

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2015**

Introduced by

Appropriations Committee

(At the request of the Governor)

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 department of transportation; to provide an appropriation to the state
4 auditor; to provide an appropriation to the legislative assembly; to amend and reenact
5 subdivision c of subsection 1 of section 15-10-17 and section 48-08-04 of the North Dakota
6 Century Code, relating to North Dakota university system personnel and the use of legislative
7 meeting rooms; to repeal section 54-44-06 of the North Dakota Century Code, relating to duties
8 of the office of management and budget as to school fund; to provide an exemption; to provide
9 for various transfers; to provide for a legislative management study; and to provide a statement
10 of legislative intent.

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 that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017,
17 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
18				
19				
20	Salaries and wages	\$19,803,315	\$224,939	\$20,028,254
21	Accrued leave payments	570,412	(570,412)	0
22	Operating expenses	14,356,788	(150,003)	14,206,785
23	Emergency commission contingency fund	700,000	0	700,000
24	Capital assets	2,251,065	1,738,944	3,990,009

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1	Grants	430,000	125,000	555,000
2	Guardianship grants	828,600	0	828,600
3	Prairie public broadcasting	1,337,138	362,862	1,700,000
4	State student internship program	200,000	50,000	250,000
5	Health insurance pool - temporary	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>
6	employees			
7	Total all funds	\$40,477,318	\$6,781,330	\$47,258,648
8	Less estimated income	<u>8,730,630</u>	<u>2,689,760</u>	<u>11,420,390</u>
9	Total general fund	\$31,746,688	\$4,091,570	\$35,838,258
10	Full-time equivalent positions	130.50	(8.00)	122.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

15	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
16	Capitol complex parking lot repairs	\$4,000,000	\$0
17	Health insurance pool	2,000,000	0
18	Exterior restoration of legislative and j-wing	1,500,000	0
19	Repair and cleaning capitol and j-wing	1,200,000	0
20	Capitol south entrance	1,000,000	0
21	Prairie public broadcasting	600,000	0
22	North Dakota 125th anniversary coordinator	190,000	0
23	Energy impact funding	8,500,000	0
24	Transfer to property tax relief	315,210,000	0
25	Information technology hardware relocation study	200,000	0
26	Student internship	0	50,000
27	Facility projects	0	205,000
28	Signage on the capitol grounds	0	1,400,000
29	West parking lot repair	0	50,000
30	ACA health insurance	0	5,000,000
31	Facility management projects	0	1,825,009

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1	Legislative wing electrical-related repairs	<u>0</u>	<u>310,000</u>
2	Total all funds	\$334,400,000	\$8,840,009
3	Less estimated income	<u>5,500,000</u>	<u>4,210,000</u>
4	Total general fund	\$328,900,000	\$4,630,009

5 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
6 2017-19 biennium. The office of management and budget shall report to the appropriations
7 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the
8 biennium beginning July 1, 2015, and ending June 30, 2017.

9 **SECTION 3. APPROPRIATION - TRANSFER PROPERTY TAX RELIEF SUSTAINABILITY**

10 **FUND TO GENERAL FUND.** There is appropriated out of any moneys in the property tax relief
11 sustainability fund in the state treasury, not otherwise appropriated, the sum of \$657,000,000, or
12 so much of the sum as may be necessary, which the office of management and budget shall
13 transfer to the general fund during the biennium beginning July 1, 2015, and ending June 30,
14 2017.

15 **SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**

16 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
17 appropriated, the sum of \$200,000,000, which the office of management and budget shall
18 transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30,
19 2017. The office of management and budget shall transfer the funds provided in this section at
20 the request of the director of the department of transportation.

21 **SECTION 5. APPROPRIATION - HIGHWAY FUND - DEPARTMENT OF**

22 **TRANSPORTATION.** There is appropriated out of any moneys in the highway fund in the state
23 treasury, not otherwise appropriated, the sum of \$200,000,000, or so much of the sum as may
24 be necessary, to the department of transportation for the purpose of enhanced state highway
25 investments, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding
26 provided in this section is considered a one-time funding item.

