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Title.

Fiscal No. 2

Prepared by the Legislative Council  
staff for Senator Myrdal

Sixty-ninth  
Legislative Assembly  
of North Dakota

March 13, 2025

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

Introduced by

**ENGROSSED HOUSE BILL NO. 1015**

Appropriations Committee

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, relating to the state share of oil  
4 and gas tax revenue allocations; to repeal section 11-38-08 of the North Dakota Century Code,  
5 relating to county achievement days; to provide a transfer; to provide an exemption; to provide a  
6 report; and to declare an emergency.

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
16 Salaries and wages	\$23,510,218	\$2,774,739	\$26,284,957
17 New and vacant FTE pool	98,200,000	(96,997,038)	1,202,962
18 <del>Operating expenses</del>	<del>18,217,793</del>	<del>6,874,081</del>	<del>25,091,874</del>
19 <u>Operating expenses</u>	<u>18,217,793</u>	<u>8,374,081</u>	<u>26,591,874</u>
20 Capital assets	308,355	5,808,649	6,117,004

Sixty-ninth  
Legislative Assembly

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	0	2,000,000	2,000,000
9	<del>Total all funds</del>	<del>\$152,636,366</del>	<del>(\$42,659,569)</del>	<del>\$109,976,797</del>
10	<u>Total all funds</u>	<u>\$152,636,366</u>	<u>(\$41,159,569)</u>	<u>\$111,476,797</u>
11	Less other funds	71,757,126	(6,630,280)	65,126,846
12	<del>Total general fund</del>	<del>\$80,879,240</del>	<del>(\$36,029,289)</del>	<del>\$44,849,951</del>
13	<u>Total general fund</u>	<u>\$80,879,240</u>	<u>(\$34,529,289)</u>	<u>\$46,349,951</u>
14	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:

20	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
21	Procurement automation	\$0	\$515,052	\$515,052
22	Recruiting management system	250,000	0	250,000
23	Student internship program	500,000	0	500,000
24	Employee leave payouts	99,305	50,695	150,000
25	Snow removal equipment	0	172,000	172,000
26	Floor scrubber	0	20,000	20,000
27	Capitol building improvements	0	3,000,000	3,000,000
28	Governor's residence projects	0	2,350,000	2,350,000
29	Deferred maintenance pool	0	40,000,000	40,000,000
30	<u>Life education committee</u>	<u>1,500,000</u>	<u>0</u>	<u>1,500,000</u>
31	Rent, moving and space reconfiguration pool	0	2,000,000	2,000,000



1	<del>Total</del>	<del>\$849,305</del>	<del>\$48,107,747</del>	<del>\$48,957,052</del>
2	Total	\$2,349,305	\$48,107,747	\$50,457,052

3       **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
4 office of management and budget may not spend funds appropriated in the new and vacant  
5 FTE pool line item in section 1 of this Act, but may transfer funds from the new and vacant  
6 FTE pool line item to the salaries and wages line item in accordance with the provisions of this  
7 Act.

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

13       **SECTION 5. TRANSFER - SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE**  
14 **FUND.** The office of management and budget shall transfer the sum of \$250,000,000 from the  
15 social services fund to the human service finance fund during the biennium beginning July 1,  
16 2025, and ending June 30, 2027.

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

- 22           1. From the student internship line item for student internships.
- 23           2. From the deferred maintenance pool line item for deferred maintenance projects.
- 24           3. From the rent, moving, and space reconfiguration pool line item for agency lease,  
25 relocation, and remodeling costs.

