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NORTH
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Management
and Budget

THE
S T A N D A R D

SPRING 2019

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2019 Session: Collaboration and Success

The 2019 legislative session was the 13th session I have been involved in since I began my career in state government, but my first as director of the Office of Management and Budget. It was a session filled with many instances of collaboration and many successful outcomes for North Dakota. Thanks to the people in our office and across state government who balanced the priorities of their normal jobs with the demands of legislative session.



Joe Morrisette
OMB Director

A significant success was passage of SB 2312, the culmination of nearly two years of work and collaboration between the executive and legislative branches of state government and the Three Affiliated Tribes. The bill ratifies the compact signed by the governor and the Mandan, Hidatsa and Arikara (MHA) Nation to change how the state and the tribes share tax revenue from new oil and gas wells. This supports a stable tax and regulatory environment and encourages continued oil and gas development within the reservation boundaries. This is just one example of collaboration and positive outcomes from this session.

Overall, the legislative budget was very similar to the budget proposed by the governor in December. For many agencies, the only change from the Governor's budget was relating to the legislative compensation package, which provided lower salary increases and lower total compensation than what was recommended by the Governor. The final legislative appropriation of \$4.8 billion from the general fund and \$14.7 billion in total funds differed from the Governor's budget recommendation by less than 2 percent in general fund spending and less than 3 percent overall, affirmation to me the Governor's budget was a solid financial plan for the state.

Of course, there were also some missed opportunities that I am sure will be reconsidered in subsequent legislative sessions. The most notable to me include:

- Limited progress was made addressing the unfunded liability in the state's pension fund.
- The budget stabilization fund balance was only partially restored.
- The practice of relying on one-time transfers to balance the general fund budget was continued, rather than providing transparency in the use of oil tax revenues through the direct allocation of additional oil tax revenues to the general fund.

This session saw an unprecedented level of engagement and collaboration between the minority and majority parties, between the Senate and the House, between the legislative and executive branches, and between the state of North Dakota and the tribal nations. Although there are challenges left on the table to address in a subsequent session, the 2019 session produced many positive outcomes for state government and the people of North Dakota. I am grateful to have been a part of it.

OMB Careers Website

The North Dakota Office of Management and Budget has recently completed an upgrade to the Careers section of the OMB website, creating a more user-friendly experience for job seekers searching for career opportunities who would like to become part of Team ND.

The revamped Careers webpages provide improved visualization and navigation of career opportunities with ND state government, highlights the culture of Team ND, features insurance and retirement benefits offered to Team ND, and illustrates the unparalleled experiences of living in ND.

The upgrade to the OMB website provides an example of how technology is being utilized to improve the candidate experience.

The upgrade is considerably more user-friendly to candidates searching for career opportunities on their mobile device. The upgrade was implemented in-house using existing technology. State employees and job seekers also now have the option to share available career opportunities with their networks on social media.

The user-friendly website promotes candidate engagement while demonstrating how Team ND thrives on empowering people, improving lives, and inspiring success.

The Careers website can be viewed at www.nd.gov/careers.

Compensation and Classification System News

Recently there has been a lot of activity with employee compensation and the classification system. Highlights include:

- The legislature approved opportunities to reward employee achievements. Performance-based increases between \$120 and \$200 per month are available the first year of the 2019-21 biennium, and an average increase of 2.5 percent is available the second year.

- New salary ranges for the 2019-21 biennium proposed by Human Resource Management Services (HRMS) were approved by the State Personnel Board on May 8. The approved ranges feature a significant change that will take effect for the second year of the biennium. The current 22 grade structure will continue for the first year, with a 2.4% average upward adjustment of the salary ranges. For the second year, the salary ranges will transition from 22 grade level to 10 levels with broader salary ranges, to support a move to simplify the classification process. The revised structure for the second year also incorporates a 2.7% average upward adjustment in the salary ranges.

- Finally, HRMS has been working to simplify the current classification format and increase flexibility. The current process with over 850 classification has proven to be cumbersome. Simplification of this process will involve translating the current classifications into 16 proposed job families, each with 5-7 defined levels. No change to current job duties or current pay will result from this classification simplification.

