

CHAPTER 54-06 GENERAL PROVISIONS

54-06-01. Definitions. In this chapter, unless the context or subject matter otherwise requires:

1. "Appointed or appointive state officers and members of appointive state boards, bureaus, and commissions, and deputies, assistants, secretaries, clerks, and employees" includes all persons whose office or employment is held by virtue of any appointment or employment however made, other than an election by the voters of the state, whether or not such office or employment is created by an act of the legislative assembly.
2. "Elected and elective state officers" includes the governor, the lieutenant governor, the attorney general, the secretary of state, the state auditor, the state treasurer, the superintendent of public instruction, the agriculture commissioner, the insurance commissioner, the tax commissioner, and three public service commissioners.

54-06-02. State officers reside at capital. Repealed by S.L. 1993, ch. 506, § 1.

54-06-03. Report of state officers and boards. Except as otherwise provided by law, all officers, departments, boards, commissions, and state institutions that make and transmit reports annually or biennially to the governor and the secretary of state shall submit their reports to the governor and the secretary of state not later than December first of the year in which the report is required to be made.

54-06-04. Form and number of reports to be submitted.

1. The following executive and administrative officers and departments shall submit to the governor and the secretary of state reports covering their operations for the two preceding fiscal years, except as otherwise provided by law, not later than the first day of December each year after the regular session of the legislative assembly:
 - a. Secretary of state.
 - b. State auditor.
 - c. Insurance commissioner.
 - d. Attorney general.
 - e. Agriculture commissioner.
 - f. Superintendent of public instruction.
 - g. State tax commissioner.
 - h. Public service commission.
 - i. Department of corrections and rehabilitation.
 - j. Department of transportation.
 - k. State department of health.
 - l. Department of human services.
 - m. Workforce safety and insurance.

- n. Office of management and budget.
 - o. State treasurer.
 - p. Labor commissioner.
 - q. Department of financial institutions.
 - r. Game and fish department.
 - s. Industrial commission.
 - t. Job service North Dakota.
 - u. Board of university and school lands.
2. A committee composed of the director of the state historical society, the state librarian, and the secretary of state, or other persons designated to represent them, shall meet at the call of the secretary of state to set the requirements for form, style, materials, and content of biennial reports.
 3. This section does not prohibit the executive and administrative officers and departments enumerated in subsection 1 from receiving additional copies of their reports as may be available and printed.
 4. All officers, departments, boards, commissions, and state institutions that submit reports covering their operations for the two preceding fiscal years to the governor and the secretary of state shall submit copies of their reports in the form and style, using the materials, and having the content prescribed under subsection 2 on or before the first day of December in each year after the regular session of the legislative assembly. If submitted, one copy of each report must be also distributed to the following agencies:
 - a. Legislative council.
 - b. Office of management and budget.
 - c. State law library.
 - d. The libraries of each state institution of higher education.
 - e. State archivist for official and public use.
 5. All executive and administrative officers and departments that submit reports under this section shall bear the costs of the preparation and any printing of the reports.
 6. All reports required under this section to be submitted to the secretary of state must be subsequently transmitted by the secretary of state to the state archivist for official and public use following their receipt and review by the secretary of state.

54-06-04.1. State agencies, departments, and institutions charging fees shall make reports. All state agencies, departments, and institutions which license, inspect, or regulate private business activities or products and charge fees for such services, except the secretary of state, shall prepare and submit to the office of the budget, with the budget estimates required by section 54-44.1-04, a report for the last two fiscal years giving information about the costs of providing each service and the fees charged for the granting or providing of such service. The report must accurately present the costs and revenues in accordance with the various categories of service and such report must be completed and supported by such accounting records and allocation procedures as are acceptable to the director of the budget.

54-06-04.2. Information to employees on state employee health and retirement and social security benefit program contributions and premiums paid by the state. A report providing a summary of payments made by the state for premiums and contributions for state employee insurance, retirement, and federal social security benefit programs for each state employee must be provided to each employee every calendar year. The report must be in a form adopted by those state agencies and institutions responsible for preparing state employee payrolls. The information provided must include any portion of required employee retirement program contributions paid by the state on behalf of the employee and must include the accumulated state payments for these benefit programs for the current calendar year.

54-06-04.3. Joint publication and distribution of information by state agencies. Any state agency may cooperate with any other state agency to jointly publish and distribute information and may arrange to have the joint publication or distribution, or both, coordinated by a private entity. Any state agency may provide information it has collected or developed, including mailing lists, to each other or to any private entity for the purpose of distributing jointly or individually issued publications or other information.

54-06-05. Office of management and budget may condense report - Number of copies of report. Repealed by S.L. 1995, ch. 350, § 56.

54-06-06. Salaries of state officers and employees - Periodic payment. Unless otherwise provided by law, the office of management and budget shall prepare warrants for the salaries of state officers and employees not less frequently than monthly as the same become due.

54-06-07. Salaries full compensation - Fees paid over to state treasurer. All salaries of elective and appointive state officers shall be full compensation for all official services. All fees, which are not otherwise by the laws of this state directed to be deposited in a special fund or disbursed for a special purpose, received or charged by any elective or appointive officer or deputy state officer for any act or service rendered in the officer's official capacity must be accounted for and paid over by the officer monthly to the state treasurer and must be credited to the general fund of the state.