26       **SECTION 7. TRANSFER - FEDERAL FISCAL RECOVERY FUND APPROPRIATION**  
27 **AUTHORITY TO DEPARTMENT OF CORRECTIONS AND REHABILITATION - EXEMPTION -**  
28 **SPENDING RESTRICTION - REPORT.**

- 29           1. Notwithstanding any other provision of law, on or before June 30, 2025, the office of  
30 management and budget shall transfer any federal state fiscal recovery fund  
31 appropriation authority amounts previously obligated but not anticipated to be

- 1 expended from the state agency that received the appropriation authority to the  
2 department of corrections and rehabilitation for the purpose of defraying the expenses  
3 of salaries and wages of the department of corrections and rehabilitation for the  
4 biennium beginning July 1, 2023, and ending June 30, 2025.
- 5 2. Notwithstanding any other provision of law, on or before December 31, 2026, the office  
6 of management and budget shall transfer any federal state fiscal recovery fund  
7 appropriation authority amounts previously obligated but not anticipated to be  
8 expended from the state agency that received the appropriation authority to the  
9 department of corrections and rehabilitation for the purpose of defraying the expenses  
10 of salaries and wages of the department of corrections and rehabilitation for the  
11 biennium beginning July 1, 2025 and ending June 30, 2027.
- 12 3. The office of management and budget shall transfer any uncommitted accumulated  
13 interest and earnings of the federal state fiscal recovery fund to the department of  
14 corrections and rehabilitation during the biennium beginning July 1, 2025, and ending  
15 June 30, 2027. Any interest and earnings received by the department of corrections  
16 and rehabilitation under this section are appropriated to the department for the  
17 purpose of defraying the expenses of salaries and wages for the biennium beginning  
18 July 1, 2025, and ending June 30, 2027.
- 19 4. The department of corrections and rehabilitation may not spend general fund  
20 appropriations equal to the amount of any federal state fiscal recovery fund moneys  
21 transferred to the department under this section.
- 22 5. The office of management and budget shall report to the budget section regarding any  
23 appropriation authority and interest and earnings transferred under this section.

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

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

27 Procurement automation	\$515,052
28 Snow removal equipment	172,000
29 Floor scrubber	20,000
30 Deferred maintenance pool	40,000,000
31 Rent, moving, and space reconfiguration pool	<u>2,000,000</u>



1 Total \$42,707,052

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

5 Ongoing Capitol grounds repairs \$500,000

6 Governor's residence projects 2,350,000

7 Capitol building improvements 3,000,000

8 Total \$5,850,000

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

11 Unemployment insurance \$1,500,000

12 Capitol grounds planning commission \$25,000

13 Statewide memberships and related expenses \$757,489

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

15 1. The 2025-27 biennium compensation adjustments for permanent state employees are  
16 to average 3 percent per eligible employee for the first fiscal year of the biennium and  
17 are to average 3 percent per eligible employee for the second year of the biennium.

18 The increases for the first year of the biennium are to be given beginning with the  
19 month of July 2025, to be paid in August 2025, and for the second year of the  
20 biennium are to be given beginning with the month of July 2026, to be paid in  
21 August 2026. Increases for eligible state employees are to be based on documented  
22 performance and are not to be the same percentage increase for each employee.

23 2. The office of management and budget shall develop guidelines for use by state  
24 agencies for providing compensation adjustments for classified state employees. The  
25 guidelines must follow the compensation philosophy statement under section  
26 54-44.3-01.2.

27 3. Probationary employees are not entitled to the increases. However, at the discretion of  
28 the appointing authority, probationary employees may be given all or a portion of the  
29 increases effective in July, paid in August, or upon completion of probation. Employees  
30 whose overall documented performance level does not meet standards are not eligible  
31 for any salary increase.

1       **SECTION 12. NEW AND VACANT FTE POOL - GUIDELINES - EXEMPTION -**  
2       **TRANSFERS - REPORTS - APPLICATION.**

