

HOUSE BILL NO. 1015

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 exemption; to provide for various transfers; to amend and reenact sections 54-27.2-03 and
4 57-51.1-07.2 of the North Dakota Century Code, relating to the budget stabilization fund and the
5 permanent oil tax trust fund; and to provide legislative intent.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
8 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from special funds derived from federal funds and
10 other income, to the office of management and budget for the purpose of defraying the
11 expenses of that agency, for the biennium beginning July 1, 2009, and ending June 30, 2011,
12 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Salaries and wages	\$15, 213,766	\$2,303,519	\$17,517,285
16	Operating expenses	11,692,136	2,796,958	14,489,094
17	Capital assets	1,645,019	3,225,279	4,870,298
18	Grants	54,000	1,000	55,000
19	Prairie public broadcasting	1,337,138	2,016,200	3,353,338
20	State student internship program	0	200,000	200,000
21	Centers of excellence	10,300,000	9,700,000	20,000,000
22	Heritage center expansion project	1,500,000	(1,500,000)	0
23	Statewide equity plan	10,000,000	(10,000,000)	0
24	State transfers	<u>43,150,000</u>	<u>(43,150,000)</u>	<u>0</u>

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1	Total all funds	\$94,892,059	(\$34,407,044)	\$60,485,015
2	Less estimated income	<u>25,229,115</u>	<u>(11,453,282)</u>	<u>13,775,833</u>
3	Total general fund	\$69,662,944	(\$22,953,762)	\$46,709,182
4	Full-time equivalent positions	132.50	1.00	133.50

5 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
6 **SIXTY-SECOND LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
7 funding items approved by the sixtieth legislative assembly for the 2007-09 biennium and the
8 2009-11 one-time funding items included in the appropriation in section 1 of this Act:

9	<u>One-Time Funding Description</u>	<u>2007-09</u>	<u>2009-11</u>
10	Maintenance	\$3,000,000	\$0
11	Prairie public broadcasting	686,000	0
12	Centers of excellence	15,000,000	0
13	Centers of excellence	0	15,000,000
14	Prairie public digital conversion	0	2,016,200
15	ConnectND	0	1,000,000
16	Facility management repairs and equipment	0	3,670,000
17	Administration projects	<u>0</u>	<u>156,041</u>
18	Total all funds	\$18,686,000	\$21,842,241
19	Total special funds	<u>15,000,000</u>	<u>0</u>
20	Total general fund	\$3,686,000	\$21,842,241

21 The 2009-11 one-time funding amounts are not a part of the entity's base budget for the
22 2011-13 biennium. The information technology department shall report to the appropriations
23 committees of the sixty-second legislative assembly on the use of this one-time funding for the
24 biennium beginning July 1, 2009, and ending June 30, 2011.

25 **SECTION 3. EXEMPTION.** The amount appropriated for the fiscal management
26 division, as contained in section 3 of chapter 27 of the 2007 session laws is not subject to the
27 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available
28 for continued development and operating costs of the accounting, management, and payroll
29 systems, during the biennium beginning July 1, 2009, and ending June 30, 2011.

30 **SECTION 4. INTENT.** Within the authority included in section 1 of this Act are the
31 following grants and special items:

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1	Boys and girls clubwork	\$53,000
2	State contingencies	\$700,000
3	State memberships and related expenses	\$611,000
4	Unemployment insurance	\$1,500,000
5	Capitol grounds planning commission	\$25,000

6 **SECTION 5. CAPITOL BUILDING FUND.** The amount of \$800,000, or so much of the
7 sum as may be necessary, included in the estimated income line item in section 1 of this Act, is
8 to be spent by the facility management division from the capitol building fund during the
9 biennium beginning July 1, 2009, and ending June 30, 2011.

10 **SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.**

11 Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line
12 items, as it relates to equity increases authorized in section 9 of this Act, for the biennium
13 beginning July 1, 2009, and ending June 30, 2011. The agencies shall notify the office of
14 management and budget of any transfer made pursuant to this section.

15 **SECTION 7. STATE STUDENT INTERNSHIP PROGRAM.** The human resources
16 division of the office of management and budget may transfer to each eligible agency
17 appropriated general fund spending authority from the state student internship program line
18 item contained in section 1 of this Act.

