

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Funding Summary

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Office of Management and Budget			
Salaries and wages	\$20,904,344	\$19,953,315	(\$951,029)
Operating expenses	14,696,788	14,396,788	(300,000)
Capital assets	9,796,065	9,951,065	155,000
Grants	430,000	430,000	
Emergency Commission contingency fund	700,000	700,000	
Prairie Public Broadcasting	2,037,138	1,937,138	(100,000)
State student internship program	200,000	200,000	
Health insurance pool - temp employees	2,000,000	2,000,000	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		315,210,000	315,210,000
State agency energy impact pool		8,500,000	8,500,000
Total all funds	\$50,764,335	\$373,848,718	\$323,084,383
Less estimated income	9,589,395	14,230,630	4,641,235
General fund	\$41,174,940	\$359,618,088	\$318,443,148
FTE	131.50	130.50	(1.00)
Bill Total			
Total all funds	\$50,764,335	\$373,848,718	\$323,084,383
Less estimated income	9,589,395	14,230,630	4,641,235
General fund	\$41,174,940	\$359,618,088	\$318,443,148
FTE	131.50	130.50	(1.00)

House Bill No. 1015 - Office of Management and Budget - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$1,185,042)	\$19,719,302
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000	300,000	1,000,000
Prairie Public Broadcasting	2,037,138	(500,000)	1,537,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		373,210,000	373,210,000
Total all funds	\$50,764,335	\$365,925,370	\$416,689,705
Less estimated income	9,589,395	(919,797)	8,669,598
General fund	\$41,174,940	\$366,845,167	\$408,020,107
FTE	131.50	(1.00)	130.50

Department 110 - Office of Management and Budget - Detail of House Changes

	Corrects Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Provides Separate Line Item for Accrued Leave Payments³	Removes Vacant FTE Position⁴	Adjusts Funding for Central Services Operations⁵	Adds Funding for State Database Website⁶
Salaries and wages	34,729	(654,359)	(570,412)	(150,000)	155,000	
Operating expenses					30,000	100,000
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments			570,412			
Transfer to property tax fund						
Total all funds	\$34,729	(\$654,359)	\$0	(\$150,000)	\$185,000	\$100,000
Less estimated income	5,904	(110,701)	0	0	185,000	0
General fund	\$28,825	(\$543,658)	\$0	(\$150,000)	\$0	\$100,000
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00
	Removes Funding for Contracting With Auditors⁷	Increases State Contingencies Funding⁸	Removes Health Insurance Pool for Temporary Employees⁹	Reduces One-Time Funding for Prairie Public Broadcasting¹⁰	Removes Funding for Parking Lot Project¹¹	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund¹²
Salaries and wages						
Operating expenses	(600,000)					
Capital assets					(4,000,000)	
Grants						
Emergency Commission contingency fund		300,000				
Prairie Public Broadcasting				(500,000)		
State student internship program						
Health insurance pool - temp employees			(2,000,000)			
Accrued leave payments						
Transfer to property tax fund						373,210,000
Total all funds	(\$600,000)	\$300,000	(\$2,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
Less estimated income	0	0	(1,000,000)	0	0	0
General fund	(\$600,000)	\$300,000	(\$1,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	(1,185,042)
Operating expenses	(470,000)
Capital assets	(4,000,000)
Grants	
Emergency Commission contingency fund	300,000
Prairie Public Broadcasting	(500,000)
State student internship program	
Health insurance pool - temp employees	(2,000,000)
Accrued leave payments	570,412
Transfer to property tax fund	373,210,000
Total all funds	\$365,925,370
Less estimated income	(919,797)
General fund	\$366,845,167
FTE	(1.00)

¹ Funding is added due to a calculation error in the executive compensation package.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees' below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³ A portion of salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴ One vacant FTE position in the Facilities Management Division is removed.

⁵ Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

⁶ Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

⁷ Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

⁸ Funding for the Emergency Commission state contingencies fund is increased by \$300,000, from \$700,000 to \$1,000,000.

⁹ Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

¹⁰ One-time funding for Prairie Public Broadcasting upgrades is reduced by \$500,000, from \$700,000 to \$200,000.

¹¹ Funding included in the executive budget for Capitol grounds parking lot projects is removed.

¹² The transfer from the general fund to the property tax relief sustainability fund is reduced from \$744.8 million to \$373.2 million and the timing of the transfer is changed from the 2011-13 biennium to the 2013-15 biennium.

