

**Department 405 - Industrial Commission
Senate Bill No. 2014**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	108.25	\$25,986,966	\$24,377,960	\$50,364,926
2019-21 Legislative Appropriations ¹	112.25	27,449,198	17,993,790	45,442,988
Increase (Decrease)	(4.00)	(\$1,462,232)	\$6,384,170	\$4,921,938

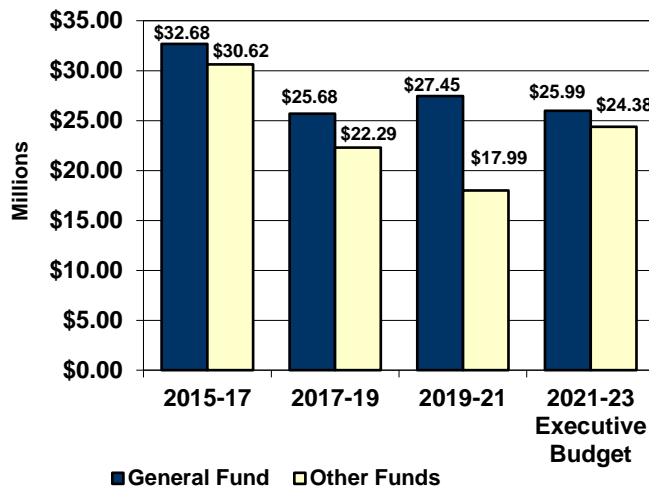
¹The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

- Additional federal funds authority of \$77,249 resulting from Emergency Commission action during the 2019-21 biennium.
- Additional federal Coronavirus (COVID-19) funds authority of \$65,476,513 resulting from Emergency Commission action during the 2019-21 biennium.

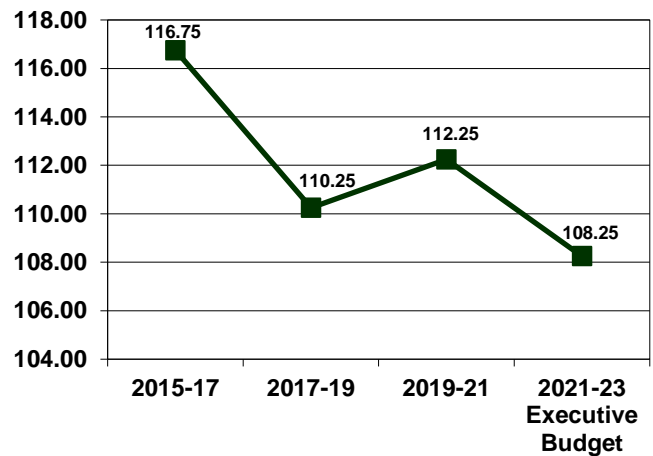
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$25,986,966	\$0	\$25,986,966
2019-21 Legislative Appropriations	27,254,198	195,000	27,449,198
Increase (Decrease)	(\$1,267,232)	(\$195,000)	(\$1,462,232)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$25,986,966	\$24,377,960	\$50,364,926
2021-23 Base Level	27,254,198	12,723,790	39,977,988
Increase (Decrease)	(\$1,267,232)	\$11,654,170	\$10,386,938

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$650,331 is for salary increases, \$5,162 is for health insurance increases, and \$122,092 is for retirement increases	\$729,987	\$47,598	\$777,585
2. Removes 1 FTE computer network specialist position	(\$222,366)	\$0	(\$222,366)
3. Removes 1 FTE engineering technician position	(\$180,551)	\$0	(\$180,551)
4. Removes 2 FTE contingent positions	(\$229,544)	\$0	(\$229,544)
5. Removes funding for the 1 st year of the biennium for 7 FTE positions	(\$663,396)	\$0	(\$663,396)

6. Underfunds salaries and wages	(\$214,360)	\$0	(\$214,360)
7. Decreases funding for temporary salaries	(\$60,000)	\$0	(\$60,000)
8. Increases salary funding for a position reclassification with the Public Finance Authority	\$0	\$31,000	\$31,000
9. Adjusts funding for operating expenses, primarily related to a decrease in travel	(\$730,400)	\$8,124	(\$722,276)
10. Increases funding for Microsoft Office 365 licensing expenses	\$11,389	\$618	\$12,007
11. Increases funding for bond payments to provide total funding of \$22,040,721	\$0	\$11,531,954	\$11,531,954

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Bond payments - Section 3 would provide legislative intent for bond payments, and Section 5 would provide appropriation authority, subject to Emergency Commission approval, for bond issuances during the 2021-23 biennium.

