

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1015

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 amend and
3 reenact section 57-51.1-07.5 of the North Dakota Century Code, relating to the state share of oil
4 and gas tax revenue allocations; to repeal section 11-38-08 of the North Dakota Century Code,
5 relating to county achievement days; to provide a transfer; to provide an exemption; to provide a
6 report; and to declare an emergency.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
9 as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from other funds derived from special funds and
11 federal funds, to the office of management and budget for the purpose of defraying the
12 expenses of the office of management and budget, for the biennium beginning July 1, 2025,
13 and ending June 30, 2027, as follows:

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
15				
16	Salaries and wages	\$23,510,218	\$2,774,739	\$26,284,957
17	New and vacant FTE pool	98,200,000	(96,997,038)	1,202,962
18	Operating expenses	18,217,793	6,874,081	25,091,874
19	Capital assets	308,355	5,808,649	6,117,004
20	Emergency commission contingency fund	750,000	(750,000)	0

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1	Guardianship grants	7,100,000	0	7,100,000
2	Prairie public broadcasting	1,200,000	(1,200,000)	0
3	Community service supervision grants	350,000	(35,000)	315,000
4	State employee child care benefits	3,000,000	(1,635,000)	1,365,000
5	Student internship program	0	500,000	500,000
6	Deferred maintenance funding pool	0	40,000,000	40,000,000
7	Rent, moving, and space reconfiguration pool	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
8	Total all funds	\$152,636,366	(\$42,659,569)	\$109,976,797
9	Less other funds	<u>71,757,126</u>	<u>(6,630,280)</u>	<u>65,126,846</u>
10	Total general fund	\$80,879,240	(\$36,029,289)	\$44,849,951
11	Full-time equivalent positions	110.00	1.00	111.00

12 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 13 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 14 items included in the appropriation in section 1 of this Act which are not included in the entity's
 15 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 16 committees of the seventieth legislative assembly regarding the use of this funding:

17	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
18	Procurement automation	\$0	\$515,052	\$515,052
19	Recruiting management system	250,000	0	250,000
20	Student internship program	500,000	0	500,000
21	Employee leave payouts	99,305	50,695	150,000
22	Snow removal equipment	0	172,000	172,000
23	Floor scrubber	0	20,000	20,000
24	Capitol building improvements	0	3,000,000	3,000,000
25	Governor's residence projects	0	2,350,000	2,350,000
26	Deferred maintenance pool	0	40,000,000	40,000,000
27	Rent, moving and space reconfiguration pool	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
28	Total	\$849,305	\$48,107,747	\$48,957,052

29 **SECTION 3. APPROPRIATION - UNIFORM LAWS COMMISSION - 2023-25 BIENNIUM.**
 30 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
 31 appropriated, the sum of \$45,000, or so much of the sum as may be necessary, to the office of

1 management and budget for the purpose of funding costs associated with the uniform laws
2 commission, for the period beginning with the effective date of this section and ending June 30,
3 2025.

4 **SECTION 4. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
5 office of management and budget may not spend funds appropriated in the new and vacant
6 FTE pool line item in section 1 of this Act, but may transfer funds from the new and vacant
7 FTE pool line item to the salaries and wages line item in accordance with the provisions of this
8 Act.

9 **SECTION 5. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any
10 moneys in the community service supervision fund under section 29-26-22 are appropriated to
11 the office of management and budget for distribution to community corrections association
12 regions on or before August first of each year, for the biennium beginning July 1, 2025, and
13 ending June 30, 2027.

14 **SECTION 6. TRANSFER - SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE**
15 **FUND.** The office of management and budget shall transfer the sum of \$250,000,000 from the
16 social services fund to the human service finance fund during the biennium beginning July 1,
17 2025, and ending June 30, 2027.

18 **SECTION 7. TRANSFER AUTHORITY - STUDENT INTERNSHIP PROGRAM -**
19 **DEFERRED MAINTENANCE FUNDING POOL - RENT, MOVING, AND SPACE**
20 **RECONFIGURATION POOL.** The office of management and budget may transfer appropriation
21 authority to eligible state agencies during the biennium beginning July 1, 2025, and ending
22 June 30, 2027, from the line items in section 1 of this Act as follows:

- 23 1. From the student internship line item for student internships.
- 24 2. From the deferred maintenance pool line item for deferred maintenance projects.
- 25 3. From the rent, moving, and space reconfiguration pool line item for agency lease,
26 relocation, and remodeling costs.

27 **SECTION 8. TRANSFER - FEDERAL FISCAL RECOVERY FUND APPROPRIATION**
28 **AUTHORITY TO DEPARTMENT OF CORRECTIONS AND REHABILITATION - EXEMPTION -**
29 **SPENDING RESTRICTION - REPORT.**

- 30 1. Notwithstanding any other provision of law, on or before June 30, 2025, the office of
31 management and budget shall transfer any federal state fiscal recovery fund

1 appropriation authority amounts previously obligated but not anticipated to be
2 expended from the state agency that received the appropriation authority to the
3 department of corrections and rehabilitation for the purpose of defraying the expenses
4 of salaries and wages of the department of corrections and rehabilitation, for the
5 biennium beginning July 1, 2023, and ending June 30, 2025.

