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Title.
Fiscal No. 2

Prepared by the Legislative Council staff for Representative Stemen

April 28, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2015

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to authorize a line of credit; to provide a statement of legislative intent; to provide for a report; to provide for a legislative management study; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

	Base Level	Adjustments or Enhancements	Appropriation
~~Adult services~~	~~$265,998,440~~	~~$161,089,699~~	~~$427,088,139~~
~~Youth services~~	~~26,853,221~~	~~9,480,420~~	~~36,333,641~~
~~New and vacant FTE pool~~	~~0~~	~~15,246,375~~	~~15,246,375~~
~~Total all funds~~	~~$292,851,661~~	~~$185,816,494~~	~~$478,668,155~~
~~Less other funds~~	~~45,744,746~~	~~108,434,000~~	~~154,178,746~~
~~Total general fund~~	~~$247,106,915~~	~~$77,382,494~~	~~$324,489,409~~
~~Full-time equivalent positions~~	~~929.79~~	~~51.00~~	~~980.79~~

Adult services	$265,998,440	$176,857,737	$442,856,177
Youth services	26,853,221	10,669,504	37,522,725
New and vacant FTE pool	0	15,248,196	15,248,196
Total all funds	$292,851,661	$202,775,437	$495,627,098
Less other funds	45,744,746	105,011,978	150,756,724
Total general fund	$247,106,915	$97,763,459	$344,870,374
Full-time equivalent positions	929.79	34.50	964.29

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE 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:

One-Time Funding Description	General Fund	Other Funds	Total
Heart River correctional center	$36,742	$35,635,000	$35,671,742
Missouri River correctional center temporary housing unit	121,136	8,032,757	8,153,893
~~Payments to county and regional jails~~	~~17,500,000~~	~~0~~	~~17,500,000~~
~~Deferred maintenance and extraordinary repairs~~	~~0~~	~~15,000,000~~	~~15,000,000~~
Payments to county and regional jails	28,930,210	0	28,930,210
Deferred maintenance and extraordinary repairs	0	13,256,609	13,256,609
New FTE costs	40,000	0	40,000
James River correctional center study	0	750,000	750,000
Missouri River correctional center planning and design	0	20,000,000	20,000,000
~~Software systems and technology upgrades~~	~~0~~	~~11,278,631~~	~~11,278,631~~
Software systems and technology upgrades	0	10,000,000	10,000,000
Equipment	0	2,079,700	2,079,700

Victims of crime grants	0	7,000,000	7,000,000
Mental health assessments and services	0	550,000	550,000
Rough rider industries equipment and supplies	0	13,722,181	13,722,181
Workforce training and education	0	1,027,500	1,027,500
James River correctional center maintenance building demolition	0	570,000	570,000
~~County and regional correctional centers contracted operations~~	~~0~~	~~3,000,000~~	~~3,000,000~~
~~Total~~	~~$17,697,878~~	~~$118,645,769~~	~~$136,343,647~~
Diversion and deflection center grants	0	2,600,000	2,600,000
Total	$29,128,088	$115,223,747	$144,351,835

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of corrections and rehabilitation may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the adult services and youth services line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of ~~$102,356,197~~$96,334,175 from the strategic investment and improvements fund for one-time projects and programs as follows:

Heart River correctional center project	$35,635,000
Missouri River correctional center temporary housing	8,032,757
Missouri River correctional center planning and design	20,000,000
James River correctional center facilities study	750,000
James River correctional center maintenance building demolition	570,000
~~County and regional correctional center contracted operations~~	~~3,000,000~~
~~Deferred maintenance and extraordinary repairs~~	~~15,000,000~~
~~Software and technology upgrades~~	~~11,278,631~~
Deferred maintenance and extraordinary repairs	13,256,609

Software and technology upgrades	10,000,000
Equipment	1,089,809
Victims of crime grants	7,000,000
~~Total~~	~~$102,356,197~~
Total	$96,334,175

