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Title.
Fiscal No. 7

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

April 17, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1015

Introduced by

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 create and
3 enact a new section to chapter 54-44 of the North Dakota Century Code, relating to a state
4 facility maintenance fund; to amend and reenact section 57-51.1-07.5 of the North Dakota
5 Century Code, relating to the state share of oil and gas tax revenue allocations; to repeal
6 section 11-38-08 of the North Dakota Century Code, relating to county achievement days; to
7 provide for a transfer; to authorize a line of credit; to provide an exemption; to provide for a
8 report; and to declare an emergency.

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

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

	Adjustments or		
	Base Level	Enhancements	Appropriation
18 Salaries and wages	\$23,510,218	\$2,774,739	\$26,284,957
19 <u>Salaries and wages</u>	<u>\$23,510,218</u>	<u>\$2,884,853</u>	<u>\$26,395,071</u>

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1	New and vacant FTE pool	98,200,000	(96,997,038)	1,202,962
2	Operating expenses	18,217,793	6,874,081	25,091,874
3	Capital assets	308,355	5,808,649	6,117,004
4	Emergency commission contingency fund	750,000	(750,000)	0
5	Guardianship grants	7,100,000	0	7,100,000
6	Prairie public broadcasting	1,200,000	(1,200,000)	0
7	<u>Guardianship grants</u>	<u>7,100,000</u>	<u>1,000,000</u>	<u>8,100,000</u>
8	<u>Prairie public broadcasting</u>	<u>1,200,000</u>	<u>(350,000)</u>	<u>850,000</u>
9	Community service supervision grants	350,000	(35,000)	315,000
10	State employee child care benefits	3,000,000	(1,635,000)	1,365,000
11	Student internship program	0	500,000	500,000
12	Deferred maintenance funding pool	0	40,000,000	40,000,000
13	Rent, moving, and space reconfiguration pool	0	2,000,000	2,000,000
14	Total all funds	\$152,636,366	(\$42,659,569)	\$109,976,797
15	Less other funds	71,757,126	(6,630,280)	65,126,846
16	Total general fund	\$80,879,240	(\$36,029,289)	\$44,849,951
17	<u>State facility maintenance fund</u>	<u>0</u>	<u>40,000,000</u>	<u>40,000,000</u>
18	<u>Rent, moving, and space reconfiguration pool</u>	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>
19	<u>Retirement incentive pool</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
20	<u>State Hospital project</u>	<u>0</u>	<u>285,000,000</u>	<u>285,000,000</u>
21	<u>Life education committee</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
22	<u>Total all funds</u>	<u>\$152,636,366</u>	<u>\$250,300,545</u>	<u>\$402,936,911</u>
23	<u>Less other funds</u>	<u>71,757,126</u>	<u>283,110,834</u>	<u>354,867,960</u>
24	<u>Total general fund</u>	<u>\$80,879,240</u>	<u>(\$32,810,289)</u>	<u>\$48,068,951</u>
25	Full-time equivalent positions	110.00	1.00	111.00

26 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 27 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 28 items included in the appropriation in section 1 of this Act which are not included in the entity's
 29 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 30 committees of the seventieth legislative assembly regarding the use of this funding:

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<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Procurement automation	\$0	\$515,052	\$515,052
Recruiting management system	250,000	0	250,000
Student internship program	500,000	0	500,000
Employee leave payouts	99,305	50,695	150,000
Snow removal equipment	0	172,000	172,000
Floor scrubber	0	20,000	20,000
Capitol building improvements	0	3,000,000	3,000,000
Governor's residence projects	0	2,350,000	2,350,000
Deferred maintenance pool	0	40,000,000	40,000,000
Rent, moving and space reconfiguration pool	0	2,000,000	2,000,000
Total	\$849,305	\$48,107,747	\$48,957,052
<u>State facility maintenance fund</u>	<u>0</u>	<u>40,000,000</u>	<u>40,000,000</u>
<u>Rent, moving, and space reconfiguration pool</u>	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>
<u>Retirement incentive pool</u>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
<u>Life education committee</u>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
<u>State hospital project</u>	<u>0</u>	<u>285,000,000</u>	<u>285,000,000</u>
<u>Prairie public broadcasting infrastructure</u>	<u>0</u>	<u>850,000</u>	<u>850,000</u>
<u>Total</u>	<u>\$2,849,305</u>	<u>\$337,957,747</u>	<u>\$340,807,052</u>

