



2023-2025 BIENNIAL BUDGET

NORTHERN CROPS INSTITUTE
Budget No. 638

Thursday, March 2, 2023
HB 1020

ND SENATE APPROPRIATIONS COMMITTEE

Senator Brad Bekkedahl, Chairman | Senate Appropriations Committee

NORTHERN CROPS INSTITUTE REPRESENTATION

Jim Bahm, Chairman | Northern Crops Council

David Cook, President | North Dakota State University

Greg Lardy, Vice President, Agricultural Affairs | North Dakota State University

Mark Jirik, Director | Northern Crops Institute

NORTHERN CROPS INSTITUTE

NDSU Dept. 7400, PO Box 6050 | Fargo, North Dakota 58108-6050

CONTENTS

Agency Overview	02	Next Biennium One-Time Funding Items	09
Financial Audit Findings	03	Funding Deposits	10
Current Biennium Major Accomplishments & Challenges	03	Appropriation Bill Additions	11
Next Biennium Goals & Plans	07	Other Bills Being Considered	11
Comparison of 2021-23 Appropriation & Estimated Spending	08	List of Requested Changes	11
Request/Recommendation Comparison Summary	08	Comparison of Major Requests	11
Funding Breakdown	09	Nov. 2021 Federal State Fiscal Recovery Funding Appropriations	11
Current Biennium One-Time Funding Items	09	Federal Funding Available for 2023-25 Biennium	11
		Engrossed House Bill No. 1020	12
		2021 NCI Annual Update	19

AGENCY OVERVIEW

Agency Statutory Authority

North Dakota Century Code 4.1-15.

Major Statutory Responsibilities

The Northern Crops Institute shall provide technical and marketing assistance through specialized training courses and technical services that facilitate domestic and market development and expanded sales of northern grown crops. The institute shall render services including:

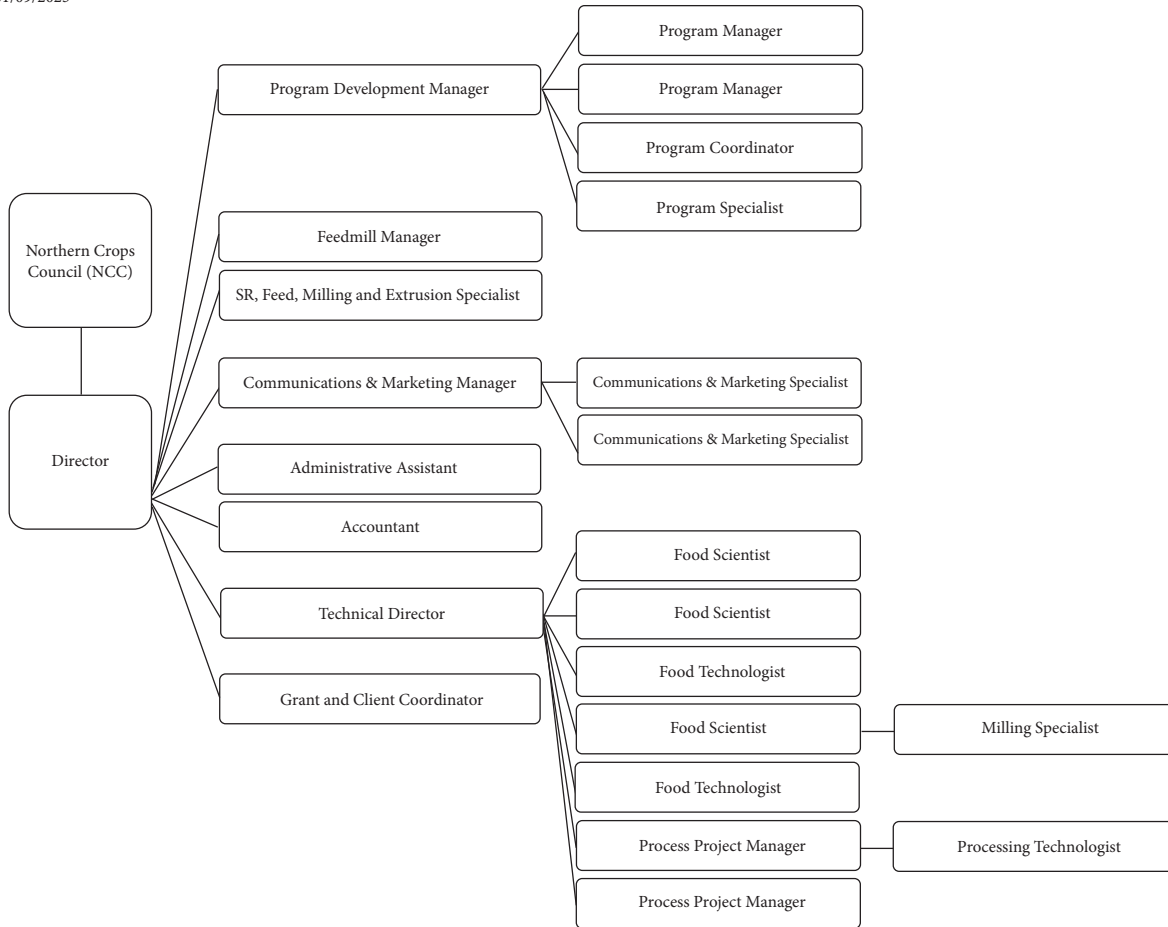
1. In-plant consultations regarding crop quality problems, product manufacturing, and possible purchasing methods and standards.
2. Short courses in product milling and processing, plant management, county elevator management, grain grading, and marketing of crops.
3. Educational and career and technical education training programs in milling, processing, manufacturing, purchasing methods, marketing procedures, product sales techniques, and other related subjects to be conducted for users of northern crops.
4. Short-term investigations, consultation, evaluation, and research to solve technical problems involved in the maintenance of quality and utilization of northern crops.
5. Annual surveys and quality analyses of new northern crops and monitoring of the quality and condition of commodities in market channels.
6. Research on northern crop damage problems and solutions.
7. Identification of problem areas in marketing northern crops abroad.
8. Preparation of instructional, informational, and reference publications on the end use, technical aspects of marketing, and utilization of northern crops for distribution domestically and abroad.

