

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, replace "54-27" with "21-10"

Page 1, line 3, remove "a shared"

Page 1, line 4, replace "services fund" with "the recognition of legacy fund earnings"

Page 1, line 4, replace "section" with "sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, and section"

Page 1, line 5, after the first "the" insert "capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program, and"

Page 1, line 7, after the second semicolon insert "to provide a continuing appropriation;"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$21,596,832	\$306,984	\$21,903,816
Operating expenses	14,051,438	1,755,988	15,807,426
Emergency commission contingency fund	600,000	(100,000)	500,000
Capital assets	973,477	3,863,648	4,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	221,400	1,550,000
Prairie public broadcasting	1,200,000	0	1,200,000
Community service supervision grants	350,000	0	350,000
Litigation funding pool	0	3,500,000	3,500,000
State student internship program	0	<u>250,000</u>	<u>250,000</u>
Total all funds	\$40,154,347	\$9,798,020	\$49,952,367
Less estimated income	<u>9,434,087</u>	<u>7,702,428</u>	<u>17,136,515</u>
Total general fund	\$30,720,260	\$2,095,592	\$32,815,852
Full-time equivalent positions	117.00	(5.00)	112.00"

Page 2, replace lines 12 through 24 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Capitol south entrance project	0	2,000,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	3,500,000
Assessments of state lands and facilities	0	500,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	<u>50,000</u>
Total all funds	\$2,300,000	\$8,690,000
Total special funds	<u>1,800,000</u>	<u>8,390,000</u>
Total general fund	\$500,000	\$300,000"

Page 2, line 30, replace "\$182,300,000" with "\$173,700,000"

Page 3, line 5, replace "\$500,000" with "\$100,000"

Page 3, line 15, after the period insert "The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04."

Page 3, line 23, replace "\$2,220,000" with "\$4,220,000"

Page 3, line 24, replace "\$2,220,000" with "\$4,220,000"

Page 3, line 24, after the comma insert "\$2,000,000 in the capital assets line item is for a capitol building south entrance project,"

Page 3, line 26, after the period insert "The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes."

Page 4, line 3, replace "\$4,500,000" with "\$4,000,000"

Page 4, line 4, replace "\$4,500,000" with "\$4,000,000"

Page 4, line 4, replace "\$2,000,000" with "\$500,000"

Page 4, line 5, replace "\$2,500,000" with "\$3,500,000"

Page 4, remove lines 20 through 31

Page 5, replace lines 1 through 5 with:

- "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.
3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.

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

SECTION 14. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Recognition of legacy fund earnings for budget purposes.

For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.

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 may not exceed one hundred seventy-five thousandtwo 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.

SECTION 16. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts - Continuing appropriation.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

SECTION 17. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. APrior to July 1, 2019, a state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed."

Page 5, line 27, remove the overstrike over "one thousand"

Page 5, line 27, remove "two thousand"

Page 6, remove lines 10 through 20

Page 6, line 22, replace "16" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426
Capital assets	973,477	2,837,125	2,000,000	4,837,125
Grants	54,000	54,000		54,000
Emergency commission contingency fund	600,000	500,000		500,000
Guardianship grants	1,328,600	2,330,000	(780,000)	1,550,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000
Community service supervision grants	350,000	400,000	(50,000)	350,000
Litigation pool		2,500,000	1,000,000	3,500,000
State student internship		250,000		250,000
Total all funds	\$40,154,347	\$49,407,350	\$545,017	\$49,952,367
Less estimated income	9,434,087	15,622,886	1,513,629	17,136,515
General fund	\$30,720,260	\$33,784,464	(\$968,612)	\$32,815,852
FTE	117.00	108.00	4.00	112.00

Department 110 - Office of Management and Budget - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding and FTE Positions for IT Unification ²	Reduces Funding for Grants ³	Adjusts One- Time Funding Items ⁴	Total House Changes
Salaries and wages	\$101,492	\$793,547			\$895,039
Operating expenses		(820,022)			(2,320,022)
Capital assets					2,000,000
Grants					
Emergency commission contingency fund					
Guardianship grants			(\$780,000)		(780,000)
Prairie Public Broadcasting			(200,000)		(200,000)
Community service supervision grants			(50,000)		(50,000)
Litigation pool				1,000,000	1,000,000
State student internship					
Total all funds	\$101,492	(\$26,475)	(\$1,030,000)	\$1,500,000	\$545,017
Less estimated income	13,629	0	0	1,500,000	1,513,629
General fund	\$87,863	(\$26,475)	(\$1,030,000)	\$0	(\$968,612)
FTE	0.00	4.00	0.00	0.00	4.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

² Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing operating expenses by \$820,022. The Senate

included the information technology unification project.

³ Funding is reduced for grants as follows:

- \$780,000 for guardianship grants to provide a total of \$1.55 million. The Senate provided \$2.33 million.
- \$50,000 for community service supervision grants to provide a total of \$350,000. The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding. The Senate added \$200,000 of matching grants to provide \$1.4 million.

⁴ Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of \$500,000. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay court-ordered judgments against the state.
- Identifies \$4.22 million from the Capitol building fund for various projects. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation funding pool. The Senate identified \$4.5 million for the assessment and funding pool.
- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The Senate did not include this provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500. The Senate increased the performance bonus limit to \$2,500.
- Removes a section added by the Senate related to the creation of a shared services fund.