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

SECTION 4. APPROPRIATION - NEW AND VACANT FTE FUNDING POOL - 2023-25 BIENNIUM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the office of management and budget for the 2023-25 biennium new and vacant FTE funding pool, for the period beginning with the effective date of this section and ending June 30, 2025. Notwithstanding any other provision of law, the office of management and

1 budget may transfer the funds under this section to other state agencies in accordance with the
2 guidelines established in section 16 of chapter 640 of the 2023 Special Session Session Laws.

3 **SECTION 5. APPROPRIATION - UNIFORM LAWS COMMISSION - 2023-25 BIENNIUM.**

4 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
5 appropriated, the sum of \$45,000, or so much of the sum as may be necessary, to the office of
6 management and budget for the purpose of uniform laws commission expenses, for the period
7 beginning with the effective date of this section and ending June 30, 2025.

8 **SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
9 **STATE FACILITY MAINTENANCE FUND.** The office of management and budget shall transfer
10 the sum of \$40,000,000 from the strategic investment and improvements fund to the state
11 facility maintenance fund during the biennium beginning July 1, 2025, and ending June 30,
12 2027.

13 **SECTION 7. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any
14 moneys in the community service supervision fund under section 29-26-22 are appropriated to
15 the office of management and budget for distribution to community corrections association
16 regions on or before August first of each year, for the biennium beginning July 1, 2025, and
17 ending June 30, 2027.

18 **SECTION 8. TRANSFER - SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE**
19 **FUND.** The office of management and budget shall transfer the sum of
20 ~~\$250,000,000~~\$242,000,000 from the social services fund to the human service finance fund
21 during the biennium beginning July 1, 2025, and ending June 30, 2027.

22 **SECTION 9. TRANSFER AUTHORITY - STUDENT INTERNSHIP PROGRAM -**
23 ~~DEFERRED MAINTENANCE FUNDING POOL~~**STATE FACILITY MAINTENANCE FUND -**
24 **RENT, MOVING, AND SPACE RECONFIGURATION POOL.** The office of management and
25 budget may transfer appropriation authority to eligible state agencies during the biennium
26 beginning July 1, 2025, and ending June 30, 2027, from the line items in section 1 of this Act as
27 follows:

- 28 1. From the student internship line item for student internships.
- 29 2. From the ~~deferred maintenance pool~~state facility maintenance fund line item for
30 ~~deferred~~-maintenance projects at state-owned facilities.

1 deficiency appropriation from the seventieth legislative assembly to repay the line of
2 credit.

3 2. The office of management and budget shall have managerial control of the new state
4 hospital project and any construction management consultants utilized for the project
5 must report directly to the office of management and budget.

6 **SECTION 14. LIFE EDUCATION COMMITTEE - LIFE EDUCATION CAMPAIGN.**

7 1. The life education committee is created and comprised of the following members:

8 a. Three individuals appointed by the governor;

9 b. Two members of the house of representatives selected by the majority leader of
10 the house of representatives; and

11 c. Two members of the senate selected by the majority leader of the senate.

12 2. During the 2025-27 biennium, the life education committee shall:

13 a. Oversee the statewide life education campaign established in this section;

14 b. Oversee the instructional course established under section 43-17-27.1 pursuant
15 to House Bill No. 1511 as enacted by the sixty-ninth legislative assembly.

16 3. The governor may designate the office of management and budget responsibility to
17 provide support to the life education committee pursuant to section 54-07-01.4.

18 4. The sum of \$1,000,000 from the general fund included in section 1 of this Act must be
19 used to develop a contract through the office of management and budget, in
20 consultation with the attorney general, for the coordination of a statewide life education
21 campaign.