27 **SECTION 6. APPROPRIATION - STATE AUDITOR.** There is appropriated out of special

28 funds derived from other income from fees charged to the North Dakota university system, not
29 otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to
30 the state auditor for the purpose of conducting information technology security audits of the

1 eleven institutions in the North Dakota university system, for the biennium beginning July 1,
2 2015, and ending June 30, 2017.

3 **SECTION 7. APPROPRIATION - LEGISLATIVE ASSEMBLY - MEETING ROOMS -**
4 **REPORTS TO LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE.** There is
5 appropriated out of any moneys in the general fund in the state treasury, not otherwise
6 appropriated, the sum of \$160,000 or so much of the sum as may be necessary, to the
7 legislative assembly for the purpose of purchasing and installing audio and visual equipment,
8 tables, chairs, and other furnishings in legislative meeting rooms within the facility space
9 expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative
10 assembly, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding
11 appropriated in this section is considered a one-time funding item.

12 The state court administrator shall provide periodic reports to the legislative procedure and
13 arrangements committee during the 2015-16 interim regarding the status of the facility space
14 expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative
15 assembly.

16 **SECTION 8. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The estimated income
17 line item in section 1 of this Act includes \$1,710,000 from the capitol building fund, of which
18 \$1,400,000 is for capitol building entrance and signage projects and \$310,000 is for legislative
19 wing electrical and ceiling repairs.

20 **SECTION 9. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING**
21 **ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION.** The grants line item in section 1
22 of this Act includes the sum of \$500,000 from the general fund for the purpose of providing
23 community service supervision grants. The office of management and budget shall distribute the
24 grant funds on or before August first during each year of the biennium beginning July 1, 2015,
25 and ending June 30, 2017, to North Dakota community corrections association regions as
26 follows:

27 Barnes County	\$12,121
28 Bismarck (urban)	27,057
29 Bismarck (rural)	14,223
30 Devils Lake	14,329
31 Dickinson	16,911

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1	Fargo	32,169
2	Grand Forks	26,404
3	Jamestown	18,511
4	Minot	21,592
5	Richland County	13,241
6	Rugby	15,543
7	Sargent County	10,781
8	Wells County	10,919
9	Williston	<u>16,199</u>
10	Total	\$250,000

11 Any moneys in the community service supervision fund are appropriated to the office of
12 management and budget for distribution to community corrections association regions on or
13 before August first of each year during the biennium beginning July 1, 2015, and ending
14 June 30, 2017.

15 **SECTION 10. EXEMPTION.** The amount appropriated for the fiscal management division,
16 as contained in section 1 of chapter 15 of the 2013 Session Laws is not subject to the
17 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for
18 continued development and operating costs of the accounting, management, and payroll
19 systems, during the biennium beginning July 1, 2015, and ending June 30, 2017.

20 **SECTION 11. INTENT.** Within the authority included in section 1 of this Act are the following
21 grants and special items:

22	Boys and girls clubwork	\$53,000
23	State memberships and related expenses	\$611,000
24	Unemployment insurance	\$1,500,000
25	Capitol grounds planning commission	\$25,000

26 **SECTION 12. STATE STUDENT INTERNSHIP PROGRAM.** The human resources division
27 of the office of management and budget may transfer to each eligible agency appropriated
28 general fund spending authority from the state student internship program line item contained in
29 section 1 of this Act.

30 **SECTION 13. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE**
31 **HEALTH INSURANCE POOL.** The office of management and budget may transfer to each

1 eligible agency appropriation authority from the health insurance pool - temporary employees
2 line item contained in section 1 of this Act. Transfers may be made for the purpose of providing
3 temporary employee health insurance adjustments for state employees, including institutions of
4 higher education, determined to be full time based on guidelines developed by the office of
5 management and budget in accordance with the shared responsibility provisions of the
6 Affordable Care Act for the biennium beginning July 1, 2015, and ending June 30, 2017.