Purpose and Structure

NCI is a small agency with four distinct areas that work collaboratively to fulfill the mission of expanding markets for crops grown in the region.

1. Programs – Focus on the educational aspect of the mission
2. Technical Team – Focus on technical services and technical support for our courses and training.
3. Communications – Focus on communications and marketing of courses, technical services, and any other outreach that is needed.
4. Administration – Provide guidance, financial overview, and administrative help

An organizational chart for the NCI can be found on the next page.



FINANCIAL AUDIT FINDINGS

The State Auditor's office audited the Northern Crops Institute and did not identify any areas of concern.

CURRENT BIENNIUM MAJOR ACCOMPLISHMENTS & CHALLENGES

Agency Major Accomplishments

1. NCI completed its second value survey. Prime46, an external market research company was engaged to provide an independent assessment of the effectiveness and areas of improvement for Northern Crop Institutes programs and technical services. Generally, NCI does two types of courses – industry support (food safety, feed safety, grain elevator training) and market development courses (procurement, quality, product development). From a technical service standpoint, NCI provides product development work funded via grants and fee for service work with individual companies. The focus of the survey was on the market development courses and work with businesses by surveying those that attended courses and those who conducted technical services with us in 2020 and 2021. We wanted some distance from the course and service work to see the actual changes in behavior and investment. Some interesting results and findings:

- *87% of course participants said as a result of the course at NCI, they have a greater confidence in the U.S. supply chain.*
 - *97% of course participants said as a result of the course at NCI, they have a better understanding of U.S. crop quality.*
 - *56% of course participants said as a result of the course at NCI, they increased the volume purchased of U.S. Commodities.*
 - *As a result of our tech services 45%, of our clients report an increase in overall usage of northern grown crops in their products.*
 - *Our technical service clients reported that as a result of their experience at NCI, their average investment in the region has increased 24%.*
 - *It also highlights the level of our course participants, with 30% being research and development, 20% being purchasing, 20% being processing/production, and 8% being management.*
2. NCI has seen remarkable growth in the number of clients and projects. In the last biennium, NCI worked with approximately 90 clients doing 137 different projects. We are currently on track to assist over 120 clients on over 200 projects.
 3. NCI has almost doubled its level of special funding from the last biennium to the current biennium. Special funding in our budget rose from 44% last biennium to 70% this biennium. NCI has done this through increased grants, conducting additional programs, expanding our technical services, and soliciting sponsorships and additional support from the industry.
 4. The biennium was a tale of two very different years in terms of short courses. 2021 continued to see us host all of our courses in an online or hybrid format as a result of the pandemic and international travel shut downs. NCI saw record participation in our 15 short courses with 498 participants attending online and 24 attending in person. Participants were from 33 different countries. 2022 was a year for us to return to our roots with in person courses, and continue to utilize our online education tools as we hosted in person, online, and hybrid courses. NCI hosted a total of 20 short courses in 2022 with 335 participants from 49 countries. In total, NCI hosted 35 short courses with 857 participants in the current biennium.
 5. Growing markets for feedstuffs grown in the region remains a top priority for the Northern Crops Institute. Including tours (Riverview Dairy Tour in conjunction with NDSU), webinars (Future of Feeding), projects (currently five ongoing projects involving feed milling/pelleting and more proposed) and short courses (four specific feed courses, two additional with direct connections).
 6. NCI is hosting four ongoing webinar series: Market Update, Cereal Innovators, Future of Feeding, and Everything Ethanol. Over 5,000 people from 70 countries have viewed these webinars dedicated to growing markets in 2021 and 2022. NCI's webinars have three purposes. The first is to support our overall mission, the second is to find good speakers for our other events, and the third is to explore new areas of markets and gauge interest in certain topics. These webinars are free to participants, and continue to have positive impacts on our programs and markets and other partners have discussed conducting webinars for their specific commodities.

