

Third Day of Legislative Organizational Session

JOURNAL OF THE HOUSE

Sixty-ninth Legislative Assembly

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Bismarck, December 4, 2024

The House convened at 8:00 a.m., with Speaker Weisz presiding.

The prayer was offered by Pastor Matt Thompson, Holy Cross Lutheran Church, Bismarck.

The roll was called and all members were present except Representatives Bahl, Berg, Christy, D. Johnston, Louser, Morton, Nehring, S. Olson, Sanford, and VanWinkle.

A quorum was declared by the Speaker.

MOTION

REP. BOSCH MOVED that the House stand in recess until 8:40 a.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Weisz presiding.

REPORT OF PROCEDURAL COMMITTEE

MR. SPEAKER: Your procedural **Committee on Committees (Rep. Lefor, Chairman)** recommends the following as chairmen, vice chairmen, and members of Standing Committees:

**2025 NORTH DAKOTA LEGISLATIVE ASSEMBLY
HOUSE STANDING COMMITTEES****APPROPRIATIONS**

Committee Chairman – Don Vigesaa

Committee Vice Chairman - Keith Kempenich

Education and Environment

Mike Nathe - Chairman

Karla Rose Hanson

Steve Swiontek - Vice Chairman

Scott Louser

Bob Martinson

David Richter

Mark Sanford

Government Operations

David Monson - Chairman

Mike Brandenburg - Vice Chairman

Glenn Bosch

Jay Fisher

Keith Kempenich

Lisa Meier

Brandy L. Pyle

Human Resources

Jon O. Nelson - Chairman

Alisa Mitskog

Gregory Stemen - Vice Chairman

Bert Anderson

Mike Berg

Eric J. Murphy

Emily O'Brien

Scott Wagner

EDUCATION

Pat D. Heinert - Chairman	Liz Conmy
Cynthia Schreiber-Beck - Vice Chairman	LaurieBeth Hager
Patrick R. Hatlestad	
Dori Hauck	
Matthew Heilman	
Jim Jonas	
Donald W. Longmuir	
Roger A. Maki	
Andrew Marschall	
Desiree Morton	
Anna S. Novak	
Doug Osowski	

FINANCE AND TAXATION

Craig Headland - Chairman	Austin Foss
Jared C. Hagert - Vice Chairman	Zachary Ista
Dick Anderson	
Jason Dockter	
Ty Dressler	
Jim Grueneich	
Mike Motschenbacher	
Dennis Nehring	
Jeremy L. Olson	
Todd Porter	
Vicky Steiner	
Nathan Toman	

HUMAN SERVICES

Matthew Ruby - Chairman	Jayne Davis
Kathy Frelich - Vice Chairman	Gretchen Dobervich
Karen A. Anderson	
Mike Beltz	
Macy Bolinske	
Clayton Fegley	
Jared Hendrix	
Dawson Holle	
Dwight Kiefert	
Nico Rios	
Karen M. Rohr	

INDUSTRY, BUSINESS AND LABOR

Jonathan Warrey - Chairman	Collette Brown
Mitch Ostlie - Vice Chairman	Lisa Finley-DeVille
Landon Bahl	
Josh Christy	
Karen Grindberg	
Jorin Johnson	
Jim Kasper	
Ben Koppelman	
Dan Ruby	
Mike Schatz	
Austen Schauer	
Daniel R. Vollmer	

JUDICIARY

Lawrence R. Klemin - Chairman	Mary Schneider
Karen Karls - Vice Chairman	
Steve Vetter - Vice Chairman	
Nels Christianson	
Donna Henderson	

Jeff Hoverson
 Daniel Johnston
 Carrie McLeod
 SuAnn Olson
 Bernie Satrom
 Bill Tveit
 Lori VanWinkle
 Christina Wolff

AGRICULTURE

Mike Beltz - Chairman	Gretchen Dobervich
Dori Hauck - Vice Chairman	
Karen A. Anderson	
Donna Henderson	
Dawson Holle	
Jeff Hoverson	
Dwight Kiefert	
Dennis Nehring	
SuAnn Olson	
Nico Rios	
Cynthia Schreiber-Beck	
Bill Tveit	
Daniel R. Vollmer	

ENERGY AND NATURAL RESOURCES

Todd Porter - Chairman	Liz Conmy
Dick Anderson - Vice Chairman	Austin Foss
Anna S. Novak - Vice Chairman	
Jason Dockter	
Jared C. Hagert	
Craig Headland	
Pat D. Heinert	
Jorin Johnson	
Andrew Marschall	
Jeremy L. Olson	
Matthew Ruby	

GOVERNMENT AND VETERANS AFFAIRS

Austen Schauer - Chairman	Collette Brown
Bernie Satrom - Vice Chairman	Mary Schneider
Landon Bahl	
Josh Christy	
Karen Grindberg	
Karen Karls	
Carrie McLeod	
Karen M. Rohr	
Vicky Steiner	
Lori VanWinkle	
Steve Vetter	
Christina Wolff	

POLITICAL SUBDIVISIONS

Donald W. Longmuir - Chairman	Jayne Davis
Clayton Fegley - Vice Chairman	LaurieBeth Hager
Jim Jonas - Vice Chairman	
Macy Bolinske	
Patrick R. Hatlestad	
Matthew Heilman	
Lawrence R. Klemin	
Mike Motschenbacher	
Mitch Ostlie	

Nathan Toman
Jonathan Warrey

TRANSPORTATION

Dan Ruby - Chairman	Lisa Finley-DeVile
Jim Grueneich - Vice Chairman	
Nels Christianson	
Ty Dressler	
Kathy Frelich	
Jared Hendrix	
Daniel Johnston	
Jim Kasper	
Ben Koppelman	
Roger A. Maki	
Desiree Morton	
Doug Osowski	
Mike Schatz	

REP. BOSCH MOVED that the report be adopted, which motion prevailed on a voice vote.

REPORT OF PROCEDURAL COMMITTEE

MR. SPEAKER: Your procedural **Rules Committee (Rep. Hagert, Chairman)** recommends that the House and Joint Rules of the Sixty-eighth Legislative Assembly, as in effect at the conclusion of the 2023 regular legislative session, with the following amendments, be adopted as the permanent rules of the House for the Sixty-ninth Legislative Assembly, and the reading of the report be dispensed with:.

SECTION 1. AMENDMENT. House Rule 102 is amended as follows:

102. Absence and presence.

1. As used in these rules, "absent" means not present and "present" means being physically in the chamber or room where the session or meeting is being held, and for purposes of a committee meeting, includes participation or participating in the session or meeting by means of interactive video or teleconference call. ~~No~~
2. A member present and participating remotely has the same rights, privileges, and duties as a member physically present, is deemed to be "on the floor" for purposes of floor sessions, and may vote remotely.
3. A member may not participate on the floor remotely unless the Speaker has determined circumstances dictate remote participation is necessitated.
4. A member or officer of the House, unless unable to attend due to illness or other cause, may not be absent from a session of the House, during an entire day, without first having obtained leave from the House, and no one is entitled to draw pay while absent more than one day without leave.

SECTION 2. AMENDMENT. House Rule 204 is amended as follows:

204. Preparation and ~~distribution~~ of the journal.

1. Upon completion of the House journal for a legislative day, the Chief Clerk shall deliver to the printer having the contract for printing the legislative journals a complete copy of the House journal.
2. ~~The printer shall deliver to the Chief Clerk copies of the House journal by the time, in the number and style, and on the grade of paper, as may be determined by the Legislative Council. The Chief Clerk shall cause a copy of the House journal to be placed immediately on the desk of each member.~~
3. Before the House goes into session again, the Committee on Correction and Revision of the Journal shall carefully examine and review the journal of the

previous legislative day. The committee shall note any errors or omissions and report the errors or omissions to the House for action.

