

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, replace "for defraying the expenses of the department of human services" with "to agencies and institutions of state government"

Page 1, line 6, after "adjustments" insert ", federal program termination, and performance-based program budgeting"

Page 1, line 8, after the semicolon insert "to provide for a legislative council study;"

Page 1, line 9, remove the second "and", after "reenact" insert "subsection 2 of", and after "section" insert "32-12.2-07, sections 54-16-04.1, 54-16-04.2, and"

Page 1, line 10, after "to" insert "the risk management fund, emergency commission approvals, and" and after "fund" insert "; to provide for retroactive application; and to declare an emergency"

Page 1, line 20, replace "3,082,026" with "2,982,026"

Page 1, line 22, replace "8,174,694" with "7,854,694"

Page 1, line 24, replace "Intergovernmental assistance" with "Division of community services"

Page 2, line 3, replace "64,739,956" with "64,319,956"

Page 2, line 5, replace "18,651,713" with "18,231,713"

Page 2, line 8, replace "45,709,295" with "49,409,295"

Page 2, line 9, replace "45,709,295" with "49,409,295"

Page 2, line 24, replace "23,283,562" with "22,813,562"

Page 2, line 25, replace "97,136,860" with "100,786,860"

Page 2, line 26, replace "120,420,422" with "123,600,422"

Page 2, replace lines 27 through 30 with:

"SECTION 2. APPROPRIATION. There is hereby appropriated from federal funds \$6,000,000, or so much of the sum as may be necessary, to the director of the office of management and budget for the division of community services for flood-related disasters and the weatherization of low-income homes, for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 3. APPROPRIATION - ADDITIONAL STATE EMPLOYEE COMPENSATION. The sums hereinafter listed, or so much thereof as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, and from special funds derived from federal funds or other income as indicated to the agencies and institutions of state government named for the purpose of providing additional compensation to employees of the various agencies and institutions for the biennium beginning July 1, 1999, and ending June 30, 2001:

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$24,738		\$24,738
Secretary of state	23,011		23,011
Office of management and budget	101,580	\$23,183	124,763
Information services division		232,830	232,830
State auditor	46,698	22,232	68,930
Central services	5,842	20,346	26,188
State treasurer	7,952		7,952
Attorney general	178,527	26,492	205,019
Tax commissioner	148,810		148,810
Administrative hearings office		8,632	8,632
Legislative council	53,990		53,990
Supreme court	52,064		52,064
Judicial conduct commission	5,667		5,667
District court	180,026	3,902	183,928
Clerk of court	42,400		42,400
Retirement and investment office		19,038	19,038
Public employees retirement system		17,021	17,021
Department of public instruction	50,137	99,160	149,297
North Dakota university system	35,118		35,118
Land department		23,717	23,717
Bismarck state college	193,940		193,940
University of North Dakota - Lake Region	59,016		59,016
University of North Dakota - Williston	70,208		70,208
University of North Dakota	1,330,237		1,330,237
University of North Dakota medical center	900,749		900,749
North Dakota state university	1,212,920	763	1,213,683
North Dakota state college of science	284,049		284,049
Dickinson state university	189,770		189,770
Mayville state university	105,036		105,036
Minot state university	383,481		383,481
Valley City state university	141,147		141,147
Minot state university - Bottineau	46,785		46,785
North Dakota forest service	18,532		18,532
State library	23,552	734	24,286
School for the deaf	51,814	1,093	52,907
School for the blind	32,328		32,328
Board for vocational and technical education	19,823	15,352	35,175
Health department	124,406	221,166	345,572
Veterans home	66,734		66,734
Indian affairs commission	3,637		3,637
Department of veterans affairs	4,889	173	5,062
Children's services coordinating committee		908	908
Department of human services	1,588,393	629,946	2,218,339
Protection and advocacy project	23,348		23,348
Job service		406,010	406,010
Insurance commissioner		56,063	56,063
Industrial commission	71,165	9,724	80,889
Labor commissioner	7,342	1,047	8,389
Public service commission	52,244	8,805	61,049
Aeronautics commission		7,629	7,629
Department of banking and financial institutions		31,222	31,222
Securities commissioner	11,042		11,042
Bank of North Dakota		185,708	185,708
Housing finance agency		38,400	38,400
Highway patrol	223,285	11,936	235,221
State radio	31,205		31,205
Division of emergency management	8,984	12,054	21,038
Department of corrections and rehabilitation	494,678	39,935	534,613
Adjutant general	37,338	97,835	135,173
Department of economic development and finance	38,472	3,196	41,668
Agriculture commissioner	36,373	16,727	53,100
Seed department			
Upper great plains transportation institute	5,816	26,911	32,727
North Dakota state university extension service	211,009	118,986	329,995
Northern crops institute	7,153	4,554	11,707
Main research center	375,408	118,143	493,551
Dickinson research extension center	17,006	102	17,108
Central grasslands research extension center	7,561		7,561
Hettinger research extension center	7,485	2,071	9,556
Langdon research extension center	7,631	930	8,561
North central research extension center	8,739	1,126	9,865
Williston research extension center	8,697	443	9,140
Carrington research extension center	15,176	4,637	19,813
Agronomy seed farm		4,468	4,468
Historical society	53,883		53,883
Council on the arts	4,974		4,974
Game and fish department		156,680	156,680
Department of tourism	10,897		10,897

