

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 provide
 3 appropriations to the legislative council and office of the governor; to create and enact a new
 4 subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility
 5 management operating fund; to amend and reenact sections 48-10-02, 54-21-19, and
 6 ~~57-40.3-10~~54-52-03 of the North Dakota Century Code, relating to the capitol grounds planning
 7 commission spending limit, capitol grounds rent collections, the retirement board, and the
 8 ~~allocation of motor vehicle excise tax collections~~public employees retirement system retirement
 9 plan; to provide for a transfer; to provide an exemption; to provide for a legislative management
 10 study; to provide a report; to provide an effective date; and to declare an emergency.

11 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
 13 as may be necessary, are appropriated out of any moneys in the general fund in the state
 14 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 15 other income, to the office of management and budget for the purpose of defraying the
 16 expenses of the office of management and budget, for the biennium beginning July 1, 2023,
 17 and ending June 30, 2025, as follows:

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

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1	Prairie public broadcasting	1,200,000	1,792,450	2,992,450
2	Community service supervision grants	350,000	0	350,000
3	Targeted market equity pool	0	75,000,000	75,000,000
4	State student internship program	0	700,000	700,000
5	Governor's emergency education relief	0	3,659,555	3,659,555
6	Deferred maintenance funding pool	0	20,000,000	20,000,000
7	Total all funds	\$42,754,708	\$126,100,799	\$168,855,507
8	Less estimated income	8,828,309	68,082,864	76,911,173
9	Total all funds	\$33,926,399	\$58,017,935	\$91,944,334
10	Full-time equivalent positions	108.00	3.00	111.00
11	<u>Salaries and wages</u>	<u>\$21,926,979</u>	<u>\$1,231,851</u>	<u>\$23,158,830</u>
12	<u>Operating expenses</u>	<u>15,663,214</u>	<u>3,729,579</u>	<u>19,392,793</u>
13	<u>Capital assets</u>	<u>764,515</u>	<u>8,417,640</u>	<u>9,182,155</u>
14	<u>Emergency commission contingency fund</u>	<u>400,000</u>	<u>0</u>	<u>400,000</u>
15	<u>Targeted market equity pool</u>	<u>0</u>	<u>75,000,000</u>	<u>75,000,000</u>
16	<u>Guardianship grants</u>	<u>2,450,000</u>	<u>3,650,000</u>	<u>6,100,000</u>
17	<u>Prairie public broadcasting</u>	<u>1,200,000</u>	<u>1,792,450</u>	<u>2,992,450</u>
18	<u>Community service supervision grants</u>	<u>350,000</u>	<u>0</u>	<u>350,000</u>
19	<u>State student internship program</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
20	<u>Governor's emergency education relief</u>	<u>0</u>	<u>3,659,555</u>	<u>3,659,555</u>
21	<u>Deferred maintenance funding pool</u>	<u>0</u>	<u>20,000,000</u>	<u>20,000,000</u>
22	<u>New and vacant FTE funding pool</u>	<u>0</u>	<u>130,000,000</u>	<u>130,000,000</u>
23	<u>Total all funds</u>	<u>\$42,754,708</u>	<u>\$247,981,075</u>	<u>\$290,735,783</u>
24	<u>Less estimated income</u>	<u>8,828,309</u>	<u>138,550,645</u>	<u>147,378,954</u>
25	<u>Total general fund</u>	<u>\$33,926,399</u>	<u>\$109,430,430</u>	<u>\$143,356,829</u>
26	<u>Full-time equivalent positions</u>	<u>108.00</u>	<u>0.00</u>	<u>108.00</u>

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:

