

**Office of Management and Budget  
Budget 110  
House Bill Nos. 1015, 1041; Senate Bill No. 2021**

	FTE Positions	General Fund	Other Funds	Total
2013-15 legislative appropriation	130.50	\$359,096,054 <sup>1</sup>	\$12,267,862	\$371,363,916
2011-13 legislative appropriation	<u>131.50</u>	<u>32,892,699</u>	<u>10,514,461</u>	<u>43,407,160</u>
2013-15 appropriation increase (decrease) to 2011-13 appropriation	(1.00)	\$326,203,355	\$1,753,401	\$327,956,756

<sup>1</sup>Includes one-time funding. Excluding one-time funding, the agency's ongoing general fund appropriation is \$31,746,688.

**NOTE:** The 2013-15 legislative appropriation amounts have been reduced by \$1,550,634 from the general fund and \$1,962,768 from other funds due to transfers from the \$8.5 million state agency energy impact funding pool appropriated to the Office of Management and Budget (OMB).

**Item Description**

**State memberships** - The Legislative Assembly provided \$611,000 from the general fund for state dues and memberships as follows:

	General Fund
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$145,000
Council of State Governments	188,000
Governmental Accounting Standards Board	6,000
Western Governors Association	74,300
National Governors Association	81,500
National Lieutenant Governors Association	1,200
Education Commission of the States	115,000
Total dues and memberships	\$611,000

**Status/Result**

The state membership amounts are not anticipated to be materially different than projected at the close of the 2013 regular legislative session.

**Capital improvements** - The Legislative Assembly provided \$8,948,793 from the general fund for the following extraordinary repairs and projects:

	General Fund
Electrical improvements	\$180,000
Electrical shaft door repair	110,000
Exterior restoration of legislative and judicial wings	1,500,000
Life safety improvements	500,000
Mechanical improvements	458,793
Capitol grounds parking lot project and loading dock expansion	4,000,000
Capitol building floor cleaning and repair	1,200,000
Capitol building south entrance remodel project	1,000,000
Total	\$8,948,793

The status of the projects is as follows:

- Exterior restoration of legislative and judicial wings - The project is expected to begin in 2015.
- Capitol grounds parking lot project and loading dock expansion - The project is expected to begin in May 2014.
- Capitol building floor cleaning and repair - The project is expected to begin in 2015.
- Capitol building south entrance remodel project - The project is expected to begin in 2015.
- Life safety, mechanical, and electrical improvements - The repairs are in various stages of completion.

**Special fund transfers to the general fund** - The Legislative Assembly provided for the following special fund transfers to the general fund:

Strategic investment and improvements fund (Section 4 of HB 1015)	\$520,000,000
Property tax relief fund (Section 5 of HB 1013)	341,790,000
<b>Total</b>	<b>\$861,790,000</b>

**Transfers from the general fund** - The Legislative Assembly provided for the following transfers from the general fund to special funds:

Property tax relief fund (Section 3 of HB 1015)	\$315,210,000
State highway fund (Section 10 of SB 2012)	541,600,000
Veterans' postwar trust fund (Section 1 of HB 1439)	250,000
Public transportation fund - Contingent transfers of \$550,000 on July 1, 2013, and July 1, 2014 (Section 5 of SB 2012)	1,100,000
<b>Total</b>	<b>\$858,160,000</b>

**Mill and Elevator Association transfers** - The Legislative Assembly in 2009 enacted North Dakota Century Code Section 54-18-19 requiring the Industrial Commission to transfer to the state general fund 50 percent of the annual earnings and undivided profits of the Mill and Elevator after any transfers to other state agricultural-related programs.

**One-time funding** - The following is a summary of OMB's one-time general fund appropriations for the 2013-15 biennium:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Capitol south entrance remodel	\$1,000,000		\$1,000,000
Exterior restoration of judicial and legislative wings	1,500,000		1,500,000
Health insurance pool for temporary employees	1,000,000	\$1,000,000	2,000,000
North Dakota 125 <sup>th</sup> anniversary coordinator	190,000		190,000
Parking lot remodel and loading dock expansion	4,000,000		4,000,000
Prairie Public Broadcasting equipment upgrades	600,000		600,000
Repair and cleaning of floors in Capitol building	1,200,000		1,200,000
Transfer to property tax relief fund	315,210,000		315,210,000
State agency energy impact pool	4,000,000	4,500,000	8,500,000

The status of the transfers as of April 2014 is:

- Strategic investment and improvements fund - The transfer has not been made.
- Property tax relief sustainability fund - The transfer has been made.

