

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

In lieu of the amendments adopted by the Senate as printed on pages 1605-1611 of the Senate Journal, Engrossed House Bill No. 1015 is amended as follows:

Page 1, line 2, remove "to create and"

Page 1, remove line 3

Page 1, line 4, remove "political subdivisions submitting budget information to the state budget database website;"

Page 1, line 5, replace "section" with "sections"

Page 1, line 5, after "15.1-27-25" insert "and 48-10-02"

Page 1, line 6, after "royalties" insert "and the capitol building fund"

Page 1, line 7, after the semicolon insert "to provide for a budget section report; and"

Page 1, line 7, after "for" insert "a"

Page 1, line 7, remove "studies; and to provide an effective"

Page 1, line 8, replace "date" with "study"

Page 1, remove lines 18 through 24

Page 2 replace lines 1 through 5 with:

"Salaries and wages	\$18,477,763	\$1,475,552	\$19,953,315
Operating expenses	13,755,254	991,534	14,746,788
Emergency commission contingency fund	700,000	0	700,000
Capital assets	5,190,143	4,760,922	9,951,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	1,037,138	2,037,138
State student internship program	200,000	0	200,000
Health insurance pool - temporary employees	0	2,000,000	2,000,000
Accrued leave payments	<u>0</u>	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$10,835,558	\$50,588,718
Less estimated income	<u>10,514,461</u>	<u>(783,831)</u>	<u>9,730,630</u>
Total general fund	\$29,238,699	\$11,619,389	\$40,858,088"

Page 2, replace line 13 with:

"Capitol complex parking lot repairs	800,000	4,000,000"
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Page 2, replace lines 19 through 21 with:

"Prairie public broadcasting	0	700,000
Health insurance pool	0	2,000,000
Land use study	0	50,000

Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
Total all funds	\$478,354,000	\$10,640,000
Less estimated income	<u>0</u>	<u>1,000,000</u>
Total general fund	\$478,354,000	\$9,640,000"

Page 2, after line 31, insert:

"SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY - EMERGENCY COMMISSION APPROVAL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office of management and budget for a state agency energy development impact funding pool, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funds provided under this section are considered a one-time funding item.

A state agency may submit an application to the office of management and budget for a transfer of appropriation authority from the state agency energy development impact funding pool for employee housing rental assistance and temporary salary increases for employees affected by energy development. The office of management and budget, subject to emergency commission approval, shall transfer appropriation authority from the state agency energy development impact funding pool to eligible agencies for approved applications.

1. A state agency may submit an application to the office of management and budget for up to six months of rental assistance for employees in affected areas of the state.
 - a. As part of the application for rental assistance, the agency must attach the employee's rental agreement from the rental property company. The rental agreement must include the following information:
 - (1) Rental company name.
 - (2) Rental company address.
 - (3) Amount of rent.
 - (4) Effective date of lease.
 - b. The office of management and budget shall review the application for rental assistance and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. The applications must be reviewed on an individual basis based on documented need and affordability.
 - c. Rental assistance payments must be based on a housing survey conducted by the agency submitting an application to determine statewide and local housing averages, subject to review and recommendation by the office of management and budget and approval by the emergency commission. Employees eligible to receive rental assistance include employees currently renting in designated areas of the state and new employees or existing employees

transferring into affected areas of the state. The rental assistance payment must be a flat dollar amount based on the difference between the state rental rate average and the rental rates for similar housing in the location where the employee resides. When determining the difference in rental rates, consideration must be given to the appropriate amount of housing space needed for an employee based on the number of immediate family members living with the employee. The rental rate difference calculation may not include costs for garage space for an employee's personal vehicle.

- d. A state agency that has an employee or employees receiving rental assistance must submit documentation to the office of management and budget upon request that verifies the employee's proof of payment.
 - e. A state agency must report any changes to the office of management and budget of the housing status of employees for whom an application has been approved.
2. A state agency may submit an application for up to six months of salary differential payments for employees living in or temporarily assigned to areas of the state affected by energy development. The application must document the salary level of each affected employee compared to statewide and local averages for similar types of employee positions. The office of management and budget shall review the application for salary differential payments and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. Any salary differential payment provided to an employee does not become part of the employee's permanent base salary.

SECTION 5. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2013, and ending June 30, 2015, to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	12,149
Total	\$187,500

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. MISSOURI RIVER CORRECTIONAL CENTER STUDY - BUDGET SECTION REPORT. The operating expenses line item in section 1 of this Act includes the sum of \$50,000 from the general fund which must be used by the office of management and budget to contract for a land use study of the Missouri River correctional center site. The study must review options to relocate the center to another site, options to develop all or a portion of the current site into a day park, and options to continue agriculture activities on the current site. The study may not include a review of options to develop the land for residential, commercial, or industrial purposes. During the 2013-14 interim, the office of management and budget shall provide a report to the budget section regarding the results of the study.

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

Page 3, line 18, replace "8" with "12"

Page 3, line 22, remove "- **LEGISLATIVE**"

Page 3, line 23, remove "**INTENT**"

Page 3, line 23, after "**GUIDELINES**" insert "- **BUDGET SECTION APPROVAL**"

Page 3, line 24, after "of" insert "3 to 5 percent for the first year of the biennium and in a range of"

Page 3, line 25, replace "each" with "the second"

Page 3, line 27, after "increases" insert "for the first year of the biennium"

Page 3, line 28, after "and" insert "for the second year of the biennium are to be given"

Page 3, line 29, after "adjustment" insert "for each year of the biennium"

Page 3, line 29, remove "for the first year of the biennium may be"

Page 3, line 30, remove "provided"

Page 4, line 1, after "range" insert "and up to 1 percent for a classified state employee whose salary is in the second quartile of the employee's assigned salary range may be provided"

Page 4, line 1, remove "The market equity increases are to be given"

Page 4, remove line 2

Page 4, line 6, after "budget" insert ", subject to budget section approval"

Page 4, line 6, remove "not"

Page 4, line 11, after "of" insert "3 to 5 percent for the first year of the biennium and in a range of"

Page 4, line 12, replace "each" with "the second"

Page 4, line 14, after "2013" insert "for the first year of the biennium"

Page 4, line 15, after the first "2014" insert "for the second year of the biennium"

Page 4, remove lines 16 through 18

Page 4, after line 22, insert:

"Each agency appropriation is increased to provide additional funding of \$95 per month for each eligible employee to maintain existing health insurance benefits. As a percentage of the average state employee monthly salary, this amount represents a 2.35 percent increase."

Page 4, line 23, after the first "ITEM" insert "- PILOT PROJECT"

Page 4, line 26, after the first "for" insert "a pilot project for the biennium beginning July 1, 2013, and ending June 30, 2015, for"

Page 4, line 31, after the period insert "For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts included in the accrued leave payments line item as part of the appropriation for salaries and wages."

Page 6, remove lines 9 through 31

Page 7 replace lines 1 through 13 with:

"SECTION 15. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

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

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

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to

accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but shall may not exceed ~~one hundred~~ two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission."

Page 7 remove lines 20 and 21

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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	\$50,764,335	\$416,689,705	\$15,609,013	\$432,298,718
Less estimated income	9,589,395	8,669,598	5,561,032	14,230,630
General fund	\$41,174,940	\$408,020,107	\$10,047,981	\$418,068,088
FTE	131.50	130.50	0.00	130.50

Department No. 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 Project ⁷	Reduces Funding for State Contingencies ⁸	Restores One- Time Funding for Prairie Public Broadcasting ⁹	Restores Health Insurance Pool for Temporary Employees ¹⁰	Adds State Agency Energy Development Impact Pool ¹¹	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.