- 4-3. The printer shall set aside twenty-four copies of the daily journal. Upon termination of the legislative session, the printer shall deliver these copies to the contract binder, who shall assemble the copies into twenty-four sets of permanent journals.
- 5-4. The permanent journals must be bound in hard covers and be deposited with the Secretary of State. The Secretary of State shall preserve two sets and attach the Secretary of State's certificate to those sets showing the date of delivery and attesting that the copies are identical and official journals as delivered to the Secretary of State. From the remaining sets, the Secretary of State shall forward one set to the Supreme Court Library, one set to the Law School Library at the University of North Dakota, eight sets to the State Library, three sets to the Legislative Council, one set to the Chief Clerk, and one set to each judicial district as determined by the presiding judge of the district. The number of sets set aside in subsection 43 and delivered to the State Library may be reduced by five if the State Library is authorized to accept copies of the journals in an electronic format.
- 6. ~~The Chief Clerk shall compile two sets of the daily journals. The Secretary of State may distribute these sets to public officials upon their request if in the discretion of the Secretary of State the public official needs the journals to carry on the functions of office. The Secretary of State may dispose of any of these sets not distributed by the time the next Legislative Assembly convenes.~~

SECTION 3. AMENDMENT. House Rule 206 is amended as follows:

206. Officers and employee positions of the House. The following officers and employee positions are established, with the number, title, and manner of selection for each position as stated:

Title of Position	Number of Positions
Group A	
Chief Clerk.....	1
Journal Reporter.....	1
Sergeant-at-Arms.....	1
Persons holding Group A positions must be elected by a majority of the members-elect and the results of the vote must be recorded in the journal.	
Group B	
Deputy Chief Clerk.....	1
Assistant Chief Clerk.....	1
Procedural Appropriations Committee Clerk.....	1
Technological Appropriations Committee Clerk.....	1
Bill and Recording Clerk.....	1
Calendar Clerk.....	1
Procedural Assistant Appropriations Committee Clerks.....	3
Technological Assistant Appropriations Committee Clerks.....	3
Procedural Committee Clerks.....	5
Technological Committee Clerks.....	5
Chief Legislative Assistant.....	1
Quality Assurance Clerk.....	42
Deputy Sergeant-at-Arms.....	1
Legislative Assistant - Desk Page.....	1
Persons holding Group B positions must be appointed by the party having a majority of the members-elect, acting by and through the Employment Committee.	
Group C	
Administrative Assistant to the Speaker.....	1
Administrative Assistant to Majority Leader.....	1
Staff Assistants to Majority Leader.....	2
Administrative Assistant to Minority Leader.....	1
Staff Assistants to Minority Leader.....	2

The Speaker and the Majority and Minority Leaders shall appoint their respective administrative and staff assistants, acting by and through the Employment Committee.

Other employees must be appointed as determined necessary by the Employment Committee and must be allocated to the majority and minority parties in proportion to each party's percentage of the total number of the members-elect and each party shall appoint the persons to the positions allocated to them, acting by and through the Employment Committee. The majority party has the first right to select positions of a group until its allocation is filled.

The powers, duties, and qualifications for each officer or employee are as provided by law, these rules, and the current Legislative Session Employee Handbook.

SECTION 4. AMENDMENT. House Rule 303 is amended as follows:

303. Call of the House.

1. Thirty-two members of the House may cause a call of the House to be ordered and absent members to be sent for, but a call may not be ordered while a vote is being taken.
2. The call being requested, the Speaker shall require those desiring the call to rise or raise their hands, and if thirty-two or more members rise or raise their hands, the call must be ordered.
3. The call being ordered, the Sergeant-at-Arms shall close the door and allow no members to leave the chamber. A member present and participating remotely may not leave the remote proceeding.
4. The Chief Clerk shall then call the roll and furnish the Sergeant-at-Arms with a list of those members absent without leave, and that officer shall proceed to find and bring in those absentees or compel the absentees' remote participation.
5. While the House is under call, ~~no~~ business can ~~may not~~ be transacted except to receive and act on the report of the Sergeant-at-Arms and no motion is in order except a motion to suspend further proceedings under the call, and the motion may not be adopted unless a majority of all members-elect vote in favor of the motion.
6. Upon a report of the Sergeant-at-Arms showing that all members who were absent without leave, naming them, are present, the call is at an end, the door must be opened, and the House shall proceed with the business pending at the time the call was made.

SECTION 5. AMENDMENT. House Rule 305 is amended as follows:

305. Recognition by the Speaker. Every member who is present physically and desiring to speak shall rise and so indicate by pressing the "speak" button on the member's desk. If the "speak" button does not work, the member may rise, respectfully address the Speaker, and shall remain standing in place before proceeding to speak until recognized by the Speaker. Every member who is present and participating remotely who wishes to speak shall so indicate by the means designated by the Speaker and shall wait to speak until recognized by the Speaker. When two or more members rise at the same time to speak, the Speaker shall designate the member who is to speak first, but in all other cases the member who rises first and addresses the Speaker must be the first recognized.

SECTION 6. AMENDMENT. House Rule 317 is amended as follows:

317. Nondebatable motions. The following motions are not debatable:

1. Adjournment.
2. Clincher.
3. Fix the time of adjournment.

4. Order of the day.
5. Reading of papers.
6. Withdrawal of motion.
7. Suspension of the rules.
8. Lay on the table.
9. Previous question.
10. Close, limit, or extend debate.
11. ~~Permit a member to vote.~~

SECTION 7. AMENDMENT. House Rule 319 is amended as follows:

319. Division of question.

1. If a question before the House contains more than one proposal, any member may have the question divided, except a question on the adoption of a conference committee report or on the second reading and final passage of a measure resulting from the adoption of a conference committee report may not be divided.
2. A proposal to divide a question must be submitted in writing to the Speaker ~~in advance of~~ at least one hour before the floor session at which the measure is placed on the calendar for consideration, unless less than one hour is available between floor sessions.
3. A question containing more than one proposal may be divided only if each resulting division is so distinct and separate it can stand as a complete proposition without being rewritten.
4. A roll call vote must be ordered for each division of a bill.
5. Each division of a divided question requires the same vote for adoption ~~that~~ the division would require if it stood alone.
6. After voting on all divisions, the approved divisions comprise the question before the House.

SECTION 8. AMENDMENT. House Rule 321 is amended as follows:

321. Vote by members.

1. Every member who is present, before the vote is announced from the chair, shall vote for or against the question before the House, unless the House excuses the member. ~~A member cannot cast a vote on behalf of another member unless the vote is cast according to verbal instructions announced to the House by that other member while in the chamber. However, any~~
2. Any member who has ~~may have~~ a personal or private interest in any measure ~~or bill~~ shall disclose the fact to the House and may ~~not vote~~ abstain from voting thereon ~~without~~ with the consent of the House.
3. A "personal or private interest" is an interest that affects the member directly, individually, or ~~uniquely, and substantially.~~
 - a. "Directly" means immediately or without additional intervening action or decision.
 - b. "Individually" means for a reason other than belonging to a group, including as a member of a profession, occupation, industry, region, or the general public.

- c. "Uniquely" means in a way that is distinct from the general public.
4. If a member inadvertently fails to disclose a personal or private interest, the member may report the failure to disclose to the Speaker not later than twenty-one days after the conflict arises. The Speaker shall report a summary of the failure to disclose on the floor, if possible. The disclosure must be recorded in the journal.
5. A member may not cast a vote on behalf of another member unless the vote is cast according to verbal instruction announced to the House by that other member while present.