- 3       1. Notwithstanding section 54-16-04, the office of management and budget shall transfer  
4       funds from an executive branch state agency's new and vacant FTE pool line item to  
5       the agency's salaries and wages line item or other line items with salaries and wages  
6       funding as requested by the agency in accordance with provisions of this section.
- 7       2. An executive branch state agency may request a transfer to provide funding for the  
8       salaries and wages necessary for the remainder of the 2025-27 biennium for a new  
9       full-time equivalent position authorized by the sixty-ninth legislative assembly from the  
10      date of hiring through the end of the biennium, limited to the amount identified for the  
11      position in the statement of purpose of amendment.
- 12      3. After July 31, 2026, an executive branch state agency may request a transfer if the  
13      agency projects actual salaries and wages expenditures will exceed the agency's  
14      available salaries and wages funding for the biennium. The transfer amount may not  
15      exceed the amount by which the agency's actual salaries and wages savings from  
16      vacant positions and employee turnover to date and estimates for the remainder of the  
17      biennium adjusted for other identified uses of any savings are less than the vacant  
18      position savings estimate used by the sixty-ninth legislative assembly in development  
19      of the agency's appropriation. The agency shall provide documentation supporting the  
20      need for the transfer to the office of management and budget and legislative council in  
21      advance of the transfer request.
- 22      4. Each executive branch state agency with a new and vacant FTE pool line item shall  
23      report to the office of management and budget and the legislative council on a  
24      quarterly basis regarding any transfer of appropriation authority for filling a new  
25      full-time equivalent position. The report must include the funding transferred, the title  
26      of the position filled, the salary funding removed by the sixty-ninth legislative assembly  
27      for the position by funding source as identified in the statement of purpose of  
28      amendment, and the date the position was filled.
- 29      5. Each executive branch state agency with a new and vacant FTE pool line item shall  
30      report quarterly to the office of management and budget and the legislative council on  
31      the number of full-time equivalent positions that become vacant and the number of



positions filled each month, the number of vacant positions at the end of each month, salaries and wages savings by funding source for each month resulting from vacant positions and employee turnover, and the use of salaries and wages savings by funding source for other purposes, including accrued leave payouts, salary increases in addition to general salary increases provided by the sixty-ninth legislative assembly, bonuses, incentive or location pay adjustments, reclassifications, temporary salaries or overtime in excess of amounts provided by the sixty-ninth legislative assembly, or other items.

6. The office of management and budget shall report to each meeting of the budget section regarding the status of funding in each executive branch state agency's new and vacant FTE pool line item; vacant positions, employee turnover, and savings from vacant positions and employee turnover by agency; and uses of savings from vacant positions and employee turnover for other purposes by agency.
7. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-ninth legislative assembly for the biennium beginning July 1, 2025, and ending June 30, 2027.
8. An executive branch state agency may request a deficiency appropriation from the seventieth legislative assembly if the funding in the agency's new and vacant FTE pool line item is insufficient to provide the necessary salaries and wages funding for the biennium.

**SECTION 13. LIFE EDUCATION CAMPAIGN - LIFE EDUCATION COMMITTEE.**

1. a. The sum of \$1,500,000 from the general fund included in section 1 of this Act may be used by the office of management and budget to contract with an organization to coordinate a statewide campaign to provide education on state abortion policy and programs available for pregnant mothers.
- b. The organization awarded the contract must be based in this state and have experience conducting a national integrated public health educational campaign within the last two years.
- c. The state life education campaign must include:
  - (1) Information on the programs available to a pregnant mother, including health care, housing, nutritional assistance, and adoption services;



- 1 (2) Resources for children and families, including child care, education, and
- 2 developmental support; and
- 3 (3) Education on the state policies and laws supporting life and family values.
- 4 d. The organization selected to conduct the statewide life education campaign shall
- 5 report to the life education committee, as determined by the committee.
- 6 2. a. The life education committee is created and comprised of the following members:
- 7 (1) Three individuals appointed by the governor;
- 8 (2) Two members of the house of representatives selected by the majority
- 9 leader of the house; and
- 10 (3) Two members of the senate selected by the majority leader of the senate.
- 11 b. During the 2025-27 biennium, the life education committee shall oversee the
- 12 statewide life education campaign under subsection 1.

