

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

	FTE Positions	General Fund	Other Funds	Total
2001-03 legislative appropriation	132.00	\$16,232,567 ¹	\$7,638,126 ¹	\$23,870,693 ¹
1999-2001 legislative appropriation	131.00 ²	16,283,305 ²	7,872,581 ²	24,155,886 ²
2001-03 appropriation increase (decrease) to 1999-2001 appropriation	1.00	(\$50,738)	(\$234,455)	(\$285,193)

¹ The 2001-03 legislative appropriation amounts have been reduced to reflect the \$2,690,709 general fund and \$1,974,538 other funds allocations from the \$5,000,000 funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The amounts have been increased by \$55,128, \$34,584 of which is from the general fund, for the Office of Management and Budget's share of the special market equity funding pool.

² For comparison purposes, the 1999-2001 legislative appropriation amounts do **not** include the FTE positions and the funding appropriated for the Division of Community Services due to the consolidation of the Department of Economic Development and Finance, Department of Tourism, and the Division of Community Services into the Department of Commerce for the 2001-03 biennium.

Item Description	Status/Result
Capital improvement projects - The 2001 Legislative Assembly appropriated \$1,320,620 from the general fund for capital improvements on the Capital grounds. The projects included in the \$1,320,620 are:	The Office of Management and Budget anticipates spending all of the \$1,320,620 appropriated for capital projects during the 2001-03 biennium.

Life safety projects	\$238,000
Judicial wing roof repairs	190,000
Agency remodeling projects	50,000
Heritage Center cooling tower	100,000
Parking lot and roadway repairs	125,000
Electrical improvements	60,000
Governor's residence maintenance	30,000
Building automation	40,000
Legislative meeting room fire alarm devices	56,000
Carpet	95,000
Judicial wing paver repair	94,000
Card access (Phase II)	30,000
East Department of Transportation tunnel loading dock	38,000
Lighting upgrade and retrofit	27,710
Contingency	100,000
Other projects	46,910
Total extraordinary repairs and capital projects	\$1,320,620

State memberships - The Legislative Assembly appropriated \$333,200 from the general fund for state memberships as follows:

Government Accounting Standards Board	\$4,000
Commission on Uniform State Laws	55,000
Council of State Governments	132,000
Western Governors Association	72,000
National Governors Association	69,000
National Conference of Lieutenant Governors	1,200
Total	\$333,200

Special compensation adjustment guidelines - Section 5 of House Bill No. 1015 provides the guidelines for the distribution of the \$5 million of statewide compensation plan funding. The \$5 million consists of \$2.7 million from the general fund and \$2.3 million of other funds. The special market equity increases are to be prioritized based on equity for employees whose salaries are furthest from their respective salary range midpoints. The special market equity increases may not be given to employees whose salaries exceed the midpoint of their assigned salary range or to employees whose documented performance levels do not meet standards.

The state membership amounts are not anticipated to be materially different than projected at the close of the 2001 Legislative Assembly.

The Office of Management and Budget allocated \$2,690,709 of the \$2,700,000 general fund appropriation and \$1,974,538 of the \$2,300,000 appropriated from other funds to agencies based on classified employees' positions in salary ranges and years of service. The allocations are shown in the table below. The Office of Management and Budget does not anticipate spending the unallocated general fund appropriation of \$9,291; therefore, will be "turned back" to the general fund at the end of the biennium.

	General Fund	Other Funds	Total
Secretary of State	\$5,069		\$5,069
Office of Management and Budget	34,584	\$20,544	55,128
Information Technology Department		20,414	20,414
State Auditor's office	25,075	11,803	36,878
State Treasurer	5,654		5,654
Attorney General	75,346	30,763	106,109
Tax Department	81,185		81,185
Office of Administrative Hearings		3,528	3,528
Retirement and Investment Office		20,714	20,714
Public Employees Retirement System		33,010	33,010
Department of Public Instruction	43,860	81,854	125,714
Land Department		6,439	6,439
State Library	22,462		22,462
School for the Deaf	16,178		16,178
North Dakota Vision Services - School for the Blind	9,576		9,576
Board for Vocational and Technical Education	14,906	8,026	22,932
State Health Department	117,034	175,526	292,560
Veterans Home	47,294		47,294
Department of Veterans Affairs	3,026		3,026
Children's Services Coordinating Committee		1,315	1,315
Department of Human Services	1,232,515	411,211	1,643,726
Protection and Advocacy Project	29,978	14,767	44,745
Job Service North Dakota		369,005	369,005
Insurance Department		19,375	19,375
Industrial Commission	14,446	1,963	16,409
Labor Department	5,330	1,250	6,580
Public Service Commission	9,374	5,052	14,426

Aeronautics Commission		1,958	1,958
Department of Financial Institutions		1,286	1,286
Securities Commissioner	1,706		1,706
Bank of North Dakota		101,131	101,131
Housing Finance Agency		16,068	16,068
Highway Patrol	155,042		155,042
Radio Communications	15,698	1,183	16,881
Division of Emergency Management	4,298	5,698	9,996
Department of Corrections and Rehabilitation	508,793	67,268	576,061
Adjutant General	21,310	54,797	76,107
Agriculture Department	25,339	17,609	42,948
Seed Department		8,287	8,287
State Historical Society	40,771	5,033	45,804
Game and Fish Department		77,335	77,335
Parks and Recreation Department	43,529	1,810	45,339
State Water Commission	81,331	821	82,152
Department of Transportation		377,695	377,695
Total	\$2,690,709	\$1,974,538	\$4,665,247

Special fund transfers - Section 8 of House Bill No. 1015 provides for special fund transfers to the general fund of \$3,845,102. Of this amount, \$3,545,102 is from the lands and minerals trust fund and \$300,000 is from the financial institutions regulatory fund.

