

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2015

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; to create and
3 enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a
4 facility management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and
5 57-40.3-10 of the North Dakota Century Code, relating to the capitol grounds planning
6 commission spending limit, capitol grounds rent collections, and the allocation of motor vehicle
7 excise tax collections; to provide for a transfer; to provide an exemption; to provide a report; to
8 provide an effective date; and to declare an emergency.

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 purpose of defraying the
14 expenses of the office of management and budget, for the biennium beginning July 1, 2023,
15 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$21,926,979	\$2,932,075	\$24,859,054
19 Operating expenses	15,663,214	3,598,079	19,261,293
20 Capital assets	764,515	14,768,640	15,533,155
21 Emergency commission contingency fund	400,000	0	400,000
22 Guardianship grants	2,450,000	3,650,000	6,100,000
23 Prairie public broadcasting	1,200,000	1,792,450	2,992,450
24 Community service supervision grants	350,000	0	350,000

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1	Targeted market equity pool	0	75,000,000	75,000,000
2	State student internship program	0	700,000	700,000
3	Governor's emergency education relief	0	3,659,555	3,659,555
4	Deferred maintenance funding pool	<u>0</u>	<u>20,000,000</u>	<u>20,000,000</u>
5	Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
6	Less estimated income	<u>8,828,309</u>	<u>68,082,864</u>	<u>76,911,173</u>
7	Total all funds	\$33,926,399	\$58,017,935	\$91,944,334
8	Full-time equivalent positions	108.00	3.00	111.00

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

SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
14	Griggs County medical center grant	\$500,000	\$0
15	Facility consolidation study	350,000	0
16	Special assessments on capitol grounds	300,000	0
17	Interior and exterior signage projects	500,000	0
18	Statewide budget software	1,230,100	0
19	Capitol accessibility improvements	750,000	0
20	Legislative wing ventilation improvements	7,000,000	0
21	Pierce County medical center grant	1,000,000	0
22	Accrued leave retirement payouts	0	100,369
23	Inflationary increases	0	358,500
24	Capitol accessibility consulting	25,000	100,000
25	Automatic doors in legislative rooms	0	150,000
26	Capitol tour digital enhancements	0	100,000
27	State employee leave management system	0	335,000
28	Procurement software	2,021,204	2,500,000
29	Building automation project	518,800	800,000
30	Extraordinary repairs	500,000	100,000
31	State office building demolition	0	451,000

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1	Capitol space utilization improvements	0	5,500,000
2	Central services software and equipment	0	573,800
3	Governor's residence exterior repairs	0	300,000
4	Brynhild Haugland room remodeling project	0	500,000
5	Capitol window replacement project	0	4,000,000
6	Deferred maintenance projects	10,000,000	20,000,000
7	Prairie public broadcasting grants	0	1,792,450
8	State student internship program	100,000	700,000
9	Governor's emergency education relief	<u>0</u>	<u>3,659,555</u>
10	Total all funds	\$24,795,104	\$42,020,674
11	Less estimated income	<u>24,695,104</u>	<u>29,184,355</u>
12	Total general fund	\$100,000	\$12,836,319

13 The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget
 14 for the 2025-27 biennium. The office of management and budget shall report to the
 15 appropriations committees of the sixty-ninth legislative assembly on the use of this one-time
 16 funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

17 **SECTION 3. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any
 18 moneys in the community service supervision fund under section 29-26-22 are appropriated to
 19 the office of management and budget for distribution to community corrections association
 20 regions on or before August first of each year for the biennium beginning July 1, 2023, and
 21 ending June 30, 2025.

22 **SECTION 4. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND.**
 23 The office of management and budget shall transfer the sum of \$200,000,000 from the tax relief
 24 fund to the human service finance fund during the biennium beginning July 1, 2023, and ending
 25 June 30, 2025.

26 **SECTION 5. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO**
 27 **STATE AGENCIES.** The office of management and budget shall transfer funds from the state
 28 student internship program line item in section 1 of this Act to eligible state agencies for student
 29 internships during the biennium beginning July 1, 2023, and ending June 30, 2025.

