

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 amend and
3 reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of
4 royalties; to provide an exemption; to provide for various transfers; to provide legislative intent;
5 and to declare an emergency.

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 funds
8 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, 2013, and ending June 30, 2015,
12 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Salaries and wages	\$18,477,763	\$2,426,581	\$20,904,344
16	Operating expenses	13,755,254	941,534	14,696,788
17	Emergency commission	700,000	0	700,000
18	contingency fund			
19	Capital assets	5,190,143	4,605,922	9,796,065
20	Grants	430,000	0	430,000
21	Prairie public broadcasting	1,000,000	1,037,138	2,037,138
22	State student internship program	200,000	0	200,000
23	Health insurance pool - temporary	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
24	employees			

Sixty-third
Legislative Assembly

1	Total all funds	\$39,753,160	\$11,011,175	\$50,764,335
2	Less estimated income	<u>10,514,461</u>	<u>(925,066)</u>	<u>9,589,395</u>
3	Total general fund	\$29,238,699	\$11,936,241	\$41,174,940
4	Full-time equivalent positions	131.50	0.00	131.50

5 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

6 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
7 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
8 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

9	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
10	Capitol envelope	\$2,800,000	\$0
11	Capitol complex parking lot repairs	800,000	0
12	North Dakota 125 th anniversary coordinator	50,000	190,000
13	Board of integrative health	4,000	0
14	State transfers	474,700,000	0
15	Capitol south entrance	0	1,000,000
16	Exterior restoration of legislative and j-wing	0	1,500,000
17	Health insurance pool	0	2,000,000
18	Parking lot projects	0	4,000,000
19	Prairie public broadcasting	0	700,000
20	Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
21	Total all funds	\$478,354,000	\$10,590,000
22	Less estimated income	<u>0</u>	<u>1,000,000</u>
23	Total general fund	\$478,354,000	\$9,590,000

24 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
25 2015-17 biennium. The office of management and budget shall report to the appropriations
26 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the
27 biennium beginning July 1, 2013, and ending June 30, 2015.

28 **SECTION 3. APPROPRIATION - TRANSFER GENERAL FUND TO PROPERTY TAX**

29 **RELIEF SUSTAINABILITY FUND - 2011-13 BIENNIUM.** There is appropriated out of any
30 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
31 \$744,767,676, or so much of the sum as may be necessary, which the office of management

1 and budget shall transfer to the property tax relief sustainability fund for the period beginning
2 with the effective date of this Act and ending June 30, 2013.

3 **SECTION 4. EXEMPTION.** The amount appropriated for the fiscal management division, as
4 contained in section 1 of chapter 15 of the 2009 Session Laws is not subject to the provisions of
5 section 54-44.1-11. Any unexpended funds from this appropriation are available for continued
6 development and operating costs of the accounting, management, and payroll systems, during
7 the biennium beginning July 1, 2013, and ending June 30, 2015.

8 **SECTION 5. INTENT.** Within the authority included in section 1 of this Act are the following
9 grants and special items:

10 Boys and girls clubwork	\$53,000
11 State memberships and related expenses	\$611,000
12 Unemployment insurance	\$1,500,000
13 Capitol grounds planning commission	\$25,000

14 **SECTION 6. STATE STUDENT INTERNSHIP PROGRAM.** The human resources division
15 of the office of management and budget may transfer to each eligible agency appropriated
16 general fund spending authority from the state student internship program line item contained in
17 section 1 of this Act.

18 **SECTION 7. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE**
19 **HEALTH INSURANCE POOL.** The office of management and budget may transfer to each
20 eligible agency appropriation authority from the health insurance pool - temporary employees
21 line item contained in section 1 of this Act. Transfers may be made for the purpose of providing
22 temporary employee health insurance adjustments for state employees, including institutions of
23 higher education, determined to be full-time based on guidelines developed by the office of
24 management and budget in accordance with the shared responsibility provisions of the
25 Affordable Care Act for the biennium beginning July 1, 2013, and ending June 30, 2015.

