

**Office of Management and Budget  
Budget No. 110  
Senate Bill No. 2393**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 legislative appropriations - Regular session	110.00	\$137,320,538	\$146,004,024	\$283,324,562
2023-25 legislative appropriations - October 2023 special session	0.00	350,000	0	350,000
<b>2023-25 legislative appropriations<sup>1</sup></b>	<b>110.00</b>	<b>\$137,670,538</b>	<b>\$146,004,024</b>	<b>\$283,674,562</b>
2023-25 base budget	108.00	33,926,399	8,828,309	42,754,708
Legislative increase (decrease) to base budget	2.00	\$103,744,139	\$137,175,715	\$240,919,854

<sup>1</sup>The amounts shown for the 2023-25 biennium reflect the following funding pools for distributions to state agencies:

- A targeted market equity pool, including \$45,100,000 from the general fund and \$37,400,000 from other funds;
- A new and vacant FTE funding pool, including \$40,100,000 from the general fund and \$58,100,000 from other funds;
- A retirement contribution pool, including \$5,563,709 from the general fund and \$6,975,070 from other funds; and
- A deferred maintenance funding pool of \$20,000,000 from the strategic investment and improvements fund (SIIF).

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
<b>2023-25 legislative appropriations</b>	<b>\$131,153,719</b>	<b>\$6,516,819</b>	<b>\$137,670,538</b>
2021-23 legislative appropriations <sup>1</sup>	33,926,399	377,771	34,304,170
2023-25 legislative increase (decrease) to 2021-23 appropriations	\$97,227,320	\$6,139,048	\$103,366,368
Percentage increase (decrease) to 2021-23 appropriations	286.6%	1,625.1%	301.3%

<sup>1</sup>The 2023 Legislative Assembly provided a deficiency appropriation totaling \$277,771 of one-time funding from the general fund to the Office of Management and Budget (OMB) for judgment expenses pursuant to Senate Bill No. 2025 (2023)

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS  
Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Increased funding for the Emergency Commission contingency fund to provide total funding of \$750,000		\$350,000	\$0	\$350,000
Total	0.00	\$350,000	\$0	\$350,000

### Other Changes

On June 1, 2023, the Public Employees Retirement System (PERS) Board filed a petition with the North Dakota Supreme Court challenging the constitutionality of Senate Bill No. 2015, which included the appropriation for OMB. On October 12, 2023, the Supreme Court invalidated the entirety of Senate Bill No. 2015 because the court determined the bill contained provisions unrelated to the appropriation for OMB in violation of the constitutional provision limiting bills to a single subject. As a result, the Governor called a special session, and the Legislative Assembly met for 3 days from October 23, 2023, to October 25, 2023, to reauthorize the provisions of Senate Bill No. 2015 in 14 separate bills. The schedule below provides information on bills approved during the October 2023 special legislative session and the related provisions from the original sections contained in Senate Bill No. 2015.

