

Introduced by

Appropriations Committee

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; ~~and to create and~~
 3 ~~enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a shared~~
 4 ~~services fund; to amend and reenact section 54-06-30 of the North Dakota Century Code,~~
 5 ~~relating to the state employee performance bonuses; to repeal section 54-06-24 of the North~~
 6 ~~Dakota Century Code, relating to the state employee suggestion incentive program; to provide~~
 7 ~~compensation guidelines; to provide for a report to the legislative assembly; to provide for a~~
 8 ~~transfer; to provide an exemption; and to provide an effective date.~~

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
 11 as may be necessary, are appropriated out of any moneys in the general fund in the state
 12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 13 other income, to the office of management and budget, for the biennium beginning July 1, 2019,
 14 and ending June 30, 2021, as follows:

	<u>Governor's</u>		
	<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
17 Salaries and wages	\$21,596,832	\$21,263,792	\$21,596,832
18 Operating expenses	14,051,438	18,477,671	14,051,438
19 Emergency commission contingency fund	600,000	500,000	600,000
20 Capital assets	973,477	2,837,125	973,477
21 Grants	54,000	154,000	54,000
22 Guardianship grants	1,328,600	1,328,600	1,328,600
23 Prairie public broadcasting	1,200,000	1,200,000	1,200,000
24 Community service supervision grants	350,000	350,000	350,000

Sixty-sixth
Legislative Assembly

1	Litigation pool	0	4,000,000	0
2	State student internship	0	250,000	0
3	Health savings account	0	1,500,000	0
4	Total all funds	\$40,154,347	\$51,861,188	\$40,154,347
5	Less estimated income	9,434,087	17,976,445	9,434,087
6	Total general fund	\$30,720,260	\$33,884,743	\$30,720,260
7	Full-time equivalent positions	117.00	108.00	117.00
8			Adjustments or	
9		Base Level	Enhancements	Appropriation
10	Salaries and wages	\$21,596,832	(\$588,055)	\$21,008,777
11	Operating expenses	14,051,438	4,076,010	18,127,448
12	Emergency commission contingency fund	600,000	(100,000)	500,000
13	Capital assets	973,477	1,863,648	2,837,125
14	Grants	54,000	0	54,000
15	Guardianship grants	1,328,600	1,001,400	2,330,000
16	Prairie public broadcasting	1,200,000	200,000	1,400,000
17	Community service supervision grants	350,000	50,000	400,000
18	Litigation funding pool	0	2,500,000	2,500,000
19	State student internship program	0	250,000	250,000
20	Total all funds	\$40,154,347	\$9,253,003	\$49,407,350
21	Less estimated income	9,434,087	6,188,799	15,622,886
22	Total general fund	\$30,720,260	\$3,064,204	\$33,784,464
23	Full-time equivalent positions	117.00	(9.00)	108.00
24	SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE			
25	SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time			
26	funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium <u>and the</u>			
27	<u>2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:</u>			
28	One-Time Funding Description		2017-19	2019-21
29	Surplus property building		\$800,000	\$0
30	Theodore Roosevelt center grant		500,000	0
31	Cybersecurity remediation pool		1,000,000	0

1	Total all funds	\$2,300,000	\$0
2	Total special funds	1,800,000	0
3	Total general fund	\$500,000	\$0
4	Surplus property building	\$800,000	\$0
5	Theodore Roosevelt center grant	500,000	0
6	Cybersecurity remediation pool	1,000,000	0
7	Extraordinary repairs	0	1,900,000
8	Risk management technology project	0	170,000
9	State student internship program	0	250,000
10	Electronic procurement study	0	50,000
11	Special assessments on capitol grounds	0	320,000
12	Litigation funding pool	0	2,500,000
13	Assessments of state lands and facilities	0	2,000,000
14	Total all funds	\$2,300,000	\$7,190,000
15	Total special funds	1,800,000	6,890,000
16	Total general fund	\$500,000	\$300,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND.

The office of management and budget shall transfer the sum of \$182,300,000 from the tax relief fund to the human service finance fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PRELIMINARY PLANNING REVOLVING FUND.

The office of management and budget shall transfer the sum of \$500,000 from the strategic investment and improvements fund to the preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE

AGENCIES. The office of management and budget shall transfer funds from the state student

1 internship program line item appropriated in section 1 of this Act to eligible state agencies for
2 student internships during the biennium beginning July 1, 2019, and ending June 30, 2021.

3 **SECTION 6. TRANSFER - LITIGATION POOL TO STATE AGENCIES.** The office of
4 management and budget shall transfer funds from the litigation funding pool line item
5 appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the
6 biennium beginning July 1, 2019, and ending June 30, 2021.

7 **SECTION 7. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation
8 authority which may only be used for the following grants and special items:

9 Boys and girls club work	\$53,000
10 Unemployment insurance	\$2,000,000
11 Capitol grounds planning commission	\$25,000
12 Statewide memberships and related expenses	\$625,064

13 **SECTION 8. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING FUND.**

14 The estimated income line item in section 1 of this Act includes \$2,220,000 of one-time funding
15 from the capitol building fund. Of the \$2,220,000, \$1,900,000 in the capital assets line item is for
16 extraordinary repairs, and \$320,000 in the operating expenses line item is for special
17 assessments associated with the capitol grounds.

