

**Department 110 - Office of Management and Budget
 House Bill No. 1015, Senate Bill No. 2023**

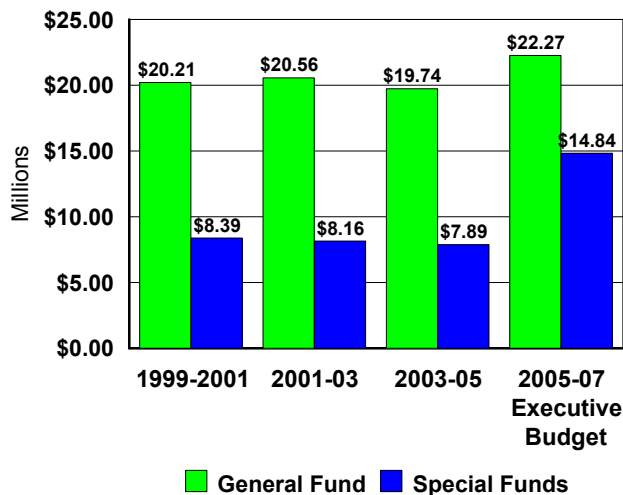
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	130.50	\$22,269,688	\$14,838,281	\$37,107,969
2003-05 Legislative Appropriations	162.00 ¹	19,740,511 ²	7,888,476 ³	27,628,987
Increase (Decrease)	(31.50)	\$2,529,177	\$6,949,805	\$9,478,982

¹The number of FTE positions for the 2003-05 biennium do not reflect an addition of .5 FTE position, relating to consolidation of information technology services, transferred from the Information Technology Department to the Office of Management and Budget and a reduction of 30 FTE positions transferred, 29 FTE positions to the Division of Emergency Management and 1 FTE position to the Information Technology Department, as a result of the transfer of State Radio from the Office of Management and Budget to the Division of Emergency Management.

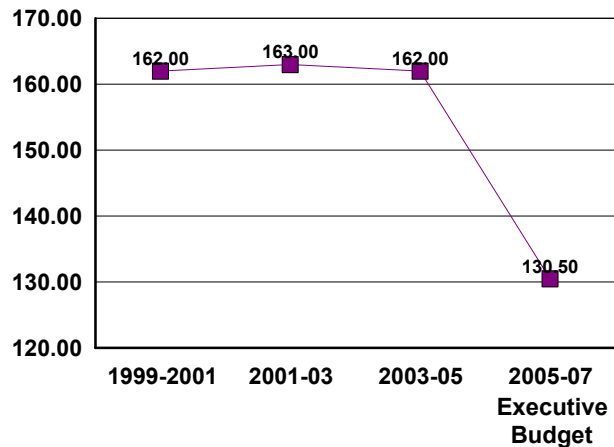
²The 2003-05 appropriation amounts do not include \$1,535,807 of 2001-03 carryover authority.

³The 2003-05 appropriation amounts do not include \$3,882,752 of additional spending authority from Emergency Commission action during the 2003-05 biennium and \$24,765 of 2001-03 carryover authority.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

	General Fund	Other Funds	Total
Administration			
1. Adds funding for grants to Prairie Public Broadcasting. Section 44 of Senate Bill No. 2015 (2003) provided legislative intent that Prairie Public Broadcasting funding be included in the executive budget as a separate line item in the Office of Management and Budget's budget request for the 2005-07 biennium.	\$1,337,138		\$1,337,138
2. Increases funding for statewide dues assigned to the administrative division of the Office of Management and Budget	\$27,900		\$27,900
3. Transfers State Radio to the Division of Emergency Management, including 29 FTE positions	(\$3,976,218)	(\$4,238,270)	(\$8,214,488)
4. Transfers 1 FTE position relating to State Radio to the Information Technology Department	(\$129,366)		(\$129,366)

5. Adds .5 FTE position from the Information Technology Department related to consolidation of information technology services			\$0
--	--	--	-----

Central Services

6. Adds 1 FTE procurement officer position	\$106,967		\$106,967
7. Switches funding source for 1 FTE procurement administrative assistant position transferred from Central Duplicating	\$66,499	(\$66,499)	\$0
8. Increases the operating line item for procurement office expenses related to new positions, including information technology costs, office supplies and resources, and professional development	\$21,822		\$21,822
9. Increases special funds spending authority for equipment over \$5,000 to purchase an offset printing press		\$40,000	\$40,000

