



BUDGET SECTION

Wednesday, December 10, 2025
Senate Chamber, State Capitol
Bismarck, North Dakota

Representative Don Vigesaa, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Don Vigesaa, Bert Anderson, Mike Berg, Glenn Bosch, Mike Brandenburg, Gretchen Dobervich*, Jay Fisher, Zachary Ista*, Keith Kempenich, Mike Lefor*, Scott Louser*, Bob Martinson, Lisa Meier, Alisa Mitskog*, Eric J. Murphy*, Mike Nathe, Jon O. Nelson, Brandy L. Pyle, David Richter, Matthew Ruby*, Mark Sanford*, Gregory Stemen, Steve Swiontek, Scott Wagner, Robin Weisz; Senators Brad Bekkedahl, Josh Boschee*, Randy A. Burckhard, Sean Cleary, Cole Conley, Kyle Davison*, Dick Dever, Michael Dwyer, Robert Erbele, Kathy Hogan, Randy D. Lemm*, Jeffery J. Magrum, Tim Mathern*, Scott Meyer*, Donald Schaible, Jonathan Sickler, Ronald Sorvaag, Paul J. Thomas, Terry M. Wanzek

Members absent: Representatives Karla Rose Hanson, David Monson; Senators David Hogue, Jerry Klein

Others present: Stephanie Gullickson and Joe Morrisette, Office of Management and Budget; Reice Haase, Department of Water Resources; Jennifer Henderson, Housing Finance Agency; Beth Jacobson, Department of Environmental Quality; Bill Peterson, State Historical Society; Pam Sagness, Department of Health and Human Services

Levi Kinnischtzke and Adam Mathiak, Legislative Council, Bismarck

**Attended remotely*

It was moved by Senator Burckhard, seconded by Representative Meier, and carried on a voice vote that the minutes of the September 24, 2025, meeting be approved as distributed.

STATE BUDGET INFORMATION

Mr. Joe Morrisette, Director, Office of Management and Budget, presented a report ([Appendix A](#)) on the status of the General Fund, balances of selected special funds, General Fund revenue collections, oil prices and production, and the new and vacant FTE funding pool.

STATE AGENCY APPLICATIONS FOR FEDERAL GRANTS

Mr. Morrisette presented information ([Appendix B](#)) on state agencies that applied for federal grants estimated to be \$25,000 or more pursuant to North Dakota Century Code Section 54-27-27. He reported the following agencies have applied for a federal grant estimated to be \$25,000 or more:

Agency	Time Period of Grant	Amount
Department of Public Instruction	January 2026 - December 3031	\$10,000,000
Department of Corrections and Rehabilitation	October 2025 - September 2028	\$500,000
Department of Corrections and Rehabilitation	October 2025 - September 2029	\$1,717,736

IRREGULARITIES IN THE FISCAL PRACTICES OF THE STATE

Pursuant to Section 54-14-03.1, Mr. Morrisette presented information ([Appendix C](#)) on irregularities in the fiscal practices of the state. He presented the following fiscal irregularities for the period September 2025 through November 2025:

Agency	Fiscal Irregularity	Amount
Attorney General	Pay adjustments	\$1,276
Legal Counsel for Indigents	Pay adjustments	\$556
Center for Distance Education	Pay adjustments	\$750
Department of Health and Human Services	Pay adjustments	\$2,598
Attorney General	Retroactive pay	\$2,716
Department of Environmental Quality	Retroactive pay	\$789
Department of Health and Human Services	Retroactive pay	\$16,566
Department of Corrections and Rehabilitation	Retroactive pay	\$757
Office of Management and Budget	Temporary pay increases	\$1,500
Tax Commissioner	Temporary pay increases	\$10,512
Public Employees Retirement System	Temporary pay increases	\$3,040
Department of Public Instruction	Temporary pay increases	\$8,400
Department of Veterans' Affairs	Temporary pay increases	\$2,500
Department of Health and Human Services	Temporary pay increases	\$77,826
Job Service North Dakota	Temporary pay increases	\$1,803
Insurance Commissioner	Temporary pay increases	\$4,013
Public Service Commission	Temporary pay increases	\$4,650
Commerce Department	Temporary pay increases	\$3,225
Parks and Recreation Department	Temporary pay increases	\$5,450
Department of Water Resources	Temporary pay increases	\$2,400

AGENCY REQUESTS APPROVED BY THE EMERGENCY COMMISSION

Chairman Vigesaa directed the Budget Section to consider agency requests ([Appendix D](#)) which have been authorized by the Emergency Commission and forwarded to the Budget Section pursuant to Chapter 54-16.

