. Governing authority.**

11 1. A state agency is hereby created to constitute the governing authority of the system to
12 consist of a board of ~~nine~~eleven individuals known as the retirement board. No more
13 than one elected member of the board may be in the employ of a single department,
14 institution, or agency of the state or in the employ of a political subdivision. An
15 employee of the public employees retirement system or the state retirement and
16 investment office may not serve on the board.

17 ~~4.~~ ~~Two~~

18 2. ~~Four~~ members of the legislative assembly must be appointed ~~by the chairman of the~~
19 ~~legislative management~~ to serve on the board.

20 ~~a.~~ ~~If the same political party has the greatest number of members in both the house~~
21 ~~and senate, one member must be from that majority party and one member from~~
22 ~~the political party with the next greatest number of members in the house and~~
23 ~~senate.~~

24 ~~b.~~ ~~If the same political party does not have the greatest number of members in both~~
25 ~~the house and senate, one member must be from the majority party in the house~~
26 ~~and one member must be from the majority party in the senate.~~

27 ~~2.~~ ~~One member~~ The majority leader of the house of representatives shall appoint two
28 members of the house of representatives and the majority leader of the senate shall
29 appoint two members of the senate. The members appointed under this subsection
30 shall serve a term of two years.

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- 1 3. Four members of the board must be appointed by the governor to serve a term of five
2 years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who
3 is not a state or political subdivision employee and who ~~by experience~~ is familiar with
4 ~~money management~~retirement and employee benefit plans. The governor shall
5 appoint one citizen member ~~isto serve as~~ chairman of the board.
- 6 ~~3.~~ ~~One member of the board must be appointed by the attorney general from the~~
7 ~~attorney general's legal staff and shall serve a term of five years.~~
- 8 ~~4.~~ ~~The state health officer appointed under section 23-01-05 or the state health officer's~~
9 ~~designee is a member of the board.~~
- 10 ~~5-4.~~ Three board members must be elected by and from among the active participating
11 members, members of the retirement plan established under chapter 54-52.6,
12 members of the retirement plan established under chapter 39-03.1, and members of
13 the job service North Dakota retirement plan. Employees who have terminated their
14 employment for whatever reason are not eligible to serve as elected members of the
15 board under this subsection. Board members must be elected to a five-year term
16 pursuant to an election called by the board. Notice of board elections must be given to
17 all active participating members. The time spent in performing duties as a board
18 member may not be charged against any employee's accumulated annual or any
19 other type of leave.
- 20 ~~6.~~ ~~One board member must be elected by and from among those individuals who are~~
21 ~~receiving retirement benefits under this chapter. The board shall call the election and~~
22 ~~must give prior notice of the election to the individuals eligible to participate in the~~
23 ~~election pursuant to this subsection. The board member shall serve a term of five~~
24 ~~years.~~
- 25 ~~7-5.~~ The members of the board are entitled to receive one hundred forty-eight dollars per
26 day compensation and necessary mileage and travel expenses as provided in
27 sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due
28 the chairman or a member, plus an allowance for expenses they may incur through
29 service on the board.
- 30 ~~8-6.~~ A board member shall serve ~~a five-year term and~~ until the board member's successor
31 qualifies. Each board member is entitled to one vote, and ~~five~~six of the ~~nine~~eleven.

1 board members constitute a quorum. ~~Five~~Six votes are necessary for resolution or
2 action by the board at any meeting.

3 **SECTION 19. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED**

4 **BENEFIT PLAN INVESTMENTS.** During the biennium beginning July 1, 2023, and ending
5 June 30, 2025, the retirement board and the state investment board shall continue to invest the
6 public employees retirement system main system defined benefit plan based on an actuarial
7 rate of return assumption of at least six and one-half percent, and the retirement board and the
8 state investment board may not make any investment decision with the goal of derisking the
9 investments for this plan during the biennium.

10 **SECTION 20. EXEMPTION - INFRASTRUCTURE REVOLVING LOAN FUND.**

11 Notwithstanding any other provision of law, a park district may apply for a loan from the
12 infrastructure revolving loan fund under section 6-09-49, during the biennium beginning July 1,
13 2023, and ending June 30, 2025, to refinance an outstanding loan for a project completed after
14 March 31, 2022, and to pay the outstanding balance of any special assessments associated
15 with the project.

16 **SECTION 21. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
17 fiscal management division, as contained in section 1 of chapter 15 of the 2021 Session Laws is
18 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
19 appropriation are available for continued development and operating costs of the statewide
20 systems, including accounting, management, and payroll, during the biennium beginning July 1,
21 2023, and ending June 30, 2025.

22 **SECTION 22. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
23 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
24 the biennium beginning July 1, 2023, and ending June 30, 2025:

- 25 1. The sum of \$500,000 appropriated from the strategic investment and improvements
26 fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws
27 and continued into the 2021-23 biennium pursuant to section 42 of chapter 15 of the
28 2021 Session Laws for an assessment of state lands and facilities.
- 29 2. The sum of \$350,000 appropriated from the capitol building fund in section 1 and
30 identified in section 2 of chapter 15 of the 2021 Session Laws for a facility
31 consolidation study.

1 **SECTION 23. LEGISLATIVE MANAGEMENT STUDY - STATE FIRE AND TORNADO**

2 **FUND AND STATE BONDING FUND ADMINISTRATION.** During the 2023-24 interim, the
3 legislative management shall consider studying, in collaboration with the insurance
4 commissioner and the director of the office of management and budget, the feasibility and
5 desirability of changing administration of the state fire and tornado fund and state bonding fund
6 from the insurance commissioner to the director of the office of management and budget. The
7 study must include an analysis of the statutory changes necessary to accomplish the change in
8 administration and other statutory changes necessary to facilitate the office of management and
9 budget's administration of these funds. The legislative management shall report its findings and
10 recommendations, together with any legislation required to implement the recommendations, to
11 the sixty-ninth legislative assembly.

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

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

30 **SECTION 25. LEGISLATIVE MANAGEMENT STUDY - GUARDIANSHIP PROGRAMS.**

31 During the 2023-24 interim, the legislative management shall study the state's guardianship

1 programs. The study must include consideration of the existing structure for the programs under
2 the office of management and budget, judicial branch, and department of health and human
3 services; the feasibility of consolidating the programs under one agency; and an appropriate
4 level of funding for the programs. The legislative management shall report its findings and
5 recommendations, together with any legislation required to implement the recommendations, to
6 the sixty-ninth legislative assembly.

7 **SECTION 26. EFFECTIVE DATE.** Section 18 of this Act becomes effective June 1, 2023.

8 **SECTION 27. EMERGENCY.** The following are declared to be an emergency measure:

- 9 1. The targeted market equity pool line item in section 1 of this Act and identified in
10 section 12 of this Act;
- 11 2. The deferred maintenance funding pool line item in section 1 of this Act and identified
12 in section 8 of this Act; and
- 13 3. Sections 4 and 18 of this Act.

	700,000		700,000		500,000		500,000		(200,000)		(200,000)	
Adds one-time funding for the state student internship program			3,659,555	3,659,555	3,659,555	3,659,555	3,659,555	3,659,555			0	0
Adds one-time funding for federal education grants	0.00	\$12,836,319	\$29,184,355	\$42,020,674	0.00	\$6,316,819	\$29,784,355	\$36,101,174	0.00	(\$6,519,500)	\$600,000	(\$5,919,500)
Total one-time funding changes	3.00	\$58,017,935	\$68,082,864	\$126,100,799	0.00	\$109,430,430	\$138,550,645	\$247,981,075	(3.00)	\$51,412,495	\$70,467,781	\$121,880,276
Total Changes to Base Level Funding												
2023-25 Total Funding	111.00	\$91,944,334	\$76,911,173	\$168,855,507	108.00	\$143,356,829	\$147,378,954	\$290,735,783	(3.00)	\$51,412,495	\$70,467,781	\$121,880,276
<i>Federal funds included in other funds</i>			\$8,659,555				\$8,659,555				\$0	
<i>Total ongoing changes as a percentage of base level</i>	2.8%	133.2%	440.6%	196.7%	0.0%	303.9%	1232.0%	495.6%				
<i>Total changes as a percentage of base level</i>	2.8%	171.0%	771.2%	294.9%	0.0%	322.6%	1569.4%	580.0%				

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

	Senate Version		House Version	
Community service supervision fund	Section 3 appropriates funding in the community service supervision fund for distributions to community corrections association regions.		Section 3 appropriates funding in the community service supervision fund for distributions to community corrections association regions.	
Appropriations to other state agencies			Section 4 provides a deficiency appropriation of \$6,500 from other funds to the Office of the Governor for the salaries and wages line item. Section 5 appropriates \$500,000 to the Legislative Council to contract for a forensic audit of the State Auditor.	
Tax relief fund to human service finance fund	Section 4 transfers \$200 million from the tax relief fund to the human service finance fund during the 2023-25 biennium.		Section 6 transfers \$200 million from the tax relief fund to the human service finance fund during the 2023-25 biennium.	
State student internship program	Section 5 authorizes OMB to transfer student internship funding to other state agencies.		Section 7 authorizes OMB to transfer student internship funding to other state agencies.	
Strategic investment and improvements fund	Section 6 identifies \$20 million from SIIF for a deferred maintenance funding pool, designates \$12 million for a boiler replacement project, and authorizes OMB to transfer the funding to other eligible state agencies.		Section 8 identifies \$20 million from SIIF for a deferred maintenance funding pool, designates \$12 million for a boiler replacement project and \$700,000 for water mitigation projects at the Liberty Memorial building, and authorizes OMB to transfer the funding to other eligible state agencies. Section 27 provides an emergency clause for the deferred maintenance funding pool.	
Capitol building fund	Section 7 identifies \$4.8 million from the Capitol building fund for exterior repairs at the Governor's residence (\$300,000), a remodeling project in the Brynhild Haugland Room in the Capitol (\$500,000), and a Capitol window replacement project (\$4 million).		Section 9 identifies \$5.4 million from the Capitol building fund for accessibility improvements (\$150,000), automation upgrades (\$800,000), electrical and mechanical repairs (\$100,000), improvements at the Governor's residence (\$100,000), a remodeling project in the Brynhild Haugland Room in the Capitol (\$250,000), and a Capitol window replacement project (\$4 million).	
Cash management study			Section 10 identifies \$450,000 for OMB to contract for a cash management study.	
Grant and expense designations	Section 8 identifies the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.		Section 11 identifies the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission.	
Salary equity funding pool	Section 9 provides the guidelines for a targeted market equity funding pool and authorizes OMB to transfer salary equity funding to other state agencies. Section 18 provides an emergency clause related to the equity funding.		Section 12 provides the guidelines for a targeted market equity funding pool and authorizes OMB to transfer salary equity funding to other state agencies. Section 27 provides an emergency clause related to the equity funding.	

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

	Senate Version	House Version
State employee compensation adjustments	Section 10 provides guidelines for an average salary increase of 4 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.	Section 13 provides guidelines for an average salary increase of 6 percent to eligible state employees in the 1st year and an average salary increase of 4 percent in the 2nd year of the 2023-25 biennium. Employees whose documented performance does not meet standards would not be eligible for compensation adjustments.
New and vacant FTE funding pool		Section 14 provides the guidelines for the new and vacant FTE funding pool and authorizes OMB to transfer funding to other state agencies.
Capitol building fund continuing appropriation limit	Section 11 amends Section 48-10-02, increasing the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission from \$250,000 to \$750,000.	Section 15 amends Section 48-10-02 to clarify the amount available from the Capitol building fund as a continuing appropriation to the Capitol Grounds Planning Commission is for remodeling projects.
Capitol space rent model	Section 12 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 13 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.	Section 16 amends Section 54-21-19 to authorize agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations. Section 17 creates a new subsection to Section 54-44-11 to authorize OMB to create an operating fund for facility management operations to fund the operations of the Facility Management Division for a new Capitol space rent model.
Motor vehicle excise tax allocations	Section 14 amends Section 57-40.3-10 to allocate 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund. Section 17 provides an effective date related to the change of allocation for the motor vehicle excise tax collections.	
Retirement system		Section 18 increases the size of the Retirement Board from 9 to 11 members. Section 26 provides an effective date and Section 27 provides an emergency clause related to changing the Retirement Board. Section 19 directs the State Investment Board and Retirement Board to continue to invest the main system retirement plan based on an actuarial rate of return without consideration of derisking the plan.
Infrastructure revolving loan fund exemption		Section 20 provides an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project.
Fiscal management exemption	Section 15 allows 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.	Section 21 allows 2021-23 biennium appropriation authority for the Fiscal Management Division of OMB to continue to be available in the 2023-25 biennium.
Unexpended appropriations	Section 16 allows unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium	Section 22 allows unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium
Legislative Management studies		Section 23 provides for a Legislative Management study of the state fire and tornado fund and state bonding fund administration. Section 24 provides for a Legislative Management study of the management and maintenance of state facilities. Section 25 provides for a Legislative Management study of the state's guardianship programs.

23.0269.02050
Title.

Prepared by the Legislative Council staff for
Senator Hogue

April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 8, line 19, after the second boldfaced period insert "The following are declared to be an emergency measure:

1."

Page 8, line 20, replace "are declared to be an emergency measure." with ";

2. The \$120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and Inflation Reduction Act for weatherization and energy programs in the weatherization and energy programs line item and in the estimated income line item in section 1 and identified in sections 2 and 7 of House Bill No. 1018, as approved by the sixty-eight legislative assembly; and
3. The \$26,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight uncrewed aircraft system program in the grants line item in section 1 and identified in sections 2 and 7 of House Bill No. 1018, as approved by the sixty-eighth legislative assembly."

Renumber accordingly



23.0269.02046
Title.

Prepared by the Legislative Council staff for
Representative Vigesaa
April 26, 2023

2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 8, line 20, replace "and" with a comma

Page 8, line 20, after the second "Act" insert ",and Senate Bill No. 2024, as approved by the sixty-eighth legislative assembly"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The Ethics Commission appropriation bill is declared to be an emergency measure.

23.0269.02054
Title.

Prepared by the Legislative Council staff for
Senator Hogue
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 2, replace line 1 with:

"Targeted market equity pool	0	46,000,000	46,000,000"
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Page 2, replace lines 5 through 7 with:

"Total all funds	\$42,754,708	\$97,100,799	\$139,855,507
Less estimated income	<u>8,828,309</u>	<u>53,282,864</u>	<u>62,111,173</u>
Total all funds	\$33,926,399	\$43,817,935	\$77,744,334"

Page 4, line 23, replace "\$41,000,000" with "\$26,800,000"

Page 4, line 24, replace "\$34,000,000" with "\$19,200,000"

Page 4, line 25, after the second "for" insert "state employees of"

Page 4, line 26, replace "state employees" with "agencies, excluding institutions under the control of the state board of higher education,"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adjusts funding for the executive branch targeted market equity pool as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Senate version	\$41,000,000	\$34,000,000	\$75,000,000
Equity pool increase	4,300,000	3,200,000	7,500,000
Remove higher education institutions	<u>(18,500,000)</u>	<u>(18,000,000)</u>	<u>(36,500,000)</u>
Targeted market equity pool - Conference Committee	\$26,800,000	\$19,200,000	\$46,000,000

The House included the same level of funding as the Senate.

