

THE STANDARD



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Facility Management

NEW GOVERNOR'S RESIDENCE

The 64th Legislative Assembly approved in Senate Bill 2304, the demolition of the existing and construction of a new Governor's residence. The selection committee received eight submittals for this project. After careful deliberation, Chris Hawley Architects of Fargo was selected as the architect-of-record. Mr. Hawley has designed and provided construction administration for many luxury homes located throughout the Fargo and Detroit Lakes areas. He has received many design awards and has been mentioned in numerous publications including the Wall Street Journal. (His most well-known project is the "Sky Barn" perched above the reinvented downtown Fargo streetscape.)

In August, the three-member design selection team was expanded to include four state legislators--Senators Joan Heckaman and Howard Anderson, and Representatives Kenton Onstad and James Kasper. The first meeting with Chris Hawley Architects and the seven-member committee was held at the Governor's residence on August 28 to determine the layout for the new Governor's residence. At their second meeting on September 28, Chris Hawley and his team presented three design schemes for the new residence. And, on September 29, provided the same information to the Capitol Grounds Planning Commission.

The next meeting of the Capitol Grounds Planning Commission will be at 1:00 p.m. on December 1 in the Brynhild Haugland Room of the Capitol. The Commission will be accepting public input on the three schematic designs and will determine which of the three should be approved.

Senate Bill 2304 states that \$500,000 must be raised and deposited in the Capitol Building Trust Fund prior to construction. The co-chairs of the fundraising efforts are Representative Pamela Anderson and James Poolman. The goal is to have the initial \$500,000 raised by the end of this year.

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FACILITY MANAGEMENT

SPECIAL EVENTS

Facility Management

Scheduled throughout the Capitol complex this fall and winter include:

- Trick or Treating at the Governor’s Residence, October 31
- Veterans Day Ceremony, November 11
- Governor’s Official Tree Lighting Ceremony, December 8 at 5:00 pm in Memorial Hall
- Capitol Tower Window Tree Lighting, December 8 immediately after the Official Tree Lighting Ceremony (will be displayed through December 30)

RISK MANAGEMENT

RISK MANAGEMENT FUND UPDATE

Following the loss of sovereign immunity in 1995, the Risk Management Fund was established to address liability exposures faced by state entities and their employees. It was determined that the State could address liability exposures through a self-retention fund more cost effectively than through the purchase of multiple lines of insurance. Commercial liability insurance may only be purchased by agencies in certain areas that have been determined to pose an excessive financial risk to the Risk Management Fund. Currently approved insurance purchases include medical professional liability insurance for certain health care professionals associated with the UND School of Medicine, including the Family Practice Clinics, aviation liability, and products liability at the State Mill. The Risk Management Fund itself is also insured through a commercial excess insurance policy.

Since its inception, the Risk Management Fund has incurred \$7,810,372 in indemnity obligations and \$3,768,051 in expenses for a total of \$11,578,423 in paid and reserved losses as of September 2015. Consistent over a number of years, vehicle liability represents the single largest exposure to the fund with just slightly more than 40% of all total claims and costs both vehicle and general liability. Also consistent over a number of years, employment practices liability accounts for approximately 42% of general liability claim costs even though the number of such claims remains relatively low. Prison litigation costs continue to grow, now representing approximately 25% of all general liability costs to the Fund.

Indemnity payments from the Fund are only authorized for injury or damages caused by the negligence or wrongful act of a state employee acting within the scope of employment under circumstances where the employee would be personally liable to the claimant or where an injury is caused by some condition or use of tangible property under circumstances where the State, if a private person, would be held liable. Risk Management Division staff rely upon information provided by agencies to make a determination as to whether a claim is payable. Where an incident occurs as the result of a standard agency practice or process that the agency maintains cannot reasonably be changed or modified to reduce the risk that caused the injury or damage, any resulting claim is generally not payable.

Agencies with questions about coverage under the State’s self-retention fund should contact the Risk Management Division.



