



2005-2007 Biennial Report

July 1, 2005—June 30, 2007

OFFICE OF MANAGEMENT AND BUDGET

Pam Sharp, Director



**OFFICE OF
MANAGEMENT AND
BUDGET**

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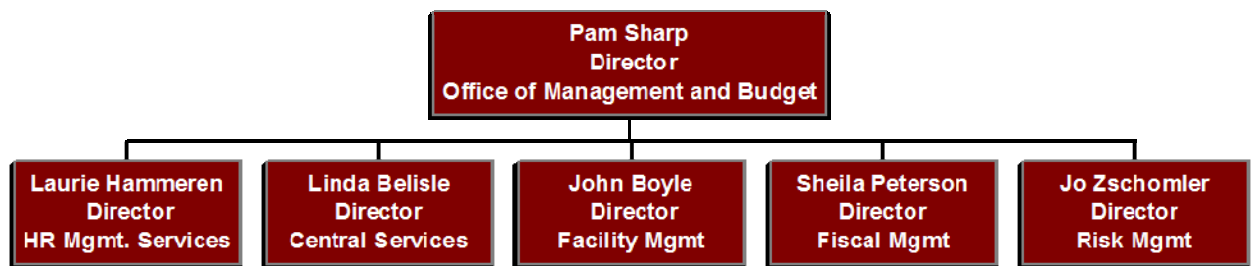
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2005-2007 Biennial Report

Office of Management and Budget

OMB's Mission

The mission of OMB is to provide a range of products and services resulting in a well- run government that meets the needs of North Dakota citizens.



Introduction

The Office of Management and Budget (OMB) is established under the North Dakota Century Code Chapter 55-44. The department, headed by a director appointed by the governor, is vested with the control and supervision of the fiscal administration of the executive branch of government. Governor John Hoeven appointed Pam Sharp as interim director in January 2003 and director in June 2003.

During the 2005-2007 biennium the department consisted of the following: Fiscal Management, Human Resource Management Services, Central Services, Facility Management, and Risk Management.

Resources Available

Information pertaining to the Office of Management and Budget is available on the OMB website at <http://www.nd.gov/omb>.

Central Services Division

July 1, 2005 – June 30, 2007

Linda Belisle, Director

Mission

To provide our customers with the highest quality services and/or products in a timely and cost efficient manner. To perform assigned responsibilities supporting the functions of OMB.

Responsibilities

Central Services Division was established to provide centralized services to meet the needs of agencies in the following program areas: Central Duplicating Services, Central Supply, State Procurement, and State and Federal Surplus Property as defined in NDCC 46-01, 46-02, 54-44-04.19, 54-44.4, 54-44-04.5, and 54-44-04.6 respectively.

Central Duplicating, Central Supply and Surplus Property are self-supporting and generate revenue by charging for services rendered. State Procurement is funded with general fund monies and was added to Central Services Division in September of 1994.

A description of the CSD's service operations and corresponding responsibilities follows.

Central Duplicating Services provides a centralized printing facility to provide departments and agencies with economical and efficient printing services. Services provided include graphic art services, offset and digital printing, and finishing such as tape binding, shrink wrapping, padding, perforating, collating, and numbering. Mainframe and LAN reports and checks are printed in Central Duplicating. Additional services include standard mailing, CD/DVD duplication, VHS to DVD conversion, laminating, and document shredding/media destruction.

Central Supply provides a centralized source of office and paper supplies. Standard, common-use items are procured in bulk quantities and stored in a central location for distribution to state agencies upon request.

State Procurement is the central authority for procurement for all state agencies not exempt by statute. State Procurement rules and policies have been established to ensure fair treatment to all suppliers through the competitive bidding process in order to obtain the best value for the taxpayers of the state. State Procurement staff is available to assist agencies with all their procurement needs. With the implementation of the PeopleSoft ERP system, the State Procurement Office manages the vendor registry database. Services provided by the Vendor Registry Office include assisting agencies with inputting vendor information to receive payment and inputting vendor-provided information to receive payment and to respond to bid documents.

State Surplus Property is responsible for the disposition of certain state-owned assets and for the acquisition and disposition of federal surplus property. State agencies report unneeded and/or unusable fixed assets to Surplus Property for disposition according to NDCC 54-44-04.6. Under the authority of the Federal Property and Administrative Services Act of 1949, as

amended, and NDCC 54-44-04.5, the General Services Administration (GSA) allocates federal surplus property to the individual State Agencies for Surplus Property (SASP). The SASP then distributes the property to eligible recipients.

