

**Sixty-eighth Legislative Assembly of North Dakota
In Special Session Commencing Monday, October 23, 2023**

SENATE BILL NO. 2393
(Legislative Management)

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to create and enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility management operating fund; to amend and reenact sections 54-06-14.7 and 54-21-19, subsection 2 of section 54-52-06.4, and subsection 4 of section 54-52-17 of the North Dakota Century Code, relating to the state leave sharing program, capitol grounds rent collections, and the law enforcement retirement program; to provide for a transfer; to provide an exemption; to provide a report; to provide for a retroactive application; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of the office of management and budget, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,926,979	\$1,231,851	\$23,158,830
Operating expenses	15,663,214	3,729,579	19,392,793
Capital assets	764,515	8,567,640	9,332,155
Emergency commission contingency fund	400,000	350,000	750,000
Targeted market equity pool	0	82,500,000	82,500,000
Guardianship grants	2,450,000	4,650,000	7,100,000
Prairie public broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000	0	350,000
State student internship program	0	500,000	500,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	0	20,000,000	20,000,000
New and vacant FTE funding pool	0	98,200,000	98,200,000
Employer retirement contribution pool	0	12,538,779	12,538,779
Infrastructure grant	0	200,000	200,000
Total all funds	\$42,754,708	\$237,919,854	\$280,674,562
Less estimated income	8,828,309	137,175,715	146,004,024
Total general fund	\$33,926,399	\$100,744,139	\$134,670,538
Full-time equivalent positions	108.00	2.00	110.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Griggs County medical center grant	\$500,000	\$0
Facility consolidation study	350,000	0
Special assessments on capitol grounds	300,000	0
Interior and exterior signage projects	500,000	0
Statewide budget software	1,230,100	0

Capitol accessibility improvements	750,000	0
Legislative wing ventilation improvements	7,000,000	0
Pierce County medical center grant	1,000,000	0
Accrued leave retirement payouts	0	100,369
Inflationary increases	0	340,000
Capitol accessibility consulting	25,000	50,000
Accessibility improvements - legislative areas	0	150,000
State employee leave management system	0	335,000
Cash management study	0	450,000
Procurement software	2,021,204	400,000
Building automation project	518,800	800,000
Extraordinary repairs	500,000	250,000
Capitol space utilization improvements	0	2,500,000
Central services software and equipment	0	573,800
Governor's residence improvements	0	100,000
Brynild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	0	3,659,555
Infrastructure grant	0	200,000
Total all funds	\$24,795,104	\$36,451,174
Less estimated income	<u>24,695,104</u>	<u>29,934,355</u>
Total general fund	\$100,000	\$6,516,819

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The office of management and budget shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 3. APPROPRIATION - COMMUNITY SERVICE SUPERVISION FUND. Any moneys in the community service supervision fund under section 29-26-22 are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 4. APPROPRIATION - TRANSFER OF APPROPRIATION AUTHORITY - FEDERAL STATE FISCAL RECOVERY FUND - EXEMPTION - SPENDING RESTRICTION - REPORT.

1. Notwithstanding any other provision of law, on December 1, 2024, the office of management and budget shall transfer any uncommitted federal state fiscal recovery fund appropriation authority from the state agency that received the appropriation authority to the department of corrections and rehabilitation for the purpose of defraying the expenses of salaries and wages and other operating costs of the department of corrections and rehabilitation for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. The office of management and budget shall transfer any uncommitted accumulated interest and earnings of the federal state fiscal recovery fund to the department of corrections and rehabilitation during the biennium beginning July 1, 2023, and ending June 30, 2025. Any interest and earnings received by the department of corrections and rehabilitation under this section are appropriated to the department for the purpose of defraying the expenses of salaries and wages and other operating costs of the department for the biennium beginning July 1, 2023, and ending June 30, 2025.
3. The department of corrections and rehabilitation may not spend general fund savings resulting from the use of the federal state fiscal recovery fund moneys.

4. The office of management and budget shall report to the budget section regarding any appropriation authority and interest and earnings transferred under this section.