More information will be provided to managers and employees over the coming months, and implementation will be completed by July 1, 2020 to align with the simplified 10 grade salary range structure mentioned above.

FISCAL MANAGEMENT

PeopleSoft Upgrade

The HR/payroll upgrade was completed in May. OMB and ITD have started the upgrade to the PeopleSoft Financial System. Estimated completion date has yet to be determined.

Biennium End Deadlines

The last day to process end of the fiscal year June business will be July 26 at 5:00 pm. More information will be provided in June.

Purchasing Card Rebate

The state's purchasing card program had just over \$125.8 million of total spend for the 2018-19 contract year. The state received a total of \$2,252,590 in rebate with the General Fund receiving \$622,319.

The rest of the rebate was allocated between the colleges and universities, 13 counties, 67 school districts and five cities and boards. OMB is planning a p-card user conference in September. More details will be provided later this summer.

“Be Legendary” Branding

Central Duplicating’s graphic artist can help your organization to comply with the requirements for using the North Dakota “Be Legendary” branding. Lorie can assist your agency with letterhead, envelope, brochures and other document layout or design. She works closely with the Department of Commerce regarding proper usage of the branding elements. Call Lorie at 701.328.2145 for assistance.

Printing and Mailing: Saving Time and Money

How much time and money is your organization spending doing mailings? Consider staffing time, equipment, and supplies. Doing a large mailing can be quite an undertaking, with some agencies bringing in temporary staff to work on mailing projects. If your staff is hand folding and stuffing envelopes, Central Duplicating can help you save time and money by doing these tasks for you.

State law gives the OMB the authority to operate a centralized printing operation. Central Duplicating and Mailing has production printing, finishing, inserting, and mailing equipment and the staff have specialized training in these areas. Agencies provide the electronic files and let Central Duplicating and Mailing do the rest! No need to stock up on envelopes or letterhead – we’ll print what is needed for your job.

Need to get a mailing out fast? Let us help you. We have high speed equipment and work a 12-hour production day to provide a quick turnaround time.

Mailing sensitive information? When you use Central Duplicating for your printing and mailing, the files stay within the state network and all the work is done in our secure facility. Central Duplicating staff have been trained on how to properly handle confidential information.

Keeping your mailing lists up-to-date is important. Central Duplicating has software to check your addresses and avoid costly undeliverable items.

Central Duplicating has a bulk mail permit, so your agency doesn’t need to have one. Contact Central Duplicating to see if your mailing qualifies to go bulk.

Not in Bismarck? Not a problem! We print and mail for agencies outside Bismarck all the time. You’ll receive electronic proofs or next-day hard copy proofs, so you know the job is set up right. Call 701.328.2772 for all your printing and mailing needs.

Planning for Procurements

The end of the biennium is almost here. Remember, lack of planning and expiration of budget authority cannot be grounds for a noncompetitive purchase. Noncompetitive purchases of \$10,000 and over require an approved Alternate Procurement. Agencies and institutions can purchase directly from state contracts and government sources of supply.

Begin the 2019-21 biennium with a plan for making major purchases. Writing requirements, conducting a procurement process, and negotiating a contract take time. If you will need assistance from the OMB State Procurement Office, please contact your assigned State Procurement Officer so we can get your project on our schedule. State agency information technology purchases over \$25,000 must also be reviewed by ITD. The estimated dollar value of the purchase determines the competition requirements. The purchasing thresholds are:

- **Level 1 Micro Purchase:** Less than \$10,000. Obtain at least one fair and reasonable quote.
- **Level 2 Small Purchase:** At least \$10,000, but less than \$50,000. Solicit informal quotes/bids or proposals from at least three vendors, or post to SPO Online with appropriate state bidders list. May send to additional vendors.
- **Level 3 Informal Written Purchase:** At least \$50,000 but less than \$100,000. Solicit informal bids or proposals using SPO Online with the appropriate state bidders list. May send to additional vendors.
- **Level 4 Formal Purchase:** \$100,000 and over. Purchase using formal sealed bids or Request for Proposal (RFP). Solicitations must be posted using SPO Online with appropriate state bidders list. May send to additional bidders.