23.0269.02080
Title.

Prepared by the Legislative Council staff for
Senator Bekkedahl
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide an appropriation to the department of commerce"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - DEPARTMENT OF COMMERCE - WORKFORCE DEVELOPMENT GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing workforce development grants to tribally controlled community colleges, for the biennium beginning July 1, 2023, and ending June 30, 2025. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2023-24 interim, each tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2024, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2024, regarding the use of grant funds. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added appropriating \$500,000 to the Department of Commerce to provide workforce development grants to tribally controlled community colleges.

23.0269.02034
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 24, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 2, replace line 1 with:

"Targeted market equity pool	0	82,500,000	82,500,000"
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Page 2, replace lines 5 through 7 with:

"Total all funds	\$42,754,708	\$133,600,799	\$176,355,507
Less estimated income	<u>8,828,309</u>	<u>71,482,864</u>	<u>80,311,173</u>
Total all funds	\$33,926,399	\$62,117,935	\$96,044,334"

Page 4, line 23, replace "\$41,000,000" with "\$45,100,000"

Page 4, line 24, replace "\$34,000,000" with "\$37,400,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment increases the targeted market equity funding pool by \$7.5 million, from \$75 million to \$82.5 million. Of the \$7.5 million, \$4.1 million is from the general fund and \$3.4 million is from federal or other funds.

23.0269.02063
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the judicial branch; to provide an appropriation to the legislative council;"

Page 6, after line 3, insert:

"SECTION 11. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - EMPLOYER RETIREMENT CONTRIBUTION POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,846,684, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$5,783,861, or so much of the sum as may be necessary, to the office of management and budget for the purpose of a funding pool for providing funding to executive branch agencies for the increased cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, in accordance with provisions of this section, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority provided in this section in December 2023 to the listed executive branch state agencies as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Governor	\$26,154	\$0	\$26,154
Secretary of state	\$24,295	\$4,050	\$28,345
Office of management and budget	\$95,753	\$16,423	\$112,176
Information technology department	\$104,514	\$525,014	\$629,528
State auditor	\$44,533	\$32,769	\$77,302
State treasurer	\$7,502	\$0	\$7,502
Attorney general	\$110,024	\$90,171	\$200,195
Tax commissioner	\$114,348	\$0	\$114,348
Office of administrative hearings	\$0	\$7,135	\$7,135
Commission of legal counsel for indigents	\$45,111	\$1,268	\$46,379
Retirement and investment office	\$0	\$42,355	\$42,355
Public employees retirement system	\$0	\$36,736	\$36,736
Ethics commission	\$1,957	\$0	\$1,957
Department of public instruction	\$31,605	\$53,383	\$84,988
North Dakota university system	\$39,435	\$16,789	\$56,224
Department of trust lands	\$0	\$40,947	\$40,947
Bismarck state college	\$27,984	\$51,377	\$79,361
Lake region state college	\$14,693	\$20,449	\$35,142
Williston state college	\$8,607	\$12,224	\$20,831

University of North Dakota	\$85,468	\$468,427	\$553,895
University of North Dakota medical school	\$38,691	\$68,304	\$106,995
North Dakota state university	\$83,225	\$330,586	\$413,811
North Dakota state college of science	\$39,509	\$48,760	\$88,269
Dickinson state university	\$15,061	\$19,859	\$34,920
Mayville state university	\$11,331	\$43,952	\$55,283
Minot state university	\$28,234	\$43,679	\$71,913
Valley city state university	\$17,606	\$16,577	\$34,183
Dakota college at Bottineau	\$8,526	\$9,863	\$18,389
North Dakota forest service	\$8,411	\$669	\$9,080
State library	\$16,695	\$3,148	\$19,843
School for the deaf	\$23,099	\$1,617	\$24,716
North Dakota vision services	\$12,195	\$1,382	\$13,577
Center for distance education	\$9,799	\$0	\$9,799
Career and technical education	\$21,878	\$3,144	\$25,022
Department of health and human services - public health	\$49,333	\$156,146	\$205,479
Department of environmental quality	\$51,295	\$119,961	\$171,256
Veterans' home	\$20,372	\$58,979	\$79,351
Indian affairs commission	\$4,454	\$0	\$4,454
Department of veterans' affairs	\$7,261	\$1,075	\$8,336
Department of health and human services - human services	\$1,265,293	\$831,416	\$2,096,709
Protection and advocacy project	\$12,935	\$16,646	\$29,581
Job service North Dakota	\$1,878	\$138,944	\$140,822
Insurance commissioner	\$0	\$51,040	\$51,040
Industrial commission	\$123,610	\$11,031	\$134,641
Department of labor and human rights	\$11,636	\$2,448	\$14,084
Public service commission	\$26,468	\$21,823	\$48,291
Aeronautics commission	\$0	\$8,712	\$8,712
Department of financial institutions	\$0	\$42,723	\$42,723
Securities department	\$0	\$11,771	\$11,771
Bank of North Dakota	\$0	\$181,939	\$181,939
Housing finance agency	\$0	\$53,004	\$53,004
Mill and elevator association	\$0	\$168,887	\$168,887
Workforce safety and insurance	\$0	\$254,365	\$254,365
Highway patrol	\$15,723	\$14,180	\$29,903
Department of corrections and rehabilitation	\$747,240	\$39,519	\$786,759
Adjutant general	\$67,170	\$117,696	\$184,866
Department of commerce	\$65,463	\$12,165	\$77,628
Agriculture commissioner	\$46,693	\$31,803	\$78,496
Upper great plains transportation institute	\$4,868	\$11,964	\$16,832
Branch research centers	\$21,139	\$14,106	\$35,245
NDSU extension service	\$22,744	\$17,085	\$39,829
Northern crops institute	\$797	\$671	\$1,468
NDSU main research center	\$33,694	\$9,151	\$42,845
Agronomy seed farm	\$0	\$2,958	\$2,958
North Dakota racing commission	\$2,008	\$105	\$2,113
State historical society	\$66,191	\$9,389	\$75,580
Council on the arts	\$5,650	\$0	\$5,650
Game and fish department	\$0	\$199,347	\$199,347
Parks and recreation department	\$56,526	\$2,721	\$59,247

Department of water resources	\$0	\$108,163	\$108,163
Department of transportation	\$0	\$1,050,871	\$1,050,871

SECTION 12. APPROPRIATION - JUDICIAL BRANCH - EMPLOYER RETIREMENT CONTRIBUTION FUNDING. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

Salaries and wages			<u>\$347,518</u>
Total all funds			\$347,518
Less estimated income			<u>4,273</u>
Total general fund appropriation			\$343,245

SECTION 13. APPROPRIATION - LEGISLATIVE COUNCIL - EMPLOYER RETIREMENT CONTRIBUTION FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$58,283, or so much of the sum as may be necessary, to the legislative council for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Sections are added appropriating funding to the Office of Management and Budget for executive branch state agencies, the judicial branch, and the Legislative Council for the cost of the 1 percent employer retirement contribution increase included in House Bill No. 1040, as approved by the 68th Legislative Assembly.

✓ 23.0269.02058
Title.

Prepared by the Legislative Council staff for
Representative Heinert
April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after the first comma insert "54-06-14.7,"

Page 1, line 6, after the second comma insert "the state leave sharing program,"

Page 7, after line 2, insert:

"SECTION 12. AMENDMENT. Section 54-06-14.7 of the North Dakota Century Code is amended and reenacted as follows:

54-06-14.7. State leave sharing program - Rulemaking.

1. The human resource management services division of the office of management and budget shall establish a state leave sharing program for permanent employees of the state. The program must provide for a mechanism for state employees to donate accrued annual and sick leave to an employee who does not have available leave who is suffering from a severe, extreme, or life-threatening condition or who is caring for an immediate relative or household member who is suffering from a severe, extreme, or life-threatening condition.
2. A ~~probationary~~, temporary, employee or contracted employee with a limited-term appointment is not eligible to participate in the leave sharing program. An employee may not use more than four months donated leave in any twelve-month period and an employee may not retain leave beyond the occurrence necessitating the leave.
3. The human resource management services division shall:
 - a. Require medical certification from a physician, physician assistant, psychologist, or advanced practice nurse practitioner verifying the severe, extreme, or life-threatening nature of the medical condition and the expected duration of the condition;
 - b. Track the amount of leave taken by permanent state employees under the program; and
 - c. Adopt rules in accordance with chapter 28-32 to implement this section."

Page 8, line 17, replace "14" with "15"

Re-number accordingly

23.0269.02026
Title.

Prepared by the Legislative Council staff for
Senator Luick

April 22, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 3, after line 21, insert:

"SECTION 4. 2021-23 BIENNIUM - APPROPRIATION - LEGISLATIVE ASSEMBLY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000, or so much of the sum as may be necessary, to the legislative assembly for international legislators' forum dues for the period beginning with the effective date of this Act and ending June 30, 2023."

Page 8, line 20, replace "section 9" with "sections 4 and 10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment appropriates \$5,000, as an emergency measure, to the Legislative Assembly for International Legislators' Forum dues assessed in excess of the amount budgeted for fiscal year 2023.

23.0269.02094
Title.

Prepared by the Legislative Council staff for
Senator Wanzek
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, remove lines 18 through 24

Page 2, replace lines 1 through 7 with:

"Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000	0	400,000
Guardianship grants	2,450,000	4,650,000	7,100,000
Prairie public broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000	0	350,000
Targeted market equity pool	0	75,000,000	75,000,000
State student internship program	0	700,000	700,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	<u>0</u>	<u>20,000,000</u>	<u>20,000,000</u>
Total all funds	\$42,754,708	\$127,100,799	\$169,855,507
Less estimated income	<u>8,828,309</u>	<u>68,082,864</u>	<u>76,911,173</u>
Total general fund	\$33,926,399	\$59,017,935	\$92,944,33"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Funding of \$1 million from the general fund is added for guardianship grants to provide a total of \$7.1 million.

23.0269.02041
Title.

Prepared by the Legislative Council staff for
Representative Porter
April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 5, after "Code" insert ", subsection 2 of section 54-52-06.4 of the North Dakota Century Code as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, and subsection 4 of section 54-52-17 of the North Dakota Century Code as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert ", and the public employees retirement system plan for state peace officers"

Page 7, after line 23, insert:

"SECTION 14. AMENDMENT. Subsection 2 of section 54-52-06.4 of the North Dakota Century Code as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

- 2. The employer of a peace officer employed by the ~~bureau of criminal investigation~~state or national guard security officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment.

SECTION 15. AMENDMENT. Subsection 4 of section 54-52-17 of the North Dakota Century Code as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

- 4. The board shall calculate retirement benefits as follows:
 - a. Normal retirement benefits for all retirees, except supreme and district court judges, peace officers employed by the bureau of criminal investigation, and other peace officers employed by the state, reaching normal retirement date equal an annual amount, payable monthly, comprised of a service benefit and a prior service benefit, as defined in this chapter, which is determined as follows:
 - (1) For members first enrolled:
 - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.

- (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
 - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- b. Normal retirement benefits for all supreme and district court judges under the public employees retirement system reaching normal retirement date equal an annual amount, payable monthly, comprised of a benefit as defined in this chapter, determined as follows:
- (1) Benefits must be calculated from the time of appointment or election to the bench and must equal three and one-half percent of final average salary multiplied by the first ten years of judicial service, two and eighty hundredths percent of final average salary multiplied by the second ten years of judicial service, and one and one-fourth percent of final average salary multiplied by the number of years of judicial service exceeding twenty years.
 - (2) Service benefits must include, in addition, an amount equal to the percent specified in subdivision a of final average salary multiplied by the number of years of nonjudicial employee service and employment.
- c. Normal retirement benefits for a peace officer employed by the bureau of criminal investigation reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
- (1) ~~For members first enrolled:~~
 - (a) ~~Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.~~
 - (b) ~~After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment~~The first twenty years of credited service multiplied by three percent of final average salary.
 - (2) ~~Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment~~For years in excess of twenty years of credited service multiplied by one and seventy-five hundredths percent of final average salary.
- d. Normal retirement benefits for a peace officer employed by the state, other than by the bureau of criminal investigation, reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
- (1) For members first enrolled:

- (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
 - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
- (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- e. Postponed retirement benefits are calculated as for single life benefits for those members who retired on or after July 1, 1977.
- f. Early retirement benefits are calculated as for single life benefits accrued to the date of termination of employment, but must be actuarially reduced to account for benefit payments beginning before the normal retirement date, as determined under subsection 3. Except for a national guard security officer or firefighter, a firefighter, peace officer, or correctional officer employed by a political subdivision, a peace officer employed by the state, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, is eligible for early retirement benefits only after having completed three years of eligible employment. A supreme or district court judge retiree is eligible for early retirement benefits only after having completed five years of eligible employment.
- g. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's primary social security benefits and by any workforce safety and insurance benefits paid. The minimum monthly disability retirement benefit under this section is one hundred dollars."

Page 8, line 17, replace "14" with "16"

Renumber accordingly

23.0269.02042
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the Senate accede to the House amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be further amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of career and technical education;"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$26,500,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium for the biennium beginning July 1, 2023, and ending June 30, 2025. The department of career and technical education shall distribute the funding to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this section is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment appropriates \$26.5 million from the strategic investment and improvements fund to the Department of Career and Technical Education for inflationary costs of career academy projects under the statewide area career center initiative grant program.

23.0269.02065
Title.

Prepared by the Legislative Council staff for
Representative Louser
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "sections" insert "15.1-36-02, 15.1-36-04,"

Page 1, line 5, after "to" insert "loans from the coal development trust fund for school projects affected by unanticipated construction inflation."

Page 6, after line 3, insert:

"SECTION 11. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, ~~or~~ an emergency repair, or a legislatively defined condition, and the board of a school district shall:
 - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall consider each loan application in the order ~~it~~ the application received approval under section 15.1-36-01.
4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
 - a. For a loan made under this section:
 - ~~a.~~(1) The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is ~~two~~ five million dollars;
 - ~~b.~~(2) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and

- e.(3) The interest rate of the loan may not exceed two percent per year.
 - b. During the 2023-25 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under subsection 2 of this section. For a loan made under this section which includes additional expenses due to unanticipated construction inflation:
 - (1) The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021, and before June 30, 2024;
 - (2) The maximum loan amount for which a school district may qualify is five million dollars;
 - (3) The interest rate on the loan may not exceed two percent per year;
 - (4) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
 - (5) The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law..
5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 12. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, an emergency repair, or a legislatively defined condition, and the board of a school district shall:
 - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall consider each loan application in the order the application received approval under section 15.1-36-01.
4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
 - a. For a loan made under this section:
 - ~~(1)~~a. The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is five million dollars;
 - ~~(2)~~b. The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
 - ~~(3)~~c. The interest rate of the loan may not exceed two percent per year.
 - b. ~~During the 2023-24 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under subsection 2 of this section. For a loan made under this section which includes additional expenses due to unanticipated construction inflation:~~
 - ~~(1) The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021 and before June 30, 2024;~~
 - ~~(2) The maximum loan amount for which a school district may qualify is five million dollars;~~
 - ~~(3) The interest rate on the loan may not exceed two percent per year;~~

- (4) ~~The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and~~
 - (5) ~~The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law.~~
5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 13. AMENDMENT. Section 15.1-36-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-04. Evidences of indebtedness.

