

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

| | FTE Positions | General Fund | Other Funds | Total |
|--------------------------------------|----------------------|---------------------|----------------------|-------------------------------|
| 2001-03 Schafer Executive Budget | 153.00 | \$20,375,542 | \$47,747,445 | \$68,122,987 |
| 1999-2001 Legislative Appropriations | <u>152.00</u> | <u>17,406,803</u> | <u>48,788,863</u> | <u>66,195,666¹</u> |
| Increase (Decrease) | <u>1.00</u> | <u>\$2,968,739</u> | <u>(\$1,041,418)</u> | <u>\$1,927,321</u> |

| | | | | |
|---------------------------------------|----------------|----------------------|-----------------------|-----------------------|
| 2001-03 Hoeven Executive Budget | <u>132.00</u> | <u>\$19,182,629</u> | <u>\$9,842,120</u> | <u>\$29,024,749</u> |
| Hoeven Increase (Decrease) to Schafer | <u>(21.00)</u> | <u>(\$1,192,913)</u> | <u>(\$37,905,325)</u> | <u>(\$39,098,238)</u> |

¹ The 1999-2001 appropriation amounts include \$67,553, \$38,649 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$16,550, \$14,698 of which is from the general fund, for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include (\$345,000) of other adjustments and \$1,116,310 of 1997-99 carryover authority.

Major Schafer Recommendations Affecting Office of Management and Budget 2001-03 Budget

| | General Fund | Other Funds | Total |
|---|---------------------|--------------------|--------------|
| 1. Provides for the following Administration program changes: | | | |
| a. Increases the funding for the North Dakota Firefighter's Association from \$63,000 to \$126,000. | | \$63,000 | \$63,000 |
| b. Provides funding of \$600,000 for the state contingency fund which is the same level provided in the 1999-2001 biennium. | | | |
| 2. Provides for the following Facility Management program changes: | | | |
| a. Provides funding of \$207,000 to replenish the preplanning revolving fund to \$300,000. | \$207,000 | | \$207,000 |
| b. Provides funding of \$1,320,620 for extraordinary repairs. | \$69,620 | | \$69,620 |
| 3. No significant changes for the Fiscal Administration program. | | | |
| 4. Provides for the following Central Personnel program changes: | | | |
| a. Decreases funding to account for the unexpended appropriation of the \$5.4 million statewide salary pool for equity increases for state employees below the midpoint of the salary range provided in the agency's 1999-2001 legislative appropriation. | (\$23,357) | (\$445,833) | (\$469,190) |
| b. Decreases funding to account for the unexpended additional compensation appropriation to sufficiently fund the \$35 per month minimum salary increase for July 1999 and July 2000 provided in the agency's 1999-2001 legislative appropriation. | (\$535,185) | (\$152,761) | (\$687,946) |
| c. Provides a statewide salary pool for equity increases for classified state employees. | \$2,700,000 | \$2,700,000 | \$5,400,000 |
| d. Includes a salary market equity increase of \$160.75 per month for the director effective January 1, 2002 (the amount included in the budget is \$88 less than the required amount of \$3,379). (The House provided an additional \$88 to fully fund the market equity salary increase for the director of Central Personnel.) | \$3,291 | | \$3,291 |
| 5. Provides for the following Risk Management program change: | | | |
| a. Decreases funding for the operating line item (\$70,736) and the equipment line item (\$58,000). | | (\$128,736) | (\$128,736) |

| | | | |
|---|-----------|---------------|---------------|
| 6. Provides for the following Division of Community Services program changes: | | | |
| a. Provides operating funds for administration of the renaissance zone program. | \$40,000 | | \$40,000 |
| b. Decreases funding for grants primarily in the weatherization assistance program. | | (\$3,483,396) | (\$3,483,396) |
| 7. Provides for the following Central Services program changes: | | | |
| a. Adds 1.0 FTE state procurement officer II. (The House removed the funding for this new position.) | \$100,625 | | \$100,625 |
| b. Provides operating (\$31,400) and equipment (\$5,000) funding for new position. (The House removed this funding associated with the new position and provided \$55,000 in operating to provide services relating to contracts for services.) | \$36,400 | | \$36,400 |
| c. Increases salaries and wages to reflect new employees hired above the starting levels (\$51,107) and to adjust salaries to bring salary to the minimum of the adjusted pay grade (\$1,847). | \$36,966 | \$15,988 | \$52,954 |
| d. Increases funding for the operating line item for lease of a copier and agency and employee training. | \$38,000 | | \$38,000 |

Major Hoeven Recommendations Affecting Office of Management and Budget 2001-03 Budget Compared to the Bill as Introduced (Schafer Budget)

| | General Fund | Other Funds | Total |
|--|---------------------|--------------------|----------------|
| 1. The Hoeven executive budget recommendation consolidates the Department of Economic Development and Finance along with the Tourism Department and the Division of Community Services of the Office of Management and Budget into a department of commerce. (The House did not make any changes to the Division of Community Services portion of the budget for the Office of Management and Budget.) | (\$1,192,913) | (\$37,905,325) | (\$39,098,238) |
| 2. The Hoeven executive budget recommends increasing the transfer from the Bank of North Dakota to the state general fund by \$10 million from \$50 million to \$60 million, increasing general fund revenue with a transfer of \$9 million from the student loan trust fund, and decreasing general fund revenue by reducing the amount to be realized from the sale of developmental disabilities loans by \$700,000 from \$2.7 million to \$2 million. (The House did not make any changes relating to the general fund revenue provisions contained in House Bill No. 1015.) | | | |

Major Legislation Affecting the Office of Management and Budget

House Bill No. 1119 allows state agencies to provide bonuses to classified employees. (This bill has been passed by both the House and the Senate.)

House Bill No. 1120 allows state agencies to develop recruitment and retention bonus pilot programs for hard-to-fill occupations. (This bill has been passed by both the House and the Senate.)

House Bill No. 1124 allows the Office of Management and Budget to review and adjust rates for legal notices biennially instead of annually. (This bill has been passed by the House.)

House Bill No. 1125 allows the Office of Management and Budget to procure contracts for services to be provided to state agencies. (This bill has been passed by the House.)

House Bill No. 1156 allows for state agencies to prepay or be billed directly for out-of-state lodging expenses for employees. (This bill has been passed by the House.)

House Bill No. 1197 increases the reimbursement mileage rate for state officers and employees from 25 cents to 31 cents per mile. (This bill has been passed by the House.)

Senate Bill No. 2151 changes the minimum value for reporting fixed assets from \$750 to \$5,000. (This bill has been passed by the Senate.)

Summary of Legislative Changes Resulting From First House Action

See Statement of Purpose of Amendment (attached).