

**Office of Management and Budget
Budget No. 110
House Bill Nos. 1015, 1233, 1487, 1511, and 1600**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations¹	111.00	\$47,868,951	\$439,117,960	\$486,986,911
2025-27 base budget	110.00	80,879,240	71,757,126	152,636,366
Legislative increase (decrease) to base budget	1.00	(\$33,010,289)	\$367,360,834	\$334,350,545

¹The amounts shown include the following funding pools for distribution to other state agencies:

- A state facility maintenance pool of \$34 million from the strategic investment and improvements fund (SIIF).
- A rent, moving, and space reconfiguration pool of \$5.7 million from SIIF.
- A state internship pool of \$500,000 from the general fund.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$46,019,646	\$1,849,305	\$47,868,951
2023-25 legislative appropriations	80,879,240	10,573,823 ¹	91,453,063
2025-27 legislative increase (decrease) to 2023-25 appropriations	(\$34,859,594)	(\$8,724,518)	(\$43,584,112)
Percentage increase (decrease) to 2023-25 appropriations	(43.1%)	(82.5%)	(47.7%)

¹Includes 2023-25 biennium deficiency appropriations of \$45,000 for Uniform Law Commission costs and \$3 million for the 2023-25 biennium new and vacant FTE funding pool.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$622,976	\$285,744	\$908,720
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		369,920	318,930	688,850
Removed funding appropriated to the agency for the 2023-25 biennium new and vacant FTE funding pool		(40,100,000)	(58,100,000)	(98,200,000)

Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$446,314 for new positions and \$1,261,439 for vacant positions		1,523,083	184,670	1,707,753
Added 1 FTE position and operating costs for maintaining the new public health laboratory building	1.00	1,160,000	113,175	1,273,175
Transferred \$121,783 for 1 new FTE position and \$1,561,939 from vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$1,202,962 resulting in the savings as shown.		(308,692)	(172,068)	(480,760)
Added salary equity funding for custodial staff			110,114	110,114
Reclassified an existing FTE position to a procurement officer		237,878	(190,426)	47,452
Reclassified an existing FTE position to a shared communications position		205,668	(151,013)	54,655
Increased funding for temporary salaries to provide a total of \$286,363		200,000	0	200,000
Reduced funding for estimated bond payments		(283,875)		(283,875)
Reduced funding for various agency budget reductions		(1,044,136)	(415,834)	(1,459,970)
Increased funding for agency operating costs		2,033,876	725,064	2,758,940
Increased funding for Capitol complex utility costs		200,000	0	200,000
Added funding for subscription and maintenance costs of a new automated procurement system		615,004	0	615,004
Added funding for a compensation methodology evaluation		134,000	0	134,000
Added funding for Family Medical Leave Act software subscription costs		324,000	0	324,000
Added funding for an employee recruiting management system application		300,000	0	300,000
Increased funding from the Capitol building fund for capitol complex repairs		0	500,000	500,000
Increased funding for information technology rates		1,836,100	19,335	1,855,435
Adjusted the funding source for facility management services		(1,925,396)	1,925,396	0
Transferred a portion of the employer match for the working parent child care relief program to the North Dakota University System office		(910,000)	0	(910,000)
Increased funding for expenses of the Governor's residence		100,000	0	100,000
Removed ongoing funding for Prairie Public Broadcasting		(1,200,000)	0	(1,200,000)
Adjusted funding to appropriate special (\$20 million) and federal (\$50 million) fund authority for Emergency Commission approvals (House Bill No. 1233). General fund contingency funding of \$750,000 is included as part of the base budget.		0	70,000,000	70,000,000

Increased funding for guardianship grants to provide a total of \$8.1 million	1,000,000	0	1,000,000
Added funding for costs to develop an instructional course related to the practice of medicine (House Bill No. 1511)	50,000	0	50,000
Added one-time funding from SIIF for a procurement automation project	0	515,052	515,052
Added one-time funding for an employee recruiting management system project	250,000	0	250,000
Added one-time funding for student internships	500,000	0	500,000
Added one-time funding for employee leave payouts	99,305	50,695	150,000
Added one-time funding from SIIF for snow removal equipment	0	172,000	172,000
Added one-time funding from SIIF for a floor scrubbing machine	0	20,000	20,000
Added one-time funding from the Capitol building fund for Capitol complex repairs and improvements	0	3,000,000	3,000,000
Added one-time funding from the Capitol building fund for Governor's residence projects	0	2,350,000	2,350,000
Added one-time funding from a transfer from SIIF to the state facility maintenance fund for state facility projects	0	34,000,000	34,000,000
Added one-time funding from SIIF for Prairie Public Broadcasting infrastructure grants	0	400,000	400,000
Added one-time funding from SIIF for a rent, moving, and space reconfiguration pool	0	5,700,000	5,700,000
Added one-time funding from SIIF (\$200 million) and from a Bank of North Dakota line of credit (\$100 million) for a new State Hospital project	0	300,000,000	300,000,000
Added one-time funding for a retirement incentive pool	1,000,000	0	1,000,000
Added one-time funding from a Bank of North Dakota line of credit to construct a facility in Minot for use by state agencies (House Bill No. 1487)	0	5,600,000	5,600,000
Added one-time funding from SIIF for a grant to the University of North Dakota School of Law for an immigration law clinic (House Bill No. 1600)	0	400,000	400,000
Total	1.00	(\$33,010,289)	\$367,360,834

