

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	<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 ~~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."

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:

	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 \$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.