Administrative cost transfers - Section 7 would allow the Industrial Commission to transfer up to \$1,218,725 from special funds from the entities under the control of the Industrial Commission for administrative services. Section 14 would provide an exemption allowing unspent prior biennium appropriation authority for administrative costs to be available in the 2021-23 biennium.

Lignite research - Section 13 would designate \$4.5 million from the lignite research fund for lignite marketing studies, the Lignite Vision 21 program, or possible lignite-related litigation.

Survey review exemption - Section 15 would provide an exemption allowing the Industrial Commission to continue any unspent 2017-19 biennium appropriation authority for a survey review during the 2021-23 biennium.

North Dakota outdoor heritage fund - Section 16 would decrease oil and gas tax revenue allocations to the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$7.5 million per fiscal year, effective only for the 2021-23 biennium.

Oil and gas research fund - Section 17 increases the 2021-23 biennium oil and gas tax revenue allocations to the oil and gas research fund by \$6 million, from \$10 million to \$16 million, and requires the Industrial Commission to use \$6 million from the oil and gas research fund to contract with the Energy and Environmental Research Center for pilot projects relating to the underground storage of produced natural gas.

Continuing Appropriations

Abandoned oil and gas reclamation fund - North Dakota Century Code Section 38-08-04.5 - Abandoned oil and gas reclamation.

Carbon dioxide storage facility administration fund - Section 38-22-14 - For defraying costs of processing applications for regulating carbon dioxide storage facilities.

Carbon dioxide storage facility trust fund - Section 38-22-15 - For costs associated with long-term monitoring and management of a closed carbon dioxide storage facility.

Cartographic products fund - Section 54-17.4-10 - Topographic map sales and purchases.

Cash bond fund - Section 38-08-04.11 - For defraying costs incurred in plugging and reclamation of abandoned oil and gas wells and related activities.

Fossil excavation and restoration fund - Section 54-17.4-09.1 - Excavation and restoration of fossils.

Geological data preservation fund - Section 54-17.4-13 - Data preservation.

Geophysical, geothermal, subsurface minerals, and coal exploration fund - Section 38-21-03 - Reclamation of orphaned facilities and exploration holes.

Global positioning system community base station - Section 54-17.4-12 - For maintenance of base station.

Lignite research fund - Section 57-61-01.5 - Research, development, and marketing for lignite industry.

North Dakota outdoor heritage fund - Section 54-17.8-02 - For grants to conserve natural areas, restore wildlife and fish habitats, and provide access to sportsmen.

North Dakota Pipeline Authority administrative fund - Section 54-17.7-11 - For operations of the Pipeline Authority.

Oil and gas research fund - Section 57-51.1-07.3 - Oil and gas research and education.

Oil and gas reservoir data fund - Section 38-08-04.6 - Oil and gas reservoir data.

Renewable energy development fund - Section 54-63-04 - Renewable energy research, development, and education.

Significant Audit Findings

The operational audit for the Industrial Commission conducted by the State Auditor's office during the 2019-20 interim identified no significant audit findings.

Major Related Legislation

House Bill No. 1054 - Requires the Industrial Commission to place an abandoned well on a bond if the well does not meet criteria for an exemption.

House Bill No. 1056 - Repeals the global positioning system community base station fund and a fee related to the sale of data from the global positioning system community base station.

Industrial Commission - Budget No. 405
Senate Bill No. 2014
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	112.25	\$27,254,198	\$12,723,790	\$39,977,988
2021-23 Ongoing Funding Changes				
Base payroll changes		\$292,009	\$34,876	\$326,885
Salary increase		610,556	39,775	650,331
Retirement contribution increase		114,586	7,506	122,092
Health insurance increase		4,845	317	5,162
Removes 1 FTE computer network specialist position	(1.00)	(222,366)		(222,366)
Removes 1 FTE engineering technician position	(1.00)	(180,551)		(180,551)
Removes 2 FTE contingent positions	(2.00)	(229,544)		(229,544)
Removes 1st year funding for 7 FTE positions		(663,396)		(663,396)
Underfunds salaries and wages		(214,360)		(214,360)
Decreases funding for temporary salaries		(60,000)		(60,000)
Increases salary funding for position reclassification			31,000	31,000
Adjusts funding for operating expenses		(730,400)	8,124	(722,276)
Increases funding for Microsoft Office 365 licensing expenses		11,389	618	12,007
Increases funding for bond payments			11,531,954	11,531,954
Total ongoing funding changes	(4.00)	(\$1,267,232)	\$11,654,170	\$10,386,938
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(4.00)	(\$1,267,232)	\$11,654,170	\$10,386,938
2021-23 Total Funding	108.25	\$25,986,966	\$24,377,960	\$50,364,926
<i>Total ongoing changes as a percentage of base level</i>	(3.6%)	(4.6%)	91.6%	26.0%
<i>Total changes as a percentage of base level</i>	(3.6%)	(4.6%)	91.6%	26.0%