FISCAL MANAGEMENT

2013-15 BIENNIUM WRAP-UP

State general fund revenues continued to grow during the 2013-15 biennium, which ended June 30, 2015. General fund revenues, including transfers from special reserve funds, totaled \$5.80 billion – an increase of \$645.9 million, or 12.5 percent, from the prior biennium. Excluding transfers, general fund revenues totaled \$4.92 billion – an increase of \$387.5 million, or 8.6 percent, from the 2011-13 level.

General fund appropriations for the 2013-15 biennium, including supplemental or deficiency appropriations approved by the 2015 Legislative Assembly, totaled \$6.8 billion. Approximately \$240.1 million of this authority was unspent at the end of the biennium. Of this amount, \$147.7 million will be carried forward to the 2015-17 biennium to complete capital construction projects or other specific programs required by the legislature. The remaining \$92.4 million, or 1.4 percent of the total appropriations, will be returned to the state's general fund.

The 2013-15 biennium ended with an unobligated general fund balance of \$729.5 million. Additionally, the state has several constitutional and/or statutory reserve accounts to support the state government operations in the event of an economic downturn. Three funds are available to cover general operational expenses. First, the budget stabilization fund is available if actual biennial revenues are expected to be more than 2.5 percent less than the original legislative estimate. Next, the strategic investment and improvements fund and the tax relief fund are appropriated biennially by the legislature for tax relief efforts and other one-time state projects.

Another two constitutional funds can be utilized in a more limited fashion. The foundation aid stabilization fund can be used only for state school aid payments in the event of a general fund revenue shortfall. Finally, the legacy fund, which becomes available after June 30, 2017, can be appropriated with a 2/3 vote of the legislature for legislatively-determined purposes

The state has seen remarkable growth in these reserve accounts since the end of the 2005-07 biennium. As of June 30, 2015, state reserve funds, excluding the legacy fund, totaled \$2.69 billion, more than four times the 2005-07 level of \$667.8 million. Including the \$3.28 billion legacy fund, reserve levels sit at \$5.98 billion, nearly nine times the 2005-07 level.

DELTA AIRLINES DISCOUNT PROGRAM OFFERING DEEPER DISCOUNTS EFFECTIVE OCTOBER 1, 2015

(Good for Business & Personal Travel)

The State of ND has been participating in a discount program for Delta flights for the past several months. Flights are booked using the “Delta EDP Link” accessed through the PeopleSoft Employee Hub. **If you access delta.com from your internet browser, you will NOT receive the discount.** (Flights can be booked through a travel agent. Make sure to tell them that you are part of the EDP program for discounts.)

The initial discount was 2%. However, effective October 1, 2015, Delta is offering deeper discounts on certain fare classes. Some discounts are up to 10%, depending on destination and cost.

If you have questions, please contact Tricia Opp, Central Services Division, at 701-328-1721.

HUMAN RESOURCE MANAGEMENT SERVICES

CONNECTND

PEOPLESOFT HUMAN RESOURCE INFORMATION SYSTEM

Candidate Gateway and Recruiting Solutions are the PeopleSoft modules for North Dakota's on-line job application, application screening, and applicant management system. There are approximately 115 open positions posted on the state job web site. Since going live in February 2014:

- 4,365 job openings have been posted (243/mo)
- 27,225 applications have been received (1,513/mo)
- 2,584 employees have been hired (144/mo)

As the system facilitates gathering more complete information regarding applicants, we find that:

- 58% of applicants find our state agency job openings via various internet sources (*HRMS web site, JobsND.com, indeed.com, LinkedIn, etc.*)
- 7% of applicants are referred by current employees
- 26% of applicants did not specify a source
- 9% came from other sources
(*Job Fairs, Newspaper, TV/Radio, Walk-in, etc.*)

RECENT HR DEVELOPMENTS

Independent Contractor – On July 15, 2015, the U.S. Department of Labor (DOL) narrowed the definition of independent contractor. The new definition focuses on whether the worker is economically dependent on the employer. Previously, the definition focused on the degree to which a business controls an individual's work. This change may mean that a worker previously classified as an independent contractor may now be classified as an employee under the new definition. In determining whether a worker is an employee or independent contractor, the DOL noted six factors to consider:

- Is the work an integral part of the employer's business?
- Does the worker's managerial skill affect the worker's opportunity for profit or loss?
- How does the worker's relative investment compare to the employer's investment?
- Does the work performed require special skills and initiative?
- Is the relationship between the worker and the employer permanent or indefinite?
- What is the nature and degree of the employer's control?

