

February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota**PROPOSED AMENDMENTS TO****HOUSE BILL NO. 1009**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; ~~and~~ to provide for a transfer; and to
4 provide an exemption.

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$0	\$17,042,562
15 Operating expenses	7,426,173	0	7,426,173
16 Capital assets	7,000	0	7,000
17 Grants	10,953,969	0	10,953,969
18 Agriculture products utilization	2,110,417	0	2,110,417
19 —commission			

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1	North Dakota trade office	1,600,000	0	1,600,000
2	Board of animal health	865,718	0	865,718
3	Wildlife services	1,657,400	0	1,657,400
4	Pipeline restoration and reclamation	200,000	0	200,000
5	oversight program			
6	Crop harmonization board	75,000	0	75,000
7	Total all funds	\$41,938,239	\$0	\$41,938,239
8	Less other funds	27,117,306	0	27,117,306
9	Total general fund	\$14,820,933	\$0	\$14,820,933
10	Full-time equivalent positions	80.00	0.00	80.00
11	Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
12	New and vacant FTE pool	0	587,646	587,646
13	Operating expenses	7,426,173	796,687	8,222,860
14	Capital assets	7,000	4,100	11,100
15	Grants	10,953,969	5,261,300	16,215,269
16	Agriculture products utilization	2,110,417	3,000,000	5,110,417
17	commission			
18	North Dakota trade office	1,600,000	400,000	2,000,000
19	Board of animal health	865,718	(8,357)	857,361
20	Wildlife services	1,657,400	0	1,657,400
21	Pipeline restoration and reclamation	200,000	(200,000)	0
22	oversight program			
23	Pipeline and royalty oversight programs	0	500,000	500,000
24	Crop harmonization board	75,000	0	75,000
25	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
26	Less other funds	27,117,306	9,400,921	36,518,227
27	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
28	Full-time equivalent positions	80.00	0.00	80.00

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>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Agricultural products utilization commission	\$0	\$3,000,000	\$3,000,000
Grasslands grazing grants	0	3,000,000	3,000,000
North Dakota trade office	<u>400,000</u>	<u>0</u>	<u>400,000</u>
Total	\$400,000	\$6,000,000	\$6,400,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The agriculture commissioner 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. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES. The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization fund for the purpose of defraying the expenses of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND. The other funds line item in section 1 of this Act includes the sum of ~~\$7,415,020~~ \$7,803,814 from

1 the environment and rangeland protection fund for the purpose of defraying the expenses of
2 various agriculture commissioner programs.

3 **SECTION 8. OTHER FUNDS - GAME AND FISH FUND.** The other funds line item in
4 section 1 of this Act includes the sum of ~~\$648,228~~\$671,918 from the game and fish department
5 operating fund for the purpose of defraying the expenses of various agriculture commissioner
6 programs.

7 **SECTION 9. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND**
8 **SITE RECLAMATION FUND.** The other funds line item in section 1 of this Act includes the sum
9 of ~~\$700,000~~\$500,000 from the abandoned oil and gas well plugging and site reclamation fund,
10 of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and
11 reclamation program and ~~\$500,000~~\$300,000 is for the purpose of defraying the expenses of the
12 post-production royalty oversight program.

13 **SECTION 10. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**
14 **FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING**
15 **FUNDS.** The other funds line item in section 1 of this Act includes the sum of \$3,000,000 from
16 the strategic investment and improvements fund for the purpose of providing grassland grazing
17 grants to an organization representing cooperative grazing associations in the state. To be
18 eligible for a grant under this program, an organization must provide one dollar of matching
19 funds from nonstate sources for every four dollars of grant funding. An organization that
20 receives a grant under this program may distribute the funding to cooperative grazing
21 associations for eligible infrastructure projects, which must be located on national grasslands
22 within the state. Eligible infrastructure projects include water development; fencing;
23 conservation initiatives; compliance with federal permitting requirements, including fees for
24 professional services; and other projects to enhance wildlife habitat, capture carbon, or increase
25 the health of grasslands. Program participants shall develop and implement a grazing land plan
26 in compliance with local soil conservation district guidance and the plan must be approved by
27 the local soil conservation district. The agriculture commissioner shall establish additional
28 guidelines for the program.

29 **SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
30 trade office line item and the general fund appropriation in section 1 of this Act include
31 ~~\$1,600,000~~\$2,000,000 of funding related to the North Dakota trade office. The agriculture

1 commissioner may spend sixty percent of this amount without requiring any matching funds
2 from the trade office. Any additional amounts may be spent only to the extent the North Dakota
3 trade office provides one dollar of matching funds from private or other public sources for each
4 one dollar provided by the agriculture commissioner. Matching funds may include money spent
5 by businesses or organizations to pay salaries to export assistants, provide training to export
6 assistants, or purchase computer equipment as part of the North Dakota trade office's export
7 assistant program.

8 **SECTION 12. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
9 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
10 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

11 **SECTION 13. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **4.1-01-02. Salary of agriculture commissioner.**

14 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
15 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
16 ~~six hundred eighty~~ one hundred forty thousand seven hundred eighty dollars through June 30,
17 2026, and one hundred forty-five thousand three dollars after that date.