54-06-08. Record of fees kept by state officers - Report to state treasurer. Every state officer or deputy state officer required by the Constitution of North Dakota, or by any provision of the laws of this state, to pay into the state treasury all fees and profits arising from such office, shall keep a record of all such fees or profits in a book kept for that purpose. Such book is the property of the state. Each officer shall report to the state treasurer monthly the amount of fees or profits received, verified by oath, and at the same time shall pay the amount of such fees or profits to the treasurer, taking duplicate receipts therefor. One of the receipts must be filed with the office of management and budget forthwith. The office of management and budget shall charge the state treasurer with the amount thereof.

54-06-08.1. Clearing accounts and cash balances maintained by state agencies. All departments, institutions, or agencies of the state may maintain, subject to approval of the state auditor and the state treasurer, in the Bank of North Dakota, or, if the state entity is located outside Bismarck, in another state or federally chartered financial institution, an account for clearing or cashing of checks and making change. To accommodate peak processing periods, the balance in an account at a financial institution other than the Bank of North Dakota may exceed the maximum amount of federal insurance coverage available if the excess in the account is secured by another form of security or security deposit; however, the balance may exceed the maximum amount of federal insurance coverage available only for the time it takes to clear the checks. Any check written on the account may be used only to transfer funds to the Bank of North Dakota or the state treasurer. A financial institution shall report to the state auditor in writing within thirty days after opening or closing an account for a state entity under this section. Subject to the approval of the state auditor, a state entity may maintain a cash balance reasonable for the conduct of business at the location of the entity.

54-06-08.2. Payment by credit or debit card or by electronic fund transfer - State credit card processor - Fees.

1. A state agency, board, or commission, the judicial branch, or any political subdivision may accept payment by credit or debit card or by electronic fund transfer of any fee, interest, penalty, tax, or other payment that is due or collectible by the agency, board, or commission. The judicial branch may accept payment by credit or debit card or by electronic fund transfer for any fees, costs, or other assessments required or imposed under state law or court rule.
2. The Bank of North Dakota is the state credit card administrator for credit card transactions of state agencies, boards, or commissions. The Bank of North Dakota shall select a credit card processor or processors to provide credit card services to state agencies, boards, and commissions. All funds from credit card transactions must be deposited in the respective entity's account in the Bank of North Dakota.
3. Except as otherwise provided under section 20.1-03-32, in accordance with rules adopted by the office of management and budget, an executive branch agency may charge a fee to be added to a payment as a service charge for the acceptance of a payment made by a credit or debit card or an electronic fund transfer. The office of management and budget shall adopt rules establishing the terms under which executive agencies may charge a service fee under this subsection.

54-06-09. Mileage and travel expense of state officers and employees.

1. State officials, whether elective or appointive, and their deputies, assistants, and clerks, or other state employees, entitled by law to be reimbursed for mileage or travel expense, must be allowed and paid for mileage and travel expense.
 - a. For each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when the travel is by private airplane, the individual is entitled to a sum equal to one and one-half times the mileage reimbursement amount established under subdivision c for travel by motor vehicle. Mileage by private aircraft must be computed by actual air mileage when only one state employee or official is traveling; if two or more state employees or officials are traveling by private aircraft, the actual mileage must be based on the road mileage between the geographical points. Reimbursement for private airplane travel must be calculated as follows:
 - (1) If reimbursement is for one properly authorized and reimbursable passenger, reimbursement must be paid on a per mile basis as provided in this subsection.
 - (2) If reimbursement is claimed for a chartered private aircraft, reimbursement may not exceed the cost of regular coach fare on a commercial flight, if one is scheduled between the point of departure, point of destination, and return, for each properly authorized and reimbursable passenger on the charter flight; or, where there is no such regularly scheduled commercial flight, the actual cost of the charter.
 - b. Except as provided in subdivision a, when travel is by rail or certificated air taxi commercial operator or other common carrier, including regularly scheduled flights by airlines, the individual is entitled to reimbursement for the amount actually and necessarily expended therefor in the performance of official duties.
 - c. The director of the office of management and budget shall adopt rules establishing mileage reimbursement for actual and necessary travel in the performance of official duty when the travel is by motor vehicle, the use of which is required by the employing entity. The director shall amend the rules

when necessary to set reimbursement at the same rate as established by the United States general services administration for privately owned vehicles.

2. No reimbursement may be paid for leased private aircraft, except for leased or rented private aircraft from a recognized fixed base aviation operator who is in the business of leasing and renting private aircraft and is located on an airport open for public use.
3. If only one person engages in such travel in a motor vehicle exceeding at any geographical point three hundred miles [482.80 kilometers] beyond the borders of this state, reimbursement is limited to eighteen cents per mile [1.61 kilometers] for miles driven in excess of six hundred miles [965.60 kilometers] of round trip out-of-state travel.
4. An official, deputy, assistant, clerk, or other employee, when required to travel by motor vehicle or truck in the performance of official duty, shall use a state-owned vehicle whenever possible unless exempted under section 24-02-03.3. However, an agency, institution, department, board, bureau, or commission may allow use of an official's, deputy's, or employee's personal motor vehicle in circumstances authorized by the official, deputy, or the employee's supervisor. If personal motor vehicle use is authorized under this subsection, the agency may also allow mileage reimbursement at a rate less than that otherwise provided in this section. When official travel is by motor vehicle or airplane owned by the state or by any department or political subdivision of the state, no allowance may be made or paid for such mileage, except that governmental entities may share expenses when officials or employees of those entities travel in the same motor vehicle or aircraft.
5. Notwithstanding the other provisions of this section, state employees permanently located outside the state or on assignments outside the state for an indefinite period of time, exceeding at least thirty consecutive days, must be allowed and paid forty-five cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle, and the three-hundred-mile [482.80-kilometer] restriction imposed by subsection 3 does not apply.
6. Before any allowance for any such mileage or travel expenses may be made, the official, deputy, assistant, clerk, or other employee shall file with the employee's department, institution, board, commission, or agency an itemized statement showing the mileage traveled, the hour of departure and return, the days when and how traveled, the purpose thereof, and such other information and documentation as may be prescribed by rule of the employee's department, institution, board, commission, or agency. The statement must be submitted to the employee's department, institution, board, commission, or agency for approval and must be paid only when approved by the employee's department, institution, board, commission, or agency.

