

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED 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 sections 15.1-27-25 and 48-10-02 of the North Dakota Century Code, relating to
4 distributions of royalties and the capitol building fund; to provide an exemption; to provide for
5 various transfers; to provide legislative intent; to provide for a budget section report; and to
6 provide for a legislative management study.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
9 as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and
11 other income, to the office of management and budget for the purpose of defraying the
12 expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015,
13 as follows:

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
14				
15				
16	Salaries and wages	\$18,477,763	\$2,341,310	\$20,819,073
17	Operating expenses	13,755,254	991,534	14,746,788
18	Emergency commission	700,000	0	700,000
19	contingency fund			
20	Capital assets	5,190,143	4,760,922	9,951,065
21	Grants	430,000	0	430,000
22	Prairie public broadcasting	1,000,000	1,037,138	2,037,138
23	State student internship program	200,000	0	200,000
24	Health insurance pool - temporary	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>

Sixty-third
Legislative Assembly

1	employees			
2	Total all funds	\$39,753,160	\$11,130,904	\$50,884,064
3	Less estimated income	<u>10,514,461</u>	<u>(734,162)</u>	<u>9,780,299</u>
4	Total general fund	\$29,238,699	\$11,865,066	\$41,103,765
5	Full-time equivalent positions	131.50	(1.00)	130.50

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

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

10	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
11	Capitol envelope	\$2,800,000	\$0
12	Capitol complex parking lot repairs	800,000	4,000,000
13	North Dakota 125 th anniversary coordinator	50,000	190,000
14	Board of integrative health	4,000	0
15	State transfers	474,700,000	0
16	Capitol south entrance	0	1,000,000
17	Exterior restoration of legislative and j-wing	0	1,500,000
18	Prairie public broadcasting	0	700,000
19	Health insurance pool	0	2,000,000
20	Land use study	0	50,000
21	Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
22	Total all funds	\$478,354,000	\$10,640,000
23	Less estimated income	<u>0</u>	<u>1,000,000</u>
24	Total general fund	\$478,354,000	\$9,640,000

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

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

30 **RELIEF SUSTAINABILITY FUND.** There is appropriated out of any moneys in the general fund
31 in the state treasury, not otherwise appropriated, the sum of \$373,210,000, or so much of the

1 sum as may be necessary, which the office of management and budget shall transfer to the
2 property tax relief sustainability fund during the biennium beginning July 1, 2013, and ending
3 June 30, 2015.

4 **SECTION 4. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING**

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

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

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

30 **SECTION 5. MISSOURI RIVER CORRECTIONAL CENTER STUDY - BUDGET SECTION**

31 **REPORT.** The operating expenses line item in section 1 of this Act includes the sum of \$50,000

1 from the general fund which must be used by the office of management and budget to contract
2 for a land use study of the Missouri River correctional center site. The study must review
3 options to relocate the center to another site, options to develop all or a portion of the current
4 site into a day park, and options to continue agriculture activities on the current site. The study
5 may not include a review of options to develop the land for residential, commercial, or industrial
6 purposes. During the 2013-14 interim, the office of management and budget shall provide a
7 report to the budget section regarding the results of the study.

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

13 **SECTION 7. INTENT.** Within the authority included in section 1 of this Act are the following
14 grants and special items:

15 Boys and girls clubwork	\$53,000
16 State memberships and related expenses	\$611,000
17 Unemployment insurance	\$1,500,000
18 Capitol grounds planning commission	\$25,000

19 **SECTION 8. STATE STUDENT INTERNSHIP PROGRAM.** The human resources division
20 of the office of management and budget may transfer to each eligible agency appropriated
21 general fund spending authority from the state student internship program line item contained in
22 section 1 of this Act.

23 **SECTION 9. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.** Notwithstanding
24 section 54-16-04, agencies may transfer appropriation authority between line items, as it relates
25 to compensation increases authorized in section 10 of this Act, for the biennium beginning
26 July 1, 2013, and ending June 30, 2015. The agencies shall notify the office of management
27 and budget of any transfer made pursuant to this section.

