



**Office of Management and Budget
Department No. 110
2025 House Bill No. 1015**

**REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

| | FTE Positions | General Fund | Other Funds | Total |
|--|--------------------------|-------------------------|------------------------|----------------------|
| Burgum budget recommendation | 115.00 | \$67,981,155 | \$63,704,063 | \$131,685,218 |
| Revisions - Increase (decrease) | (4.00) | (21,118,898) | 17,294,851 | (3,824,047) |
| Armstrong budget recommendation | 111.00 | \$46,862,257 | \$80,998,914 | \$127,861,171 |
| Base level | 110.00 | 80,879,240 | 71,757,126 | 152,636,366 |
| Increase (decrease) | 1.00 | (\$34,016,983) | \$9,241,788 | (\$24,775,195) |
| Percentage increase (decrease) | 0.9% | (42.1%) | 12.9% | (16.2%) |

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Health insurance increase of \$250 per month, from \$1,643 to \$1,893, per employee
- Removes funding of \$98.2 million, of which \$40.1 million is from the general fund for the new and vacant FTE funding
- Reclassifies 2 FTE positions to a shared communications position and a procurement officer position
- Increases funding for operating costs by \$2.8 million, of which \$2 million is from the general fund.
- Adds **\$10 million** of one-time funding from the **strategic investment and improvements fund (SIIF)** for an incentive pool for employees to switch from the defined benefit plan to the defined contribution plan
- Adds **\$2.35 million** of one-time funding from the Capitol building fund for security and landscaping improvements at the Governor's residence
- Adds \$3 million of one-time funding from the Capitol building fund for Capitol building projects
- Provides \$40 million of one-time funding from SIIF for a deferred maintenance funding pool

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency did not have any fees.

Major 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 the Office of Management and Budget (OMB).

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

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.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Office of Management and Budget - Budget No. 110
Agency Worksheet - House Bill No. 1015

| | Armstrong Executive Budget | | | |
|--|----------------------------|-----------------------|-----------------------|-----------------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 110.00 | \$80,879,240 | \$71,757,126 | \$152,636,366 |
| 2025-27 Ongoing Funding Changes | | | | |
| Salary increase | | \$622,976 | \$279,077 | \$902,053 |
| Health insurance increase | | 369,920 | 325,597 | 695,517 |
| Removes new and vacant FTE pool funding | | (40,100,000) | (58,100,000) | (98,200,000) |
| Add funding to restore new FTE pool funding | | 446,314 | | 446,314 |
| Add funding to restore vacant FTE pool funding | | 1,076,769 | 184,670 | 1,261,439 |
| Remove funding for bond payments | | (283,875) | | (283,875) |
| Budget reductions | | (1,315,636) | (415,834) | (1,731,470) |
| Reclassify position to procurement officer | | 237,878 | (190,426) | 47,452 |
| Reclassify position for shared communication | | 205,668 | (151,013) | 54,655 |
| Public health lab operating costs | 1.00 | 1,160,000 | 113,175 | 1,273,175 |
| Custodial staff equity funding | | 110,114 | | 110,114 |
| Temporary salaries | | 200,000 | | 200,000 |
| Increased operating costs | | 2,033,876 | 725,064 | 2,758,940 |
| Information technology rate increases | | 1,836,100 | 19,335 | 1,855,435 |
| Procurement automation | | 615,004 | | 615,004 |
| Increased electricity and natural gas costs | | 200,000 | | 200,000 |
| Compensation methodology contract costs | | 134,000 | | 134,000 |
| FMLASource costs | | 324,000 | | 324,000 |
| Recruiting management system | | 300,000 | | 300,000 |
| Increased Capitol repairs funding | | | 500,000 | 500,000 |
| Facility management fund source change | | (2,144,396) | 2,144,396 | 0 |
| Transfer child care credit authority to the North Dakota University System | | (910,000) | | (910,000) |
| Total ongoing funding changes | 1.00 | (\$34,881,288) | (\$54,565,959) | (\$89,447,247) |
| One-Time Funding Items | | | | |
| News media monitoring software | | \$15,000 | | \$15,000 |
| Procurement automation one-time (SIIF) | | | \$515,052 | 515,052 |
| Recruiting management system one-time | | 250,000 | | 250,000 |
| Student internship program | | 500,000 | | 500,000 |
| Employee leave payouts | | 99,305 | 50,695 | 150,000 |
| Snow removal equipment (SIIF) | | | 172,000 | 172,000 |
| Floor scrubber (SIIF) | | | 20,000 | 20,000 |
| Capitol building improvements | | | 3,000,000 | 3,000,000 |
| Governor's residence security and landscaping | | | 2,350,000 | 2,350,000 |
| Deferred maintenance pool (SIIF) | | | 40,000,000 | 40,000,000 |
| Retirement incentive plan pool (SIIF) | | | 10,000,000 | 10,000,000 |
| Prairie Public Broadcasting (SIIF) | | | 1,700,000 | 1,700,000 |
| Rent and moving costs pool (SIIF) | | | 3,500,000 | 3,500,000 |
| Space reconfiguration (SIIF) | | | 2,500,000 | 2,500,000 |
| Total one-time funding changes | 0.00 | \$864,305 | \$63,807,747 | \$64,672,052 |
| Total Changes to Base Level Funding | 1.00 | (\$34,016,983) | \$9,241,788 | (\$24,775,195) |
| 2025-27 Total Funding | 111.00 | \$46,862,257 | \$80,998,914 | \$127,861,171 |
| <i>Federal funds included in other funds</i> | | | \$0 | |

