

February 24, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions  
2 under the supervision of the director of the office of management and budget; ~~and to amend~~  
3 ~~and reenact section 57-51.1-07.5 of the North Dakota Century Code, relating to the state share~~  
4 ~~of oil and gas tax revenue allocations; to repeal section 11-38-08 of the North Dakota Century~~  
5 ~~Code, relating to county achievement days; to provide a transfer; to provide an exemption; to~~  
6 ~~provide a report; and to declare an emergency.~~

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
9 as may be necessary, are appropriated out of any moneys in the general fund in the state  
10 treasury, not otherwise appropriated, and from other funds derived from special funds and  
11 federal funds, to the office of management and budget for the purpose of defraying the  
12 expenses of the office of management and budget, for the biennium beginning July 1, 2025,  
13 and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14			
15			
16	<del>Salaries and wages</del>	<del>\$23,510,218</del>	<del>\$0</del>
17	<del>Operating expenses</del>	<del>18,217,793</del>	<del>18,217,793</del>
18	<del>Capital assets</del>	<del>308,355</del>	<del>308,355</del>
19	<del>Emergency commission contingency fund</del>	<del>750,000</del>	<del>750,000</del>

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1	<del>Guardianship grants</del>	<del>7,100,000</del>	<del>0</del>	<del>7,100,000</del>
2	<del>Prairie public broadcasting</del>	<del>1,200,000</del>	<del>0</del>	<del>1,200,000</del>
3	<del>Community service supervision grants</del>	<del>350,000</del>	<del>0</del>	<del>350,000</del>
4	<del>New and vacant FTE funding pool</del>	<del>98,200,000</del>	<del>0</del>	<del>98,200,000</del>
5	<del>State employee child care benefits</del>	<del>3,000,000</del>	<del>0</del>	<del>3,000,000</del>
6	<del>Total all funds</del>	<del>\$152,636,366</del>	<del>\$0</del>	<del>\$152,636,366</del>
7	<del>Less other funds</del>	<del>71,757,126</del>	<del>0</del>	<del>71,757,126</del>
8	<del>Total general fund</del>	<del>\$80,879,240</del>	<del>\$0</del>	<del>\$80,879,240</del>
9	<del>Full-time equivalent positions</del>	<del>110.00</del>	<del>0.00</del>	<del>110.00</del>
10	Salaries and wages	\$23,510,218	\$2,774,739	\$26,284,957
11	New and vacant FTE pool	98,200,000	(96,997,038)	1,202,962
12	Operating expenses	18,217,793	6,874,081	25,091,874
13	Capital assets	308,355	5,808,649	6,117,004
14	Emergency commission contingency fund	750,000	(750,000)	0
15	Guardianship grants	7,100,000	0	7,100,000
16	Prairie public broadcasting	1,200,000	(1,200,000)	0
17	Community service supervision grants	350,000	(35,000)	315,000
18	State employee child care benefits	3,000,000	(1,635,000)	1,365,000
19	Student internship program	0	500,000	500,000
20	Deferred maintenance funding pool	0	40,000,000	40,000,000
21	Rent, moving, and space reconfiguration pool	0	2,000,000	2,000,000
22	Total all funds	\$152,636,366	(\$42,659,569)	\$109,976,797
23	Less other funds	71,757,126	(6,630,280)	65,126,846
24	Total general fund	\$80,879,240	(\$36,029,289)	\$44,849,951
25	Full-time equivalent positions	110.00	1.00	111.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
1				
2	Procurement automation	\$0	\$515,052	\$515,052
3	Recruiting management system	250,000	0	250,000
4	Student internship program	500,000	0	500,000
5	Employee leave payouts	99,305	50,695	150,000
6	Snow removal equipment	0	172,000	172,000
7	Floor scrubber	0	20,000	20,000
8	Capitol building improvements	0	3,000,000	3,000,000
9	Governor's residence projects	0	2,350,000	2,350,000
10	Deferred maintenance pool	0	40,000,000	40,000,000
11	Rent, moving and space reconfiguration pool	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
12	Total	\$849,305	\$48,107,747	\$48,957,052

**SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The office of management and budget may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the provisions of this Act.