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	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
1			
2	Griggs County medical center grant	\$500,000	\$0
3	Facility consolidation study	350,000	0
4	Special assessments on capitol grounds	300,000	0
5	Interior and exterior signage projects	500,000	0
6	Statewide budget software	1,230,100	0
7	Capitol accessibility improvements	750,000	0
8	Legislative wing ventilation improvements	7,000,000	0
9	Pierce County medical center grant	1,000,000	0
10	Accrued leave retirement payouts	0	100,369
11	Inflationary increases	0	358,500
12	Capitol accessibility consulting	25,000	100,000
13	Automatic doors in legislative rooms	0	150,000
14	Capitol tour digital enhancements	0	100,000
15	State employee leave management system	0	335,000
16	Procurement software	2,021,204	2,500,000
17	Building automation project	518,800	800,000
18	Extraordinary repairs	500,000	100,000
19	State office building demolition	0	451,000
20	Capitol space utilization improvements	0	5,500,000
21	Central services software and equipment	0	573,800
22	Governor's residence exterior repairs	0	300,000
23	Brynhild Haugland room remodeling project	0	500,000
24	Capitol window replacement project	0	4,000,000
25	Deferred maintenance projects	10,000,000	20,000,000
26	Prairie public broadcasting grants	0	1,792,450
27	State student internship program	100,000	700,000
28	Governor's emergency education relief	0	3,659,555
29	Total all funds	\$24,795,104	\$42,020,674
30	Less estimated income	24,695,104	29,184,355
31	Total general fund	\$100,000	\$12,836,319

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1	<u>Accrued leave retirement payouts</u>	0	100,369
2	<u>Inflationary increases</u>	0	340,000
3	<u>Capitol accessibility consulting</u>	25,000	50,000
4	<u>Accessibility improvements - legislative areas</u>	0	150,000
5	<u>State employee leave management system</u>	0	335,000
6	<u>Cash management study</u>	0	450,000
7	<u>Procurement software</u>	2,021,204	400,000
8	<u>Building automation project</u>	518,800	800,000
9	<u>Extraordinary repairs</u>	500,000	100,000
10	<u>Capitol space utilization improvements</u>	0	2,500,000
11	<u>Central services software and equipment</u>	0	573,800
12	<u>Governor's residence exterior repairs</u>	0	100,000
13	<u>Brynhild Haugland room remodeling project</u>	0	250,000
14	<u>Capitol window replacement project</u>	0	4,000,000
15	<u>Deferred maintenance projects</u>	10,000,000	20,000,000
16	<u>Prairie public broadcasting grants</u>	0	1,792,450
17	<u>State student internship program</u>	100,000	500,000
18	<u>Governor's emergency education relief</u>	0	3,659,555
19	<u>Total all funds</u>	\$24,795,104	\$36,101,174
20	<u>Less estimated income</u>	24,695,104	29,784,355
21	<u>Total general fund</u>	\$100,000	\$6,316,819

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

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

SECTION 4. 2021-23 BIENNIUM - APPROPRIATION - OFFICE OF THE GOVERNOR.

There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this Act and ending June 30, 2023.

SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL - FORENSIC AUDIT OF THE STATE AUDITOR - LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - ONE-TIME FUNDING.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for a forensic audit of the state auditor, for the biennium beginning July 1, 2023, and ending June 30, 2025. The legislative audit and fiscal review committee shall arrange for the audit and receive the audit report. The funding provided in this section is considered a one-time funding item.

SECTION 6. TRANSFER - TAX RELIEF FUND OR SOCIAL SERVICES FUND TO

HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of \$200,000,000 from the tax relief fund or the social services fund under section 57-51.1-07.5 to the human service finance fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 7. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO

STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 8. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEFERRED MAINTENANCE FUNDING POOL - EXEMPTION - TRANSFER TO

STATE AGENCIES. The sum of \$20,000,000 included in the deferred maintenance funding pool line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the strategic investment and improvements fund for a deferred maintenance funding pool. The office of management and budget may use up to ~~\$12,000,000~~ \$12,700,000 from the deferred maintenance funding pool, including up to \$12,000,000 for a boiler replacement project in the capitol and up to \$700,000 for a water mitigation project at the liberty memorial building.