26 **SECTION 8. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.** Notwithstanding
27 section 54-16-04, agencies may transfer appropriation authority between line items, as it relates
28 to compensation increases authorized in section 9 of this Act, for the biennium beginning July 1,
29 2013, and ending June 30, 2015. The agencies shall notify the office of management and
30 budget of any transfer made pursuant to this section.

1 **SECTION 9. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.** It is
2 the intent of the sixty-third legislative assembly that 2013-15 biennium compensation
3 adjustments for classified state employees are to be in a range of one to four percent for
4 employees below the market policy point and in a range of three to five percent based on
5 documented performance. Increases for classified state employees are not to be the same
6 percentage increase for each employee. The market and performance increases are to be given
7 beginning with the month of July 2013, to be paid in August 2013, and beginning with the month
8 of July 2014, to be paid in August 2014.

9 Probationary employees are not entitled to the market and performance increases.
10 However, probationary employees may be given all or a portion of the increases effective in
11 July, paid in August, or upon completion of probation, at the discretion of the appointing
12 authority.

13 The office of management and budget shall develop guidelines for use by state agencies for
14 providing compensation adjustments for regular classified employees. The guidelines must
15 follow section 54-44.3-01.2, compensation philosophy statement, and the compensation system
16 initiatives included in House Bill No. 1031, as approved by the sixty-second legislative
17 assembly.

18 Compensation adjustments for regular nonclassified state employees are to be in a range of
19 three to five percent based on market and documented performance and are not to be the same
20 percentage increase for each employee.

21 Employees whose overall documented performance level does not meet standards are not
22 eligible for any salary increase.

23 **SECTION 10. AMENDMENT.** Section 15.1-27-25 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **15.1-27-25. Royalties available under federal law - Distribution to counties and school**
26 **districts - Continuing appropriation.**

27 1. Any money paid to the state by the secretary of the treasury of the United States
28 under the provisions of an Act of Congress entitled "An Act to promote the mining of
29 coal, phosphate, oil, oil shale, gas, and sodium on the public domain" [Pub. L. 66-146;
30 41 Stat. 437; 30 U.S.C. 181 et seq.] must be credited to the state general fund and the

- 1 federal mineral royalties distribution fund and must be distributed only pursuant to the
2 terms of this section.
- 3 2. Within three months following the calendar quarters ending in March, June,
4 September, and December, the state auditor shall certify to the state treasurer the
5 amount of money the state received during the preceding calendar quarter for royalties
6 under the Act of Congress cited in subsection 1.
- 7 3. The state treasurer shall allocate the percentage of the total moneys received as
8 required by this section among the counties in which the minerals were produced
9 based on the proportion each county's mineral royalty revenue bears to the total
10 mineral royalty revenue received by the state for that calendar quarter. The state
11 treasurer shall pay the amount calculated to each county.
- 12 4. The counties may use any money received under this section only for the planning,
13 construction, and maintenance of public facilities and the provision of public services.
14 As used in this section, public facilities include any facility used primarily for public use
15 as determined by the board of county commissioners whether located on public or
16 private property.
- 17 5. The percentage of money received by the state under the Act of Congress cited in
18 subsection 1 which must be allocated and paid to the counties under this section is ~~ten~~
19 percent for collections in 2000, ~~twenty~~ percent for collections in 2001, ~~thirty~~ percent for
20 collections in 2002, ~~forty~~ percent for collections in 2003, and ~~fifty~~ percent for
21 collections in 2004 and thereafter.
- 22 6. Any remaining money received by the state under the Act of Congress cited in
23 subsection 1 must be distributed to school districts as provided for in this chapter. Any
24 moneys distributed under this subsection are deemed the first moneys withdrawn or
25 expended from the general fund for the purpose of state aid to school districts.
- 26 7. A reserve for distributions to counties pursuant to this section is created as a special
27 fund in the state treasury known as the federal mineral royalties distribution fund. The
28 state treasurer shall deposit in the fund fifty percent of amounts received pursuant to
29 this section.
- 30 8. The funds needed to make the distribution to counties, as provided for in this section,
31 are hereby appropriated on a continuing basis.

1 **SECTION 11. EMERGENCY.** Section 3 of this Act is declared to be an emergency
2 measure.