This amendment also provides for the following:

- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.
- Adds a study of the facility needs of state agencies located in the Bismarck area.
- Revises the guidelines for state employee compensation increases during the 2013-15 biennium to provide for 2 to 4 percent annual performance increases and additional market increases of up to 2 percent during the first year of the biennium.
- Adds guidelines regarding the use of funding from state agency accrued leave payments line items.
- Adds a study of the process of appropriating funds for salaries and wages for the state employee classification system.
- Adds a study of state contributions for state employee health insurance premiums.

House Bill No. 1015 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$20,904,344	\$19,719,302	\$234,013	\$19,953,315
Operating expenses	14,696,788	14,226,788	520,000	14,746,788
Capital assets	9,796,065	5,796,065	4,155,000	9,951,065
Grants	430,000	430,000		430,000
Emergency Commission contingency fund	700,000	1,000,000	(300,000)	700,000
Prairie Public Broadcasting	2,037,138	1,537,138	500,000	2,037,138
State student internship program	200,000	200,000		200,000
Health insurance pool - temp employees	2,000,000		2,000,000	2,000,000
Accrued leave payments		570,412		570,412
Transfer to property tax fund		373,210,000		373,210,000
State agency energy impact pool			8,500,000	8,500,000
Total all funds	<u>\$50,764,335</u>	<u>\$416,689,705</u>	<u>\$15,609,013</u>	<u>\$432,298,718</u>
Less estimated income	<u>9,589,395</u>	<u>8,669,598</u>	<u>5,561,032</u>	<u>14,230,630</u>
General fund	<u>\$41,174,940</u>	<u>\$408,020,107</u>	<u>\$10,047,981</u>	<u>\$418,068,088</u>
FTE	131.50	130.50	0.00	130.50

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Removes House Changes to Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Adjusts Line Item Funding for Central Services Operations³	Restores Funding to Contract with Auditors⁴	Adds Funding for Land Use Study⁵	Removes Funding for State Database Website⁶
Salaries and wages	654,359	(295,346)	(125,000)			
Operating expenses			(30,000)	600,000	50,000	(100,000)
Capital assets			155,000			
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments						
Transfer to property tax fund						
State agency energy impact pool						
Total all funds	\$654,359	(\$295,346)	\$0	\$600,000	\$50,000	(\$100,000)
Less estimated income	110,701	(49,669)	0	0	0	0
General fund	\$543,658	(\$245,677)	\$0	\$600,000	\$50,000	(\$100,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Restores Funding for Parking Lot Project⁷	Reduces Funding for State Contingencies⁸	Restores One-Time Funding for Prairie Public Broadcasting⁹	Restores Health Insurance Pool for Temporary Employees¹⁰	Adds State Agency Energy Development Impact Pool¹¹	Total Senate Changes
Salaries and wages						234,013
Operating expenses						520,000
Capital assets	4,000,000					4,155,000
Grants						
Emergency Commission contingency fund		(300,000)				(300,000)
Prairie Public Broadcasting			500,000			500,000
State student internship program						
Health insurance pool - temp employees				2,000,000		2,000,000
Accrued leave payments						
Transfer to property tax fund						
State agency energy impact pool					8,500,000	8,500,000
Total all funds	\$4,000,000	(\$300,000)	\$500,000	\$2,000,000	\$8,500,000	\$15,609,013
Less estimated income	0	0	0	1,000,000	4,500,000	5,561,032
General fund	\$4,000,000	(\$300,000)	\$500,000	\$1,000,000	\$4,000,000	\$10,047,981
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

³ Special funds authority added by the House for Central Services operations is adjusted among line items to reflect anticipated expenses.

- ⁴ Funding removed by the House to allow the Office of Management and Budget to contract with external auditors for certain audits is restored.
- ⁵ One-time funding is added for the Office of Management and Budget to contract for a land use study of the Missouri River Correctional Center site. A section is also added to the bill to provide guidelines for the study and to provide for a report to the Budget Section on the study.
- ⁶ Funding added by the House for costs associated with the implementation of a political subdivision-reporting component for the state database website is removed.
- ⁷ One-time funding from the general fund removed by the House for Capitol grounds parking lot projects is restored.
- ⁸ Funding for the state contingency fund is reduced from \$1,000,000 to \$700,000, the same amount as provided in the executive budget recommendation.
- ⁹ One-time funding of \$500,000 removed by the House for Prairie Public Broadcasting equipment upgrades is restored to provide total one-time funding of \$700,000.
- ¹⁰ Funding removed by the House for a health insurance pool for temporary employees is restored. A section is added to allow the Office of Management and Budget to transfer funds from the pool to other state agencies.
- ¹¹ A section is added to provide funding and guidelines for a state agency energy impact funding pool. The pool is to be used to address housing and salary needs of state agency employees living in areas affected by energy development.