Notwithstanding any other provision of law, the office of management and budget shall transfer

1 funds from the deferred maintenance funding pool line item in section 1 of this Act to other
2 eligible state agencies for deferred maintenance.

3 **SECTION 9. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The sum of

4 ~~\$4,800,000~~\$5,400,000 included in the capital assets line item in section 1 of this Act and
5 identified as one-time funding in section 2 of this Act is from the capitol building fund for the
6 following:

7 1. ~~\$300,000~~\$150,000 for accessibility improvements in legislative areas of the capitol;

8 \$800,000 for a building automation project;

9 \$100,000 for electrical and mechanical repairs;

10 \$100,000 for ~~exterior repairs and~~security improvements at the governor's residence;

11 ~~2-5.~~ \$500,000\$250,000 for a remodeling project in the Brynhild Haugland room in the
12 capitol; and

13 ~~3-6.~~ \$4,000,000 for a capitol window replacement project.

14 **SECTION 10. OPERATING EXPENSES LINE ITEM - CASH MANAGEMENT STUDY -**

15 **REPORT TO LEGISLATIVE MANAGEMENT.** The operating expenses line item in section 1 of

16 this Act includes the sum of \$450,000 from the general fund for the purpose of procuring

17 consulting services to conduct a study and develop recommendations for improvement of the

18 cash management practices of the state, for the biennium beginning July 1, 2023, and ending

19 June 30, 2025. The study must include cash management practices employed by the Bank of

20 North Dakota, state treasurer, retirement and investment office, board of university and school

21 lands, and other agencies as determined by the office of management and budget. The office of

22 management and budget shall report to the legislative management before September 30,

23 2024, regarding the findings and recommendations resulting from its study.

24 **SECTION 11. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation

25 authority which may be used only for the following grants and special items:

26 Unemployment insurance \$1,800,000

27 Capitol grounds planning commission \$25,000

28 Statewide memberships and related expenses \$685,657

29 **SECTION 12. TARGETED MARKET EQUITY COMPENSATION ADJUSTMENTS -**

30 **GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET**

31 **SECTION REPORT.**

- 1 1. The targeted market equity pool line item in section 1 of this Act includes \$41,000,000
2 from the general fund and \$34,000,000 from special funds derived from federal funds
3 and other income for the purpose of providing compensation adjustments for executive
4 branch state employees in accordance with provisions of this section for the period
5 beginning with the effective date of this Act and ending June 30, 2025.
- 6 2. The targeted market equity compensation adjustments must be prioritized based on a
7 statewide plan prepared by the office of management and budget based on the
8 funding available in the pool. The plan must address occupational market disparities,
9 recruitment and retention challenges, and external pay inequities for employees who
10 are critical to the mission of the agency. Employees whose documented performance
11 levels do not meet standards are not eligible for the market equity compensation
12 adjustments.
- 13 3. All targeted market equity compensation adjustments must be provided by July 1,
14 2023.
- 15 4. The funding allocated to each agency must be used for the cost to continue the
16 compensation adjustments for the 2023-25 biennium, including the effect of the market
17 equity adjustments on funding needed for the salary increases authorized by the
18 legislative assembly in section ~~40~~13 of this Act.
- 19 5. Notwithstanding any other provision of law, the office of management and budget shall
20 transfer appropriation authority from the targeted market equity funding pool to eligible
21 executive branch state agencies for approved targeted market equity salary
22 adjustments.
- 23 6. The office of management and budget shall provide a report to the budget section
24 regarding the statewide plan, any changes to the plan presented to the sixty-eighth
25 legislative assembly, and the appropriation authority transferred from the pool.