The status of the transfers as of April 2014 is as follows:

- Property tax relief fund - The transfer has been made.
- State highway fund - The transfer has not been made.
- Veterans' postwar trust fund - The transfer has been made.
- Public transportation fund - The transfers are contingent upon deposits in the public transportation fund being \$5 million or less during the preceding state fiscal year. Deposits in the public transportation fund were \$4.5 million during state fiscal year 2013. Therefore, a transfer of \$550,000 was made from the general fund to the public transportation fund on July 1, 2013.

The Mill and Elevator anticipates transfers will not be materially different than the amounts estimated during the 2013 legislative session. The 2013 legislative forecast estimated transfers totaling \$6,817,200 for the 2013-15 biennium.

The following is the status of the one-time funding items:

- See the **Capital improvements** section above for information regarding one-time funding provided for capital projects.
- Health insurance pool for temporary employees - No transfers have been made from the pool to other state agencies.
- North Dakota 125<sup>th</sup> anniversary coordinator - The coordinator position has been filled and planning has begun.
- Prairie Public Broadcasting equipment upgrades - Funding of \$300,000 has been provided to Prairie Public Broadcasting, and the remaining \$300,000 will be provided during state fiscal year 2015.
- Transfer to property tax relief fund - See the **Transfers from the general fund** section above.
- State agency energy impact pool - See the **State agency energy impact funding pool** section below.
- Study of information technology relocation and consolidation - The study has been completed. Total study costs were \$182,970.

Study of information technology relocation and consolidation	200,000		200,000
Total	\$328,900,000	\$5,500,000	\$334,400,000

**Accrued leave payments** - In Section 1 of House Bill No. 1015, the Legislative Assembly identified \$570,412, of which \$478,233 is from the general fund and \$92,179 is from other funds, for accrued leave payments for OMB.

**Budget stabilization fund** - Chapter 54-27.2 provides that any amount in the general fund at the end of the biennium in excess of \$65 million must be transferred to the budget stabilization fund except that the balance in the budget stabilization fund may not exceed 9.5 percent of the general fund budget approved by the most recently adjourned Legislative Assembly.

**State contingencies fund** - The Legislative Assembly provided \$700,000 from the general fund for the state contingencies fund for the 2013-15 biennium.

**State agency energy impact funding pool** - The Legislative Assembly appropriated \$4 million from the general fund and \$4.5 million from other funds to OMB for a state agency energy development impact funding pool. Section 6 of House Bill No. 1015 allows a state agency to submit an application to OMB to receive a transfer of funds from the pool for employee housing rental assistance and for temporary salary increases for employees affected by energy development. The Office of Management and Budget is to review any submitted applications and provide a recommendation to the Emergency Commission for final approval or rejection.

Through March 2014, OMB has spent \$11,151 of funding from the accrued leave payments line item.

At the end of the 2011-13 biennium, OMB transferred \$181,060,585 from the general fund to the budget stabilization fund resulting in a fund balance of \$583,545,799. This is the same amount as estimated during the 2013 regular legislative session.

Through April 2014, the Emergency Commission has approved one request from the Attorney General for funding from the state contingencies fund of \$68,500 relating to litigation fees.

Distributions from the pool have been made for the period beginning July 1, 2013, and ending June 30, 2014. Two additional rounds of distributions will be made from the pool for state fiscal year 2015. A total of \$1,550,634 from the general fund and \$1,962,768 from other funds have been transferred from the pool to state agencies as follows:

	General Fund	Other Funds	Total
Tax Department	\$39,000		\$39,000
Department of Human Services	1,033,645	\$186,838	1,220,483
Industrial Commission	180,000		180,000
Highway Patrol	135,486		135,486
Department of Corrections and Rehabilitation	114,126		114,126
State Historical Society	23,377		23,377
Game and Fish Department		42,462	42,462
Department of Transportation		1,733,468	1,733,468
North Dakota State University Extension Service	10,500		10,500
Branch Research Centers	14,500		14,500
Total	\$1,550,634	\$1,962,768	\$3,513,402