30 **SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**
 31 **FUND - DEFERRED MAINTENANCE FUNDING POOL - EXEMPTION - TRANSFER TO**

1 **STATE AGENCIES.** The sum of \$20,000,000 included in the deferred maintenance funding pool
2 line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from
3 the strategic investment and improvements fund for a deferred maintenance funding pool. The
4 office of management and budget may use up to \$12,000,000 from the deferred maintenance
5 funding pool for a boiler replacement project in the capitol. Notwithstanding any other provision
6 of law, the office of management and budget shall transfer funds from the deferred maintenance
7 funding pool line item in section 1 of this Act to other eligible state agencies for deferred
8 maintenance.

9 **SECTION 7. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The sum of \$4,800,000
10 included in the capital assets line item in section 1 of this Act and identified as one-time funding
11 in section 2 of this Act is from the capitol building fund for the following:

- 12 1. \$300,000 for exterior repairs and improvements at the governor's residence;
- 13 2. \$500,000 for a remodeling project in the Brynhild Haugland room in the capitol; and
- 14 3. \$4,000,000 for a capitol window replacement project.

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

17 Unemployment insurance	\$1,800,000
18 Capitol grounds planning commission	\$25,000
19 Statewide memberships and related expenses	\$685,657

20 **SECTION 9. TARGETED MARKET EQUITY COMPENSATION ADJUSTMENTS -**
21 **GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET**
22 **SECTION REPORT.**

- 23 1. The targeted market equity pool line item in section 1 of this Act includes \$41,000,000
24 from the general fund and \$34,000,000 from special funds derived from federal funds
25 and other income for the purpose of providing compensation adjustments for executive
26 branch state employees in accordance with provisions of this section for the period
27 beginning with the effective date of this Act and ending June 30, 2025.
- 28 2. The targeted market equity compensation adjustments must be prioritized based on a
29 statewide plan prepared by the office of management and budget based on the
30 funding available in the pool. The plan must address occupational market disparities,
31 recruitment and retention challenges, and external pay inequities for employees who

- 1 are critical to the mission of the agency. Employees whose documented performance
2 levels do not meet standards are not eligible for the market equity compensation
3 adjustments.
- 4 3. All targeted market equity compensation adjustments must be provided by July 1,
5 2023.
- 6 4. The funding allocated to each agency must be used for the cost to continue the
7 compensation adjustments for the 2023-25 biennium, including the effect of the market
8 equity adjustments on funding needed for the salary increases authorized by the
9 legislative assembly in section 10 of this Act.
- 10 5. Notwithstanding any other provision of law, the office of management and budget shall
11 transfer appropriation authority from the targeted market equity funding pool to eligible
12 executive branch state agencies for approved targeted market equity salary
13 adjustments.
- 14 6. The office of management and budget shall provide a report to the budget section
15 regarding the statewide plan, any changes to the plan presented to the sixty-eighth
16 legislative assembly, and the appropriation authority transferred from the pool.

17 **SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 18 1. The 2023-25 biennium compensation adjustments for permanent state employees are
19 to average 4 percent per eligible employee for the first fiscal year of the biennium and
20 are to average 4 percent per eligible employee for the second year of the biennium.
21 The increases for the first year of the biennium are to be given beginning with the
22 month of July 2023, to be paid in August 2023, and for the second year of the
23 biennium are to be given beginning with the month of July 2024, to be paid in
24 August 2024. Increases for eligible state employees are to be based on documented
25 performance and are not to be the same percentage increase for each employee.
- 26 2. The office of management and budget shall develop guidelines for use by state
27 agencies for providing compensation adjustments for classified state employees. The
28 guidelines must follow the compensation philosophy statement under section
29 54-44.3-01.2.
- 30 3. Probationary employees are not entitled to the increases. However, at the discretion of
31 the appointing authority, probationary employees may be given all or a portion of the

1 increases effective in July, paid in August, or upon completion of probation. Employees
2 whose overall documented performance level does not meet standards are not eligible
3 for any salary increase.