Other Sections in Industrial Commission - Budget No. 405

	Executive Budget Recommendation
Bond payments	Section 3 would provide legislative intent for bond payments, and Section 5 would provide appropriation authority, subject to Emergency Commission approval, for bond issuances during the 2021-23 biennium.
Administrative cost transfers	Section 7 would allow the Industrial Commission to transfer up to \$1,218,725 from special funds from the entities under the control of the Industrial Commission for administrative services. Section 14 would provide an exemption allowing unspent prior biennium appropriation authority for administrative costs to be available in the 2021-23 biennium.
Lignite research	Section 13 would designate \$4.5 million from the lignite research fund for lignite marketing studies, the Lignite Vision 21 program, or possible lignite-related litigation.
Survey review exemption	Section 15 would provide an exemption allowing the Industrial Commission to continue unspent prior biennium appropriation authority for a survey review during the 2021-23 biennium.
North Dakota outdoor heritage fund	Section 16 would decrease the oil and gas tax revenue allocations to the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$7.5 million per fiscal year, but only for the 2021-23 biennium.

Other Sections in Industrial Commission - Budget No. 405

Oil and gas research fund

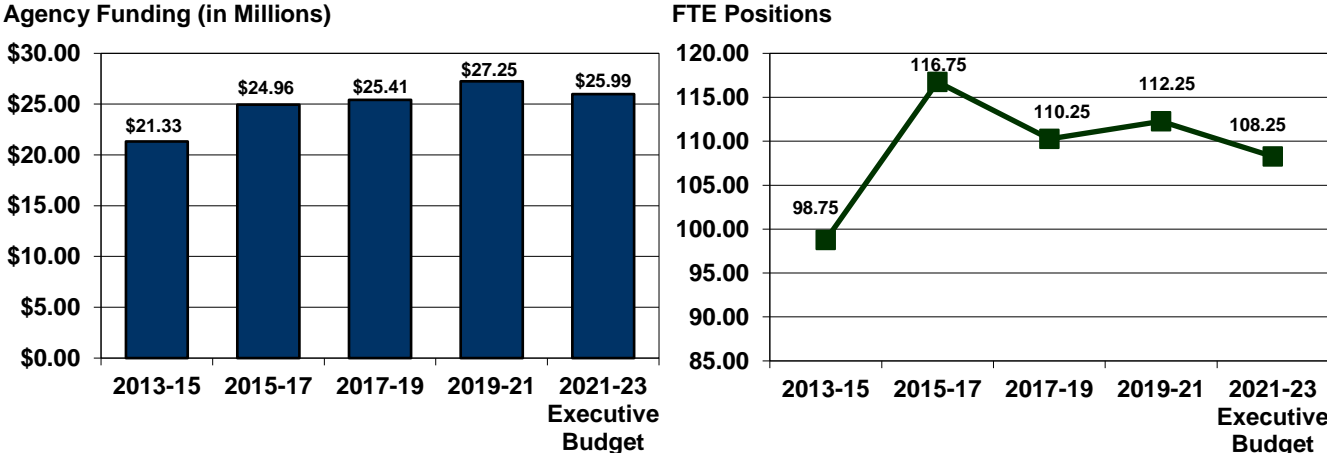
Executive Budget Recommendation

Section 17 would increase 2021-23 biennium oil and gas tax revenue allocations to the oil and gas research fund by \$6 million, from \$10 million to \$16 million, and would require the Industrial Commission to use \$6 million from the oil and gas research fund to contract with the Energy and Environmental Research Center for pilot projects relating to the underground storage of produced natural gas.

