



NORTH
Dakota

Be Legendary.™

Management
and Budget

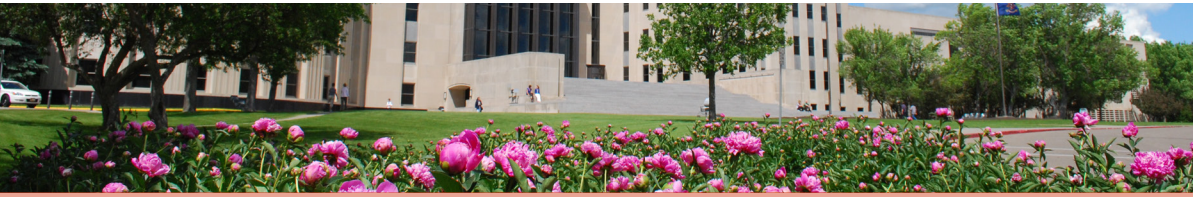
JOE MORRISSETTE, DIRECTOR

2019-2021 BIENNIAL REPORT

FOR THE BIENNIAL PERIOD OF
JULY 1, 2019 THROUGH JUNE 30, 2021

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JOE MORRISSETTE, DIRECTOR • JULY 1, 2019 - JUNE 30, 2021

EXECUTIVE SUMMARY

The Office of Management and Budget (OMB) provides leadership and support to state government. Established under North Dakota Century Code (N.D.C.C.) Ch. 54-44, the agency consists of five separate divisions, each with a unique mission and function, but sharing a common purpose of serving the agencies of state government, the team members of all state agencies, and the people of North Dakota.

As explained in detail in the following pages of this biennial report, OMB consists of the following divisions:

- Central Services
- Facility Management
- Fiscal Management
- Human Resource Management Services
- Risk Management

For the 2019-21 biennium, OMB was authorized 112 full-time employees (FTE), a number which has declined 15%, from a high of 132.50 FTE, in the 2009-11 biennium. This decrease in FTE was accomplished without a decrease in service thanks to the hard work and dedication of our team to create efficiencies, improve processes and utilize contracted services.

For the 2019-21 biennium, the legislature provided an appropriation of \$50.4 million, of which, \$33.2 million was from the general fund.

Joe Morrisette is the director of OMB. He was appointed by Gov. Doug Burgum on March 1, 2018.