54-06-09.1. Certification of unlawful expense and traveling account - Penalty - Action for violation. Repealed by S.L. 1975, ch. 106, § 673.

54-06-10. Out-of-state travel - Authorization necessary. Repealed by S.L. 1993, ch. 508, § 1.

54-06-11. Amounts of bonds of state officers. Repealed by S.L. 1999, ch. 113, § 24.

54-06-12. Publishing false statements - Penalty. No state official may publish willfully any false statement in regard to any state department, institution, or industry which tends to deceive the public and create a distrust of any state official or employee in charge of such department, institution, or industry, or which tends to obstruct, hinder, and delay the various

departments, institutions, and industries of the state. Any person violating the provisions of this section is guilty of a class C felony.

54-06-13. Salary limitations suspended. Repealed by omission from this code.

54-06-14. Annual leave and sick leave for state employees. Annual leave and sick leave must be provided for all persons in the permanent employment of this state who are not employed under a written contract of hire setting forth the terms and conditions of their employment, within the limitations, terms, and provisions of this section. Annual leave for an employee entitled to it must be within a range of a minimum of one working day per month of employment to a maximum of two working days per month of employment, based on tenure of employment, to be fixed by rules adopted by the employing unit. Sick leave for an employee entitled to it must be within a range of a minimum of one working day per month of employment to a maximum of one and one-half working days per month of employment, based on tenure of employment, to be fixed by rules adopted by the employing unit. Annual leave must be compensated for on the basis of full pay for the number of working days' leave credited to the employee. Sick leave must be compensated for on the basis of full pay for absence due to illness on working days during tenure of employment. An employee with at least ten continuous years of state employment is entitled to a lump sum payment equal to one-tenth of the pay attributed to the employee's unused sick leave accrued under this section. An employee's years of state employment must be deemed continuous if, under the official personnel policy of an agency, unit, or entity, the employee's work is terminated because of a reduction in force and the employee is reinstated in any agency, unit, or entity within two years, or if the employee is placed on voluntary leave status without pay and the leave lasts no longer than two years for education purposes, or one year for any other voluntary leave without pay. The pay attributed to the accumulated, unused sick leave must be computed on the basis of the employee's salary or wage at the time the employee leaves the employ of the state and at the rate of one hour of pay for each hour of unused sick leave. The agency, unit, or entity that last employed the employee shall make the lump sum payment from funds appropriated by the legislative assembly to that agency, unit, or entity for salaries and wages. Any state agency, unit, or entity which employs persons subject to this section shall formulate and adopt rules governing the granting of annual leave and sick leave which will effectuate the purpose of this section and best suit the factors of employment of that employing unit. Each employing unit shall file with the office of management and budget a copy of the rules adopted, including any amendments or additions to the rules.

54-06-14.1. State leave sharing program.

1. As used in this section:
 - a. "Household members" means those persons who reside in the same home, who have reciprocal duties to and do provide financial support for one another. This term includes foster children and legal wards even if they do not live in the household. The term does not include persons sharing the same general house when the living style is primarily that of a dormitory or commune.
 - b. "Relative of the employee" is limited to the spouse, child, stepchild, grandchild, grandparent, stepparent, or parent of an employee.
 - c. "Severe" or "extraordinary" means serious, extreme, or life threatening. These terms do not include conditions associated with normal pregnancy.
 - d. "State employee" means a permanent employee with over six months continuous service with the state. It does not include employees in probationary status or employees on temporary or other limited term appointments.
2. A state employee may donate annual leave to a fellow state employee who is suffering from or has a relative or household member suffering from an extraordinary or severe illness, injury, impairment, or physical or mental condition that has caused

or is likely to cause the employee to take leave without pay or terminate employment.

3. A state employee is eligible to receive shared leave pursuant to the following conditions:
 - a. The chief administrative officer of the employee determines that the employee meets the criteria described in this section.
 - b. The employee has abided by state policies regarding the use of sick leave.
 - c. The employee's use of shared leave, including both annual and sick leave, does not exceed four months in any twelve-month period.
4. A state employee may donate annual leave to another state employee only pursuant to the following conditions:
 - a. The receiving employee has exhausted, or will exhaust, all annual leave, sick leave, and compensatory time off due to an illness, injury, impairment, or physical or mental condition, that is of an extraordinary or severe nature, and involves the employee, a relative of the employee, or a household member of the employee;
 - b. The condition has caused, or is likely to cause, the receiving employee to go on leave without pay or terminate employment; and
 - c. The donating employee donates leave in full-hour increments and retains a leave balance of at least forty hours.
5. The chief administrative officer of the state employee shall require the employee to submit, prior to approval or disapproval, a medical certificate from a licensed physician or health care practitioner verifying the severe or extraordinary nature and expected duration of the condition.
6. Donated annual leave is transferable between employees in different state entities.
7. One hour of donated annual leave must be regarded as one hour of shared leave for the recipient.
8. Any donated leave may only be used by the recipient for the purposes specified in this section and is not payable in cash.
9. All forms of paid leave available for use by the recipient must be used prior to using shared leave.
10. Any shared leave not used by the recipient during each occurrence as determined by the chief administrative officer of the employee may be retained by the recipient.
11. All donated leave must be given voluntarily. No state employee may be coerced, threatened, intimidated, or financially induced into donating annual leave for purposes of the leave sharing program.

