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## GOVERNMENT FINANCE COMMITTEE

Thursday, December 11, 2025  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Representative Jared C. Hagert, Chairman, called the meeting to order at 12:30 p.m.

**Members present:** Representatives Jared C. Hagert, Bert Anderson, Jason Dockter, Ty Dressler, Austin Foss, Craig Headland, Lisa Meier, Mike Nathe, Vicky Steiner, Gregory Stemen, Kelby Timmons\*; Senators Jeff Barta\*, Randy A. Burckhard, Justin Gerhardt, Donald Schaible, Chuck Walen

**Members absent:** Representatives Jim Grueneich, Patrick R. Hatlestad; Senator Richard Marcellais

**Others present:** Senator Brad Bekkedahl, Williston, Legislative Management

Sarah Aker, North Dakota Health and Human Services; Nathan Anderson, Department of Mineral Resources; Brian Hosek, Game and Fish Department; Rachael Kmetz, Office of the Attorney General; Joe Morrisette, Office of Management and Budget; Chris Schilkin, Department of Commerce; Trevor Woods\*, Vantis

John Bjornson, Legislative Council, Bismarck

*\*Attended remotely*

**It was moved by Senator Schaible, seconded by Senator Walen, and carried on a voice vote that the minutes of the September 25, 2025, meeting be approved as distributed.**

### STATE BUDGET INFORMATION

#### Office of Management and Budget

Mr. Joe Morrisette, Director, Office of Management and Budget, presented information ([Appendix A](#)) regarding the status of the General Fund for the 2025-27 biennium and selected special fund balances. He noted:

- General Fund revenue collections for the 2025-27 biennium through November 2025 were \$1.08 billion, which was approximately \$20 million less than the forecast.
- The uncommitted balance of the Strategic Investment and Improvements Fund was \$10 million as of September 30, 2025.

In response to a question from a committee member, Mr. Morrisette noted unspent General Fund appropriation authority has increased in recent bienniums due to the availability of additional federal funding.

#### Department of Health and Human Services

Ms. Sarah Aker, Executive Director, Medical Services Division, Department of Health and Human Services, presented information ([Appendix B](#)) regarding an update of the state's grant application for the federal Rural Health Transformation Program. She noted:

- The department's application identifies four major initiatives for the grant funding to support rural health care, including bringing high-quality care closer to home (58.4 percent); connecting technology, data, and providers (16.8 percent); strengthening and stabilizing rural health workforce (16.2 percent); and making North Dakota healthy again (8.6 percent).
- Funding may not be used for the construction or purchase of new buildings.

- The department plans to use grant funding to grow the workforce in rural and tribal communities and to expand health care workforce programs.

### **OIL AND GAS DEVELOPMENT UPDATES**

Mr. Nathan Anderson, Director, Department of Mineral Resources, presented information ([Appendix C](#)) regarding an update on oil and gas developmental activities. He noted:

- Oil production averaged 1.17 million barrels per day and North Dakota oil prices averaged \$56.69 per barrel in September 2025.
- Approximately 35 percent of oil wells have a 3-mile horizontal segment compared to 65 percent with a 2-mile horizontal segment, which is a significant change from a few years earlier when over 90 percent of the oil wells had a 2-mile horizontal segment.
- Approximately 52 percent of oil wells are classified as stripper wells and account for approximately 15 percent of the state's oil production.
- Oil prices are anticipated to decline in 2026 due to a global oil production surplus.

### **DEPARTMENT OF COMMERCE REPORTS**

Mr. Chris Schilkin, Commissioner, Department of Commerce, presented information ([Appendix D](#)) regarding the status of uncrewed aircraft systems test sites pursuant to North Dakota Century Code Section 54-60-28 and the development of the Beyond Visual Line of Sight Uncrewed Aircraft System Program pursuant to Section 54-60-29.1. He noted:

- The 2024 Federal Aviation Administration Reauthorization Act extended the Northern Plains Uncrewed Aircraft System Test Site Program through 2029.
- North Dakota has invested more than \$164.4 million in uncrewed aircraft system development, including the test site (\$40.9 million), Vantis (\$88 million), and the Enhanced Use Lease Grant Program (\$35.5 million).
- North Dakota is participating in the Federal Aviation Administration's Radar Data Pathfinder project.