Sale of developmentally disabled facility loans - Section 9 of House Bill No. 1015 authorizes the director of the Office of Management and Budget to sell developmentally disabled facility loans to the Bank of North Dakota to provide \$2 million for deposit into the general fund.

Workers' compensation state entities' account - Section 29 of House Bill No. 1015 created a new section to North Dakota Century Code Chapter 65-04 relating to the establishment of a single workers' compensation account for all state entities covered by the Risk Management Division of the Office of Management and Budget.

As a result, the 2001 Legislative Assembly provided one FTE position and a \$150,000 special funds appropriation to the Risk Management Division of the Office of Management and Budget.

Preplanning revolving fund - The 2001 Legislative Assembly provided \$95,000 from the general fund for the preplanning revolving fund.

As of March 19, 2002, no transfers have been made from the lands and minerals trust fund or the financial institutions regulatory fund. The transfers are anticipated to be made later in the biennium.

As of March 19, 2002, the director of the Office of Management and Budget has not yet directed the sale of the developmentally disabled facility loans. The sale is anticipated to be made later in the biennium.

The Risk Management Division has entered into a deductible workers' compensation contract with the Workers Compensation Bureau for July 1, 2001, through July 1, 2002. Under the contract, the Risk Management Division is assessed a consolidated premium for all state entities based on deductible rates and a consolidated payroll and loss history of individual state entities.

For the 2001-03 biennium, the Risk Management Division has collected approximately \$3.3 million in premiums from state entities, and the actual premium paid to the Workers Compensation Bureau was approximately \$1.27 million. The remaining balance of \$2.03 million is to be used by the Risk Management Division for claim-related payments.

The July 1, 2001, balance in the preplanning revolving fund was \$148,000. This amount includes the \$95,000 funding provided by the 2001 Legislative Assembly. In January 2002, the Budget Section authorized the following preplanning grants resulting in a preplanning revolving fund balance of \$6,000.

Lake Region State College	Science building and associated space renovation	\$22,000
		0
University of North Dakota	O'Kelly Hall renovation (first phase)	35,000
State College of Science	Horton Hall renovation	59,000
Valley City State University	Graichen Gymnasium egress and health/safety project	14,000
State Historical Society	Medora visitor center addition	12,000
Total		\$142,000

Contracts for services - House Bill No. 1125 provides that the Office of Management and Budget, in consultation with the Attorney General, should develop standards and guidelines for the procurement of contracts for services and, if appropriate, submit proposed legislation to the 2003 Legislative Assembly regarding those standards and guidelines.

As a result, the 2001 Legislative Assembly provided the Office of Management and Budget funding of \$55,000 from the general fund for the agency to hire a consultant to assist with establishing standards and guidelines.

The Office of Management and Budget is in the process of developing standards and guidelines relating to the procurement of contracts for services. The Office of Management and Budget has determined that the standards and guidelines should provide state agencies with information on the best practices in the procurement of services, and the Attorney General's office should continue to provide state agencies with additional information regarding contracts for services, including information on required language and clauses and other legal issues. A work group consisting of individuals from various state agencies with experience in procuring contracts for services has been established to review and discuss draft standards and guidelines, and the Office of Management and Budget has hired the States Helping States group of the National Association of State Procurement Officials to assist the work group. The Office of Management and Budget anticipates the work group to complete work on the standards and guidelines in July 2002 and the finalized standards and guidelines to be reviewed by the States Helping States group and the Attorney General's office in August 2002. Any necessary legislation related to the standards and guidelines will be drafted at that time for introduction to the 2003 Legislative Assembly.

Capitol security.

Due to the terrorist attacks on September 11, 2001, the Office of Management and Budget has increased security on the State Capitol grounds. The carport tunnel at the south entrance of the Capitol has been closed to motor vehicle traffic. All parcel deliveries are required to go through one entrance. Security card access devices have been installed at nine entrances in the buildings comprising the Capitol complex. The Highway Patrol provided two additional troopers from October 2001 through January 2002 to provide additional security at the State Capitol entrances. Beginning the last week of January 2002, the Office of Management and Budget and the Highway Patrol began sharing the cost of contracting with BisMan Security Services for two positions to provide the additional security at entrances to the State Capitol. As a result, the Office of Management and Budget anticipates spending approximately \$50,000 more than originally budgeted on security measures during the 2001-03 biennium.

Enterprise resource planning system initiative.

The Office of Management and Budget anticipates using approximately \$700,000 of the agency's \$1,200,000 unexpended appropriation from the

1999-2001 biennium for personnel, training, and equipment costs associated with the implementation of the proposed enterprise resource planning system during the 2001-03 biennium.

For more information regarding the enterprise resource planning system, refer to the pages for the Information Technology Department.