26 **SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 27 1. The 2023-25 biennium compensation adjustments for permanent state employees are
28 to average ~~4~~6 percent per eligible employee for the first fiscal year of the biennium and
29 are to average 4 percent per eligible employee for the second year of the biennium.
30 The increases for the first year of the biennium are to be given beginning with the
31 month of July 2023, to be paid in August 2023, and for the second year of the

1 biennium are to be given beginning with the month of July 2024, to be paid in
2 August 2024. Increases for eligible state employees are to be based on documented
3 performance and are not to be the same percentage increase for each employee.

4 2. The office of management and budget shall develop guidelines for use by state
5 agencies for providing compensation adjustments for classified state employees. The
6 guidelines must follow the compensation philosophy statement under section
7 54-44.3-01.2.

8 3. Probationary employees are not entitled to the increases. However, at the discretion of
9 the appointing authority, probationary employees may be given all or a portion of the
10 increases effective in July, paid in August, or upon completion of probation. Employees
11 whose overall documented performance level does not meet standards are not eligible
12 for any salary increase.

13 **SECTION 14. NEW AND VACANT FTE FUNDING POOL - GUIDELINES - EXEMPTION -**
14 **TRANSFER OF APPROPRIATION AUTHORITY - BUDGET SECTION REPORT.**

15 1. The new and vacant FTE funding pool line item in section 1 of this Act includes
16 \$60,000,000 from the general fund and \$70,000,000 from special funds derived from
17 federal funds and other income for the purpose of providing funding for hiring new
18 full-time equivalent positions and for agencies that do not realize sufficient savings
19 from vacant full-time equivalent positions in accordance with provisions of this section
20 for the biennium beginning July 1, 2023, and ending June 30, 2025.

21 2. An executive branch state agency that had funding removed by the sixty-eighth
22 legislative assembly for purposes of the new and vacant full-time equivalent funding
23 pool may submit a request to the office of management and budget for an allocation of
24 funding from the pool:

25 a. To provide funding for the salaries and wages necessary for the 2023-25
26 biennium for a new full-time equivalent position authorized by the 2023 legislative
27 assembly from the date of hiring through the end of the biennium;

28 b. To provide funding for the salaries and wages necessary for the 2023-25
29 biennium for filling a full-time equivalent position that was vacant on July 1, 2023,
30 from the date of hiring through the end of the biennium; or

- 1 c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25
2 biennium if actual salaries and wages savings from vacant positions adjusted for
3 other salaries and wages uses are less than the estimate used by the sixty-eighth
4 legislative assembly in the development of the agency's appropriation.
- 5 3. The office of management and budget may transfer general fund appropriation
6 authority from the pool to an agency only upon the agency certifying to the office of
7 management and budget that special funds from federal or other sources are not
8 available for the salaries and wages of the full-time equivalent position.
- 9 4. An agency may not receive more funding from the pool than the amount that was
10 removed from the agency budget for new and vacant full-time equivalent positions as
11 contained in the statement of purpose of amendment of bills approved by the
12 sixty-eighth legislative assembly as printed in the house and senate journals.
- 13 5. Notwithstanding any other provision of law, the office of management and budget shall
14 transfer appropriation authority from the new and vacant full-time equivalent funding
15 pool to eligible executive branch state agencies:
 - 16 a. Within fifteen days of receiving an agency request for the hiring of a new full-time
17 equivalent position authorized by the sixty-eighth legislative assembly, along with
18 documentation of the salaries and wages necessary for the position for the
19 remainder of the biennium, limited to the amount identified for the position in the
20 statement of purpose of amendment;
 - 21 b. Within fifteen days of receiving an agency request for filling a full-time equivalent
22 position that was vacant on July 1, 2023, along with documentation verifying that
23 funding available for salaries and wages within the agency's budget is insufficient
24 to provide funding for the position for the remainder of the biennium; or
 - 25 c. Within thirty days of receiving an agency request, along with documentation
26 verifying that actual salaries and wages savings from vacant positions through
27 February 2025 and estimates for the remainder of the biennium adjusted for
28 other salaries and wages uses are less than the estimate used by the sixty-eighth
29 legislative assembly in the development of the agency's appropriation.
- 30 6. For the purpose of determining salaries and wages amounts under section 54-27-10,
31 the office of management and budget shall consider the amounts removed from the

1 agency budget for new and vacant full-time equivalent positions as contained in the
2 statement of purpose of amendment of bills approved by the sixty-eighth legislative
3 assembly as part of the appropriation for salaries and wages.

