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Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Education and Environment Division
Committee

February 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1001

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the
2 governor: to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century
3 Code, relating to salaries of the governor and lieutenant governor; and to provide for a report.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying
8 the expenses of the office of the governor, for the biennium beginning July 1, 2025, and ending
9 June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$4,426,244	\$0	\$4,426,244
13 Governor's salary	310,621	0	310,621
14 Operating expenses	509,331	0	509,331
15 Contingencies	10,000	0	10,000
16 Rough rider awards	10,800	0	10,800
17 Total general fund	\$5,266,996	\$0	\$5,266,996
18 Full-time equivalent positions	19.00	0.00	19.00
19 <u>Salaries and wages</u>	<u>\$4,426,244</u>	<u>\$1,425,905</u>	<u>\$5,852,149</u>

Sixty-ninth
Legislative Assembly

1	<u>New and vacant FTE Pool</u>	0	117,387	117,387
2	<u>Operating expenses</u>	509,331	205,714	715,045
3	<u>Contingencies</u>	10,000	0	10,000
4	<u>Rough rider awards</u>	10,800	4,200	15,000
5	<u>Governor's salary</u>	310,621	(310,621)	0
6	<u>Children's cabinet</u>	0	65,000	65,000
7	<u>Total general fund</u>	\$5,266,996	\$1,507,585	\$6,774,581
8	<u>Full-time equivalent positions</u>	19.00	0.00	19.00

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>
Children's cabinet consulting services	\$30,000
Total	\$30,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.

The governor's office 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 salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - GOVERNOR'S OFFICE -

BUDGET SECTION REPORT. Subject to the limitations of this section, in addition to the amounts appropriated in section 1 of this Act, there is appropriated to the governor's office, any additional income from other funds, excluding federal funds, which may become available to the governor's office, for the period beginning July 1, 2025, and ending June 30, 2027. Any other funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon the receipt of other funds under this section, the governor's office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received. Federal funds which may become

1 available to the governor's office may be accepted by the governor's office. Federal funds
2 accepted by the governor's office may not be spent until authorization is received from the
3 legislative assembly or from the emergency commission and budget section under chapter
4 54-16.

5 **SECTION 5. AMENDMENT.** Section 54-07-04 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-07-04. Salary of governor.**

8 The annual salary of the governor is ~~one hundred fifty two thousand two hundred sixty five~~
9 ~~dollars through June 30, 2024, and one hundred fifty eight thousand three hundred fifty six~~
10 ~~one~~
11 hundred sixty-three thousand one hundred seven dollars through June 30, 2026, and one
12 hundred sixty-eight thousand dollars thereafter.

12 **SECTION 6. AMENDMENT.** Section 54-08-03 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **54-08-03. Salary of lieutenant governor.**

15 The annual salary of the lieutenant governor is ~~one hundred thirty thousand dollars through~~
16 ~~June 30, 2024, and one hundred thirty five thousand two hundred~~
17 ~~one hundred thirty-nine~~
18 thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three
thousand four hundred thirty-four dollars thereafter.



STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$4,426,244	\$1,425,905	\$5,852,149
New and vacant FTE pool		117,387	117,387
Operating expenses	509,331	205,714	715,045
Contingencies	10,000		10,000
Rough Rider Awards	10,800	4,200	15,000
Governor's salary	310,621	(310,621)	
Children's cabinet		65,000	65,000
Total all funds	\$5,266,996	\$1,507,585	\$6,774,581
Less estimated income	0	0	0
General fund	\$5,266,996	\$1,507,585	\$6,774,581
FTE	19.00	0.00	19.00

Department 101 - Governor's Office - Detail of House Changes

	Adjusts Budget Including Removal of Governor's Salary Line Item ¹	Adds Funding for Salary and Benefit Increases ²	Increases Salaries and Wages Funding ³	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁴	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵	Adds Funding for Fargo Position and Rent ⁶
Salaries and wages	\$225,448	\$319,313	\$196,000	\$648,839	(\$167,695)	\$204,000
New and vacant FTE pool					117,387	
Operating expenses	85,186					22,500
Contingencies						
Rough Rider Awards						
Governor's salary	(310,621)					
Children's cabinet						
Total all funds	\$13	\$319,313	\$196,000	\$648,839	(\$50,308)	\$226,500
Less estimated income	0	0	0	0	0	0
General fund	\$13	\$319,313	\$196,000	\$648,839	(\$50,308)	\$226,500
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Operating Funding ⁷	Increases Funding for Roughrider Awards ⁸	Adds Funding for Children's Cabinet ⁹	Total House Changes
Salaries and wages				\$1,425,905
New and vacant FTE pool				117,387
Operating expenses	\$98,028			205,714
Contingencies				
Rough Rider Awards		\$4,200		4,200
Governor's salary				(310,621)
Children's cabinet			\$65,000	65,000
Total all funds	\$98,028	\$4,200	\$65,000	\$1,507,585
Less estimated income	0	0	0	0
General fund	\$98,028	\$4,200	\$65,000	\$1,507,585
FTE	0.00	0.00	0.00	0.00

¹ Agency base budget adjustments are made and the Governor's salary line item funding is transferred to the salaries and wages line item.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

**General
Fund**

Salary increase	\$205,213
Health insurance increase	114,100
Total	\$319,313

³ Salaries and wages funding is increased for internships (\$20,000) and for other staff salaries (\$176,000).

⁴ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

**General
Fund**

Vacant FTE positions	\$147,031
New FTE positions	501,808
Total	\$648,839

⁵ Funding of \$167,695 is removed for estimated savings from vacant 2025-27 FTE positions and \$117,387 is added for a new and vacant FTE pool line item resulting in net savings of \$50,308.

⁶ Funding is added for 18 months of salary costs (\$204,000) and rent costs (\$22,500) to locate an office employee in Fargo.

⁷ Operating funding is added to:

- Increase funding for travel by \$35,000 to provide total funding of \$100,000.
- Increase funding for professional development by \$15,000 to provide total funding of \$65,000.
- Increase funding for ongoing information technology costs (\$27,028) and for enhancements (\$21,000) to utilize artificial intelligence programs.

⁸ Funding for Roughrider Awards is added to provide total funding of \$15,000.

⁹ Ongoing funding of \$35,000 is added for operating costs of the Children's Cabinet and one-time funding of \$30,000 is added for consulting services for the cabinet.

House Bill No. 1001 - Other Changes - House Action

This amendment also:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Provides the statutory changes needed to increase the Governor's and Lieutenant Governor's salaries by 3 percent on July 1, 2025, and 3 percent on July 1, 2026.