

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED HOUSE BILL NO. 1015**

Introduced by

Appropriations Committee

*In place of amendment (25.0159.02017) adopted by the Senate, Engrossed House Bill No. 1015 is amended by amendment (25.0159.02027) as follows:*

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; to amend and  
3 reenact section 57-51.1-07.5 of the North Dakota Century Code and section 9 of House Bill No.  
4 1012 as approved by the sixty-ninth legislative assembly, relating to the state share of oil and  
5 gas tax revenue allocations; and infant and toddler care provider support payments; to repeal  
6 section 11-38-08 of the North Dakota Century Code, relating to county achievement days; to  
7 provide a transfer; to provide an exemption; to provide a report; and to declare an emergency.

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

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

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
15				
16				
17	Salaries and wages	\$23,510,218	\$2,774,739	\$26,284,957
18	New and vacant FTE pool	98,200,000	(96,997,038)	1,202,962
19	Operating expenses	18,217,793	6,874,081	25,091,874
20	Capital assets	308,355	5,808,649	6,117,004

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1	Emergency commission contingency fund	750,000	(750,000)	0
2	Guardianship grants	7,100,000	0	7,100,000
3	Prairie public broadcasting	1,200,000	(1,200,000)	0
4	Community service supervision grants	350,000	(35,000)	315,000
5	State employee child care benefits	3,000,000	(1,635,000)	1,365,000
6	Student internship program	0	500,000	500,000
7	Deferred maintenance funding pool	0	40,000,000	40,000,000
8	Rent, moving, and space reconfiguration pool	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
9	Total all funds	\$152,636,366	(\$42,659,569)	\$109,976,797
10	Less other funds	<u>71,757,126</u>	<u>(6,630,280)</u>	<u>65,126,846</u>
11	Total general fund	\$80,879,240	(\$36,029,289)	\$44,849,951
12	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>
19 Procurement automation	\$0	\$515,052	\$515,052
20 Recruiting management system	250,000	0	250,000
21 Student internship program	500,000	0	500,000
22 Employee leave payouts	99,305	50,695	150,000
23 Snow removal equipment	0	172,000	172,000
24 Floor scrubber	0	20,000	20,000
25 Capitol building improvements	0	3,000,000	3,000,000
26 Governor's residence projects	0	2,350,000	2,350,000
27 Deferred maintenance pool	0	40,000,000	40,000,000
28 Rent, moving and space reconfiguration pool	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
29 Total	\$849,305	\$48,107,747	\$48,957,052

**SECTION 3. NEW AND VACANT ~~FTE~~FULL-TIME EQUIVALENT POOL - LIMITATION -**

**TRANSFER REQUEST.** The office of management and budget may not spend funds



1 appropriated in the new and vacant ~~FTE~~full-time equivalent pool line item in section 1 of this  
2 Act, but may transfer funds from the new and vacant ~~FTE~~full-time equivalent pool line item to  
3 the salaries and wages line item in accordance with the provisions of this Act.

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

9 **SECTION 5. TRANSFER - SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE**  
10 **FUND.** The office of management and budget shall transfer the sum of \$250,000,000 from the  
11 social services fund to the human service finance fund during the biennium beginning July 1,  
12 2025, and ending June 30, 2027.

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

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

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

- 25 1. Notwithstanding any other provision of law, on or before June 30, 2025, the office of  
26 management and budget shall transfer any federal state fiscal recovery fund  
27 appropriation authority amounts previously obligated but not anticipated to be  
28 expended from the state agency that received the appropriation authority to the  
29 department of corrections and rehabilitation for the purpose of defraying the expenses  
30 of salaries and wages of the department of corrections and rehabilitation for the  
31 biennium beginning July 1, 2023, and ending June 30, 2025.

2. Notwithstanding any other provision of law, on or before December 31, 2026, the office of management and budget shall transfer any federal state fiscal recovery fund appropriation authority amounts previously obligated but not anticipated to be expended from the state agency that received the appropriation authority to the department of corrections and rehabilitation for the purpose of defraying the expenses of salaries and wages of the department of corrections and rehabilitation, for the biennium beginning July 1, 2025 and ending June 30, 2027.

