

Sixty-fourth
Legislative Assembly
of North Dakota

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 create and enact section
5 54-52-02.15 of the North Dakota Century Code, relating to participation by certain employees of
6 the office of management and budget in the public employees retirement system; to amend and
7 reenact subdivision c of subsection 1 of section 15-10-17 and section 48-08-04 of the North
8 Dakota Century Code, relating to North Dakota university system personnel and the use of
9 legislative meeting rooms; to repeal section 54-44-06 of the North Dakota Century Code,
10 relating to duties of the office of management and budget as to school fund; to provide an
11 exemption; to provide for various transfers; ~~and~~ to provide for a legislative management study; to
12 provide a statement of legislative intent; and to declare an emergency.

13 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

14 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
15 as may be necessary, are appropriated out of any moneys in the general fund in the state
16 treasury, not otherwise appropriated, and from special funds derived from federal funds and
17 other income, to the office of management and budget for the purpose of defraying the
18 expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017,
19 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
22 Salaries and wages	\$19,803,315	\$313,779	\$20,117,094
23 Accrued leave payments	570,412	(570,412)	0
24 Operating expenses	14,356,788	(150,003)	14,206,785

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1	Emergency commission contingency fund	700,000	0	700,000
2	Capital assets	2,251,065	5,278,944	7,530,009
3	Grants	430,000	125,000	555,000
4	Guardianship grants	828,600	1,109,200	1,937,800
5	Prairie public broadcasting	1,337,138	1,862,862	3,200,000
6	State student internship program	200,000	50,000	250,000
7	Energy impact funding pool	0	14,700,000	14,700,000
8	Health insurance pool - temporary	0	5,000,000	5,000,000
9	employees			
10	Total all funds	\$40,477,318	\$27,719,370	\$68,196,688
11	Less estimated income	8,730,630	10,894,705	19,625,335
12	Total general fund	\$31,746,688	\$16,824,665	\$48,571,353
13	Salaries and wages	\$19,803,315	\$224,939	\$20,028,254
14	Accrued leave payments	570,412	(570,412)	0
15	Operating expenses	14,356,788	(150,003)	14,206,785
16	Emergency commission contingency fund	700,000	0	700,000
17	Capital assets	2,251,065	1,738,944	3,990,009
18	Grants	430,000	125,000	555,000
19	Guardianship grants	828,600	0	828,600
20	Prairie public broadcasting	1,337,138	362,862	1,700,000
21	State student internship program	200,000	50,000	250,000
22	Health insurance pool - temporary	0	5,000,000	5,000,000
23	employees			
24	Total all funds	\$40,477,318	\$6,781,330	\$47,258,648
25	Less estimated income	8,730,630	2,689,760	11,420,390
26	Total general fund	\$31,746,688	\$4,091,570	\$35,838,258
27	Full-time equivalent positions	130.50	(8.00)	122.50

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

29 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 30 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the
 31 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

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	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
1			
2	Capitol complex parking lot repairs	\$4,000,000	\$0
3	Health insurance pool	2,000,000	0
4	Exterior restoration of legislative and j-wing	1,500,000	0
5	Repair and cleaning capitol and j-wing	1,200,000	0
6	Capitol south entrance	1,000,000	0
7	Prairie public broadcasting	600,000	1,500,000
8	<u>Prairie public broadcasting</u>	<u>600,000</u>	<u>0</u>
9	North Dakota 125th anniversary coordinator	190,000	0
10	Energy impact funding	8,500,000	0
11	Transfer to property tax relief	315,210,000	0
12	Information technology hardware relocation study	200,000	0
13	Student internship	0	50,000
14	Facility projects	0	2,205,000
15	<u>Facility projects</u>	<u>0</u>	<u>205,000</u>
16	Signage on the capitol grounds	0	1,400,000
17	West parking lot repair	0	1,300,000
18	<u>West parking lot repair</u>	<u>0</u>	<u>50,000</u>
19	ACA health insurance	0	5,000,000
20	Energy impact pool	0	14,700,000
21	Total all funds	\$334,400,000	\$26,155,000
22	Less estimated income	5,500,000	12,400,000
23	Total general fund	\$328,900,000	\$13,755,000
24	<u>Facility management projects</u>	<u>0</u>	<u>1,825,009</u>
25	<u>Legislative wing electrical-related repairs</u>	<u>0</u>	<u>310,000</u>
26	<u>Total all funds</u>	<u>\$334,400,000</u>	<u>\$8,840,009</u>
27	<u>Less estimated income</u>	<u>5,500,000</u>	<u>4,210,000</u>
28	<u>Total general fund</u>	<u>\$328,900,000</u>	<u>\$4,630,009</u>

29 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
30 2017-19 biennium. The office of management and budget shall report to the appropriations

1 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the
2 biennium beginning July 1, 2015, and ending June 30, 2017.

