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Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for House Appropriations -  
Government Operations Division  
Committee

February 7, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### HOUSE BILL NO. 1022

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the retirement and  
2 investment office.

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
5 as may be necessary, are appropriated from special funds, to the retirement and investment  
6 office for the purpose of defraying the expenses of the retirement and investment office, for the  
7 biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
10 <del>Salaries and wages</del>	<del>\$8,552,467</del>	<del>\$0</del>	<del>\$8,552,467</del>
11 <del>Operating expenses</del>	<del>2,731,037</del>	<del>0</del>	<del>2,731,037</del>
12 <del>Contingencies</del>	<del>200,000</del>	<del>0</del>	<del>200,000</del>
13 <del>Total special funds</del>	<del>\$11,483,504</del>	<del>\$0</del>	<del>\$11,483,504</del>
14 <del>Full-time equivalent positions</del>	<del>34.00</del>	<del>0.00</del>	<del>34.00</del>
15 <u>Salaries and wages</u>	<u>\$8,552,467</u>	<u>\$3,539,528</u>	<u>\$12,091,995</u>
16 <u>New and vacant FTE pool</u>	<u>0</u>	<u>470,466</u>	<u>470,466</u>
17 <u>Operating expenses</u>	<u>2,731,037</u>	<u>1,029,096</u>	<u>3,760,133</u>
18 <u>Contingencies</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>

1	<u>Total special funds</u>	<u>\$11,483,504</u>	<u>\$5,039,090</u>	<u>\$16,522,594</u>
2	<u>Full-time equivalent positions</u>	<u>34.00</u>	<u>1.00</u>	<u>35.00</u>

3     **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

4 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
5 items included in the appropriation in section 1 of this Act which are not included in the entity's  
6 base budget for the 2027-29 biennium and which the entity shall report to the appropriations  
7 committees of the seventieth legislative assembly regarding the use of this funding:

8	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
9	Information technology consulting	\$0	\$250,000	\$250,000
10	Total	\$0	\$250,000	\$250,000

11     **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
12 retirement and investment office may not spend funds appropriated in the new and vacant FTE  
13 pool line item in section 1 of this Act, but may request the office of management and budget to  
14 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in  
15 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as  
16 approved by the sixty-ninth legislative assembly.

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1022 - Retirement and Investment Office - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$8,552,467	\$3,539,528	\$12,091,995
New and vacant FTE pool		470,466	470,466
Operating expenses	2,731,037	1,029,096	3,760,133
Contingencies	200,000		200,000
<b>Total all funds</b>	<b>\$11,483,504</b>	<b>\$5,039,090</b>	<b>\$16,522,594</b>
Less estimated income	11,483,504	5,039,090	16,522,594
General fund	\$0	\$0	\$0
<b>FTE</b>	<b>34.00</b>	<b>1.00</b>	<b>35.00</b>

**Department 190 - Retirement and Investment Office - Detail of House Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding to Replace 2023-25 FTE Pool <sup>2</sup>	Transfers Funding for 2025-27 New and Vacant FTE Pool <sup>3</sup>	Adds Funding for Salaries and Wages <sup>4</sup>	Adds Internal Auditor FTE Position <sup>5</sup>	Transfers Funding Between Line Items <sup>6</sup>
Salaries and wages	\$676,016	\$1,786,076	(\$605,458)	\$1,379,216	\$233,228	\$70,450
New and vacant FTE pool			470,466			
Operating expenses					16,650	(70,450)
Contingencies						
<b>Total all funds</b>	<b>\$676,016</b>	<b>\$1,786,076</b>	<b>(\$134,992)</b>	<b>\$1,379,216</b>	<b>\$249,878</b>	<b>\$0</b>
Less estimated income	676,016	1,786,076	(134,992)	1,379,216	249,878	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>

	Adds Funding for Operating Expenses <sup>7</sup>	Adds One-Time Funding Item <sup>8</sup>	Total House Changes
Salaries and wages			\$3,539,528
New and vacant FTE pool			470,466
Operating expenses	\$832,896	\$250,000	1,029,096
Contingencies			
<b>Total all funds</b>	<b>\$832,896</b>	<b>\$250,000</b>	<b>\$5,039,090</b>
Less estimated income	832,896	250,000	5,039,090
General fund	\$0	\$0	\$0
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>

<sup>1</sup> 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	Other Funds	Total
Salary increase	\$0	\$471,836	\$471,836
Health insurance increase	0	204,180	204,180
Total	\$0	\$676,016	\$676,016

<sup>2</sup> Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
Vacant FTE positions	\$0	\$238,129	\$238,129
New FTE positions	0	1,547,947	1,547,947
Total	\$0	\$1,786,076	\$1,786,076



<sup>3</sup> Funding of \$605,458 for new FTE positions and estimated savings from vacant FTE positions is removed and funding of \$470,466 is added for a 2025-27 new and vacant FTE pool line item as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Vacant FTE positions	\$0	(\$372,230)	(\$372,230)
New FTE positions	<u>0</u>	<u>(233,228)</u>	<u>(233,228)</u>
Total	\$0	(\$605,458)	(\$605,458)
Funding pool line item	<u>0</u>	<u>470,466</u>	<u>470,466</u>
Net savings	\$0	(\$134,992)	(\$134,992)

<sup>4</sup> Funding is added for salaries and wages as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
FTE positions partially funded in 2023-25	\$0	\$1,236,914	\$1,236,914
Salary funding - Cost to continue	0	118,302	118,302
Internship program	<u>0</u>	<u>24,000</u>	<u>24,000</u>
Total	\$0	\$1,379,216	\$1,379,216

<sup>5</sup> Funding of \$249,878 from special funds is added for 1 FTE internal auditor position, including \$233,228 for salaries and wages and \$16,650 for operating expenses.

<sup>6</sup> Funding of \$70,450 is transferred from the operating expenses line item to the salaries and wages line item for cost to continue 2023-25 salary increases.

<sup>7</sup> Operating funding is added as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
IT rate increases	\$0	\$61,562	\$61,562
IT software hosting fees	0	751,334	751,334
Investment conference hosting expenses	<u>0</u>	<u>20,000</u>	<u>20,000</u>
Total	\$0	\$832,896	\$832,896

<sup>8</sup> One-time funding of \$250,000 is added from special funds for information technology consulting expenses to replace accounting software.

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The House version also adds a section regarding the use of funding in the new and vacant FTE pool line item.