

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 for
3 various transfers and financial transactions; to provide an exemption from the provisions of
4 section 54-44.1-11 of the North Dakota Century Code; to provide statements of legislative
5 intent relating to state employee compensation adjustments, federal program termination, and
6 performance-based program budgeting; to authorize the transfer of special funds to the general
7 fund; to provide for transfers from the Bank of North Dakota to the state general fund; to
8 provide for a legislative council study; to create and enact a new section to chapter 54-23.2 of
9 the North Dakota Century Code, relating to mobile data terminal and 911 service fees; to
10 amend and reenact subsection 2 of section 32-12.2-07, sections 54-16-04.1, 54-16-04.2, and
11 54-27.2-02 of the North Dakota Century Code, relating to the risk management fund,
12 emergency commission approvals, and the budget stabilization fund; to provide for retroactive
13 application; and to declare an emergency.

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

15 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
16 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
17 the state treasury, not otherwise appropriated, and from special funds derived from federal
18 funds and other income, to the various divisions under the supervision of the director of the
19 office of management and budget for the purpose of defraying their expenses, for the biennium
20 beginning July 1, 1999, and ending June 30, 2001, as follows:

21 Subdivision 1.

22 OFFICE OF MANAGEMENT AND BUDGET

| | |
|----------------------|-------------|
| 23 Administration | \$2,862,026 |
| 24 Fiscal management | 3,875,828 |

Fifty-sixth
Legislative Assembly

| | | |
|---|----------------------------------|-------------------|
| 1 | Facility management | 7,854,694 |
| 2 | Central personnel | 1,212,300 |
| 3 | Division of community services | 42,035,197 |
| 4 | Risk management | 959,911 |
| 5 | Statewide compensation plan | <u>5,400,000</u> |
| 6 | Total all funds | \$64,199,956 |
| 7 | Less estimated income | <u>46,088,243</u> |
| 8 | Total general fund appropriation | \$18,111,713 |

9 Subdivision 2.

10 INFORMATION SERVICES DIVISION

| | | |
|----|-----------------------------------|---------------------|
| 11 | Information resource management | <u>\$49,409,295</u> |
| 12 | Total special funds appropriation | \$49,409,295 |

13 Subdivision 3.

14 CENTRAL SERVICES

| | | |
|----|----------------------------------|--------------------|
| 15 | Central services | <u>\$5,454,471</u> |
| 16 | Total all funds | \$5,454,471 |
| 17 | Less estimated income | <u>4,774,332</u> |
| 18 | Total general fund appropriation | \$680,139 |

19 Subdivision 4.

20 STATE RADIO COMMUNICATIONS

| | | |
|----|----------------------------------|----------------|
| 21 | Salaries and wages | \$2,468,120 |
| 22 | Operating expenses | 1,788,580 |
| 23 | Equipment | <u>160,000</u> |
| 24 | Total all funds | \$4,416,700 |
| 25 | Less estimated income | <u>514,990</u> |
| 26 | Total general fund appropriation | \$3,901,710 |

27 Grand total general fund appropriation S.B. 2015 \$22,693,562

28 Grand total special funds appropriation S.B. 2015 \$100,786,860

29 Grand total all funds appropriation S.B. 2015 \$123,480,422

30 **SECTION 2. APPROPRIATION.** There is hereby appropriated from federal funds

31 \$6,000,000, or so much of the sum as may be necessary, to the director of the office of

1 management and budget for the division of community services for flood-related disasters and
2 the weatherization of low-income homes, for the period beginning with the effective date of this
3 Act and ending June 30, 1999.

4 **SECTION 3. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET**

5 **SECTION APPROVAL.** Upon approval of the emergency commission, the director of the office
6 of management and budget may transfer between various line items in subdivisions 1, 2, and 3
7 of section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust
8 for changing circumstances in meeting established performance measures. Any further
9 transfers must be approved by the budget section.