54-06-14.2. State sick leave sharing program.

1. As used in this section:
 - a. "Severe" or "extraordinary" means serious, extreme, or life threatening. These terms do not include conditions associated with normal pregnancy.

- b. "State employee" means a permanent employee with over six months continuous service with the state. It does not include employees in probationary status or employees on temporary or other limited term appointments.
2. A state employee may donate sick leave to a fellow state employee who is suffering from an extraordinary or severe illness, injury, impairment, or physical or mental condition that has caused or is likely to cause the employee to take leave without pay or terminate employment.
3. A state employee may be eligible to receive shared leave pursuant to the following conditions:
 - a. The chief administrative officer of the employee determines that the employee meets the criteria described in this section.
 - b. The employee has abided by state policies regarding the use of sick leave.
 - c. The employee's use of shared leave, including both sick and annual leave, does not exceed four months in any twelve-month period.
4. A state employee may donate sick leave to another state employee only pursuant to the following conditions:
 - a. The receiving employee has exhausted, or will exhaust, all annual leave, sick leave, and compensatory leave due to an illness, injury, impairment, or physical or mental condition, that is of an extraordinary or severe nature;
 - b. The condition has caused, or is likely to cause, the receiving employee to go on leave without pay or terminate employment; and
 - c. The employee may not donate more than five percent of the employee's accrued leave hours, and all leave must be donated in full-hour increments.
5. The chief administrative officer of the state employee shall require the employee to submit, prior to approval or disapproval, a medical certificate from a licensed physician or health care practitioner verifying the severe or extraordinary nature and expected duration of the employee's condition.
6. Donated sick leave is transferable between employees in different state entities.
7. One hour of donated sick leave must be regarded as one hour of shared leave for the recipient.
8. Any donated leave may only be used by the recipient for the purposes specified in this section and is not payable in cash.
9. All forms of paid leave available for use by the recipient must be used prior to using shared leave.
10. Any shared leave not used by the recipient during each occurrence as determined by the chief administrative officer of the employee may be retained by the recipient.
11. All donated leave must be given voluntarily. No state employee may be coerced, threatened, intimidated, or financially induced into donating sick leave for purposes of the leave sharing program.

54-06-14.3. Disaster services volunteers - Leave. Upon issuance of an order or proclamation declaring a state of disaster or emergency pursuant to chapter 37-17.1, or a

declaration of at least a level II disaster by the American red cross in this or any other state, the executive officer in charge of a state agency may grant a leave of absence to any full-time employee of that agency who is certified by the American red cross as a disaster services volunteer. The leave of absence must be for the purpose of allowing that employee, upon request by the American red cross, to participate in disaster relief services. A person on leave under this section is not deemed to be an employee of the state for the purposes of workforce safety and insurance. The cumulative leave granted under this section may not exceed five working days during any calendar year. The leave may not result in a loss of compensation, seniority, annual leave, sick leave, or accrued overtime for which the employee is otherwise eligible.

54-06-14.4. State employee leave for organ or bone marrow donation. The executive officer in charge of a state agency may grant a leave of absence, not to exceed twenty workdays, to an employee for the purpose of donating an organ or bone marrow. Notwithstanding the limitations for the donation and use of donated leave under sections 54-06-14.1 and 54-06-14.2, an employee may request and use donated annual leave or sick leave for the purpose of donating an organ or bone marrow. If an employee requests donations of sick leave or annual leave, but does not receive the full amount needed for the donation of an organ or bone marrow, the executive officer of the state agency may grant a paid leave of absence for the remainder of the leave up to the maximum total of twenty workdays. The executive officer of the state agency may require verification by a physician regarding the purpose of the leave requested and information from the physician regarding the length of the leave requested. Any paid leave of absence granted under this section may not result in a loss of compensation, seniority, annual leave, sick leave, or accrued overtime for which the employee is otherwise eligible.

54-06-15. Failure of officials and employees working in capitol building to return keys upon termination of employment - Duty of person in charge of employing unit - Payment of fee in lieu of return - Retention of final warrant for salary or wage. Each elective or appointive official or state employee employed by, or in charge of, an employing unit with offices in the state capitol building who fails or is unable to return a key, or keys, issued to that person pursuant to section 54-21-17.1 shall have that person's final warrant-check for payment of salary or wages retained by the person in charge of the employing unit, or the person's designee, until the key or keys are returned, or until the fee in lieu of return provided in this section has been paid. Each official or employee who fails or is unable to return keys issued to the person in the manner provided in section 44-08-18 shall pay a fee of five dollars for each key not returned, which fee must be in lieu of return of a key. Upon receipt of the in lieu fee, the person in charge of the employing unit, or the person's designee, shall release the official's or employee's final warrant-check for payment of salary or wages. When an official or employee terminates that person's employment and fails or is unable to return a key, or keys, issued to that person, the person in charge of the employing unit, or the person's designee, shall retain the final warrant-check for payment of the salary or wages of that official or employee until this section has been complied with. As used in this section, the phrase "employing unit" means any agency, department, board, commission, or other governmental unit, including the supreme court, the legislative assembly, and the legislative council, which has offices located in the state capitol building. The phrase "person in charge" means the person who has the overall supervisory and administrative control over the employing unit.