7. The first NCI conference in recent history was conducted in July. NCI's "Ancient Grains" conference held at Elk River, MN at the Oliver Kelley Farm was met with high praise from the industry. 93% of attendees reported it as meeting (36%) or exceeding (57%) their expectations and 100% said they would recommend it to a colleague. 87% said their understanding of ancient grains increased. This conference hosted hands-on demonstrations in the Oliver Kelley Farm kitchens, key note speakers included Ardent Mills executives, craft millers and bakers, expert researchers and industry experts from across the country, and panel discussions from a wide cross section of the industry.
8. The second conference occurred in September in Fargo/Moorhead. This conference was titled, "The Next 5 Years." This conference focused on the changing landscape of the region as it relates to agriculture. There were four key note speakers, followed by facilitated conversations. Topics were geopolitics, global food production, sustainability policies, and fuel transitions. The feedback was overwhelmingly positive with 93% saying it would benefit their work, 76% saying the conference would benefit their daily life, 32% said the conference would change how their organization functions, and 32% said it would directly impact their businesses financially. "The Next Five Years" Conference met (39%) or exceeded (55%) expectations, and 97% of the attendees would recommend it to a colleague.
9. After two years without hosting international trade teams, NCI was happy to open its doors to 107 participants from eight trade teams from almost 20 countries for meetings, tours, and updates at our facilities.
10. NCI has greatly expanded its work in helping grow market for biofuels. In the 21-23 biennium, NCI already hosted two ethanol procurement short courses and has an additional short course on the schedule. In addition, two short courses are already on the schedule for the first six months of the next biennium.
11. NCI followed up its sold-out release of the "Full Fat Soybean Meal Feeding" Handbook with its second handbook, "Ancient Grains of the Great Plains." One additional handbook is going to be released by the end of the biennium, "Wheat Quality Handbook." Two others handbooks are in development, "Barley Foods" and "Kitchen to Consumer: A Practical Guide to Launch Your Food Product Idea."
12. NCI continued its work in human and animal food safety conducting two courses this biennium. In addition, NCI has worked with a number of small scale and niche grower groups and organizations conducting workshops for small scale producers.
13. NCI continued its work in conjunction with the U.S. Grains Council in their efforts growing feed demand in Africa. NCI team members Shane Mueller (feed center manager) and Kim Koch (senior feed and food scientist) taught at the U.S. Grains Council's Center for Feed Manufacturing in Tunis, Tunisia.
14. The NCI communications and marketing team have assisted at a wide variety of industry events in a technical service and support capacity, from assisting with annual meetings and conferences ranging from the annual spring wheat tour to the Prairie Grains Conference.
15. NCI recently launched on-demand courses with Barley to Beer and The Next Five Years. This is a new mode of delivery, allowing participants to register at any time and progress at their own pace. Additional courses are being developed including Introduction to Sourdough Baking, Feed Milling 101, and Introduction to Risk Management.

Agency Challenges

1. Commissioned in 1990, The NCI Feed Mill is faced with a number of major issues:

- The current pellet mill was manufactured in 1956 and is beyond its useful life. Many parts (gear boxes, shafts) are no longer manufactured and are getting extremely difficult to source.
- The current bulk ingredient bins were all installed in 1990 and have been patched and repaired a number of times. There are no longer places to attach patches and there is an issue with leaks and some concerns about structural integrity.
- The auditorium and bathrooms are on the second floor of the building, and the facility is not currently handicap accessible.
- The current lab is extremely small and attempts to conduct training and short courses are hampered by the lack of space for this teaching component.
- We've focused on increasing the work that we do for the livestock industry, however, the current space we have to work with was not designed to handle the number of crops and ingredients that currently are needed.