3. The office of management and budget shall transfer any uncommitted accumulated interest and earnings of the federal state fiscal recovery fund to the department of corrections and rehabilitation during the biennium beginning July 1, 2025, and ending June 30, 2027. Any interest and earnings received by the department of corrections and rehabilitation under this section are appropriated to the department for the purpose of defraying the expenses of salaries and wages, for the biennium beginning July 1, 2025, and ending June 30, 2027.

4. The department of corrections and rehabilitation may not spend general fund appropriations equal to the amount of any federal state fiscal recovery fund moneys transferred to the department under this section.

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

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

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

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

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



1	Ongoing <del>Capitol</del> capitol grounds repairs	\$500,000
2	Governor's residence projects	2,350,000
3	Capitol building improvements	<u>3,000,000</u>
4	Total	\$5,850,000

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

7	Unemployment insurance	\$1,500,000
8	Capitol grounds planning commission	\$25,000
9	Statewide memberships and related expenses	\$757,489

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

- 11       1. The 2025-27 biennium compensation adjustments for permanent state employees are  
12 to average 3 percent per eligible employee for the first fiscal year of the biennium and  
13 are to average 3 percent per eligible employee for the second year of the biennium.  
14 The increases for the first year of the biennium are to be given beginning with the  
15 month of July 2025, to be paid in August 2025, and for the second year of the  
16 biennium are to be given beginning with the month of July 2026, to be paid in  
17 August 2026. Increases for eligible state employees are to be based on documented  
18 performance and are not to be the same percentage increase for each employee.
- 19       2. The office of management and budget shall develop guidelines for use by state  
20 agencies for providing compensation adjustments for classified state employees. The  
21 guidelines must follow the compensation philosophy statement under section  
22 54-44.3-01.2.
- 23       3. Probationary employees are not entitled to the increases. However, at the discretion of  
24 the appointing authority, probationary employees may be given all or a portion of the  
25 increases effective in July, paid in August, or upon completion of probation. Employees  
26 whose overall documented performance level does not meet standards are not eligible  
27 for any salary increase.

28       **SECTION 12. NEW AND VACANT ~~FTE~~FULL-TIME EQUIVALENT POOL - GUIDELINES -**  
29 **EXEMPTION - TRANSFERS - REPORTS - APPLICATION.**

- 30       1. Notwithstanding section 54-16-04, the office of management and budget shall transfer  
31 funds from an executive branch state agency's new and vacant ~~FTE~~full-time

1        equivalent pool line item to the agency's salaries and wages line item or other line  
2        items with salaries and wages funding as requested by the agency in accordance with  
3        provisions of this section.

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

9        3. After July 31, 2026, an executive branch state agency may request a transfer if the  
10       agency projects actual salaries and wages expenditures will exceed the agency's  
11       available salaries and wages funding for the biennium. The transfer amount may not  
12       exceed the amount by which the agency's actual salaries and wages savings from  
13       vacant positions and employee turnover to date and estimates for the remainder of the  
14       biennium adjusted for other identified uses of any savings are less than the vacant  
15       position savings estimate used by the sixty-ninth legislative assembly in development  
16       of the agency's appropriation. The agency shall provide documentation supporting the  
17       need for the transfer to the office of management and budget and the legislative  
18       council in advance of the transfer request.

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

26       5. Each executive branch state agency with a new and vacant FTEfull-time equivalent  
27       pool line item shall report quarterly to the office of management and budget and the  
28       legislative council on the number of full-time equivalent positions that become vacant  
29       and the number of positions filled each month, the number of vacant positions at the  
30       end of each month, salaries and wages savings by funding source for each month  
31       resulting from vacant positions and employee turnover, and the use of salaries and