Mr. Morrisette provided information regarding the following requests that were authorized by the Emergency Commission and require consideration by the Budget Section:

- **Department of Public Instruction (Request #2154)** - The request is to increase federal funds spending authority by \$37,461 in the salaries and wages line item (\$35,000) and the operating expenses line item (\$2,461) to accept and expend federal funds available through a subgrant from New Classrooms to provide for the development of a comprehensive and different model for mathematics education.
- **Department of Environmental Quality (Request #2157)** - The request is for a line item transfer of \$200,000 of special funds from the operating expenses line item to the capital assets line item relating to the chemistry laboratory in the new laboratory building.
- **Insurance Commissioner (Request #2158)** - The request is to increase special funds spending authority by \$1.5 million from the Insurance Regulatory Trust Fund in the operating expenses line item to conduct fire inspections of state buildings and institutions due to local fire departments rescinding agreements to conduct inspections of state buildings.

Ms. Stephanie Gullickson, Budget Analyst, Office of Management and Budget, responded to questions regarding Request #2158.

Ms. Beth Jacobson, Director, Division of Accounting, Department of Environmental Quality, responded to questions regarding Request #2157.

It was moved by Representative Nelson, seconded by Senator Wanzek, and carried on a roll call vote that the Budget Section approve Emergency Commission Requests #2154 and #2157. Representatives Vigesaa, Anderson, Berg, Bosch, Brandenburg, Fisher, Ista, Kempenich, Lefor, Louser, Martinson, Meier, Mitskog, Murphy, Nathe, Nelson, Pyle, Richter, Ruby, Sanford, Stemen, Swiontek, Wagner, and Weisz and Senators Bekkedahl, Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Erbele, Hogan, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, and Wanzek voted "aye." No negative votes were cast.

It was moved by Representative Kempenich, seconded by Representative Brandenburg, and failed on a roll call vote that the Budget Section deny Emergency Commission Request #2158.

Representatives Brandenburg, Fisher, Kempenich, Murphy, Richter, and Stemen and Senators Conley, Dever, Dwyer, Erbele, Lemm, Magrum, Meyer, Schaible, Thomas, and Wanzek voted "aye." Representatives Vigesaa, Anderson, Berg, Bosch, Dobervich, Ista, Lefor, Louser, Martinson, Meier, Mitskog, Nathe, Nelson, Pyle, Ruby, Sanford, Swiontek, Wagner, and Weisz and Senators Bekkedahl, Burckhard, Cleary, Davison, Hogan, Mathern, Sickler and Sorvaag vote "nay."

It was moved by Representative Nelson, seconded by Senator Hogan, and carried on a roll call vote that the Budget Section approve Emergency Commission Request #2158. Representatives Vigesaa, Anderson, Berg, Bosch, Dobervich, Ista, Lefor, Louser, Martinson, Meier, Mitskog, Murphy, Nathe, Nelson, Pyle, Ruby, Sanford, Swiontek, Wagner, and Weisz and Senators Bekkedahl, Burckhard, Cleary, Davison, Dever, Dwyer, Hogan, Mathern, Sickler, and Sorvaag voted "aye." Representative Brandenburg, Fisher, Kempenich, Richter, and Stemen and Senators Conley, Erbele, Lemm, Magrum, Meyer, Schaible, Thomas, and Wanzek voted "nay."

2023-25 BIENNIUM NEW AND VACANT FTE FUNDING POOLS

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, presented a memorandum entitled [New and Vacant FTE Funding Pools](#). He noted the following total savings from the executive, legislative, and judicial branch new and vacant FTE funding pool process.

	General Fund	Federal Funds	Special Funds	Total Funds
Executive branch	\$12,585,216	\$9,658,879	\$27,546,791	\$49,790,886
Legislative branch	398,339	0	0	398,339
Judicial branch	2,950,858	20,403	17,809	2,989,070
Total	\$15,934,413	\$9,679,282	\$27,564,600	\$53,178,295

LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD REPORT

Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, presented a memorandum entitled [Legacy and Budget Stabilization Fund Advisory Board - Status Report to the Budget Section December 10, 2025](#) regarding the investment of funds in the Legacy Fund and Budget Stabilization Fund pursuant to Section 21-10-11. He noted:

- The market value of the Budget Stabilization Fund as of July 31, 2025, was \$951.1 million and the asset allocation of the Budget Stabilization Fund is 99 percent short-term fixed income and cash and 1 percent cash and equivalents.
- The fiscal year-to-date earnings of the fund through July 2025 is approximately 0.28 percent.
- The market value of the Legacy Fund as of July 31, 2025, was \$12.5 billion and the Legacy Fund's fiscal year-to-date net return through July 2025 was 0.68 percent compared to a benchmark return of 0.75 percent.