OMB

MISSION

TO PROVIDE
INNOVATIVE
LEADERSHIP AND
SUPPORT TO STATE
GOVERNMENT

VISION

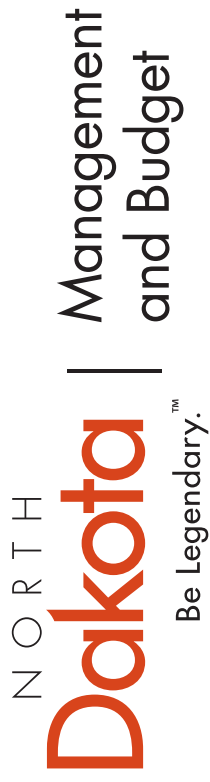
TO SET THE
STANDARD FOR
LEADERSHIP AND
EXPERTISE IN STATE
GOVERNMENT

VALUES

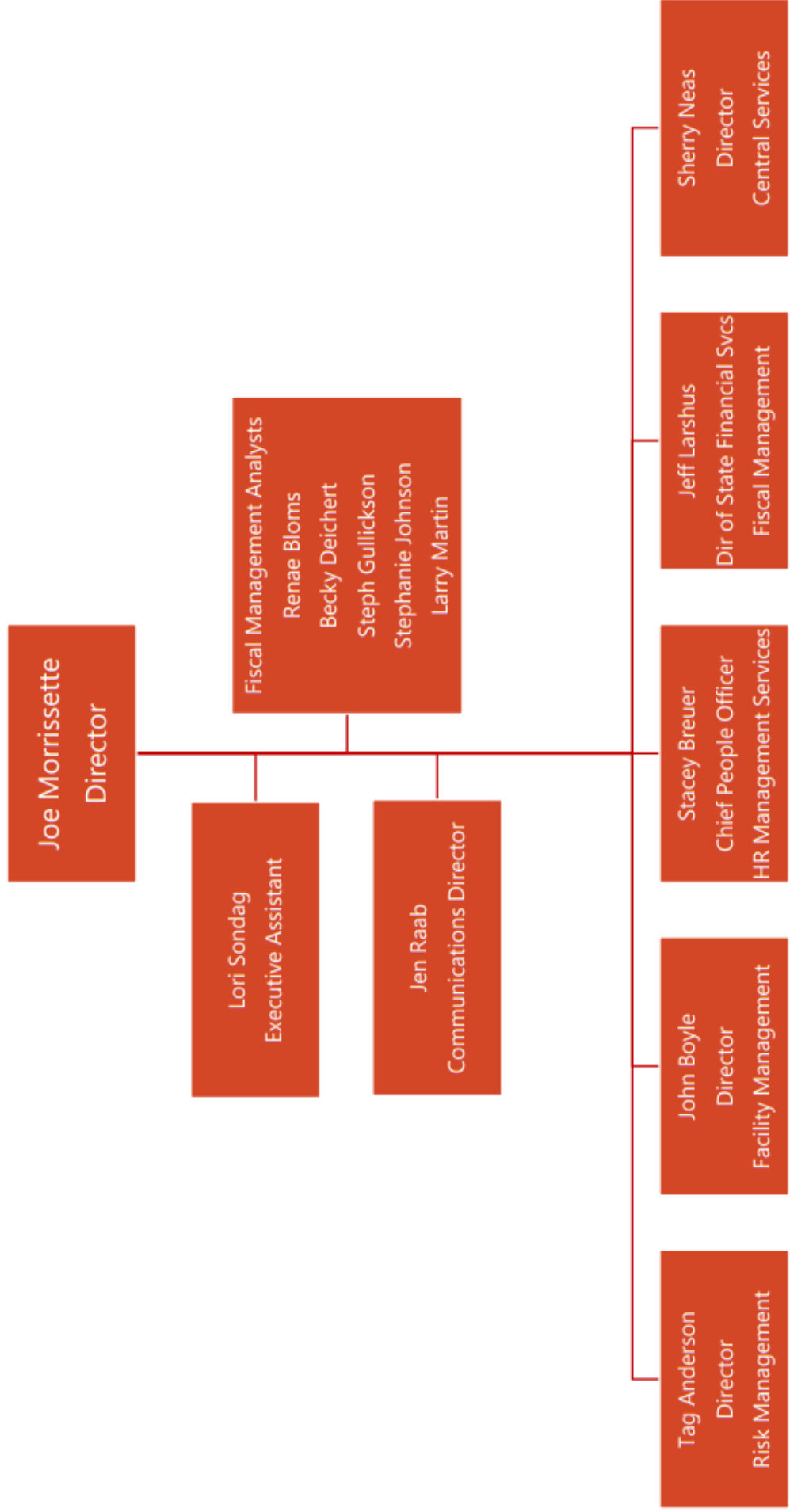
RESPECT
INTEGRITY
EXCELLENCE
RESOURCEFULNESS
RESPONSIVENESS

112

FULL-TIME
TEAM MEMBERS



ORGANIZATIONAL CHART



ACCOMPLISHMENTS

The 2019-21 biennium marked many significant accomplishments for OMB, including the following:

Team member communications and training

- Launched OMB Agency Essentials training program with over 600 participants.
- Launched procurement 2020 communications plan.
- Delivered Leadership Everywhere training to over 3,100 individuals.
- Launched Gallup Employee Engagement Survey.
- Launched Team ND Connect, the statewide intranet available to all state team members.
- Launched new OMB website on the statewide platform.

Efficiency through new technology

- Completed PeopleSoft fiscal upgrade.
- Developed and automated PeopleSoft application testing (PTF).
- Launched online onboarding process.
- Launched new Surplus Property marketing module.
- Implemented Risk Vision software replacement.
- Developed single use accounts payment process to facilitate electronic vendor payments.
- Developed new careers webpage.
- Launched budget/actual transparency dashboard.
- Developed Total Rewards statement.
- Created COVID-19/CARES Act transparency dashboard.

Facilities

- Completed south Capitol entrance remodel project.
- Updated space utilization study/campus master plan.
- Replaced south Capitol sign.
- Completed Capitol building COVID-19 improvements.