~~The~~Except as otherwise provided in this chapter, the board of a school district may issue and sell evidences of indebtedness under chapter 21-02 or 21-03 to finance the construction or improvement of a project approved under this chapter. The principal amount of the loan and the evidences of indebtedness to repay the loan may not exceed the loan amount for which the district is eligible under this chapter. Evidences of indebtedness issued under this chapter or chapter 21-03 constitute a general obligation of the school district."

Page 8, line 17, replace "14" with "17"

Page 8, line 18, after the period insert "Section 12 of this Act becomes effective on July 1, 2024."

Renumber accordingly

23.0269.02049
Title.

Prepared by the Legislative Council staff for
Senator Hogue

April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "reenact" insert "section 24-02-37.3 as amended in section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, and"

Page 1, line 5, after "to" insert "the flexible transportation fund,"

Page 6, after line 3, insert:

"SECTION 11. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 10. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

24-02-37.3. Flexible transportation fund - Budget section approval - Report.

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

1. The flexible transportation fund must be administered and expended by the director and may be used for the following:
 - a. Providing a match for federal funding obtained by the department of transportation.
 - b. State-funded road and bridge construction and maintenance, and transportation support costs including staffing, facilities, and operational expenditures on the state highway system.
 - c. State-funded road and bridge construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.
2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.

3. The director must receive budget section approval for any project that utilizes more than ~~fifteen~~ million dollars from the fund except for projects that match federal or private funds and the amount utilized from the fund is fifty percent or less of total project costs. Any request considered by the budget section must comply with section 54-35-02.9.
4. The director shall allocate at least twenty-five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil-producing county and township road and bridge projects as follows:
 - a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;
 - b. The department shall establish criteria to distribute the funds;
 - c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;
 - d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;
 - e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and
 - f. For purposes of this subsection, "non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.
5. The director shall provide periodic reports to the budget section regarding the status of the fund and projects receiving allocations from the fund."

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

DeRise

23.0269.02064
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after "collections" insert "; to provide for investment of the public employees retirement system funds"

Page 6, after line 3, insert:

"SECTION 11. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the 2023-25 biennium, the retirement board may not reduce the actuarial rate of return assumption for the public employees retirement system main system defined benefit plan below six and one-half percent."

Page 8, line 17, replace "14" with "15"

Renumber accordingly

23.0269.02084
Title.

Prepared by the Legislative Council staff for
Senator Schaible
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of public instruction;"

Page 1, line 4, replace "sections" with "section 15.1-27-04.1 as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, and sections"

Page 1, line 5, after the second "the" insert "baseline funding and the determination of state school aid,"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - INTEGRATED FORMULA PAYMENTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing integrated formula payments, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 5, line 9, replace "10" with "11"

Page 6, after line 3, insert:

"SECTION 12. AMENDMENT. Section 15.1-27-04.1 of the North Dakota Century Code as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective through June 30, 2025)

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
 - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
 - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
 - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
 - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed

by the superintendent of public instruction in accordance with section 15.1-02-08;

- (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2021-22 school year, seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, and an additional seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid each school year thereafter, until the 2024-25 school year when sixty-eight percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
 - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
 - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
- (1) Mobile home tax revenue;
 - (2) Telecommunications tax revenue; and
 - (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit; and
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became

an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.

2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
 - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
 - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the ~~2021-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by

~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.

- b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~sixty~~~~fifty-five~~ percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and
 - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
 - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
 - (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts

meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

- (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.
5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
 - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

Baseline funding - Establishment - Determination of state aid. (Effective after June 30, 2025)

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
 - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
 - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
 - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
 - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code

2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

- (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2025-26 school year, eighty-five percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
 - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
 - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
- (1) Mobile home tax revenue;
 - (2) Telecommunications tax revenue; and
 - (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.

2.
 - a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
 - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
 - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. ~~The~~For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the ~~2021-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
3.
 - a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;
 - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.
 - b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;

- (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or
 - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~sixty~~sixty-five percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district; and
 - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
 - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
 - (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.
 - (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.

5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
 - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes."

Page 8, line 17, replace "14" with "16"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides statutory changes to the transition minimum adjustments, as approved in Senate Bill No. 2284, and provides an appropriation of \$3 million from the general fund for the increase in integrated formula payments to school districts.



23.0269.02090
Title.

Prepared by the Legislative Council staff for
Representative Weisz
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 16, insert:

"SECTION 3. APPROPRIATION - RURAL SENIOR CENTER INFRASTRUCTURE GRANT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing a rural senior center infrastructure grant to an organization in Wells County located in a city with a population between 1,500 and 1,800 according the 2020 census, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

23.0269.02089
Title.

Prepared by the Legislative Council staff for
Senator Bekkedahl
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation for capital projects of various institutions under the control of the state board of higher education; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects;"

Page 1, line 7, after the first semicolon insert "to amend and reenact section 2 of House Bill No. 1003, as approved by the sixty-eighth legislative assembly; to repeal section 5 and subsections 1 and 2 of section 14 of House Bill No. 1003, as approved by the sixty-eighth legislative assembly;"

Page 3, after line 21, insert:

"SECTION 4. PROJECT AUTHORIZATIONS - APPROPRIATION. Subject to the provisions of this section, the industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act and ending June 30, 2021. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2025. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2025, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered before that date. The proceeds of the evidences of indebtedness and other available funds are appropriated to the institutions listed in this section, beginning with the effective date of this Act and ending June 30, 2025, for the following projects:

Williston state college medical health care building	\$27,962,053
University of North Dakota science, engineering, and national security corridor	57,400,000
North Dakota state university center for engineering and computational sciences	59,000,000
North Dakota state college of science agriculture, automation, and autonomous systems	18,975,000
Dickinson state university agriculture and technical education building	17,100,000
Mayville state university old main renovation	15,000,000
Minot state university Dakota hall demolition	765,000
Valley City state university McCarthy hall renovation	10,474,918
Dakota college at Bottineau old main renovation	<u>3,300,000</u>
Total bond proceeds	\$209,976,971

1. An institution must have pledged local matching funds allocated to a project prior to expending any funding from bond proceeds for the project.
2. If an institution is unable to provide the appropriated amount of matching funds for a capital project provided for in this Act and House Bill No. 1003, as approved by the sixty-eighth legislative assembly, the institution may

only spend a proportional amount of funding from bond proceeds for the project. If an institution is unable to provide necessary matching funds by June 30, 2027, to complete the project in whole or in part, the appropriation from bond proceeds must be canceled."

Page 5, line 9, replace "10" with "11"

Page 7, after line 30, insert:

"SECTION 16. AMENDMENT. Section 2 of House Bill No. 1003, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect 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:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Capital projects—strategic investment and improvements—fund	\$0	\$209,976,971
<u>Capital projects - bond proceeds</u>	<u>\$0</u>	<u>\$209,976,971</u>
Capital project inflation - general fund	0	18,160,000
Capital projects - other funds	4,363,000	201,747,055
University of North Dakota national security initiative	0	9,000,000
North Dakota state university additional minimum amount payable adjustment	0	4,800,000
North Dakota state college of science additional minimum amount payable adjustment	0	1,005,347
Mayville state university discretionary funding	0	1,750,000
Bismarck state college polytechnic building and transition	38,000,000	0
University of North Dakota space command initiative	4,000,000	0
University of North Dakota airport apron	5,000,000	0
University of North Dakota Merrifield hall	50,000,000	0
University of North Dakota space education and research	10,000,000	0
North Dakota state university settlement agreement	125,000	0
North Dakota state university high-performance computing	1,600,000	0
North Dakota state university agricultural products development center	50,000,000	0
Dickinson state university Pulver hall and other projects	4,000,000	0
Mayville state university natural gas boiler project	1,600,000	0
Minot state university Hartnett hall	25,000,000	0
Valley City state university land purchase	309,000	0
Hyperbaric oxygen therapy	2,104,121	0
Math pathways	150,000	0
Higher education challenge grants	11,150,000	20,000,000
Dakota digital academy	475,000	450,000
Financial aid software	0	1,669,354
Total all funds	\$207,876,121	\$468,558,727
Total other funds	<u>190,851,121</u>	<u>411,724,026</u>
Total general fund	\$17,025,000	\$56,834,701

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The state board of higher education shall report to the appropriations committees of the sixty-ninth

legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 17. REPEAL. Section 5 of House Bill No. 1003 and subsections 1 and 2 of section 14 of House Bill No. 1003, as approved by the sixty-eighth legislative assembly, are repealed."

Page 8, line 17, replace "14" with "15"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment changes the source of funding for \$209,976,971 of higher education capital projects from the strategic investment and improvements fund to bond proceeds.

23.0269.02072
Title.

Prepared by the Legislative Council staff for
Senator Bekkedahl
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2178 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 6, after line 3, insert:

"SECTION 11. EXEMPTION - APPROPRIATION - FEDERAL STATE FISCAL RECOVERY FUND - TRANSFER OF APPROPRIATION AUTHORITY - SPENDING RESTRICTION - REPORT.

1. Notwithstanding any other provision of law, on December 1, 2024, the office of management and budget shall transfer any uncommitted federal state fiscal recovery fund appropriation authority from the state agency that received the appropriation authority to the department of corrections and rehabilitation for the purpose of defraying the expenses of salaries and wages and other operating costs of the department of corrections and rehabilitation for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. The office of management and budget shall transfer any uncommitted accumulated interest and earnings of the federal state fiscal recovery fund to the department of corrections and rehabilitation during the biennium beginning July 1, 2023, and ending June 30, 2025. Any interest and earnings received by the department of corrections and rehabilitation under this section are appropriated to the department for the purpose of defraying the expenses of salaries and wages and other operating costs of the department for the biennium beginning July 1, 2023, and ending June 30, 2025.
3. The department of corrections and rehabilitation may not spend general fund savings resulting from the use of the federal state fiscal recovery fund moneys.
4. The office of management and budget shall report to the budget section regarding any appropriation authority and interest and earnings transferred under this section."

Page 8, line 17, replace "14" with "15"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added authorizing the Office of Management and Budget to transfer any uncommitted federal State Fiscal Recovery Fund appropriation authority from the state agency that received the appropriation and any accumulated interest and earnings to the Department of Corrections and Rehabilitation during the 2023-25 biennium.

23.0269.02055
Title.

Prepared by the Legislative Council staff for
Senator Hogue

April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2178 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of labor and human rights;"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - DEPARTMENT OF LABOR AND HUMAN RIGHTS - OCCUPATIONAL AND PROFESSIONAL BOARDS - ONE-TIME FUNDING.
There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of labor and human rights for the purpose of defraying expenses of analyzing the administration of occupational and professional boards as provided for in Senate Bill No. 2249, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025. This funding is considered a one-time funding item."

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added appropriating \$50,000 from the general fund to the Department of Labor and Human Rights for analyzing the administration of occupational and professional boards.

23.0269.02023
Title.

Prepared by the Legislative Council staff for
Senator Luick

April 21, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 5, after "57-40.3-10" insert ", and section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly,"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert ", and joint water resource boards"

Page 8, after line 16, insert:

"SECTION 17. AMENDMENT. Section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

All districts within the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins shall, by agreement, form and remain a member of a joint water resource board relative to the district's respective drainage basin. All agreements and subsequent amendments must be filed with the department of water resources. Notwithstanding other provisions of law, the board of county commissioners of the member districts in the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins shall may approve a levy of tax not to exceed two mills upon the taxable valuation of the real property within each joint board's respective drainage basin."

Renumber accordingly

23.0269.02070
Title.

Prepared by the Legislative Council staff for
Senator Magrum
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after the third semicolon insert "to provide a restriction on carbon dioxide pipelines;"

Page 8, after line 16, insert:

"SECTION 17. RESTRICTION - PUBLIC SERVICE COMMISSION - CARBON PIPELINES. Notwithstanding any law to the contrary, during the 2023-25 biennium, the public service commission may not approve an application for the siting of a carbon dioxide pipeline that carries more than sixty percent of carbon dioxide originating from a source outside the boundaries of the state."

Page 8, line 20, replace "section" with "sections

Page 8, line 20, after "9" insert "and 17"

Renumber accordingly

23.0269.02077
Title.

Prepared by the Legislative Council staff for
Representative Swiontek
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the Senate accede to the House amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Senate Bill No. 2015 be further amended as follows:

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

Page 3, after line 21, insert:

"SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - OFFICE OF LEGAL IMMIGRATION - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of defraying the expenses of the office of legal immigration, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment appropriates \$2 million from the general fund to the Department of Commerce for the Office of Legal Immigration.

*Make,
Definitely needs
to be in OMB for
funding "Office Legal
Immigration". Commerce
neglected to add.
Steve.*

23.0269.02027
Title.

Prepared by the Legislative Council staff for
Representative Prichard
April 22, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the Senate accede to the House amendments as printed on page _____ of the Senate Journal and page 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be further amended as follows:

Page 8, line 16, insert:

"SECTION 26. LEGISLATIVE MANAGEMENT STUDY. During the 2023-24 interim, the legislative management shall consider studying federal funds available to North Dakota. The study must include a review and analysis of federal funds available to state agencies, by program, and the agencies' use of the federal funds. The study must also include, to the extent information is available, a review of federal funds provided directly to political subdivisions, for-profit and nonprofit organizations, and others in the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

23.0269.02053
Title.

Prepared by the Legislative Council staff for
Representative Schreiber-Beck
April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the state board of higher education;"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - STATE BOARD OF HIGHER EDUCATION - WORKFORCE EDUCATION INNOVATION PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of awarding workforce education innovation funds to eligible institutions, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 5, line 9, replace "10" with "11"

Page 8 line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

23.0269.02052
Title.

Prepared by the Legislative Council staff for
Senator Hogue
April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of environmental quality;"

Page 3, after line 16, insert:

"SECTION 3. APPROPRIATION - DEPARTMENT OF ENVIRONMENTAL QUALITY - ONSITE WASTEWATER RECYCLING TECHNICAL COMMITTEE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$40,000, or so much of the sum as may be necessary, to the department of environmental quality for the purpose of providing meeting expense reimbursement to members of the onsite wastewater recycling technical committee, for the biennium beginning July 1, 2023, and ending June 30, 2025. A member of the committee who is not a state employee is entitled to reimbursement for mileage and expenses as provided by law for state officers and employees, to be paid by the department of environmental quality. A state employee who is a member of the committee is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses to be paid by the employing agency."

Page 5, line 9, replace "10" with "11"

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation to the Department of Environmental Quality to reimburse members of the Onsite Wastewater Recycling Technical Committee members for expenses of attending meetings of the committee.