SECTION 5. TRANSFER - TAX RELIEF FUND OR SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of \$200,000,000 from the tax relief fund or the social services fund under section 57-51.1-07.5 to the human service finance fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 6. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$50,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of \$30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 9. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEFERRED MAINTENANCE FUNDING POOL - EXEMPTION - TRANSFER TO STATE AGENCIES. The sum of \$20,000,000 included in the deferred maintenance funding pool line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the strategic investment and improvements fund for a deferred maintenance funding pool. The office of management and budget may use up to \$12,700,000 from the deferred maintenance funding pool, including up to \$12,000,000 for a boiler replacement project in the capitol and up to \$700,000 for a water mitigation project at the liberty memorial building. Notwithstanding any other provision of law, the office of management and budget shall transfer funds from the deferred maintenance funding pool line item in section 1 of this Act to other eligible state agencies for deferred maintenance.

SECTION 10. ESTIMATED INCOME - CAPITOL BUILDING FUND. The sum of \$5,550,000 included in the capital assets line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the capitol building fund for the following:

1. \$150,000 for accessibility improvements in legislative areas of the capitol;
2. \$800,000 for a building automation project;
3. \$250,000 for electrical and mechanical repairs;
4. \$100,000 for security improvements at the governor's residence;
5. \$250,000 for a remodeling project in the Brynhild Haugland room in the capitol; and
6. \$4,000,000 for a capitol window replacement project.

SECTION 11. OPERATING EXPENSES LINE ITEM - CASH MANAGEMENT STUDY - OFFICE OF MANAGEMENT AND BUDGET - REPORT TO LEGISLATIVE MANAGEMENT. The operating expenses line item in section 1 of this Act includes the sum of \$450,000 from the general fund for the purpose of the office of management and budget procuring consulting services to conduct a study and develop recommendations for improvement of the cash management practices of the state, for the biennium beginning July 1, 2023, and ending June 30, 2025. The study must include cash management practices employed by the Bank of North Dakota, state treasurer, retirement and investment office, board of university and school lands, and other agencies as determined by the office of management

and budget. The office of management and budget shall report to the legislative management before September 30, 2024, regarding the findings and recommendations resulting from its study.

SECTION 12. INFRASTRUCTURE GRANT LINE ITEM - RURAL SENIOR CENTER. The infrastructure grant line item in section 1 of this Act includes the sum of \$200,000 from the general fund for the purpose of providing a rural senior center infrastructure grant to an organization in Wells County located in a city with a population between 1,500 and 1,800 according to the 2020 census, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 13. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may be used only for the following grants and special items:

Unemployment insurance	\$1,800,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$685,657

SECTION 14. TARGETED MARKET EQUITY COMPENSATION ADJUSTMENTS - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET SECTION REPORT.

1. The targeted market equity pool line item in section 1 of this Act includes \$45,100,000 from the general fund and \$37,400,000 from special funds derived from federal funds and other income for the purpose of providing compensation adjustments for executive branch state employees in accordance with provisions of this section for the period beginning May 10, 2023, and ending June 30, 2025.
2. The targeted market equity compensation adjustments must be prioritized based on a statewide plan prepared by the office of management and budget based on the funding available in the pool. The plan must address occupational market disparities, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Employees whose documented performance levels do not meet standards are not eligible for the market equity compensation adjustments.
3. All targeted market equity compensation adjustments must be provided by July 1, 2023.
4. The funding allocated to each agency must be used for the cost to continue the compensation adjustments for the 2023-25 biennium, including the effect of the market equity adjustments on funding needed for the salary increases authorized by the legislative assembly in section 21 of this Act.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity funding pool to eligible executive branch state agencies for approved targeted market equity salary adjustments.
6. The office of management and budget shall provide a report to the budget section regarding the statewide plan, any changes to the plan presented to the sixty-eighth legislative assembly, and the appropriation authority transferred from the pool.

SECTION 15. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 6 percent per eligible employee for the first fiscal year of the biennium and are to average 4 percent per eligible employee for the second year of the biennium. The increases for the first year of the biennium are to be given beginning with the month of July 2023, to be paid in August 2023, and for the second year of the biennium are to be given beginning with the month of July 2024, to be paid in August 2024. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.

2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 16. NEW AND VACANT FTE FUNDING POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - APPLICATION - BUDGET SECTION REPORT.