Financial Report

Central Services Division operates an internal service fund for Central Duplicating, Central Supply, and Surplus Property. The Legislature appropriates spending authority and revenue is generated from fees for services billed to customer agencies. The State Procurement Office is funded from the state's general fund.

Resources Available

Manuals outlining the policies and procedures for the four operations within Central Services Division are available from the website at www.state.nd.us/csd. They may also be obtained by writing to Central Services Division, 600 East Boulevard, Department 118, Bismarck, ND 58505-0420, by calling 701-328-2772, by faxing a request to 701-328-2778, or by e-mailing the division at csd@nd.gov.

Facility Management
July 1, 2005 – June 30, 2007
John Boyle, Director

Mission

To provide a clean, safe, friendly and efficient environment to all who use our facilities, resulting in a positive public image.

Responsibilities

The Facility Management Division of the Office of Management and Budget is charged with maintaining the State Capitol Complex buildings and grounds pursuant to Chapter 54-21 of the North Dakota Century Code. Under this section, the office is also responsible for maintaining the Governor's Residence, operating the Central Mail Bureau, and the Capitol Tour and Information Center.

The Capitol Complex consists of approximately 132-acres of manicured lawns, shelterbelts and native prairie grasses. The buildings located on the grounds include the Capitol Building, the Judicial Wing, the Heritage Center, the Liberty Memorial Building, State Office Building, the Department of Transportation Building, and the Governor's Residence.

Facility Management has a staff of 62 full-time employees who work throughout the complex. One full-time staff member is assigned to the Central Mail Bureau, one full-time staff member is 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. The State Facility Planner (a licensed architect) is located on the fourth floor, and is a full-time employee of the Facility Management Division.

Capitol Building and Grounds Report

During the biennium there were several projects completed. The two largest projects were the installation of a fire suppression system in the Capitol tower and the addition of emergency backup generators for the Capitol and surrounding buildings.

Facility Management continually strives to improve and update all of our building systems so that our state employees can work in a safe and comfortable environment.

Resources Available

The Facility Management Division has created a very informative website at <http://www.state.nd.us/fac/> that contains an extensive amount of information for the public and state employees. This site is continually updated with the latest information. We do provide literature and brochures that are available at the Capitol ground floor information desk with regards to the Capitol Complex tour schedules, and a brief history of both the Governor's Residence and the Capitol Building. Other documents that are used in the day-to-day operations are available to the public upon request.

Fiscal Management
July 1, 2005 – June 30, 2007
Sheila Peterson, Director

Mission

To provide our customers with services and support for fiscal operations that result in timely and reliable financial data.

Responsibilities

The Fiscal Management Division exists under the authority of the North Dakota Century Code Section 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.” This 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.

The Office of Management and Budget 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 resource management services and payroll.

The PeopleSoft Financial System objectives are: 1) to secure centralized financial management information based on a uniform chart of accounts and programs; 2) to provide data to be used in the preparation of statewide and agency reports in accordance with GAAP (Generally Accepted Accounting Principles); and 3) to provide reporting of revenues and expenditures for the general fund, special funds, and federal funds.

During the 2005-07 biennium, the State of North Dakota was presented a Certificate of Achievement for Excellence in Financial Reporting for fiscal years 2005 and 2006. This certificate is presented to government units whose Comprehensive Annual Financial Report (CAFR) achieves the highest standard in government accounting and financial reporting.

The executive budget recommendation also serves as a statewide financial plan of state services. It is presented to the Legislature prior to the start of each legislative session. In preparation of the biennial executive budget recommendation, the budget staff provides budget guidelines that result in budget requests from state agencies. After holding hearings on the requests, performing on-site visits and inspections, and performing comparative analyses, the budget staff presents the governor and key policy makers with budget scenarios for their approval and inclusion in the executive budget.

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 staff include the preparation of state revenue forecasts, review of state management and organization 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.

Resources Available

Information pertaining to the Fiscal Management Division of OMB is available on the Fiscal Management website at <http://www.nd.gov/fiscal>.

Human Resource Management Services

July 1, 2005 – June 30, 2007

Laurie Sterioti Hammeren, Director

Mission

To actively promote effective management in North Dakota state government by providing leadership and expertise in human resource service.