SECTION 9. AMENDMENT. House Rule 322 is amended as follows:

322. Procedure in excusing member from voting.

1. When a member asks to be excused, ~~or declines to vote from voting~~, the member shall ~~be required to~~ state the member's reasons with enough underlying facts for the House to make an informed decision.
2. Upon motion, the question must be put to the House, "Shall the member, for the reasons stated, be ~~permitted to vote~~excused from voting?" which ~~must be decided without debate~~. These proceedings must occur before the taking of the vote.
3. Before voting on the motion, the House shall evaluate the member's personal or private interest, shall give deference to subsection 7 of Joint Rule 1001, and may discuss the question on the floor.
4. Notwithstanding a member failing to receive the consent of the House to abstain from voting under House Rule 321, if a member reasonably believes voting will subject the member to civil or criminal liability, a member may abstain from voting by announcing the member's abstinence from voting on the floor and citing this subsection.

SECTION 10. AMENDMENT. Subsection 1 of House Rule 329 is amended as follows:

1. Every bill providing an appropriation of ~~fifty~~one hundred thousand dollars or more must be referred or rereferred to and acted on by the Appropriations Committee before final action by the House thereon, unless otherwise ordered by a majority vote of the members present.

SECTION 11. AMENDMENT. House Rule 348 is amended as follows:

348. Motion for reconsideration.

1. ~~Any~~A member may move for reconsideration of a question if ~~any of the following apply~~the member:
- ~~The member voted~~Voted on the prevailing side of the question ("prevailing side of a question" is the side that voted "aye" on a question that passed, and "nay" on a question that failed);
 - ~~The member did~~Did not vote on the question; or
 - ~~The member voted~~Voted on the question and the ayes and nays were not recorded.
2. A motion to reconsider must be decided by a majority vote of the members-elect, except that a motion to reconsider adoption of an amendment must be decided by a majority vote of the members present.
3. In the case of a bill, resolution, or amendment to the Constitution, the motion to reconsider, if made after the end of the next legislative day following the action on the measure, requires a two-thirds vote of the members-elect.

4. The vote by which any measure passed or failed to pass may ~~not~~ be reconsidered ~~more than~~only once in ~~any~~ legislative day. For purposes of this subsection, a clincher motion that fails is not a motion to reconsider.
5. ~~No~~A motion to reconsider may be made ~~unless~~only if the matter is in possession of the House.
6. Except when a roll call vote is required under House Rule 320, determination of any vote required under this rule must be by a verification vote.
7. Except for a motion to reconsider made before the House recesses following its action on a measure, a member shall provide written notice of a motion to reconsider to the Speaker at least one hour before the floor session at which the motion is placed on the calendar for consideration, unless less than one hour is available between floor sessions.

SECTION 12. AMENDMENT. House Rule 360 is amended as follows:

360. Electrical voting system and remote voting. Unless otherwise ordered, any vote may be taken by means of the electrical voting system, which is under the control of the Speaker. A member who is present and participating remotely may vote using a system established for that purpose. The system must provide means to record and make public the member's roll call votes.

SECTION 13. AMENDMENT. House Rule 501 is amended as follows:

501. Standing committees.

1. The Committee on Committees consists of eleven members. The Majority Leader, by virtue of office, is a member of the committee and shall serve as its chairman. The Speaker, by virtue of office, is a member of the committee and is the vice chairman of the committee. The Majority Leader shall appoint five other members from the majority party and four members from the minority party to the committee. The committee shall appoint standing committees concerned with matters in the fields as indicated and procedural committees.
2. The five-day standing committee is Appropriations: (23 members) Bills and resolutions referred or rereferred under House Rule 329. Except for the committee chairman, each member of the committee must be appointed to one of the following divisions of the committee which, for purposes of North Dakota Century Code Section 54-03-10, are deemed standing committees:
 - a. Education and Environment.
 - b. Government Operations.
 - c. Human Resources.
3. The three-day standing committees, each with up to 14 members, are:
 - a. Education: ~~(14 members)~~
Public Schools; Libraries; Institutions of Higher Learning.
 - b. Finance and Taxation: ~~(13 members)~~
Public Debt; Taxes and Tax Laws.
 - c. Human Services: ~~(14 members)~~
Human Services; Public Health; Public Safety.
 - d. Industry, Business and Labor: ~~(14 members)~~

Banks and Banking; Corporations; Insurance; Matters pertaining to Private Business and Industry; Workers' Compensation; Unemployment Compensation; Labor Laws and kindred subjects.

- e. Judiciary: (~~13 members~~)
Elections and Election Privileges; Judiciary; Constitutional Revision.
4. The two-day standing committees, each with up to 14 members, are:
- a. Agriculture: (~~13 members~~)
Agriculture; Livestock; Drainage and Irrigation; Warehouse and Grain Grading.
 - b. Energy and Natural Resources: (~~14 members~~)
Game and Fish; Public Lands; Mines and Mining; Gas and Oil; Forestry.
 - c. Government and Veterans Affairs: (~~13 members~~)
State and Federal Affairs; Government Pensions and Benefits; Military and Veterans Affairs; Industrial Commission and institutions under its supervision; State Historical Society and State Parks.
 - d. Political Subdivisions: (~~14 members~~)
Cities; Counties; Townships; Park Districts; Apportionment.
 - e. Transportation: (~~14 members~~)
Highways and Bridges; Railroads; Motor Vehicles; Airlines and Airports.
5. The procedural committees are:
- a. Arrangements for House Committee Rooms, to consist of three members.
 - b. Correction and Revision of the Journal, to consist of five members.
 - c. Delayed Bills, to consist of five members.
 - d. Employment, to consist of five members.
 - e. Inaugural Planning, to consist of three members.
 - f. Rules, to consist of seven members.

SECTION 14. AMENDMENT. House Rule 507 is amended as follows:

507. Committee procedures.

1. In all cases, a majority of the committee constitutes a quorum.
2. The committee chairman or the member who is duly appointed to act as chairman shall ensure that minutes of committee hearings and deliberations are kept. The minutes must be arranged by the bills or resolutions discussed, designated by number. The minutes must contain a short phrase explaining what the bill or resolution relates to and the names of all persons who appear in relation to the bill or resolution. The minutes also must include a record of recommended amendments to the bill or resolution, and a recorded roll call vote of the committee members on each bill or resolution that is referred out of the committee and, in the case of divided reports, on each report.
3. Upon adjournment of the legislative session, the minutes must be delivered to the Legislative Council and must be retained by the Council for a period of not less than one year.

4. A rules amendment submitted for consideration by the procedural Rules Committee must be submitted to the committee members at least twenty-four hours before the Rules Committee meeting at which the amendment will be considered. The chairman of the procedural Rules Committee may grant an exception to this rule for extenuating circumstances.

SECTION 15. AMENDMENT. Joint Rule 603 is amended as follows:

603. Printing and distribution of ~~measures and journals~~ legislative documents.

1. ~~The Legislative Council shall determine the number of copies of each bill and resolution to be printed. After the initial order is printed, the supervisor of the bill and journal room may order additional copies to be printed to meet demand.~~
2. ~~The Legislative Council shall determine the number of copies of each bill and resolution engrossed under Senate Rule 335 and House Rule 335 to be printed, as well as the number to be printed when requested by the Secretary of the Senate or Chief Clerk of the House. After the initial order is printed, the supervisor of the bill and journal room may order additional copies to be printed to meet demand.~~
3. ~~Bill room Legislative employees may, as time and physical space allow, set aside not more than one copy of each bill or resolution to be delivered to any person who subscribes to receive a copy of each bill and resolution introduced. The employees also may set aside not more than one copy of each engrossed bill or resolution and reengrossed bill or resolution to be delivered to any person who subscribes to receive a copy of each bill and resolution introduced. The Legislative Procedure and Arrangements Committee shall establish appropriate fees for this service. Not provide no more than five copies of a limited number of specified bills and resolutions may be delivered to persons who personally request the bills and resolutions. This limit does not apply to legislators, legislative employees, or members of the Legislative Council staff.~~
4. ~~Persons who subscribe to receive a set of bills and resolutions as of the first day of the regular session have priority for receiving bills and resolutions pursuant to this rule.~~
5. ~~This rule does not apply to the staff of the Legislative Council which may have such number of bills set aside as are necessary to aid it in carrying on legislative business.~~
6. ~~Bill room employees may not distribute more than five bills to any one person, except to legislators, legislative employees, and members of the Legislative Council staff, and persons who subscribe to receive more than five sets of bills and resolutions.~~
7. ~~2. The journals of the Senate and House must be printed as provided in Senate Rule 204 and House Rule 204, and bill room employees shall distribute copies of daily journals. Legislative employees may provide copies of daily journals, daily calendars, and committee hearing schedules to legislators, legislative employees, and members of the Legislative Council staff upon request.~~

REP. HAGERT MOVED that the report be adopted, which motion prevailed on a voice vote.