Department of parks and recreation	39,500	1,680	41,180
Water commission	89,446	13,417	102,863
Department of transportation		1,033,850	1,033,850
Total	<u>\$9,713,863</u>	<u>\$3,780,977</u>	<u>\$13,494,840"</u>

Page 3, remove lines 1 through 9

Page 3, line 26, replace "\$950,000" with "\$500,000"

Page 4, line 25, replace "Each agency appropriation" with "Agency salary funding" and replace "2.0" with "3.0"

Page 5, line 2, remove "receive its 1999-2001 employee compensation in a lump sum amount of \$971,035 to"

Page 5, line 7, replace "700,000" with "600,000"

Page 5, line 14, after "transfer" insert "special funds to the general fund as follows:"

Page 5, replace line 15 with:

"Lands and minerals trust fund	\$3,000,000
Public employees life insurance program	1,500,000
Financial institutions regulatory fund	200,000"

Page 5, line 21, replace "\$60,000,000" with "\$50,000,000"

Page 6, line 2, after "budget" insert "and"

Page 6, line 4, after the period insert "Transfers made under the provisions of this section may not be made before July 1, 2000, and may only be made to the extent that the transfer is necessary to achieve a projected June 30, 2001, general fund balance of \$10,000,000."

Page 6, line 6, replace "\$23,000,000" with "\$40,000,000"

Page 6, after line 9, insert:

"SECTION 14. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET SECTION. If the federal government during the 1999-2001 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the

repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council for its approval.

SECTION 15. PROGRAM-BASED PERFORMANCE BUDGETING. The office of management and budget shall discontinue the program-based performance budgeting pilot project when preparing the 2001-03 biennium budget documents and accompanying appropriation bills. Budget documents for the 2001-03 biennium are to be based on the standard line items and are not to contain agency performance measures.

SECTION 16. LEGISLATIVE COUNCIL INTERIM STUDY OF PERFORMANCE INCENTIVE PILOT PROGRAMS. The legislative council shall consider studying the establishment of agency performance incentive pilot programs. If conducted, the study should address how agencies could develop, implement, administer, maintain, and evaluate performance incentive pilot programs. The study should also address the development of personnel policies and procedure manuals and how pay raises which may not be across the board are to be awarded as a reward and incentive for superior performance and the length of time they may be in effect. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 17. AMENDMENT. Subsection 2 of section 32-12.2-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The state risk management fund is a special fund in the state treasury administered by the director of the office of management and budget. The fund is a revolving fund consisting of contributions from participating state entities, all payments received by the fund from its activities, and other appropriations by the legislative assembly. The state investment board shall invest the fund in accordance with chapter 21-10. Funds received as contributions from state entities, all other payments deposited in the fund, and interest and income received on investments are hereby appropriated on a continuing basis for the purposes of the fund. Section 54-44.1-11 does not apply to the fund.

SECTION 18. AMENDMENT. Section 54-16-04.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.1. May authorize acceptance and disbursement of federal funds.

The emergency commission with the advice and counsel of the executive office of the budget may authorize the state treasurer to receive any moneys not appropriated by the legislative assembly which are made available by any federal agency and which the legislative assembly has not indicated an intent to reject. The emergency commission may authorize pass-through federal funds from one state agency to another state agency. The emergency commission, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize any state officer to expend federal moneys from the date such moneys become available until June thirtieth following the next regular legislative session. The expenditures must be consistent with state law and with the terms of the grant and the program may not commit the legislative assembly for matching funds in the future unless the program has first been approved by the legislative assembly. A state officer may not expend funds received from the federal government which have not been specifically appropriated by the legislative assembly except as provided in this chapter. A state officer shall submit an expenditure plan with a request for approval under this section of expenditure of federal funds combined with or as part of a block grant for a new or existing program.

SECTION 19. AMENDMENT. Section 54-16-04.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.2. Commission may authorize acceptance and expenditure of moneys. The emergency commission, upon the advice of the office of management and budget, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize a state officer to receive moneys from gifts, grants, donations, or other sources, not otherwise appropriated by the legislative assembly, for new or existing programs if the legislative assembly has not indicated an intent to reject the moneys or the program. The emergency commission may authorize the state officer to expend money received under this section from the date the money becomes available until June thirtieth following the next regular legislative session."

Page 7, after line 2, insert:

"SECTION 22. RETROACTIVE APPLICATION. Section 17 of this Act is effective for all funds received and deposited into the risk management fund on or after July 1, 1997.