54-06-16. Minimum wage standards for employees of state. Repealed by S.L. 2003, ch. 388, § 5.

54-06-17. Certain rental-purchase-type agreements authorized. With the approval of the office of management and budget, any department, agency, or institution of the state currently leasing or renting office equipment under an agreement that is convertible to a rental-purchase or similar agreement, upon certification to the office of management and budget that conversion of such leasing or rental agreement to a rental-purchase or similar agreement is to the financial advantage of the state and does not commit the state to payments thereon beyond the biennium for which funds are available, may convert such rental or leasing agreement to such rental-purchase-type agreement.

54-06-18. Director to authorize postage meters. A state agency, department, or institution, except the institutions under the control and management of the board of higher education, may not obtain or use a postage meter unless authorized to do so by the director of the office of management and budget. Each state agency, department, or institution which is authorized by the director to obtain or use a postage meter shall maintain such records as the director may require and shall allow the director to inspect such records upon request. The office of management and budget shall keep a record of the identification numbers of all postage meters authorized for usage.

54-06-19. Appointive boards, commissions, committees, and councils - Gender balance. Appointments to boards, commissions, committees, and councils of the state established by this code, if not otherwise provided by law, should be gender balanced to the extent possible and to the extent that appointees are qualified to serve on those boards, commissions, committees, and councils. Any appointment in accordance with this section should be made in a manner that strives to seek gender balance based on the numbers of each gender belonging to the group from which appointments are made. Ex officio members are not to be included in determining gender balance under this section.

54-06-20. Indigent civil legal services fund - Distribution - Continuing appropriation - Records.

1. An advisory committee consisting of the lieutenant governor, the director of the office of management and budget or the director's designee, and the state court administrator shall distribute moneys deposited in the indigent civil legal services fund. Qualified legal service programs may apply for moneys in the fund. The moneys in the fund must be distributed to legal service programs operating in the state which provide, with funds appropriated by the federal legal services corporation, legal services to persons unable to afford private counsel. Allocation of funds among the programs must be based on the population served by each program, the range of legal services offered, alternative sources of funding, and other factors deemed relevant by the advisory committee. The moneys deposited in the indigent civil legal services fund in the state treasury are hereby appropriated to the advisory committee on a continuing basis for the purpose of implementing and administering a program to provide civil legal assistance to indigent individuals.
2. Recipients of funds distributed by the advisory committee shall comply with the federal Legal Services Corporation Act [42 U.S.C. 2996 et seq.].
3. Subject to the limitations in this section, funds distributed under subsection 1 may be used to provide legal services to persons unable to afford private counsel in the following types of cases:
 - a. Public benefits, including temporary assistance to needy families, unemployment compensation, general assistance, food stamps, supplemental security income, or social security disability income;
 - b. Medical assistance;
 - c. Family law matters;
 - d. Housing;
 - e. Consumer issues; and
 - f. Elder law.
4. The advisory committee and each recipient of funds from the indigent civil legal services fund shall maintain records in accord with the generally accepted accounting principles. The records must account for the receipt and expenditure of

all funds distributed and received and must be maintained for a period of five years from the close of the fiscal year in which the funds are distributed or received or until audited, whichever is sooner.

54-06-21. Public employee personnel records - Administration - Access. The official personnel file on each employee is the file maintained under the supervision of the agency head or the agency head's designated representative.

1. No documents that address an employee's character or performance may be placed in the file unless the employee has had the opportunity to read the material. The employee must acknowledge that the employee has read the material by signing the actual copy to be filed or an attachment to the actual copy to be filed, with the understanding that the signature merely signifies that the employee has read the material to be filed and does not necessarily indicate agreement with its content. If the employee refuses to sign the copy to be filed, the agency head or the agency head's designated representative shall indicate on the copy that the employee was shown the material, was requested to sign the material to verify that the material had been read, and that the employee refused to sign the copy to be filed. In the presence of the employee and a witness, the agency head or the agency head's designated representative shall sign and date a statement verifying the refusal of the employee to sign the copy to be filed. The material must then be placed in the file.
2. The employee has the right to answer any material filed and any answer must be attached to the file copy. The employee's answer to material filed may not be used as the basis for any subsequent adverse personnel action. If any material is found to be without merit or unfounded through an established grievance procedure, it must be immediately removed from the file and may not be used in any subsequent actions or proceedings against the employee.
3. The employee or the employee's designated representative must be permitted to examine the employee's official personnel file by appointment during normal business hours.
4. No anonymous letters or materials may be placed in the employee's file.
5. The employee must be permitted to reproduce at the employee's expense any material in the employee's file.
6. An employee may file a grievance regarding nonevaluation material placed in the employee's personnel file. A grievance is limited to an internal agency grievance unless such material is merged into a disciplinary proceeding.
7. This section does not prohibit administrators from maintaining written notes or records of an employee's performance separate from the personnel file for the purpose of preparing evaluations or possible disciplinary action.
8. Administrators are encouraged to place in the employee's file information of a positive nature, including any such material received from outside competent and responsible sources, indicating special competencies, achievements, performances, or contributions of a professional or civic nature.

Except when the employing agency inserts only salary, insurance, medical, tax, workforce safety and insurance, pretax benefits, or deferred compensation information or employment forms, a record of access must be maintained by the employing agency and must be provided to the employee when the employee examines the employee's file. As used in this section, the term "public employee" means any person employed by the state and does not include persons employed by any political subdivision of the state.