2. The pandemic continued to be a major hurdle for the first half of the biennium. The team at NCI did not let the obstacles stand in the way of fulfilling our mission. Instead, they used the crisis to propel us forward to achieve the goals and objectives sooner than originally intended.

3. As the industry continues to change and develop, NCI has struggled to find people with the talent and skills in some of the areas that we need. As an example, for more than a year, we had posted a position, and engaged with a recruiting firm to find someone that would have oilseed processing experience both to help us develop courses, as well as assist with our technical services. We couldn't find anyone with those skills within our budget. This is one of many examples of having to develop our talent in house. At the same time, the competitive landscape for good quality employees also continues to go up, so both hiring, and retaining a talented team is an ongoing challenge.

4. Changing Trends: NCI continually looks at trends, changes, and challenges in the food and feed industry, as well as in crop production and we are constantly looking for opportunities to assist in developing markets and assist organizations and the industry. A few examples:

- Extrusion – NCI lacks a simple single screw extruder which is common in most food and feed applications. As the developing world increases demand for healthy snack foods and aquaculture, the lack of a single screw extruder limits how we can assist these industries to grow.
- Oilseed Refining – NCI has formed a mutually beneficial relationship with NDSU in oilseed processing. With the advent of gene editing, the ability for the industry to develop niche market oilseeds has significantly expanded. Some estimates put the number of specialty soybeans in product development alone at over 40 new traits. NDSU has hexane extraction capabilities and NCI has ability to deodorize the oil, however the middle step of oil refining is a key missing piece that is limiting our capabilities to help the industry develop.
- Protein isolation is a key component of the pulse and soybean industry and a growing importance in the cereal sector as more focus is being spent in extracting protein. North Dakota and the other states NCI serves, has the potential to be a leader in this area, however NCI lacks much of the

equipment needed (pin mills, sorters, fractionation, spray dryers, etc) to effectively help this industry grow. needed (pin mills, sorters, fractionation, spray dryers, etc) to effectively help this industry grow.

5. **Outreach and Marketing:** As a small organization, one of our constant struggles is making sure that people know who we are, and communicating what our capabilities are. So much of the focus is on making sure that our programs and clients are supported, that our limited resources are effectively and efficiently employed so that potential clients and course participants know what we can provide.
6. **Staffing:** NCI has significantly increased its number of programs over the last biennium and is working to increase the reach and capabilities of our technical services. In order to do this, a large number of students, grad students, part time employees, contractors, and temporary labor has been employed. This has benefited NCI as we've grown, however, it has created a work force that continues to fluctuate and is creating additional work with recruiting, onboarding and training.

NEXT BIENNIUM GOALS & PLANS

1. In July 2019, the Northern Crops Council finalized the NCI strategy document outlining the growth plans for NCI. To that end, NCI is planning for the biennium:
 - Growing the number of short courses back with the goal of 40+ with the rationale that the more we educate the industry, the more it drives growth of markets.
 - Developing seminars, webinars, and conferences both domestically and internationally. We've seen explosive growth in our webinars; however, NCI will need to continue to grow its webinars to support its mission and long term growth of its courses and technical services.
 - NCI has successfully launched two conferences, with another one planned this spring. Our hope is to double that in the next biennium.
 - NCI will release an additional three handbooks for the next biennium.
 - NCI made its first step towards measuring impact in 2020 with the value survey. We anticipate that this will continue and be further improved each year. In addition, we need to develop a measure of capacity utilization of equipment and facilities.
 - Increase overall awareness of NCI and attract more clients to utilize our services to help grow demand for northern grown crops.
 - Continue growing our external funding.
2. The Northern Crops Institute is looking forward to successfully transitioning to our new home at the Peltier Complex on the campus of NDSU. This investment by the state of North Dakota and our partners will take NCI to a completely different level in terms of NCI's capabilities, with an understanding that it will raise the bar on expectations as well. It will open up new avenues for collaboration and cooperation between NDSU, USDA, the North Dakota Trade Office, and NCI.

COMPARISON OF 2021-23 APPROPRIATION & ESTIMATED SPENDING

	2021-23 Appropriation	Actual Expenditures Through 11/30/22	Remaining Balance	Comments
Total General Fund Appropriation	\$1,987,142	\$1,319,513	\$667,629	--Balance will be drawn down for expenditures by end of biennium.