State Surplus Property

It’s time for Spring clean-up, ND Surplus Property style! Did you know that ND Surplus will also take your agency electronic waste (e-waste)? These items are recycled in a safe and responsible manner.

Business Hours

Capitol Mailroom: 7:30 a.m. – 4:30 p.m.

Closed 12:00 Noon to 1:00 p.m.

Central Duplicating: 7:00 a.m. to 4:30 p.m.

Central Supply: 7:00 a.m. to 4:30 p.m.

Closed for inventory June 27-28

State Surplus Property: 8:00 a.m. to 4:00 p.m.

Closed for inventory June 24-28

RISK MANAGEMENT

The Risk Management Fund Discount Program

The Risk Management Fund Discount Program is an ongoing tool designed to encourage state agencies to proactively address risk arising from agency activities. Since assuming coverage for all state owned and leased vehicles, over \$4.4 million has been paid for claims involving automobile liability. As claims are only paid when the state driver is at fault, these claims involve preventable accidents. The root cause of virtually all motor vehicle accidents is distracted and inattentive driving. It should come as no surprise that the discount program focuses heavily on driving behavior and the unique risks posed by out-of-state driving. Annual reminders to all



employees that distracted driving behaviors, such as talking on a cell phone (including hands free), are strictly prohibited while driving on behalf of the state is encouraged through the discount. The discount also encourages annual reminders to employees that OMB Fiscal Policy 518 must be followed when renting vehicles outside of North Dakota. OMB Fiscal Policy 518 requires the use of State Cooperative Contracts that include liability and damage waiver protections and the purchase of liability and damage waiver coverage when a cooperative contract is not available for all out of state motor vehicle rentals. Out-of-state motor vehicle accidents pose unique risks, including the high cost of administering such claims and the likelihood that the statutory caps on liability will not limit recovery in the courts of another state.

Another risk the discount program focuses on is employment practices. Employment claims are expensive to defend and are often very disruptive to agency operations. Often arising under federal law, employment claims also typically are not limited in recovery by the statutory caps. With prevention being the goal, having employees understand how to report problems and managers understanding their responsibilities is key. The discount encourages that all employees at the time of hire and annually thereafter review employment-related policies and acknowledge an understanding of their rights and obligations under those policies.

Prompt and appropriate response to an incident or identified problem is often key to mitigating the state's potential liability. For this reason, the discount encourages the immediate reporting of all incidents to Risk Management, so division staff can assist the agency in taking appropriate action. Because the preservation of documents and other evidence is often immediately required, the discount encourages agencies to adopt and implement a defined process for retaining records and other evidence following an incident that could give rise to potential liability. Finally, the discount program encourages agencies to engage in ongoing loss control activities through an established loss control committee or participate in the statewide loss control committee. Identifying and addressing unique risks or agency trends in a proactive manner is an important aspect of being good stewards of public resources.

Risk Management encourages all agencies to participate in the discount program. Agencies can save money on their required Risk Management Fund contribution, ensure that employees adhere to state policies, and proactively address risk in state operations. Please contact the Risk Management Division at 701.328.7583 if you need assistance in completing the discount application, or in assigning available online training and policy review.

FACILITY MANAGEMENT

Event News

Many special events are scheduled on the Capitol grounds this summer. Two very popular events are the 4th of July celebration and Capitol A'Fair. The Bismarck-Mandan Symphony Orchestra will kick off the 4th of July celebration by performing on the Capitol Plaza steps at 9:00 pm. This will be followed by a spectacular fireworks display scheduled to begin at approximately 10:30 pm. The Capitol A'Fair is scheduled for August 2-4. Please visit the OMB website for a complete list of other events.

Project News

The 66th Legislative Assembly approved many projects throughout the Capitol Complex for the 2019-21 biennium. The most visible project will be the remodeling of the south entrance to the state Capitol. This project will begin in July with the selection of an architectural firm. This firm will work closely with the Capitol Grounds Planning Commission to resolve all issues that exist with the current design. The approved \$2 million project is scheduled to be complete by November 2020.

The Capitol Grounds Planning Commission approved the redesign of the state Capitol sign located at the south end of the Capitol Mall. The existing sign will be removed and replaced with the new sign during August and September.