54-06-22. Crime victims' account - Administration. The agency designated by the governor to administer the victims' assistance grants under the federal Victims of Crime Act of 1984 [42 U.S.C. 10601 et seq.] shall administer a crime victims' account in the state treasury. The moneys in the account must be distributed through grants to the crime victims' compensation program; private, nonprofit domestic violence or sexual assault programs; and to victim and witness advocacy programs whose primary function is to provide direct services to victims of and witnesses to crimes. The administering agency shall establish procedures for the distribution of grants.

54-06-23. Child care services provided by state agency or institution. A state agency or institution may provide for child care services to the children of employees, students, or clients of the agency or institution in accordance with this section. Child care services may be provided by the institution only after the head of the agency or institution determines there is a need for the services and that the services will be provided at rates that are not less than the average rates charged by private child care providers providing comparable services in the community. Child care services may be provided in space available within the facility housing the agency or institution. An agency or institution may operate a child care center in available space or contract with a child care provider for child care services. Within the limits of legislative appropriations, the agency or institution may provide utilities and custodial and maintenance services for the child care center. Additional operating costs, including the salaries for a director and staff and the cost of supplies, must be borne by the center. A child care center provided for by an agency or institution may provide child care services to the children of employees, students, or clients of the agency or institution and, to the extent space is available, to any other children.

54-06-24. State employee suggestion incentive program.

1. There is established a suggestion incentive program for state employees. All persons employed by the state are eligible to participate in the program except state agency heads, administrators, or any supervisors considered at the management level by the state agency head.
2. A state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed.
3.
 - a. The suggestion incentive committee shall consider legitimate savings reductions in expenditures made possible within the employing state agency and any other state agency.
 - b. The suggestion incentive committee shall determine if:
 - (1) The recommendation or proposal has been previously submitted and rejected.
 - (2) The recommendation or proposal is beyond the reasonable expectations of job performance for the employee who made the suggestion.
 - (3) Implementation of the recommendation or proposal is desirable and feasible.

- (4) Implementation of the recommendation or proposal will continue to provide the quality of the services presently provided by the employing state agency and any other state agency affected by the recommendation or proposal.
 - c. The suggestion incentive committee shall submit to the state agency head of the employee submitting the recommendation or proposal any recommendation and proposal the committee approves.
4. The state agency head shall review and determine whether a recommendation or proposal approved by the suggestion incentive committee is capable of implementation. The state agency head shall make the final decision on acceptance or rejection of a recommendation or proposal.
5. A state employee who submits a recommendation or proposal to reduce expenditures that is approved by the suggestion incentive committee and approved for implementation by the state agency head is entitled to receive twenty percent of any savings realized up to a maximum of two thousand dollars. The savings must relate directly to the employee's proposed change. The suggestion incentive must be computed on the actual savings for a twelve-month period, the period to run from the time that the proposed change is instituted. An employee is entitled to the suggestion incentive payment at the end of the twelve-month period in a lump sum from funds of the employing state agency. Any payments to an employee under this program are in addition to the employee's regular salary. Employees who qualify for the suggestion incentive are entitled to an award for the first year's savings only and not for any subsequent years.
6. On July first of each year a state agency that makes a suggestion incentive payment in the preceding twelve months shall submit a report to the office of management and budget describing the implemented recommendation or proposal. On September first of each year, the office of management and budget shall provide to all state agencies a report describing the recommendations and proposals to reduce expenditures implemented by state agencies.

54-06-24.1. Telecommuting incentive program for state employees. Expired under S.L. 2001, ch. 474, § 2.

54-06-25. State employees compensation commission - Appointment of members.

1. The state employees compensation commission shall make recommendations on appropriate levels of state employee compensation and fringe benefits. The commission may not consider conditions of employment other than salary and fringe benefit issues. The division shall provide staff services for the commission.
2. The governor or the governor's designee is a member of the commission and serves as chairman. Four members of the legislative assembly appointed by the chairman of the legislative management are members of the commission. Four state employees are members of the commission, three of whom must be members of the classified service of the state and one of whom must be a member of the nonclassified service of the state. The division shall conduct the election for the employee representatives. All elected commission members serve for a term of four years and may be reelected for additional terms of office. All appointed commission members serve for a term of two years and may be reappointed for additional terms of office. The state employee members' terms begin on October first of the year they are elected. The terms of office of members who are members of the legislative assembly and the governor's designee begin on October first of each odd-numbered year. Before the conclusion of each term, an election must be held to replace the two members whose terms will end in that year. The terms of those commission members elected on July 1, 1996, expire on September 30, 1999. No

more than one employee from the same institution of higher education or agency may serve on the commission at the same time. If two or more employees from the same institution of higher education or agency appear on the ballot at the same time, the employee with the highest vote total is elected to the position. If a member of the commission moves to another agency where another current member of the commission is employed, then the moving member must resign. Vacancies among the elected members on the commission must be filled by the eligible person who received the next highest vote total in the previous election. If the eligible person is not available, the chairman of the commission may call a special election to fill the vacancy for the remainder of the unexpired term of the position vacated. The special election to fill a vacancy in an unexpired term must be conducted in the same manner as provided in this section. Vacancies among the legislative members of the commission may be filled for the remainder of the unexpired term by appointment by the chairman of the legislative management.