This amendment also:

- Adds a section to provide guidelines regarding the allocation of community service supervision grants and provides that any funding available in the community service supervision fund is appropriated to the Office of Management and Budget for distribution to community corrections association regions.
- Amends Section 48-10-02 to increase the continuing appropriation provided from the Capitol building fund to the Capitol Grounds Planning Commission from \$100,000 per biennium to \$250,000 per biennium.
- Adjusts Sections 8 and 9 regarding state employee compensation guidelines and agency accrued leave payments line items.
- Removes Section 11 of the bill which enacts a new statutory section for a political subdivision-reporting component to the state database website. Section 15 of the bill, which provided an effective date for the new statutory section, is also removed.
- Removes Sections 12 and 13 of the bill, which provided for studies of state agency facility needs and state employee compensation.

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$20,904,344	\$19,719,302	\$234,013	\$19,953,315	\$19,953,315	
Operating expenses	14,696,788	14,226,788	170,000	14,396,788	14,746,788	(350,000)
Capital assets	9,796,065	5,796,065	4,155,000	9,951,065	9,951,065	
Grants	430,000	430,000		430,000	430,000	
Emergency Commission contingency fund	700,000	1,000,000	(300,000)	700,000	700,000	
Prairie Public Broadcasting	2,037,138	1,537,138	400,000	1,937,138	2,037,138	(100,000)
State student internship program	200,000	200,000		200,000	200,000	
Health insurance pool - temp employees	2,000,000		2,000,000	2,000,000	2,000,000	
Accrued leave payments		570,412		570,412	570,412	
Transfer to property tax fund		373,210,000	(58,000,000)	315,210,000	373,210,000	(58,000,000)
State agency energy impact pool			8,500,000	8,500,000	8,500,000	
Total all funds	\$50,764,335	\$416,689,705	(\$42,840,987)	\$373,848,718	\$432,298,718	(\$58,450,000)
Less estimated income	9,589,395	8,669,598	5,561,032	14,230,630	14,230,630	0
General fund	\$41,174,940	\$408,020,107	(\$48,402,019)	\$359,618,088	\$418,068,088	(\$58,450,000)
FTE	131.50	130.50	0.00	130.50	130.50	0.00

Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Adjusts Line Item Funding for Central Services Operations³	Restores a Portion of Funding to Contract with Auditors⁴	Removes Funding for State Database Website⁵	Restores Funding for Parking Lot Project⁶
Salaries and wages	654,359	(295,346)	(125,000)			
Operating expenses			(30,000)	300,000	(100,000)	
Capital assets			155,000			4,000,000
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments						
Transfer to property tax fund						
State agency energy impact pool						
Total all funds	\$654,359	(\$295,346)	\$0	\$300,000	(\$100,000)	\$4,000,000
Less estimated income	110,701	(49,669)	0	0	0	0
General fund	\$543,658	(\$245,677)	\$0	\$300,000	(\$100,000)	\$4,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for State Contingencies⁷	Restores One- Time Funding for Prairie Public Broadcasting⁸	Restores Health Insurance Pool for Temporary Employees⁹	Reduces Transfer to Property Tax Relief Sustainability Fund¹⁰	Adds State Agency Energy Development Impact Pool¹¹	Total Conference Committee Changes
Salaries and wages						234,013
Operating expenses						170,000
Capital assets						4,155,000
Grants						
Emergency Commission contingency fund	(300,000)					(300,000)
Prairie Public Broadcasting		400,000				400,000
State student internship program						
Health insurance pool - temp employees			2,000,000			2,000,000
Accrued leave payments						
Transfer to property tax fund				(58,000,000)		(58,000,000)
State agency energy impact pool					8,500,000	8,500,000
Total all funds	(\$300,000)	\$400,000	\$2,000,000	(\$58,000,000)	\$8,500,000	(\$42,840,987)
Less estimated income	0	0	1,000,000	0	4,500,000	5,561,032
General fund	(\$300,000)	\$400,000	\$1,000,000	(\$58,000,000)	\$4,000,000	(\$48,402,019)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

³ Special funds authority added by the House for Central Services operations is adjusted among line items to reflect anticipated expenses. The Senate also adjusted the funding among line items.