In response to a question from a committee member, Mr. Trevor Woods, Executive Director, Vantis, noted agreements between the state of North Dakota and uncrewed aircraft system providers allows for sharing of intellectual property to support the development of safe and efficient uncrewed aircraft system operations.

### **STATE AGENCY FEES STUDY Game and Fish Department**

Mr. Brian Hosek, Administrative Services Division Chief, Game and Fish Department, presented information ([Appendix E](#)) regarding the fees collected by the agency, including a brief summary of each fee, comments regarding the appropriateness of each fee, and any recommendations to change or remove fees. He noted:

- The department's fees primarily relate to watercraft registrations and hunting and fishing licenses and provide funding for the department's operations.
- Senate Bill No. 2216 (2025) authorized a new waterfowl habitat restoration fee while House Bill No. 1470 (2025) adjusted the fees for some hunting and fishing licenses.

In response to a question from a committee member, Mr. Hosek noted the hunting and fishing licensing fees are competitive with surrounding states, and the department does not recommend any changes to the current fees.

### **Attorney General**

Ms. Rachel Kmetz, Finance Director, Attorney General's office, presented information ([Appendix F](#)) regarding the fees collected by the agency, including a brief summary of each fee, comments regarding the appropriateness of each fee, and any recommendations to change or remove fees. She noted:

- The agency administered 41 fees and collected approximately \$6.2 million of fee revenue during the 2023-25 biennium, which was \$5 million less than the \$11.2 million cost of administration.

- License applications are accepted through paper, but the agency is considering automating some of those procedures.

In response to a question from a committee member, Ms. Kmetz noted the cost of administering the fees exceeds the revenue collected primarily for attorney billing because some of the costs of legal work are not eligible to be billed to state agencies.

### LEGISLATIVE OFFICE BUILDING STUDY

Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, presented information ([Appendix G](#)) on legislative office buildings in other states. He noted:

- Utah has separate House and Senate buildings with underground parking to support the legislative needs for their 104 legislators and 165 permanent staff.
- Alabama is constructing a new State House, including new legislative chambers, at a cost of approximately \$400 million.

Mr. John Bjornson, Director, Legislative Council, presented information ([Appendix H](#)) on legislative space needs for offices and committee meeting rooms. He noted:

- The Legislative Council is authorized 70 FTE positions, including 25 new FTE positions authorized by the 2025 Legislative Assembly.
- Approximately 45,000 square feet is used for workspace and meeting rooms, which could be occupied by other state agencies if a new legislative office building would be constructed.
- The Capitol Building Fund was established to provide funding for the construction of a legislative office building, but the funding generally has been used primarily to support projects at the Governor's residence and other improvements on the Capitol grounds.

Committee members noted concerns with existing legislative areas, including the need to increase accessibility and to improve safety.

**It was moved by Representative Stemen, seconded by Representative Nathe, and carried on a roll call vote that the Government Finance Committee recommend the Legislative Management direct the Legislative Council staff to develop a prioritized list of space needs for the Legislative Council and Legislative Assembly and to coordinate with the Office of Management and Budget to procure preliminary designs for a legislative office building and a parking facility.** Representatives Hagert, Dockter, Dressler, Foss, Headland, Nathe, Steiner, Stemen, and Timmons and Senators Barta, Gerhardt, and Walen voted "aye." No negative votes were cast.

### SUBCOMMITTEE UPDATES

Mr. Mathiak noted the Government Finance Committee - Transportation Study Subcommittee received information from the Upper Great Plains Transportation Institute regarding a study of transit services in cities across the Midwest and received an overview of the transit operations in Fargo and Minot.

Representative Stemen noted the Government Finance Committee - Regional Jail Study Subcommittee received information from the Department of Corrections and Rehabilitation regarding the inmate population and plans for the Missouri River Correctional Center and received information regarding regional jail facility operations at the Burleigh Morton Detention Center and the Lake Region Law Enforcement Center.

No further business appearing, Chairman Hagert adjourned the meeting at 3:35 p.m.

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Adam Mathiak  
Senior Fiscal Analyst

ATTACH:8