**SECTION 4. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any moneys in the community service supervision fund under section 29-26-22 are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 5. TRANSFER - SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE FUND.** The office of management and budget shall transfer the sum of \$250,000,000 from the social services fund to the human service finance fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. TRANSFER AUTHORITY - STUDENT INTERNSHIP PROGRAM - DEFERRED MAINTENANCE FUNDING POOL - RENT, MOVING, AND SPACE RECONFIGURATION POOL.** The office of management and budget may transfer appropriation authority to eligible state agencies during the biennium beginning July 1, 2025, and ending June 30, 2027, from the line items in section 1 of this Act as follows:

- 1 1. From the student internship line item for student internships.
- 2 2. From the deferred maintenance pool line item for deferred maintenance projects.
- 3 3. From the rent, moving, and space reconfiguration pool line item for agency lease,
- 4 relocation, and remodeling costs.

5 **SECTION 7. TRANSFER - FEDERAL FISCAL RECOVERY FUND APPROPRIATION**  
6 **AUTHORITY TO DEPARTMENT OF CORRECTIONS AND REHABILITATION - EXEMPTION -**  
7 **SPENDING RESTRICTION - REPORT.**

- 8 1. Notwithstanding any other provision of law, on or before June 30, 2025, the office of  
9 management and budget shall transfer any federal state fiscal recovery fund  
10 appropriation authority amounts previously obligated but not anticipated to be  
11 expended from the state agency that received the appropriation authority to the  
12 department of corrections and rehabilitation for the purpose of defraying the expenses  
13 of salaries and wages of the department of corrections and rehabilitation for the  
14 biennium beginning July 1, 2023, and ending June 30, 2025.
- 15 2. Notwithstanding any other provision of law, on or before December 31, 2026, the office  
16 of management and budget shall transfer any federal state fiscal recovery fund  
17 appropriation authority amounts previously obligated but not anticipated to be  
18 expended from the state agency that received the appropriation authority to the  
19 department of corrections and rehabilitation for the purpose of defraying the expenses  
20 of salaries and wages of the department of corrections and rehabilitation for the  
21 biennium beginning July 1, 2025 and ending June 30, 2027.
- 22 3. The office of management and budget shall transfer any uncommitted accumulated  
23 interest and earnings of the federal state fiscal recovery fund to the department of  
24 corrections and rehabilitation during the biennium beginning July 1, 2025, and ending  
25 June 30, 2027. Any interest and earnings received by the department of corrections  
26 and rehabilitation under this section are appropriated to the department for the  
27 purpose of defraying the expenses of salaries and wages for the biennium beginning  
28 July 1, 2025, and ending June 30, 2027.
- 29 4. The department of corrections and rehabilitation may not spend general fund  
30 appropriations equal to the amount of any federal state fiscal recovery fund moneys  
31 transferred to the department under this section.

1       5. The office of management and budget shall report to the budget section regarding any  
2            appropriation authority and interest and earnings transferred under this section.

3           **SECTION 8. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**

4 The other funds line item in section 1 of this Act includes the sum of \$42,707,052 from the  
5 strategic investment and improvements fund for the following projects:

6 Procurement automation	\$515,052
7 Snow removal equipment	172,000
8 Floor scrubber	20,000
9 Deferred maintenance pool	40,000,000
10 Rent, moving, and space reconfiguration pool	<u>2,000,000</u>
11 Total	\$42,707,052

12           **SECTION 9. OTHER FUNDS - CAPITOL BUILDING FUND.** The other funds line item in  
13 section 1 of this Act includes the sum of \$5,850,000 from the capitol building fund for the  
14 following purposes and projects:

15 Ongoing Capitol grounds repairs	\$500,000
16 Governor's residence projects	2,350,000
17 Capitol building improvements	<u>3,000,000</u>
18 Total	\$5,850,000

19           **SECTION 10. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation  
20 authority which may be used only for the following grants and special items:

21 <del>Unemployment insurance</del>	<del>\$1,800,000</del>
22 <del>Capitol grounds planning commission</del>	<del>\$25,000</del>
23 <del>Statewide memberships and related expenses</del>	<del>\$685,657</del>
24 <u>Unemployment insurance</u>	<u>\$1,500,000</u>
25 <u>Capitol grounds planning commission</u>	<u>\$25,000</u>
26 <u>Statewide memberships and related expenses</u>	<u>\$757,489</u>

27           **SECTION 11. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

28       1. The 2025-27 biennium compensation adjustments for permanent state employees are  
29            to average 3 percent per eligible employee for the first fiscal year of the biennium and  
30            are to average 3 percent per eligible employee for the second year of the biennium.