Fiscal management

- Developed 10-year facility maintenance plans.
- Synced budget documents to legislative base for improved clarity.
- Managed distribution and reporting of \$1.25 billion federal Coronavirus Relief Funds.
- Generated purchasing card (p-card) rebate of \$2.8 million in FY20.

Efficiency through centralization

- Centralized Bank of North Dakota and Department of Transportation printing.
- Developed uniform human resources policies.
- Centralized Housing Finance Authority payroll processing.
- Completed eProcurement study with Higher Education.
- Centralized Department of Environmental Quality human resources and payroll administration.
- Centralized small agency payroll administration.
- Centralized Department of Commerce procurement services.

Awards

- Received the Government Finance Officer Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the state Annual Comprehensive Financial Report (ACFR).
- Received the GFOA Distinguished Budget Presentation Award for the state budget documents.

OMB

Launched
Team ND Connect,
the statewide intranet

Leadership
Everywhere training
for over
3,100
individuals

OMB performs
payroll functions for
23
state agencies

Completed south
Capitol entrance
remodel project

Government Finance
Officer Association
Achievement Award



SHERRY NEAS, DIRECTOR • JULY 1, 2019 - JUNE 30, 2021

CENTRAL SERVICES

MISSION

TO SUPPORT STATE GOVERNMENT BY PROVIDING OUR CUSTOMERS WITH QUALITY PRODUCTS AND SERVICES, ENABLING THEM TO ACCOMPLISH THEIR MISSION.

24

FULL-TIME
TEAM MEMBERS

\$7.34M

GENERAL FUND &
SPECIAL FUND
SALARY & OPERATING
APPROPRIATIONS

\$200K

CAPITAL ASSETS

RESPONSIBILITIES

Central Services Division (CSD) includes Central Duplicating services, Central Supply, Central Mailroom, State Procurement, Vendor Registry and Surplus Property pursuant to N.D.C.C. 46-01, 46-02, § 19 of 54-44-4, 54-44.4, 54-44-04.5, and 54-44-04.6.

CSD SECTIONS

CENTRAL DUPLICATING

Central Duplicating provides state agencies with economical and efficient printing and mailing services. Central Duplicating offers graphic art services, offset and digital printing, and a wide variety of finishing services. Central Duplicating prints mainframe and local area network (LAN) reports and checks. In the spring of 2021, a vacant OMB position was moved to Central Duplicating for the creation of a new position, assistant state printing manager.

CENTRAL SUPPLY

Central Supply is a centralized storeroom within the state capitol that provides commonly used office and paper supplies to state agencies.

CENTRAL MAILROOM

Central Mailroom provides state agencies with mail services. Centralized mail staff and Central Duplicating staff work closely to provide efficient and streamlined services.

STATE PROCUREMENT OFFICE

State Procurement establishes procurement rules, policies, training and online procurement information systems. State Procurement makes purchases for state agencies and establishes state contracts for commonly used commodities and services to ensure efficient, cost-effective purchasing. State Procurement provides training to agency procurement officers and provides vendors with information on doing business with the state.

VENDOR REGISTRY

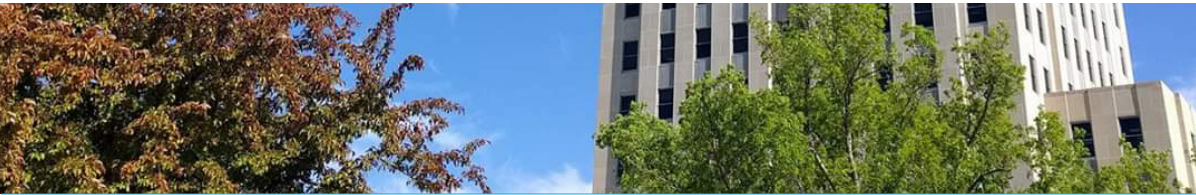
Vendor Registry is a section within state procurement that processes vendor payee applications and bidders list applications, sets up vendors for payment, manages the PeopleSoft vendor database, supplier onboarding, and purchasing module, and prepares IRS 1099 reports. Vendor registry administers an online vendor registration system.