All factors need to be considered in determining if the worker is an employee or an independent contractor. Positions frequently considered as independent contractors – such as carpenters, construction workers, electricians – aren't necessarily independent contractors if they don't satisfy the factors. Employers should monitor and periodically audit their independent contractor relationships. For more information, see: <http://www.dol.gov/whd/workers/misclassification/>.

Overtime Rule – The U.S. Department of Labor (DOL) has proposed a new overtime rule that would increase the salary level for determining which employees would be exempt from overtime pay. The DOL intends to set the new salary level at \$970/week or \$50,440 annually for 2016 and would index the salary level to automatically rise each year. This would make many more employees non-exempt and eligible for overtime. HRMS will notify agencies once the final rule has been issued. For more information, see: <http://www.dol.gov/whd/overtime/NPRM2015/factsheet.htm>.

CENTRAL SERVICES

1099 SEASON AROUND THE CORNER

Mark your calendar! Vendor Registry will be holding a user group meeting for 1099 Reporting, Monday, November 9th, at 9:00 a.m.. We invite you to join us. If you are new to the 1099 process or just a bit fuzzy on your agency's 1099 responsibilities, this is a great opportunity to review and ask questions.

You can begin preparing for the 1099 season by starting to run the NDS_1099_MISMATCH and NDS_1099_ACTIVITY queries. The '1099_MISMATCH' query will identify vouchers paid with a different withholding status than the vendor setup (e.g. vendor is marked reportable but your payment was entered as nonreportable). Use the '1099_ACTIVITY' query to view detailed information about your payments. These two queries will help you identify corrections that may need to be made by your agency.

If your agency makes payments to vendors not currently in the Vendor Registry, now is a good time to start collecting W-9's and submitting a work order to Vendor Registry for the vendors to be setup in PeopleSoft. Once the vendors are setup, your agency can plan for any 1099 adjustments that must be entered. More information on this topic will be provided in the user group meeting.

OMB provides 1099 reporting for 1099-Misc, 1099-G, and 1099-S forms. If you have any questions on 1099 reporting, feel free to contact Vendor Registry at 328-2773. We will be providing additional information including deadline dates for your agency's responsibilities and on the upcoming user group meeting.

NEW STATE CONTRACT FOR COLLECTION AND NONSUFFICIENT FUND CHECK SERVICES

The State Procurement Office (SPO) is excited to announce a new state term contract #176-1, Collection Services. The contract is set up as a vendor pool with four contractors offering collection services. This contract includes pricing for non-litigation and litigation services. Simply select a contractor to perform collection services for your agency, and sign a participating addendum which serves as the contract between your agency and the contractor. Send a copy of the completed participation addendum to the OMB contract administrator, Chad Keech. You can find detailed information on the SPO website at www.nd.gov/spo. If you are interested, feel free to contact Chad Keech at ckeech@nd.gov or 701-328-2767.

RESOURCE = ND SURPLUS PROPERTY!

When replacing your equipment at work, or at home, think Surplus Property! We have all your needs covered from additional storage in the office to the freshman headed off to college. HP Elitebooks are only \$150! Surplus Property has what you are looking for!

When preparing Herman Miller for Surplus, *please* take a picture of the finished product before it is disassembled. The pieces are very difficult to re-utilize when we do not know what it should look like. Such a shame to not put them back to use. And remember, when surplus from the Capitol, all property must be taken to the Capitol loading dock.

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And, come visit us at 1278 Hemlock St, Bismarck, Monday – Friday, 8 to 4.