

OTHER DUTIES OF THE GOVERNMENT FINANCE COMMITTEE - BACKGROUND MEMORANDUM

In addition to the study responsibilities assigned to the Government Finance Committee for the 2015-16 interim, the committee has been assigned the following responsibilities:

- Receive state budget information, including monitoring the status of revenues and appropriations.
- Receive an annual report from the Committee on Employment of People with Disabilities detailing the committee's activities, goals, and progress in reaching these goals, and strategies and policies that can help the committee realize its goals, pursuant to North Dakota Century Code Section 50-06.1-16.
- Approve any agreement between a North Dakota state entity and South Dakota to form a bistate authority, pursuant to Section 54-40-01.
- Receive a report from the Office of Management and Budget (OMB) by October 15 of each even-numbered year, pursuant to Section 1 of 2015 House Bill No. 1085, regarding the reports received by OMB from each executive branch agency receiving federal funds, excluding entities under the control of the State Board of Higher Education, of a plan to operate the state agency when federal funds are reduced by 5 percent or more of the total federal funds the state agency receives.
- Receive a report from OMB, pursuant to Section 4 of 2015 Senate Bill No. 2015, regarding its statewide plan and any appropriation authority transferred from the targeted market equity pool.
- Receive a report from OMB, pursuant to Section 5 of 2015 Senate Bill No. 2015, regarding distributions from the energy development impact funding pool and each agency receiving a distribution from the energy impact funding pool regarding its plan to discontinue energy impact adjustments for employees at the end of the biennium beginning July 1, 2015, and ending June 30, 2017.

MONITORING THE STATUS OF THE STATE BUDGET

Beginning with the 1975-76 interim, a Legislative Management interim committee has been assigned the responsibility to review state budget information, including the monitoring of state revenues and the status of major state agency and institution appropriations. The Government Finance Committee has been assigned this responsibility for the 2015-16 interim.

As in previous bienniums, the committee's review could place emphasis on expenditures of major state agencies and other appropriations the committee might select. Budget areas the committee may wish to review include:

- Status of one-time funding items for the 2015-17 biennium.
- Potential one-time funding items to be considered by the Legislative Assembly in 2017.
- Status of expenditures of major agency programs.
- Federal funding received and anticipated to be received by state agencies.
- Projected revenues, expenditures, and fund balances of major state funds.
- Revised 2015-17 biennium revenue forecasts and preliminary 2017-19 biennium revenue forecasts.
- Other key budget issues for the 2017 legislative session.

Also completed and presented each interim since 1987-88 is a report on the status of agency compliance with legislative intent. This report includes the status of state agencies' and institutions' implementation of budget/programmatic changes and legislative directives contained in appropriation bills and other legislation and the identification of agency budget issues. These reports are also provided to members of the Budget Section for their information.

The type of reporting outlined above will provide the committee with early information on problem areas needing legislative consideration and action or may be the basis for legislation to be introduced to the Legislative Assembly in 2017.

REPORT FROM THE COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES

Section 50-06.1-16 ([Appendix A](#)) establishes the Committee on Employment of People with Disabilities and requires the committee to submit an annual report to the Legislative Management before January 1 of each year. The report must detail the committee's activities, the committee's goals, and the progress the committee has made in reaching these goals. The report must also include identification of barriers to achieve the committee's goals and must include identified strategies and policies that can help the committee realize its goals.

Background

The Committee on Employment of People with Disabilities consists of four members of the public appointed by the Governor as follows:

- The Executive Director of the North Dakota Association of Community Providers or the Executive Director's designee;
- One community employer representative;
- One individual with a disability; and
- One family member of an individual with a disability.

Serving in an ex officio manner are five individuals, including the:

- Director of the Department of Commerce Division of Workforce Development, or the Director's designee;
- Director of the Department of Human Services Division of Vocational Rehabilitation, or the Director's designee;
- Superintendent of Public Instruction's Director of Special Education, or the Director's designee;
- Director of the Protection and Advocacy Project, or the Director's designee; and
- Head of the Department of Human Services developmental disabilities programs, as identified by the Executive Director of the department.

The committee is to collaborate, coordinate, and improve employment outcomes for working-age adults with disabilities, including:

- Reviewing and aligning policies, procedures, eligibility, and enrollment and planning for services for individuals, with the objective of increasing opportunities for community employment for North Dakotans with disabilities.
- Developing cross-agency tools to document eligibility, order of selection, assessment, and planning for services for individuals with disabilities.
- Identifying best practices, effective partnerships, sources of available federal funds, opportunities for shared services among existing providers, and means to expand model programs to increase community employment opportunities for individuals with disabilities.
- Identifying and addressing areas where sufficient support is not currently available or where additional options are needed to assist individuals with disabilities to work in competitive employment in integrated settings.
- Establishing interagency agreements to improve coordination of services and allow for data sharing as appropriate to assist individuals with disabilities.
- Setting benchmarks for improving community employment outcomes and services for individuals with disabilities.

The membership and duties of the Committee on Employment of People with Disabilities were amended in 2013 Senate Bill No. 2271. The bill changed the number of committee members from three to four and created the five ex officio committee members. The bill also added the language regarding the goals and specific committee duties. Language was removed that allowed the committee to appoint a full-time Director subject to the approval of the Governor.