Source: November 2022 Appropriation Status Report

REQUEST/RECOMMENDATION COMPARISON SUMMARY

2023-2025 Needs-Based Budget

Reconciliation of 2021-23 Orig. General Fund Appropriation to 2023-25
Engrossed HB1020

	<u>NCI</u>
General Fund:	
2021-23 Original General Fund Appropriation	\$ 1,987,142
Base Adjustments:	
Base Payroll adjustments	<u>16,505</u>
2021-23 Adjusted Appropriation, Less Base Adjustments- (2023-25 Base Budget Request)	2,003,647
2023-25 Executive Recommendation Base Increases (Decreases):	
Compensation package salary/benefit increase 6%/4%	<u>165,246</u>
2023-25 Executive Recommended Base General Fund Increases(Decreases)	165,246
2023-25 Total Executive Recommended - General Fund	<u>2,168,893</u>
House Adjustments	
Compensation package salary/benefit increase 4%/4%	<u>(12,355)</u>
2023-25 House General Fund Increases(Decreases)	<u>(12,355)</u>
House Total General Funds	<u>2,156,538</u>
Full-time equivalent positions 2021-23	7.75
Full-time equivalent positions 2023-25 House Recommendation	8.80
Other Funds:	
2021-23 Original Other Fund Appropriation	\$ 1,922,618
Base Payroll adjustments	16,610
Special Fund Increase (Decrease)	1,500,000
Remove Capital Project & One Time funds	
2023-25 Adjusted Other Fund Appropriation(Base Budget Request)	<u>\$ 3,439,228</u>
2023-25 Executive Recommendation Base Increases (Decreases):	
Health Insurance increases	
Compensation package salary/benefit increase	161,897
Feed Production Center facility upgrade (SIIF One-time)	3,250,000
Pellet Mill (SIIF One-time)	650,000
2023-25 Executive Recommended Base Other Fund Increases(Decreases)	<u>4,061,897</u>
2023-25 Total Executive Recommended - Special Fund	<u>\$ 7,501,125</u>
House Adjustments	
Compensation package salary/benefit increase 4%/4%	\$ (12,179)
2023-25 House Special Fund Increases(Decreases)	<u>(12,179)</u>
House Total Special Funds	<u>7,488,946</u>
Full-time equivalent positions 2021-23	5.80
Full-time equivalent positions 2023-25 House Recommendation	9.35

FUNDING BREAKDOWN

North Dakota University System
Northern Crops Institute
Major Components of current base level

	638
	Northern Crops Institute
Salaries	\$ 4,562,123
Operating	1,207,895
Equipment	-
Capital Projects	-
Total Budget	<u>\$ 5,770,018</u>
Funding:	
Federal Fund	\$ -
General Fund	2,168,893
Special Fund	<u>3,601,125</u>
Total Funding	<u>\$ 5,770,018</u>

Source: SHERPA 2023-25, Governor's Recommendation

CURRENT BIENNIUM ONE-TIME FUNDING ITEMS

No one time funding was requested during the current biennium.

NEXT BIENNIUM ONE-TIME FUNDING ITEMS

Repairs, Updates, and Improvements to the NCI Feed Center:

The feed mill was designed and built over thirty years ago, and feed science has changed in that time period. The Northern Crops Institute would like to invest in upgrading the facilities to include:

- Upgraded equipment including the current pellet mill. The pellet mill was an original piece of the NDSU Experiment Station and was transferred to NCI in 1990; it is approximately 70 years old and while it has been maintained, it is beyond its useful life, parts are difficult to obtain, and it is in danger of critical failure.

- Current bin storage space limits what NCI can do from a product development standpoint, and are also 30+ years old. These bins will need to be replaced or there is a risk of critical failure and emergency funding in the near future.
- The current facility does not have adequate warehouse space for ingredients and finished feed storage. We possess donated equipment that is inaccessible most of the time due to lack of space.
- Current facility is not ADA compliant. This project will include an elevator to allow access for all to our educational facilities.
- Expanded educational facilities – current facilities do not have proper educational spaces, especially as we host international course participants. There are no breakout rooms, no place to serve meals (today participants eat outside, in a conference room, or are taken offsite).
- No room for new feed technology – more animal feeds, especially aqua feed utilize extrusion processing and NCI doesn't have the space or equipment to fulfill that mission effectively today.
- Parking lot, approaches and service drive are near impassable in the spring due to a clay underlay, this will allow paving of the parking lot (and prevent incidences where equipment and trailers sink into the lot).

No additional employees will be needed as a result of these upgrades.

Cost Analysis:

Building Costs (warehouse, lab, entrance, elevator, breakout space)	\$2,400,000
Equipment Costs -Pellet Mill	\$650,000
Bin Storage (replace 4 bins, build 4 additional, conveyance)	\$700,000
Parking Lot (pave parking lot)	\$150,000
Total	\$3,900,000

Additional operating costs will be minimal as much of the equipment will replace existing infrastructure.