23.0269.02105
Title.

Prepared by the Legislative Council staff for
Senator Wanzek

April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the judicial branch; to provide an appropriation to the legislative council;"

Page 6, after line 3, insert:

"SECTION 11. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - EMPLOYER RETIREMENT CONTRIBUTION POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,563,709, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$6,975,070, or so much of the sum as may be necessary, to the office of management and budget for the purpose of a funding pool for providing funding to executive branch agencies for the increased cost of the employer retirement contribution increases included in House Bill No. 1040, House Bill No. 1183, and House Bill No. 1309, as approved by the sixty-eighth legislative assembly, in accordance with provisions of this section, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority provided in this section to the listed executive branch state agencies as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Governor	\$26,154	\$0	\$26,154
Secretary of state	\$24,295	\$4,050	\$28,345
Office of management and budget	\$95,753	\$16,423	\$112,176
Information technology department	\$104,514	\$525,014	\$629,528
State auditor	\$44,533	\$32,769	\$77,302
State treasurer	\$7,502	\$0	\$7,502
Attorney general	\$1,268,037	\$843,938	\$2,111,975
Tax commissioner	\$114,348	\$0	\$114,348
Office of administrative hearings	\$0	\$7,135	\$7,135
Commission on legal counsel for indigents	\$45,111	\$1,268	\$46,379
Retirement and investment office	\$0	\$42,355	\$42,355
Public employees retirement system	\$0	\$36,736	\$36,736
Ethics commission	\$1,957	\$0	\$1,957
Department of public instruction	\$31,605	\$53,383	\$84,988
North Dakota university system	\$39,435	\$16,789	\$56,224
Department of trust lands	\$0	\$40,947	\$40,947
Bismarck state college	\$31,441	\$56,303	\$87,744
Lake region state college	\$14,693	\$20,449	\$35,142
Williston state college	\$8,607	\$12,224	\$20,831

University of North Dakota	\$100,821	\$520,248	\$621,069
University of North Dakota medical school	\$38,691	\$68,304	\$106,995
North Dakota state university	\$97,772	\$375,024	\$472,796
North Dakota state college of science	\$43,662	\$53,548	\$97,210
Dickinson state university	\$15,061	\$19,859	\$34,920
Mayville state university	\$11,331	\$43,952	\$55,283
Minot state university	\$31,980	\$49,180	\$81,160
Valley City state university	\$17,606	\$16,577	\$34,183
Dakota college at Bottineau	\$8,526	\$9,863	\$18,389
North Dakota forest service	\$8,411	\$669	\$9,080
State library	\$16,695	\$3,148	\$19,843
School for the deaf	\$23,099	\$1,617	\$24,716
North Dakota vision services - school for the blind	\$12,195	\$1,382	\$13,577
Center for distance education	\$9,799	\$0	\$9,799
Department of career and technical education	\$21,878	\$3,144	\$25,022
Department of health and human services - public health	\$49,333	\$156,146	\$205,479
Department of environmental quality	\$51,295	\$119,961	\$171,256
Veterans' home	\$20,372	\$58,979	\$79,351
Indian affairs commission	\$4,454	\$0	\$4,454
Department of veterans' affairs	\$7,261	\$1,075	\$8,336
Department of health and human services - human services	\$1,265,293	\$831,416	\$2,096,709
Protection and advocacy project	\$12,935	\$16,646	\$29,581
Job service North Dakota	\$1,878	\$138,944	\$140,822
Insurance commissioner	\$0	\$51,040	\$51,040
Industrial commission	\$123,610	\$11,031	\$134,641
Department of labor and human rights	\$11,636	\$2,448	\$14,084
Public service commission	\$26,468	\$21,823	\$48,291
Aeronautics commission	\$0	\$8,712	\$8,712
Department of financial institutions	\$0	\$42,723	\$42,723
Securities department	\$0	\$11,771	\$11,771
Bank of North Dakota	\$0	\$181,939	\$181,939
Housing finance agency	\$0	\$53,004	\$53,004
Mill and elevator association	\$0	\$168,887	\$168,887
Workforce safety and insurance	\$0	\$254,365	\$254,365
Highway patrol	\$15,723	\$14,180	\$29,903
Department of corrections and rehabilitation	\$1,111,528	\$59,883	\$1,171,411
Adjutant general	\$128,680	\$235,829	\$364,509
Department of commerce	\$65,463	\$12,165	\$77,628
Agriculture commissioner	\$46,693	\$31,803	\$78,496
Upper great plains transportation institute	\$4,868	\$11,964	\$16,832
Branch research centers	\$21,139	\$14,106	\$35,245
NDSU extension service	\$22,744	\$17,085	\$39,829
Northern crops institute	\$797	\$671	\$1,468
NDSU main research center	\$33,694	\$9,151	\$42,845
Agronomy seed farm	\$0	\$2,958	\$2,958
North Dakota racing commission	\$2,008	\$105	\$2,113
State historical society	\$66,191	\$9,389	\$75,580
Council on the arts	\$5,650	\$0	\$5,650

Game and fish department	\$0	\$381,164	\$381,164
Parks and recreation department	\$148,484	\$8,375	\$156,859
Department of water resources	\$0	\$108,163	\$108,163
Department of transportation	\$0	\$1,050,871	\$1,050,871

SECTION 12. APPROPRIATION - JUDICIAL BRANCH - EMPLOYER

RETIREMENT CONTRIBUTION FUNDING. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

Salaries and wages			<u>\$347,518</u>
Total all funds			\$347,518
Less estimated income			<u>4,273</u>
Total general fund appropriation			\$343,245

SECTION 13. APPROPRIATION - LEGISLATIVE COUNCIL - EMPLOYER

RETIREMENT CONTRIBUTION FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$58,283, or so much of the sum as may be necessary, to the legislative council for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Sections are added appropriating funding to the Office of Management and Budget for executive branch state agencies, the judicial branch, and the Legislative Council for the for the increased cost of the employer retirement contribution increases included in House Bill No. 1040, House Bill No. 1183, and House Bill No. 1309, as approved by the sixty-eighth legislative assembly.

23.0269.02079
Title.

Prepared by the Legislative Council staff for
Senator Hogue

April 28, 2023



PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, remove the second "and"

Page 1, line 5, after "57-40.3-10" insert ", and 54-63.1-04"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert ", and the clean sustainable energy authority duties"

Page 7, after line 23, insert:

"SECTION 14. AMENDMENT. Section 54-63.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-63.1-04. Clean sustainable energy authority - Duties - Report.

1. The authority shall make recommendations to the commission for program guidelines, including eligibility criteria for entities to receive funding under this chapter.
2. The nonvoting technical advisors shall develop a process to review and evaluate projects to determine the technical merits and feasibility of any application, including potential benefits of the development of low-emission technology, the expansion of the development of the state's natural resources or energy production, and the contribution to the economic diversity in the state.
3. The authority may develop a loan program or a loan guarantee program under the clean sustainable energy fund. The Bank of North Dakota shall administer the loan program or loan guarantee program. The interest rate of a loan under this program may not exceed two percent per year. The maximum term of a loan under this section must be approved by the commission based on a recommendation from the authority. The Bank shall review applications for loans or loan guarantees and shall consider the business plan, financial statements, and other information necessary to evaluate the application. To be eligible for a loan or loan guarantee, an entity shall agree to provide the Bank of North Dakota with information as requested. The Bank of North Dakota may develop policies for loan participation with local financial institutions.
4. The authority shall make recommendations to the commission for grant awards, loan approvals, or other financial assistance to provide funding to support research, development, and technological advancements for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery in accordance with this chapter. Any projects, processes, activities, and technologies

selected by the commission for funding must have been recommended by the authority, must demonstrate feasibility based on a technical review conducted by the nonvoting technical advisors of the authority, must have other sources of financial support, and must achieve the priorities and purposes of the program. At the request of the authority, the Bank of North Dakota shall provide a recommendation regarding the economic feasibility of a project, process, activity, or technology under consideration by the authority. The Bank shall review the business plan, financial statements, and other information necessary to provide a recommendation.

5. The authority shall develop a fertilizer development incentive program, including guidelines to provide loan forgiveness. Funding for the fertilizer development incentive program under this subsection is limited to one hundred twenty-five million dollars.
 - a. To be eligible for the fertilizer development incentive program:
 - (1) The fertilizer production facility must be located within the state;
 - (2) The owner of the fertilizer production facility must be an entity domiciled in the United States or Canada;
 - (3) The owner must borrow money under a program administered by the Bank of North Dakota; and
 - (4) The fertilizer production facility must use hydrogen produced by the electrolysis of water.
 - b. Upon completion of the construction of the fertilizer production facility, the authority shall forgive the loan and shall use fertilizer development incentive funding to repay any outstanding amount borrowed, as certified by the Bank. The authority shall request an appropriation from the strategic investment and improvements fund or other funding sources to provide fertilizer development incentive funding to repay any outstanding amount borrowed.
6. The authority may consult with any other state agency necessary to carry out the purposes under this chapter.
- 6-7. Each biennium, the authority shall provide a written report to the legislative management regarding its activities and the program's financial impact on state revenues and the state's economy."

Page 8, line 17, replace "14" with "15"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment requires the Clean Sustainable Energy Authority to develop a fertilizer development incentive program, including guidelines to provide loan forgiveness, and identifies up to \$125 million of funding, which must be requested from the Legislative Assembly by the Clean Sustainable Energy Authority, to repay any outstanding amount borrowed under a program administered by the Bank of North Dakota.

23.0241.02011
Title.

Prepared by the Legislative Council staff for
Representative Davis
April 6, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, after "reenact" insert "subsection 15 of section 57-40.3-04 and"

Page 1, line 4, after "tax" insert "exemptions and"

Page 4, after line 14, insert:

"SECTION 9. AMENDMENT. Subsection 15 of section 57-40.3-04 of the North Dakota Century Code is amended and reenacted as follows:

15. A motor vehicle acquired at any location within this state by an individual who resides within ~~the boundaries of any reservation~~ in this state and who is an enrolled member of a federally recognized Indian tribe."

Page 7, after line 7, insert:

"SECTION 14. EFFECTIVE DATE. Section 9 of this Act is effective for taxable events occurring after June 30, 2023."

Page 7, line 8, replace "9" with "10"

Page 7, line 10, replace "10 and 11" with "11 and 12"

Renumber accordingly

23.0269.02059
 Title.

Prepared by the Legislative Council staff for
 Representative Lefor
 April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 5, after the comma insert "sections 54-52-02.5, 54-52-02.9, 54-52-02.11, and 54-52-02.12 of the North Dakota Century Code as amended in sections 3, 4, 5, and 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, sections 54-52-02.15 and 54-52.2-09 of the North Dakota Century Code as created by sections 7 and 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 3 of section 54-52.6-01 and section 54-52.6-02 of the North Dakota Century Code as amended in sections 14 and 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 1 of section 54-52.6-02.1 and section 54-52.6-02.2 of the North Dakota Century Code as created by sections 16 and 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 2 of section 54-52.6-03 of the North Dakota Century Code as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52.6-09 of the North Dakota Century Code as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, and section 37 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly,"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert ", and closure of the the public employees retirement system defined benefit plan"

Page 7, after line 30, insert:

"SECTION 15. AMENDMENT. Section 54-52-02.5 of the North Dakota Century Code as amended in section 3 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.5. Newly elected and appointed state officials.

1. After December 31, 1999, but before January 1, ~~2025~~2024, an individual elected or appointed to a state office for the first time must, from and after the date that individual qualifies and takes office, be a participating member of the public employees retirement system unless that person makes an election at any time during the first six months after the date the person takes office to participate in the defined contribution retirement plan established under chapter 54-52.6.
2. After December 31, ~~2024~~2023, an individual elected or appointed to a state office for the first time, from and after the date that individual qualifies and takes office, must be a participating member of the defined contribution retirement plan established under chapter 54-52.6, unless at the time of election or appointment the individual is a participating or deferred member under this chapter, in which case the official remains a participating member under this chapter.

3. As used in this section, the phrase "for the first time" means an individual appointed, who, after December 31, 1999, does not hold office as an appointed official at the time of that individual's appointment.

SECTION 16. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code as amended in section 4 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

1. Before January 1, ~~2025~~2024, within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system under this chapter and receive credit for service after enrollment. Monthly, the temporary employee shall pay to the fund an amount equal to fourteen and twelve hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by one percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January ~~2025~~2024.
2. If the temporary employee first enrolled:
 - a. Before January 1, 2020, in addition the temporary employee shall pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2.
 - b. After December 31, 2019, the temporary employee shall pay to the fund an additional amount equal to one and fourteen hundredths percent times the temporary employee's present monthly salary.
3. A temporary employee who is a participating member under this chapter due to employment before January 1, ~~2025~~2024, who becomes a permanent employee after December 31, ~~2024~~2023, qualifies to participate in the defined benefit retirement plan under this chapter and receive credit for service after enrollment.
4. After December 31, ~~2024~~2023, and within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the defined contribution retirement plan under chapter 54-52.6.
5. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. A temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 17. AMENDMENT. Section 54-52-02.11 of the North Dakota Century Code as amended in section 5 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.11. Participation requirements for nonstate elected officials.

1. Before January 1, ~~2025~~2024, eligible elected officials of participating counties, at their individual option, may enroll in the defined benefit plan within the first six months of their term.
2. After December 31, ~~2024~~2023, eligible elected officials of participating counties, at their individual option, may enroll in the defined contribution retirement plan under chapter 54-52.6 within the first six months of their term.

SECTION 18. AMENDMENT. Section 54-52-02.12 of the North Dakota Century Code as amended in section 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.12. Participation requirements for nonstate appointed officials.

1. Nonstate appointed officials of participating employers appointed on or after August 1, 1999, but before January 1, ~~2025~~2024, who meet the participation requirements of this chapter must be enrolled in the defined benefit plan effective within the first month of taking office.
2. After December 31, ~~2024~~2023, nonstate appointed officials of participating employers who meet the participation requirements must be enrolled in the defined contribution retirement plan under chapter 54-52.6 effective within the first month of taking office.

SECTION 19. AMENDMENT. Section 54-52-02.15 of the North Dakota Century Code as created by section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.15. Public employees retirement system main plan - Closure to new hires - Multiple plan membership.

1. Under this section "eligible employee" means a permanent employee who:
 - a. Meets all the eligibility requirements set by this chapter;
 - b. Is at least eighteen years of age;
 - c. Becomes a participating member after December 31, ~~2024~~2023; and
 - d. Is not eligible to participate in the law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
2. Effective January 1, ~~2025~~2024, the public employees retirement system defined benefit main plan maintained for employees is closed to new eligible employees. However, an employee who becomes a participating or deferred member under this chapter before January 1, ~~2025~~2024, remains in the defined benefit retirement plan under this chapter, regardless of being rehired after December 31, ~~2024~~2023.
3. Except as otherwise provided under this section, effective January 1, ~~2025~~2024, an eligible employee who begins employment with an employer

shall participate in the defined contribution retirement plan under chapter 54-52.6 as provided under section 54-52.6-02.1.

4. This section does not impact an employee to the extent the employee is a participating member in one or more of the following enumerated plans: law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
 - a. A participating or deferred member in the defined contribution retirement plan under chapter 54-52.6 who becomes eligible to participate in a plan enumerated under this subsection is eligible to participate in the retirement plan enumerated under this subsection.
 - b. A participating member of a retirement plan enumerated under this subsection who becomes an eligible employee is not eligible to participate in the defined benefit retirement plan under this chapter but instead participates in the defined contribution retirement plan under chapter 54-52.6. However, this subdivision does not apply to an individual who before January 1, ~~2025~~2024, is a participating or a deferred member under this chapter, as that individual continues to participate in the defined benefit retirement plan under this chapter.
5. The board shall adopt rules to implement this section.