FTE Changes

The Legislative Assembly approved 111.00 FTE positions for the Office of Management and Budget (OMB) for the 2025-27 biennium, an increase of 1.00 FTE position compared to the 2023-25 biennium. The Legislative Assembly added 1 FTE system mechanic position for maintenance operations at the new public health laboratory building. The Legislative Assembly also approved the reclassification of 2 existing FTE positions to a procurement position and a shared communications position.

One-Time Funding

The following is a summary of one-time funding items for OMB for the 2025-27 biennium:

	General Fund	Other Funds	Total
Procurement automation system (SIIF)	\$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 (SIIF)	0	172,000	172,000
Floor scrubber (SIIF)	0	20,000	20,000
Capitol building improvements (Capitol building fund)	0	3,000,000	3,000,000
Governor's residence projects (Capitol building fund)	0	2,350,000	2,350,000
State facility maintenance fund (SIIF)	0	34,000,000	34,000,000
Prairie Public Broadcasting infrastructure grants (SIIF)	0	400,000	400,000
Rent, moving, and space reconfiguration pool (SIIF)	0	5,700,000	5,700,000
New State Hospital project (\$200 million SIIF, \$100 million Bank of North Dakota line of credit)	0	300,000,000	300,000,000
Retirement incentive pool	1,000,000	0	1,000,000
Minot building project (Bank of North Dakota line of credit)	0	5,600,000	5,600,000
School of law immigration clinic grant (SIIF)	0	400,000	400,000
Total	\$1,849,305	\$352,207,747	\$354,057,052

Statewide Memberships

The schedule below provides information on statewide dues and memberships for the 2023-25 and 2025-27 bienniums.

	2023-25 Biennium	2025-27 Biennium	Increase (Decrease)
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues)	\$162,800	\$186,916	\$24,116
Council of State Governments	240,125	282,920	42,795
National and Western Governors' Associations	162,750	167,807	5,057
Education Commission of the States	117,882	119,846	1,964
Total dues and memberships	\$683,557	\$757,489	\$73,932

Budget Stabilization Fund Transfer

North Dakota Century Code Chapter 54-27.2 provides any amount in the general fund at the end of the biennium in excess of \$65,000,000 must be transferred to the budget stabilization fund. The estimated transfer from the general fund to the budget stabilization fund at the end of the 2023-25 biennium totals \$23,937,793. After the transfer, the June 30, 2025, estimated general fund balance is \$1,153,898,460, and the June 30, 2025, estimated budget stabilization fund balance is \$938,537,224. However, if the interest earnings of the budget stabilization fund bring the balance of the budget stabilization fund to the 15 percent limit, the transfer from the general fund to the budget stabilization fund may be reduced or may not be required.

Special Fund Transfers

Strategic investment and improvements fund transfer - Section 7 of House Bill No. 1015 provides for a transfer of \$34 million from SIIF to the state facility maintenance fund.

Social service fund transfer - Section 9 of House Bill No. 1015 provides for a transfer of \$235.8 million from the social service fund to the human service finance fund for the 2025-27 biennium.

State Employee Compensation

Section 17 of House Bill No. 1015 provides guidelines for the 2025-27 biennium state employee compensation adjustments. The salary increases are to average 3 percent for eligible state employees in the 1st year and are to average 3 percent for eligible state employees in the 2nd year of the biennium. The Office of Management and Budget is required to develop guidelines for the compensation adjustments for classified employees. Employees whose documented performance does not meet standards are not eligible for compensation adjustments.