3 **SECTION 3. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET.** There is
4 appropriated out of any moneys in the general fund in the state treasury, not otherwise
5 appropriated, the sum of \$208,618, or so much of the sum as may be necessary, to the office of
6 management and budget for the purpose of the addition of two full-time equivalent positions to
7 provide concessions in the state capitol for the period beginning with the effective date of this
8 Act and ending June 30, 2017. The office of management and budget is authorized two full-time
9 equivalent positions for this purpose.

10 **SECTION 4. APPROPRIATION LINE ITEM TRANSFERS.** Notwithstanding section
11 54-16-04, the office of management and budget may transfer appropriation authority between
12 line items for the purpose of purchasing service credit as provided in section 20 of this Act for
13 the period beginning with the effective date of this Act, and ending June 30, 2017.

14 **SECTION 5. APPROPRIATION - TRANSFER PROPERTY TAX RELIEF SUSTAINABILITY**
15 **FUND TO GENERAL FUND.** There is appropriated out of any moneys in the property tax relief
16 sustainability fund in the state treasury, not otherwise appropriated, the sum of \$657,000,000, or
17 so much of the sum as may be necessary, which the office of management and budget shall
18 transfer to the general fund during the biennium beginning July 1, 2015, and ending June 30,
19 2017.

20 **SECTION 6. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**
21 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
22 appropriated, the sum of \$200,000,000, which the office of management and budget shall
23 transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30,
24 2017. The office of management and budget shall transfer the funds provided in this section at
25 the request of the director of the department of transportation.

26 **SECTION 7. APPROPRIATION - HIGHWAY FUND - DEPARTMENT OF**
27 **TRANSPORTATION.** There is appropriated out of any moneys in the highway fund in the state
28 treasury, not otherwise appropriated, the sum of \$200,000,000, or so much of the sum as may
29 be necessary, to the department of transportation for the purpose of enhanced state highway
30 investments, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding
31 provided in this section is considered a one-time funding item.

1 **SECTION 8. APPROPRIATION - STATE AUDITOR.** There is appropriated out of special
2 funds derived from other income from fees charged to the North Dakota university system, not
3 otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to
4 the state auditor for the purpose of conducting information technology security audits of the
5 eleven institutions in the North Dakota university system, for the biennium beginning July 1,
6 2015, and ending June 30, 2017.

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

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

20 **SECTION 10. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The estimated income
21 line item in section 1 of this Act includes ~~\$1,400,000~~\$1,710,000 from the capitol building fund, of
22 which \$1,400,000 is for capitol building entrance and signage projects and \$310,000 is for
23 legislative wing electrical and ceiling repairs.

24 **SECTION 11. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING**
25 **ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION.** The grants line item in section 1
26 of this Act includes the sum of \$500,000 from the general fund for the purpose of providing
27 community service supervision grants. The office of management and budget shall distribute the
28 grant funds on or before August first during each year of the biennium beginning July 1, 2015,
29 and ending June 30, 2017, to North Dakota community corrections association regions as
30 follows:

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1	Barnes County	\$12,121
2	Bismarck (urban)	27,057
3	Bismarck (rural)	14,223
4	Devils Lake	14,329
5	Dickinson	16,911
6	Fargo	32,169
7	Grand Forks	26,404
8	Jamestown	18,511
9	Minot	21,592
10	Richland County	13,241
11	Rugby	15,543
12	Sargent County	10,781
13	Wells County	10,919
14	Williston	<u>16,199</u>
15	Total	\$250,000

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

20 **SECTION 12. EXEMPTION.** The amount appropriated for the fiscal management division,
21 as contained in section 1 of chapter 15 of the 2013 Session Laws is not subject to the
22 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for
23 continued development and operating costs of the accounting, management, and payroll
24 systems, during the biennium beginning July 1, 2015, and ending June 30, 2017.

