

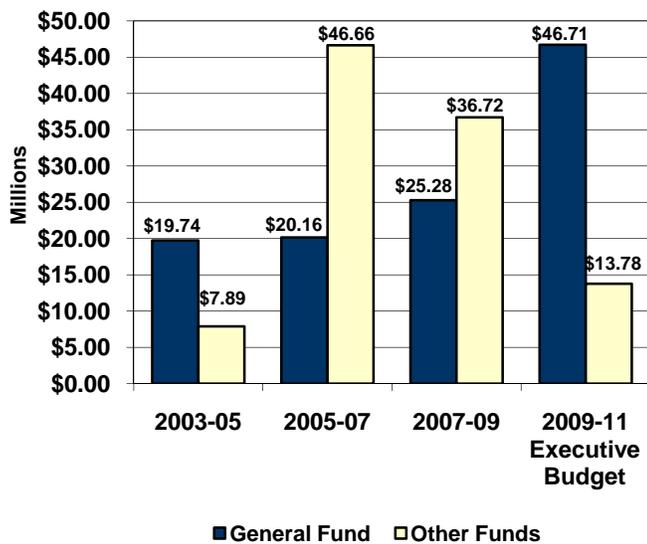
Department 110 - Office of Management and Budget
 House Bill No. 1015

| | FTE Positions | General Fund | Other Funds | Total |
|------------------------------------|---------------|--------------|----------------|-------------------------|
| 2009-11 Executive Budget | 133.50 | \$46,709,182 | \$13,775,833 | \$60,485,015 |
| 2007-09 Legislative Appropriations | 132.50 | 25,283,253 | 36,717,584 | 62,000,837 ¹ |
| Increase (Decrease) | 1.00 | \$21,425,929 | (\$22,941,751) | (\$1,515,822) |

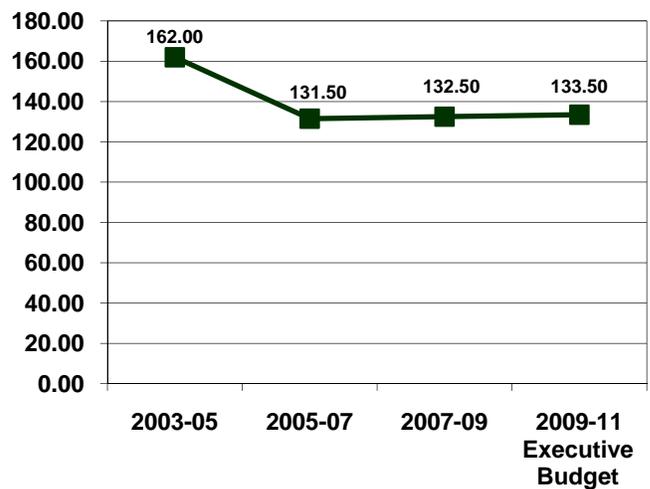
¹The 2007-09 appropriation amounts do not include \$259,700 of capital construction carryover and do not include \$315 of additional general fund authority resulting from Emergency Commission action during the 2007-09 biennium.

NOTE: The 2007-09 legislative appropriation amounts have been reduced to reflect the \$4,998,143 general fund and \$3,541,747 of other funds allocation from the \$10 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees. The amounts have been increased by \$112,668, of which \$82,452 is from the general fund, for OMB's share of the special market equity pool.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2009-11 Executive Budget | \$24,866,941 | \$21,842,241 | \$46,709,182 |
| 2007-09 Legislative Appropriations | 21,595,396 | 3,687,857 | 25,283,253 |
| Increase (Decrease) | \$3,271,545 | \$18,154,384 | \$21,425,929 |