MOTION

REP. HAGERT MOVED Subsection 3 of House Rule 321 of the permanent rules be amended as follows, which motion prevailed.

SECTION 1. AMENDMENT. Subsection 3 of House Rule 321 is amended as follows:

3. A "personal or private interest" is an interest that affects the member directly, individually, ~~or~~ and uniquely.
 - a. "Directly" means immediately or without additional intervening action or decision.

- b. "Individually" means for a reason other than belonging to a group, including as a member of a profession, occupation, industry, region, or the general public.
- c. "Uniquely" means in a way that is distinct from the general public.

MOTION

REP. HAGERT MOVED Subsection 7 of House Rule 348 of the permanent rules be amended as follows, which motion prevailed.

SECTION 1. AMENDMENT. Subsection 7 of House Rule 348 is amended as follows:

- 7. Except for a motion to reconsider made before the House recesses following its action on a measure or if there is less than one hour between floor sessions, a member shall provide written notice of a motion to reconsider to the Speaker at least one hour before the floor session at which the motion is placed on the calendar for consideration, ~~unless less than one hour is available between floor sessions.~~

MOTION

REP. BOSCH MOVED that the House stand in recess until 9:55 a.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Weisz presiding.

MOTION

REP. BOSCH MOVED a committee of four be appointed to escort the Honorable Tammy Miller, Lt. Governor, to the rostrum and Second Gentleman, Craig Palmer, to his seat in the chamber, which motion prevailed.

SPEAKER WEISZ APPOINTED Reps. Osowski and Vollmer and Sens. Cory and Braunberger to the escort committee.

MOTION

REP. BOSCH MOVED a committee of four be appointed to escort the Honorable Doug Burgum, Governor, to the podium and First Lady Kathryn Burgum to her seat in the chamber and that Governor Burgum's remarks, as submitted to the front desk, be printed in the journal, which motion prevailed.

LT. GOVERNOR MILLER APPOINTED Sens. Hogue and Hogan and Reps. Lefor and Ista to the escort committee.

2025-2027 EXECUTIVE BUDGET ADDRESS
The Honorable Doug Burgum
Governor of North Dakota
December 4, 2024

INTRO

Thirty-eight years ago in 1986, on this same day, Dec. 4, lawmakers were gathered here, in this same room, much as we are today – except that instead of an organizational session, the Legislature was called back to Bismarck for a special session by then-Gov. George Sinner.

The reason for the special session? To make off-year budget cuts, and to pass “revenue enhancements” – that’s code word for raising taxes – to avoid ending the budget cycle with a \$27.7 million deficit.

This budget emergency happened in the wake of the devastating 1980s farm crisis, when North Dakota’s agriculture and energy industries were hammered with high interest rates and crippling debt, depressed farmland values and plummeting oil prices that caused the state’s oil boom to go bust.

It was a time of scarcity. To cover the revenue shortfall, lawmakers raised the individual income tax rate to 14%, AND raised state sales tax and the motor vehicle excise tax.

I remember that era well. Our population was declining, and educated youth were leaving

our state in droves.

As a young software entrepreneur – when almost no one had heard of software – I was recruiting kids from across the state to stay in, or return to North Dakota. We eventually had team members who hailed from over 220 different North Dakota cities and towns. A few years after that special session, during North Dakota’s centennial in 1989, I was asked to serve on a statewide coalition called Vision 2000 – whose mission was to strategize on how to stop the “brain drain,” reverse out-migration, and reinvigorate our economy.

Fast-forward 35 years to today, and that scarcity has been replaced with incredible abundance.

Innovation, the original source of American greatness, has flourished in North Dakota and unlocked amazing opportunities, and our industries and citizens have prospered.

Yet due to global forces beyond our control, 8 years ago, North Dakota’s economy faced a revenue crisis of greater magnitude. In December of 2016, we took office facing a \$1.7 billion revenue shortfall, AND the Dakota Access Pipeline protests.

In 71 days, we peacefully resolved the protest. And instead of raising taxes, we made it through that year – and all eight years of our administration – without a **single tax increase**.

Even in our first session back in 2017, when together with the 66th Assembly, we had to cut \$1.7 billion from a \$6 billion general fund budget, we didn’t raise taxes – we didn’t even consider it.

And, last year, in the spring of 2023, working with the 68th Legislature, we passed the **largest income tax reduction package in state history!**

Today our reserve funds are full and continue to grow to record levels. Our revenues for the biennium ending June 30th, 2025, are 11%, or \$392 million, ahead of forecast. And our ag and energy sectors – which form the bedrock of our economy – are strong and more diversified than ever.

Yes, this is a time of abundance in North Dakota. And as you, the members of the 69th Legislative Assembly, convene, you are facing perhaps the greatest levels of opportunity ever presented to any prior Assembly in our state’s 135-year history.

It is my distinct honor to present to you – one last time – the Executive Budget for the 2025-2027 biennium.

WELCOME

I would like to welcome to all those gathered here in our State Capitol: new and returning legislators, esteemed Justices of the Supreme Court, First Lady Kathryn, Lieutenant Governor Tammy Miller and second gentlemen Craig Palmer, Speaker Robin Weisz, our outstanding statewide elected officials, fantastic cabinet leaders, dedicated state team members and ALL fellow North Dakotans, including all those enrolled members of the 5 Tribal Nations with whom we share geography. And to those joining us online, thank you as well!

Serving in elected office requires time, commitment and a willingness to be “in the arena” on behalf of your fellow citizens. And we have some folks experiencing that for the first time this week. Welcome to the 20 newly elected legislators during their first session. Please stand and be welcomed to the seat of state government!

We look forward to working with all of you in our final weeks, including your returning elected leaders, House Majority Leader Mike Lefor and Senate Majority Leader David Hogue, House Minority Leader Zac Ista and Senate Minority Leader Kathy Hogan, and your appropriations chairs, Sen. Brad Bekkedahl and Rep. Don Vigesaa. It has been an honor to work closely with each of you during your time in leadership, and I thank you for your service to our state.

GRATITUDE

I am here today to execute my constitutional duty to “present information on the condition of the state, together with any recommended legislation,” to the legislative assembly.

We would especially like to thank Office of Management and Budget Director Susan Sisk

and the small and mighty band of OMB analysts, as well as our cabinet leaders and their fiscal teams, the Governor's Office team, our statewide elected officials and their teams, and all state agencies for participating in the strategy and budget review process that guided the executive recommendations – a process which began 11 months ago.

PURPOSE STATEMENT

We also thank the thousands of members of **Team North Dakota** who every day continue to deliver on our administration's purpose, summarized in six words: **Empower People, Improve Lives, and Inspire Success**. Your dedication, commitment and hard work make it possible for us to deliver the programs and services approved by this body to the citizens of our great state.

And I must acknowledge this fall's historic wildfires. We have requested a major presidential disaster declaration to unlock federal aid to help communities recover from the more than \$8 million in public infrastructure damage.

The damage would have been far greater if not for the incredible work of our firefighters, first responders, emergency managers, many local volunteer fire departments, state agencies including the North Dakota Forest Service, Department of Emergency Services, ND National Guard, ND Highway Patrol, federal agencies, and others who battled the wildfires that began on Oct 5th.

Their tireless efforts to protect people, livestock and property should inspire awe and pride in every North Dakotan, and they deserve our deepest gratitude.