SECTION 20. AMENDMENT. Section 54-52.2-09 of the North Dakota Century Code as created by section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.2-09. Employer match for members of defined contribution retirement plan.

An employee who first participated in the defined contribution retirement plan under chapter 54-52.6 after December 31, ~~2024~~2023, who elects to contribute less than the optional three percent of wages or salary under subdivision b of subsection 1 of section 54-52.6-09, who participates in the deferred compensation program under this chapter, qualifies for employer matching of contributions made under this section. The employee may elect to contribute an amount of wages or salary which does not exceed any remaining balance of the optional three percent contribution and the employer shall match this contribution. This section does not limit the ability of an employee to contribute unmatched wages or salary under this chapter, subject to federal contribution limitations.

SECTION 21. AMENDMENT. Subsection 3 of section 54-52.6-01 of the North Dakota Century Code as amended in section 14 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

3. "Eligible employee", for employees who become participating members after December 31, ~~2024~~2023, has the same meaning as provided under section 54-52-02.15. For employees who elected to join the defined contribution retirement plan under this chapter before January 1, ~~2025~~2024, the term includes a permanent state employee, except an employee of the judicial branch or an employee of the board of higher education and state institutions under the jurisdiction of the board of higher

education, who is at least eighteen years of age and who is in a position not classified by the North Dakota human resource management services.

SECTION 22. AMENDMENT. Section 54-52.6-02 of the North Dakota Century Code as amended in section 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02. Election through December 31, ~~2024~~2023.

1. The board shall provide an opportunity for each eligible employee who is a member of the public employees retirement system on September 30, 2001, and who has not made a written election under this section to transfer to the defined contribution retirement plan before October 1, 2001, to elect in writing to terminate membership in the public employees retirement system and elect to become a participating member under this chapter. Except as provided in section 54-52.6-03, an election made by an eligible employee under this section is irrevocable. The board shall accept written elections under this section from eligible employees during the period beginning on July 1, 1999, and ending 12:01 a.m. December 14, 2001. An eligible employee who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. An eligible employee who makes and files a written election under this section ceases to be a member of the public employees retirement system effective twelve midnight December 31, 2001; becomes a participating member in the defined contribution retirement plan under this chapter effective 12:01 a.m. January 1, 2002; and waives all of that person's rights to a pension, annuity, retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective December 31, 2001. This section does not affect an individual's right to health benefits or retiree health benefits under chapter 54-52.1. An eligible employee who is first employed and entered upon the payroll of that person's employer after September 30, 2001, and before January 1, ~~2025~~2024, may make an election to participate in the defined contribution retirement plan established under this chapter at any time during the first six months after the date of employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window.
2. If an individual who is a deferred member of the public employees retirement system on September 30, 2001, is re-employed before January 1, ~~2025~~2024, and by virtue of that employment is again eligible for membership in the public employees retirement system under chapter 54-52, the individual may elect in writing to remain a member of the public employees retirement system or if eligible to participate in the defined contribution retirement plan established under this chapter to terminate membership in the public employees retirement system and become a participating member in the defined contribution retirement plan established under this chapter. An election made by a deferred member under this section is irrevocable. The board shall accept written elections under this section from a deferred member during the period beginning on

the date of the individual's re-employment and ending upon the expiration of six months after the date of that re-employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window. A deferred member who makes and files a written election to remain a member of the public employees retirement system retains all rights and is subject to all conditions as a member of that retirement system. A deferred member who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. A deferred member who makes and files a written election to terminate membership in the public employees retirement system ceases to be a member of the public employees retirement system effective on the last day of the payroll period that includes the date of the election; becomes a participating member in the defined contribution retirement plan under this chapter effective the first day of the payroll immediately following the date of the election; and waives all of that person's rights to a pension, an annuity, a retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective the last day of the payroll that includes the date of the election. This section does not affect any right to health benefits or retiree health benefits to which the deferred member may otherwise be entitled.

3. An eligible employee who elects under this section to participate in the retirement plan established under this chapter must remain a participant even if that employee returns to the classified service or becomes employed by a political subdivision that participates in the public employees retirement system. The contribution amount must be as provided in this chapter, regardless of the position in which the employee is employed. Notwithstanding the irrevocability provisions of this chapter, if a member who elects to participate in the retirement plan established under this chapter becomes a supreme or district court judge, becomes a member of the highway patrol, becomes employed in a position subject to teachers' fund for retirement membership, or becomes an employee of the board of higher education or state institution under the jurisdiction of the board of higher education who is eligible to participate in an alternative retirement program established under subsection 6 of section 15-10-17, the member's status as a member of the defined contribution retirement plan is suspended, and the member becomes a new member of the retirement plan for which that member's new position is eligible. The member's account balance remains in the defined contribution retirement plan, but no new contributions may be made to that account. The member's service credit and salary history that were forfeited as a result of the member's transfer to the defined contribution retirement plan remain forfeited, and service credit accumulation in the new retirement plan begins from the first day of employment in the new position. If the member later returns to employment that is eligible for the defined contribution retirement plan, the member's suspension must be terminated, the member again becomes a member of the defined contribution retirement plan, and the member's account resumes accepting contributions. At the member's option, and pursuant to rules adopted by the board, the member may

transfer any available balance as determined by the provisions of the alternate retirement plan into the member's account under this chapter.

4. After consultation with its actuary, the board shall determine the method by which a participating member or deferred member may make a written election under this section. If the participating member or deferred member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the board may waive this requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
5. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, then the portion that will cause the disqualification does not apply.
6. A participating member under this section who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee.
 - a. The temporary employee electing to participate in the defined contribution retirement plan shall pay into the plan as provided under section 54-52.6-09.6.
 - b. An employer may not pay the temporary employee's contributions.
 - c. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.
7. A former participating member under this section who has accepted a retirement distribution pursuant to section 54-52.6-13 and who subsequently becomes employed by an entity different from the employer with which the member was employed at the time the member retired but which does participate in any state-sponsored retirement plan may, before re-enrolling in the defined contribution retirement plan, elect to permanently waive future participation in the defined contribution retirement plan, whatever plan in which the new employing entity participates, and the retiree health program and maintain that member's retirement status. Neither the member nor the employer are required to make any future retirement contributions on behalf of that employee.
8. After December 31, ~~2024~~2023, an eligible employee is no longer allowed to elect participation under this section.

SECTION 23. AMENDMENT. Subsection 1 of section 54-52.6-02.1 of the North Dakota Century Code as created by section 16 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. Except as otherwise provided under section 54-52-02.5 or 54-52-02.15 or this chapter, effective January 1, ~~2025~~2024, an eligible employee who is

first enrolled shall participate in the defined contribution retirement plan under this chapter.

SECTION 24. AMENDMENT. Section 54-52.6-02.2 of the North Dakota Century Code as created by section 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02.2. Election after December 31, ~~2024~~2023 - Additional employer contribution.

1. As used in this section, "eligible employee" means a permanent state employee who on December 31, ~~2024~~2023, is a participating member of the public employees retirement system main system plan under chapter 54-42, who has been a participating member under chapter 54-52 for no more than five years, and who is at least eighteen years of age.
2. The board shall provide a three-month election period, from January 1, ~~2025~~2024, through March 31, ~~2025~~2024, for an eligible employee to transfer to the defined contribution plan under this chapter pursuant to the rules and policies adopted by the board.
 - a. An election under this section made by a member of the public employees retirement system under chapter 54-52 to transfer to the defined contribution retirement plan under this chapter is irrevocable.
 - b. For an eligible employee who elects to transfer from the public employees retirement system under chapter 54-52 to the defined contribution retirement plan under this chapter, the board shall transfer a lump sum amount from the public employees retirement system fund to the member's account in the defined contribution retirement plan under this chapter. However, if the eligible employee terminates employment before receiving the lump sum transfer under this section, the election made is ineffective and the eligible employee remains a member of the public employees retirement system under chapter 54-52 and retains all the rights and privileges under that chapter.
 - c. The board shall calculate the lump sum amount to be transferred based on the actuarial present value of the eligible employee's accumulated benefit obligation under the public employees retirement system based on the assumption the eligible employee will retire under the earlier applicable normal retirement age, plus interest from January 1, ~~2025~~2024, to the date of transfer, at the rate of one-half of one percent less than the actuarial interest assumption at the time of the election.
 - d. This section does not affect an eligible individual's right to health benefits under chapter 54-52.1.
3. The state employer of an eligible employee who elects under this section to participate in the defined contribution retirement plan under this chapter shall pay an additional annual contribution of three thousand three hundred and thirty-three dollars for up to three years. Under this subsection, the employer shall pay the additional contribution each year the eligible

employee continues permanent employment with the state, beginning January ~~2026~~2025, and extending no further than January ~~2028~~2027.

4. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, that portion that will cause the disqualification does not apply.

SECTION 25. AMENDMENT. Subsection 2 of section 54-52.6-03 of the North Dakota Century Code as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. The board shall calculate the amount to be transferred for persons employed after September 30, 2001, and before January 1, ~~2025~~2024, using only the formula contained in subdivision b of subsection 1.

SECTION 26. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

1.
 - a. A participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly seven percent of the monthly salary or wage paid to the participant.
 - b. A participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly four percent of the monthly salary or wage paid to the participant. In addition, the participating member may elect to contribute monthly up to an additional three percent of the monthly salary or wage paid to the participant.
 - c. This assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter.
2.
 - a. For a participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to seven and twelve-hundredths percent of the monthly salary or wage of the participating member.
 - b. For a participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or

- wage of a participating member, plus up to an additional three percent as an employer matching contribution calculated based on the participating member's election under subdivision b of subsection 1.
- c. For a participating member first enrolled after December 31, 2019, the employer contribution includes an additional increase of one and fourteen-hundredths percent.
 - d. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes.
 - e. If the employer fails to pay the contributions monthly, or fails to otherwise comply with the board's established wage reporting or payroll reporting process requirements, the employer is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction of a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.
3. Each employer, at its option, may pay the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the board in writing.

SECTION 27. AMENDMENT. Section 37 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 37. EFFECTIVE DATE. Sections 9, 31, 33, 34, and 35 of this Act become effective August 1, 2023; sections 1 through 8, sections 11

through 22, sections 24 through 30, and section 32 of this Act become effective January 1, ~~2025~~2024; and sections 10, 23, and 36 of this Act become effective January 1, 2026.

SECTION 28. PUBLIC EMPLOYEES RETIREMENT SYSTEM - RETIREMENT PLAN TRANSITION EDUCATION. During the 2023-25 biennium, the public employees retirement system shall conduct an informational campaign to educate current and prospective state employees of the transition from the defined benefit retirement plan to the defined contribution retirement plan."

Renumber accordingly

23.0269.02112
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 5, after the comma insert "and section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly,"

Page 1, line 7, after the fourth semicolon insert "to provide for application; to provide a retroactive effective date;"

Page 7, after line 30, insert:

"SECTION 15. AMENDMENT. Section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 2. RETROACTIVE EFFECTIVE DATE - APPLICATION.

This Act is retroactively effective and applies for taxable years beginning after December 31, ~~2022~~2021. The limitation on time for filing an abatement claim under section 57-23-04 does not apply to refunds of taxes paid or cancellation of taxes levied for taxable year 2022 on property exempt from taxation under this Act. The board of county commissioners shall direct refund of taxes paid or cancellation of taxes levied on property exempt from taxation under this Act."

Re-number accordingly

23.0269.02107
Title.

Prepared by the Legislative Council staff for
Senator Wanzek
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 2, after the semicolon insert "to provide an appropriation to the adjutant general;"

Page 3, after line 25, insert:

**"SECTION 5. APPROPRIATION - 2021-23 BIENNIUM - ADJUTANT
GENERAL - STATE DISASTER RELIEF FUND - SNOW REMOVAL GRANTS -
REPORT TO LEGISLATIVE MANAGEMENT.**

1. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing full season emergency snow removal grants to tribal governments, counties, cities, and townships, for the period beginning with the effective date of this Act, and ending June 30, 2023.
2. A tribal government, county, township, or city may apply to the department of emergency services for a full season emergency snow removal grant for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through April 30, 2023, which exceeded one hundred fifty percent of the average snow removal cost for the seven-month period of October to April for the four lowest cost years for those years during the period beginning October 1, 2017, through April 30, 2022.
3. Each tribal government, county, city, or township requesting reimbursement under this section shall submit the request in accordance with guidelines developed by the department of emergency services. An award under subsection 2 must be reduced by any amount awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative assembly. A tribal government, county, city, or township may not be required to return any funds awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative assembly, due to the calculation completed under subsection 2.
4. The department of emergency services shall distribute the grants under this section before June 30, 2023, and shall report to the legislative management regarding the grants awarded."

Page 8, line 20, replace "section 9" with "sections 5 and 10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment provides a 2021-23 biennium appropriation of \$5 million from the state disaster relief fund to the Adjutant General for emergency snow removal grants. This amount is in addition to the \$20 million appropriated from the general fund for emergency snow removal grants in Senate Bill No. 2183.

23.0269.02075
Title.

Prepared by the Legislative Council staff for
Senator Hogue
April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 25, insert:

"SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of \$30,000,000 from strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment transfers \$30 million from the strategic investment and improvements fund to the North Dakota Development Fund.

23.0269.02081
Title.

Prepared by the Legislative Council staff for
Senator Bekkedahl
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "reenact" insert "subsection 1 of section 21-10-02 as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, and"

Page 1, line 5, after "to" insert "legacy fund definitions,"

Page 6, after line 3, insert:

"SECTION 11. AMENDMENT. Subsection 1 of section 21-10-12 of the North Dakota Century Code as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. "Earnings" means an amount equal to ~~seven~~eight percent of the five-year average value of the legacy fund assets as reported by the state investment board using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year."

Page 8, after line 16 insert:

"SECTION 18. REPORT - LEGISLATIVE MANAGEMENT - LEGACY FUND EARNINGS. Each biennium, the state retirement and investment office shall provide a report including the amount of legacy fund earnings above the percent of market value that would have been transferred to the legacy earnings fund had Senate Bill No. 2330 not been passed by the sixty-eighth legislative assembly to the legislative management."

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "section" with "sections"

Page 8, line 20, after "9" insert "and 11"

Renumber accordingly

23.0269.02040
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 26, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 2, after "budget" insert "; to provide an appropriation to the department of health and human services for a behavioral health facility grant"

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - BEHAVIORAL HEALTH FACILITY GRANT. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$8,250,000, or so much of the sum as may be necessary, to the department of health and human services for the purpose of providing a behavioral health facility grant, for the biennium beginning July 1, 2023, and ending June 30, 2025. The department of health and human services shall provide the grant as follows:

1. A grant of \$8,250,000 must be provided to establish a behavioral health facility in the badlands human service center service region. The grant recipient must provide matching funds of \$1,950,000 to establish the facility.
2. The department shall require an entity receiving funding under this section to operate the facility for a period of at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years.
3. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.
4. The funding provided under this section is a one-time funding item."