First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
 (With First House Changes in Bold)

| Administration | General Fund | Other Funds | Total |
|---|--------------|----------------|-------------|
| 1. Provides funding of \$238,053 to address salary equity issues, including funding of \$11,336 to address the related second-year salary increase. The House removed this funding. | \$168,886 | \$69,167 | \$238,053 |
| 2. Provides funding for increased information technology costs. The House removed \$500,000 of the increase in funding. | \$1,000,000 | | \$1,000,000 |
| 3. Provides funding for a state student internship program to assist agencies with funding to hire interns | \$200,000 | | \$200,000 |
| 4. Changes the one-time funding source for centers of excellence from \$20 million of special funds from the permanent oil tax trust fund to \$15 million from the general fund and \$5 million from | \$15,000,000 | (\$15,000,000) | \$0 |

special funds from a Bank of North Dakota loan. **The House removed this funding.**

| | | | |
|--|-------------|--|-------------|
| 5. Provides one-time funding for the conversion of Prairie Public Broadcasting towers from analog to digital broadcasting. The House removed this funding. | \$2,016,200 | | \$2,016,200 |
| 6. Provides one-time funding for increases in statewide dues. The House reclassified this funding from one-time funding to ongoing funding. | \$30,000 | | \$30,000 |
| 7. Provides one-time funding for the implementation of additional PeopleSoft modules | \$1,000,000 | | \$1,000,000 |
| 8. Provides one-time funding for the census Complete Count Committee | \$100,000 | | \$100,000 |
| 9. Provides one-time funding for a grant increase to the Council of State Employees | \$1,000 | | \$1,000 |
| 10. Removes one-time funding provided in the 2007-09 biennium for the Prairie Public Broadcasting digital conversion project | (\$686,000) | | (\$686,000) |

Central Services

| | | | |
|--|------------|------------|------------|
| 1. Decreases funding for operating expenses primarily due to a reduction in the leasing of equipment | (\$10,713) | (\$10,901) | (\$21,614) |
|--|------------|------------|------------|

Facility Management

| | | | |
|--|---------------|-----------|---------------|
| 1. Provides increased funding for the utility costs of buildings located on the Capitol grounds | \$420,000 | | \$420,000 |
| 2. Provides one-time funding for Capitol and parking lot repairs. The House removed this funding. | \$2,450,000 | | \$2,450,000 |
| 3. Provides one-time funding from the Capitol building fund to continue Capitol restoration projects as identified by the Capitol Grounds Planning Commission | | \$800,000 | \$800,000 |
| 4. Provides one-time funding for the purchase of equipment (\$118,000), electrical and mechanical equipment replacement (\$170,000), heat pump and cooling tower replacement (\$500,000), Veterans Memorial panel replacement (\$187,000), Heritage Center maintenance and increased supply costs (\$95,000), and a study on repairs needed to the Capitol exterior limestone (\$150,000) | \$1,220,000 | | \$1,220,000 |
| 5. Removes one-time extraordinary repair funding provided in the 2007-09 biennium | (\$3,000,000) | | (\$3,000,000) |

Fiscal Management

| | | | |
|---|---------------|---------------|---------------|
| 1. Decreases funding for operating expenses primarily due to the removal of 2007-09 biennium fiscal management carryover authority of \$2,161,702 | (\$2,158,702) | | (\$2,158,702) |
| 2. Removes funding provided for 2007-09 salary equity adjustments that was not allocated to any agency | (\$1,857) | (\$1,458,253) | (\$1,460,110) |

Human Resource Management Services

| | | | |
|--|-----------|--|-----------|
| 1. Adds 1 FTE human resource officer II position (\$147,119) and related operating expenses (\$10,000) | \$157,119 | | \$157,119 |
| 2. Provides one-time funding for a FileNet project to scan classification files | \$25,041 | | \$25,041 |

Risk Management

| | | | |
|---|--|------------|------------|
| 1. Decreases funding for operating expenses primarily due to a \$75,000 decrease in federal funds | | (\$32,500) | (\$32,500) |
|---|--|------------|------------|

The following is a comparison of funding for dues and memberships:

| | 2007-09 | 2009-11 |
|---|-----------|-----------|
| Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.) | \$146,000 | \$146,000 |
| Council of State Governments | 155,000 | 168,000 |
| Government Accounting Standards Board | 6,000 | 6,000 |
| Western Governors Association | 74,300 | 74,300 |
| National Governors Association | 72,500 | 81,500 |

| | | |
|---|------------------|------------------|
| Midwest Governors Association | 20,000 | 20,000 |
| National Lieutenant Governors Association | 1,200 | 1,200 |
| Education Commission of the States | 106,000 | 114,000 |
| Total dues and memberships | \$581,000 | \$611,000 |

Other Sections in Bill

Section 4 allows the Fiscal Management Division to continue unexpended funds from the 2007-09 biennium to the 2009-11 biennium for continued development and operating costs of the accounting, management, and payroll systems.