19 **SECTION 8. CENTERS OF EXCELLENCE - OFFICE OF MANAGEMENT AND**
20 **BUDGET - CONTINGENT BORROWING AUTHORITY - APPROPRIATION.** As requested by
21 the centers of excellence commission and subject to emergency commission and budget
22 section approval, the office of management and budget shall borrow the sum of \$5,000,000, or
23 so much of the sum as may be necessary, from the Bank of North Dakota, which is
24 appropriated for the purpose of providing funding to centers of excellence as directed by the
25 centers of excellence commission, for the biennium beginning July 1, 2009, and ending
26 June 30, 2011. The office management and budget shall request funding from the sixty-second
27 legislative assembly to repay any loan obtained pursuant to provisions of this section, including
28 accrued interest. The borrowing authority and appropriation provided for in this section are
29 available only if all other funding provided by the sixty-first legislative assembly for centers of
30 excellence has been obligated.

1 **SECTION 9. INTENT - STATE EMPLOYEE EQUITY ADJUSTMENTS - GUIDELINES.**

2 Equity funding amounts included in agencies' budgets must be used for market equity
3 compensation adjustments for state employees. The market equity adjustments are to begin
4 with the month of July 2009, to be paid in August 2009. The market equity adjustments are to
5 be independent of any general salary increase provided by the legislative assembly. Agencies
6 shall document their plan and distribution of the market equity funds.

7 Probationary employees are eligible for market equity increases. Employees whose
8 documented performance levels do not meet standards are not eligible for market equity
9 increases.

10 **SECTION 10. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS -**

11 **GUIDELINES.** It is the intent of the sixty-first legislative assembly that 2009-11 compensation
12 adjustments for regular state employees are to be based on documented performance and
13 equity. General increases based on legislative appropriations are to be given beginning with
14 the month of July 2009, to be paid in August 2009, and beginning with the month of July 2010,
15 to be paid in August 2010. Each agency appropriation is increased by five percent for the first
16 year of the 2009-11 biennium and five percent for the second year of the 2009-11 biennium.

17 Employees whose overall documented performance level does not meet standards are
18 not eligible for any salary increase. Each employee whose documented performance meets all
19 standards is to receive a minimum increase of \$100 on July 1, 2009, and \$100 on July 1, 2010.

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

23 During the biennium, no salary increase other than the \$100 minimum increase or a
24 temporary increase may be given to an employee whose salary exceeds or would exceed the
25 salary range maximum.

26 **SECTION 11. AMENDMENT.** Section 54-27.2-03 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **54-27.2-03. Transfers and expenditures from budget stabilization fund.** If the
29 director of the office of management and budget projects that general fund revenues for the
30 biennium will be ~~at least two and one-half percent~~ less than estimated by the most recently
31 adjourned special or regular session of the legislative assembly, and if the governor orders a

1 transfer, which must be reported to the budget section of the legislative council, the state
2 treasurer shall transfer the appropriate funds from the budget stabilization fund to the state
3 general fund to offset the decrease in general fund revenues. The amount transferred from the
4 budget stabilization fund upon order of the governor may not exceed the difference between ~~an~~
5 ~~amount two and one-half percent below~~ the general fund revenue projections for the biennium
6 of the most recently adjourned special or regular session of the legislative assembly and the
7 general fund revenue projections for the biennium by the director of the office of management
8 and budget. The amount transferred from the budget stabilization fund upon order of the
9 governor to the state general fund may be expended within the limits of legislative guidelines
10 and general fund appropriations of the most recently adjourned special or regular session of the
11 legislative assembly. For purposes of this section, "general fund revenues for the biennium"
12 and "general fund revenue projections for the biennium" include the general fund balance at the
13 beginning of the biennium.

14 **SECTION 12. AMENDMENT.** Section 57-51.1-07.2 of the North Dakota Century Code
15 is amended and reenacted as follows:

16 **57-51.1-07.2. (Contingent repeal - See note) Permanent oil tax trust fund -**
17 **Deposits - Interest - Adjustment of distribution formula.** All revenue deposited in the
18 general fund during a biennium derived from taxes imposed on oil and gas under chapters
19 57-51 and 57-51.1 which exceeds ~~seventy-one~~ one hundred ten million dollars must be
20 transferred by the state treasurer to a special fund in the state treasury known as the
21 permanent oil tax trust fund. The state treasurer shall transfer interest earnings of the
22 permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of
23 the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the
24 members elected to each house of the legislative assembly.

25 If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after
26 June 30, ~~1997~~ 2009, the director of the budget shall adjust the ~~seventy-one~~ one hundred ten
27 million dollar amount in this section by the same percentage increase or decrease in the
28 amount of revenue allocable to the general fund after the change in the allocation formula, and
29 transfers to the permanent oil tax trust fund shall thereafter be made using that adjusted figure
30 so that the dollar amount of the transfers to the permanent oil tax trust fund is not increased or
31 decreased merely because of changes in the distribution formulas.