Department 405 - Industrial Commission

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$21,333,325	\$24,957,746	\$25,408,987	\$27,254,198	\$25,986,966
Increase (decrease) from previous biennium	N/A	\$3,624,421	\$451,241	\$1,845,211	(\$1,267,232)
Percentage increase (decrease) from previous biennium	N/A	17.0%	1.8%	7.3%	(4.6%)
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	17.0%	19.1%	27.8%	21.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- 1. Added funding for 7 FTE engineering technician positions \$1,513,195
- 2. Added funding for 1 FTE petroleum engineering position \$162,018
- 3. Added funding for 1 FTE safety officer position \$187,717
- 4. Added funding for 1 FTE human resources specialist position \$139,380
- 5. Added funding for 1 FTE budget specialist position \$174,519
- 6. Added funding for 1 FTE reclamation specialist position \$230,911
- 7. Added funding for 1 FTE surface geologist position \$244,192
- 8. Added funding for 2 FTE survey engineering technician positions \$323,769
- 9. Added funding for 1 FTE pipeline regulatory supervisor position \$240,339
- 10. Added funding for 1 FTE pipeline regulatory administrative assistant position \$139,639
- 11. Added funding for operating expenses, including travel and ongoing costs related to the core library \$233,125

2017-19 Biennium

- 1. Removed 8.5 FTE positions, including 6.5 FTE engineering technician positions and 2 FTE administrative assistant positions (\$577,999)
- 2. Added funding for contingent FTE engineering technician positions \$221,737
- 3. Added funding for operating expenses primarily related to travel, information technology software and services, and professional services \$448,753

2019-21 Biennium

- 1. Increased funding for 2 FTE positions that were partially funded as contingent positions in the 2017-19 biennium \$40,464
- 2. Added funding for 2 FTE contingent positions \$229,544

3. Added funding for operating expenses, primarily related to travel, building leases, and information technology costs	\$556,254
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2021-23 Biennium (Executive Budget Recommendation)

1. Removes 1 FTE computer network specialist position	(\$222,366)
2. Removes 1 FTE engineering technician position	(\$180,551)
3. Removes 2 FTE contingent positions	(\$229,544)
4. Removes funding for the 1 st year of the biennium for 7 FTE positions	(\$663,396)
5. Underfunds salaries and wages	(\$214,360)
6. Decreases funding for temporary salaries	(\$60,000)
7. Adjusts funding for operating expenses, primarily related to a decrease in travel	(\$730,400)
8. Increases funding for Microsoft Office 365 licensing expenses	\$11,389

GOVERNOR'S RECOMMENDATION FOR THE INDUSTRIAL COMMISSION AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$23,409,450	\$ (208,533)	\$23,200,917
Operating Expenses	5,830,227	(710,270)	5,119,958
Capital Assets	0	0	0
Grants - Bond Payments	10,508,767	11,351,954	22,040,721
Contingencies	<u>229,544</u>	<u>(226,214)</u>	<u>3,330</u>
Total All Funds	\$39,977,988	\$10,386,938	\$50,364,926
Less Estimated Income	<u>12,723,790</u>	<u>11,654,170</u>	<u>24,377,960</u>
Total General Fund	\$27,254,198	\$(1,267,232)	\$25,986,966
Full-Time Equivalent Positions	112.25	(4.00)	108.25

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota Operations	\$62,847,799	\$2,603,280	\$65,451,079
Capital Assets	<u>1,510,000</u>	<u>0</u>	<u>1,510,000</u>
Total Special Funds	\$64,357,799	\$2,603,280	\$66,961,079
Full-Time Equivalent Positions	181.50	(16.00)	165.50

Subdivision 3.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$ 8,509,015	\$ 1,025,137	\$ 9,534,152
Operating Expenses	5,346,276	797,784	6,144,060
Capital Assets	0	150,000	150,000
Grants	33,466,600	9,508,600	42,975,200
Housing Finance Agency Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total Special Funds	\$47,421,891	\$11,481,521	\$58,903,412
Full-Time Equivalent Positions	44.00	4.00	48.00

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$46,447,824	\$ 4,334,570	\$50,782,394
Operating Expenses	29,837,000	6,980,000	36,817,000
Contingencies	500,000	0	500,000
Agriculture Promotion	<u>210,000</u>	<u>290,000</u>	<u>500,000</u>
Total Special Funds	\$76,994,824	\$11,604,570	\$88,599,394
Full-Time Equivalent Positions	156.00	0.00	156.00

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$ 27,254,198	\$(1,267,232)	\$ 25,986,966
Grand Total Special Funds	<u>201,498,304</u>	<u>37,343,541</u>	<u>238,841,845</u>
Grand Total All Funds	\$228,752,502	\$36,076,309	\$264,828,811