NCI requests \$3.9 million to repair, upgrade, update, and expand the feed mill and equipment. The governor has recommended \$3.9 million in one-time funding from the Strategic Investment and Improvement Fund.

FUNDING DEPOSITS

NCI collects course fees and charges technical service fees for the services that we render. NCI continually strives to market our services and our courses and aim to maximize the impact of this funding. These funds are reinvested in equipment and at times personnel to run the equipment and assist the industry.

NCI always looks for ways to increase special funding, and have managed to almost double that funding in the last biennium, this money is then reinvested to help us further fulfill our mission of growing markets for crops grown in the region.

Our hope is that as we do more, that special funding also increases. Part of the challenge of much of this funding, especially with grants, is it doesn't provide funding for administration or overhead costs, which makes the appropriated funding all the more important.

APPROPRIATION BILL ADDITIONS

There is no need for any other sections to be included or are being requested/recommended to be included in the agency appropriation bill.

OTHER BILLS BEING CONSIDERED

There are no other bills being considered at this time.

LIST OF REQUESTED CHANGES

There is no list of requested changes.

NOV. 2021 FEDERAL STATE FISCAL RECOVERY FUNDING APPROPRIATIONS.

No special funds were allocated to NCI during the November 2021 special legislative session.

FEDERAL FUNDING AVAILABLE FOR THE 2023-25 BIENNIUM

At this time there is limited federal funding available for NCI programs.

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 state university extension service, northern crops institute, upper great plains transportation
3 institute, main research center, branch research centers, and agronomy seed farm; to provide
4 for a report; to provide for a transfer; to provide an exemption; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and
9 other income, to the North Dakota state university extension service, the northern crops
10 institute, the upper great plains transportation institute, the main research center, branch
11 research centers, and agronomy seed farm for the purpose of defraying the expenses of the
12 North Dakota state university extension service, the northern crops institute, the upper great
13 plains transportation institute, the main research center, branch research centers, and
14 agronomy seed farm, for the biennium beginning July 1, 2023, and ending June 30, 2025, as
15 follows:

16 Subdivision 1.

17 NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>		<u>Appropriation</u>
20 Extension service	\$56,530,224	\$6,094,267		\$62,624,491
21 Soil conservation committee	<u>1,211,520</u>	<u>150,000</u>		<u>1,361,520</u>
22 Total all funds	\$57,741,744	\$6,244,267		\$63,986,011
23 Less estimated income	<u>28,303,921</u>	<u>2,064,592</u>		<u>30,368,513</u>

Sixty-eighth
Legislative Assembly

1	Total general fund	\$29,437,823	\$4,179,675	\$33,617,498
2	Full-time equivalent positions	241.77	13.93	255.70
3	Subdivision 2.			

NORTHERN CROPS INSTITUTE

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Northern crops institute	<u>\$3,909,760</u>	<u>\$5,735,724</u>	<u>\$9,645,484</u>
8	Total all funds	\$3,909,760	\$5,735,724	\$9,645,484
9	Less estimated income	<u>1,922,618</u>	<u>5,566,328</u>	<u>7,488,946</u>
10	Total general fund	\$1,987,142	\$169,396	\$2,156,538
11	Full-time equivalent positions	13.55	4.60	18.15
12	Subdivision 3.			

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

14			Adjustments or	
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Upper great plains transportation institute	<u>\$23,527,957</u>	<u>\$2,000,375</u>	<u>\$25,528,332</u>
17				
18	Total all funds	\$23,527,957	\$2,000,375	\$25,528,332
19	Less estimated income	<u>19,042,350</u>	<u>1,058,021</u>	<u>20,100,371</u>
20	Total general fund	\$4,485,607	\$942,354	\$5,427,961
21	Full-time equivalent positions	43.88	0.00	43.88
22	Subdivision 4.			

MAIN RESEARCH CENTER

24			Adjustments or	
25		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
26	Main research center	<u>\$111,676,188</u>	<u>\$113,223,073</u>	<u>\$224,899,261</u>
27	Total all funds	\$111,676,188	\$113,223,073	\$224,899,261
28	Less estimated income	<u>57,087,956</u>	<u>103,473,971</u>	<u>160,561,927</u>
29	Total general fund	\$54,588,232	\$9,749,102	\$64,337,334
30	Full-time equivalent positions	334.56	27.91	362.47
31	Subdivision 5.			