- 4 7. If funding in the new and vacant full-time equivalent funding pool is insufficient to
5 provide the necessary salaries and wages funding for the biennium, the office of
6 management and budget shall request a deficiency appropriation from the sixty-ninth
7 legislative assembly. Any funding remaining in the funding pool at the end of the
8 biennium must be canceled in accordance with the provisions of section 54-44.1-11.
- 9 8. The office of management of budget shall report to each meeting of the budget section
10 regarding salaries and wages and vacant position information and use of funding in
11 the pool including:
- 12 a. The number of agency requests submitted, amounts transferred from the pool,
13 and information on:
 - 14 (1) New full-time equivalent positions, including the date hired; and
 - 15 (2) Vacant full-time equivalent positions, including dates the positions were
16 vacated and filled;
 - 17 b. Salaries and wages savings to date resulting from vacant positions by agency;
18 and
 - 19 c. Each agency's use of salaries and wages funding, including amounts spent for
20 accrued leave payouts, salary increases in addition to general salary increases
21 provided by the sixty-eighth legislative assembly, bonuses, incentive or location
22 pay adjustments, reclassifications, funding used for temporary salaries or
23 overtime in excess of amounts provided by the sixty-eighth legislative assembly,
24 or other purposes.

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

27 **48-10-02. Capitol building fund to be administered by the capitol grounds planning**
28 **commission - Continuing appropriation - Procedure for expenditure of certain funds.**

- 29 1. The capitol grounds planning commission shall have general powers to superintend
30 the administration of the capitol building fund, its interest and income fund, and its
31 investments and properties. It may cause any lands now held in such funds to be sold

1 at market value, direct the conversion of any securities now held by such funds to
2 cash, approve expenditures from such funds subject to law and legislative
3 appropriations, and to do all other things necessary to carry out the intent and
4 purposes of this section. The board of university and school lands or its designee, on
5 the commission's behalf, shall see to the investment and management of the capitol
6 building fund and its interest and income fund and shall account to the commission
7 concerning these funds at the commission's request.

8 2. Provided further, all moneys and other property in the capitol building fund, except as
9 otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose
10 of the construction of an addition to the legislative wing of the state capitol building,
11 and the capitol grounds planning commission shall take necessary steps to
12 accumulate and conserve the money and property in the capitol building fund for such
13 purpose.

14 3. The commission may, during any biennium, expend from the interest and income fund
15 of the capitol building fund a sum not to exceed fifty percent of the unencumbered
16 balance on the first day of any biennium, and such amount is hereby appropriated to
17 the capitol grounds planning commission. The expenditure may be made, after
18 consideration of the capitol grounds master plan, for projects or planning related to
19 remodeling expenses but may not exceed ~~two~~^{seven} hundred fifty thousand dollars per
20 biennium. The expenditure may only be made upon approval by two-thirds of the total
21 membership of the commission. The expenditure must be made upon a voucher, or
22 vouchers, prepared by the office of management and budget at the direction of the
23 commission.

24 **SECTION 16. AMENDMENT.** Section 54-21-19 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **54-21-19. Director to furnish supplies and maintain capitol, state offices, and**
27 **executive mansion - Authority to charge for services.**

28 The director of the office of management and budget shall provide all necessary fuel,
29 electricity, insurance, janitorial, and other services necessary to maintain the state offices on the
30 capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and
31 all other necessary supplies for the executive mansion and the capitol grounds and shall make

1 all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director
2 shall charge an amount equal to the fair value of the office space and other services rendered
3 to all departments that receive and expend moneys from other than the general fund executive
4 branch agencies, except that for good cause the amounts charged may be waived by the
5 director for a one-year period of time with the waiver subject to further annual renewals after
6 proper application has been filed with the director.