SECTION 5. OTHER FUNDS - FEDERAL FUNDS- CONTINGENT BANK OF NORTH DAKOTA LINE OF CREDIT - DEPARTMENT OF CORRECTIONS AND REHABILITATION. The other funds line item in section 1 of this Act includes $989,891 from federal funds or proceeds from a line of credit for purchasing tasers, body cameras, and ballistic vests. If the department of corrections and rehabilitation is unsuccessful in obtaining a federal grant of $989,891 for this purpose and notifies the office of management and budget that it will not receive federal funds for this purpose during the biennium beginning July 1, 2025, and ending June 30, 2027, the department of corrections and rehabilitation may borrow up to $989,891 through a line of credit from the Bank of North Dakota for the purchase of tasers, body cameras, and ballistic vests during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the department of corrections and rehabilitation accesses the line of credit, the department of corrections and rehabilitation shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 6. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND - DIVERSION AND DEFLECTION CENTER GRANTS - MATCHING FUNDS - EXEMPTION. The adult services line item in section 1 of this Act includes $2,600,000 from the community health trust fund for the purpose of providing diversion and deflection center grants, including $2,500,000 for the establishment of a diversion and deflection center in the city of Fargo and $100,000 for the planning of a diversion and deflection center in Burleigh County, during biennium beginning July 1, 2025, and ending June 30, 2027. A grant recipient must provide no less than two dollars of matching funds from nonstate sources for each dollar provided by the department of corrections and rehabilitation. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section. The entities awarded a grant under this section shall submit a project plan to the department of corrections

and rehabilitation and must receive final approval from the director of the department before any state funds are distributed.

SECTION 7. DEPARTMENT OF CORRECTIONS AND REHABILITATION OPERATING FUND REVENUES. Any moneys received by the department of corrections and rehabilitation from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from department of corrections and rehabilitation commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the youth correctional center permanent fund, may be deposited in the department of corrections and rehabilitation operating fund and expended pursuant to legislative appropriation, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 8. MISSOURI RIVER CORRECTIONAL CENTER PLANNING AND DESIGN - STEERING COMMITTEE - LEGISLATIVE INTENT - REPORT. The appropriation in the adult services line item in section 1 of this Act includes $20,000,000 from the strategic investment and improvements fund for planning and design for a new ~~six hundred bed~~ minimum security male correctional facility for the Missouri River correctional center. The department of corrections and rehabilitation shall establish a Missouri River correctional center steering committee to oversee the design and construction of the new Missouri River correctional center facility, including other options, for the biennium beginning July 1, 2025, and ending June 30, 2027. The committee must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader, and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house. It is the intent of the sixty-ninth legislative assembly that the seventieth legislative assembly consider supporting the completion of a new minimum security facility for the Missouri River correctional center during the biennium beginning July 1, 2027, and ending June 30, 2029. The department of corrections and rehabilitation shall provide a quarterly report to the legislative management regarding the planning and design of a new minimum security facility.

~~**SECTION 10. LEGISLATIVE MANAGEMENT STUDY - DEPARTMENT OF CORRECTIONS AND REHABILITATION.** During the 2025-26 interim, the legislative management shall consider studying the impacts of providing requirements for offenders sentenced to the supervision and custody of the department of corrections and rehabilitation.~~

~~The study must include a thorough review of the impacts of requiring an offender to serve eighty-five percent of an offender's term of imprisonment in a secured facility, together with input from district court judges regarding sentencing decisions, state's attorneys regarding charging decisions, the department of corrections and rehabilitation regarding early release and use of transitional facilities to provide outside services to inmates, and the parole board regarding decisions to parole an inmate. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.~~

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - SENTENCING, CORRECTIONS, AND PAROLE OVERSIGHT. During the 2025-26 interim, the legislative management shall study the sentencing, correctional, and parole systems within the state, with a focus on improving transparency, consistency, and outcomes in the administration of justice. The study must include a comprehensive review of:

1. Sentencing requirements and incarceration impacts, including an evaluation of the potential impacts of requiring offenders sentenced to the custody of the department of corrections and rehabilitation to serve eighty-five percent of their terms in secured facilities. The study must include:
   a. Cost analyses;
   b. Consideration of data and trends relating to criminal offenses and sentencing;
   c. Consideration of recidivism trends;
   d. Consideration of rehabilitation and re-entry opportunities;
   e. Definitions of terms related to sentencing and incarceration; and
   f. Safety and accountability measures for minimum security facilities and transitional facilities.
2. The structure and function of the parole board, including provisions of chapter 12-59 and any rules adopted by the parole board. The study must include:
   a. Membership structure, appointment process, terms, quorum, and meeting transparency;
   b. Parole eligibility requirements and determinations;
   c. Victim rights and notification systems; and

d. The role and input of the department of corrections and rehabilitation in parole-related matters.

