

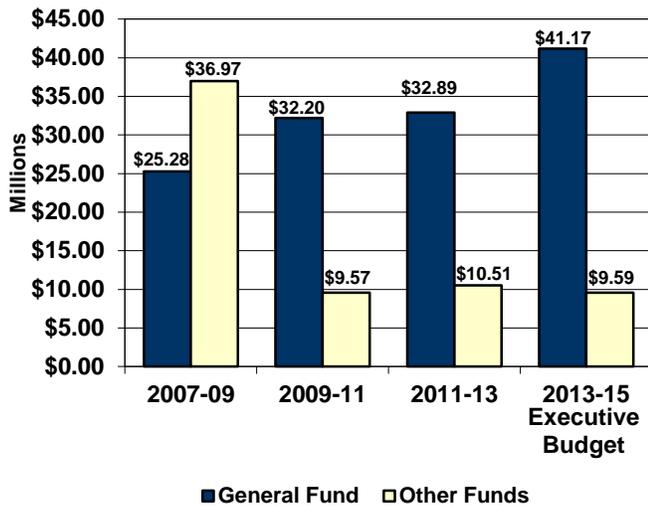
**Department 110 - Office of Management and Budget
 House Bill No. 1015**

	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	131.50	\$41,174,940	\$9,589,395	\$50,764,335
2011-13 Legislative Appropriations	131.50	32,892,699 ²	10,514,461	43,407,160 ¹
Increase (Decrease)	0.00	\$8,282,241	(\$925,066)	\$7,357,175

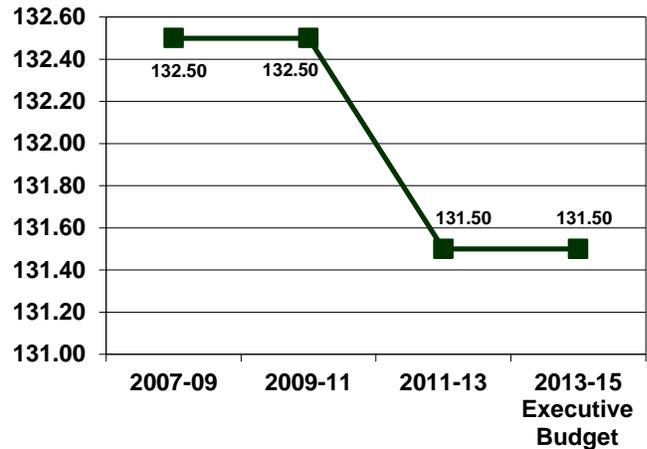
¹The 2011-13 appropriation amounts do not reflect transfers to other state agencies from the state contingencies fund or transfers to other agencies for the state student internship program. The 2011-13 appropriation amounts also do not reflect general fund amounts appropriated to the Office of Management and Budget (OMB) for transfers to various special funds.

²Does not include \$683.6 million included in the executive budget recommendation for OMB to transfer to the state highway fund.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$31,584,940	\$9,590,000	\$41,174,940
2011-13 Legislative Appropriations	29,238,699	3,654,000	32,892,699
Increase (Decrease)	\$2,346,241	\$5,936,000	\$8,282,241

First House Action

Attached is a summary of first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

Administration	General Fund	Other Funds	Total
1. Provides one-time funding for maintenance and replacement of Prairie Public Broadcasting equipment, transmitters, network, and facilities. The House reduced this funding by \$500,000 to provide total one-time funding of \$200,000 for Prairie Public Broadcasting.	\$700,000		\$700,000
2. Increases ongoing funding for Prairie Public Broadcasting	\$337,138		\$337,138
3. Provides one-time funding for a temporary planning coordinator for the state's 125 th anniversary celebration	\$190,000		\$190,000
4. Provides funding to contract with an outside audit firm to conduct the state Comprehensive Annual Financial Report audit and the OMB agency audit. The House removed this funding.	\$600,000		\$600,000

- 5. Provides **one-time funding** for a health insurance pool to allocate to state agencies for temporary employees that qualify for health insurance due to the requirements of the Affordable Care Act. **The House removed this funding.** \$1,000,000 \$1,000,000 \$2,000,000
- 6. Provides \$700,000 of funding from the general fund for the state contingencies fund, the same amount of funding as provided for the 2011-13 biennium. **The House added \$300,000 from the general fund to increase the state contingencies fund to \$1 million.**
- 7. Provides funding for state employee salary increases, of which \$852,783 relates to performance increases and \$376,377 is for market equity adjustments. **The House added funding of \$34,729 to correct the executive compensation package and reduced funding for performance and market equity adjustments by \$527,414.** \$1,020,203 \$208,957 \$1,229,160