4 **SECTION 11. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **48-10-02. Capitol building fund to be administered by the capitol grounds planning**
7 **commission - Continuing appropriation - Procedure for expenditure of certain funds.**

8 1. The capitol grounds planning commission shall have general powers to superintend
9 the administration of the capitol building fund, its interest and income fund, and its
10 investments and properties. It may cause any lands now held in such funds to be sold
11 at market value, direct the conversion of any securities now held by such funds to
12 cash, approve expenditures from such funds subject to law and legislative
13 appropriations, and to do all other things necessary to carry out the intent and
14 purposes of this section. The board of university and school lands or its designee, on
15 the commission's behalf, shall see to the investment and management of the capitol
16 building fund and its interest and income fund and shall account to the commission
17 concerning these funds at the commission's request.

18 2. Provided further, all moneys and other property in the capitol building fund, except as
19 otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose
20 of the construction of an addition to the legislative wing of the state capitol building,
21 and the capitol grounds planning commission shall take necessary steps to
22 accumulate and conserve the money and property in the capitol building fund for such
23 purpose.

24 3. The commission may, during any biennium, expend from the interest and income fund
25 of the capitol building fund a sum not to exceed fifty percent of the unencumbered
26 balance on the first day of any biennium, and such amount is hereby appropriated to
27 the capitol grounds planning commission. The expenditure may be made, after
28 consideration of the capitol grounds master plan, for projects or planning but may not
29 exceed ~~twoseven~~ twoseven hundred fifty thousand dollars per biennium. The expenditure may
30 only be made upon approval by two-thirds of the total membership of the commission.

1 The expenditure must be made upon a voucher, or vouchers, prepared by the office of
2 management and budget at the direction of the commission.

3 **SECTION 12. AMENDMENT.** Section 54-21-19 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-21-19. Director to furnish supplies and maintain capitol, state offices, and**
6 **executive mansion - Authority to charge for services.**

7 The director of the office of management and budget shall provide all necessary fuel,
8 electricity, insurance, janitorial, and other services necessary to maintain the state offices on the
9 capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and
10 all other necessary supplies for the executive mansion and the capitol grounds and shall make
11 all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director
12 shall charge an amount equal to the fair value of the office space and other services rendered
13 to all departments that receive and expend moneys from other than the general fund executive
14 branch agencies, except that for good cause the amounts charged may be waived by the
15 director for a one-year period of time with the waiver subject to further annual renewals after
16 proper application has been filed with the director.

17 **SECTION 13.** A new subsection to section 54-44-11 of the North Dakota Century Code is
18 created and enacted as follows:

19 The office of management and budget shall establish a facility management operating
20 fund to be used for the salary and operating expenses of the division of facility
21 management. Rental fees collected pursuant to section 54-21-19 must be deposited in
22 the fund. The director of the office of management and budget shall transfer any
23 unobligated balance in the fund to the general fund at the end of each fiscal year.

24 **SECTION 14. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **57-40.3-10. Transfer of revenue.**

27 All moneys collected and received under this chapter must be transmitted monthly by the
28 director of the department of transportation to the state treasurer ~~to be transferred and credited,~~
29 and the state treasurer shall allocate fifty percent to the state highway fund and the remaining
30 fifty percent to the general fund.

1 **SECTION 15. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
2 fiscal management division, as contained in section 1 of chapter 15 of the 2021 Session Laws is
3 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
4 appropriation are available for continued development and operating costs of the statewide
5 systems, including accounting, management, and payroll, during the biennium beginning July 1,
6 2023, and ending June 30, 2025.

7 **SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
8 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
9 the biennium beginning July 1, 2023, and ending June 30, 2025:

- 10 1. The sum of \$500,000 appropriated from the strategic investment and improvements
11 fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws
12 and continued into the 2021-23 biennium pursuant to section 42 of chapter 15 of the
13 2021 Session Laws for an assessment of state lands and facilities.
- 14 2. The sum of \$350,000 appropriated from the capitol building fund in section 1 and
15 identified in section 2 of chapter 15 of the 2021 Session Laws for a facility
16 consolidation study.

17 **SECTION 17. EFFECTIVE DATE.** Section 14 of this Act is effective for motor vehicle excise
18 tax collections transmitted to the state treasurer after July 31, 2023.

19 **SECTION 18. EMERGENCY.** The targeted market equity pool line item in section 1 of this
20 Act and section 9 of this Act are declared to be an emergency measure.