Page 8, line 17, replace "14" with "15"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added appropriating \$8,250,000 from the strategic investment and improvements fund to the Department of Health and Human Services for providing a behavioral health facility grant.

23.0269.02085
Title.

Prepared by the Legislative Council staff for
Senator Bekkedahl
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after the first semicolon insert "to repeal section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly;"

Page 7, after line 30, insert:

"SECTION 15. REPEAL. Section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, is repealed.

SECTION 16. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The Bank of North Dakota shall extend a line of credit not to exceed \$100,000,000 to the department of water resources to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the sixty-ninth legislative assembly to repay the line of credit."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment repeals a transfer of \$100 million of Bank of North Dakota profits to the water infrastructure revolving loan fund authorized in Senate Bill No. 2020. The amendment replaces the transfer of Bank profits with a line of credit from the Bank of North Dakota, to be transferred to the water infrastructure revolving loan fund.

23.0269.02104
Title.

Prepared by the Legislative Council staff for
Representative O'Brien
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 8, line 20, replace "and" with a comma

Page 8, line 20, after the second "Act" insert ", and section 4 of Senate Bill No. 2012, as approved by the sixty-eighth legislative assembly,"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment declares Section 4 of Senate Bill No. 2012, relating to child support payments, to be an emergency measure.

23.0269.02106
Title.

Prepared by the Legislative Council staff for
Representative Bosch
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the information technology department;"

Page 3, after line 21, insert:

**"SECTION 4. APPROPRIATION - INFORMATION TECHNOLOGY
DEPARTMENT - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -
CUSTOMER RELATIONSHIP MANAGEMENT PROGRAM - ONE-TIME FUNDING.**

There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$3,700,000, or so much of the sum as may be necessary, to the information technology department for the purpose of the customer relationship management program, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding in this section is considered a one-time funding item."

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment appropriates \$3.7 million from the strategic investment and improvements fund to the Information Technology Department for the customer relationship management program, also known as the business gateway project.

23.0269.02110
Title.

Prepared by the Legislative Council staff for
Representative Vigesaa
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of commerce;"

Page 3, after line 16, insert:

"SECTION 3. APPROPRIATION - DEPARTMENT OF COMMERCE - RIVERFRONT REVITALIZATION GRANT - MATCHING REQUIREMENTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants for a riverfront revitalization project, for the biennium beginning July 1, 2023, and ending June 30, 2025. Prior to the department of commerce awarding a riverfront revitalization grant, the grant recipient must certify to the department that it has at least \$2,000,000 of matching funds from nonstate sources for the riverfront revitalization project. This funding is considered a one-time funding item."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation to the Department of Commerce to provide a grant for a Bismarck riverfront revitalization project.

23.0269.02096
Title.

Prepared by the Legislative Council staff for
Representative Stemen
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CITY OF HORACE SEWER PROJECT. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing a grant to the city of Horace for a sewer project, for the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides \$2 million from the strategic investment and improvements fund for a sewer project for the city of Horace.

23.0269.02097
Title.

Prepared by the Legislative Council staff for
Representative O'Brien
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the attorney general;"

Page 3, after line 16, insert:

"SECTION 3. APPROPRIATION - COMMUNITY HEALTH TRUST FUND - ATTORNEY GENERAL - ONE-TIME FUNDING. There is appropriated out of any moneys in the community health trust health trust fund in the state treasury, not otherwise appropriated, the sum of \$450,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing a grant to Grand Forks County for law enforcement training facility construction and equipment, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding under this section is considered one-time funding."

Page 5, line 9, replace "10" with "11"

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides one-time funding from the community health trust fund to the Attorney General for a law enforcement training facility in Grand Forks County, including construction and equipment.

23.0269.02098
Title.

Prepared by the Legislative Council staff for
Senator Sickler

April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, after "reenact" insert "subsection 2 of the new section to chapter 19-03.1 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, and"

Page 1, line 5, after the second "the" insert "distribution of illegal drugs, the"

Page 1, line 7, after "report" insert "; to provide a penalty"

Page 6, after line 3, insert:

"SECTION 11. AMENDMENT. Subsection 2 of the new section to chapter 19-03.1 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. An individual is guilty of causing death or injury by distributing a controlled substance if the individual willfully ~~supplies another to deliver a controlled substance to an individual who consumes the controlled substance and that delivers a controlled substance, or supplies another to deliver or consume a controlled substance, and an~~ individual dies or is injured from overdosing after consuming a portion of ~~the~~that controlled substance.
 - a. A violation of this section is a class A felony.
 - b. This section does not limit a conviction under chapter 12.1-16, but an individual may not be found guilty of this section and an offense under chapter 12.1-16 if the conduct arises out of the same course of conduct."

Page 8, line 17, replace "14" with "15"

Renumber accordingly

23.0269.02108
Title.

Prepared by the Legislative Council staff for
Representative Bosch
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 25, insert:

"SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO CLEAN SUSTAINABLE ENERGY FUND. The office of management and budget shall transfer \$20,000,000 from the strategic investment and improvements fund to the clean sustainable energy fund for grants during the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment transfers \$20 million from the strategic investment and improvements fund to the clean sustainable energy fund for grants.

23.0269.02116
Title.

Prepared by the Legislative Council staff for
Representative Bosch
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 21, insert:

"SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - OIL AND GAS RESEARCH FUND. The office of management and budget shall transfer the sum of \$5,000,000 from the strategic investment and improvements fund to the oil and gas research fund during the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment transfers \$5 million from the strategic investment and improvements fund to the oil and gas research fund.

23.0269.02117
Title.

Prepared by the Legislative Council staff for
Representative O'Brien
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 21, insert:

"SECTION 4. APPROPRIATION - LEGISLATIVE COUNCIL - PERFORMANCE AUDIT OF THE STATE AUDITOR - OTHER CONSULTING SERVICES - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for a performance audit of the state auditor and for other consulting services of interim committees, for the biennium beginning July 1, 2023, and ending June 30, 2025. The chairman of legislative management shall arrange for the audit and receive the audit report. The performance audit must address the efficiency and effectiveness of the state auditor's office relative to industry best practices. The performance audit must include a review of the appropriateness of the number of hours to complete audits; methods used to monitor staff time and allocate hours charged to audits; billing processes; quality assurance processes; the adequacy and timeliness of communications with audited entities, governing boards, and the public, and other areas as determined by the chairman of legislative management. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added appropriating \$500,000 from the general fund to the Legislative Council for the Chairman of Legislative Management to contract for a performance audit of the State Auditor's office and for other consulting services of interim committees.

APPROPRIATION - STUDENT SUPPORT FOR SINGLE PARENTS - PILOT PROGRAM - ONE-TIME FUNDING - REPORT.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,500,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of supporting single parents, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. The state board of higher education may provide up to \$250,000 to each institution under its control, each tribally controlled community college in this state, the university of Jamestown, and the university of Mary, to provide support to students who are pregnant or a single parent with a child or children under four years of age.
3. An eligible institution in subsection 2 must submit an application to the state board of higher education in order to receive funding under this section. The application must include the institution's plan identifying how the funding would benefit students enrolled at the institution, the estimated number of students impacted, and the estimated cost.
4. A student enrolled at an eligible institution in subsection 2 is eligible for support under this section if the student is residing in this state and is:
 - a. An unmarried pregnant individual who is experiencing an unintended pregnancy;
 - b. An unmarried individual who experienced an unintended birth while attending the institution; or
 - c. An unmarried individual with a child or children under four years of age.
5. Funding awarded under this section may be used for on-campus room and board and the costs of providing on-campus daycare for the children of students eligible pursuant to subsection 4.
6. If any available dollars have not been granted to an institution by the board before December 31, 2024, the board may allow institutions in subsection 2 to submit applications for any unused funding for the purposes of this section.
7. The state board of higher education may adopt policies and procedures as necessary to enact this section.
8. The state board of higher education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the results of this program, including the number of students assisted at each institution.
9. The funding provided in this section is considered a one-time funding item."

Renumber accordingly

Tyler, Karen J.

From: Ament, DeAnn M.
Sent: Friday, April 7, 2023 4:22 PM
To: Tyler, Karen J.
Subject: Taxable vs. Tax Exempt

Here is a snapshot of what it would look like for a bond sale today:

	Tax Exempt	Taxable
Project Account	\$100,000,000	\$100,000,000
Bond Term	20 years	20 years
Bond Size	\$91,730,000	\$104,555,000
Capitalized Interest	\$ 3,439,875	\$ 3,883,082
Net Interest Cost	3.95%	5.2%
Annual Payment	\$ 7,255,000	\$ 8,368,000
Biennial Payment	\$14,510,000	\$16,736,000

Tax Exempt (Building Authority)
Taxable (Legacy Fund Infrastructure Bonds)

DeAnn Leier Ament, CPA CGMA
Executive Director

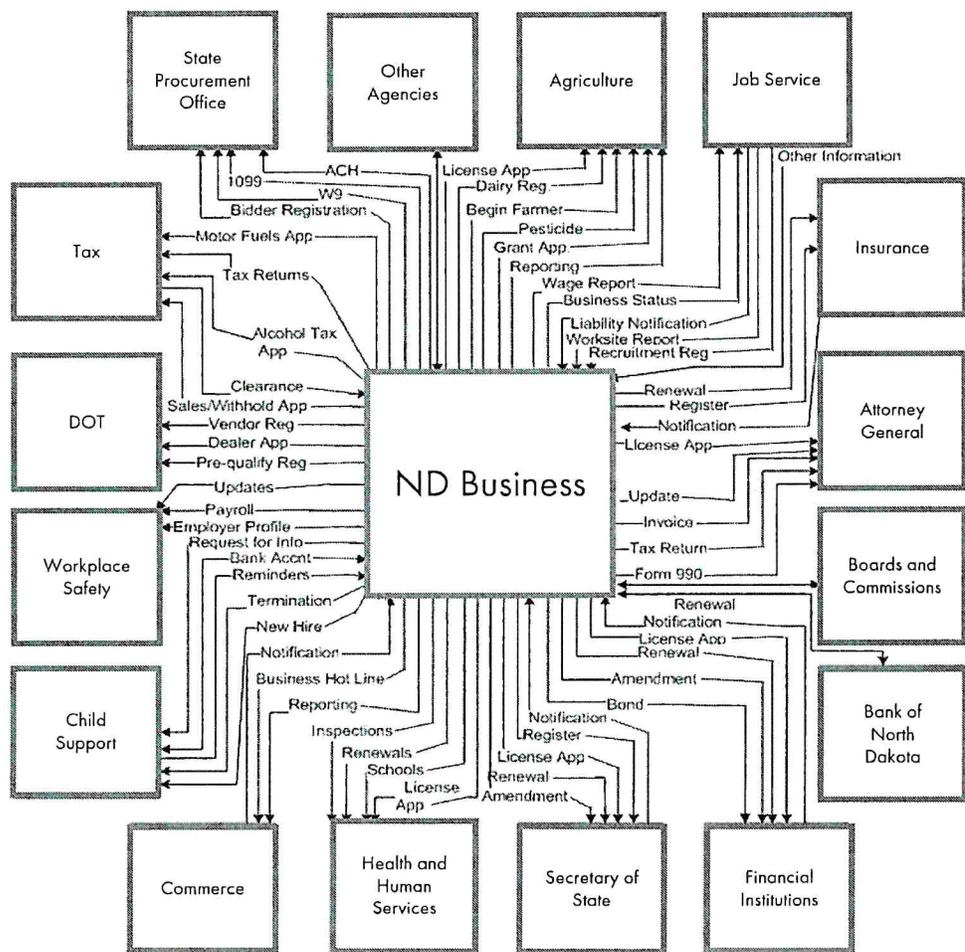
701.426.5723 • dament@nd.gov • www.pfa.nd.gov



North Dakota Business Gateway

CURRENT STATE

Business engagement with state agencies is confusing and difficult.

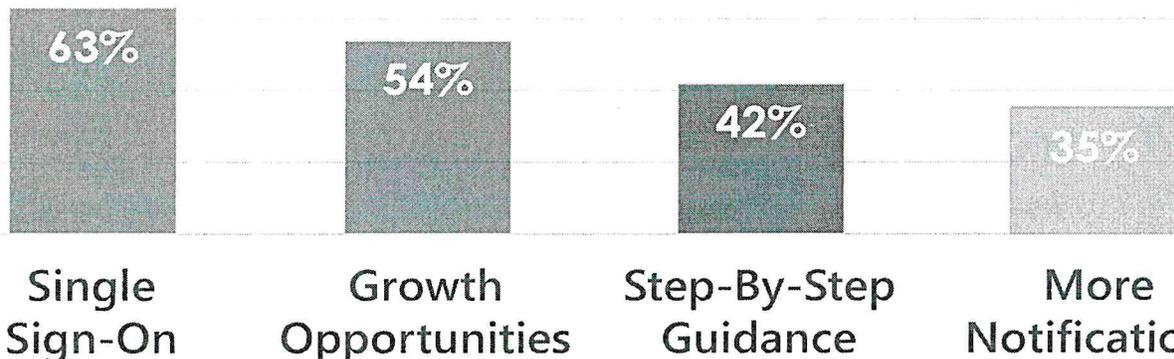


"As a business owner starting a business, there are many things to worry about. I would appreciate having an overall startup guide or links to necessary resources."

"It would be great if instead of having to log into different places, there was a spot or a link to all of them in one place. If everything was under the same umbrella and it told you there was an action item, that would be all you would really need."

"Being sent reminders of things I should be aware of as a new or small business would save me time and lessen my stress."

TOP BUSINESS REQUESTS



North Dakota Business Gateway

FUTURE STATE

A single online experience for establishing, maintaining, and growing business in North Dakota.

ANTICIPATED COST SAVINGS & BENEFITS

Efficiency will be improved for more than **40,000** businesses, resulting in annual savings of at least **\$5 million**.

*Calculated using 42,000 active businesses multiplied by a wage of \$30.00/hour equals \$5,040,000. This does not include anticipated ND State savings.



Pro Business



Grow ND's Economy



Increase Efficiency

TIMELINE

PHASE 4 – Integrated Workflow

User has no idea they are working with different agencies.

PHASE 3 – Business Alignment

Workflows integrated for the user. User still interacts with different agency operational systems.

PHASE 2 – Identity & Single Sign-On

Align remaining identities with North Dakota single sign-on.

PHASE 1 – Links & Workflows

Bring workflows together in a single location.

2023

2024

2025

2026

Mobile & desktop friendly

Simple access

Data sharing across agencies

Business sees single stream of work

Business compliance is frictionless

USER EXPERIENCE

AGENCY COLLABORATION

Department of Commerce
Job Service
NDIT

Secretary of State
Tax Department
Workforce Safety & Insurance

23.0269.02115
Title.

Prepared by the Legislative Council staff for
Representative Bosch
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove the first "a"

Page 1, line 3, replace "subsection" with "subsections"

Page 1, line 3, replace "section" with "sections 10-30.5-02 and"

Page 1, line 3, after the second "to" insert "the purpose and use of the North Dakota development fund and"

Page 6, after line 3, insert:

"SECTION 11. A new subsection to section 10-30.5-02 of the North Dakota Century Code is created and enacted as follows:

Moneys in the fund may be used to provide financing for projects that enhance production of clean sustainable energy in the state only to the extent the project has been recommended by the clean sustainable energy authority under chapter 54-63.1."