The study may include input from:

1. The judicial branch, including district court judges regarding sentencing decisions;
2. State's attorney and defense attorneys regarding charging practices, plea negotiations, and trial resources;
3. The department of corrections and rehabilitation regarding inmate classification, housing, placement authority, and transitional services including work or educational release;
4. The parole board regarding parole eligibility and release decisions;
5. Law enforcement representatives, including the chiefs of police association, sheriff's association, and attorney general's office, regarding impacts to public safety and local and regional jails;
6. The league of cities and association of counties regarding impacts to public safety and local and regional jails;
7. Justice-involved individuals regarding the impact of current and potential sentencing and parole practices; and
8. Crime victims regarding the impact of sentencing.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 10. 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. Any amounts remaining from funds transferred to the department of corrections and rehabilitation for deferred maintenance and extraordinary repairs from funding appropriated from the strategic investment and improvements fund to the office of management and budget in section 1 of chapter 640 of the 2023 Special Session Session Laws.
2. Any amounts remaining from funds transferred to the department of corrections and rehabilitation for deferred maintenance and extraordinary repairs from funding appropriated from federal funds derived from the state fiscal recovery fund to the office

of management and budget in subsection 10 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued pursuant to section 9 of chapter 15 of the 2023 Session Laws.

3. The sum of $131,200,000 appropriated from the strategic investment and improvements fund for the construction of a new Heart River correctional center in section 1 of chapter 15 of the 2023 Session Laws.

4. The sum of $307,000 appropriated from the strategic investment and improvements fund for DOCSTARS maintenance in section 1 of chapter 15 of the 2023 Session Laws.

5. The sum of $2,000,000 appropriated from the strategic investment and improvements fund for information technology needs in section 1 of chapter 15 of the 2023 Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Department of Corrections and Rehab. - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
New and vacant FTE pool		$15,246,375	$1,821	$15,248,196	$15,248,196	
Adult services	$265,998,440	427,088,139	15,768,038	442,856,177	452,039,993	($9,183,816)
Youth services	26,853,221	36,333,641	1,189,084	37,522,725	37,777,936	(255,211)
Total all funds	$292,851,661	$478,668,155	$16,958,943	$495,627,098	$505,066,125	($9,439,027)
Less estimated income	45,744,746	154,178,746	(3,422,022)	150,756,724	158,225,246	(7,468,522)
General fund	$247,106,915	$324,489,409	$20,380,965	$344,870,374	$346,840,879	($1,970,505)
FTE	929.79	980.79	(16.50)	964.29	971.79	(7.50)

Department 530 - Department of Corrections and Rehab. - Detail of Conference Committee Changes

	Adjusts FTE Positions[1]	Adds Funding for Salary Equity[2]	Adds Funding for Other Operations[3]	Adds Funding for Grants[4]	Increases One-Time Funding for Overflow Housing[5]	Adjusts One-Time Funding for Deferred Maintenance[6]
New and vacant FTE pool	$1,821					
Adult services	546,387	$5,744,805	$374,360	$4,100,000	$11,430,210	($2,221,760)
Youth services		783,382				478,369
Total all funds	$548,208	$6,528,187	$374,360	$4,100,000	$11,430,210	($1,743,391)
Less estimated income	0	0	0	2,600,000	0	(1,743,391)
General fund	$548,208	$6,528,187	$374,360	$1,500,000	$11,430,210	$0
FTE	(16.50)	0.00	0.00	0.00	0.00	0.00

	Reduces One-Time Funding for Technology Upgrades[7]	Removes One-Time Funding for Local Correctional Center Operations[8]	Total Conference Committee Changes
New and vacant FTE pool			$1,821
Adult services	($1,205,964)	($3,000,000)	15,768,038
Youth services	(72,667)		1,189,084
Total all funds	($1,278,631)	($3,000,000)	$16,958,943
Less estimated income	(1,278,631)	(3,000,000)	(3,422,022)
General fund	$0	$0	$20,380,965
FTE	0.00	0.00	(16.50)