UPWARD TRAJECTORY

Today marks the 10th time I've addressed this chamber – four budget addresses and six State of the State addresses, including two special sessions. This is my final opportunity to address you in this formal setting as governor, and I've been asked to keep this under one hour. However, as a point of privilege, I've decided that today I am going to speak as long as I want.

But I guess many people in this chamber think that is exactly what I have been doing for the past 8 years!

Throughout our administration, I've stressed something I learned after more than 30 years competing in one of the most competitive industries in the private sector.

Companies win, and states win, by attracting two things: capital and talent. Meaning: attracting business investment and workforce. In an innovation economy, these are the keys to our economic success.

As governor, I'm keenly aware that we compete with ALL OTHER STATES for capital and talent. Capital and talent flows to states with the highest return on investment. Highest returns occur in stable, friendly, low tax and low regulation states.

And the following rankings speak to our current success.

We're the 3rd youngest state.

We have the nation's 3rd lowest unemployment rate – and we had the lowest rate for five consecutive months earlier this year.

We have the 3rd happiest workforce in the country.

We're the 2nd best state to raise a family.

We're 2nd in fiscal stability.

And we're the 2nd best state for education and child care.

We're the #1 state for business friendliness.

We're #1 in infrastructure.

We're #1 in labor force participation.

And we're the hardest working state in the country!

Our gross domestic product, or GDP, per capita also ranks in the top six in the nation and the highest among all the Midwest, Great Plains and Rocky Mountain states, including Texas.

Our population hit another record high last year. And thanks to a recent report based on U.S. Census data, we know North Dakota last year had a higher state-to-state net migration rate than **any other state in the nation**.

North Dakota led the country with a net IN-migration rate of 1.76%. By comparison, 45 states had net migration rates below 1%, and 18 states had **negative** migration rates, meaning more people moved out than moved in from other states.

This is a significant milestone for our state, especially when you consider that North Dakota is the only state in the country that had more people in 1930 than we did in 2010.

People are choosing to move here because of our abundant opportunities, low cost of living and high quality of life. And every person in this chamber should be proud of that fact because you've **all** played a role in reversing the trend and setting us on this path of growth.

STRATEGY FOR BUDGET

Our state's pro-business, low-tax, fiscally conservative approach and daily focus on **innovation over regulation** have paved the way for our current prosperity and fiscal stability in North Dakota.

With that in mind, today we are proposing a strategy-driven budget that addresses our No. 1 barrier to economic growth, our workforce challenge. This includes investments that support workforce including in housing, infrastructure, child care, education, research and economic development, and other priorities to build upon the progress we've made in growing and diversifying the economy.

TRIBAL RELATIONS

In all these efforts, we've been intentional about engaging our tribal partners – Standing Rock Sioux Tribe, Mandan Hidatsa & Arikara, or MHA Nation, Turtle Mountain Band of Chippewa Indians, Spirit Lake Nation, and Sisseton Wahpeton Oyate – the five sovereign nations with whom we share geography. We recognize that every enrolled member is also a North Dakota citizen and that we all want the same things: economic opportunity, good schools, quality health care, safe communities and a brighter future for our children.

We've signed gaming compacts and oil tax revenue sharing agreements. We've enhanced child welfare and offered cybersecurity services. We've collaborated on law enforcement jurisdiction, roads and water projects, as well as addiction and recovery services. And we made the long overdue decision to display the five tribal flags in the State Capitol – a display made permanent by the Legislature.

Our tribal engagement has grown through understanding and mutual respect. We encourage the 69th Legislature to build on this momentum and continue to enhance our state-tribal relations, which are stronger than ever.

STRATEGY REVIEWS

To deliver cost-effective services to our citizens, and to treat our taxpayers like the customers they are, then **strategy must drive budget**, not vice versa.

In total, we met with 73 agencies for strategy and budget reviews, giving leaders the opportunity to discuss their visions for the future and share their ideas on how to cut red tape to streamline government through thousands of hours of work by state agencies and dozens of meetings with Lt. Gov. Miller.

Today, we offer a budget roadmap to continue down the path to even greater prosperity with a focus on workforce, by supporting families and healthy, vibrant communities, investing in education, critical infrastructure, and positioning North Dakota for long-term success.

Our executive budget for 2025-27 recommends increasing the general fund from \$6.1 billion to \$6.5 billion, which is still \$343 million below the record high general fund budget for the 2013-15 biennium.

North Dakota has maintained a steady and disciplined approach to fiscal management, with

general fund expenditures increasing by less than 1.2% from 2017 to 2024 – one of the smallest increases in the nation.

Using a portion of our beginning balance and over \$4 billion from our four major tax types, we've constructed a fully funded general fund budget that includes only \$600 million from oil and gas taxes and **no transfers** from the Bank of North Dakota, the State Mill & Elevator or the Strategic Investment and Improvements Fund.

Federal and special funds, formula-driven increases and inflationary costs push our total proposed budget to just under \$19.6 billion, a slight decrease from the current budget.

STRONG FINANCIAL POSITION

This financial outlook reflects our state's incredibly strong position.

Between the State Investment Board, chaired by Lt. Gov. Miller, and the state Land Board, comprised of four statewide elected officials and myself as chair, our state's assets under management in various funds have **doubled** to \$32.6 billion since we took office in 2017.

We're grateful to these boards, the teams and leadership at the Retirement and Investment Office and Department of Trust Lands, and the legislators and elected officials who provide guidance and set the allocation strategy for these assets.

As these funds grow, the more earnings they generate and spin off – the more they can fulfill our commitments to funding our schools, health care and infrastructure – and the more we can lower taxes on our citizens.

As these funds grow, North Dakota should keep taking steps to become the 10th state with no individual income tax – along with energy producing states Texas, Wyoming and Alaska and neighbor South Dakota – states that we directly compete with for workforce.

Because **real** tax relief – which means actually reducing the taxes collected- and keeping that money in the hands of citizens – is something worth pursuing **every day**.

TAX RELIEF SUCCESS

Working with you last session, we delivered the largest tax relief package in state history and took a significant step toward eliminating individual income tax. Combine that with the income tax credit we passed during the special session in November 2021, and we've provided more than \$570 million in income tax relief in just the last three years.

This proposed budget continues the significant income tax relief approved last session, which effectively eliminated income taxes for 3 out of 5 North Dakota taxpayers.

We also approved \$157 million in additional **targeted** property tax relief during last year's session.

PROPERTY TAX REFORM

However, most so-called property tax "relief" hasn't been narrowly targeted like the Homestead Tax Credit, which helps seniors and those with disabilities stay in their homes. Rather, it's distributed through a shotgun approach of subsidizes to local political subdivisions. And those school districts, park districts, counties, and townships, may or may not make decisions to control local spending.

When one looks at the big picture, more than \$5 billion in state funds are dedicated this biennium to covering the costs of local K-12 education, county social services and direct assistance to political subdivisions, including municipalities, counties and townships in oil-producing regions.

The Legislature has been generous regarding property taxes – they have constantly picked up the tab for the decisions of local governments, largely without restrictions.

Yet the Legislature can't fix this problem with a blanket approach, because property taxes are set at the local level and vary widely across North Dakota.

Current and past proposals to eliminate or reduce property taxes have been simply redistribution schemes, using tax money from one group of taxpayers to pay another's bills, and they haven't effectively lowered property taxes.

Given the wild disparities in local spending and tax rates, it's time for the Legislature to stop picking up the tab, stop blindly subsidizing decisions made at the local level and start seeking true reform.

In 2017, I highlighted how our state's property tax buydown program redistributed tax dollars but failed to address those underlying disparities. While not intentionally, the program incentivized local spending at unsustainable levels. It showed that true tax reform requires a deeper, more balanced approach to ensure fairness for all taxpayers.

Our budget contains \$5 million for property tax transparency portal.