- 1 wages savings by funding source for other purposes, including accrued leave payouts,  
2 salary increases in addition to general salary increases provided by the sixty-ninth  
3 legislative assembly, bonuses, incentive or location pay adjustments, reclassifications,  
4 temporary salaries or overtime in excess of amounts provided by the sixty-ninth  
5 legislative assembly, or other items.
- 6 6. The office of management and budget shall report to each meeting of the budget  
7 section regarding the status of funding in each executive branch state agency's new  
8 and vacant ~~FTE~~full-time equivalent pool line item; vacant positions, employee  
9 turnover, and savings from vacant positions and employee turnover by agency; and  
10 uses of savings from vacant positions and employee turnover for other purposes by  
11 agency.
- 12 7. The provisions of section 54-27-10 do not apply to the salaries and wages line item of  
13 appropriations approved by the sixty-ninth legislative assembly for the biennium  
14 beginning July 1, 2025, and ending June 30, 2027.
- 15 8. An executive branch state agency may request a deficiency appropriation from the  
16 seventieth legislative assembly if the funding in the agency's new and vacant ~~FTE~~full-  
17 time equivalent pool line item is insufficient to provide the necessary salaries and  
18 wages funding for the biennium.

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

21 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

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

- 25 1. The first two hundred thirty million dollars into the state general fund;  
26 2. The next two hundred fifty million dollars into the social service fund;  
27 3. The next seventy-five million dollars into the budget stabilization fund, but not in an  
28 amount that would bring the balance in the fund to more than the limit in section  
29 54-27.2-01;  
30 4. The next two hundred thirty million dollars into the state general fund;  
31 5. The next ten million dollars into the lignite research fund;

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

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

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



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

1. The sum of \$500,000 appropriated from the strategic investment and improvements fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws and continued into the 2021-23 biennium pursuant to chapter 42 of the 2021 Session Laws and continued into the 2023-25 biennium pursuant to chapter 640 of the 2023 Special Session Session Laws for an assessment of state facilities.
2. The sum of \$3,659,555 appropriated from federal funds in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the governor's emergency education relief program.
3. The sum of \$4,000,000 from the capitol building fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the window replacement project.
4. The sum of \$2,500,000 appropriated from the general fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for space utilization improvements.
5. The sum of \$20,000,000 appropriated from the strategic investment and improvements fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the boiler replacement project and water mitigation at the liberty memorial building.
6. The sum of \$400,000 appropriated from the general fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the procurement automation project.

**SECTION 17. AMENDMENT.** Section 9 of House Bill No. 1012, as approved by the sixty-ninth legislative assembly, is amended and reenacted as follows:

**SECTION 9. - INFANT AND TODDLER CARE PROVIDER SUPPORT DIRECT PAYMENT - ONE-TIME FUNDING - REPORT.** Section 1 of this Act includes the sum of \$11,000,000 of one-time funding from the general fund for direct payments to licensed child care providers to support high-quality early childhood care for infants and toddlers. The department shall administer the direct payment program and include the following provisions:

- 1       1. To qualify for a direct payment under this section, a direct payment recipient may not  
2       be currently receiving a child care assistance program infant/toddler bonus payment  
3       and must:
  - 4       a. Be a licensed ~~child care facility~~early childhood program within the state of North  
5       Dakota;
  - 6       b. Be enrolled in the state's bright and early quality rating system at a two-star,  
7       three-star, or four-star rating level; and
  - 8       c. Provide care for children from birth ~~through~~to three years of age.
- 9       2. Eligible providers may receive up to \$200 per month for each child from birth through  
10      seventeen months of age and up to \$115 per month for each child from eighteen  
11      ~~through~~to thirty-six months of age.
- 12     3. The department shall distribute the direct payments on a ~~quarterly~~monthly basis.  
13      Direct payments may not be used for non-child care-related expenses or debt  
14      repayment.
- 15     4. Direct payment recipients shall submit annual reports to the department detailing fund  
16      usage, enrollment statistics, and other information requested by the department.
- 17     5. The department shall provide reports to the legislative management and to the  
18      appropriations committees of the seventieth legislative assembly on direct payments  
19      and the effectiveness of the program.

20       **SECTION 18. EMERGENCY.** Section 7 of this Act is declared to be an emergency  
21      measure.