6 2. Notwithstanding any other provision of law, on or before December 31, 2026, the office
7 of management and budget shall transfer any federal state fiscal recovery fund
8 appropriation authority amounts previously obligated but not anticipated to be
9 expended from the state agency that received the appropriation authority to the
10 department of corrections and rehabilitation for the purpose of defraying the expenses
11 of salaries and wages of the department of corrections and rehabilitation, for the
12 biennium beginning July 1, 2025 and ending June 30, 2027.

13 3. The office of management and budget shall transfer any uncommitted accumulated
14 interest and earnings of the federal state fiscal recovery fund to the department of
15 corrections and rehabilitation during the biennium beginning July 1, 2025, and ending
16 June 30, 2027. Any interest and earnings received by the department of corrections
17 and rehabilitation under this section are appropriated to the department for the
18 purpose of defraying the expenses of salaries and wages, for the biennium beginning
19 July 1, 2025, and ending June 30, 2027.

20 4. The department of corrections and rehabilitation may not spend general fund
21 appropriations equal to the amount of any federal state fiscal recovery fund moneys
22 transferred to the department under this section.

23 5. The office of management and budget shall report to the budget section regarding any
24 appropriation authority and interest and earnings transferred under this section.

25 **SECTION 9. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**

26 The other funds line item in section 1 of this Act includes the sum of \$42,707,052 from the
27 strategic investment and improvements fund for the following projects:

28 Procurement automation	\$515,052
29 Snow removal equipment	172,000
30 Floor scrubber	20,000

1	Deferred maintenance pool	40,000,000
2	Rent, moving, and space reconfiguration pool	<u>2,000,000</u>
3	Total	\$42,707,052

4 **SECTION 10. OTHER FUNDS - CAPITOL BUILDING FUND.** The other funds line item in
5 section 1 of this Act includes the sum of \$5,850,000 from the capitol building fund for the
6 following purposes and projects:

7	Ongoing capitol grounds repairs	\$500,000
8	Governor's residence projects	2,350,000
9	Capitol building improvements	<u>3,000,000</u>
10	Total	\$5,850,000

11 **SECTION 11. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation
12 authority which may be used only for the following grants and special items:

13	Unemployment insurance	\$1,500,000
14	Capitol grounds planning commission	\$25,000
15	Statewide memberships and related expenses	\$757,489

16 **SECTION 12. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 17 1. The 2025-27 biennium compensation adjustments for permanent state employees are
18 to average 3 percent per eligible employee for the first fiscal year of the biennium and
19 are to average 3 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 2025, to be paid in August 2025, and for the second year of the
22 biennium are to be given beginning with the month of July 2026, to be paid in
23 August 2026. 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 13. NEW AND VACANT FTE POOL - GUIDELINES - EXEMPTION -**
4 **TRANSFERS - REPORTS - APPLICATION.**

5 1. Notwithstanding section 54-16-04, the office of management and budget shall transfer
6 funds from an executive branch state agency's new and vacant FTE pool line item to
7 the agency's salaries and wages line item or other line items with salaries and wages
8 funding as requested by the agency in accordance with provisions of this section.

9 2. An executive branch state agency may request a transfer to provide funding for the
10 salaries and wages necessary for the remainder of the 2025-27 biennium for a new
11 full-time equivalent position authorized by the sixty-ninth legislative assembly from the
12 date of hiring through the end of the biennium, limited to the amount identified for the
13 position in the statement of purpose of amendment.

14 3. After July 31, 2026, an executive branch state agency may request a transfer if the
15 agency projects actual salaries and wages expenditures will exceed the agency's
16 available salaries and wages funding for the biennium. The transfer amount may not
17 exceed the amount by which the agency's actual salaries and wages savings from
18 vacant positions and employee turnover to date and estimates for the remainder of the
19 biennium adjusted for other identified uses of any savings are less than the vacant
20 position savings estimate used by the sixty-ninth legislative assembly in development
21 of the agency's appropriation. The agency shall provide documentation supporting the
22 need for the transfer to the office of management and budget and legislative council in
23 advance of the transfer request.

24 4. Each executive branch state agency with a new and vacant FTE pool line item shall
25 report to the office of management and budget and the legislative council on a
26 quarterly basis regarding any transfer of appropriation authority for filling a new
27 full-time equivalent position. The report must include the funding transferred, the title
28 of the position filled, the salary funding removed by the sixty-ninth legislative assembly
29 for the position by funding source as identified in the statement of purpose of
30 amendment, and the date the position was filled.