Facility Management

- 1. Provides **one-time funding** for the exterior restoration of the judicial and legislative wings of the Capitol \$1,500,000 \$1,500,000
- 2. Provides **one-time funding** to clean and repair the terrazzo flooring in the Capitol \$1,200,000 \$1,200,000
- 3. Provides **one-time funding** to remodel the south entrance to the Capitol \$1,000,000 \$1,000,000
- 4. Provides **one-time funding** to continue the north and west parking lot project. **The House removed this funding.** \$4,000,000 \$4,000,000

Central Services

- 1. Adds special fund authority resulting from increased business volume and inflationary increases. **The House increased special fund authority for Central Services operations by \$185,000.** \$500,000 \$500,000

Human Resource Management Services

- 1. Increases funding for the support of ConnectND human resources modules \$171,348 \$171,348

Risk Management

- 1. Adds special fund authority for a foreign travel insurance policy \$20,000 \$20,000

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships		
	2011-13 Biennium	2013-15 Biennium
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$151,000	\$145,000
Council of State Governments	182,000	188,000
Governmental Accounting Standards Board	6,000	6,000
Western Governors Association	74,300	74,300
National Governors Association	81,500	81,500
National Lieutenant Governors Association	1,200	1,200
Education Commission of the States	115,000	115,000
Total dues and memberships	\$611,000	\$611,000

Other Sections in Bill

General fund transfer to property tax relief sustainability fund - Section 3 provides for a transfer of \$373,210,000 from the general fund to the property tax relief sustainability fund during the 2013-15 biennium.

Unexpended appropriation continuation - Section 4 provides that amounts appropriated to the fiscal management section in 2011 Senate Bill No. 2015 are not subject to the provisions of North Dakota Century Code Section 54-44.1-11 which require unexpended appropriations to be canceled at the end of the biennium.

State internship program - Section 6 authorizes Human Resource Management Services to transfer funds appropriated for the state student internship program to other agencies.

State employee compensation transfers - Section 7 authorizes state agencies to transfer funding between line items for 2013-15 biennium compensation increases with the exception of transfers from the accrued leave payments line item.

State employee compensation adjustments - Section 8 provides legislative intent that funding provided for state employee salary increases be used to provide 2 to 4 percent annual performance compensation adjustments to eligible state employees during the 2013-15 biennium. Eligible employees may also receive up to an additional 2 percent market equity adjustment during the first year of the biennium. Performance compensation adjustments are to vary based on documented performance and equity and employees whose documented performance does not meet standards are not eligible for compensation adjustments. Market equity adjustments may be provided to employees whose salaries are within the first quartile of their assigned salary range. The section also provides legislative intent that no change be made to employee retirement contribution increases during the 2013-15 biennium.

Accrued leave payments - Section 9 provides guidelines for the use of funding included in the accrued leave payments line item in applicable agency budget bills. The section authorizes agencies to use funding in the line item to pay accrued annual or sick leave payments to eligible employees. The section also allows agencies to seek emergency commission approval to transfer funds from the accrued leave payments line item to line items with salaries and wages funding.

State budget database website - Section 11 enacts a new subsection to Section 54-44.1-18 to allow political subdivisions to submit budget information for inclusion in the state budget database website. The new section has an effective date of January 1, 2014.

Study of state agency facility needs - Section 12 provides for a Legislative Management study of the facility needs of state agencies located in the Bismarck area.

Study of state employee salaries and wages appropriations - Section 13 provides for a Legislative Management study of the process of appropriating funds for classified state employee salaries and wages.

Study of state employee health insurance premiums - Section 14 provides for a Legislative Management study of state contributions for state employee health insurance premiums.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for Capitol grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the first day of the biennium subject to a maximum amount of \$100,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for Capitol projects

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies

Significant Audit Findings

The operational audit of OMB conducted by the State Auditor's office for the biennium ending June 30, 2011, included a significant audit finding relating to a lack of segregation of duties for cash an inventory in the surplus property division.

Major Related Legislation

House Bill No. 1041 - Guardianship and public administrator services grants - Provides an appropriation of \$361,200 to OMB to provide grants to counties for public or private guardianship services for new wards

House Bill No. 1099 - Part-time and temporary FTE position approval - Requires agencies to provide documentation justifying the need for new FTE positions and to receive specific legislative approval for temporary positions in addition to permanent positions

House Bill No. 1309 - State agency reporting requirements - Adjusts the reporting requirements of state agencies related to employee service awards, employer-paid tuition, and employer-paid dues and memberships

House Bill No. 1368 - State employee travel expenses - Amends Section 44-08-04 to base state employee travel expense reimbursement on a percentage of reimbursement rates established by the United States General Services Administration

Senate Bill No. 2188 - State employee suggestion incentive program - Increases the maximum award level that may be provided under the state employee suggestion incentive program