Section 18 of House Bill No. 1015 provides guidelines for the new and vacant FTE pool line items for executive branch state agencies, excluding higher education and the Department of Health and Human Services. Funding was decreased in state agency budgets, and the Legislative Assembly included 70 percent of the estimated vacancy funding and 90 percent of the funding for new FTE positions in a separate line item for each agency budget. Agencies may request OMB transfer funding from the agency's new and vacant FTE pool line item for new positions hired and if funding is needed due to less than estimated employee vacancies.

Deficiency and Contingent Appropriations

House Bill No. 1015 includes the following deficiency and contingent appropriations:

- Section 4 provides a contingent appropriation of \$13.6 million from the general fund to repay a Bank of North Dakota loan for costs associated with pipeline protests. The appropriation is contingent upon the state receiving at least \$13.6 million relating to a federal lawsuit regarding costs associated with pipeline protests.
- Section 5 provides a general fund deficiency appropriation of \$3 million for costs associated with the 2023-25 biennium new and vacant FTE funding pool.
- Section 6 provides a general fund deficiency appropriation of \$45,000 for costs associated with the Uniform Law Commission.

New State Hospital Project

House Bill No. 1015 includes \$300 million for the new State Hospital project including \$200 million appropriated from SIIF. Section 14 authorizes OMB to obtain a line of credit of up to \$100 million from the Bank of North Dakota for the project. The section also provides for OMB to have managerial control of the project. Section 15 establishes a new State Hospital project steering committee consisting of members of the Legislative Assembly, OMB, Governor's office, and Department of Health and Human Services.

Other Sections in House Bill No. 1015

New and vacant FTE pool line item - Section 3 provides guidelines regarding the use of funding in the new and vacant FTE pool line item.

Community service supervision fund - Section 8 appropriates any funding in the community service supervision fund to OMB for distributions to community corrections association regions.

Transfer authority - Section 10 authorizes OMB to transfer appropriation authority from the student internship, state facility maintenance fund, and rent, moving and space reconfiguration line items to other state agencies.

Federal State Fiscal Recovery Fund - Section 11 authorizes OMB to transfer any unused state fiscal recovery funds to the Department of Corrections and Rehabilitation for salary costs.

Strategic investment and improvements fund - Section 12 identifies \$206,807,052 million from SIIF for various purposes.

Capitol building fund - Section 13 identifies \$5,850,000 from the Capitol building fund for various projects.

Grant and expense designations - Section 16 designates the funding for unemployment insurance (\$1.5 million), the Capitol Grounds Planning Commission (\$25,000), and statewide memberships and dues (\$757,489).

State facility maintenance fund - Section 19 creates the state facility maintenance fund and provides that the fund may be used for state facility projects excluding projects at University System institutions.

North Dakota Development Fund - Section 20 amends Section 10-30.5-02 relating to the North Dakota Development Fund formation of a management and operation entity for a beyond visual line of sight uncrewed aircraft system program.

Child care program correction - Section 21 provides a technical correction regarding an infant and toddler care program payment system established in House Bill No. 1012.

County achievement days - Section 22 repeals Section 11-38-08 relating to county achievement days.

Fiscal management exemption - Section 23 allows 2023-25 biennium appropriation authority for the Fiscal Management Division of OMB to continue into the 2025-27 biennium.

Carryover authority - Section 24 authorizes carryover authority for various unexpended appropriations.

Related Legislation

House Bill No. 1026 - Administration of state bonding fund - Transfers the responsibility to administer the state bonding fund from the Insurance Commissioner to OMB.

House Bill No. 1027 - Administration of state fire and tornado fund - Transfers the responsibility to administer the state fire and tornado fund from the Insurance Commissioner to OMB.

House Bill No. 1081 - Fixed asset reporting levels - Repeals the provision that requires the capitalization of assets greater than \$5,000 and provides for OMB to establish the fixed asset reporting level.

House Bill No. 1233 - State contingencies - Appropriates \$750,000 from the general fund, \$20 million of special funds authority, and \$50 million of federal funds authority to OMB for Emergency Commission state contingencies during the 2025-27 biennium.

House Bill No. 1487 - Minot facility construction - Appropriates \$5.6 million from a Bank of North Dakota line of credit to OMB to construct a facility in Minot to lease to other state agencies.

House Bill No. 1511 - Information regarding selected state laws - Provides an appropriation of \$50,000 from the general fund to OMB for providing instructional information regarding the state's abortion laws.

House Bill No. 1600 - Immigration law clinic grant - Provides an appropriation of \$400,000 from the SIIF to OMB to provide a grant to the UND School of Law for an immigration clinic.

Senate Bill No. 2084 - Travel reimbursement rates - Provides for the in-state lodging rate to be at the same rate as the United States General Services Administration (GSA) rate.