

**Office of Management and Budget
Budget No. 110
Senate Bill No. 2393 and House Bill No. 1540**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	110.00	\$137,670,538 ¹	\$146,004,024	\$283,674,562 ²
2021-23 legislative appropriation	<u>108.00</u>	<u>34,304,170³</u>	<u>33,523,413</u>	<u>67,827,583</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	2.00	\$103,366,368	\$112,480,611	\$215,846,979

¹This amount includes \$6,516,719 of one-time funding and \$90,763,709 for statewide funding pools. Excluding this amount, the agency's ongoing general fund appropriation is \$40,390,110.

² This amount does not include any transfers of appropriation authority from the Office of Management and Budget (OMB) funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

³Reflects a deficiency appropriation of \$277,771 to OMB for judgement expenses pursuant to Senate Bill No. 2025 (2023).

Item Description

Full-time equivalent changes - The Legislative Assembly approved 110 FTE positions for OMB for the 2023-25 biennium, an increase of 2 FTE positions from the 2021-23 biennium. The Legislative Assembly added 1 FTE business development position and 1 FTE talent acquisition management position.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to OMB for a targeted market equity pool to be distributed to executive branch state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced appropriation authority in agency budgets for new positions and estimated savings from vacant positions. The Legislative Assembly appropriated \$98.2 million, of which \$40.1 million is from the general fund, to OMB for a new and vacant FTE funding pool. State agencies are eligible to apply to receive funding from the pool for any new or selected vacant FTE positions filled.

The Legislative Assembly reduced \$1,707,753 of 2023-25 biennium appropriation authority, of which \$1,523,083 is from the general fund for OMB for the new and vacant FTE funding pool, including \$446,314 for new FTE positions and \$1,261,439 for vacant FTE position savings.

Status/Result

The business development position was filled in September 2023 and the talent acquisition manager position was filled in October 2023.

The Office of Management and Budget received \$352,501, of which \$304,707 is from the general fund, for targeted market equity increases. Equity increases were provided to 56 employees, including procurement positions, human resources positions, and facilities management positions.

For the 2023-25 biennium, OMB transferred a total of \$62,324,425, of which \$44,087,996 is from the general fund, to other agencies for targeted market equity increases. A total of 6,582 positions, including 2,848 North Dakota University System positions, received market equity increases. Other funds authority of \$18,553,893 was not utilized by the University System due to a tuition freeze.

Through January 2024, state agencies have received a total of \$43,968,123, of which \$21,673,506 is from the general fund, from the new and vacant FTE funding pool. A total of 215 new and vacant FTE positions have been filled. Executive branch state agencies have had estimated savings of \$43.8 million from vacant FTE positions and the average monthly vacancy rate is 854.86 FTE positions.

The Office of Management and Budget has not received any allocations from the new and vacant FTE funding pool. Through January 2024, OMB had estimated vacant FTE position savings of \$442,344. The office used \$38,193 of the savings for other purposes, including additional salary increases, temporary salary funding, and overtime. The number of vacancies in the office has ranged from 6 to 12 with an average monthly vacancy rate of 8.28 FTE positions.

One-time funding - The following is a summary of OMB's one-time appropriations for the 2023-25 biennium:

	General Fund	Other Funds	Total
Accrued leave retirement payouts	\$74,369	\$26,000	\$100,369
Inflationary increases		340,000	340,000
Capitol accessibility consulting	50,000		50,000
Accessibility improvements in legislative areas of the Capitol (Capitol building fund)		150,000	150,000
State employee leave management system	335,000		335,000
Cash management study	450,000		450,000
Procurement software	400,000		400,000
Building automation upgrades in the Capitol (Capitol building fund)		800,000	800,000
Extraordinary repairs - electrical and mechanical repairs (Capitol building fund)		250,000	250,000
Capitol space utilization improvements	2,500,000		2,500,000
Central Services Division software and equipment	215,000	358,800	573,800
Governor's residence improvements (Capitol building fund)		100,000	100,000
Brynhild Haugland Room remodeling project (Capitol building fund)		250,000	250,000
Capitol window replacement project (Capitol building fund)		4,000,000	4,000,000
Deferred maintenance projects (strategic investment and improvements fund (SIIF))		20,000,000	20,000,000
Prairie Public Broadcasting grants	1,792,450		1,792,450
State student internship program	500,000		500,000
Governor's Emergency Education Relief - education grants (federal funds)		3,659,555	3,659,555
Infrastructure grant for Wells County	200,000		200,000
Total	\$6,516,819	\$29,934,355	\$36,451,174

The status of the one-time funding items is as follows:

- Accrued leave payments - OMB has spent \$3,049 through March 2024 and anticipates spending an additional \$50,000 through the end of the biennium.
- Inflationary increases - OMB has not spent any of the funding and any future spending will depend on federal funds authority needed by Surplus Property to pay freight costs when federal property is received.
- Accessibility improvements - The projects are in the design phase and are anticipated to be completed by December 2024.
- State employee leave management system - OMB has spent \$21,635 through March 2024 and anticipates spending an additional \$229,536 through the end of the biennium.
- Cash management study - OMB has selected a consultant for the study but has not yet spent any funds.
- Procurement software - OMB has not spent any of the funding but anticipates all funding will be used by the end of the biennium.
- Building automation upgrades - The project began in April 2024 and is estimated to be completed by June 2025.
- Extraordinary repairs - Through March 2024, OMB has spent \$4,622 and anticipates spending an additional \$240,000 through the end of the biennium.
- Capitol space utilization improvements - The improvements are in the design phase and will be completed from June 2024 to July 2025.
- Central Services Division software and equipment - OMB has spent \$73,550 through March 2024 and anticipates spending an additional \$100,000 through the end of the biennium.
- Governor's residence improvements - The improvements are in the design phase and will be completed from June 2024 through December 2024.
- Brynhild Haugland Room remodeling - As of April 2024, the project is 90 percent complete and is anticipated to be completed by the end of 2024.
- Capitol window replacement project - The project is in the design phase and work will take place from July 2024 through June 2025.
- Deferred maintenance projects - Through March 2024, OMB has spent a total of \$6,211,567 and anticipates spending the remaining funds throughout the biennium.
- State student internship program - See the **State student internship program** section below.
- Governor's Emergency Education Relief grants - OMB received Emergency Commission and Budget Section approval to increase total spending authority to \$4,059,055, and anticipates all grants will be awarded by the end of the biennium.
- Infrastructure grant for Wells County - OMB has awarded the grant to the Harvey Area Senior Center.

Capital improvements - The Legislative Assembly provided \$20 million from SIIF for deferred maintenance projects, including \$12 million for a boiler replacement project and \$700,000 for a water mitigation project at the Liberty Memorial Building. The Legislative Assembly also provided \$5.55 million from the Capitol building fund for capital improvements, including \$500,000 for accessibility improvements in legislative areas of the Capitol, \$800,000 for a building automation project, \$250,000 for extraordinary repairs related to electrical and mechanical repairs, \$100,000 for security improvements at the Governor's residence, \$250,000 for a remodeling project in the Brynhild Haugland Room in the Capitol, and \$4 million for a Capitol window replacement project.

State memberships - The 2023 Legislative Assembly provided \$685,657 from the general fund for state dues and memberships. The state dues and memberships are as follows:

	2023-25 Biennium
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues)	\$162,800
Council of State Governments	240,125
Western Governors' Association	83,160
National Governors Association	79,590
National Lieutenant Governors Association	2,100
Education Commission of the States	117,882
Total dues and memberships	\$685,657

Budget stabilization fund transfer - North Dakota Century Code Chapter 54-27.2 provides any amount in the general fund at the end of the biennium in excess of \$65 million must be transferred to the budget stabilization fund except that the balance in the budget stabilization fund may not exceed 15 percent of the general fund budget approved by the most recently adjourned Legislative Assembly.

Special funds transfers - Senate Bill No. 2393 provides for the following special funds transfers:

- \$200 million from the tax relief fund or social services fund to the human services finance fund.
- \$50 million from SIIF to the general fund.
- \$30 million from SIIF to the North Dakota Development Fund.

The status of the projects is as follows:

Project	Spending through March 31, 2024	Anticipated Remaining Spending
Deferred maintenance projects	\$6,211,567	\$13,788,433
Accessibility improvements	0	150,000
Building automation projects	0	800,000
Extraordinary repairs	4,622	240,000
Governor's residence projects	0	100,000
Brynhild Haugland Room	127,770	100,000
Capitol window replacement	140	3,999,000
Total	\$6,344,099	\$19,177,433

The amounts for the state dues and memberships are not anticipated to be materially different from the projections at the close of the 2023 legislative session.

The 2023 Legislative Assembly estimated the transfer from the general fund to the budget stabilization fund at the end of the 2021-23 biennium to be \$194,429,031. However, due to interest income retained in the fund being more than anticipated, the actual transfer was \$176,601,907.

The status of the transfers is as follows:

- The \$200 million transfer from the social services fund to the human services finance fund was made in March 2024.
- A total of \$25 million was transferred from SIIF to the general fund in July 2023 and the remaining \$25 million is anticipated to be transferred in July 2024.
- The \$30 million transfer from SIIF to the North Dakota Development Fund has not been made. The Office of Management and Budget will transfer the funds upon request from the Department of Commerce.

State contingencies fund - The Legislative Assembly provided \$750,000 from the general fund for state contingencies for the 2023-25 biennium. During the 2023 regular legislative session a total of \$400,000 was appropriated and the amount was increased to \$750,000 during the October 2023 special legislative session.

Grants - The Legislative Assembly provided the following funding for grants in the 2023-25 biennium:

- \$350,000 for community service supervision grants along with any additional funds in the community services supervision fund;
- \$7,100,000 for guardianship grants; and
- \$2,992,450 for Prairie Public Broadcasting.

State student internship program - The Legislative Assembly appropriated \$500,000 from the general fund for the state student internship program for the 2023-25 biennium.

Through March 2024, a total of \$111,380 of state contingencies funding has been approved. The funding was used to correct errors made in the distribution of emergency snow removal grants.

Through March 2024, OMB has awarded the following grants and anticipates awarding the remaining funds by the end of the biennium:

- \$175,000 for community service supervision grants;
- \$2,742,860 for guardianship grants; and
- \$1,496,225 for Prairie Public Broadcasting.

Through March 2024, a total of \$102,947 has been transferred to 12 agencies for 36 internships.