As this assembly appropriately debates property tax reform in the coming months, I would urge you to remember this axiom:

If you want less of something, tax it.

If you want more of something, subsidize it.

EDUCATION

School district tax levies give local residents "skin in the game" when it comes to the education system in their communities. Just as they invest in their children's education, the state has demonstrated our commitment to student success through substantial investments and a collaborative effort to drive innovation in K-12 education.

The Innovative Education Task Force, which we created through executive order in 2017, paved the way for several groundbreaking policies and programs such as Learn Everywhere and Graduation Pathways – giving school districts the flexibility to enhance student-centered, personalized learning.

If there's been a shortcoming of these innovative tools, it's that too few school districts have adopted them. And that's unfair, because not all students are getting the same opportunity. We would again challenge those districts that haven't taken advantage of these tools to take the leap.

CONTINUED SUPPORT

Over time, we have continued to invest heavily in our public K-12 system. Funding for the per pupil payment alone has increased by \$420 million since 2017, while the student population increased by around 8,000 during the same period.

In addition, we've worked to correct inequities within the K-12 School Funding Formula that directly impact instruction and public school operations.

Last session we made sure that all school districts that were underfunded by the per pupil payment were put on the formula. We also implemented on-time funding, eliminating the lag time between when a student starts at a school and when the state starts providing funding to educate them. This was major financial input for our fastest growing districts.

For next biennium, we propose ripping the Band-aid off what are known as transition minimum adjustments. This will ensure fairness in the funding that school districts receive from the formula, regardless of how big or small they are. This is another way to ensure every state dollar is being used to maximum effect.

COMPETITION

Whether it's in education, software or the business world in general, we know competition is good. It forces competitors to constantly improve their products and measure their outcomes – or risk losing their customers to someone who's doing it better, faster and cheaper.

And we continually hear that parents want more choice in education, which in North Dakota is largely a captive market, especially in rural areas.

In response to these market demands, our budget proposes \$50 million for Educational Savings Accounts, or ESAs, on top of a fully funded public K-12 education system.

During the last interim, legislators and stakeholders discussed ways to expand educational opportunities and provide more choice to students and families. Our administration also has advocated for school choice. ESA programs provide families with a menu of options to access direct services that expand learning, support areas of academic need and provide

behavioral health programming, among other pre-approved choices.

This is not about public versus private education. This is about ensuring that **every** student has what they need to support a pathway to career, college or military readiness. We recommend developing a program that drives an ESA forward to continue putting North Dakota on the map for serving all students – public, private and homeschool.

CAREER ACADEMIES

During the special session in November 2021, the Legislature approved matching funds for private-sector investment in career centers where high school students could pursue high-demand careers in the trades, technology and other sectors. That effort resulted in 13 career academy projects across the state, and our budget expands programming.

One of their success stories is Sasha Stieg, a Montana transplant and senior at Watford City High School. Sasha leveraged the Bakken Area Skill Center this past year to get her Certified Nursing Assistant license, utilizing state-of-the-art equipment and training.

In fact, Sasha's entire class passed their CNA testing on the first attempt.

Now, Sasha works 2 to 5 p.m. Monday through Friday, earning class credit and wages.

So, on behalf of Sasha and all those students, educators and employers benefiting from the career academies, we say thank you, and give yourselves a hand!

HIGHER EDUCATION

Like K-12 education, higher education in North Dakota has received robust support from this Legislature and our administration over the past eight years.

Total ongoing funding for higher ed has increased by nearly \$100 million from 2015 to our proposed budget today. Headcount enrollment systemwide has increased by over 1,800 students in the past three years, largely due to online high school dual-credit students.

Higher education continues to face unstoppable economic, demographic, technological, and cultural forces that demand our institutions evolve rapidly. Our institutions must embrace stackable credentials that align with workforce demands, provide access to learning when and where students want it, and generate new revenues through partnerships rather than relying solely on students and taxpayers.

We're making progress. The Challenge Grant program, matching \$1 of public funding for every \$2 of private funding, has provided over \$125 million for scholarships, endowed chairs, research, and education technology. We've included \$30 million in the executive budget which will drive \$90 million of investment over the next two years.

At the start of our administration, we created a task force that proposed changes to the higher ed governance structure. While the specifics can be debated, updating the nearly 100-year-old governance structure is long overdue and essential.

Today, I challenge this legislature and all listening to create a modern higher education governance structure that supports innovation, embraces flexibility and leverages the skills, talents and resources of our alumni, wherever they may live. And by doing so, we can advance shared services and collaboration across our institutions to lower costs and better align our campuses with workforce needs.

WORKFORCE

While we've made strides in addressing our workforce needs, we know it continues to be our No. 1 barrier to economic growth.

That's important because a robust workforce allows for economic expansion – creating jobs, strengthening communities and driving tax revenue that supports schools, hospitals, street maintenance, law enforcement and other services.

The good news is North Dakota's labor force has grown by over 9,200 workers since 2017, a 2.2% increase, while the number of unemployed individuals dropped by an impressive 49.3%, or 7,390 people. With an unemployment rate that's 1.9% lower than when we took office, and a nation-leading labor force participation rate of 68.8%, our state continues to demonstrate strong workforce engagement.

We need to build on this success, including support for automation and innovation. Our budget invests across multiple agencies to accomplish this.

That includes re-upping on elements of last session's historic child care package, which has led to a net increase of 1,000 child care slots.

Today, North Dakota child care providers have space to enroll more children than ever. And that includes care for infants and toddlers. In the last year, grants from the Grow Child Care program have helped new or expanding child care businesses add 342 spaces -- 40% of them for children younger than 3. And approximately 6,400 kids and their families are better able to afford quality care in part because of the state's bold investment in child care assistance.

State grants also are helping providers to invest in their facilities, off and training. They're able to access assistance when caring for children with special needs. And they are seeing financial benefits for investments in quality.

This is all because of the work you as policymakers have done to demonstrate that in North Dakota, we understand that child care is a workforce issue.

We also know there's more to do on workforce. Our budget continues the investments made last session, with a \$53.8 million total workforce package which includes over \$19 million to support DHHS child care initiatives.

We must continue to take bold steps to make sure quality child care is available when and where working families need it.

HOUSING

Like child care, housing is workforce infrastructure. And while housing is primarily a private market activity, it's also affected by public sector decisions and actions.

Our budget proposes a \$95 million housing package designed to address housing accessibility, affordability and stability, and to help remove housing as a barrier to workforce attraction and participation.

We're grateful for the work of the Housing Initiative Advisory Committee we appointed earlier this year, consisting of members from across the state including Representatives Beltz, Schauer and Senator Rummel and Bekkedahl.

North Dakota's housing challenges have become more urgent as our state continues to grow and evolve.

Home values and rents have risen significantly, placing increased burdens on many households. At the same time, the state faces a critical shortage of affordable housing, with over 20,000 new units needed by 2027 to meet demand.

Our housing package provides funding for innovative financing approaches such as gap financing for new single- and multi-family homes by leveraging the ND Housing Incentive Fund. The package will grow the construction worker pipeline, cut red tape and support vibrant housing markets.

By building in a smart, efficient manner and maximizing the use of existing infrastructure and housing stock, we can lift housing affordability, accessibility and stability, increase workforce participation **and** lower the burden of property taxes.

Other recommendations to address workforce include a combined \$22.5 million for the successful Regional Workforce Impact Program, which has funded 111 projects including 54 child care projects with 2,390 total slots, as well as the Find the Good Life workforce attraction campaign. The budget also continues funding for the Office of Legal Immigration and tech skills training grants.

Speaking specifically to our workforce in state government, past and present, we propose a \$200 million transfer from SIIF and oil tax revenues to the Public Employees Retirement System to further address our unfunded pension liability. Making these investments now will save taxpayers millions of dollars in the long run and ensure we will meet our long-term pension obligations to retired members of Team ND.