7 **SECTION 14. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.**

8 Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line
9 items, as it relates to compensation increases authorized in section 15 of this Act, for the
10 biennium beginning July 1, 2015, and ending June 30, 2017. The agencies shall notify the office
11 of management and budget of any transfer made pursuant to this section.

12 **SECTION 15. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.** It is
13 the intent of the sixty-fourth legislative assembly that 2015-17 biennium compensation
14 adjustments for classified state employees for each year of the biennium are to be a
15 performance component in a range of two to four percent based on documented performance.
16 Increases for classified state employees are not to be the same percentage increase for each
17 employee. The increases for the first year of the biennium are to be given beginning with the
18 month of July 2015, to be paid in August 2015, and for the second year of the biennium are to
19 be given beginning with the month of July 2016, to be paid in August 2016.

20 Probationary employees are not entitled to the performance increases. However,
21 probationary employees may be given all or a portion of the increases effective in July, paid in
22 August, or upon completion of probation, at the discretion of the appointing authority.

23 The office of management and budget shall develop guidelines for use by state agencies for
24 providing compensation adjustments for regular classified employees. The guidelines must
25 follow section 54-44.3-01.2, compensation philosophy statement.

26 Compensation adjustments for regular nonclassified state employees, excluding employees
27 under the control of the state board of higher education, are to be in a range of two to four
28 percent based on market and documented performance and are not to be the same percentage
29 increase for each employee.

30 Employees whose overall documented performance level does not meet standards are not
31 eligible for any salary increase.

1 **SECTION 16. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North
2 Dakota Century Code is amended and reenacted as follows:

3 c. Appoint and remove all university system office personnel, fix their salaries within
4 the limits of legislative appropriations, fix their terms of office, and prescribe their
5 duties. The board shall adopt a policy that provides that each vice chancellor in
6 the university system office is considered to have resigned the individual's
7 position as a vice chancellor upon the appointment of a commissioner of higher
8 education.

9 **SECTION 17. AMENDMENT.** Section 48-08-04 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **48-08-04. Use of legislative assembly rooms and halls.**

12 During the interim between legislative sessions, the committee rooms, halls, passageways,
13 and other space in the capitol used by the legislative assembly, including the pioneer room and
14 three additional meeting rooms comprising approximately four thousand square feet in the
15 judicial wing of the capitol, may not be used without authorization of the legislative council.

16 **SECTION 18. REPEAL.** Section 54-44-06 of the North Dakota Century Code is repealed.

17 **SECTION 19. ONE-TIME FUNDING - ASSISTIVE TECHNOLOGY SERVICES.** The funding
18 appropriated to the department of human services in Senate Bill No. 2289 as approved by the
19 sixty-fourth legislative assembly, relating to assistive technology services is considered one-time
20 funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

21 **SECTION 20. LEGISLATIVE MANAGEMENT STUDY - BUDGET SECTION FUNCTIONS.**

22 During the 2015-16 interim, the legislative management shall study the functions of the budget
23 section. The study must review the duties and studies assigned to the budget section and the
24 ability of the budget section to authorize financial decisions, including full-time equivalent
25 positions, university system building projects, and project scope changes. The legislative
26 management shall report its findings and recommendations, together with any legislation
27 necessary to implement the recommendations, to the sixty-fifth legislative assembly.

28 **SECTION 21. LEGISLATIVE INTENT - STATE BOARD OF HIGHER EDUCATION -**

29 **SEVERANCE PAY.** Notwithstanding any policy adopted by the board, the state board of higher
30 education or an institution under its control may not approve or provide severance pay to any
31 employee whose employment is terminated as a result of the transfer of positions from the state

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- 1 board of higher education to the attorney general as provided in House Bill No. 1003 as
- 2 approved by the sixty-fourth legislative assembly.