Responsibilities

In 1975, the legislative assembly passed a Central Personnel System Act, codified as North Dakota Century Code chapter 54-44.3. The Act created the central personnel division and the state personnel board. The division establishes and maintains classification and compensation plans as well as general policies and rules, which are binding on the affected agencies, relating to a unified system of personnel administration for the employees in the classified service of the state. Although the division and board are completely separate, they work closely together on classification and pay grade issues. Previously, they each adopted their own rules; however, legislation was passed effective August 2005 allowing biennial reporting for the State Personnel Board activities to be incorporated with HRMS' information within the OMB biennial report. Effective August 2003, legislation was adopted which changed the name of Central Personnel Division to North Dakota Human Resource Management Services.

HRMS has 10.5 authorized FTE positions. The staff provides comprehensive human resource services in the areas of classification, compensation, training and staff development, employment services, and technical assistance to state agencies.

HRMS was involved in several initiatives this biennium to support and provide leadership and expertise to state agencies in various human resource functional areas. Highlights of the biennial accomplishments follow.

Classification and Compensation

HRMS participates in and provides survey data that is used by the Governor, the State Employee Compensation Commission, and the legislature in establishing the state compensation plan for state workers.

HRMS prepared the 2007 North Dakota State Employee Compensation Report and presented it to a joint session of the ND House and Senate Appropriations Committees. Various other statistical data and documents were updated and disseminated to interested parties.

The division completed 1,796 position classification reviews during the biennium with three appeals being submitted to the State Personnel Board.

HRMS hosted the Central States Compensation Conference at which 17 states were represented. The division also provided information for the Employee Benefits Committee Compensation Study, completed a salary and pay grade review on the Department of Emergency Services, and studied salaries of attorneys and paralegals statewide.

Training and Staff Development

HRMS staff provides a variety of general and agency specific training to state agencies dependent on need and request.

HRMS training staff coordinated training for 3,796 state employees, offering a total of 78 different courses in 317 sessions. Of these totals, HRMS staff developed and conducted training for 2,332 employees - 27 courses in 139 sessions.

HRMS developed an RFP and awarded a new contract to provide Supervisory/Management training incorporating new programs.

Web-based training was developed and implemented to enhance agency efficiency and reduce state training costs.

Employment Services

HRMS provides comprehensive recruitment services to state agencies and promotes internship and cooperative education opportunities by coordinating inquiries and referrals between agencies and colleges.

The division assists agencies in their selection process by advertising job vacancies, developing recruitment and selection tools, screening applications, representing state agencies at college and university career fairs, and serving on interview panels.

The division also provides mediation services to agencies as a means of alternative dispute resolution for employees and management.

Resources Available

The Human Resource Management Services Division has created a very informative website at <http://www.nd.gov/hrms> that contains extensive information for state employees, management, and the public. This site is continually updated with the latest information and includes job announcements. In addition, the division has developed various brochures and model policies that are available on the 14 Floor of the Capitol, upon request by calling the division at 701-328-3290; by writing to HRMS at 600 East Boulevard Avenue, Department 113, Bismarck, ND 58505-0120; or by emailing the division at hrms@nd.gov.

State Personnel Board

The State Personnel Board met twice this biennium.

- January 2006 – Considered a reclassification appeal. Reported on the status of the audit report regarding the Division of Emergency Services.
- May 2007 – Considered a reclassification appeal. Approved 2007-09 salary ranges.

Risk Management
July 1, 2005 – June 30, 2007
Jo Zschomler, Director

Mission

To protect the assets of the State of North Dakota – its people, property and financial resources - so that the state can continue to meet the obligations to the citizens of the state.

Responsibilities

Risk Management Tort Liability Program

The Division of Risk Management of the Office of Management and Budget was established when the 1995 Legislature, in addressing the state's loss of sovereign immunity for tort liability, passed the State Tort Claims Act (N.D.C.C. ch. 32-12.2) assigning the responsibility for administering the state's risk management program to OMB.

Risk Management Workers Compensation Program (RMWCP)

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

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, dividends, 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 (\$5,305,800 aggregate) 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 a RMWCP deductible program.

Loss Control

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

- 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, electronic Quick Tip updates, 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, the \$100,000 deductible workers compensation claim fund.

Claims against the Funds are 1) reviewed to ensure they meet statutory requirements, 2) investigated, and 3) expediently resolved.

Litigation

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

The Risk Management Fund also provides defense for state employees acting within the scope of employment, requesting defense, and cooperating in their defense. 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 Tort Claims Act.

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

Resources Available

Information pertaining to the Risk Management Division of OMB is available on the Risk Management website at <http://www.nd.gov/risk>.