SURPLUS PROPERTY

State Surplus Property acquires state and federal surplus property for redistribution to state agencies, political subdivisions, other eligible recipients, and the public, in accordance with the applicable state and federal guidance. State Surplus Property also manages the Federal Law Enforcement Support Office (LESO) 1033 program, which provides equipment to entities with law enforcement responsibilities.

FUNDING

CSD has three special fund operations that generate revenue from fees for goods and services provided to customers: Central Duplicating, Central Supply and Surplus Property. The State Procurement Office and Vendor Registry are funded from the state's General Fund.



JOHN BOYLE, DIRECTOR • JULY 1, 2019 - JUNE 30, 2021

RESPONSIBILITIES

The Facility Management Division (FMD) of OMB is charged with maintaining the state Capitol complex buildings and grounds pursuant to N.D.C.C. Ch. 54-21. Under this section, the office is also responsible for maintaining the governor’s residence, and the Capitol tour and information center.

The Capitol complex consists of approximately 132 acres of manicured lawns, shelter belts and native prairie grasses. The buildings located on the grounds include the Capitol building, the judicial wing, the North Dakota Heritage Center and State Museum, the Liberty Memorial building, the State Office building, the Department of Transportation building, and the governor’s residence.

Facility Management has a staff of 43 full-time employees who work throughout the Capitol complex. Two part-time staff members are assigned to the Capitol tour and information center and the remaining employees provide office support, custodial services, maintenance services, and grounds-keeping services for the Capitol complex.

CAPITOL BUILDING AND GROUNDS PROJECTS

During the biennium, several projects were completed. The largest project was renovation of the south entrance to the Capitol. This project was completed in eleven months from February through December 2020. The total cost of this project was \$1.8 million and addressed all exterior 2010 Americans with Disabilities deficiencies.

Another project included the enhancement of all mechanical equipment with ionizers, the installation of touchless fixtures in bathrooms, installation of touchless doors, and the creation of four temporary Legislative committee rooms in the Judicial Wing to ensure the 67th Legislative Session could occur in person with proper social distancing measures. This work was completed within six months from June through December 2020.

Facility Management continually strives to improve and update all building systems so state team members can work in a safe and comfortable environment.

FACILITY
MANAGEMENT

MISSION
TO PROVIDE A
CLEAN AND SAFE
ENVIRONMENT
WITH FRIENDLY,
RESPECTFUL AND
EFFICIENT SERVICE
TO ALL WHO USE
THE CAPITOL
COMPLEX.

43
FULL-TIME
TEAM MEMBERS

\$12.03M
GENERAL FUND
SALARY & OPERATING
APPROPRIATION
\$4.47M
CAPITAL ASSETS

FISCAL MANAGEMENT

MISSION

TO PROVIDE
CUSTOMERS
RESPONSIVE
GUIDANCE AND
KNOWLEDGEABLE
MANAGEMENT IN
FISCAL OPERATIONS.

20

FULL-TIME
TEAM MEMBERS

\$8.1M

GENERAL FUND
SALARY &
OPERATING
APPROPRIATION

RESPONSIBILITIES

The Fiscal Management Division exists under the authority of the N.D.C.C. § 54-44.1-02, and was created in 1965 “for the purpose of promoting economy and efficiency in the fiscal management of the state government.” The division serves as the central professional fiscal office of the executive branch. The principal services of the division are statewide accounting, payroll, financial reporting and budgeting.

The accounting section is responsible for maintaining the general accounts required to monitor the activities of each fund in the state treasury. These general accounts reflect the resources and balances, together with current revenues and expenditures, and provide the necessary reports to show current conditions of each fund and appropriation.

OMB uses PeopleSoft for the state’s financial system. The PeopleSoft financial system is part of an enterprise resource plan (ERP) that also includes integrated systems for human resources and payroll.

The PeopleSoft financial system objectives are as follows:

- To secure centralized financial management information based on a uniform chart of accounts and programs.
- To provide data to be used in the preparation of statewide and agency reports in accordance with Generally Accepted Accounting Principles (GAAP).
- To provide reporting of revenues and expenditures for the general fund, special funds and federal funds.