Total ongoing changes - Percentage of base level
Total changes - Percentage of base level

0.9% (43.1%) (76.0%) (58.6%)
0.9% (42.1%) 12.9% (16.2%)

Other Sections in Office of Management and Budget - Budget No. 110

| Section Description | Armstrong Executive Budget |
|---|---|
| FTE position adjustments | Section 3 would allow OMB to increase or decrease FTE positions subject to the availability of funds. |
| Tax relief fund to human service finance fund | Section 4 would transfer \$250 million from the social services fund to the human service finance fund during the 2025-27 biennium. |
| Transfer to Public Employees Retirement System plan | Section 5 would transfer \$100 million from SIIF to the Public Employees Retirement System main system plan during the 2025-27 biennium. |
| SIIF funding | Section 6 would identify \$58.4 million from SIIF for a deferred maintenance pool (\$40 million), retirement incentive pool (\$10 million), rent and moving pool (\$3.5 million), space reconfiguration pool (\$2.5 million), Prairie Public Broadcasting equipment (\$1.7 million), procurement software (515,052), and equipment (\$192,000). |
| Capitol building fund | Section 7 would identify \$5.4 million from the Capitol building fund for Governor's residence projects (\$2.35 million) and Capitol improvements (\$3 million). |
| State student internship program | Section 8 would authorize OMB to transfer funds to other state agencies for the state student internship program. |
| Fiscal management exemption | Section 9 would allow 2023-25 biennium appropriations for the fiscal management division to be continued into the 2025-27 biennium. |
| Unexpended appropriations | Section 10 would allow unexpended appropriations for various projects to be continued into the 2025-27 biennium. |
| Grants and expense designations | Section 11 would identify the funding designated for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission. |
| State employee compensation adjustments | Section 12 would provide guidelines for an average salary increase of 3 percent to eligible state employees in the 1st year and an average salary increase of 3 percent in the 2nd year of the 2025-27 biennium. |
| Out-of-state employee mileage | Section 13 would provide state employees permanently located out of the state be reimbursed at the federal General Services Administration mileage rate for use of personal vehicles. |
| Fixed asset minimum reporting value | Section 14 would allow OMB to set the fixed asset minimum reporting value through fiscal policy. |
| Budget stabilization fund | Section 15 would amend Section 54-27.2-01 to decrease the maximum balance of the budget stabilization fund from 15 percent of the most recent general fund budget to 15 percent of the most recent ongoing general fund budget excluding state school aid appropriations. |
| State share of oil and gas taxes | Section 16 would increase the allocation of oil and gas tax revenues to the general fund from \$460 million to \$500 million, per biennium. |
| Boys' and Girls' Club achievement days | Section 17 would repeal Section 11-38-08 relating to OMB providing payment to county extension agents for Boy's and Girls' Club achievement days. |