- 1 5. Each executive branch state agency with a new and vacant FTE pool line item shall
2 report quarterly to the office of management and budget and the legislative council on
3 the number of full-time equivalent positions that become vacant and the number of
4 positions filled each month, the number of vacant positions at the end of each month,
5 salaries and wages savings by funding source for each month resulting from vacant
6 positions and employee turnover, and the use of salaries and wages savings by
7 funding source for other purposes, including accrued leave payouts, salary increases
8 in addition to general salary increases provided by the sixty-ninth legislative assembly,
9 bonuses, incentive or location pay adjustments, reclassifications, temporary salaries or
10 overtime in excess of amounts provided by the sixty-ninth legislative assembly, or
11 other items.
- 12 6. The office of management and budget shall report to each meeting of the budget
13 section regarding the status of funding in each executive branch state agency's new
14 and vacant FTE pool line item; vacant positions, employee turnover, and savings from
15 vacant positions and employee turnover by agency; and uses of savings from vacant
16 positions and employee turnover for other purposes by agency.
- 17 7. The provisions of section 54-27-10 do not apply to the salaries and wages line item of
18 appropriations approved by the sixty-ninth legislative assembly, for the biennium
19 beginning July 1, 2025, and ending June 30, 2027.
- 20 8. An executive branch state agency may request a deficiency appropriation from the
21 seventieth legislative assembly if the funding in the agency's new and vacant FTE pool
22 line item is insufficient to provide the necessary salaries and wages funding for the
23 biennium.

24 **SECTION 14. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

27 From the revenues designated for deposit in the state general fund under chapters 57-51
28 and 57-51.1, the state treasurer shall deposit the revenues received each biennium in the
29 following order:

- 30 1. The first two hundred thirty million dollars into the state general fund;
- 31 2. The next two hundred fifty million dollars into the social service fund;

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- 1 3. The next seventy-five million dollars into the budget stabilization fund, but not in an
- 2 amount that would bring the balance in the fund to more than the limit in section
- 3 54-27.2-01;
- 4 4. The next two hundred thirty million dollars into the state general fund;
- 5 5. The next ten million dollars into the lignite research fund;
- 6 6. The next twenty million dollars into the state disaster relief fund, but not in an amount
- 7 that would bring the unobligated balance in the fund to more than twenty million
- 8 dollars;
- 9 7. The next ~~four hundred million~~ two hundred seventy million dollars into the strategic
- 10 investment and improvements fund;
- 11 8. The next sixty-five million dollars to the public employees retirement fund for the main
- 12 system plan;
- 13 9. The next fifty-nine million seven hundred fifty thousand dollars, or the amount
- 14 necessary to provide for twice the amount of the distributions under subsection 2 of
- 15 section 57-51.1-07.7, into the funds designated for infrastructure development in
- 16 non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty
- 17 percent deposited into the municipal infrastructure fund and fifty percent deposited into
- 18 the county and township infrastructure fund;
- 19 10. The next ~~one hundred seventy million two hundred fifty thousand~~ two hundred twenty
- 20 million two hundred fifty thousand dollars or the amount necessary to provide a total of
- 21 ~~two hundred thirty million~~ two hundred eighty million dollars into the funds designated
- 22 for infrastructure development in non-oil-producing counties under sections
- 23 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal
- 24 infrastructure fund and fifty percent deposited into the county and township
- 25 infrastructure fund;
- 26 11. The next twenty million dollars into the airport infrastructure fund; and
- 27 12. Any additional revenues into the strategic investment and improvements fund.
- 28 **SECTION 15. REPEAL.** Section 11-38-08 of the North Dakota Century Code is repealed.

1 funds from this appropriation are available for continued development and operating costs of
2 the statewide systems, including accounting, management, and payroll, during the biennium
3 beginning July 1, 2025, and ending June 30, 2027.

4 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
5 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
6 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 7 1. The sum of \$500,000 appropriated from the strategic investment and improvements
8 fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws
9 and continued into the 2021-23 biennium pursuant to chapter 42 of the 2021 Session
10 Laws and continued into the 2023-25 biennium pursuant to chapter 640 of the 2023
11 Special Session Laws for an assessment of state facilities.
- 12 2. The sum of \$3,659,555 appropriated from federal funds in section 1 and identified in
13 section 2 of chapter 640 of the 2023 Special Session Laws for the governor's
14 emergency education relief program.
- 15 3. The sum of \$4,000,000 from the capitol building fund in section 1 and identified in
16 section 2 of chapter 640 of the 2023 Special Session Laws for the window
17 replacement project.
- 18 4. The sum of \$2,500,000 appropriated from the general fund in section 1 and identified
19 in section 2 of chapter 640 of the 2023 Special Session Laws for space utilization
20 improvements.
- 21 5. The sum of \$20,000,000 appropriated from the strategic investment and
22 improvements fund in section 1 and identified in section 2 of chapter 640 of the 2023
23 Special Session Laws for the boiler replacement project and water mitigation at the
24 liberty memorial building.
- 25 6. The sum of \$400,000 appropriated from the general fund in section 1 and identified in
26 section 2 of chapter 640 of the 2023 Special Session Laws for the procurement
27 automation project.

28 **SECTION 18. EMERGENCY.** ~~Section 7~~ Sections 3 and 8 of this Act ~~is~~ are declared to be an
29 emergency measure.