

Office of Management and Budget

Budget No. 110

Senate Bill Nos. 2015, 2009, 2189, 2341, House Bill Nos. 1522, 1014, 1018, 1019

| | FTE Positions | General Fund | Other Funds | Total |
|-----------------------------------------------------------|----------------------|-------------------------------|---------------------------|---------------------------|
| 2007-09 executive budget (bills as introduced) | 132.50 ¹ | \$50,074,077 ¹ | \$18,900,360 ¹ | \$68,974,437 ¹ |
| 2007-09 legislative appropriations | 132.50 | 30,198,944² | 40,229,115 | 70,428,059 |
| Legislative increase (decrease) to executive budget | 0.00 | (\$19,875,133) | \$21,328,755 | \$1,453,622 |
| Legislative increase (decrease) to 2005-07 appropriations | 1.00 | \$10,042,933 | (\$6,426,204) | \$3,616,729 |

¹This amount reflects the executive budget recommendation for the Office of Management and Budget as introduced in Senate Bill No. 2015, including funding for Prairie Public Broadcasting, centers of excellence grants and loan repayments, and the statewide salary equity pool. The Senate defeated Senate Bill No. 2015 and funding for the Office of Management and Budget is included in House Bill No. 1522. Appropriations to the Office of Management and Budget for Prairie Public Broadcasting and centers of excellence grants are included in House Bill No. 1019 and an appropriation for repayment of centers of excellence loans is included in House Bill No. 1014. Funding for the statewide equity pool is included in Senate Bill No. 2189.

²This amount includes \$3,686,000 of one-time funding and \$5 million for the statewide salary equity pool. Excluding these amounts, the agency's ongoing general fund appropriation is \$21,512,944.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Office of Management and Budget is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2189.

| | FTE Positions | General Fund | Other Funds | Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|--------------------|--------------|
| The legislative action: | | | | |
| Reduced funding recommended in the executive budget relating to retiree health credit contributions | | (\$5,133) | (\$1,245) | (\$6,378) |
| Increased funding for state memberships to provide for an increase in fees and related costs for the Commission on Uniform State Laws | | 50,000 | | 50,000 |
| Changed the funding source for centers of excellence from the general fund as provided for in Senate Bill No. 2015 to the permanent oil tax trust fund (\$15 million) and Bank of North Dakota loan proceeds (\$5 million) as provided for in House Bill No. 1018 (see Centers of Excellence section below) | | (20,000,000) | 20,000,000 | 0 |
| Provided additional funding in House Bill No. 1014 for state contingencies to provide a total of \$700,000 | | 200,000 | | 200,000 |
| Removed funding for the Firefighter's Association (funding for the Firefighter's Association is included in Senate Bill No. 2010) | | | (170,000) | (170,000) |

| | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|---------------------|--------------------|
| Removed funding for a state consultant (funding for a state consultant is included in Senate Bill No. 2001) | | (120,000) | | (120,000) |
| Provided contingent funding in Senate Bill No. 2341 from the lands and minerals trust fund for the Heritage Center expansion project | | | 1,500,000 | 1,500,000 |
| Total | <u>0.00</u> | <u>(\$19,875,133)</u> | <u>\$21,328,755</u> | <u>\$1,453,622</u> |

FTE Changes

The 2007-09 biennium appropriation includes funding for 132.5 FTE positions, an increase of 1 FTE position from the 2005-07 biennium authorized level of 131.5 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE procurement position.

State Memberships

The Legislative Assembly provided \$581,000 from the general fund for state memberships as follows:

| | |
|-----------------------------------------------------------------------------------------------------------------|------------------------|
| Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.) | \$146,000 ¹ |
| Council of State Governments | 155,000 |
| Government Accounting Standards Board | 6,000 |
| Western Governors Association | 74,300 |
| National Governors Association | 72,500 |
| Midwest Governors Association | 20,000 |
| National Lieutenant Governors Association | 1,200 |
| Education Commission of the States | 106,000 |
| Total dues and memberships | \$581,000 |

¹This amount reflects an increase of \$50,000 from the 2005-07 biennium authorized appropriation of \$96,000.