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Temporary Employees	\$ 175,000	0
Rare Earth Elements Study	160,000	0
Fracturing Sand Study	110,000	0
Oil Database Software Upgrade	<u>5,000,000</u>	<u>0</u>
Total All Funds	\$5,445,000	\$ 0
Total Special Fund	<u>5,270,000</u>	<u>0</u>
Total General Fund	\$ 175,000	\$ 0

SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$22,040,720 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2021 and ending June 30, 2023:

North Dakota University System	\$17,204,639
North Dakota University System - Energy Conservation Projects	415,114
Department of Corrections and Rehabilitation	492,354
Department of Corrections and Rehabilitation – Energy Conservation Projects	8,181
State Department of Health	341,365
Job Service North Dakota	230,600
Office of Management and Budget	564,515
Office of Attorney General	648,055
State Historical Society	1,179,015
Parks and Recreation Department	66,165
Research and Extension Service	483,447
Veterans' Home	<u>407,271</u>
Total	\$22,040,721

SECTION 4. APPROPRIATION – HOUSING FINANCE AGENCY – ADDITIONAL INCOME. In addition to the amount appropriated to the housing finance agency in subdivision 3 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2021 and ending June 30, 2023. The housing finance agency shall notify the office of management and budget and the legislative council of any additional income or unanticipated income that becomes available to the agency resulting in an increase in appropriation authority.

SECTION 5. APPROPRIATION - ADDITIONAL FUNDS FROM BONDS - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds authorized by law to be issued by the state industrial commission for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 6. TRANSFER – BANK OF NORTH DAKOTA PROFITS TO THE GENERAL FUND. During the biennium beginning July 1, 2021 and ending June 30, 2023, the industrial commission shall transfer to the state general fund \$140,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget after consultation with the Bank of North Dakota president.

SECTION 7. TRANSFER – ENTITIES WITHIN THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND. The sum of \$1,218,725, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the state industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers shall be made during the biennium beginning July 1, 2021 and ending June 30, 2023, upon order of the commission. Transfers from the student loan trust must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 8. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$26,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$5,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the biofuels partnership in assisting community expansion fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer the sum of \$8,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 12. TRANSFER - BANK OF NORTH DAKOTA – AGRICULTURAL PRODUCTS UTILIZATION FUND. The Bank of North Dakota shall transfer the sum of \$3,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agricultural products utilization fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 13. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$4,500,000 from the lignite research fund, or so much of the amount as may be necessary, may be used for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic

growth for the general welfare of this state. Moneys appropriated pursuant to this section may also be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite- based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 14. EXEMPTION – INDUSTRIAL COMMISSION FUND. The amount appropriated to the industrial commission in the special funds appropriation line item in section 1 of chapter 14 of the 2019 Session Laws and transferred pursuant to section 8 of chapter 14 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for administrative services rendered by the commission during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 15. EXEMPTION –SURVEY REVIEW – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The amount appropriated from strategic investment and improvement fund to the industrial commission in section 2 of chapter 426 of the 2017 Session Laws is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for expert legal testimony and other related legal costs associated with the survey review during the biennium beginning July 1, 2021, and June 30, 2023.

SECTION 16. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH DAKOTA OUTDOOR HERITAGE FUND. Notwithstanding the provisions of section 57-51-15 relating to the allocations to the North Dakota outdoor heritage fund, for the period beginning September 1, 2021 and ending August 31, 2023, the state treasurer shall allocate eight percent of the oil and gas gross production tax revenue available under subsection 1 of section 57-51-15 to the North Dakota outdoor heritage fund, but not in an amount exceeding \$7,500,000 per fiscal year.

SECTION 17. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - OIL AND GAS RESEARCH FUND - PILOT PROJECT FOR UNDERGROUND GAS STORAGE.

1. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the oil and gas research fund, for the period beginning August 1, 2021, and ending July 31, 2023, the state treasurer shall deposit two percent of the oil and gas gross production tax and oil extraction tax revenues, up to \$16,000,000, into the oil and gas research fund before depositing oil and gas tax revenues under section 57-51.1-07.5.
2. Pursuant to the continuing appropriation in section 57-51.1-07.3, the industrial commission shall expend the remaining monies authorized in section 25 of chapter 14 of the 2019 Session Laws from the oil and gas research fund pursuant to the contract with the energy and environmental research center for pilot projects relating to the underground storage of produced natural gas. The pilot projects may include studies and demonstration projects. During the 2021-22 interim, the energy and environmental research center shall provide quarterly reports to the industrial commission and at least one report to the legislative management regarding the results and recommendations of the pilot project.