1	BRANCH RESEARCH CENTERS			
2			Adjustments or	
3		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4	Dickinson research center	\$7,078,838	\$214,700	\$7,293,538
5	Central grasslands research center	3,553,320	115,371	3,668,691
6	Hettinger research center	5,174,885	233,889	5,408,774
7	Langdon research center	3,091,310	394,636	3,485,946
8	North Central research center	5,203,251	184,131	5,387,382
9	Williston research center	5,362,734	245,458	5,608,192
10	Carrington research center	<u>9,827,963</u>	<u>463,191</u>	<u>10,291,154</u>
11	Total all funds	\$39,292,301	\$1,851,376	\$41,143,677
12	Less estimated income	<u>20,722,818</u>	<u>459,658</u>	<u>21,182,476</u>
13	Total general fund	\$18,569,483	\$1,391,718	\$19,961,201
14	Full-time equivalent positions	108.21	2.60	110.81
15	Subdivision 6.			
16	AGRONOMY SEED FARM			
17			Adjustments or	
18		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19	Agronomy seed farm	<u>\$1,579,655</u>	<u>\$49,139</u>	<u>\$1,628,794</u>
20	Total special funds	\$1,579,655	\$49,139	\$1,628,794
21	Full-time equivalent positions	3.00	0.00	3.00
22	Subdivision 7.			
23	SECTION 1 TOTAL			
24			Adjustments or	
25		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
26	Grand total general fund	\$109,068,287	\$16,432,245	\$125,500,532
27	Grand total other funds	<u>128,659,318</u>	<u>112,671,709</u>	<u>241,331,027</u>
28	Grand total all funds	\$237,727,605	\$129,103,954	\$366,831,559
29	SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE			
30	SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding			

1 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
2 2023-25 biennium one-time funding items included in section 1 of this Act:

3	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
4	Deferred maintenance	\$500,000	\$500,000
5	Transportation data intelligence center	0	432,600
6	Multimodal carbon dioxide transportation study	0	398,450
7	Northern crops institute feed production center facility upgrade	0	3,250,000
8	Pellet mill	0	650,000
9	Storage sheds	0	1,900,000
10	Nesson Valley irrigation research site project	0	1,200,000
11	Branch research extension centers capital projects inflation	0	2,933,230
12	Hettinger research extension center land purchase	0	1,038,000
13	Waldron Hall replacement project	0	97,000,000
14	Carrington research extension center capital projects	1,221,000	0
15	Central grasslands research extension center	2,488,000	0
16	capital projects		
17	Dickinson research extension center capital projects	2,200,000	0
18	Hettinger research extension center capital projects	3,720,000	0
19	Langdon research extension center capital projects	473,000	0
20	Remote sensing of infrastructure	<u>2,225,000</u>	<u>0</u>
21	Total all funds	\$12,827,000	\$109,302,280
22	Total other funds	<u>12,327,000</u>	<u>105,695,600</u>
23	Total general fund	\$500,000	\$3,606,680

24 The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget
25 for the 2023-25 biennium. The upper great plains transportation center, northern crops institute,
26 and main research center shall report to the appropriations committees of the sixty-ninth
27 legislative assembly on the use of this one-time funding for the biennium beginning July 1,
28 2023, and ending June 30, 2025.

29 **SECTION 3. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS**

30 **INCOME.** The Dickinson research extension center may spend up to \$755,000 of revenues
31 received during the 2023-25 biennium from mineral royalties, leases, or easements for ongoing

1 operational expenses. Any revenues received in excess of \$755,000 may be spent only for
2 one-time expenditures for the biennium beginning July 1, 2023, and ending June 30, 2025.

3 **SECTION 4. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS**

4 **INCOME - REPORT.** The Williston research extension center shall report to the sixty-ninth
5 legislative assembly on amounts received and spent from mineral royalties, leases, or
6 easements in the biennium beginning July 1, 2021, and ending June 30, 2023, and the
7 biennium beginning July 1, 2023, and ending June 30, 2025.

8 **SECTION 5. ADDITIONAL INCOME - APPROPRIATION.** In addition to the amount
9 included in the grand total other funds appropriation line item in section 1 of this Act, any other
10 income, including funds from federal acts, private grants, gifts, and donations, or from other
11 sources received by the North Dakota state university extension service, the northern crops
12 institute, the upper great plains transportation institute, the main research center, branch
13 research centers, and agronomy seed farm, except as otherwise provided by law, is
14 appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium
15 beginning July 1, 2023, and ending June 30, 2025.