Section 39-01-15 provides certain handicap parking fees are to be deposited in the employment of people with disabilities fund for use by the committee. Any fees deposited in the fund are appropriated on a continuing basis to the Department of Human Services for use by the committee in meeting its statutory duties.

APPROVE AGREEMENTS BETWEEN NORTH DAKOTA AND SOUTH DAKOTA

Section 54-40-01(3) ([Appendix B](#)) provides an agency, department, or institution may enter an agreement with the state of South Dakota to form a bistate authority to jointly exercise any function that the entity is authorized to perform by law. Any proposed agreement must be submitted to the Legislative Assembly or, if the Legislative Assembly is not in session, to the Legislative Management or a committee designated by the Legislative Management for approval or rejection. The agreement may not become effective until approved by the Legislative Assembly or the Legislative Management. The Government Finance Committee was assigned this responsibility for the 2015-16 interim.

The 2013-14, 2011-12, and 2009-10 Government Services Committees; the 2007-08 Public Safety Committee; and the 2005-06, 2003-04, 2001-02, 1999-2000, and 1997-98 interim Budget Committees on Government Services were assigned this responsibility; however, no proposed agreements were submitted to the committees for approval to form a bistate authority with the state of South Dakota.

REPORT FROM THE OFFICE OF MANAGEMENT AND BUDGET ON FEDERAL FUNDS

Section 54-27-27.1 ([Appendix C](#)) provides each executive branch state agency, excluding entities under the control of the State Board of Higher Education, receiving federal funds, shall report to OMB a plan to operate the state agency if federal funds are reduced by 5 percent or more of the total federal funds the state agency receives. The report must include information on whether the agency will request state funds to offset the decrease in federal funds. The report is not required to address a reduction in federal funds received by the agency which is a result of:

1. A decrease in caseloads or cost per case;
2. A change in the anticipated project completion date for a construction project qualifying for federal fund reimbursement; or
3. The completion of a one-time project funded in whole or in part by federal funds.

The Office of Management and Budget is required to report to the Legislative Management by October 15 of each even-numbered year on the reports received from state agencies under this section. The report must include a summary of the reports received from state agencies on how each agency will operate with the reduction in federal funds. The Government Finance Committee was assigned this responsibility for the 2015-16 interim.

REPORT FROM THE OFFICE OF MANAGEMENT AND BUDGET ON TRANSFERS FROM THE TARGETED MARKET EQUITY POOL

Section 4 of 2015 Senate Bill No. 2015 ([Appendix D](#)) provides an appropriation of \$3.75 million from the general fund and \$740,000 from special funds derived from federal funds and other income, to OMB for a state agency targeted market equity salary funding pool to provide compensation adjustments for state employees. The market equity increases must be prioritized based on a statewide plan prepared by OMB within the funding available in the pool. The plan must address occupational market disparities, economic growth areas, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. The plan must give priority to employees whose salary is in the first or second quartile of their assigned salary range and employees whose salary is below the average classified state employee salary level.

One-half of the market equity pool funding is available for market equity adjustments in July 2015, to be paid in August 2015, and any remaining funding in the pool is available for market equity adjustments in July 2016, to be paid in August 2016. The market equity adjustments must be provided after any general compensation increase authorized by the 64th Legislative Assembly for these respective months and are independent of the general compensation increases. Employees whose documented performance levels do not meet standards are not eligible for the market equity increases. Notwithstanding any other provision of law, OMB is required to transfer appropriation authority from the targeted market equity salary pool to eligible agencies for approved market equity salary adjustments. Employees in the following agencies are eligible to receive a targeted market equity salary adjustment under this section:

1. Adjutant General;
2. Veterans' Home;
3. State Department of Health;
4. Department of Human Services; and
5. Protection and Advocacy Project.

The Office of Management and Budget is required to provide a report to the Legislative Management regarding the statewide plan and any appropriation authority transferred from the pool. The Government Finance Committee was assigned this responsibility for the 2015-16 interim.

REPORT FROM THE OFFICE OF MANAGEMENT AND BUDGET ON DISTRIBUTIONS FROM THE ENERGY DEVELOPMENT IMPACT FUNDING POOL

Section 5 of 2015 Senate Bill No. 2015 ([Appendix E](#)) provides an appropriation of \$2,400,000 from the general fund and \$5,565,000 from special funds derived from federal funds and other income, to OMB for a state agency energy development impact funding pool.

A state agency may submit an application to OMB for a transfer of appropriation authority from the state agency energy development impact funding pool for employee housing rental assistance and temporary salary increases for employees affected by energy development. As part of the application, an agency must document how the agency will discontinue energy impact adjustments for employees at the end of the biennium. The Office and Management and Budget, subject to Emergency Commission approval, shall transfer appropriation authority from the state agency energy development impact funding pool to eligible agencies for approved applications.

The Office of Management and Budget is required to provide a report to the Legislative Management regarding distributions from the energy development impact funding pool. In addition, each agency receiving a distribution from the energy impact funding pool is required to provide a report to the Legislative Management regarding its plan to discontinue energy impact adjustments for employees at the end of the 2015-17 biennium. The Government Finance Committee was assigned this responsibility for the 2015-16 interim.

ATTACH:5