25 **SECTION 13. INTENT.** Within the authority included in section 1 of this Act are the following
26 grants and special items:

27	Boys and girls clubwork	\$53,000
28	State memberships and related expenses	\$611,000
29	Unemployment insurance	\$1,500,000
30	Capitol grounds planning commission	\$25,000

1 **SECTION 14. STATE STUDENT INTERNSHIP PROGRAM.** The human resources division
2 of the office of management and budget may transfer to each eligible agency appropriated
3 general fund spending authority from the state student internship program line item contained in
4 section 1 of this Act.

5 ~~**SECTION 11. OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY**~~
6 ~~**DEVELOPMENT IMPACT FUNDING POOL.** The office of management and budget may~~
7 ~~transfer to each eligible agency appropriation authority from the energy development impact~~
8 ~~funding pool line item contained in section 1 of this Act, for the biennium beginning July 1, 2015,~~
9 ~~and ending June 30, 2017. The funds provided under this section are considered a one-time~~
10 ~~funding item.~~

11 **SECTION 15. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE**
12 **HEALTH INSURANCE POOL.** The office of management and budget may transfer to each
13 eligible agency appropriation authority from the health insurance pool - temporary employees
14 line item contained in section 1 of this Act. Transfers may be made for the purpose of providing
15 temporary employee health insurance adjustments for state employees, including institutions of
16 higher education, determined to be full time based on guidelines developed by the office of
17 management and budget in accordance with the shared responsibility provisions of the
18 Affordable Care Act for the biennium beginning July 1, 2015, and ending June 30, 2017.

19 **SECTION 16. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.**
20 Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line
21 items, as it relates to compensation increases authorized in section ~~42~~17 of this Act, for the
22 biennium beginning July 1, 2015, and ending June 30, 2017. The agencies shall notify the office
23 of management and budget of any transfer made pursuant to this section.

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

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

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

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

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

13 **SECTION 18. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North
14 Dakota Century Code is amended and reenacted as follows:

- 15 c. Appoint and remove all university system office personnel, fix their salaries within
16 the limits of legislative appropriations, fix their terms of office, and prescribe their
17 duties. The board shall adopt a policy that provides that each vice chancellor in
18 the university system office is considered to have resigned the individual's
19 position as a vice chancellor upon the appointment of a commissioner of higher
20 education.

21 **SECTION 19. AMENDMENT.** Section 48-08-04 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **48-08-04. Use of legislative assembly rooms and halls.**

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

28 **SECTION 20.** Section 54-52-02.15 of the North Dakota Century Code is created and
29 enacted as follows:

1 **54-52-02.15. Participation by capitol concession employees of the office of**
2 **management and budget.**

3 After the effective date of this Act, the office of management and budget shall certify to the
4 staff of the public employees retirement system the employment of individuals who are
5 permanent employees providing a concession service in the state capitol and who are
6 otherwise eligible to participate in the public employees retirement system. Notwithstanding any
7 other provision of law, the office of management and budget may purchase on behalf of these
8 employees additional service credit, including credit for any employee contributions and
9 contributions to the retiree health benefits fund, for all past employment providing a concession
10 service in the state capitol for which the individual was employed an average of twenty hours or
11 more per week and at least twenty weeks each year of employment, as determined by the
12 director of the office of management and budget. If the office of management and budget
13 purchases service credit under this section, the office of management and budget immediately
14 shall transfer to the public employees retirement system the amount of funds necessary to pay
15 the purchase price, which must be determined by the board on an actuarially equivalent basis
16 taking into account the contributions necessary for the retirement program and the retiree health
17 benefits fund.

18 **SECTION 21. REPEAL.** Section 54-44-06 of the North Dakota Century Code is repealed.

19 **SECTION 22. ONE-TIME FUNDING - ASSISTIVE TECHNOLOGY SERVICES.** The funding
20 appropriated to the department of human services in Senate Bill No. 2289 as approved by the
21 sixty-fourth legislative assembly, relating to assistive technology services is considered one-time
22 funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

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

30 **SECTION 24. LEGISLATIVE INTENT - STATE BOARD OF HIGHER EDUCATION -**
31 **SEVERANCE PAY.** Notwithstanding any policy adopted by the board, the state board of higher

1 education or an institution under its control may not approve or provide severance pay to any
2 employee whose employment is terminated as a result of the transfer of positions from the state
3 board of higher education to the attorney general as provided in House Bill No. 1003 as
4 approved by the sixty-fourth legislative assembly.

5 **SECTION 25. EMERGENCY.** Sections 3, 4, 18, and 20 of this Act are declared to be an
6 emergency measure.