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

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

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

16 ~~— **57-40.3-10. Transfer of revenue.**~~

17 ~~— All moneys collected and received under this chapter must be transmitted monthly by the~~
18 ~~director of the department of transportation to the state treasurer to be transferred and credited,~~
19 ~~and the state treasurer shall allocate fifty percent to the state highway fund and the remaining~~
20 ~~fifty percent to the general fund.~~

21 **SECTION 18. AMENDMENT.** Section 54-52-03 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **54-52-03. Governing authority.**

24 1. A state agency is hereby created to constitute the governing authority of the system to
25 consist of a board of ~~nine~~eleven individuals known as the retirement board. No more
26 than one elected member of the board may be in the employ of a single department,
27 institution, or agency of the state or in the employ of a political subdivision. An
28 employee of the public employees retirement system or the state retirement and
29 investment office may not serve on the board.

30 ~~1.~~ Two

- 1 ~~2. Four~~ members of the legislative assembly must be appointed ~~by the chairman of the~~
2 ~~legislative management~~ to serve on the board.
- 3 ~~a. If the same political party has the greatest number of members in both the house~~
4 ~~and senate, one member must be from that majority party and one member from~~
5 ~~the political party with the next greatest number of members in the house and~~
6 ~~senate.~~
- 7 ~~b. If the same political party does not have the greatest number of members in both~~
8 ~~the house and senate, one member must be from the majority party in the house~~
9 ~~and one member must be from the majority party in the senate.~~
- 10 ~~2. One member~~ The majority leader of the house of representatives shall appoint two
11 members of the house of representatives and the majority leader of the senate shall
12 appoint two members of the senate. The members appointed under this subsection
13 shall serve a term of two years.
- 14 3. Four members of the board must be appointed by the governor to serve a term of five
15 years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who
16 is not a state or political subdivision employee and who ~~by experience~~ is familiar with
17 ~~money management~~retirement and employee benefit plans. The governor shall
18 appoint one citizen member ~~is~~to serve as chairman of the board.
- 19 ~~3. One member of the board must be appointed by the attorney general from the~~
20 ~~attorney general's legal staff and shall serve a term of five years.~~
- 21 ~~4. The state health officer appointed under section 23-01-05 or the state health officer's~~
22 ~~designee is a member of the board.~~
- 23 5.4. Three board members must be elected by and from among the active participating
24 members, members of the retirement plan established under chapter 54-52.6,
25 members of the retirement plan established under chapter 39-03.1, and members of
26 the job service North Dakota retirement plan. Employees who have terminated their
27 employment for whatever reason are not eligible to serve as elected members of the
28 board under this subsection. Board members must be elected to a five-year term
29 pursuant to an election called by the board. Notice of board elections must be given to
30 all active participating members. The time spent in performing duties as a board

1 member may not be charged against any employee's accumulated annual or any
2 other type of leave.

3 ~~6. One board member must be elected by and from among those individuals who are~~
4 ~~receiving retirement benefits under this chapter. The board shall call the election and~~
5 ~~must give prior notice of the election to the individuals eligible to participate in the~~
6 ~~election pursuant to this subsection. The board member shall serve a term of five~~
7 ~~years.~~

8 7.5. The members of the board are entitled to receive one hundred forty-eight dollars per
9 day compensation and necessary mileage and travel expenses as provided in
10 sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due
11 the chairman or a member, plus an allowance for expenses they may incur through
12 service on the board.

13 8.6. A board member shall serve ~~a five-year term and~~ until the board member's successor
14 qualifies. Each board member is entitled to one vote, and ~~nine~~six of the ~~eleven~~eleven
15 board members constitute a quorum. ~~Five~~Six votes are necessary for resolution or
16 action by the board at any meeting.