31            The increases for the first year of the biennium are to be given beginning with the

1 month of July 2025, to be paid in August 2025, and for the second year of the  
2 biennium are to be given beginning with the month of July 2026, to be paid in  
3 August 2026. Increases for eligible state employees are to be based on documented  
4 performance and are not to be the same percentage increase for each employee.

5 2. The office of management and budget shall develop guidelines for use by state  
6 agencies for providing compensation adjustments for classified state employees. The  
7 guidelines must follow the compensation philosophy statement under section  
8 54-44.3-01.2.

9 3. Probationary employees are not entitled to the increases. However, at the discretion of  
10 the appointing authority, probationary employees may be given all or a portion of the  
11 increases effective in July, paid in August, or upon completion of probation. Employees  
12 whose overall documented performance level does not meet standards are not eligible  
13 for any salary increase.

14 **SECTION 12. NEW AND VACANT FTE POOL - GUIDELINES - EXEMPTION -**  
15 **TRANSFERS - REPORTS - APPLICATION.**

16 1. Notwithstanding section 54-16-04, the office of management and budget shall transfer  
17 funds from an executive branch state agency's new and vacant FTE pool line item to  
18 the agency's salaries and wages line item or other line items with salaries and wages  
19 funding as requested by the agency in accordance with provisions of this section.

20 2. An executive branch state agency may request a transfer to provide funding for the  
21 salaries and wages necessary for the remainder of the 2025-27 biennium for a new  
22 full-time equivalent position authorized by the sixty-ninth legislative assembly from the  
23 date of hiring through the end of the biennium, limited to the amount identified for the  
24 position in the statement of purpose of amendment.

25 3. After July 31, 2026, an executive branch state agency may request a transfer if the  
26 agency projects actual salaries and wages expenditures will exceed the agency's  
27 available salaries and wages funding for the biennium. The transfer amount may not  
28 exceed the amount by which the agency's actual salaries and wages savings from  
29 vacant positions and employee turnover to date and estimates for the remainder of the  
30 biennium adjusted for other identified uses of any savings are less than the vacant  
31 position savings estimate used by the sixty-ninth legislative assembly in development

1 of the agency's appropriation. The agency shall provide documentation supporting the  
2 need for the transfer to the office of management and budget and legislative council in  
3 advance of the transfer request.

4 4. Each executive branch state agency with a new and vacant FTE pool line item shall  
5 report to the office of management and budget and the legislative council on a  
6 quarterly basis regarding any transfer of appropriation authority for filling a new  
7 full-time equivalent position. The report must include the funding transferred, the title  
8 of the position filled, the salary funding removed by the sixty-ninth legislative assembly  
9 for the position by funding source as identified in the statement of purpose of  
10 amendment, and the date the position was filled.

11 5. Each executive branch state agency with a new and vacant FTE pool line item shall  
12 report quarterly to the office of management and budget and the legislative council on  
13 the number of full-time equivalent positions that become vacant and the number of  
14 positions filled each month, the number of vacant positions at the end of each month,  
15 salaries and wages savings by funding source for each month resulting from vacant  
16 positions and employee turnover, and the use of salaries and wages savings by  
17 funding source for other purposes, including accrued leave payouts, salary increases  
18 in addition to general salary increases provided by the sixty-ninth legislative assembly,  
19 bonuses, incentive or location pay adjustments, reclassifications, temporary salaries or  
20 overtime in excess of amounts provided by the sixty-ninth legislative assembly, or  
21 other items.

22 6. The office of management and budget shall report to each meeting of the budget  
23 section regarding the status of funding in each executive branch state agency's new  
24 and vacant FTE pool line item; vacant positions, employee turnover, and savings from  
25 vacant positions and employee turnover by agency; and uses of savings from vacant  
26 positions and employee turnover for other purposes by agency.

27 7. The provisions of section 54-27-10 do not apply to the salaries and wages line item of  
28 appropriations approved by the sixty-ninth legislative assembly for the biennium  
29 beginning July 1, 2025, and ending June 30, 2027.

