



BUDGET SECTION - GOVERNMENT OPERATIONS DIVISION

Wednesday, June 25, 2025
Room 327B, State Capitol
Bismarck, North Dakota

Senator Terry M. Wanzek, Chairman, called the meeting to order at 1:00 p.m.

Members present: Senators Terry M. Wanzek, Randy A. Burckhard, Michael Dwyer, Robert Erbele, Jonathan Sickler; Representatives Mike Brandenburg, Jay Fisher, Keith Kempenich, Lisa Meier, David Monson

Members absent: Representatives Glenn Bosch, Brandy L. Pyle

Others present: See [Appendix A](#)

BACKGROUND INFORMATION

Mr. Grant Gader, Fiscal Analyst, Legislative Council, presented a memorandum entitled [Budget Section Divisions - Background Memorandum](#). He noted the nonleadership divisions of the Budget Section will review agency base budgets and programs, receive updates on the status of agency budgets and legislative initiatives, review agency budget requests, conduct selected tours of state facilities, and receive other budget information.

Mr. Brady A. Larson, Assistant Legislative Budget Analyst and Auditor, Legislative Council, presented a report entitled [Budget and Fiscal Trends](#) regarding changes in state revenues and appropriations for the 2015-17 through 2025-27 bienniums.

In response to a question from a committee member, Mr. Larson noted biennial distributions from the common schools trust fund to the state tuition fund are 10 percent of the 5-year average value of the trust assets, excluding the value of lands and minerals. He noted all fines for violation of state laws are deposited into the state tuition fund.

DEPARTMENT OF TRANSPORTATION

Mr. Larson presented information regarding the Department of Transportation, including the [department's portion](#) of a report entitled [69th Legislative Assembly State Budget Actions for the 2025-27 Biennium](#) and a [transportation funding allocation flowchart](#). He noted both documents detail changes made to the highway tax distribution fund and flexible transportation fund allocations.

Mr. Ron Henke, Director, Department of Transportation, presented information ([Appendix B](#)) regarding the flexible transportation fund, including:

- The application and selection processes for the 2023-25 and 2025-27 bienniums.
- An overview of the 2023-25 biennium applications, projects selected, and grant amounts awarded.
- A comparison of fund allocations for the 2023-25 and 2025-27 bienniums.

Mr. Henke noted the 2023-25 biennium flexible transportation fund report will be available in July 2025.

Mr. Henke presented information regarding federal transportation funding for the 2025-27 biennium, including an overview of funding from federal aid formula programs, National Highway Traffic Safety Administration programs, federal Transit Administration aid programs, and federal discretionary funding. He noted:

- The department anticipates receiving \$828 million through federal aid formula programs and has not received any information or been advised of any reductions to that amount.
- A \$25 million grant for electric vehicle charging stations, to be distributed over a 5-year period at \$10 million per biennium, is on hold.
- A \$31.9 million grant for the low-carbon transportation materials program, which was awarded in November 2024 and is entirely federally funded, is anticipated to be canceled.
- During the 2023-25 biennium, the department applied for \$909 million in discretionary grants and was awarded \$237 million. The department is awaiting award announcements for an additional \$76 million in pending grant applications.

Mr. Henke presented information regarding planning and construction updates. He noted:

- The department is updating its long-range transportation plan, a process completed every 5 years. The final plan, expected in May 2026, will guide future investments into North Dakota's transportation system.
- Projects are experiencing strong competition and favorable pricing, particularly for projects bid between October 2024 and February 2025. He noted projects bid between October 2024 and March 2025 were awarded a total contract amount of \$246 million, which was \$23 million below engineering estimates of \$269 million.

In response to a question from a committee member, Mr. Matthew Linneman, Deputy Director of Engineering, Department of Transportation, noted the contract to replace 75 miles per hour interstate speed limit signs with 80 miles per hour signs was bid in June and has been awarded, with work beginning August 1. He noted interstate speed limits will be reduced to 70 miles per hour in certain areas, including Grand Forks, Valley City, Jamestown, Dickinson, and Medora.

AGRICULTURE AGENCIES BUDGET INFORMATION

Mr. Gader presented budget information for the following agricultural agencies:

- The [Agriculture Commissioner](#) portion of the 69th Legislative Assembly State Budget Actions for the 2025-27 Biennium.
- The [Agriculture Research and Extension Agencies](#) portion of the 69th Legislative Assembly State Budget Actions for the 2025-27 Biennium.

No further business appearing, Chairman Wanzek adjourned the meeting at 2:50 p.m.

Grant Gader
Fiscal Analyst

Brady A. Larson
Assistant Legislative Budget Analyst and Auditor

ATTACH:2