⁴ Funding removed by the House to allow the Office of Management and Budget to contract with external auditors for certain audits is restored to a level of \$300,000. The Senate restored the entire amount of \$600,000 as included in the executive budget recommendation.

⁵ Funding added by the House for costs associated with the implementation of a political subdivision-reporting component for the state database website is removed. The section added by the House allowing political subdivisions to report data is revised and included in the amendment. The Senate removed the section.

⁶ One-time funding from the general fund removed by the House for Capitol grounds parking lot projects is restored. The Senate also restored the funding. A section of legislative intent is also added regarding the parking lot project.

⁷ Funding for the state contingency fund is reduced from \$1,000,000 to \$700,000, the same amount as provided in the executive budget recommendation and Senate versions.

⁸ A portion of one-time funding for Prairie Public Broadcasting equipment upgrades is restored to provide total one-time funding of \$600,000. The House provided one-time funding of \$200,000 and the Senate provided one-time funding of \$700,000.

⁹ Funding removed by the House for a health insurance pool for temporary employees is restored. A section is added to allow the Office of Management and Budget to transfer funds from the pool to other state agencies. The Senate also restored the funding and related section.

¹⁰ The transfer to the property tax relief sustainability fund from the general fund is reduced from \$373,210,000 to \$315,210,000.

¹¹ A section is added to provide funding and guidelines for a state agency energy impact funding pool. The pool is to be used to address housing and salary needs of state agency employees living in areas affected by energy development. The Senate also added funding and guidelines for a state agency energy impact funding pool.

This amendment also:

- Transfers \$520 million from the strategic investment and improvements fund to the general fund during the 2013-15 biennium.
- Adds a section to provide guidelines regarding the allocation of community service supervision grants and provides that any funding available in the community service supervision fund is appropriated to the Office of Management and Budget for distribution to community corrections association regions. The Senate also added this section.
- Adjusts Sections 8 and 9 regarding state employee compensation guidelines and agency accrued leave payments line items, the same as the Senate. **The Governor vetoed portions of Section 8 relating to Budget Section approval of changes to the market policy point and Section 9 relating to the accrued leave payments line item.**
- Amends Section 48-10-02 to increase the continuing appropriation provided from the Capitol building fund to the Capitol Grounds Planning Commission from \$100,000 per biennium to \$175,000 per biennium. The Senate increased the continuing appropriation authority to \$250,000.
- Adjusts Section 11 relating to political subdivisions submitting information for inclusion on the state budget website.
- Amends Section 14-03.2-05 as approved in House Bill No. 1128 relating to premarital agreements.
- Amends Section 23-35-07 relating to health district budgets.
- Amends Section 5 of House Bill No. 1020 regarding Western Area Water Supply Authority loans.
- Amends a subdivision of Section 62.1-04-03 as approved in House Bill No. 1327 regarding concealed weapons permits.
- Provides an exemption from state procurement requirements as it relates to airplane purchases by the Department of Transportation.
- Amends a subsection of Section 41-09-87 regarding Uniform Commercial Code filings.
- Amends Section 54-44.1-04 relating to the submission of state agency budget requests to the Office of Management and Budget. **The Governor vetoed this section.**
- Authorizes the Racing Commission to transfer funds from the breeders' fund to the purse fund and racing promotion fund to promote additional horse races in the state during the 2013-15 biennium. **The Governor vetoed this section.**
- Adds a section to allow the Department of Human Services to use funds to provide a grant to an organization assisting hospitals in developing software for patient verification.
- Amends Section 12 of House Bill No. 1012 and adds a section to allow the Department of Human Services to award a grant to a jurisdiction adjacent to an Indian reservation that administers human services programs.
- Amends Section 15 of Senate Bill No. 2018 regarding Research North Dakota grants.
- Adds a Legislative Management study of uses of the foundation aid stabilization fund.
- Includes sections added by the House providing for Legislative Management studies of state agency facility needs and appropriations for state agency salaries and wages. The Senate removed these sections.
- Provides an exception to the calculation of general fund transfers to the budget stabilization fund..
- Amends Sections 5, 6, and 7 of House Bill No. 1358 relating to transportation funding distributions.
- Amends Section 1 of House Bill No. 1019 regarding appropriations for the Parks and Recreation Department.
- Amends a subsection of Section 57-02-08.1 as approved in Senate Bill No. 2171 regarding the homestead tax credit.
- Declares certain portions of Senate Bill No. 2003 to be an emergency.