Capital Improvements

The Legislative Assembly did not change the executive recommendation which included \$3,595,000 from the general fund and \$750,000 from the Capitol building fund for extraordinary repairs as follows:

| | General Fund | Capitol Building Fund |
|----------------------------------------------------------------------|---------------------|------------------------------|
| Deferred maintenance - Capitol complex | \$2,000,000 | |
| Heritage Center - Replacement of heat pump and carpet and remodeling | 1,000,000 | |
| Emergency power to Governor's residence | 35,000 | |
| Capitol building repairs and maintenance | 560,000 | \$675,000 |
| Restoration study | | 75,000 |
| Total extraordinary repairs | \$3,595,000 | \$750,000 |

Transfers to the General Fund

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

| | |
|-------------------------------------------------------------------|----------------------|
| Lands and minerals trust fund (Section 13 of House Bill No. 1014) | \$15,000,000 |
| Student loan trust fund (Section 15 of House Bill No. 1014) | 3,100,000 |
| Permanent oil tax trust fund (Section 12 of Senate Bill No. 2032) | 115,000,000 |
| Total | \$133,100,000 |

Bank of North Dakota transfers - Section 14 of House Bill No. 1014 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, the same as the executive recommendation. The section provides that the transfer may only be made to the extent the transfer does not reduce the Bank's capital structure below \$175 million.

Mill and Elevator Association transfers - Section 16 of House Bill No. 1014 provides for a transfer of \$5 million from the Mill and Elevator Association to the general fund, the same as the executive recommendation.

Budget Stabilization Fund

The Legislative Assembly authorized, in House Bill No. 1429, a transfer of \$100,527,369 from the general fund to the budget stabilization fund. This transfer is based on the end-of-biennium balance in the general fund on June 30, 2007, and will provide for a total of \$200 million in the budget stabilization fund for the 2007-09 biennium. House Bill No. 1429 amends North Dakota Century Code Section 54-27.2-01 to provide that effective July 1, 2009, any amounts provided by law for deposit in the fund and any interest or earnings of the fund which would bring the balance in the fund to an amount greater than 10 percent rather than 5 percent of the current biennial state general fund budget, as finally approved by the most recently adjourned special or regular session of the Legislative Assembly, may not be deposited or retained in the fund but must be deposited instead in the state general fund.

Centers of Excellence

In House Bill No. 1018, the Legislative Assembly provided an appropriation of \$15 million from the permanent oil tax trust fund to the Office of Management and Budget for providing funding to centers of excellence for the 2007-09 biennium. Of this amount, up to \$10 million is available for Budget Section approval at its first meeting after September 1, 2007, and up to \$5 million and any unawarded funds remaining from the \$10 million allocation is available for Budget Section approval at its first meeting after September 1, 2008. If the \$15 million is not adequate funding for the 2007-09 biennium and subject to Emergency Commission and Budget Section approval, the Office of Management and Budget may borrow an additional \$5 million from the Bank of North Dakota for providing funding to centers of excellence for the 2007-09 biennium. The Office of Management and Budget is to request funding from the 61st Legislative Assembly to repay any loan obtained, including accrued interest.

One-Time Funding

In Section 7 of House Bill No. 1522 and Section 17 of House Bill No. 1018, the Legislative Assembly identified the general fund appropriations for one-time funding items of \$3,686,000, for extraordinary repairs (\$3 million), and Prairie Public Broadcasting analog to digital conversion (\$686,000). This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget and the Office of Management and Budget is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Other Sections in House Bill No. 1522

Capitol building fund - Section 5 provides for \$750,000 from the Capitol building fund to be available to the Facility Management Division during the 2007-09 biennium.

Related Legislation

House Bill No. 1107 increases the mileage reimbursement rate for state officials and employees from 37.5 cents to 45 cents per mile.

House Bill No. 1483 requires the Office of Management and Budget and the State Board of Higher Education to develop guidelines for a biobased procurement program.

Senate Bill No. 2189 provides for an appropriation of \$5 million from the general fund and \$5 million from other funds to the Office of Management and Budget to provide statewide salary equity adjustments for classified state employees for the 2007-09 biennium. The bill also provides legislative intent that state agency appropriations include the funding necessary to provide for health insurance premiums for eligible state employees for the 2007-09 biennium.

Senate Bill No. 2246 increases the reimbursement for the in-state lodging allowance from \$50 to \$55 per night plus applicable taxes.

Senate Bill No. 2260 authorizes the Office of Management and Budget to request a statewide and nationwide criminal history record check for each individual who has access to personal information.