



BUDGET SECTION - REGULATORY DIVISION

Wednesday, March 18, 2026
Room 327C, State Capitol
Bismarck, North Dakota

Senator Ronald Sorvaag, Chairman, called the meeting to order at 1:48 p.m.

Members present: Senators Ronald Sorvaag, Cole Conley, Scott Meyer, Donald Schaible, Paul J. Thomas; Representatives Mike Brandenburg, Jay Fisher, Keith Kempenich, Lisa Meier, David Monson, Brandy L. Pyle

Member absent: Representative Glenn Bosch

Others present: Nathan Anderson, Edward C. Murphy, Donna Schmidt, Michael Ziesch, Department of Mineral Resources; Kayla Axtman, Brandon Dettlaff, Jennifer Henderson, Housing Finance Agency; Jordan Kannianen, Industrial Commission; Justin J. Kringstad, North Dakota Pipeline Authority

HOUSING FINANCE AGENCY

Base Budget

Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, presented information regarding the [base budget summary](#) for the Housing Finance Agency. He noted during the 2021-23 biennium, the federal HOME Program and \$8.3 million in federal funds appropriation authority was transferred from the Department of Commerce to the Housing Finance Agency.

Agency Updates and Major Programs

Mr. Brandon Dettlaff, Executive Director, Housing Finance Agency, presented information ([Appendix A](#)) regarding Housing Finance Agency initiatives and funding. He noted:

- The Legislative Assembly provided 5 new full-time equivalent (FTE) positions during the 2025 legislative session, 4 of which have been hired.
- The agency issues tax-exempt mortgage revenue bonds to acquire loans from originating lenders and services the loans in Bismarck. Because of their tax advantage, tax-exempt bonds are sold at lower interest rates, allowing the agency to pass along savings to borrowers through below-market interest rates.
- The agency serviced more than 14,000 loans in 2025, compared to less than 10,000 in 2020.

Ms. Kayla Axtman, Chief Financial Officer, Housing Finance Agency, presented information regarding the agency's budget. She noted through December 2025, the agency had expended \$14.7 million of its \$70.2 million 2025-27 biennium appropriation.

Ms. Jennifer Henderson, Director of Community Housing and Grants Management, Housing Finance Agency, presented information regarding the Housing Incentive Fund and homeless programs. She noted:

- Funding requests for multifamily housing programs exceed available resources, with more than \$50 million in qualified projects not receiving funding after \$25 million was awarded during the September 2025 application round.

- The agency received \$9.85 million for homeless programs for the 2025-27 biennium. During the fiscal year 2025 funding round, the agency received requests totaling \$7.6 million and awarded \$4.6 million. The agency prioritized renewal of existing programs in its grant award process. Of the funding awarded, 41 percent was allocated for emergency shelter operations, 42 percent was allocated for homeless prevention and rapid rehousing, and the remaining 17 percent was allocated for administration and information technology costs.

DEPARTMENT OF MINERAL RESOURCES

Base Budget

Mr. Mathiak presented information regarding the [base budget summary](#) for the Department of Mineral Resources. He noted the agency was separated from the Industrial Commission during the 2023 legislative session.

Agency Updates and Oil and Gas Development Activities

Mr. Nathan Anderson, Director, Department of Mineral Resources, presented an agency overview and update on oil and gas development activities in North Dakota ([Appendix B](#)). He noted:

- The agency is authorized 113 FTE positions for the 2025-27 biennium, 5 are new FTE positions authorized by the 2025 Legislative Assembly, 4 of which have been filled. The agency is in the process of hiring the final position, a reclamation technician.
- North Dakota oil production remained relatively flat at approximately 1.15 million barrels per day in 2025 despite declining drilling rig counts.
- Oil and gas operators continue to optimize production by drilling longer lateral wells, with four-mile lateral wells representing more than 10 percent of recently permitted wells. The department recently reviewed its first proposal for a five-mile lateral well.
- The average completed lateral footage per well reached an all-time high in January 2026 of 13,400 feet per well, compared to approximately 10,600 feet per well in 2023.
- Recent oil prices have been volatile due to ongoing conflict in the Middle East and the closure of the Strait of Hormuz.

Ms. Donna Schmidt, Finance Lead, Department of Mineral Resources, presented information regarding the department's budget. She noted the agency has elected to participate in the Voluntary Separation Incentive Program.

PROJECT UPDATES

Enhanced Oil Recovery Grant Program

Mr. Jordan Kannianen, Deputy Executive Director, Industrial Commission, presented information ([Appendix C](#)) regarding the Enhanced Oil Recovery Grant Program under Section 12 of Senate Bill No. 2014 (2025). He noted:

- During the fall 2025 grant round, the \$25 million appropriated for the 2025-27 biennium for enhanced oil recovery projects was fully allocated along with other funding available in the Oil and Gas Research Fund.
- Six projects, ranging from 2 to 4 years in duration, were approved for a total allocation of \$45.1 million. Data and results from these projects are expected to become available beginning in mid 2027.
- Full funding for grantees is contingent upon receiving matching federal funds from the United States Department of Energy. If federal funding is not provided, each grant award will be reduced by 5 percent and the uncommitted funds will be used for other projects.

Natural Gas Transmission Projects

Mr. Justin J. Kringstad, Director, North Dakota Pipeline Authority, presented information ([Appendix D](#)) regarding natural gas transmission projects in North Dakota. He noted:

- The Bakken xPress Project involves reversing the 302-mile idle Bison Pipeline. The project will transport North Dakota natural gas southward to Wyoming and Colorado and has a targeted in-service date of May 2026.
- Development is continuing on two natural gas pipeline projects north of Lake Sakakawea: the 17-mile Line Section 32 Expansion with a targeted in-service date of the fourth quarter of 2028, and the 87-mile Minot Industrial Pipeline with a targeted in-service date of the fourth quarter of 2029.
- The Bakken East Project, a proposed 455-mile natural gas pipeline extending from McKenzie County to Cass County with laterals extending to Spiritwood and Ellendale, would have a capacity of transporting 1.4 million to 1.7 million decatherms per day. The western segment has a targeted in-service date of November 2029 and the eastern segment has a targeted in-service date of November 2030.

In response to a question from a committee member, Mr. Kringstad noted the state of North Dakota has committed up to \$50 million per year for capacity on the Bakken East pipeline, representing approximately 10 percent of total project capacity. He further noted no contracts have been executed and no funding obligations begin until the pipeline enters service.

No further business appearing, Chairman Sorvaag adjourned the meeting at 3:53 p.m.

Adam Mathiak
Senior Fiscal Analyst

Grant Gader
Fiscal Analyst

ATTACH:4