MILITARY MUSEUM UPDATE

Mr. Bill Peterson, Director, State Historical Society, presented an update ([Appendix E](#)) on the military museum project. He noted:

- Construction on the museum began in August 2025.
- Total cost of the project is \$77.9 million, of which \$38.7 million is from private donations.
- A total of \$9.2 million of private donations have been pledged to date for the project.

OPIOID SETTLEMENT FUND

Ms. Pam Sagness, Executive Director, Behavioral Health Division, Department of Health and Human Services, provided an update ([Appendix F](#)) regarding the Opioid Settlement Fund. She noted:

- The state has received a total of \$26.6 million from the settlement to date with an additional \$43.3 million anticipated to be received.
- During the 2023-25 biennium a total of \$7.6 million of settlement funding was used for nasal naloxone purchases (\$634,834), tribal prevention, treatment, and recovery activities (\$305,417), grants to political subdivisions, health districts, and other recipients (\$6,705,993), and administrative costs (\$1,841).

- An additional \$8 million is anticipated to be allocated in the 2025-27 biennium for grants and other prevention and recovery efforts.

HOUSING INCENTIVE FUND

Ms. Jennifer Henderson, Director, Community Housing and Grants Management, Housing Finance Agency, presented an update ([Appendix G](#)) on the Housing Incentive Fund. She noted:

- For the 2023-25 biennium, a total of \$12 million was made available for two application cycles for multifamily units. A total of seven projects were awarded a total of \$12,025,000 in housing incentive funds. Projects funded included 70 rehabilitation units in Jamestown, 23 rehabilitation units for two projects in Rolla, 96 rehabilitation units in Bismarck, 34 new construction units in Bismarck, 60 rehabilitation units in Dickinson, and 48 rehabilitation units in Minot.
- Since 2011, more than \$127 million has been used from the Housing Incentive Fund to construct and rehabilitate 3,933 multifamily housing units in the state.

DEPARTMENT OF WATER RESOURCES CARRYOVER AUTHORITY

Mr. Reice Haase, Director, Department of Water Resources, presented information ([Appendix H](#)) regarding unexpended 2023-25 biennium appropriation authority for water projects continued into the 2025-27 biennium pursuant to Section 24 of House Bill No. 1020 (2025). He noted:

- A total of \$570.1 million of unexpended 2023-25 biennium appropriation authority for water projects was continued into the 2025-27 biennium compared to the estimate during the 2025 legislative session of \$600 million.
- Of the funding carried over, a total of \$133.2 million has been spent on projects, \$396.6 million is obligated for projects, and \$40.3 million remains unobligated.

ANNUAL FULL-TIME EQUIVALENT POSITION REPORTS

Chairman Vigesaa announced reports ([Appendix I](#)) were submitted to the Budget Section detailing changes in full-time equivalent (FTE) positions pursuant to Sections 11-38-12 and 15-12.1-05 and Section 9 of Senate Bill No. 2020 (2025).

North Dakota State University Extension Service

The report states the agency reduced 5.28 FTE positions between December 1, 2024, and November 30, 2025, resulting in a total of 250.16 FTE positions as of November 30, 2025.

Northern Crops Institute

The Northern Crops Institute reported no changes in FTE positions between December 1, 2024, and November 30, 2025, maintaining a total of 17.60 FTE positions as of November 30, 2025.

Upper Great Plains Transportation Institute

The report states the agency did not adjust any positions between December 1, 2024, and November 30, 2025, maintaining a total of 42.88 FTE positions as of November 30, 2025.

North Dakota State University Main Research Center

The report states the agency reduced 14.86 FTE positions between December 1, 2024, and November 30, 2025, resulting in a total of 353.67 FTE positions as of November 30, 2025.

Branch Research Centers and Agronomy Seed Farm

The branch research centers reported adding 1.05 FTE positions between December 1, 2024, and November 30, 2025, resulting in 108.21 FTE positions as of November 30, 2025. The Agronomy Seed Farm reported no changes in FTE positions were made between December 1, 2024, and November 30, 2025, maintaining a total of 3 FTE positions as of November 30, 2025.

OTHER BUSINESS

Chairman Vigesaa announced the next Budget Section meeting is tentatively scheduled for Wednesday, March 18, 2026.

No further business appearing, Chairman Vigesaa adjourned the meeting at 12:10 p.m.

Brady A. Larson
Assistant Legislative Budget Analyst and Auditor

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:9