Page 8, line 17, replace "14" with "15"

Page 8, line 20, replace "9" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment creates a new subsection to North Dakota Century Code Section 10-30.5-02 to provide funding in the North Dakota Development Fund may be spent on a clean sustainable energy project only if the project has been recommended by the Clean Sustainable Energy Authority.

23.0269.02101
Title.

Prepared by the Legislative Council staff for
Representative Bosch
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 4, remove the second "and"

Page 1, line 5, after "57-40.3-10" insert ", and 54-63.1-04"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert ", and the clean sustainable energy authority duties"

Page 7, after line 23, insert:

"SECTION 14. AMENDMENT. Section 54-63.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-63.1-04. Clean sustainable energy authority - Duties - Report.

1. The authority shall make recommendations to the commission for program guidelines, including eligibility criteria for entities to receive funding under this chapter.
2. The nonvoting technical advisors shall develop a process to review and evaluate projects to determine the technical merits and feasibility of any application, including potential benefits of the development of low-emission technology, the expansion of the development of the state's natural resources or energy production, and the contribution to the economic diversity in the state.
3. The authority may develop a loan program or a loan guarantee program under the clean sustainable energy fund. The Bank of North Dakota shall administer the loan program or loan guarantee program. The interest rate of a loan under this program may not exceed two percent per year. The maximum term of a loan under this section must be approved by the commission based on a recommendation from the authority. The Bank shall review applications for loans or loan guarantees and shall consider the business plan, financial statements, and other information necessary to evaluate the application. To be eligible for a loan or loan guarantee, an entity shall agree to provide the Bank of North Dakota with information as requested. The Bank of North Dakota may develop policies for loan participation with local financial institutions.
4. The authority shall make recommendations to the commission for grant awards, loan approvals, or other financial assistance to provide funding to support research, development, and technological advancements for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery in accordance with this chapter. Any projects, processes, activities, and technologies

23.0269.02114
Title.

Prepared by the Legislative Council staff for
Representative Lefor
April 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 5, after the comma insert "sections 54-52-02.5, 54-52-02.9, 54-52-02.11, and 54-52-02.12 of the North Dakota Century Code as amended in sections 3, 4, 5, and 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, sections 54-52-02.15 and 54-52.2-09 of the North Dakota Century Code as created by sections 7 and 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 3 of section 54-52.6-01 and section 54-52.6-02 of the North Dakota Century Code as amended in sections 14 and 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 1 of section 54-52.6-02.1 and section 54-52.6-02.2 of the North Dakota Century Code as created by sections 16 and 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 2 of section 54-52.6-03 of the North Dakota Century Code as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, and section 54-52.6-09 of the North Dakota Century Code as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly,"

Page 1, line 6, remove "and"

Page 1, line 7, after "collections" insert ", and closure of the the public employees retirement system defined benefit plan"

Page 1, line 8, after the semicolon insert "to provide a contingent effective date;"

Page 7, after line 30, insert:

"SECTION 15. AMENDMENT. Section 54-52-02.5 of the North Dakota Century Code as amended in section 3 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.5. Newly elected and appointed state officials.

1. After December 31, 1999, but before January 1, ~~2025~~2024, an individual elected or appointed to a state office for the first time must, from and after the date that individual qualifies and takes office, be a participating member of the public employees retirement system unless that person makes an election at any time during the first six months after the date the person takes office to participate in the defined contribution retirement plan established under chapter 54-52.6.
2. After December 31, ~~2024~~2023, an individual elected or appointed to a state office for the first time, from and after the date that individual qualifies and takes office, must be a participating member of the defined contribution retirement plan established under chapter 54-52.6, unless at the time of election or appointment the individual is a participating or deferred member under this chapter, in which case the official remains a participating member under this chapter.

3. As used in this section, the phrase "for the first time" means an individual appointed, who, after December 31, 1999, does not hold office as an appointed official at the time of that individual's appointment.

SECTION 16. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code as amended in section 4 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

1. Before January 1, ~~2025~~2024, within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system under this chapter and receive credit for service after enrollment. Monthly, the temporary employee shall pay to the fund an amount equal to fourteen and twelve hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by one percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January ~~2025~~2024.
2. If the temporary employee first enrolled:
 - a. Before January 1, 2020, in addition the temporary employee shall pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2.
 - b. After December 31, 2019, the temporary employee shall pay to the fund an additional amount equal to one and fourteen hundredths percent times the temporary employee's present monthly salary.
3. A temporary employee who is a participating member under this chapter due to employment before January 1, ~~2025~~2024, who becomes a permanent employee after December 31, ~~2024~~2023, qualifies to participate in the defined benefit retirement plan under this chapter and receive credit for service after enrollment.
4. After December 31, ~~2024~~2023, and within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the defined contribution retirement plan under chapter 54-52.6.
5. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. A temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 17. AMENDMENT. Section 54-52-02.11 of the North Dakota Century Code as amended in section 5 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.11. Participation requirements for nonstate elected officials.

1. Before January 1, ~~2025~~2024, eligible elected officials of participating counties, at their individual option, may enroll in the defined benefit plan within the first six months of their term.
2. After December 31, ~~2024~~2023, eligible elected officials of participating counties, at their individual option, may enroll in the defined contribution retirement plan under chapter 54-52.6 within the first six months of their term.

SECTION 18. AMENDMENT. Section 54-52-02.12 of the North Dakota Century Code as amended in section 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.12. Participation requirements for nonstate appointed officials.

1. Nonstate appointed officials of participating employers appointed on or after August 1, 1999, but before January 1, ~~2025~~2024, who meet the participation requirements of this chapter must be enrolled in the defined benefit plan effective within the first month of taking office.
2. After December 31, ~~2024~~2023, nonstate appointed officials of participating employers who meet the participation requirements must be enrolled in the defined contribution retirement plan under chapter 54-52.6 effective within the first month of taking office.

SECTION 19. AMENDMENT. Section 54-52-02.15 of the North Dakota Century Code as created by section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52-02.15. Public employees retirement system main plan - Closure to new hires - Multiple plan membership.

1. Under this section "eligible employee" means a permanent employee who:
 - a. Meets all the eligibility requirements set by this chapter;
 - b. Is at least eighteen years of age;
 - c. Becomes a participating member after December 31, ~~2024~~2023; and
 - d. Is not eligible to participate in the law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
2. Effective January 1, ~~2025~~2024, the public employees retirement system defined benefit main plan maintained for employees is closed to new eligible employees. However, an employee who becomes a participating or deferred member under this chapter before January 1, ~~2025~~2024, remains in the defined benefit retirement plan under this chapter, regardless of being rehired after December 31, ~~2024~~2023.
3. Except as otherwise provided under this section, effective January 1, ~~2025~~2024, an eligible employee who begins employment with an employer

shall participate in the defined contribution retirement plan under chapter 54-52.6 as provided under section 54-52.6-02.1.

4. This section does not impact an employee to the extent the employee is a participating member in one or more of the following enumerated plans: law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
 - a. A participating or deferred member in the defined contribution retirement plan under chapter 54-52.6 who becomes eligible to participate in a plan enumerated under this subsection is eligible to participate in the retirement plan enumerated under this subsection.
 - b. A participating member of a retirement plan enumerated under this subsection who becomes an eligible employee is not eligible to participate in the defined benefit retirement plan under this chapter but instead participates in the defined contribution retirement plan under chapter 54-52.6. However, this subdivision does not apply to an individual who before January 1, ~~2025~~2024, is a participating or a deferred member under this chapter, as that individual continues to participate in the defined benefit retirement plan under this chapter.
5. The board shall adopt rules to implement this section.

SECTION 20. AMENDMENT. Section 54-52.2-09 of the North Dakota Century Code as created by section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.2-09. Employer match for members of defined contribution retirement plan.

An employee who first participated in the defined contribution retirement plan under chapter 54-52.6 after December 31, ~~2024~~2023, who elects to contribute less than the optional three percent of wages or salary under subdivision b of subsection 1 of section 54-52.6-09, who participates in the deferred compensation program under this chapter, qualifies for employer matching of contributions made under this section. The employee may elect to contribute an amount of wages or salary which does not exceed any remaining balance of the optional three percent contribution and the employer shall match this contribution. This section does not limit the ability of an employee to contribute unmatched wages or salary under this chapter, subject to federal contribution limitations.

SECTION 21. AMENDMENT. Subsection 3 of section 54-52.6-01 of the North Dakota Century Code as amended in section 14 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

3. "Eligible employee", for employees who become participating members after December 31, ~~2024~~2023, has the same meaning as provided under section 54-52-02.15. For employees who elected to join the defined contribution retirement plan under this chapter before January 1, ~~2025~~2024, the term includes a permanent state employee, except an employee of the judicial branch or an employee of the board of higher education and state institutions under the jurisdiction of the board of higher

education, who is at least eighteen years of age and who is in a position not classified by the North Dakota human resource management services.

SECTION 22. AMENDMENT. Section 54-52.6-02 of the North Dakota Century Code as amended in section 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02. Election through December 31, ~~2024~~2023.

1. The board shall provide an opportunity for each eligible employee who is a member of the public employees retirement system on September 30, 2001, and who has not made a written election under this section to transfer to the defined contribution retirement plan before October 1, 2001, to elect in writing to terminate membership in the public employees retirement system and elect to become a participating member under this chapter. Except as provided in section 54-52.6-03, an election made by an eligible employee under this section is irrevocable. The board shall accept written elections under this section from eligible employees during the period beginning on July 1, 1999, and ending 12:01 a.m. December 14, 2001. An eligible employee who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. An eligible employee who makes and files a written election under this section ceases to be a member of the public employees retirement system effective twelve midnight December 31, 2001; becomes a participating member in the defined contribution retirement plan under this chapter effective 12:01 a.m. January 1, 2002; and waives all of that person's rights to a pension, annuity, retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective December 31, 2001. This section does not affect an individual's right to health benefits or retiree health benefits under chapter 54-52.1. An eligible employee who is first employed and entered upon the payroll of that person's employer after September 30, 2001, and before January 1, ~~2025~~2024, may make an election to participate in the defined contribution retirement plan established under this chapter at any time during the first six months after the date of employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window.
2. If an individual who is a deferred member of the public employees retirement system on September 30, 2001, is re-employed before January 1, ~~2025~~2024, and by virtue of that employment is again eligible for membership in the public employees retirement system under chapter 54-52, the individual may elect in writing to remain a member of the public employees retirement system or if eligible to participate in the defined contribution retirement plan established under this chapter to terminate membership in the public employees retirement system and become a participating member in the defined contribution retirement plan established under this chapter. An election made by a deferred member under this section is irrevocable. The board shall accept written elections under this section from a deferred member during the period beginning on

the date of the individual's re-employment and ending upon the expiration of six months after the date of that re-employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window. A deferred member who makes and files a written election to remain a member of the public employees retirement system retains all rights and is subject to all conditions as a member of that retirement system. A deferred member who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. A deferred member who makes and files a written election to terminate membership in the public employees retirement system ceases to be a member of the public employees retirement system effective on the last day of the payroll period that includes the date of the election; becomes a participating member in the defined contribution retirement plan under this chapter effective the first day of the payroll immediately following the date of the election; and waives all of that person's rights to a pension, an annuity, a retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective the last day of the payroll that includes the date of the election. This section does not affect any right to health benefits or retiree health benefits to which the deferred member may otherwise be entitled.

3. An eligible employee who elects under this section to participate in the retirement plan established under this chapter must remain a participant even if that employee returns to the classified service or becomes employed by a political subdivision that participates in the public employees retirement system. The contribution amount must be as provided in this chapter, regardless of the position in which the employee is employed. Notwithstanding the irrevocability provisions of this chapter, if a member who elects to participate in the retirement plan established under this chapter becomes a supreme or district court judge, becomes a member of the highway patrol, becomes employed in a position subject to teachers' fund for retirement membership, or becomes an employee of the board of higher education or state institution under the jurisdiction of the board of higher education who is eligible to participate in an alternative retirement program established under subsection 6 of section 15-10-17, the member's status as a member of the defined contribution retirement plan is suspended, and the member becomes a new member of the retirement plan for which that member's new position is eligible. The member's account balance remains in the defined contribution retirement plan, but no new contributions may be made to that account. The member's service credit and salary history that were forfeited as a result of the member's transfer to the defined contribution retirement plan remain forfeited, and service credit accumulation in the new retirement plan begins from the first day of employment in the new position. If the member later returns to employment that is eligible for the defined contribution retirement plan, the member's suspension must be terminated, the member again becomes a member of the defined contribution retirement plan, and the member's account resumes accepting contributions. At the member's option, and pursuant to rules adopted by the board, the member may

transfer any available balance as determined by the provisions of the alternate retirement plan into the member's account under this chapter.

4. After consultation with its actuary, the board shall determine the method by which a participating member or deferred member may make a written election under this section. If the participating member or deferred member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the board may waive this requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
5. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, then the portion that will cause the disqualification does not apply.
6. A participating member under this section who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee.
 - a. The temporary employee electing to participate in the defined contribution retirement plan shall pay into the plan as provided under section 54-52.6-09.6.
 - b. An employer may not pay the temporary employee's contributions.
 - c. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.
7. A former participating member under this section who has accepted a retirement distribution pursuant to section 54-52.6-13 and who subsequently becomes employed by an entity different from the employer with which the member was employed at the time the member retired but which does participate in any state-sponsored retirement plan may, before re-enrolling in the defined contribution retirement plan, elect to permanently waive future participation in the defined contribution retirement plan, whatever plan in which the new employing entity participates, and the retiree health program and maintain that member's retirement status. Neither the member nor the employer are required to make any future retirement contributions on behalf of that employee.
8. After December 31, ~~2024~~2023, an eligible employee is no longer allowed to elect participation under this section.

SECTION 23. AMENDMENT. Subsection 1 of section 54-52.6-02.1 of the North Dakota Century Code as created by section 16 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. Except as otherwise provided under section 54-52-02.5 or 54-52-02.15 or this chapter, effective January 1, ~~2025~~2024, an eligible employee who is

first enrolled shall participate in the defined contribution retirement plan under this chapter.

SECTION 24. AMENDMENT. Section 54-52.6-02.2 of the North Dakota Century Code as created by section 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-02.2. Election after December 31, ~~2024~~2023 - Additional employer contribution.