1. The new and vacant FTE funding pool line item in section 1 of this Act includes \$40,100,000 from the general fund and \$58,100,000 from special funds derived from federal funds and other income for the purpose of providing funding for hiring new full-time equivalent positions and for agencies that do not realize sufficient savings from vacant full-time equivalent positions in accordance with provisions of this section for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. An executive branch state agency that had funding removed by the sixty-eighth legislative assembly for purposes of the new and vacant FTE funding pool may submit a request to the office of management and budget for an allocation of funding from the pool:
 - a. To provide funding for the salaries and wages necessary for the 2023-25 biennium for a new full-time equivalent position authorized by the sixty-eighth legislative assembly from the date of hiring through the end of the biennium;
 - b. To provide funding for the salaries and wages necessary for the 2023-25 biennium for filling a full-time equivalent position that was vacant on July 1, 2023, from the date of hiring through the end of the biennium;
 - c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
 - d. As requested by the department of transportation, the sum of up to \$7,400,000 for salaries and wages funding needs.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant FTE funding pool to eligible executive branch state agencies:
 - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of

- the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
- b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium;
 - c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
 - d. Within fifteen days of receiving a request from the department of transportation to transfer the sum of up to \$7,400,000 for salaries and wages funding needs.
6. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025.
 7. If funding in the new and vacant FTE funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
 8. The office of management of budget shall report to each meeting of the budget section regarding salaries and wages, vacant position information, and use of funding in the pool including:
 - a. The number of agency requests submitted, amounts transferred from the pool, and information on:
 - (1) New full-time equivalent positions, including the date hired; and
 - (2) Vacant full-time equivalent positions, including dates the positions were vacated and filled;
 - b. Salaries and wages savings to date resulting from vacant positions by agency; and
 - c. Each agency's use of salaries and wages funding, including amounts spent for accrued leave payouts, salary increases in addition to general salary increases provided by the sixty-eighth legislative assembly, bonuses, incentive or location pay adjustments, reclassifications, funding used for temporary salaries or overtime in excess of amounts provided by the sixty-eighth legislative assembly, or other purposes.

SECTION 17. EMPLOYER RETIREMENT CONTRIBUTION POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY.

1. The employer retirement contribution pool line item in section 1 of this Act includes \$5,563,709 from the general fund and \$6,975,070 from special funds derived from federal funds and other income for providing funding to executive branch agencies for the increased cost of the employer retirement contribution increases included in House Bill No. 1040, House Bill No. 1183, and House Bill No. 1309, as approved by the sixty-eighth legislative assembly, in accordance with provisions of this section, for the biennium beginning July 1, 2023, and ending June 30, 2025.

2. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority provided in this section to the listed executive branch state agencies as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Governor	\$26,154	\$0	\$26,154
Secretary of state	24,295	4,050	28,345
Office of management and budget	95,753	16,423	112,176
Information technology department	104,514	525,014	629,528
State auditor	44,533	32,769	77,302
State treasurer	7,502	0	7,502
Attorney general	1,268,037	843,938	2,111,975
Tax commissioner	114,348	0	114,348
Office of administrative hearings	0	7,135	7,135
Commission on legal counsel for indigents	45,111	1,268	46,379
Retirement and investment office	0	42,355	42,355
Public employees retirement system	0	36,736	36,736
Ethics commission	1,957	0	1,957
Department of public instruction	31,605	53,383	84,988
North Dakota university system	39,435	16,789	56,224
Department of trust lands	0	40,947	40,947
Bismarck state college	31,441	56,303	87,744
Lake region state college	14,693	20,449	35,142
Williston state college	8,607	12,224	20,831
University of North Dakota	100,821	520,248	621,069
University of North Dakota school of medicine and health sciences	38,691	68,304	106,995
North Dakota state university	97,772	375,024	472,796
North Dakota state college of science	43,662	53,548	97,210
Dickinson state university	15,061	19,859	34,920
Mayville state university	11,331	43,952	55,283
Minot state university	31,980	49,180	81,160
Valley City state university	17,606	16,577	34,183
Dakota college at Bottineau	8,526	9,863	18,389
North Dakota forest service	8,411	669	9,080
State library	16,695	3,148	19,843
School for the deaf	23,099	1,617	24,716
North Dakota vision services - school for the blind	12,195	1,382	13,577
Center for distance education	9,799	0	9,799
Department of career and technical education	21,878	3,144	25,022
Department of health and human services - public health	49,333	156,146	205,479
Department of environmental quality	51,295	119,961	171,256
Veterans' home	20,372	58,979	79,351
Indian affairs commission	4,454	0	4,454
Department of veterans' affairs	7,261	1,075	8,336
Department of health and human services - human services	1,265,293	831,416	2,096,709
Protection and advocacy project	12,935	16,646	29,581
Job service North Dakota	1,878	138,944	140,822
Insurance commissioner	0	51,040	51,040
Industrial commission	123,610	11,031	134,641
Department of labor and human rights	11,636	2,448	14,084
Public service commission	26,468	21,823	48,291