Section 5 provides for various grants and special items, including funding for state contingencies of \$700,000, the same amount as the 2007-09 biennium.

Section 6 provides that \$800,000 of the total special funds appropriation is from the Capitol building fund and is to be spent by the Facility Management Division during the 2009-11 biennium.

Section 7 authorizes agencies to transfer appropriation authority between line items as it relates to salary equity increases. The agencies are to notify OMB of any transfer made.

Section 8 authorizes the Human Resource Management Services division to transfer funds appropriated for the state student internship program to other agencies.

Section 9 provides intent that compensation adjustments for the 2009-11 biennium for regular state employees are to be based on documented performance and equity. Each agency appropriation is increased by 5 percent for the first year and 5 percent for the second year of the 2009-11 biennium. Each eligible employee is to receive a minimum monthly increase of \$100.

Section 10 provides an appropriation of \$3,950,000 from the general fund and \$4,500,000 from special funds to OMB for the creation of a statewide critical salary funding pool.

Section 11 provides that the statewide critical salary funding pool appropriation in Section 10 of the bill may only be used for critical state employee position authorization and funding related to the filling of vacant employee positions.

Section 12 authorizes agencies to request funding from the statewide critical salary funding pool for the restoration of a critical state employee FTE position and restoration of funding for a critical vacant FTE employee position. The Office of Management and Budget is to review any request and transfer appropriation authority from the statewide critical salary funding pool subject to Budget Section approval.

Section 14 provides a \$4,000,000 general fund appropriation and a \$4,000,000 special funds appropriation to OMB for the purpose of creating a funding pool to provide statewide salary equity adjustments for classified state employees.

Section 15 provides intent for the distribution of funds for statewide salary equity adjustments for classified state employees.

Sections 16 and 17 amend North Dakota Century Code (NDCC) Sections 54-21-24 and 54-21-24.1 to require state agencies to approve leased office space prior to finalizing a contract or lease for the office space.

Section 18 provides for a Legislative Council study of the Capitol complex master plan, including a review of parking needs on the Capitol grounds.

Continuing Appropriations

Risk management fund - NDCC Chapter 32-12.2 - Risk fund to timely settle claims and lawsuits.

Risk management workers' compensation fund - NDCC Section 65-04-03.1 - Workers' compensation for state employees.

Human Resource Management Services training fund - NDCC Section 54-44-11 - State personnel training and development operating fund.

Capitol building fund - NDCC Chapter 48-10 - Capitol grounds planning fund.

Preliminary planning revolving fund - NDCC Section 54-27-22 - Preliminary planning revolving fund for state agencies.

Postage revolving fund - NDCC Chapter 48-06 - Purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - NDCC Section 54-06-20 - Indigent civil legal services.

Central Services fund - NDCC Section 54-44-04 - Central supply revolving fund.

Major Related Legislation

House Bill No. 1122 - This bill allows OMB to provide a provision in economic forecasting contracts to limit the state's ability to seek and recover indirect consequential damages.

House Bill No. 1377 - This bill requires the director of OMB to develop and make publicly available a searchable database of state expenditures.

House Bill No. 1419 - This bill increases the maximum amount that may be transferred from the general fund to the budget stabilization fund at the end of a biennium. The bill increases the maximum amount from 10 percent to 12.5 percent of the current biennial state general fund budget as approved by the most recently adjourned session of the Legislative Assembly.

House Bill No. 1513 - This bill creates a government innovation and efficiency grant program.

Senate Bill No. 2061 - This bill provides for the Human Resource Management Services division to conduct a study on the retention of state employees and to report their findings to the Legislative Council.

Senate Bill No. 2064 - This bill provides for an increase in the lodging reimbursement rate to \$60 per night plus tax for state employees and requires the director of OMB to adopt rules establishing mileage reimbursement for state employees.

Senate Bill No. 2353 - This bill provides for an increase in the lodging reimbursement rate to \$60 per night plus tax for state employees and requires the director of OMB to increase the maximum lodging rate by up to \$5 per year until the amount is equal to the lodging rate established by the United States General Services Administration.

Senate Bill No. 2425 - This bill requires the director of OMB to develop and present a report to the Legislative Council of all facilities occupied by state agencies and recommendations for increasing efficiency.

ATTACH:1