Our recommended total compensation package for current Team ND members calls for

performance increases of 4% in the first year and 3% in the second year of the biennium, with no change to the existing health insurance plan, whose costs to the state are increasing by over 15%.

TOURISM AND OUTDOOR ECONOMY

We also know that if we want to keep attracting and retaining workers, we need healthy, vibrant communities with amenities, activities and destinations that contribute to our high quality of life.

That's why we created the Office of Community Development and Rural Prosperity last January – to support smart and strategic community planning and build on our progress made these past eight years under the Main Street Initiative, but with a dedicated focus on the challenges and opportunities facing rural communities.

Last year we proposed, and the Legislature approved, a plan to elevate the beautiful Pembina Gorge State Recreation Area into North Dakota's 14th state park with a modern campground – part of a broader effort to improve parks statewide.

The Destination Development grant program that we proposed and the Legislature funded with \$25 million in matching funds last session also has attracted huge interest. We received requests to fund over 81 projects totaling over \$151 million in 42 communities. Thirteen grants were ultimately awarded for projects ranging from a downtown public plaza in Minot and riverfront festival grounds in Bismarck to enhancing tribal tourism offerings and upgrading ski resorts.

Our budget for next biennium proposes increasing the available matching funds to \$30 million to answer this strong demand signal for destinations.

This year we became the 22nd state to establish a dedicated Office of Outdoor Recreation – led by Parks & Rec, Game and Fish and Tourism – to grow our outdoor recreation economy by strengthening partnerships with the private sector and increasing collaboration among all stakeholders.

We've also partnered with Canada to upgrade the International Peace Garden; secured an initial state commitment to add a publicly and privately funded military history wing at the North Dakota Heritage Center & State Museum; and championed the development of the Theodore Roosevelt Presidential Library in the Badlands, a world-class attraction that will draw visitors from across the nation and beyond.

This is especially exciting because North Dakota will have the opportunity to play an outsized role in the celebration of America's 250th birthday celebration. The opening of the TR Presidential Library has been named one of the country's featured USA 250 celebration events and one of the largest in the Midwest, in addition to the recently announced idea of Great American State Fair in Iowa. This budget includes \$7 million to organize, plan and create celebrations across our state and an additional \$5 million to ensure North Dakota has the best representation of any state at the State Fair in Iowa.

Our nation's birthday is a reminder of the military service members, veterans and their families who have sacrificed so much to defend our freedom. We have a duty to show our gratitude for their service.

That's why we've worked so hard to make North Dakota the most military friendly state in the nation through tax exemptions on military pay, occupational licensing reform for trailing spouses and expanded services for justice-involved veterans.

In this budget, we further recommend honoring our military with continued support for the North Dakota Military Gallery, which will be a place for everyone to reflect upon, honor and celebrate the men and women who fight for our freedom. If you have served or are currently serving, please rise and be recognized.

ECONOMIC DEVELOPMENT

We're also stronger as a nation and a state when we diversify our economy, which has been a passion these past eight years.

From the innovators and entrepreneurs who staked our leadership position in the UAS and autonomous ag sectors, to the surge of data centers that will help America win the A.I. race,

we continue to diversify and make our state less vulnerable to the volatile commodity markets for agriculture and energy – still the bedrock of our economy.

Tens of billions of dollars in projects have expressed interest in coming to North Dakota or are actively pursuing permits and financing to bring their businesses here. We've also supported manufacturing expansion – such as extending natural gas service to Bobcat in Gwinner in 2017 – and growth in our tech and biotech industries, including global leaders like Aldevron.

And here's an interesting data point: While our state's electricity generation has increased by 11% since 2016, our electricity exports have actually **decreased** by over 28%. That's a good thing, because it means more of the electricity we produce is being consumed right here in North Dakota to fuel our economic growth and value-added industries.

Unfortunately, North Dakota's energy sector and ability to produce baseload electricity have been under attack by the current federal administration. As the nation's No. 3 oil producing and large baseload power state, we're battling more than 30 rules and regulations that threaten our energy industry and its ability to deliver affordable, reliable energy to customers. We appreciate the Legislature's ongoing support for these legal battles, and we're optimistic that the next four years will bring a focus on innovation over regulation when it comes to responsibly developing our resources.

The rapid, premature shutdown of baseload generation puts our nation's grid at risk of blackouts and brownouts. We should be pursuing energy addition, not an energy transition, to win the AI arms race and ensure national security and global stability.

Ensuring that our largest ever economic development project list comes to fruition will require continued strategic investment.

Our budget supports highly successful programs that incent innovation and private investment, including \$10 million for the LIFT research fund, \$10 million for autonomous ag, \$30 million for Clean Sustainable Energy grants, and \$50 million for the ND Development Fund. This will give our state more tools in the toolbox to compete.

UAS

A shining example of our state's winning vision is the Northern Plains UAS Test Site and Vantis.

Over the past eight years, North Dakota has strategically invested in Grand Sky and the UAS Test Site, building a robust ecosystem for unmanned aircraft systems. These efforts have solidified our position as a leader in UAS innovation and operations.

Through the development of Vantis, the nation's first statewide network enabling Beyond Visual Line of Sight (BVLOS) UAS flights, North Dakota is poised to become the epicenter of commercial UAS activity in the United States. As critical UAS infrastructure, Vantis stands alone in its scale and capability, working with systems integrator Thales to explore new frontiers.

This budget provides \$20 million to keep Vantis at the forefront. It also supports Grand Sky infrastructure with a \$5 million commitment, increases investment in the UAS Test Site and most importantly, takes advantage of a new strategic partnership.

With the help of Rep. Mike Nathe, we urge this assembly to fast-track a drone replacement and FAA data investment bill totaling \$26 million. With this investment, North Dakota will be the only entity outside the federal government to access FAA radar data for BVLOS. Additionally, we will ensure that any drone used by state agencies or within the university system is manufactured in the United States or allied nations.

Through these bold investments, we're securing North Dakota's leadership in UAS and safeguarding our national interests for today and tomorrow.

INFRASTRUCTURE

Infrastructure is the foundation that supports our economy and way of life, and we've invested heavily these past eight years to ensure North Dakota's infrastructure is second to none.

US News & World Report this year ranked North Dakota as No. 1 in overall infrastructure. With strong support from the Legislature, the state has invested over \$3.6 billion in nearly 1,500 transportation infrastructure projects since 2017.

To build on this momentum, we recommend continuing the successful Flexible Transportation Fund with \$171 million, matching our federal aid formula at \$171 million and providing \$150 million to the Department of Transportation to use as matching funds to win federal discretionary grants.

WATER PROJECTS

Since 2017, we've also committed over \$2.1 billion in state funding as part of more than \$3.5 billion in total water infrastructure projects.

We worked to complete funding for the Fargo-Moorhead Diversion, support rural water initiatives like Southwest Pipeline and Northwest Area Water Supply, and we jumpstarted the Red River Valley Water Supply Project, ensuring reliable water access for future generations.

Together, these investments will protect 27 cities with a combined 462,970 people in 37 water resource districts – nearly 60% of our state's population.

Continuing this progress is critical for our citizens, economy and environment. This budget recommends investing \$435 million from the Resources Trust Fund to support \$129 million for flood control in Minot, Mandan, Bismarck, Valley City and other communities, as well as over \$238 million for water supply projects. It also provides \$46 million for the rural water project needs and \$20 million for municipal needs.

AIRPORTS

North Dakota's airports also are key infrastructure, contributing over \$1.6 billion annually to our state's economy and supporting more than 32,000 jobs.

In 2024, we're on track to set record-breaking air travel numbers, with over 2.4 million passengers projected to pass through our eight commercial airports that connect our communities to global markets. And we know, Aeronautics has identified \$1.2 billion of infrastructure needs over the next decade.

This budget specifically supports a new primary runway for Grand Forks, the terminal expansion for Fargo and a new terminal for Dickinson, together totaling \$120 million.