30 8. An executive branch state agency may request a deficiency appropriation from the  
31 seventieth legislative assembly if the funding in the agency's new and vacant FTE pool

1 line item is insufficient to provide the necessary salaries and wages funding for the  
2 biennium.

3 **SECTION 13. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

6 From the revenues designated for deposit in the state general fund under chapters 57-51  
7 and 57-51.1, the state treasurer shall deposit the revenues received each biennium in the  
8 following order:

- 9 1. The first two hundred thirty million dollars into the state general fund;
- 10 2. The next two hundred fifty million dollars into the social service fund;
- 11 3. The next seventy-five million dollars into the budget stabilization fund, but not in an  
12 amount that would bring the balance in the fund to more than the limit in section  
13 54-27.2-01;
- 14 4. The next two hundred thirty million dollars into the state general fund;
- 15 5. The next ten million dollars into the lignite research fund;
- 16 6. The next twenty million dollars into the state disaster relief fund, but not in an amount  
17 that would bring the unobligated balance in the fund to more than twenty million  
18 dollars;
- 19 7. The next ~~four hundred million~~ two hundred seventy million dollars into the strategic  
20 investment and improvements fund;
- 21 8. The next sixty-five million dollars to the public employees retirement fund for the main  
22 system plan;
- 23 9. The next fifty-nine million seven hundred fifty thousand dollars, or the amount  
24 necessary to provide for twice the amount of the distributions under subsection 2 of  
25 section 57-51.1-07.7, into the funds designated for infrastructure development in  
26 non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty  
27 percent deposited into the municipal infrastructure fund and fifty percent deposited into  
28 the county and township infrastructure fund;
- 29 10. The next ~~one hundred seventy million two hundred fifty thousand~~ two hundred twenty  
30 million two hundred fifty thousand dollars or the amount necessary to provide a total of  
31 ~~two hundred thirty million~~ two hundred eighty million dollars into the funds designated



1 for infrastructure development in non-oil-producing counties under sections  
2 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal  
3 infrastructure fund and fifty percent deposited into the county and township  
4 infrastructure fund;

5 11. The next twenty million dollars into the airport infrastructure fund; and

6 12. Any additional revenues into the strategic investment and improvements fund.

7 **SECTION 14. REPEAL.** Section 11-38-08 of the North Dakota Century Code is repealed.

8 **SECTION 15. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the  
9 fiscal management division, as contained in section 1 of chapter 640 of the 2023 Special  
10 Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended  
11 funds from this appropriation are available for continued development and operating costs of  
12 the statewide systems, including accounting, management, and payroll, during the biennium  
13 beginning July 1, 2025, and ending June 30, 2027.

14 **SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following  
15 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into  
16 the biennium beginning July 1, 2025, and ending June 30, 2027:

17 1. The sum of \$500,000 appropriated from the strategic investment and improvements  
18 fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws  
19 and continued into the 2021-23 biennium pursuant to chapter 42 of the 2021 Session  
20 Laws and continued into the 2023-25 biennium pursuant to chapter 640 of the 2023  
21 Special Session Laws for an assessment of state facilities.

22 2. The sum of \$3,659,555 appropriated from federal funds in section 1 and identified in  
23 section 2 of chapter 640 of the 2023 Special Session Laws for governor's emergency  
24 education relief program.

25 3. The sum of \$4,000,000 from the capitol building fund in section 1 and identified in  
26 section 2 of chapter 640 of the 2023 Special Session Laws for the window  
27 replacement project.

28 4. The sum of \$2,500,000 appropriated from the general fund in section 1 and identified  
29 in section 2 of chapter 640 of the 2023 Special Session Laws for space utilization  
30 improvements.

- 1        5.    The sum of \$20,000,000 appropriated from the strategic investment and
- 2                improvements fund in section 1 and identified in section 2 of chapter 640 of the 2023
- 3                Special Session Laws for the boiler replacement project and water mitigation at the
- 4                liberty memorial building.
- 5        6.    The sum of \$400,000 appropriated from the general fund in section 1 and identified in
- 6                section 2 of chapter 640 of the 2023 Special Session Laws for the procurement
- 7                automation project.

8        **SECTION 17. EMERGENCY.** Section 7 of this Act is declared to be an emergency  
9 measure.