22 5. The contractor selected to conduct the statewide life education campaign must be a
23 resident North Dakota contractor, as defined under section 44-08-02. The contractor
24 shall report to the life education committee, as determined by the committee.

25 6. The state life education campaign must include:

26 a. Education on state abortion laws and policy;

27 b. Education on state laws and policies supporting life and family values;

28 c. Programs available for a pregnant mother, including assistance, housing, and
29 adoption services;

30 d. Resources for children and families; and

31 e. Other information as determined by the life education committee.

1 **SECTION 15. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation
2 authority which may be used only for the following grants and special items:

3 Unemployment insurance	\$1,500,000
4 Capitol grounds planning commission	\$25,000
5 Statewide memberships and related expenses	\$757,489

6 **SECTION 16. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 7 1. The 2025-27 biennium compensation adjustments for permanent state employees are
8 to average 3 percent per eligible employee for the first fiscal year of the biennium and
9 are to average 3 percent per eligible employee for the second year of the biennium.
10 The increases for the first year of the biennium are to be given beginning with the
11 month of July 2025, to be paid in August 2025, and for the second year of the
12 biennium are to be given beginning with the month of July 2026, to be paid in
13 August 2026. Increases for eligible state employees are to be based on documented
14 performance and are not to be the same percentage increase for each employee.
- 15 2. The office of management and budget shall develop guidelines for use by state
16 agencies for providing compensation adjustments for classified state employees. The
17 guidelines must follow the compensation philosophy statement under section
18 54-44.3-01.2.
- 19 3. Probationary employees are not entitled to the increases. However, at the discretion of
20 the appointing authority, probationary employees may be given all or a portion of the
21 increases effective in July, paid in August, or upon completion of probation. Employees
22 whose overall documented performance level does not meet standards are not eligible
23 for any salary increase.

24 **SECTION 17. NEW AND VACANT FTE POOL - GUIDELINES - EXEMPTION -**
25 **TRANSFERS - REPORTS - APPLICATION.**

- 26 1. Notwithstanding section 54-16-04, the office of management and budget shall transfer
27 funds from an executive branch state agency's new and vacant FTE pool line item to
28 the agency's salaries and wages line item or other line items with salaries and wages
29 funding as requested by the agency in accordance with provisions of this section.
- 30 2. An executive branch state agency may request a transfer to provide funding for the
31 salaries and wages necessary for the remainder of the 2025-27 biennium for a new

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

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

13 **SECTION 18.** A new section to chapter 54-44 of the North Dakota Century Code is created
14 and enacted as follows:

15 **State facility maintenance fund.**

16 There is created in the state treasury the state facility maintenance fund. The fund consists
17 of moneys allocated to the fund from legislative transfers. Subject to legislative appropriation,
18 moneys in the fund may be used for maintenance needs at state-owned facilities, excluding
19 facilities under the control of the state board of higher education.

20 **SECTION 19. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

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

- 26 1. The first two hundred thirty million dollars into the state general fund;
- 27 2. The next two hundred fifty million dollars into the social service fund;
- 28 3. The next seventy-five million dollars into the budget stabilization fund, but not in an
29 amount that would bring the balance in the fund to more than the limit in section
30 54-27.2-01;
- 31 4. The next two hundred thirty million dollars into the state general fund;