October 2023 Special Legislative Session	Senate Bill No. 2015 (2023 Regular Session)
<b>Senate Bill No. 2393</b>	
Sections 1 and 2 - Appropriation for defraying the expenses of the various divisions under the supervision of the Director of OMB, including the identification of one-time funding items	Sections 1 and 2
Section 3 - Appropriates funding from the community service supervision fund to OMB	Section 3
Sections 4 through 8 - Authorize OMB to administer the following transfers: <ul style="list-style-type: none"> <li>• Uncommitted federal State Fiscal Recovery Fund appropriation authority from the state agencies that received the authority to the Department of Corrections and Rehabilitation</li> <li>• \$200 million from the tax relief fund or social service fund to the human service finance fund</li> <li>• Appropriation authority from the state student internship program line item to eligible state agencies</li> <li>• \$50 million from SIIF to the general fund</li> <li>• \$30 million from SIIF to the North Dakota Development Fund</li> </ul>	Sections 10 through 14
Sections 9 through 13 - Identify provisions for specific line items as follows: <ul style="list-style-type: none"> <li>• \$20 million in the deferred maintenance funding pool line item for a boiler replacement project (\$12 million), a water mitigation project at the Liberty Memorial Building (\$700,000) and other projects (\$7.3 million)</li> <li>• \$5.55 million in the capital assets line item from the Capitol building fund for accessibility improvements (\$150,000), a building automation project (\$800,000), electrical and mechanical repairs (\$250,000), security improvements at the Governor's residence (\$100,000), remodeling in the Brynhild Haugland Room (\$250,000), and window replacements (\$4 million)</li> <li>• \$450,000 in the operating expense line item for procuring consulting services for a cash management study</li> <li>• \$200,000 in the infrastructure grant line item for a rural senior center project in Wells County</li> <li>• Other grants and special items, including \$1.8 million for unemployment insurance, \$25,000 for the Capitol Grounds Planning Commission, and \$685,657 for statewide memberships and related expenses</li> </ul>	Sections 15 through 19
Sections 14 through 17 - Authorize the following state employee compensation items: <ul style="list-style-type: none"> <li>• A targeted market equity pool to provide funding to state agencies for targeted equity compensation adjustments based on a statewide plan prepared by OMB with the adjustments provided by July 1, 2023</li> <li>• Guidelines for compensation adjustments for the 2023-25 biennium with an average of 6 percent in the 1<sup>st</sup> fiscal year and an average of 4 percent in the 2<sup>nd</sup> fiscal year</li> <li>• A new and vacant FTE funding pool to provide funding to state agencies for salaries and wages based on qualifying events for filling new and vacant FTE positions or based on qualifying funding needs for existing FTE positions</li> <li>• An employer retirement contribution pool to provide funding to state agencies for the increased cost of the employer retirement contribution increases included in House Bill Nos. 1040, 1183, and 1309</li> </ul>	Sections 20 through 23
Section 18 - Amends the state leave sharing program to allow probationary employees to participate in the program	Section 33

<p style="text-align: center;"><b>October 2023 Special Legislative Session</b></p>	<p style="text-align: center;"><b>Senate Bill No. 2015 (2023 Regular Session)</b></p>
<p>Sections 19 and 20 - Amend and create provisions authorizing OMB to implement a new rent model for the Capitol complex to charge rent to executive branch agencies with general fund appropriations</p>	<p>Sections 34 and 35</p>
<p>Sections 21 and 22 - Amend provisions relating to law enforcement retirement to provide a technical correction to the peace officer's retirement plan changes in House Bill Nos. 1183 and 1309 with the funding for these changes included in Section 17</p>	<p>Sections 42 and 43</p>
<p>Sections 23 and 24 - Provide exemptions to OMB allowing unexpended appropriations to continue into the 2023-25 biennium for the Fiscal Management Division of OMB, an assessment of state lands and facilities, and a facility consolidation study</p>	<p>Sections 60 and 61</p>
<p>Section 25 - Includes a retroactive application for the targeted market equity pool line item and the deferred maintenance funding pool line item related to an emergency clause</p>	<p>Section 68</p>
<p>Sections 25 and 26 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>Senate Bill No. 2394</b></p>	
<p>Section 1 - Provides an appropriation of \$6,500 from special or other funds to the Governor's office for the 2021-23 biennium</p>	<p>Section 4(1)</p>
<p>Section 2 - Appropriates \$106,000 from the general fund to the Adjutant General as a correction for 2021-23 biennium emergency snow removal grants</p>	<p>Not included</p>
<p>Section 3 - Includes a retroactive effective date for Senate Bill No. 2024, the appropriation for the Ethics Commission, related to an emergency clause</p>	<p>Section 68</p>
<p>Sections 3 and 4 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>Senate Bill No. 2395</b></p>	
<p>Section 1 - Provides an appropriation of \$40,000 from the general fund to the Department of Environmental Quality for meeting expense reimbursements related to the Onsite Wastewater Recycling Technical Committee</p>	<p>Section 6(2)</p>
<p>Section 1 - Provides an appropriation of \$50,000 from the general fund to the Department of Labor and Human Rights for expenses related to analyzing the administration of occupational and professional boards</p>	<p>Section 6(3)</p>
<p>Sections 2 and 3 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>Senate Bill No. 2396</b></p>	
<p>Section 1 - Creates a special criminal penalty for those who supply or deliver controlled substances resulting in the death of an individual who consumes those controlled substances</p>	<p>Section 29</p>
<p>Sections 2 - Provides an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>Senate Bill No. 2397</b></p>	
<p>Section 1 - Changes the authority of joint water resource boards to levy a property tax of up to 2 mills from a required levy to an optional levy</p>	<p>Section 52</p>
<p>Sections 2 and 3 - Change the funding source for the water infrastructure revolving loan fund from \$100 million of Bank of North Dakota profits to a line of credit of \$100 million through the Bank</p>	<p>Sections 54 and 55</p>
<p>Sections 4 and 5 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>Senate Bill No. 2398</b></p>	
<p>Section 1 - Amends the K-12 education funding formula to modify the phase-out of transition minimum adjustments allowing school districts to receive additional funding during the 2023-25 biennium</p>	<p>Section 25</p>
<p>Sections 2 through 4 - Amends the school construction loan program under the coal development trust fund to increase the maximum loan amount from \$2 million to \$5 million to temporarily allow eligible school districts to access loan funding for inflationary construction costs and clarifies the provisions of school district debt and bonds</p>	<p>Sections 26 through 28</p>