3. The commission shall meet at the call of the chairman as often as may be necessary, but at least once during each year of the biennium. The commission shall consider proper levels of compensation and fringe benefits for state employees and make its recommendations on these issues to the governor in time for consideration in preparation of the executive budget to be submitted to the next legislative assembly. The commission shall also submit its recommendations to the legislative management at the biennial meeting at which the legislative management receives the reports of its interim committees.
4. The members of the legislative assembly who are commission members are entitled to receive compensation from the legislative council for each day in attendance at commission meetings in the same manner as provided for members of the legislative management and reimbursement from the legislative council for travel and other necessary expenses incurred in performing commission duties in the amounts provided for state employees under section 54-06-09. The state employee members of the commission are entitled to receive reimbursement for necessary expenses incurred in attending commission meetings at the rates provided for state employees under section 54-06-09 and may not be assessed any annual leave or loss of salary for attendance at meetings of the commission. The employing agency of state employee members shall pay their expenses.
5. Each member of the classified service may be a candidate for election to the state employees compensation commission. A member of the nonclassified service may be a candidate for election to the commission if the employee occupies a regularly funded and approved position. In order to vote for a candidate in the election to fill a vacancy on the commission, an employee must be a member of the classified service or must occupy a regularly funded and approved position. Student and temporary employees, elected state officials, and appointees of the governor are not eligible to serve on the commission, participate as a candidate for election to the commission, or vote for members of the commission. If after election to the commission, an employee moves from one type of service to another, that employee may continue serving on the commission until the regular expiration of that employee's term.
6. The division shall ensure that a notice of an opening on the commission and the election is provided to an officer at each agency and institution. The officer at each agency and institution shall post the notice in a conspicuous place. The notice must include a statement of voter and candidate eligibility, the candidate nomination requirements, the date of the election, and where to obtain the nomination petitions for filing.
7. In order to be placed on the commission ballot, an employee shall contact the division for a petition form. The petition form must be returned to the division no more than twenty calendar days after the publishing date of the notice by the division

with at least one hundred signatures of eligible state employees. Petition forms that are not complete, or are returned after the required date, must be declared void.

8. The ballot must be prepared by the division and distributed to each agency and institution payroll officer. An officer of each agency and institution shall provide mailing labels for all qualified employees to the division upon the division's request. A ballot for the election must be distributed with each employee's payroll check on the employee's regularly scheduled payday.
9. Employees of the division shall count the ballots following the final day that the ballots must be returned. Each candidate may have one overseer present at the ballot counting who may examine each ballot as to its sufficiency after the ballot has been counted. A candidate may act as that candidate's overseer. If a candidate wishes to designate a representative to act as that candidate's overseer, the candidate must provide a notarized authorization to the election committee at the counting of ballots. An overseer may act on behalf of more than one candidate; however, the overseer must show required authorization from each candidate represented. The overseer may question the decision of the ballot counters regarding a ballot immediately after the counting of the ballot. If questioned, the comments of the overseer must be heard. The division or the division's representative shall decide if the complaint is valid and whether the ballot will be accepted. The decision of the division or the division's representative is final and must be given in writing. Once all ballots have been counted and all questions raised by the overseers have been decided by the division or the division's representative, the election is closed and results must be declared final. The division shall notify all candidates of the election results within ten working days of the election.
10. As used in this section, "division" means North Dakota human resource management services.

54-06-26. Use of state telephones by state officials and employees. Notwithstanding any other provision of law, an appointed or elected state official or a state employee may use a state telephone to receive or place a local call for essential personal purposes to the extent that use does not interfere with the functions of the official's or employee's agency, department, or institution. When an appointed or elected state official or state employee is away from the official's or employee's residence for official state business and long-distance tolls would apply for the official or employee to call the official's or employee's city of residence, the official or employee is entitled to make at least one long-distance call per day at state expense. Each state agency, department, or institution may establish guidelines defining reasonable and appropriate use of state telephones for essential personal purposes.

54-06-27. Emergency service volunteers - Leave. Upon issuance of an order or proclamation declaring a state of disaster or emergency pursuant to chapter 37-17.1, a search emergency by the air force rescue coordination center or by the department of emergency services, or a declaration of at least a level II disaster by the American red cross in this or any other state, the executive officer in charge of a state agency or the governing body of any political subdivision may grant a leave of absence to any full-time employee of that governmental entity who is an emergency medical service provider, a member of the civil air patrol, a firefighter, police officer, volunteer member of the North Dakota army or air national guard, or emergency radio operator, or who performs other services necessary in an emergency. The leave of absence must be for the purpose of allowing that employee to provide voluntary emergency services. An individual on leave under this section is not deemed to be an employee of the governmental entity for the purposes of workforce safety and insurance. The cumulative leave granted under this section may not exceed twenty working days during any calendar year. The leave may not result in a loss of compensation, seniority, annual leave, sick leave, or accrued overtime for which the employee is otherwise eligible.

54-06-28. Emergency service volunteers - Temporary leave for firefighters, emergency radio operators, medical service providers, and civil air patrol. The executive officer in charge of a state agency or the governing body of any political subdivision may grant temporary short-term leave with compensation to any full-time employee of that governmental entity for the purpose of allowing the employee to respond to an emergency call if the employee is a volunteer emergency medical service provider, firefighter, emergency radio operator, or a member of the civil air patrol.

54-06-29. Expenses incurred to collect funds owed the state - Continuing appropriation. If a state agency enters a contract with a collection or credit agency to collect money due the state, the fees for services, reimbursement, or other remuneration to the collection or credit agency must be based on the amount of money actually collected. All funds collected on behalf of a state agency by a collection or credit agency must be deposited with the state treasurer. An amount equal to the amount of fees for services, reimbursement, or any other remuneration to the collection or credit agency as set forth in the contract is appropriated from the fund into which the money collected was deposited to the state agency for which the funds were collected for the payment of fees due under the contract.