10 **SECTION 4. CAPITOL BUILDING FUND.** The amount of \$225,000, or so much of the
11 sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of
12 this Act, is to be spent by the facility management division from the capitol building fund during
13 the biennium beginning July 1, 1999, and ending June 30, 2001. The amount of \$25,000, or so
14 much of the sum as is necessary, included in the estimated income line item in subdivision 1 of
15 section 1 of this Act, is to be spent by the administration division from the capitol building fund
16 for capitol grounds planning during the biennium beginning July 1, 1999, and ending June 30,
17 2001.

18 **SECTION 5. EXEMPTION.** The fiscal management appropriation contained in
19 subdivision 1 of section 1 of chapter 15 of the 1997 Session Laws is not subject to the
20 provisions of section 54-44.1-11 for up to an amount of \$500,000 and any unexpended funds
21 from this appropriation are available for continued development and operating costs of the
22 accounting, management, and payroll systems during the biennium beginning July 1, 1999, and
23 ending June 30, 2001.

24 **SECTION 6. SPECIAL COMPENSATION ADJUSTMENTS FOR CLASSIFIED STATE**

25 **EMPLOYEES.** It is the intent of the fifty-sixth legislative assembly that the statewide
26 compensation plan appropriation included in subdivision 1 of section 1 of this Act be used for
27 market equity compensation adjustments for classified state employees. The special market
28 equity adjustments are to begin with the month of July 1999, to be paid in August 1999. The
29 special market equity adjustments are to be independent of any general salary increase
30 provided by this legislative assembly.

1 The special market equity increases are to be prioritized based on equity for employees
2 whose salaries are furthest from their respective salary range midpoints effective July 1, 1999.
3 Special market equity increases may not be given to employees whose salary exceeds the
4 midpoints of their assigned salary range effective July 1, 1999.

5 Probationary employees are eligible for the special market equity increases.
6 Employees whose documented performance levels do not meet standards are not eligible for
7 the special market equity increases.

8 The central personnel division shall provide a model base plan to each agency.
9 Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an
10 alternative plan that meets the intent outlined in this section.

11 Upon adoption of an appropriate plan and application to the central personnel division,
12 the division shall transfer appropriated general funds or special fund spending authority for the
13 increases to the agencies.

14 **SECTION 7. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS -**
15 **GUIDELINES.** It is the intent of the fifty-sixth legislative assembly that 1999-2001
16 compensation adjustments for permanent state employees are to be increases of a minimum of
17 \$35 per month, beginning with the month of July 1999, to be paid in August 1999, and a
18 minimum of \$35 per month, beginning with the month of July 2000, to be paid in August 2000.
19 Any increases greater than \$35 per month may not be given across-the-board and must be
20 based on merit and equity. Each agency appropriation is increased by 2.0 percent per year.

21 Probationary employees and employees whose documented performance levels do not
22 meet standards are not eligible for the general or additional increases.

23 During the biennium, no salary increase other than the \$35 per month in July 1999 and
24 \$35 per month in July 2000 may be given to an employee whose salary exceeds or would
25 exceed the salary range maximum.

26 It is the intent of the fifty-sixth legislative assembly that the workers compensation
27 bureau provide pay raises based on merit and performance throughout the 1999-2001
28 biennium.

29 **SECTION 8. INTENT.** Within the authority included in subdivision 1 of section 1 of this
30 Act, are the following grants and special items:

| | | |
|---|--|-----------|
| 1 | Boys and girls clubworks | \$53,000 |
| 2 | State contingencies | 600,000 |
| 3 | State memberships and related expenses | 317,000 |
| 4 | Firemen's association | 63,000 |
| 5 | Unemployment insurance | 1,200,000 |
| 6 | Capitol grounds planning commission | 25,000 |

7 **SECTION 9. TRANSFER.** During the biennium beginning July 1, 1999, and ending
8 June 30, 2001, the director of the office of management and budget is authorized to transfer
9 special funds to the general fund as follows:

| | | |
|----|---|-------------|
| 10 | Lands and minerals trust fund | \$3,000,000 |
| 11 | Public employees life insurance program | 1,500,000 |
| 12 | Financial institutions regulatory fund | 200,000 |

13 **SECTION 10. FIRE AND TORNADO FUND.** The amount of \$63,000, or so much of
14 the amount as is necessary, included in the estimated income line item in subdivision 1 of
15 section 1 of this Act, is from the fire and tornado fund.