Aeronautics commission	0	8,712	8,712
Department of financial institutions	0	42,723	42,723
Securities department	0	11,771	11,771
Bank of North Dakota	0	181,939	181,939
Housing finance agency	0	53,004	53,004
Mill and elevator association	0	168,887	168,887
Workforce safety and insurance	0	254,365	254,365
Highway patrol	15,723	14,180	29,903
Department of corrections and rehabilitation	1,111,528	59,883	1,171,411
Adjutant general	128,680	235,829	364,509
Department of commerce	65,463	12,165	77,628
Agriculture commissioner	46,693	31,803	78,496
Upper great plains transportation institute	4,868	11,964	16,832
Branch research centers	21,139	14,106	35,245
NDSU extension service	22,744	17,085	39,829
Northern crops institute	797	671	1,468
NDSU main research center	33,694	9,151	42,845
Agronomy seed farm	0	2,958	2,958
North Dakota racing commission	2,008	105	2,113
State historical society	66,191	9,389	75,580
Council on the arts	5,650	0	5,650
Game and fish department	0	381,164	381,164
Parks and recreation department	148,484	8,375	156,859
Department of water resources	0	108,163	108,163
Department of transportation	0	1,050,871	1,050,871
Total	\$5,563,709	\$6,975,070	\$12,538,779

SECTION 18. AMENDMENT. Section 54-06-14.7 of the North Dakota Century Code is amended and reenacted as follows:

54-06-14.7. State leave sharing program - Rulemaking.

1. The human resource management services division of the office of management and budget shall establish a state leave sharing program for permanent employees of the state. The program must provide for a mechanism for state employees to donate accrued annual and sick leave to an employee who does not have available leave who is suffering from a severe, extreme, or life-threatening condition or who is caring for an immediate relative or household member who is suffering from a severe, extreme, or life-threatening condition.
2. A ~~probationary~~, temporary, employee or contracted employee with a limited-term appointment is not eligible to participate in the leave sharing program. An employee may not use more than four months donated leave in any twelve-month period and an employee may not retain leave beyond the occurrence necessitating the leave.
3. The human resource management services division shall:
 - a. Require medical certification from a physician, physician assistant, psychologist, or advanced practice nurse practitioner verifying the severe, extreme, or life-threatening nature of the medical condition and the expected duration of the condition;
 - b. Track the amount of leave taken by permanent state employees under the program; and
 - c. Adopt rules in accordance with chapter 28-32 to implement this section.

SECTION 19. AMENDMENT. Section 54-21-19 of the North Dakota Century Code is amended and reenacted as follows:

54-21-19. Director to furnish supplies and maintain capitol, state offices, and executive mansion - Authority to charge for services.

The director of the office of management and budget shall provide all necessary fuel, electricity, insurance, janitorial, and other services necessary to maintain the state offices on the capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and all other necessary supplies for the executive mansion and the capitol grounds and shall make all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director shall charge an amount equal to the fair value of the office space and other services rendered to all departments that receive and expend moneys from other than the general fund executive branch agencies, except that for good cause the amounts charged may be waived by the director for a one-year period of time with the waiver subject to further annual renewals after proper application has been filed with the director.