13 **SECTION 14. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

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

- 19 1. The first two hundred thirty million dollars into the state general fund;
- 20 2. The next two hundred fifty million dollars into the social service fund;
- 21 3. The next seventy-five million dollars into the budget stabilization fund, but not in an
- 22 amount that would bring the balance in the fund to more than the limit in section
- 23 54-27.2-01;
- 24 4. The next two hundred thirty million dollars into the state general fund;
- 25 5. The next ten million dollars into the lignite research fund;
- 26 6. The next twenty million dollars into the state disaster relief fund, but not in an amount
- 27 that would bring the unobligated balance in the fund to more than twenty million
- 28 dollars;
- 29 7. The next ~~four hundred million~~ two hundred seventy million dollars into the strategic
- 30 investment and improvements fund;



- 1        8.    The next sixty-five million dollars to the public employees retirement fund for the main  
2            system plan;
- 3        9.    The next fifty-nine million seven hundred fifty thousand dollars, or the amount  
4            necessary to provide for twice the amount of the distributions under subsection 2 of  
5            section 57-51.1-07.7, into the funds designated for infrastructure development in  
6            non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty  
7            percent deposited into the municipal infrastructure fund and fifty percent deposited into  
8            the county and township infrastructure fund;
- 9        10.   The next ~~one hundred seventy million two hundred fifty thousand~~ two hundred twenty  
10           million two hundred fifty thousand dollars or the amount necessary to provide a total of  
11           ~~two hundred thirty million~~ two hundred eighty million dollars into the funds designated  
12           for infrastructure development in non-oil-producing counties under sections  
13           57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal  
14           infrastructure fund and fifty percent deposited into the county and township  
15           infrastructure fund;
- 16       11.   The next twenty million dollars into the airport infrastructure fund; and
- 17       12.   Any additional revenues into the strategic investment and improvements fund.
- 18       **SECTION 15. REPEAL.** Section 11-38-08 of the North Dakota Century Code is repealed.
- 19       **SECTION 16. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the  
20       fiscal management division, as contained in section 1 of chapter 640 of the 2023 Special  
21       Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended  
22       funds from this appropriation are available for continued development and operating costs of  
23       the statewide systems, including accounting, management, and payroll, during the biennium  
24       beginning July 1, 2025, and ending June 30, 2027.
- 25       **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following  
26       appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into  
27       the biennium beginning July 1, 2025, and ending June 30, 2027:
- 28       1.    The sum of \$500,000 appropriated from the strategic investment and improvements  
29           fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws  
30           and continued into the 2021-23 biennium pursuant to chapter 42 of the 2021 Session

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

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



**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1015 - Office of Management and Budget - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$23,510,218	\$26,284,957		\$26,284,957
New and vacant FTE pool	98,200,000	1,202,962		1,202,962
Operating expenses	18,217,793	25,091,874	\$1,500,000	26,591,874
Capital assets	308,355	6,117,004		6,117,004
Emergency Commission contingency fund	750,000			
Guardianship grants	7,100,000	7,100,000		7,100,000
Prairie Public Broadcasting	1,200,000			
Community service supervision grants	350,000	315,000		315,000
State employee child care benefits	3,000,000	1,365,000		1,365,000
Student internship program		500,000		500,000
Deferred maintenance funding pool		40,000,000		40,000,000
Rent, moving, and space recon. pool		2,000,000		2,000,000
Total all funds	\$152,636,366	\$109,976,797	\$1,500,000	\$111,476,797
Less estimated income	71,757,126	65,126,846	0	65,126,846
General fund	\$80,879,240	\$44,849,951	\$1,500,000	\$46,349,951
FTE	110.00	111.00	0.00	111.00

**Department 110 - Office of Management and Budget - Detail of Senate Changes**

	Adds Funding For Life Education Program <sup>1</sup>	Total Senate Changes
Salaries and wages		
New and vacant FTE pool		
Operating expenses	\$1,500,000	\$1,500,000
Capital assets		
Emergency Commission contingency fund		
Guardianship grants		
Prairie Public Broadcasting		
Community service supervision grants		
State employee child care benefits		
Student internship program		
Deferred maintenance funding pool		
Rent, moving, and space recon. pool		
Total all funds	\$1,500,000	\$1,500,000
Less estimated income	0	0
General fund	\$1,500,000	\$1,500,000
FTE	0.00	0.00

<sup>1</sup> One-time funding is added for the Office of Management and Budget to contract with an organization to provide education on state abortion policy and programs available for pregnant mothers.