<p style="text-align: center;"><b>October 2023 Special Legislative Session</b></p>	<p style="text-align: center;"><b>Senate Bill No. 2015 (2023 Regular Session)</b></p>
Section 5 - Appropriates \$3 million from the general fund to the Department of Public Instruction to provide additional funding for the change in the K-12 education funding formula in Section 1	Section 6(4)
Section 6 and 7 - Provide a retroactive application date and an effective date to enact the bill during the special session	Not included
Section 7 - Includes an effective date of July 1, 2024, for select changes to the school construction loan program	Section 67
<b>House Bill No. 1541</b>	
Section 1 - Provides a deficiency appropriation of \$5,000 from the general fund to the Legislative Assembly for additional funding for International Legislators' Forum dues for the 2021-23 biennium	Section 4(2)
Section 2 - Appropriates \$425,000 from the general fund to the Legislative Assembly for one-time costs related to the October 2023 special legislative session	Not included
Section 3 - Provides a \$500,000 appropriation from the general fund to the Legislative Council for one-time costs related to a performance audit of the State Auditor and other consulting services of interim committees	Section 6(1)
Section 4 - Provides an appropriation of \$58,283 from the general fund to the Legislative Council for the cost of the 1 percent employer retirement contribution increase included in House Bill No. 1040	Section 9
Section 5 - Appropriates \$255,000 from the general fund to the Legislative Council for salaries and wages expenses	Not included
Section 6 - Amends the flexible transportation fund to require Budget Section approval for certain projects that use more than \$10 million from the fund	Section 31
Section 7 - Requires the Retirement and Investment Office to provide a report each biennium on the amount of legacy fund earnings that would have been transferred to the legacy earnings fund if the percent of market value method of distributing earnings had not been approved by the Legislative Assembly	Section 62
Sections 8 through 10 - Provide for Legislative Management studies of the administration of the state fire and tornado fund and state bonding fund, the management and maintenance of state facilities, and state guardianship programs	Sections 63 through 65
Section 11 - Includes a retroactive application for Section 1 related to an emergency clause	Section 68
Sections 11 and 12 - Provide a retroactive application date and an effective date to enact the bill during the special session	Not included
<b>House Bill No. 1542</b>	
Section 1 - Provides an appropriation of \$347,518 from the general fund (\$343,245) and other funds (\$4,273) to the judicial branch for the cost of the 1 percent employer retirement contribution increase	Section 8
Sections 2 and 3 - Provide a retroactive application and an effective date to enact the bill during the special session	Not included
<b>House Bill No. 1543</b>	
Section 1 - Provides an appropriation of \$8.25 million from SIIF to the Department of Health and Human Services for a behavioral health facility grant or other services	Section 7(1)
Section 1 - Provides an appropriation of \$26.5 million from SIIF to the Department of Career and Technical Education for inflationary costs of existing projects approved under the statewide area career center initiative grant program	Section 7(2)
Sections 2 and 3 - Appropriate \$8.5 million from special funds to Bismarck State College to provide total funding of \$40 million for a multipurpose academic and athletic center project and authorize the college to issue up to \$40 million of bonds for the project	Not included
Sections 4 and 5 - Provide a retroactive application and an effective date to enact the bill during the special session	Not included