[1] Funding is adjusted for FTE positions and related operating costs as follows:

Description	FTE Positions	General Fund
Heart River Correctional Center	(20.00)	($1,366,120)
Missouri River Correctional Center temporary housing unit	3.00	759,761
Pretrial services	1.00	238,255
Operations in county and regional correctional centers	(0.50)	1,000,046
Related salary increase adjustment		(29,487)
Related health insurance increase adjustment		(54,045)
Removal of net new FTE positions salaries		(2,023)
New and vacant FTE pool line item		1,821
Total	(16.50)	$548,208

The House reduced total FTE positions by 9 and increased funding from the general fund by $1,109,566.

[2] Funding of $6,528,187 from the general fund is added for competitive market salary equity for correctional officers and parole and probation officers, the same as the House. The Senate did not include funding for competitive market salary equity.

[3] Funding of $374,360 is added from the general fund for operations as follows:

Description	Senate Version	Conference Committee Changes	Conference Committee Version
Transitional facility costs	$8,127,182	$274,360	$8,401,542
Northwest region 25-bed re-entry center	1,500,000	100,000	1,600,000
Total	$9,627,182	$374,360	$10,001,542

The House provided for these same increases from the Senate and also added funding for IT data processing costs ($334,884), medical IT modules ($33,000), a Native American re-entry program ($25,000), and contingency funding ($1,016,263).

[4] Funding is added for grants, including $1.5 million of ongoing funding from the general fund for correctional facility program grants and $2.6 million of one-time funding from the community health trust fund for grants to establish a diversion and deflection center in the city of Fargo and to plan a diversion and deflection center in Burleigh County. The House added $5 million of one-time funding from the community health trust fund for a grant to establish a diversion and deflection center in the city of Fargo.

[5] One-time funding is increased by $11,430,210 from the general fund to provide $28,930,210 for payments to county and regional jails for overflow housing, including programming needs, the same as the House. The Senate provided $17.5 million of one-time funding from the general fund for payments to county and regional jails for overflow housing, including programming needs.

[6] One-time funding is reduced by $1,743,391 from the strategic investment and improvements fund (SIIF), to provide a total of $13,256,609 from SIIF for deferred maintenance and extraordinary repairs. The Senate provided $15 million from SIIF and the House provided $16,056,609 from SIIF for deferred maintenance and extraordinary repairs.

[7] One-time funding from SIIF is reduced by $1,278,631 to provide a total of $10,000,000 for software systems and technology upgrades. Both the Senate and the House included $11,278,631 of one-time funding from SIIF for software systems and technology upgrades.

[8] One-time funding of $3 million from SIIF added by the Senate for county and regional correctional centers contracted operations is removed, the same as the House.

This amendment also:

- Adjusts a section to identify $96,334,175 of the appropriation in Section 1 of the bill is from SIIF. The Senate appropriated $102,356,197 from SIIF and the House appropriated $100,412,806 from SIIF in Section 1 of the bill.
- Adds a section to provide for a Bank of North Dakota line of credit of $989,891 for the purchase of equipment if federal funds are not received for the purchase. The House provided a contingent appropriation of $989,891 from SIIF for this purpose.
- Adds a section to identify $2.6 million of the appropriation in Section 1 of the bill is from the community health trust fund for grants to establish a diversion and deflection center in the city of Fargo and to plan a diversion and deflection center in Burleigh County. The House provided $5 million from the community health trust fund for a grant to establish a diversion and deflection center in the city of Fargo.
- Adjusts a section to provide for a steering committee to oversee the design and construction of a new Missouri River Correctional Center facility and to provide legislative intent that the 70th Legislative Assembly consider supporting the completion of the project.
- Adds a section to provide for a Legislative Management comprehensive study of offender sentencing, use of transitional facilities, and parole.
- Removes a section added by the Senate to provide for a Legislative Management study of offender sentencing, use of transitional facilities, and parole.
- Does not add a section added by the House to direct the Department of Corrections and Rehabilitation to establish and administer a Native American re-entry program.