16 **SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**

17 **FUND - UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - NORTHERN CROPS**

18 **INSTITUTE - MAIN RESEARCH CENTER.** The estimated income line item in subdivision 2 of
19 section 1 of this Act includes the sum of \$3,900,000 from the strategic investment and
20 improvements fund for the northern crops institute feed production center facility upgrade and
21 pellet mill. The estimated income line item in subdivision 3 of section 1 of this Act includes the
22 sum of \$432,600 from the strategic investment and improvements fund for a transportation data
23 intelligence center. The estimated income line item in subdivision 4 of section 1 of this Act
24 includes the sum of \$99,400,000 from the strategic investment and improvements fund for the
25 Waldron Hall replacement project, storage sheds, and deferred maintenance.

26 **SECTION 7. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND -**
27 **NORTH DAKOTA STATE UNIVERSITY MAIN RESEARCH CENTER - PURCHASE OF LAND**

28 **AUTHORIZED.** The appropriation in subdivision 4 of section 1 of this Act includes the sum of
29 \$1,038,000 from federal funds derived from the state fiscal recovery fund for the purchase of
30 real property for the Hettinger research center, for the biennium beginning July 1, 2023, and
31 ending June 30, 2025. The Hettinger research center shall make payments in lieu of property

1 taxes in the manner and according to the conditions and procedures that would apply if the
2 property were privately owned. The North Dakota state university main research center is
3 authorized to purchase four parcels of land in Adams County, described as:

- 4 1. The southeast quarter of section 24, township 129 north, range 96, Adams County;
- 5 2. A tract of land in the northeast quarter of the southeast quarter of section 13,
6 township 129 north, range 96, Adams County;
- 7 3. The southeast quarter of the southeast quarter of section 13, the north half of the
8 northeast quarter of section 24, township 129 north, range 96, Adams County; and
- 9 4. The north half of the north half of section 19, township 129 north, range 95, Adams
10 County.

11 **SECTION 8. EXEMPTION - TRANSFER AUTHORITY.** Notwithstanding section 54-16-04,
12 upon approval of the state board of agricultural research and education and appropriate branch
13 research center directors, the director of the office of management and budget shall transfer
14 appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act.

15 **SECTION 9. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS -**
16 **REPORT.** Notwithstanding any other provisions of law, the state board of higher education may
17 adjust or increase full-time equivalent positions as needed for the entities in section 1 of this
18 Act, subject to availability of funds. All full-time or part-time positions must be separate from
19 North Dakota state university. Annually, the board shall report to the office of management and
20 budget and to the budget section any adjustments made pursuant to this section.

21 **SECTION 10. EXEMPTION - UNEXPENDED GENERAL FUND - EXCESS INCOME.** Any
22 unexpended general fund appropriation authority available to and any excess income received
23 by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11,
24 and any unexpended funds from these appropriations or revenues are available and may be
25 expended by those entities, during the biennium beginning July 1, 2025, and ending June 30,
26 2027.

27 **SECTION 11. EXEMPTION - BRANCH RESEARCH CENTERS PROJECTS.** The amounts
28 appropriated from other funds for Carrington research center capital projects, central grasslands
29 research center capital projects, and Langdon research center capital projects in subdivision 4
30 of section 1 of chapter 48 of the 2021 Session Laws, are not subject to the provisions of section
31 54-44.1-11, and any unexpended funds from these appropriations or related revenues are

1 available and may be expended during the biennium beginning July 1, 2023, and ending
2 June 30, 2025.

3 **SECTION 12. EXEMPTION - BRANCH RESEARCH CENTERS PROJECTS - FEDERAL**
4 **STATE FISCAL RECOVERY FUND.** The amounts appropriated from federal funds derived from
5 the state fiscal recovery fund for one-time projects at the Carrington research center, central
6 grasslands research center, Dickinson research center, and Hettinger research center in
7 section 6 of chapter 550 of the 2021 Special Session Session Laws are not subject to the
8 provisions of section 54-44.1-11, and any unexpended funds from these appropriations are
9 available and may be expended during the biennium beginning July 1, 2023, and ending
10 June 30, 2025.

11 **SECTION 13. EXEMPTION - MAIN RESEARCH CENTER - PUBLIC IMPROVEMENT**
12 **CONSTRUCTION.** The main research center, for its use of the \$2,400,000 appropriated from
13 the strategic investment and improvements fund for deferred maintenance and branch research
14 center storage sheds, is not subject to the provisions of section 48-01.2-02.1, and the main
15 research center may spend this funding without procuring plans, drawings, and specifications
16 from an architect or engineer.

17 **SECTION 14. EMERGENCY.** The \$250,000 appropriated from the general fund for a spud
18 research fast track in subdivision 4 of section 1 of this Act is declared to be an emergency
19 measure.