SECTION 23. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$3,086,844	\$3,082,026	(\$100,000)	\$2,982,026
Fiscal management	3,998,308	3,875,828		3,875,828
Facility management	8,203,213	8,174,694	(320,000)	7,854,694
Central personnel	1,226,846	1,212,300		1,212,300
Division of community services	42,055,293	42,035,197		42,035,197
Risk management	964,173	959,911		959,911
Statewide compensation plan	5,400,000	5,400,000		5,400,000
Total all funds	\$64,934,677	\$64,739,956	(\$420,000)	\$64,319,956
Less special funds	<u>46,105,926</u>	<u>46,088,243</u>		<u>46,088,243</u>
General fund	\$18,828,751	\$18,651,713	(\$420,000)	\$18,231,713
FTE	122.00	121.00	(0.40)	120.60

Detail of House changes to the Senate version includes:

	REDUCE STATE CONTINGENCIES FUNDING	REMOVE .4 FTE CAPITOL SECURITY POSITION	REMOVE SECURITY SYSTEM HARDWARE AND SOFTWARE FUNDING	REMOVE SECURITY SYSTEM CONTRACTING SERVICES FUNDING	TOTAL HOUSE CHANGES
Administration	(\$100,000) 1				(\$100,000)
Fiscal management					
Facility management			(\$200,000) 2	(\$120,000) 2	(320,000)
Central personnel					
Division of community services					
Risk management					
Statewide compensation plan					
Total all funds	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$420,000)
Less special funds					
General fund	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$420,000)
FTE	0.00	(0.40) 2	0.00	0.00	(0.40)

- 1 Reduces the state contingencies funding by \$100,000, from \$700,000 to \$600,000.
- 2 Removes a .4 FTE and \$320,000 of general fund moneys which was for a new security system in the Capitol.

The amendment also makes the following changes:

- Reduces the fiscal management division's carryover from the 1997-99 biennium by \$450,000, from \$950,000 to \$500,000.
- Adds a new section appropriating \$13,494,840, \$9,713,863 of which is from the general fund to state agencies and institutions for providing an additional one percent state employee salary increase in each year of the 1999-2001 biennium. With this change, state employee salary increases are provided at three percent for each year of the biennium. Neither judges nor other elected officials are included in this increase.
- Adds a new section appropriating \$6,000,000 of federal funds to the Division of Community Services for flood-related disasters (\$3,000,000) and weatherization of low-income homes (\$3,000,000). The amendment also adds a section making the \$6,000,000 appropriation an emergency measure.
- Provides for special fund transfers to the general fund of \$200,000 from the financial institutions regulatory fund and \$1,500,000 from the Public Employees Retirement System life insurance program.
- Reduces Bank of North Dakota transfers to the general fund by \$10,000,000, from \$60,000,000 to \$50,000,000 and increases the contingent transfers by \$17,000,000, from \$23,000,000 to \$40,000,000. The amendment also adds language providing that contingent transfers can be made only after July 1, 2000, and then only to the extent necessary to achieve a June 30, 2001, general fund balance of \$10,000,000.
- Adds a new section providing that if federal funding for a program is terminated during the 1999-2001 biennium, the administering state agency, department, or institution shall terminate the program. It also provides that if the federal government reduces federal funding by combining the funding for separate programs into a block grant, the agency, department, or institution shall prioritize or reprioritize programs as necessary.
- Adds a new section directing the Office of Management and Budget to discontinue the program-based performance budgeting pilot program.
- Adds a new section providing for a Legislative Council interim study of performance incentive pilot programs.
- Adds a new section clarifying that all deposits into the risk management fund may be spent for the purpose of the fund. The amendment also adds a section making this change retroactive to deposits after July 1, 1997.
- Adds two new sections clarifying which Emergency Commission approvals also need Budget Section approval.

DEPARTMENT 112 - INFORMATION SERVICES DIVISION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Information resource management	<u>\$46,282,960</u>	<u>\$45,709,295</u>	<u>\$3,700,000</u>	<u>\$49,409,295</u>

Total all funds	\$46,282,960	\$45,709,295	\$3,700,000	\$49,409,295
Less special funds	<u>46,082,960</u>	<u>45,709,295</u>	<u>3,700,000</u>	<u>49,409,295</u>
General fund	\$200,000	\$0	\$0	\$0
FTE	170.00	168.00	0.00	168.00

Detail of House changes to the Senate version includes:

	CONTRACT FUNDING FOR DHS MEDICAID/ TANF PROJECT	TOTAL HOUSE CHANGES
Information resource management	<u>\$3,700,000</u>	<u>\$3,700,000</u>
Total all funds	\$3,700,000	\$3,700,000
Less special funds	<u>3,700,000</u>	<u>3,700,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

DEPARTMENT 325 - DEPARTMENT OF HUMAN SERVICES

HOUSE - This amendment removes the section appropriating \$100,000, \$50,000 of which was general fund moneys and \$50,000 of special funds, to the Department of Human Services for the purpose of providing network technical support to county social service boards.