

Introduced by

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to amend and reenact section 54-44.1-12 of the North Dakota Century Code,  
2 relating to budget allotments; to provide legislative intent regarding state employee reductions;  
3 to provide for a report to the budget section; to provide for state employee compensation  
4 increases; and to provide an effective date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 54-44.1-12 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-44.1-12. Control over rate of expenditures.** The director of the budget shall  
9 exercise continual control over the execution of the budget affecting the departments and  
10 agencies of state government, with the exception of the legislative and judicial branches.  
11 Execution means the analysis and approval of all commitments for conformity with the program  
12 provided in the budget, frequent comparison of actual revenues and budget estimates, and on  
13 the basis of these analyses and comparisons control the rate of expenditures through a system  
14 of allotments. The allotment must be made by specific fund and all departments and agencies  
15 that receive moneys from that fund must be allotted on a uniform percentage basis, except that  
16 appropriations to the department of public instruction for foundation aid, transportation aid, and  
17 special education aid may only be allotted to the extent that the allotment can be offset by  
18 transfers from the foundation aid stabilization fund. Any allotment must be made to the extent  
19 necessary to address any projected deficiency appropriations for agencies receiving moneys  
20 from the fund. Before an allotment is made which will reduce the amount of funds which can be  
21 disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure  
22 is made, the director shall find one or more of the following circumstances to exist:

- 1           1.    The moneys and estimated revenues in a specific fund from which the
- 2                    appropriation is made are insufficient to meet all legislative appropriations from the
- 3                    fund.
- 4           2.    The payment or the obligation incurred is not authorized by law.
- 5           3.    The expenditure or obligation is contrary to legislative intent as recorded in any
- 6                    reliable legislative records, including:
- 7                    a.    Statements of legislative intent expressed in enacted appropriation measures
- 8                            or other measures enacted by the legislative assembly; and
- 9                    b.    Statements of purpose of amendment explaining amendments to enacted
- 10                            appropriation measures, as recorded in the journals of the legislative
- 11                            assembly.
- 12           4.    Circumstances or availability of facts not previously known or foreseen by the
- 13                    legislative assembly which make possible the accomplishment of the purpose of
- 14                    the appropriation at a lesser amount than that appropriated.

15           **SECTION 2. LEGISLATIVE INTENT - STATE EMPLOYEE REDUCTIONS - BUDGET**

16 **SECTION REPORT.** It is the intent of the legislative assembly that the number of full-time  
17 equivalent state employees be reduced by employee retirements, employee turnover, and  
18 vacant employee positions during the biennium beginning July 1, 2003, and ending June 30,  
19 2005, as follows:

20 Executive branch agencies and the office of	155
21    the governor, excluding other offices of state	
22    elected officials and higher education	
23 State elected officials, excluding the governor	13
24 Judicial branch	8

25 It is the intent that one-half of this total reduction be accomplished by December 31, 2003, and  
26 the remaining reductions by December 31, 2004. Agencies shall report employee positions  
27 eliminated and projected salary and wages and fringe benefit savings for the remainder of the  
28 2003-05 biennium to the office of management and budget. The office of management and  
29 budget shall provide periodic reports on the employee positions eliminated by agencies and  
30 reported agency budgetary savings to the budget section of the legislative council.

1           **SECTION 3. STATE EMPLOYEE REDUCTIONS - STATE EMPLOYEE**

2   **COMPENSATION POOLS.** The office of management and budget may establish a state  
3 employee compensation pool for executive branch agencies from agency savings resulting from  
4 employee reductions under section 2 of this Act and a state employee compensation pool for  
5 the judicial branch from agency savings resulting from employee reductions within the judicial  
6 branch under section 2 of this Act.

7           **SECTION 4. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION**

8   **INCREASES - REPORT TO THE BUDGET SECTION.** It is the intent of the legislative  
9 assembly that funding for state employee salary increases for the biennium beginning July 1,  
10 2003, and ending June 30, 2005, be provided primarily from permanent savings resulting from  
11 reductions in full-time equivalent positions.

12           Executive branch agencies may provide state employee salary increases effective  
13 July 1, 2003, to be paid in August 2003 of up to one percent primarily from pooled savings as  
14 provided in section 3 of this Act and supplemented, if necessary, from accumulated savings  
15 from other vacant full-time equivalent positions of the agency, upon approval of the office of  
16 management and budget.

17           The judicial branch may provide state employee salary increases effective July 1, 2003,  
18 to be paid in August 2003 of up to one percent primarily from pooled savings as provided in  
19 section 3 of this Act and supplemented, if necessary, from accumulated savings from other  
20 vacant full-time equivalent positions of the judicial branch.

21           Executive branch agencies may provide state employee salary increases effective  
22 July 1, 2004, to be paid in August 2004 of up to two percent primarily from pooled savings as  
23 provided in section 3 of this Act and supplemented, if necessary, from accumulated savings  
24 from other vacant full-time equivalent positions of the agency, upon approval of the office of  
25 management and budget.

26           The judicial branch may provide state employee salary increases effective July 1, 2004,  
27 to be paid in August 2004 of up to two percent primarily from pooled savings as provided in  
28 section 3 of this Act and supplemented, if necessary, from accumulated savings from other  
29 vacant full-time equivalent positions of agencies of the judicial branch.

30           The office of management and budget and the judicial branch shall provide reports to  
31 the budget section relating to salary increases provided for each year of the 2003-05 biennium.

1           **SECTION 5. EFFECTIVE DATE.** This Act becomes effective on July 1, 2003.