A.I. AND MAINFRAMES

During this administration, we have experienced a fundamental shift in the power of technology.

A.I. is transforming our world, and state government must be prepared to harness this new power safely and responsibly to increase efficiency and shift some of our more tedious and mundane tasks to a computer. This budget can help us get started. We propose allocating \$15 million to advance A.I. technology and utilization in education, literacy and workforce development, and enhance A.I. toolsets and compute capacity across the state.

While using some of the newest technology, our state is still unfortunately addressing some of the oldest technology. Our administration has made major progress on retiring antiquated mainframe computers. And with this budget proposal, I am thrilled to say, we will no longer have mainframes at the state of North Dakota, which could have been a great headline – if it had happened in 1998.

Including the mainframes, this budget calls for \$45.7 million to update technology and provide the experience citizens expect. This includes funding to build out the Business Gateway and advance a citizen portal, creating an Amazon-like experience for citizens interacting with state government.

CORRECTIONS

Right now, North Dakota is experiencing intense pressure on our corrections system – pressure felt from local jails all the way to the state penitentiary. Our Department of Corrections and Rehabilitation currently is exceeding capacity for both men and women sentenced to DOCR custody.

To address these state and local capacity challenges in the long-term, our budget proposes funding for the planning, design and initial construction of a new 600-resident Missouri River Correctional Center.

We've also included \$36.5 million to complete the much-needed Heart River Women's Transformational Center in Mandan.

BEHAVIORAL HEALTH AND ADDICTION

Over the past eight years, we've engaged in a coordinated effort to improve behavioral health across North Dakota. While the state has made great strides in expanding services, we know the needs continue to grow amid our nation's mental health crisis.

We've worked to increase understanding of the science of addiction, thus reducing stigma and increasing access to services. And we're grateful that the Legislature has engaged and identified solutions and championed new programs.

I'd also like to offer my deepest appreciation to someone who has used her voice and her personal story to advocate for recovery services and empower individuals to seek help. She's been representing North Dakota on the national stage for the past 18 months and is a courageous and unyielding champion of North Dakota and ALL her people, including all those who have been trapped by the disease of addiction – our amazing First Lady, Kathryn Helgaas Burgum!

Overall, our budget recommends increasing behavioral health supports by an additional **\$37.2 million** over the current two-year budget.

This includes an additional \$9.8 million for youth stabilization and treatment and a combined \$10.5 million increase for Free Through Recovery, launched in 2018, and Community Connect, launched in 2021. Those two successful programs have provided care coordination, peer support and recovery support for over 14,000 North Dakotans.

We've trained more than 1,200 peer support specialists who use their lived experience to assist others on their journey to recovery and wellness. Since the first Opioid Treatment Program in the state opened in 2016, we now have four programs serving 1,125 individuals.

We also recommend increasing funding by \$3.5 million for the hugely popular SUD voucher, which has created opportunities for 8,500 individuals to access treatment from private providers.

BONDING

This executive budget gives the Legislature and the next administration a starting point that funds priorities while not increasing taxes. Still, we recognize there are key generational projects that need to move further down the field than what can be reasonably provided here.

So, I will wrap up the budget proposal with an opportunity – an opportunity to leverage our strong financial position to address – and in some cases, complete – some of our biggest road, water, air and facility needs.

Bonding. If the bond rates make financial sense, bonding is an economically sound tool to support our infrastructure while freeing up capacity in the general fund and Resources Trust Fund.

Today, we're providing a framework for a \$1.5 billion bonding package, if the puzzle pieces fit, resulting in \$115 million annual payments for 20 years.

This bonding package would support significant progress on four-laning Highway 85 and propel the Red River Valley Water Supply Project forward – not only to prepare for catastrophic drought but also to stake a claim to our Missouri River water resources in North Dakota, rather than shipping them off to the West Coast.

The package also would complete the Mouse River Flood Protection project to defend Minot from future flood disasters and ensure that much-needed airport improvements happen in Fargo, Grand Forks and Dickinson.

Lastly, this package would fully fund the rebuilding of the Missouri River Correctional Center, increasing bed space for the future, and provide the funding to ensure the State Hospital can

be replaced when plans are completed.

By moving these projects forward, our state will be even better positioned for the next generation.

CLOSING

I began this address talking about scarcity versus abundance. Recently, we had the opportunity to witness a stark example of that on the other side of the world.

During our recent ND trade and investment mission to the Republic of Korea, we witnessed the freedom-loving people of South Korea – 52 million strong in a country slightly over half the size of North Dakota – enjoying incredible prosperity thanks to a robust, free-market economy that rewards hard work and teamwork.

Across the DMZ, communist North Korea has 20% more land than South Korea but only half the population and just a fraction of South Korea's GDP. An estimated 60% of the North Korean population lives in poverty – essentially prisoners of their own government, with economic opportunity and freedom nowhere to be found.

In the South Korean capital of Seoul, we visited the impressive War Memorial of Korea, where I had the solemn honor of laying a wreath at the foot of the panel inscribed with the names of 188 North Dakotans who made the ultimate sacrifice in the Korean War.

As I spoke with the president of the War Memorial, it struck me how even today, 71 years after signing the armistice to end combat in the region, South Koreans remain genuinely grateful for the sacrifices made by America and its allies so they may live free.

And it reminded me of what I already knew – what I've always known – which is that the United States is the greatest country in the world.

And within this great nation, North Dakota truly is the Best of America.

We are blessed with abundant God-given resources:

The rich soil that nourishes our crops and supplies the feed that sustains our livestock, keeping our farmers and ranchers on the land generation after generation.

Our clean water of flowing rivers and over 400 beautiful fish-stocked lakes, and the rich mineral deposits and all-of-the-above resources that power our industries, our cars and tractors, our lights, heaters and air conditioners.

And, most importantly, our greatest resource of all: the hardworking, resilient, exceptional people who call this place home.

North Dakota's 135-year evolution into an ag and energy powerhouse for the nation and world has made the United States and its people safer and more secure.

Every North Dakotan should feel pride in what they and their fellow citizens have accomplished.

Most of all, we should feel gratitude.

For eight incredible years, Kathryn and I have greeted every day with enormous gratitude for the opportunity to serve the citizens of North Dakota as governor and first lady.

We have been rewarded with a deeper sense of love and appreciation than we ever thought possible for this exceptional place where we were born, where we became and raised a family, and where we embarked on an immensely rewarding journey into public service.

This work – firmly rooted in the values of courage, curiosity, gratitude and humility – has been fulfilling beyond measure.

141 years ago, President Theodore Roosevelt came through Bismarck on his way to the Badlands. He stepped off a train as an eastern dude, and here in the Badlands he embraced the strenuous life. His time in Dakota transformed him and he went on to transform our nation and the world.

Roosevelt said, "Far and away the best prize that life offers is the chance to work hard at work worth doing."

You are doing that meaningful work now.

The 69th Legislature has an opportunity to etch itself into our state's history.

We owe North Dakota's positive outlook to the private-sector innovators and entrepreneurs --- the bold leaders and risk-takers --- the teachers, nurses, mechanics, peace officers and other workers on the front lines --- and the outstanding efforts of the dedicated members of Team North Dakota who strive every day to ensure that state government lives up to our purpose statement: **Empower People, Improve Lives and Inspire Success.**

Our state has never been stronger. Our future has never been brighter. Thank you for being part of this success, and giving us this opportunity to serve.

May God bless you, the Great State of North Dakota, and the United States of America!

MOTION

REP. BOSCH MOVED the Joint Session be dissolved, which motion prevailed.

MOTION

REP. BOSCH MOVED that the absent members be excused, which motion prevailed.

MOTION

REP. BOSCH MOVED that the House stand adjourned until 12:00 p.m., Tuesday, January 7, 2025, which motion prevailed.

The House stood adjourned pursuant to Representative Bosch's motion.

Buell J. Reich, Chief Clerk