1. As used in this section, "eligible employee" means a permanent state employee who on December 31, ~~2024~~2023, is a participating member of the public employees retirement system main system plan under chapter 54-42, who has been a participating member under chapter 54-52 for no more than five years, and who is at least eighteen years of age.
2. The board shall provide a three-month election period, from January 1, ~~2025~~2024, through March 31, ~~2025~~2024, for an eligible employee to transfer to the defined contribution plan under this chapter pursuant to the rules and policies adopted by the board.
 - a. An election under this section made by a member of the public employees retirement system under chapter 54-52 to transfer to the defined contribution retirement plan under this chapter is irrevocable.
 - b. For an eligible employee who elects to transfer from the public employees retirement system under chapter 54-52 to the defined contribution retirement plan under this chapter, the board shall transfer a lump sum amount from the public employees retirement system fund to the member's account in the defined contribution retirement plan under this chapter. However, if the eligible employee terminates employment before receiving the lump sum transfer under this section, the election made is ineffective and the eligible employee remains a member of the public employees retirement system under chapter 54-52 and retains all the rights and privileges under that chapter.
 - c. The board shall calculate the lump sum amount to be transferred based on the actuarial present value of the eligible employee's accumulated benefit obligation under the public employees retirement system based on the assumption the eligible employee will retire under the earlier applicable normal retirement age, plus interest from January 1, ~~2025~~2024, to the date of transfer, at the rate of one-half of one percent less than the actuarial interest assumption at the time of the election.
 - d. This section does not affect an eligible individual's right to health benefits under chapter 54-52.1.
3. The state employer of an eligible employee who elects under this section to participate in the defined contribution retirement plan under this chapter shall pay an additional annual contribution of three thousand three hundred and thirty-three dollars for up to three years. Under this subsection, the employer shall pay the additional contribution each year the eligible

employee continues permanent employment with the state, beginning January ~~2026~~2025, and extending no further than January ~~2028~~2027.

4. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, that portion that will cause the disqualification does not apply.

SECTION 25. AMENDMENT. Subsection 2 of section 54-52.6-03 of the North Dakota Century Code as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. The board shall calculate the amount to be transferred for persons employed after September 30, 2001, and before January 1, ~~2025~~2024, using only the formula contained in subdivision b of subsection 1.

SECTION 26. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

1.
 - a. A participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly seven percent of the monthly salary or wage paid to the participant.
 - b. A participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly four percent of the monthly salary or wage paid to the participant. In addition, the participating member may elect to contribute monthly up to an additional three percent of the monthly salary or wage paid to the participant.
 - c. This assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter.
2.
 - a. For a participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to seven and twelve-hundredths percent of the monthly salary or wage of the participating member.
 - b. For a participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or

- wage of a participating member, plus up to an additional three percent as an employer matching contribution calculated based on the participating member's election under subdivision b of subsection 1.
- c. For a participating member first enrolled after December 31, 2019, the employer contribution includes an additional increase of one and fourteen-hundredths percent.
 - d. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes.
 - e. If the employer fails to pay the contributions monthly, or fails to otherwise comply with the board's established wage reporting or payroll reporting process requirements, the employer is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction of a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.
3. Each employer, at its option, may pay the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the board in writing.

SECTION 27. PUBLIC EMPLOYEES RETIREMENT SYSTEM - RETIREMENT PLAN TRANSITION EDUCATION. During the 2023-25 biennium, the public employees retirement system shall conduct an informational campaign to educate current and prospective state employees of the transition from the defined benefit retirement plan to the defined contribution retirement plan."

Page 8, after line 18, insert:

"SECTION 31. CONTINGENT EFFECTIVE DATE. Sections 15 through 26 of this Act become effective on January 1, 2024, if before that date the retirement board certifies to the legislative council that the public employees retirement system is prepared to close the main system defined benefit retirement plan on December 31, 2023, and to open the new defined contribution retirement plan on January 1, 2024."

Renumber accordingly

23.0269.02086 (1)
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
Representative Vigesaa
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 7, after "exemption" insert "to provide for application"

Page 2, after line 1, insert:

"New and vacant FTE funding pool	0	98,200,000	98,200,000"
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Page 2, replace lines 5 through 8 with:

"Total all funds	\$42,754,708	\$224,300,799	\$267,055,507
Less estimated income	<u>8,828,309</u>	<u>126,182,864</u>	<u>135,011,173</u>
Total general fund	\$33,926,399	\$98,117,935	\$132,044,334
Full-time equivalent positions	108.00	3.00	111.00"

Page 6, after line 3, insert:

"SECTION 11. 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;
 - c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the

estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or

- d. As requested by the department of transportation, the sum of up to \$7,400,000 for salaries and wages funding needs.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium;
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
 - d. Within fifteen days of receiving a request from the department of transportation to transfer the sum of up to \$7,400,000 for salaries and wages funding needs.
6. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025.
7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding

remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.

8. The office of management of 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 8, line 17, replace "14" with "15"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$42,754,708	\$168,855,507	\$98,200,000	\$267,055,507	\$290,735,783	(\$23,680,276)
Less estimated income	8,828,309	76,911,173	58,100,000	135,011,173	147,378,954	(12,367,781)
General fund	\$33,926,399	\$91,944,334	\$40,100,000	\$132,044,334	\$143,356,829	(\$11,312,495)
FTE	108.00	111.00	0.00	111.00	108.00	3.00
Legislative Council						
Total all funds	\$0	\$0	\$0	\$0	\$500,000	(\$500,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$0	\$0	\$500,000	(\$500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Bill total						
Total all funds	\$42,754,708	\$168,855,507	\$98,200,000	\$267,055,507	\$291,235,783	(\$24,180,276)
Less estimated income	8,828,309	76,911,173	58,100,000	135,011,173	147,378,954	(12,367,781)
General fund	\$33,926,399	\$91,944,334	\$40,100,000	\$132,044,334	\$143,856,829	(\$11,812,495)
FTE	108.00	111.00	0.00	111.00	108.00	3.00

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		\$24,859,054	\$23,158,830	\$1,700,224
Operating expenses	15,663,214	19,261,293		19,261,293	19,392,793	(131,500)
Capital assets	764,515	15,533,155		15,533,155	9,182,155	6,351,000
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		75,000,000	75,000,000	
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		700,000	500,000	200,000
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	\$98,200,000	\$267,055,507	\$290,735,783	(\$23,680,276)
Less estimated income	8,828,309	76,911,173	58,100,000	135,011,173	147,378,954	(12,367,781)
General fund	\$33,926,399	\$91,944,334	\$40,100,000	\$132,044,334	\$143,356,829	(\$11,312,495)
FTE	108.00	111.00	0.00	111.00	108.00	3.00

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

	Adds Funding for Funding Pool ¹	Total Conference Committee Changes
Salaries and wages		
Operating expenses		
Capital assets		
Emergency commission contingency fund		
Guardianship grants		
Targeted market equity pool		
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	\$98,200,000
Total all funds	\$98,200,000	\$98,200,000
Less estimated income	58,100,000	58,100,000
General fund	\$40,100,000	\$40,100,000
FTE	0.00	0.00

¹ Funding of \$98.2 million is added for a new a vacant FTE funding pool, including \$40.1 million from the general fund and \$58.1 million from other funds. A section is added providing guidelines for use of funding in the pool. The House provided funding of \$130 million, of which \$60 million was from the general fund, for the pool.

23.0269.02095
 Title.
 Fiscal No. 4

Prepared by the Legislative Council staff for
 Representative Vigesaa
 April 28, 2023

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	0	<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

Governor's residence security improvements	0	100,000
Brynhild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	<u>0</u>	<u>3,659,555</u>
Total all funds	\$24,795,104	\$36,251,174
Less estimated income	<u>24,695,104</u>	<u>29,934,355</u>
Total general fund	\$100,000	\$6,316,819"

Page 3, line 17, replace "**SERVICES**" with "**SERVICE**"

Page 3, after line 21, insert:

"SECTION 4. 2021-23 BIENNIUM - APPROPRIATION - OFFICE OF THE GOVERNOR. There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this Act and ending June 30, 2023.

SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL - FORENSIC AUDIT OF THE STATE AUDITOR - LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for a forensic audit of the state auditor, for the biennium beginning July 1, 2023, and ending June 30, 2025. The legislative audit and fiscal review committee shall arrange for the audit and receive the audit report. The funding provided in this section is considered a one-time funding item."

Page 3, line 22, after the first "**FUND**" insert "**OR SOCIAL SERVICES FUND**"

Page 3, line 24, after the first "fund" insert "or the social services fund under section 57-51.1-07.5"

Page 4, line 4, replace "\$12,000,000" with "\$12,700,000"

Page 4, line 5, after "pool" insert ", including up to \$12,000,000"

Page 4, line 5, after "capitol" insert "and up to \$700,000 for a water mitigation project at the liberty memorial building"

Page 4, line 9, replace "\$4,800,000" with "\$5,550,000"

Page 4, line 12, replace "\$300,000" with "\$150,000 for accessibility improvements in legislative areas of the capitol;

2. \$800,000 for a building automation project;
3. \$250,000 for electrical and mechanical repairs;
4. \$100,000"

Page 4, line 12, replace "exterior repairs and" with "security"

Page 4, line 13, replace "2." with "5."

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

- c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
 - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium; or
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation.
6. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025.
7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.

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 ~~nine~~eleven 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.
- ~~4.~~ 2. ~~Two~~ Four members of the legislative assembly must be appointed ~~by the chairman of the legislative management~~ to serve on the board.
 - ~~a.~~ 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.~~ 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~~

~~the majority party in the house and one member must be from the majority party in the senate.~~

- ~~2.~~ 2. ~~The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.~~
- ~~3.~~ 3. ~~Four members of the board must be appointed by the governor to serve a term of five years. The~~Each ~~appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management retirement and employee benefit plans. The governor shall appoint one citizen member~~to serve as ~~chairman of the board.~~
- ~~3.~~ 3. ~~One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.~~
- ~~4.~~ 4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- ~~5-4.~~ 5-4. ~~Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.~~
- ~~6.~~ 6. ~~One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- ~~7-5.~~ 7-5. ~~The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.~~
- ~~8-6.~~ 8-6. ~~A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and~~five~~six~~ ~~of the~~nine~~eleven~~ ~~board members constitute a quorum. Five~~Six ~~votes are necessary for resolution or action by the board at any meeting.~~

SECTION 19. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the biennium beginning July 1, 2023, and ending June 30, 2025, the retirement board and the state investment board shall continue to invest the public employees retirement system main system defined benefit plan based on an actuarial rate of return assumption of at least six and

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,

and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Page 8, line 17, replace "14" with "18"

Page 8, line 17, remove "is effective for motor vehicle excise"

Page 8, line 18, replace "tax collections transmitted to the state treasurer after July 31, 2023" with "becomes effective June 1, 2023"

Page 8, line 19, remove "targeted market equity pool line item in section 1 of this"

Page 8, line 20, replace "Act and section 9 of this Act" with "following"

Page 8, line 20, after "measure" insert ":

1. The targeted market equity pool line item in section 1 of this Act and identified in section 12 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and identified in section 8 of this Act; and
3. Sections 4 and 18 of this Act"

Reorder accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
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
Legislative Council						
Total all funds	\$0	\$0	\$500,000	\$500,000	\$500,000	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$500,000	\$500,000	\$500,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Bill total						
Total all funds	\$42,754,708	\$168,855,507	\$98,230,276	\$267,085,783	\$291,235,783	(\$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	\$36,312,495	\$128,256,829	\$143,856,829	(\$15,600,000)
FTE	108.00	111.00	(1.00)	110.00	108.00	2.00

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 Increases¹	Removes an FTE position²	Removes Salary Funding for a Funding Pool³	Adds Funding for Targeted Equity Pool⁴	Adds Funding for Funding Pool⁵	Adjusts Funding for Operating Expenses⁶
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

	Adjusts Funding for Capital Assets ⁷	Decreases Funding for Internships ⁸	Total Conference Committee Changes
Salaries and wages			(\$1,700,224)
Operating expenses			131,500
Capital assets	(\$6,201,000)		(6,201,000)
Emergency commission contingency fund			
Guardianship grants			
Targeted market equity pool			7,500,000
Prairie Public Broadcasting			
Community service supervision grants			
State student internship		(\$200,000)	(200,000)
Governor's emergency education relief			
Deferred maintenance funding pool			
New and vacant FTE funding pool			98,200,000
Total all funds	(\$6,201,000)	(\$200,000)	\$97,730,276
Less estimated income	750,000	0	61,917,781
General fund	(\$6,951,000)	(\$200,000)	\$35,812,495
FTE	0.00	0.00	(1.00)

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates, the same as the House, as follows:

	General Fund	Other Funds	Total
Salary increase	\$183,634	\$54,250	\$237,884
Health insurance adjustment	(10,084)	(1,799)	(11,883)
Total	\$173,550	\$52,451	\$226,001

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding of \$218,472 for 1 FTE total rewards specialist position is removed, which was added by the Senate.

The Senate added 3 FTE positions and \$664,786 from the general fund, but the House removed the positions and funding.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$446,314)	\$0	(\$446,314)
Vacant FTE positions	(1,076,769)	(184,670)	(1,261,439)
Total	(\$1,523,083)	(\$184,670)	(\$1,707,753)

The House also removed funding for a new and vacant FTE funding pool, but the Senate did not remove funding for the pool.

⁴ Funding of \$7.5 million, of which \$4.3 million is from the general fund and \$3.2 million is from other funds, is added for a targeted market equity pool to provide total funding of \$82.5 million, of which \$45.3 million is from the general fund and \$37.2 million is from other funds. Both the House and the Senate provided \$75 million for the funding pool.

⁵ Funding of \$98.2 million is added for a new a vacant FTE funding pool, including \$40.1 million from the general fund and \$58.1 million from other funds. A section is added providing guidelines for use of funding in the pool. The House provided funding of \$130 million, of which \$60 million was from the general fund and \$70 million was from other funds, for the pool. The Senate did not include a new and vacant FTE funding pool.

⁶ Funding for operating expenses is adjusted as follows:

- 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

clause for the new members. The House included an effective date and emergency clause related to the membership change, but the Senate did not include these changes.

- Adds a section directing the State Investment Board and Retirement Board to continue to invest the main system retirement plan based on an actuarial rate of return of at least 6.5 percent. The House also added this section. The Senate did not include this section.
- Adds an exemption allowing a park district to refinance a loan through the infrastructure revolving loan fund if the project was completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project. The Senate did not provide this exemption.
- Adds Legislative Management studies related to the state fire and tornado fund and state bonding fund administration, the management and maintenance of state facilities, and the state's guardianship programs. The House also added these studies. The Senate did not include these studies.

Senate Bill No. 2015 - Legislative Council - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$500,000	\$500,000	\$500,000	
Total all funds	\$0	\$0	\$500,000	\$500,000	\$500,000	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$500,000	\$500,000	\$500,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 160 - Legislative Council - Detail of Conference Committee Changes

	Adds Funding for an Audit ¹	Total Conference Committee Changes
Operating expenses	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	0	0
General fund	\$500,000	\$500,000
FTE	0.00	0.00

¹ One-time funding of \$500,000 is added from the general fund for the Legislative Council to contract for a forensic audit of the State Auditor. The House also added this funding. The Senate did not include this funding.



23.0269.02083
Title.

Prepared by the Legislative Council staff for
Representative Vigesaa
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1851-1861 of the Senate Journal and pages 2163-2173 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 8, after line 6, insert:

"SECTION 16. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$_____ from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025."

Re-number accordingly