SECTION 20. A new subsection to section 54-44-11 of the North Dakota Century Code is created and enacted as follows:

The office of management and budget shall establish a facility management operating fund to be used for the salary and operating expenses of the division of facility management. Rental fees collected pursuant to section 54-21-19 must be deposited in the fund. The director of the office of management and budget shall transfer any unobligated balance in the fund to the general fund at the end of each fiscal year.

SECTION 21. AMENDMENT. Subsection 2 of section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

2. The employer of a peace officer employed by the ~~bureau of criminal investigation~~ state or national guard security officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment.

SECTION 22. AMENDMENT. Subsection 4 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

4. The board shall calculate retirement benefits as follows:
 - a. Normal retirement benefits for all retirees, except supreme and district court judges, peace officers employed by the bureau of criminal investigation, and other peace officers employed by the state, reaching normal retirement date equal an annual amount, payable monthly, comprised of a service benefit and a prior service benefit, as defined in this chapter, which is determined as follows:
 - (1) For members first enrolled:
 - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
 - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
 - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.

- b. Normal retirement benefits for all supreme and district court judges under the public employees retirement system reaching normal retirement date equal an annual amount, payable monthly, comprised of a benefit as defined in this chapter, determined as follows:
 - (1) Benefits must be calculated from the time of appointment or election to the bench and must equal three and one-half percent of final average salary multiplied by the first ten years of judicial service, two and eighty hundredths percent of final average salary multiplied by the second ten years of judicial service, and one and one-fourth percent of final average salary multiplied by the number of years of judicial service exceeding twenty years.
 - (2) Service benefits must include, in addition, an amount equal to the percent specified in subdivision a of final average salary multiplied by the number of years of nonjudicial employee service and employment.
- c. Normal retirement benefits for a peace officer employed by the bureau of criminal investigation reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
 - (1) ~~For members first enrolled:~~
 - (a) ~~Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.~~
 - (b) ~~After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment~~The first twenty years of credited service multiplied by three percent of final average salary.
 - (2) ~~Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment~~For years in excess of twenty years of credited service multiplied by one and seventy-five hundredths percent of final average salary.
- d. Normal retirement benefits for a peace officer employed by the state, other than by the bureau of criminal investigation, reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
 - (1) For members first enrolled:
 - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
 - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
 - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- e. Postponed retirement benefits are calculated as for single life benefits for those members who retired on or after July 1, 1977.
- f. Early retirement benefits are calculated as for single life benefits accrued to the date of termination of employment, but must be actuarially reduced to account for benefit payments beginning before the normal retirement date, as determined under subsection 3. Except for a national guard security officer or firefighter, a firefighter, peace officer, or correctional officer employed by a political subdivision, a peace officer

employed by the state, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, is eligible for early retirement benefits only after having completed three years of eligible employment. A supreme or district court judge retiree is eligible for early retirement benefits only after having completed five years of eligible employment.

- g. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's primary social security benefits and by any workforce safety and insurance benefits paid. The minimum monthly disability retirement benefit under this section is one hundred dollars.

SECTION 23. EXEMPTION - FISCAL MANAGEMENT. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems, including accounting, management, and payroll, during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 24. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$500,000 appropriated from the strategic investment and improvements fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws and continued into the 2021-23 biennium pursuant to section 42 of chapter 15 of the 2021 Session Laws for an assessment of state lands and facilities.
2. The sum of \$350,000 appropriated from the capitol building fund in section 1 and identified in section 2 of chapter 15 of the 2021 Session Laws for a facility consolidation study.

SECTION 25. RETROACTIVE APPLICATION. The targeted market equity pool line item in section 1 of this Act and section 14 of this Act, and the deferred maintenance funding pool line item in section 1 of this Act and section 9 of this Act, apply retroactively to May 10, 2023. Sections 21 and 22 apply retroactively to August 1, 2023. The remainder of this Act applies retroactively to July 1, 2023.

SECTION 26. EFFECTIVE DATE. This Act becomes effective immediately upon its filing with the secretary of state.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2393.

Senate Vote: Yeas 46 Nays 1 Absent 0

House Vote: Yeas 82 Nays 7 Absent 5

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2023.

Approved at _____ M. on _____, 2023.

Governor

Filed in this office this _____ day of _____, 2023,

at _____ o'clock _____ M.

Secretary of State