The division maintains a publicly-accessable, searchable database of all expenditures of state government and the university system. Searches can be made by vendor, business unit, account, fund and job title. The database is also searchable by payments made using Coronavirus Relief Funds (CRF), also information for the American Rescue Plan Act (ARPA), as well as links to other state agencies’ websites.

During the 2019-21 biennium, the state of North Dakota was presented a Certificate of Achievement for Excellence in Financial Reporting for fiscal years 2019 and 2020. This certificate is presented to government units whose Annual Comprehensive Financial Report (ACFR) achieves the highest standard in government accounting and financial reporting. The state also received the Government Finance Officers Association Distinguished Budget Presentation Award for the 2019-21 Biennium.

OMB payroll has also centralized complete payroll functions for 23 small agencies to create greater efficiency. Also in the 2019-21 biennium, OMB upgraded the Payroll/HR/Enterprise Learning Management (ELM) components of the PeopleSoft ERP system.

The executive budget serves as a statewide financial plan for state services. It is presented to the legislature prior to the start of each legislative session. In preparation of the biennial executive budget, the budget team provides budget guidelines that guide the development of agency budget requests. After holding meetings on the requests, performing on-site visits and inspections, and performing comparative analyses, the budget staff develops the governor’s budget in accordance with the governor’s policy initiatives and priorities.

Upon completion and presentation of the executive budget recommendations, the budget office assists the legislative assembly by explaining the basis on which the executive budget is developed and provides information on state fiscal matters requested by the legislature or its interim committees.

Other major functions of the Fiscal Management team include the preparation of state revenue forecasts, review of state management and organizational structures, assistance to and supervision of agencies in the execution of the budget, and the preparation of frequent comparisons of projected and actual revenues and expenditures. The division also manages the state purchasing card (p-card) program for all state agencies, higher education institutions, school districts, counties and cities that participate in the state program. For the 2019-21 biennium, the purchasing card program had total statewide spend of over \$299 million and received over \$5.6 million in rebate.

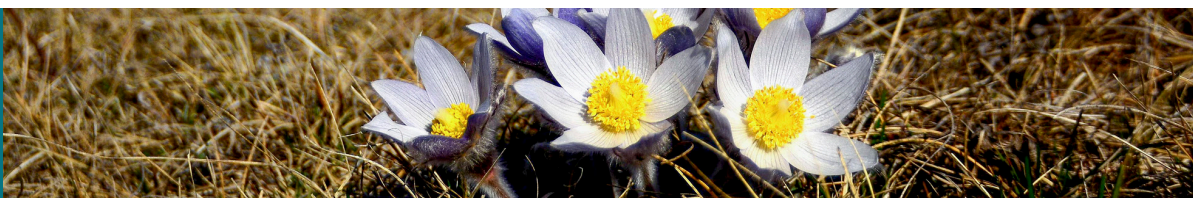
STATEWIDE STATS

1,553
state government
p-card users

Over
420K
checks issued
from PeopleSoft
system

Nearly
1.6M
accounting
transactions

Over
381K
automatic clearing
house (ACH)
transactions



STACEY BREUER, CHIEF PEOPLE OFFICER • JULY 1, 2019 - JUNE 30, 2021

HUMAN RESOURCES

MISSION

TO PROVIDE
LEADERSHIP AND
EXPERTISE IN
HUMAN RESOURCE
MANAGEMENT

12

FULL-TIME
TEAM MEMBERS

\$3.4M

GENERAL FUND
SALARY &
OPERATING
APPROPRIATIONS

RESPONSIBILITIES

In 1975, the legislative assembly passed a Central Personnel System Act, codified as N.D.C.C. Ch. 54-44.3. The act created the central personnel division and the state personnel board. In 2003, the legislature renamed the division Human Resource Management Services (HRMS). Appointments and promotions to positions in the state classified service must be made based on merit without regard to sex, race, color, national origin, age, religious affiliations or political opinions. Although the division and board are separate, they work closely together on classification and pay grade issues.

HRMS has 12 authorized FTE positions. The team provides comprehensive HR services to agencies in the areas of human resources strategy, talent management, talent development, talent acquisition, organizational effectiveness, and classification and compensation.