16 **SECTION 11. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL**
17 **FUND.** During the biennium ending June 30, 2001, the industrial commission shall transfer to
18 the state general fund up to \$50,000,000 from the current earnings and the accumulated
19 undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount
20 transferred may come from accumulated undivided profits. The moneys must be transferred in
21 the amounts and at such times as requested by the director of the office of management and
22 budget.

23 No transfers may be made that would reduce the Bank's capital structure below
24 \$100,000,000.

25 **SECTION 12. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE**
26 **GENERAL FUND - BUDGET SECTION APPROVAL.** If, during the biennium ending June 30,
27 2001, the director of the office of management and budget determines via revised projections
28 that general fund revenue collections will not meet the revenues as forecast in the March 1999
29 legislative forecast, then the industrial commission shall transfer to the state general fund an
30 additional amount, as determined by the director of the office of management and budget and
31 as approved by the budget section, from the earnings and accumulated and undivided profits of

1 the Bank of North Dakota. Transfers made under the provisions of this section may not be
2 made before July 1, 2000, and may only be made to the extent that the transfer is necessary to
3 achieve a projected June 30, 2001, general fund balance of \$10,000,000. The moneys must
4 be transferred in amounts and at such times as requested by the director of the office of
5 management and budget. The additional amount transferred may not exceed the lesser of
6 \$40,000,000 or the revenue shortfall of actual collections compared to the March 1999
7 legislative forecast.

8 No transfers may be made that would reduce the Bank's capital structure below
9 \$100,000,000.

10 **SECTION 13. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING**
11 **REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET**

12 **SECTION.** If the federal government during the 1999-2001 biennium terminates funding for
13 any program administered by an agency, department, or institution of the state of North Dakota,
14 the agency, department, or institution, subject to budget section approval, may terminate the
15 program and not replace the reduction in federal funds with state funds, notwithstanding any
16 other provision of law. If the federal government combines funding for separate programs in a
17 block grant resulting in a reduction of total federal funds available for those programs, the
18 administering agency, department, or institution may, subject to budget section approval,
19 prioritize or reprioritize programs as necessary in making programmatic reductions. The
20 agency, department, or institution may administer funds available under a new federal block
21 grant or similar measure, consistent with the terms of that measure, notwithstanding any other
22 provisions of law intended to conform to or implement the provisions of the repealed federal
23 Act, and shall report any program terminations, reductions, or changes resulting from this
24 section to the budget section of the legislative council for its approval.

25 **SECTION 14. PROGRAM-BASED PERFORMANCE BUDGETING.** The office of
26 management and budget shall discontinue the program-based performance budgeting pilot
27 project when preparing the 2001-03 biennium budget documents and accompanying
28 appropriation bills. Budget documents for the 2001-03 biennium are to be based on the
29 standard line items and are not to contain agency performance measures.

30 **SECTION 15. LEGISLATIVE COUNCIL INTERIM STUDY OF PERFORMANCE**
31 **INCENTIVE PILOT PROGRAMS.** The legislative council shall consider studying the

1 establishment of agency performance incentive pilot programs. If conducted, the study should
2 address how agencies could develop, implement, administer, maintain, and evaluate
3 performance incentive pilot programs. The study should also address the development of
4 personnel policies and procedure manuals and how pay raises which may not be across the
5 board are to be awarded as a reward and incentive for superior performance and the length of
6 time they may be in effect. The legislative council shall report its findings and
7 recommendations, together with any legislation required to implement the recommendations, to
8 the fifty-seventh legislative assembly.