28 **SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.** It is
29 the intent of the sixty-third legislative assembly that 2013-15 biennium compensation
30 adjustments for classified state employees are to be in a range of one to four percent for
31 employees below the market policy point and in a range of three to five percent based on

1 documented performance. Increases for classified state employees are not to be the same
2 percentage increase for each employee. The market and performance increases are to be given
3 beginning with the month of July 2013, to be paid in August 2013, and beginning with the month
4 of July 2014, to be paid in August 2014.

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

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

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

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

19 **SECTION 11. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE**
20 **HEALTH INSURANCE POOL - TRANSFER AUTHORITY.** The office of management and
21 budget may transfer to each eligible agency appropriation authority from the health insurance
22 pool - temporary employees line item contained in section 1 of this Act. Transfers may be made
23 for the purpose of providing temporary employee health insurance adjustments for state
24 employees, including institutions of higher education, determined to be full time based on
25 guidelines developed by the office of management and budget in accordance with the shared
26 responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and
27 ending June 30, 2015.

28 **SECTION 12. AMENDMENT.** Section 15.1-27-25 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **15.1-27-25. Royalties available under federal law - Distribution to counties and school**
2 **districts - Continuing appropriation.**

- 3 1. Any money paid to the state by the secretary of the treasury of the United States
4 under the provisions of an Act of Congress entitled "An Act to promote the mining of
5 coal, phosphate, oil, oil shale, gas, and sodium on the public domain" [Pub. L. 66-146;
6 41 Stat. 437; 30 U.S.C. 181 et seq.] must be credited to the state general fund and the
7 federal mineral royalties distribution fund and must be distributed only pursuant to the
8 terms of this section.
- 9 2. Within three months following the calendar quarters ending in March, June,
10 September, and December, the state auditor shall certify to the state treasurer the
11 amount of money the state received during the preceding calendar quarter for royalties
12 under the Act of Congress cited in subsection 1.
- 13 3. The state treasurer shall allocate the percentage of the total moneys received as
14 required by this section among the counties in which the minerals were produced
15 based on the proportion each county's mineral royalty revenue bears to the total
16 mineral royalty revenue received by the state for that calendar quarter. The state
17 treasurer shall pay the amount calculated to each county.
- 18 4. The counties may use any money received under this section only for the planning,
19 construction, and maintenance of public facilities and the provision of public services.
20 As used in this section, public facilities include any facility used primarily for public use
21 as determined by the board of county commissioners whether located on public or
22 private property.
- 23 5. The percentage of money received by the state under the Act of Congress cited in
24 subsection 1 which must be allocated and paid to the counties under this section is ~~ten~~
25 percent for collections in 2000, twenty percent for collections in 2001, thirty percent for
26 collections in 2002, forty percent for collections in 2003, and fifty percent for
27 collections in 2004 and thereafter.
- 28 6. Any remaining money received by the state under the Act of Congress cited in
29 subsection 1 must be distributed to school districts as provided for in this chapter. Any
30 moneys distributed under this subsection are deemed the first moneys withdrawn or
31 expended from the general fund for the purpose of state aid to school districts.

1 7. A reserve for distributions to counties pursuant to this section is created as a special
2 fund in the state treasury known as the federal mineral royalties distribution fund. The
3 state treasurer shall deposit in the fund fifty percent of amounts received pursuant to
4 this section.

5 8. The funds needed to make the distribution to counties, as provided for in this section,
6 are hereby appropriated on a continuing basis.

7 **SECTION 13. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **48-10-02. Capitol building fund to be administered by the capitol grounds planning**
10 **commission - Continuing appropriation - Procedure for expenditure of certain funds.**

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

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

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

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

3 **SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH**

4 **INSURANCE PREMIUMS.** The legislative management shall consider studying, during the
5 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to
6 the cost of state employee health insurance premiums. The legislative management shall report
7 its findings and recommendations, together with any legislation required to implement the
8 recommendations, to the sixty-fourth legislative assembly.