TALENT MANAGEMENT

- In the 2019-21 biennium, 11,578 performance documents were created in PeopleSoft ePerformance. Thirty-six agencies (an increase of four agencies) used the on-line performance management system supported by HRMS. Over the past year, the performance management process was reviewed to design a process to better develop people, reward equitably and drive organizational performance.

TALENT DEVELOPMENT

- Onboarding was upgraded to an online process in PeopleSoft to allow new hires, re-hires and transfers between agencies. This online process was implemented to replace the paper forms that were previously completed when a team member was hired. Moving onboarding from a manual process to an online process has saved time for both the new team members and HR professionals, and has improved team member's onboarding experience. The first year, 1,309 total onboarding processes were completed.
- Enterprise Learning Management (ELM) is an internet-based training management solution that allows agencies to manage learning information in a central location. Team members sign up for classes approved by their manager, managers can enroll team members, or designated administrators may enroll learners. Agencies can upload online, web-based, and instructor-led training. Completed learning is automatically maintained in team member records. ELM grew by 4,610 classes this biennium and surpassed 33,000 classes in June 2021. Since going live in January 2010, there have been 1.11 million enrollments through ELM. As integration with other PeopleSoft modules continues, growth will continue with ELM.

HRMS provides a variety of training to state agencies based on need and request. In addition to classroom style, virtual instructor-led and on-demand web-based trainings are also offered. The rapid transition of the state's workforce to remote and hybrid environments resulted in the demand for virtual instructor-led and on-demand training opportunities. HRMS developed, facilitated or coordinated training for 35,458 attendee course completions and 7,010 individual state team members, offering 79 different courses in 226 sessions during the biennium.

HRMS facilitated the state-wide administration of LinkedIn Learning to provide round the clock access to over 16,000 up-to-date, expert-led courses.

TALENT ACQUISITION

- Over 107,000 applications for 7,664 jobs posted online, resulted in 4,346 new hires.
- HRMS participated in 11 career events for college students and the public, and five career events for high school and middle school students. These events were held both virtually and in various cities throughout the state.
- The North Dakota State Government Student Internship Stipend Program continues to provide many benefits and offer significant value to students and state agencies. Students have the opportunity to gain hands-on, real-world experience, while agencies are able to acquire a new source of talent to deliver on agency goals and objectives. HRMS has received General Fund authority for the internship program since 2009, except for the 2017-19 biennium. This biennium, the internship program funded 35 internships for 11 agencies. The student interns have expressed gratitude for the learning opportunity, and agencies have found it an effective tool for recruiting talent and a good learning opportunity.

ORGANIZATIONAL EFFECTIVENESS

- In an effort to increase team member engagement across Team ND, the state partnered with Gallup. The first 12-question survey launched November 2020. The survey was sent to 7,363 team members with 4,670 responses, for an overall response rate of 63.4%. 32% of team members reported being engaged at work. A check-in survey was launched in June 2021 to gauge the impact of efforts taken since the 2020 survey. The survey was sent to 7,476 team members with 4,973 responses for a response rate of 67%. Engagement rose to 38% of team members.
- The 67th Legislative Assembly approved HB 1058 which established a centralized approval process within HRMS for all shared leave requests. Implementation included developing and implementing administrative rules and a universal policy. An automated process for shared leave requests and donations has also been developed in PeopleSoft.

CLASSIFICATION AND COMPENSATION

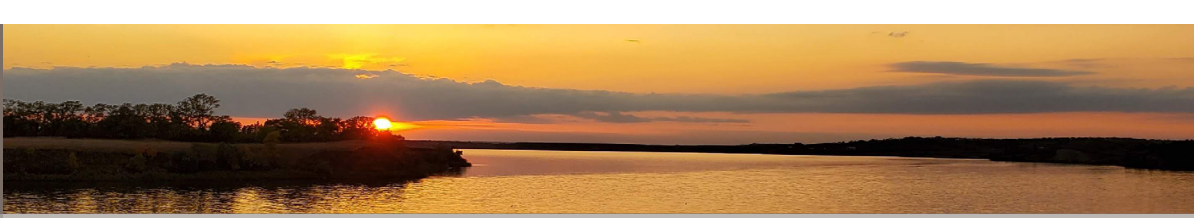
- HRMS provides survey data and analysis used in formulating recommendations for the state compensation plan for state team members.
- HRMS reviews positions and job classifications as jobs and occupations evolve. Positions and job classes are reviewed at monthly meetings of the Job Evaluation Committee (JEC). The JEC includes six HRMS staff and nine agency HR staff. 857 position classifications reviews were completed and one classification appeal to the state personnel board. A major initiative to simplify and streamline the classification system was implemented effective July 1, 2020.