9 **SECTION 16. AMENDMENT.** Subsection 2 of section 32-12.2-07 of the 1997
10 Supplement to the North Dakota Century Code is amended and reenacted as follows:

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

20 **SECTION 17. AMENDMENT.** Section 54-16-04.1 of the 1997 Supplement to the North
21 Dakota Century Code is amended and reenacted as follows:

22 **54-16-04.1. May authorize acceptance and disbursement of federal funds.** The
23 emergency commission with the advice and counsel of the executive office of the budget may
24 authorize the state treasurer to receive any moneys not appropriated by the legislative
25 assembly which are made available by any federal agency and which the legislative assembly
26 has not indicated an intent to reject. The emergency commission may authorize pass-through
27 federal funds from one state agency to another state agency. The emergency commission,
28 with approval of the budget section of the legislative council if the amount under consideration
29 exceeds fifty thousand dollars, may authorize any state officer to expend federal moneys from
30 the date such moneys become available until June thirtieth following the next regular legislative
31 session. The expenditures must be consistent with state law and with the terms of the grant

1 and the program may not commit the legislative assembly for matching funds in the future
2 unless the program has first been approved by the legislative assembly. A state officer may not
3 expend funds received from the federal government which have not been specifically
4 appropriated by the legislative assembly except as provided in this chapter. A state officer shall
5 submit an expenditure plan with a request for approval under this section of expenditure of
6 federal funds combined with or as part of a block grant for a new or existing program.

7 **SECTION 18. AMENDMENT.** Section 54-16-04.2 of the 1997 Supplement to the North
8 Dakota Century Code is amended and reenacted as follows:

9 **54-16-04.2. Commission may authorize acceptance and expenditure of moneys.**

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

18 **SECTION 19.** A new section to chapter 54-23.2 of the North Dakota Century Code is
19 created and enacted as follows:

20 **Mobile data terminal and 911 service fees.** State radio communications shall
21 establish and charge fees to provide mobile data terminal service to interested local law
22 enforcement agencies. The fees must be based on actual costs incurred by state radio
23 communications for providing the service.

24 State radio communications shall charge at least twenty cents per telephone for 911
25 services provided to political subdivisions. Each county currently receiving 911 services from
26 state radio communications shall abide by the standards established by the governor's
27 emergency services advisory committee.

28 **SECTION 20. AMENDMENT.** Section 54-27.2-02 of the 1997 Supplement to the North
29 Dakota Century Code is amended and reenacted as follows:

30 **54-27.2-02. (~~Effective through June 30, 1999~~) Certain general fund revenues to be**
31 **deposited in the budget stabilization fund.** Notwithstanding any other provision of law

1 except section 54-27.2-01, any amount in the state general fund in excess of sixty-five million
2 dollars at the end of any biennium must be transferred by the state treasurer to the budget
3 stabilization fund. For purposes of this section, "at the end of any biennium" means after
4 cancellation of unexpended appropriations under section 54-44.1-11.

5 ~~(Effective July 1, 1999) Certain general fund revenues to be deposited in the~~
6 ~~budget stabilization fund. Notwithstanding any other provision of law except section~~
7 ~~54-27.2-01, any amount in the state general fund in excess of forty million dollars at the end of~~
8 ~~any biennium must be transferred by the state treasurer to the budget stabilization fund. For~~
9 ~~purposes of this section, "at the end of any biennium" means after cancellation of unexpended~~
10 ~~appropriations under section 54-44.1-11.~~

11 **SECTION 21. RETROACTIVE APPLICATION.** Section 16 of this Act is effective for all
12 funds received and deposited into the risk management fund on or after July 1, 1997.

13 **SECTION 22. EMERGENCY.** Section 2 of this Act is declared to be an emergency
14 measure.