17 **SECTION 19. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED**
18 **BENEFIT PLAN INVESTMENTS.** During the biennium beginning July 1, 2023, and ending
19 June 30, 2025, the retirement board and the state investment board shall continue to invest the
20 public employees retirement system main system defined benefit plan based on an actuarial
21 rate of return assumption of at least six and one-half percent, and the retirement board and the
22 state investment board may not make any investment decision with the goal of derisking the
23 investments for this plan during the biennium.

24 **SECTION 20. EXEMPTION - INFRASTRUCTURE REVOLVING LOAN FUND.**
25 Notwithstanding any other provision of law, a park district may apply for a loan from the
26 infrastructure revolving loan fund under section 6-09-49, during the biennium beginning July 1,
27 2023, and ending June 30, 2025, to refinance an outstanding loan for a project completed after
28 March 31, 2022, and to pay the outstanding balance of any special assessments associated
29 with the project.

30 **SECTION 21. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
31 fiscal management division, as contained in section 1 of chapter 15 of the 2021 Session Laws is

1 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
2 appropriation are available for continued development and operating costs of the statewide
3 systems, including accounting, management, and payroll, during the biennium beginning July 1,
4 2023, and ending June 30, 2025.

5 **SECTION 22. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
6 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
7 the biennium beginning July 1, 2023, and ending June 30, 2025:

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

15 **SECTION 23. LEGISLATIVE MANAGEMENT STUDY - STATE FIRE AND TORNADO**
16 **FUND AND STATE BONDING FUND ADMINISTRATION.** During the 2023-24 interim, the
17 legislative management shall consider studying, in collaboration with the insurance
18 commissioner and the director of the office of management and budget, the feasibility and
19 desirability of changing administration of the state fire and tornado fund and state bonding fund
20 from the insurance commissioner to the director of the office of management and budget. The
21 study must include an analysis of the statutory changes necessary to accomplish the change in
22 administration and other statutory changes necessary to facilitate the office of management and
23 budget's administration of these funds. The legislative management shall report its findings and
24 recommendations, together with any legislation required to implement the recommendations, to
25 the sixty-ninth legislative assembly.

26 **SECTION 24. LEGISLATIVE MANAGEMENT STUDY - MANAGEMENT AND**
27 **MAINTENANCE OF STATE FACILITIES.**

- 28 1. During the 2023-24 interim, the legislative management shall consider studying the
29 policies and procedures of state agencies, excluding institutions under the control of
30 the state board of higher education, for managing, maintaining, and leasing state
31 facilities.

2. The study must include consideration of:
 - a. The most efficient and cost-effective organizational structure for managing, maintaining, and leasing state facilities, including a comparison of allocating funding and full-time equivalent positions to various agencies and centralizing funding and full-time equivalent positions under one agency.
 - b. The costs and benefits of leasing or owning state facilities.
 - c. The appropriate use of contracts for service and full-time equivalent positions for custodial services, mechanical services, snow removal, lawn care, and maintenance.
3. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 25. LEGISLATIVE MANAGEMENT STUDY - GUARDIANSHIP PROGRAMS.

During the 2023-24 interim, the legislative management shall study the state's guardianship programs. The study must include consideration of the existing structure for the programs under the office of management and budget, judicial branch, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 26. EFFECTIVE DATE. Section ~~14~~18 of this Act ~~is effective for motor vehicle excise tax collections transmitted to the state treasurer after July 31, 2023~~becomes effective June 1, 2023.

SECTION 27. EMERGENCY. The ~~targeted market equity pool line item in section 1 of this Act and section 9 of this Act~~following are declared to be an emergency measure:

1. The targeted market equity pool line item in section 1 of this Act and identified in section 12 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and identified in section 8 of this Act; and
3. Sections 4 and 18 of this Act.