TEAM ND AVERAGES

46
years old

12.2
years of service

\$60.8K
annual salary



TAG ANDERSON, DIRECTOR • JULY 1, 2019 - JUNE 30, 2021

RISK MANAGEMENT

MISSION

TO PROMOTE SAFETY
AND REDUCE LOSS
RESULTING FROM
TORT LIABILITY OR
EMPLOYEE INJURY
CLAIMS

4

FULL-TIME
TEAM MEMBERS

\$1.7M

SPECIAL FUND
SALARY &
OPERATING
APPROPRIATIONS

\$1M

SPECIAL PROJECT
FUND

RESPONSIBILITIES

The Risk Management Division of OMB was established by the 1995 Legislature to address the state's loss of sovereign immunity for tort liability. The legislature enacted the State Tort Claims Act (N.D.C.C. Ch. 32-12.2) which assigns the responsibility for administering the state's risk management program to OMB.

In an effort to save premium dollars through a deductible program, and to establish a cross agency return-to-work program for North Dakota state agencies, the 2001 Legislature enacted N.D.C.C. §65-04-03.1 establishing the Risk Management Workers Compensation Program (RMWCP) and assigned the responsibility for administering the program to the Risk Management Division.

Workforce Safety & Insurance (WSI) continues to determine the level of compensation an injured worker and his or her care provider are entitled to receive; and determines experience rates, assessments, and the premiums payable by state entities for workers compensation coverage. Effective July 1, 2001, workers compensation premiums are paid to the Risk Management Division rather than to WSI. With the premium dollars it receives from state entities, the Risk Management Division has established a fund to pay the first \$100,000 on each claim and the premium to WSI for the state entities' single workers compensation account. Premium savings are shared with state entities through an enhanced discount and dividend program.

LOSS CONTROL

To ensure the state is properly addressing its exposure to loss, the Risk Management Division does the following:

- Analyzes risk exposures through audits and reviews of agency standard operating procedures.
- Develops loss control programs through recommendations to agencies on how to address identified and potential risks of loss.
- Tracks loss history to identify and address trends.
- Communicates loss control and safety information to state entities through the risk management manual, training materials, electronic newsletters and Risk Management seminars.

CLAIMS MANAGEMENT

The Risk Management Division administers the Risk Management Fund, the state's self-retention fund established to provide tort liability coverage for the state, its agencies and employees, and the RMWCP Fund, to cover the costs of administering the \$100,000 deductible workers compensation program.

Claims against both funds are investigated and reviewed to ensure they meet statutory requirements and are expediently resolved.

LITIGATION

The Risk Management Division oversees litigation involving unresolved claims against the Risk Management Fund. The Office of Attorney General provides general legal counsel to the division as well as litigation services. In addition, Risk Management hires attorneys who receive a Special Assistant Attorney General appointment.

The Risk Management Division also provides defense for state employees acting within the scope of employment. Division personnel work with and assist state employees to ensure they comply with all statutory requirements, so they are provided all defense protections available to them under the state law.

Workers compensation litigation cases are handled by WSI and are monitored by the manager of the RMWCP.

INSURANCE

The division secures excess insurance for the Risk Management Fund covering obligations above the statutory caps. The division also assists with the purchase of aviation insurance by agencies with aircraft and the University of North Dakota School of Medicine and Health Sciences' purchase of medical professional liability insurance.

STATS

59%

of state agencies
participate in the risk
management
discount program

with an
average contribution
discount of

14%

Received &
reviewed over

16K

incident reports

and

380

formal claims
against the state

Claims &
insurance expenditures
RM & RMWCP funds

\$8.24M



NORTH
Dakota | Management
Be Legendary.™ and Budget

600 EAST BOULEVARD AVENUE, DEPT. 110
BISMARCK ND 58505-0400

701.328.2680 • OMB@ND.GOV • OMB.ND.GOV