Facility Management

10. Transfers 4 FTE security officer positions and related salaries and wages (\$206,934) to the Highway Patrol and decreases funding for contracted security services (\$210,000) because security services will be provided by the Highway Patrol in the 2005-07 biennium	(\$416,934)		(\$416,934)
11. Adds funding for extraordinary repairs (\$650,000) and other capital payments for special assessments (\$74,000)	\$724,000		\$724,000
12. Increases special funds spending authority and the extraordinary repairs line item for a new fire suppression system for the Capitol tower and legislative wing. The source of funding is from bond proceeds as included in Senate Bill No. 2023.		\$3,155,000	\$3,155,000
13. Increases special funds spending authority and the extraordinary repairs line item for a performance contract to develop and implement a Capitol complex energy savings program. The House removed the appropriation for this project because it will be funded by a third party.		\$1,800,000	\$1,800,000
14. Increases funding for extraordinary repairs (\$80,000) to provide for the building automation system, which will combine all building automation systems and security systems into one system using supervisory control and data acquisition. Additional utility funding (\$30,000) is due to an anticipated increase in utility costs.	\$110,000		\$110,000

Fiscal Management

15. Adds \$5 million, of which \$2.5 million is from the general fund and \$2.5 million is special funds spending authority, for a statewide equity pool to be allocated to agencies to deal with salary equity issues. The House removed the \$5 million for statewide market equity compensation adjustments.	\$2,500,000	\$2,500,000	\$5,000,000
16. Decreases funding for operating expenses to remove the 2003-05 biennium fiscal management carryover authority	(\$1,535,807)		(\$1,535,807)
17. Adds 1 FTE accounting manager position to handle redistribution of workload that has occurred due to system changes over the past biennium	\$126,106		\$126,106
18. Increases funding for the operating line item to enable the state to implement additional PeopleSoft modules that were included with the initial purchase of ConnectND	\$600,000		\$600,000

Human Resource Management Services

19. Increases funding for the operating line item for the Council of State Employees (COSE) to continue to promote employee wellness and other associated programs	\$1,000		\$1,000
--	---------	--	---------

Risk Management

20. Decreases funding for operations due to federal homeland security grants not anticipated to be continued for the 2005-07 biennium		(\$278,663)	(\$278,663)
---	--	-------------	-------------

The following is a comparison of funding for dues and memberships:

	2003-05	2005-07
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$66,000	\$80,000
Council of State Governments	138,500	143,100
Government Accounting Standards Board	4,000	4,000

	2003-05	2005-07
Western Governors Association	74,300	74,300
National Governors Association	69,000	72,000
Midwest Governors Association	200	5,000
National Lieutenant Governors Conference	1,200	1,200
Education Commission of the States	96,760	98,260
Total dues and memberships	<u>\$449,960</u>	<u>\$477,860</u>

Other Sections in Bill

Section 4 of House Bill No. 1015 authorizes \$25,000 from the Capitol building fund for Capitol grounds planning during the 2005-07 biennium.

Section 5 of House Bill No. 1015 provides for the Fiscal Management Division to carry over unexpended funds from the 2003-05 biennium to the 2005-07 biennium for continued development and operating costs of the accounting, management, and payroll systems.

Section 6 of House Bill No. 1015 provides that the statewide equity pool of \$5 million, \$2.5 million of which is from the general fund, may be used for providing market equity salary increases to employees whose salaries are furthest from their respective salary range midpoints effective July 1, 2005. The House removed this section.

Section 7 of House Bill No. 1015 provides intent for state employee salary increases equal to 4 percent on July 1, 2005, and 3 percent on July 1, 2006. In addition an agency may provide an additional 1 percent increase on July 1, 2006, to the extent the additional increase can be paid within the limits of the agency's appropriation. The House removed this section; intent is provided in House Bill No. 1050.

Section 8 of House Bill No. 1015 provides for the Office of Management and Budget to make transfers between line items of an agency or institution upon the request of the agency or institution in order to provide the additional 1 percent increase on July 1, 2006. The House removed this section.

Section 9 of House Bill No. 1015 provides for various grants and special items, including funding for state contingencies of \$500,000, the same amount as the 2003-05 biennium (Section 6 of Engrossed House Bill No. 1015).

Section 10 of House Bill No. 1015 authorizes the Office of Management and Budget to transfer \$5 million, or such greater amount as may be available, from the lands and minerals trust fund to the general fund (Section 7 of Engrossed House Bill No. 1015).

Section 11 of House Bill No. 1015 provides that \$126,000 of the total special funds appropriation is from the fire and tornado fund (Section 8 of Engrossed House Bill No. 1015).