18 **SECTION 14. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
19 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
20 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 21 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
22 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
23 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
24 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
25 section 20 of chapter 41 of the 2023 Session Laws; and
- 26 2. The sum of \$660,000 appropriated from the environment and rangeland protection
27 fund for the regional livestock development and planning program in section 2 of
28 chapter 76 of the 2023 Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
New and vacant FTE pool		587,646	587,646
Operating expenses	7,426,173	796,687	8,222,860
Capital assets	7,000	4,100	11,100
Grants	10,953,969	5,261,300	16,215,269
State Board of Animal Health	865,718	(8,357)	857,361
Wildlife Services	1,657,400		1,657,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000	(200,000)	
Ag. Products Utilization Commission	2,110,417	3,000,000	5,110,417
North Dakota Trade Office	1,600,000	400,000	2,000,000
Pipeline and royalty oversight programs		500,000	500,000
Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
Less estimated income	27,117,306	9,400,921	36,518,227
General fund	\$14,820,933	\$1,874,429	\$16,695,362
FTE	80.00	0.00	80.00

Department 602 - Department of Agriculture - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Adjusts Base Budget Funding ⁴	Adjusts Funding for Pipeline and Royalty Oversight Programs ⁵	Adds Funding for State Fleet Rate Increases and Operating Expenses ⁶
Salaries and wages	\$1,124,072	\$877,000	(\$839,494)	(\$227,604)		
New and vacant FTE pool			587,646			
Operating expenses				520,487	(\$500,000)	\$776,200
Capital assets				4,100		
Grants				1,894,400		
State Board of Animal Health				(8,357)		
Wildlife Services						
Crop Harmonization Board						
Pipeline restoration and reclamation					(200,000)	
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs					500,000	
Total all funds	\$1,124,072	\$877,000	(\$251,848)	\$2,183,026	(\$200,000)	\$776,200
Less estimated income	475,155	268,273	(104,860)	2,595,453	(200,000)	0
General fund	\$648,917	\$608,727	(\$146,988)	(\$412,427)	\$0	\$776,200
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for the Noxious Weed Program ¹	Adds One-Time Funding ²	Total House Changes
Salaries and wages			\$933,974
New and vacant FTE pool			587,646
Operating expenses			796,687
Capital assets			4,100
Grants	\$366,900	\$3,000,000	5,261,300
State Board of Animal Health			(8,357)
Wildlife Services			
Crop Harmonization Board			
Pipeline restoration and reclamation			(200,000)
Ag. Products Utilization Commission		3,000,000	3,000,000
North Dakota Trade Office		400,000	400,000
Pipeline and royalty oversight programs			500,000
Total all funds	\$366,900	\$6,400,000	\$11,275,350
Less estimated income	366,900	6,000,000	9,400,921
General fund	\$0	\$400,000	\$1,874,429
FTE	0.00	0.00	0.00

¹ 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:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$380,240	\$263,409	\$643,649
Health insurance increase	268,677	211,746	480,423
Total	\$648,917	\$475,155	\$1,124,072

² Funding is added to replace the 2023-25 biennium new and vacant FTE funding pool as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
2023-25 new FTE pool	\$214,930	\$0	\$214,930
2023-25 vacant FTE pool	393,797	268,273	662,070
Total	\$608,727	\$268,273	\$877,000

³ Funding of \$839,494 is removed for estimated savings from vacant 2025-27 FTE positions and \$587,646 is added for a new and vacant FTE pool line item as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Vacant FTE positions	(\$489,961)	(\$349,533)	(\$839,494)
New and vacant FTE pool line item	342,973	244,673	587,646
Net savings	(\$146,988)	(\$104,860)	(\$251,848)

⁴ Base budget adjustments are made as follows:

	General Fund	Other Funds	Total
Adjusts funding for base payroll changes	\$203,651	(\$228,654)	(\$25,003)
Adjusts funding for temporary salaries	(203,625)	1,024	(202,601)
Adjusts funding for operating expenses, primarily related to operating fees, IT services, and printing	(322,996)	625,775	302,779
Adjusts funding for travel	(1,100)	218,808	217,708
Adds funding for capital assets	0	4,100	4,100
Removes funding for grape and wine grant program	(80,000)	0	(80,000)
Adds federal funding for the specialty crop block grant program to provide a total of \$9,063,305	0	1,968,500	1,968,500
Adjusts funding for other grants	0	5,900	5,900
Reduces funding for the Board of Animal Health	(8,357)	0	(8,357)
Total	(\$412,427)	\$2,595,453	\$2,183,026

⁵ Funding from the abandoned oil and gas well plugging and site reclamation fund is reduced by \$200,000 for the post-production royalty oversight program and the pipeline restoration and reclamation program and post-production royalty oversight program are moved to a newly created pipeline and royalty oversight programs line item.

⁶ Adds funding for state fleet rate increases (\$750,000) and operating expenses (\$26,200).

⁷ Adds \$366,900 from the environment and rangeland protection fund for the noxious weed program to provide total funding of \$1,990,869 for the program.

⁸ One-time funding is added as follows:

- \$3 million from Bank of North Dakota profits for the APUC program to provide total funding of \$5,110,417.
- \$3 million from SIIF for grasslands grazing grants.
- \$400,000 from the general fund for the North Dakota Trade Office to provide a total of \$2 million from the general fund.

House Bill No. 1009 - Other Changes - House Action

The amendment also:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Adds a section to transfer \$3 million from Bank of North Dakota profits to the APUC fund.
- Amends a section identifying the amount of funding (\$7,803,814) appropriated from the environment and rangeland protection fund.
- Amends a section identifying the amount of funding (\$671,918) appropriated from the Game and Fish Department operating fund.
- Amends a section to identify the amount of funding (\$500,000) appropriated from the abandoned oil and gas well plugging and site reclamation fund.
- Adds a section to identify \$3 million from SIIF for the grasslands grazing grant program.
- Amends a section identifying the amount of funding (\$2 million) appropriated from the general fund for the North Dakota Trade Office.
- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.
- Adds a section to provide exemptions to continue funding appropriated into the 2025-27 biennium. The exemptions relate to the specialty crop block grant program and the regional livestock development and planning program.