18 **SECTION 9. ESTIMATED INCOME - ONE-TIME FUNDING - RISK MANAGEMENT FUND.**

19 The capital assets line item and the estimated income line item in section 1 of this Act includes
20 \$170,000 of one-time funding from the risk management fund for an information technology
21 project.

22 **SECTION 10. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT
23 AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes

24 \$4,500,000 of one-time funding from the strategic investment and improvements fund. Of the
25 \$4,500,000, \$2,000,000 in the operating expenses line item is for an assessment of state lands
26 and facilities, and \$2,500,000 in the litigation funding pool line item is for a litigation funding
27 pool.

28 **SECTION 11. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING FUNDS.** The

29 prairie public broadcasting line item and the general fund appropriation in section 1 of this Act
30 includes \$200,000 for a grant of up to \$200,000 to prairie public broadcasting for essential
31 equipment needs. The \$200,000 may be awarded only to the extent prairie public broadcasting

1 provides one dollar of matching funds from nonstate sources for each dollar provided by the
2 office of management and budget.

3 **SECTION 12. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
4 fiscal management division, as contained in section 1 of chapter 14 of the 2017 Session Laws is
5 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
6 appropriation are available for continued development and operating costs of the statewide
7 systems, including accounting, management, and payroll, during the biennium beginning July 1,
8 2019, and ending June 30, 2021.

9 ~~**SECTION 13. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation
10 authority which may only be used for the following grants and special items:~~

11	Boys and girls club work	\$53,000
12	Unemployment insurance	\$2,000,000
13	Capitol grounds planning commission	\$25,000
14	Statewide memberships and related expenses	\$531,450

15 **SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 16 1. The 2019-21 biennium compensation adjustments for permanent state employees are
17 to average 2 percent with a minimum of \$80 per month per eligible employee for the
18 first year of the biennium and are to average 3 percent for the second year. The
19 increases for the first year of the biennium are to be given beginning with the month of
20 July 2019, to be paid in August 2019, and for the second year of the biennium are to
21 be given beginning with the month of July 2020, to be paid in August 2020. Increases
22 for eligible state employees are to be based on documented performance and are not
23 to be the same percentage increase for each employee.
- 24 2. The office of management and budget shall develop guidelines for use by state
25 agencies for providing compensation adjustments for classified state employees. The
26 guidelines must follow the compensation philosophy statement under section
27 54-44.3-01.2.
- 28 3. Probationary employees are not entitled to the increases. However, at the discretion of
29 the appointing authority, probationary employees may be given all or a portion of the
30 increases effective in July, paid in August, or upon completion of probation. Employees

1 whose overall documented performance level does not meet standards are not eligible
2 for any salary increase.

3 **SECTION 14. AMENDMENT.** Section 54-06-30 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-06-30. State employee performance bonus program - Criteria - Limitations.**

6 State agencies may provide monetary performance bonuses to their employees under this
7 section.

8 1. State agencies may pay bonuses under this section if:

9 a. The agency has had a written employee performance evaluation policy in place
10 for more than one year before paying the bonus;

11 b. The written employee performance evaluation policy required in subdivision a
12 must have at least three levels of performance criteria; and

13 c. The agency performance bonus program adopted under this section must be a
14 written policy and must be communicated to each employee in the agency.

15 Development of the written policy must include input from employees.

16 2. State employees are eligible to receive a bonus under this section only if:

17 a. The employee has held a position in state government for at least one year
18 before a bonus is paid;

19 b. The employee's overall annual performance evaluation satisfies the agency's
20 performance bonus program criteria for receiving a bonus; and

21 c. The employee is a full-time or part-time regular nonprobationary employee
22 holding a regularly funded nontemporary position.

23 3. An employee may not receive more than one performance bonus per fiscal year and
24 may not receive more than ~~one thousand~~ **two thousand five hundred** dollars in bonuses
25 per fiscal year.

26 4. ~~Except as provided in this subsection, agencies may pay bonuses under this section~~
27 ~~during a fiscal year to not more than the number of employees equal to twenty-five~~
28 ~~percent of the employees employed by the agency on July first at the beginning of~~
29 ~~each state fiscal year. Upon a showing of special circumstances, North Dakota human~~
30 ~~resource management services may approve pay bonuses above the twenty-five~~
31 ~~percent limitation in this subsection. North Dakota human resource management~~

~~services shall report any exceptions granted under this subsection to the budget section of the legislative management.~~ Each agency must fund the performance bonus

program from within its agency budget for salaries and wages.

5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.

6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 15. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Shared services fund - Continuing appropriation.

There is created in the state treasury the shared services fund. The fund consists of all payments made from one state agency or institution to another state agency or institution related to a shared services agreement. State agencies and institutions must deposit any payments resulting from the shared services agreement into the fund. All moneys in the fund are appropriated on a continuing basis to the state agencies receiving a payment resulting from the shared services agreement. The state agency receiving the payment shall use the money to defray the costs related to the shared services. Shared services include the equipment costs, operating expenses, and salaries and wages.

SECTION 16. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 17. EFFECTIVE DATE. Section 16 of this Act becomes effective July 1, 2021.