54-06-30. State employee performance bonus program - Criteria - Limitations. State agencies may provide monetary performance bonuses to their employees under this section.

1. State agencies may pay bonuses under this section if:
 - a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;
 - b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and
 - c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.
2. State employees are eligible to receive a bonus under this section only if:
 - a. The employee has held a position in state government for at least one year before a bonus is paid;
 - b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and
 - c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.
3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than one thousand dollars in bonuses per fiscal year.
4. Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty-five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty-five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.

5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.
6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

54-06-31. State employee recruitment and retention bonus programs - Criteria - Limitations. State agencies may develop programs to provide bonuses to recruit or retain employees in hard-to-fill occupations.

1. State agencies may pay recruitment and retention bonuses under this section only if:
 - a. The agency has a written policy in place identifying eligible positions or occupations and provisions for providing and receiving bonuses;
 - b. The agency has filed a copy of the written policy with the North Dakota human resource management services; and
 - c. The agency reports to the North Dakota human resource management services each bonus provided to an employee under the program.
2. State agencies must fund bonus programs from within the agency salaries and wages budget.
3. The North Dakota human resource management services shall report periodically to the legislative management on the implementation, progress, and bonuses provided under agency recruitment and retention bonus programs.
4. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.
5. As used in this section, a hard-to-fill occupation includes an occupation or position in which demand exceeds supply, special qualifications are required, competition with other employers is the strongest, there is a risk of losing an incumbent with rare skills, the position is filled by a highly skilled employee who is in high demand in the marketplace, loss of the employee would result in significant replacement costs, the position is filled by key personnel, or the position has other unique recruitment or retention issues identified and documented by the appointing authority.

54-06-32. State employee service awards. Each state agency, department, or institution may establish rules or policies for employee recognition and service award programs. Executive branch agencies having employees in classified service are subject to rules adopted by North Dakota human resource management services and approved by the state personnel board and the legislative management's administrative rules committee. Any other agency, department, or institution of the executive, legislative, or judicial branch may adopt similar rules or policies to ensure uniformity and consistency in state government. Notwithstanding any other provision of law, each executive branch state agency, department, or institution, except an institution of higher education, having employees who are not in classified service and establishing rules or policies for employee recognition and service award programs shall submit the rules and policies to the office of management and budget for review and comment, and after addressing any comments of the office of management and budget, shall submit the rules and policies to the legislative management's administrative rules committee for approval. Within sixty days after the close of each biennial period, each state agency, department, or institution providing an employee service award under rules approved by the administrative rules committee shall file with the office of management and budget a report indicating the individuals receiving a service award, the amount paid, and a statement of the public purpose or benefit of the expenditures. Within ninety days after the close of each biennial period, the office of management and budget shall submit to the legislative council a report summarizing this information. An expenditure made under this section is deemed to be made for a public purpose and may not be construed as a gift for purposes of section 18 of article X of the Constitution of North Dakota.

54-06-33. Employer-paid tuition. Each state agency, department, or institution may establish rules or policies to provide employer-paid costs of training or educational courses, including tuition and fees, within budgetary constraints. Executive branch agencies having employees in classified service are subject to rules adopted by North Dakota human resource management services and approved by the state personnel board and the legislative management's administrative rules committee. Any other state agency, department, or institution of the executive, legislative, or judicial branch may adopt rules or policies to ensure uniformity and consistency in state government. Notwithstanding any other provision of law, each executive branch state agency, department, or institution, except an institution of higher education, having employees who are not in classified service and establishing rules or policies for employer-paid costs of training or educational courses, including tuition and fees, shall submit the rules and policies to the office of management and budget for review and comment, and after addressing any comments of the office of management and budget, shall submit the rules and policies to the legislative management's administrative rules committee for approval. Within sixty days after the close of each biennial period, each state agency, department, or institution providing employer-paid costs of training or educational courses, including tuition and fees, under rules approved by the administrative rules committee, shall file with the office of management and budget a report indicating the individuals receiving employer-paid costs of training or educational courses, including tuition and fees; the amount paid; and a statement of the public purpose or benefit of the expenditure. Within ninety days after the close of each biennial period, the office of management and budget shall submit to the legislative council a report summarizing this information. An employee who receives employer-paid tuition reported under this section who leaves employment with that employer within two years of receiving the tuition must repay tuition received under this section on a prorated basis. An expenditure for employer-paid training or educational courses, including tuition and fees, under this section is deemed to be made for a public purpose and may not be construed as a gift for purposes of section 18 of article X of the Constitution of North Dakota.

54-06-34. Employer-paid professional organization membership and service club dues. Each state agency, department, or institution may pay employee membership dues for professional organizations and membership dues for service clubs when required to do business or if the membership is primarily for the benefit of the state. Within sixty days after the close of each biennial period, each executive branch state agency, department, or institution, except an institution of higher education, providing employer-paid professional organization membership and service club dues shall file with the office of management and budget a report indicating the individuals receiving employer-paid professional organization membership and service club dues, the amount paid, and a statement of the public purpose or benefit of the expenditure. Within ninety days after the close of each biennial period, the office of management and budget shall submit to the legislative council a report summarizing this information. An expenditure made under this section is deemed to be made for a public purpose and may not be construed as a gift for purposes of section 18 of article X of the Constitution of North Dakota.

54-06-35. Expenditure made pursuant to rule or policy. An expenditure made pursuant to a rule or policy adopted pursuant to sections 54-06-32 through 54-06-34 is not a criminal offense.