Section 12 of House Bill No. 1015 provides for a transfer of \$60 million from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the general fund (Section 9 of Engrossed House Bill No. 1015).

Section 10 of Engrossed House Bill No. 1015 removes the North Dakota Wheat Commission continuing appropriation authority and requires the commission to submit a budget to the Legislative Assembly.

Section 13 of House Bill No. 1015 provides that if actual general fund revenues are less than the legislative forecast for the 2005-07 biennium, an amount equal to the shortfall may be transferred from the permanent oil tax trust fund to the general fund; if additional funds are required to provide for the shortfall, an amount, not to exceed \$10 million, may be transferred from the earnings and accumulated undivided profits of the Bank of North Dakota. Any transfer authorized may only be made to the extent the transfer does not reduce the Bank's capital structure below \$150 million. The director of the Office of Management and Budget may determine what portion of the shortfall will be covered by the transfers and what portion will be covered by allotment. The House removed this section.

Sections 14, 15, and 17 of House Bill No. 1015 provide for the transfer of State Radio to the Division of Emergency Management (Sections 11, 12, and 13 of Engrossed House Bill No. 1015).

Section 16 of House Bill No. 1015 provides for the establishment of a facility management fund for the construction, maintenance, and repair of state facilities. The funding is from bond proceeds for capital and energy savings projects. The House removed this section.

Section 18 of House Bill No. 1015 amends North Dakota Century Code Section 57-51.1-07.2 to raise the general fund limit for oil and gas tax collection to be deposited in the general fund from \$71 million to \$84.5 million. The House removed this section.

Section 19 of House Bill No. 1015 repeals the statutory section which provides that any amount in the general fund in excess of \$65 million at the end of any biennium must be transferred to the budget stabilization fund. This section is declared an emergency. The House removed this section.

Section 14 of Engrossed House Bill No. 1015 provides a general fund appropriation of \$100,000 to the Legislative Assembly for designing and remodeling the cloak room and bill room and as part of the remodeling project to make a new committee hearing room.

Major Related Legislation

House Bill No. 1035 appropriates \$100,000 from the general fund to the Office of Management and Budget for contracting with a consultant to train agency personnel and to assist agencies and departments in developing strategic plans and performance measures.

House Bill No. 1050 provides for the state employee compensation adjustment of 3 percent on July 1, 2005, and 4 percent on July 1, 2006. Of the 4 percent increase to be given starting on July 1, 2006, 2 percent is to be distributed for equity, market, merit, and discretionary salary adjustments.

House Bill No. 1053 provides that if a contingency transfer is made from the Bank of North Dakota to the general fund in response to a projected shortfall of general fund revenues, the director of the Office of Management and Budget must return to the Bank any funds available in the general fund at the end of the biennium, up to the amount of the contingency transfer.

Engrossed House Bill No. 1069 authorizes special funds spending authority of \$3,343 to the Office of Management and Budget for the cost of paying military service retirement credit.

House Bill No. 1091 provides that in the event that two or more bids contain identical pricing or receive identical evaluation scores governing bodies of the state's political subdivisions must give preference to bids submitted by North Dakota vendors.

House Bill No. 1152 provides for a transfer of \$9 million from the student loan trust fund to the general fund.

Engrossed House Bill No. 1334 provides for a state compensation pool for funding state employee market and equity salary adjustments or the restoration of critical full-time equivalent employee positions. The funding for the pool is from an amount of up to 60 percent of the total general fund reductions identified relating to full-time equivalent employee positions, employee positions that have been vacant for 90 days or more, anticipated employee retirements, and anticipated employee turnover.

House Bill No. 1445 directs the director of the Office of Management and Budget to transfer \$16.9 million from the health care trust fund to the general fund during the 2005-07 biennium (part of the executive budget revenue recommendation).

Engrossed House Bill No. 2018 provides a general fund appropriation of \$50,000 to the Office of Management and Budget for establishing and maintaining procurement information on the Internet and performing the procurement assistance study.

Senate Bill No. 2058 provides for the mileage reimbursement rate for state officials and employees to be increased from 31 to 37.5 cents per mile.

Senate Bill No. 2087 provides for the transfer of Capitol security from the Office of Management and Budget to the Highway Patrol.

Engrossed Senate Bill No. 2247 provides for one-time bonus payments to state employees during the 2003-05 biennium.

Engrossed Senate Bill No. 2400 provides for state employee salary increases of 3 percent, effective July 1, 2005, and 4 percent, effective July 1, 2006, and that the increases are to be a minimum of \$35 per month for each permanent state employee for each year of the biennium.