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- 1 5. The next ten million dollars into the lignite research fund;
- 2 6. The next twenty million dollars into the state disaster relief fund, but not in an amount
- 3 that would bring the unobligated balance in the fund to more than twenty million
- 4 dollars;
- 5 7. The next ~~four hundred million~~two hundred seventy million dollars into the strategic
- 6 investment and improvements fund;
- 7 8. The next sixty-five million dollars to the public employees retirement fund for the main
- 8 system plan;
- 9 9. The next fifty-nine million seven hundred fifty thousand dollars, or the amount
- 10 necessary to provide for twice the amount of the distributions under subsection 2 of
- 11 section 57-51.1-07.7, into the funds designated for infrastructure development in
- 12 non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty
- 13 percent deposited into the municipal infrastructure fund and fifty percent deposited into
- 14 the county and township infrastructure fund;
- 15 10. The next ~~one hundred seventy million two hundred fifty thousand~~two hundred twenty
- 16 million two hundred fifty thousand dollars or the amount necessary to provide a total of
- 17 ~~two hundred thirty million~~two hundred eighty million dollars into the funds designated
- 18 for infrastructure development in non-oil-producing counties under sections
- 19 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal
- 20 infrastructure fund and fifty percent deposited into the county and township
- 21 infrastructure fund;
- 22 11. The next twenty million dollars into the airport infrastructure fund; and
- 23 12. Any additional revenues into the strategic investment and improvements fund.

24 **SECTION 20. REPEAL.** Section 11-38-08 of the North Dakota Century Code is repealed.

25 **SECTION 21. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the

26 fiscal management division, as contained in section 1 of chapter 640 of the 2023 Special

27 Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended

28 funds from this appropriation are available for continued development and operating costs of

29 the statewide systems, including accounting, management, and payroll, during the biennium

30 beginning July 1, 2025, and ending June 30, 2027.

	Creates State Facility Maintenance Fund ⁷	Adds Funding for State Hospital Project ⁸	Adds One-time Funding for Life Education Committee ⁹	Total Senate Changes
Salaries and wages				\$110,114
New and vacant FTE pool				
Operating expenses				
Capital assets				
Emergency Commission contingency fund				
Guardianship grants				1,000,000
Prairie Public Broadcasting				850,000
Community service supervision grants				
State employee child care benefits				
Student internship program				
Deferred maintenance funding pool	(\$40,000,000)			(40,000,000)
State facility maintenance fund	40,000,000			40,000,000
Rent, moving, and space recon. pool				4,000,000
Retirement incentive pool				1,000,000
State Hospital project		\$285,000,000		285,000,000
Life education committee			\$1,000,000	1,000,000
Total all funds	\$0	\$285,000,000	\$1,000,000	\$292,960,114
Less estimated income	0	285,000,000	0	289,741,114
General fund	\$0	\$0	\$1,000,000	\$3,219,000
FTE	0.00	0.00	0.00	0.00

¹ Funding is added for equity adjustments for facility management employees.

² Funding for facility management Capitol rent is adjusted based on estimated usage of space by the legislative branch.

³ Funding for guardianship grants is increased from \$7.1 million to \$8.1 million.

⁴ One-time funding from the strategic investment and improvements fund (SIIF) is added to increase funding for the rent, moving, and space reconfiguration pool from \$2 million to \$6 million.

⁵ One-time funding from SIIF is added for Prairie Public Broadcasting infrastructure projects.

⁶ One-time funding is added for a retirement incentive pool for incentive costs associated with state employees transferring from the defined benefit to defined contribution retirement plan.

⁷ A new state facility maintenance fund is created, \$40 million is transferred from SIIF to the fund, and one-time funding of \$40 million is appropriated from the fund for maintenance projects at state facilities. Funding added by the House for a deferred maintenance funding pool is removed.

⁸ Funding of \$200 million from SIIF and funding of \$85 million from a Bank of North Dakota line of credit is added for the new State Hospital facility project.

⁹ One-time funding is added for a life education committee. Guidelines are also added regarding the use of the funds.

House Bill No. 1015 - Other Changes - Senate Action

This amendment also:

- Provides a \$3 million deficiency appropriation for costs associated with the 2023-25 biennium new and vacant FTE funding pool.
- Provides a \$45,000 deficiency appropriation for costs associated with the Uniform Laws Commission.
- Reduces the transfer from the social services fund to the human service finance fund from \$250 million to \$242 million.
- Authorizes the Office of Management and Budget to obtain an \$85 million line of credit from the Bank of North

Dakota for the State Hospital project and provides for the Office of Management and Budget to have managerial control of the project.

- Declares the capital assets, state facility maintenance fund, and rent, moving, and space reconfiguration pool line items to be an emergency measure.