<p style="text-align: center;"><b>October 2023 Special Legislative Session</b></p>	<p style="text-align: center;"><b>Senate Bill No. 2015 (2023 Regular Session)</b></p>
<p><b>House Bill No. 1544</b></p>	
<p>Section 1 - Provides an appropriation of \$500,000 from the general fund to the Department of Commerce for a workforce development grant to a tribally controlled community college in the Turtle Mountain area</p>	<p>Section 6(5)</p>
<p>Section 1 - Provides an appropriation of \$2 million from the general fund to the Department of Commerce for the expenses of the newly created Office of Legal Immigration</p>	<p>Section 6(6)</p>
<p>Section 2 - Creates a new provision under the North Dakota Development Fund requiring certain energy projects to receive approval from the Clean Sustainable Energy Authority before funding may be authorized from the North Dakota Development Fund <b>(This section was vetoed by the Governor after the October 2023 special legislative session.)</b></p>	<p>Section 24</p>
<p>Sections 3 and 4 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>House Bill No. 1545</b></p>	
<p>Section 1 - Provides an exemption allowing a park district to apply for a loan from the infrastructure revolving loan fund to refinance outstanding loans and to pay the outstanding balance of any special assessments associated with the project</p>	<p>Section 58</p>
<p>Sections 2 and 3 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>House Bill No. 1546</b></p>	
<p>Section 1 - Creates a fertilizer development incentive program under the Clean Sustainable Energy Authority to provide up to \$125 million for loan forgiveness</p>	<p>Section 51</p>
<p>Sections 2 and 3 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>House Bill No. 1547</b></p>	
<p>Section 1 - Increases the membership of the PERS Board from 9 to 11 members</p>	<p>Section 41</p>
<p>Section 2 - Prohibits the PERS Board from reducing the actuarial rate of return assumption for the PERS main system plan below 6.5 percent during the 2023-25 biennium</p>	<p>Section 56</p>
<p>Section 3 - Requires PERS to conduct an informational campaign to educate current and prospective state employees of the transition from the defined benefit retirement plan to the defined contribution retirement plan</p>	<p>Section 57</p>
<p>Section 4 - Provides for new members to be appointed to the PERS Board within 14 days after the effective date of the Act</p>	<p>Not included</p>
<p>Section 5 - Exempts the bill from the requirement for review by the Employee Benefits Programs Committee</p>	<p>Section 59</p>
<p>Sections 6 and 7 - Provide a retroactive application and an effective date to enact the bill during the special session</p>	<p>Not included</p>
<p><b>House Bill No. 1548</b></p>	
<p>Sections 1 through 27 - Change the effective date of the transition from the defined benefit plan to the new defined contribution retirement plan, including technical corrections made during the October 2023 special legislative session related to the timing of the transition</p>	<p>Sections 36 through 40 and 44 through 50</p>
<p>Section 28 - Exempts the bill from the requirement for review by the Employee Benefits Programs Committee</p>	<p>Section 59</p>
<p>Section 29 - Provides a contingent effective date for the closure of the main system defined benefit retirement plan upon certification by the Retirement Board with additional clarification on the timing of the transition made during the October 2023 special legislative session</p>	<p>Section 66</p>
<p>Section 30 - Provides an effective date to enact the bill during the special session</p>	<p>Not included</p>

The following portions of Senate Bill No. 2015 were not reauthorized by the Legislative Assembly during the October 2023 special legislative session:

- Section 5 appropriated \$5 million from the state disaster relief fund to the Adjutant General for additional emergency snow removal grants in the 2021-23 biennium; however, the additional funding was not needed for the program.
- Section 68 included an emergency clause for Section 4 of Senate Bill No. 2012 relating to child support payments; however, the emergency clause was duplicative of an emergency clause approved in Senate Bill No. 2012.

The following portions of Senate Bill No. 2015, which were vetoed by the Governor after the 2023 regular legislative session, were not reconsidered by the Legislative Assembly:

- Section 30 would have increased the percent of market value calculation for legacy fund earnings from 7 to 8 percent of the 5-year average balance of the fund.
- Section 32 would have clarified the continuing appropriation from the Capitol building fund could be used only for remodeling projects.
- Section 53 would have provided a retroactive effective date for a property tax exemption for a hospital property.