



EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	70.00	\$28,492,511	\$88,000	\$28,580,511
Base level	45.00	19,134,709	88,000	19,222,709
Increase (decrease)	25.00	\$9,357,802	\$0	\$9,357,802
Percentage increase (decrease)	55.6%	48.9%	0.0%	48.7%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace 2023-25 biennium new and vacant FTE pool amounts
- Provides \$40,572 from the general fund for proposed legislator interim per diem compensation adjustments of 3 percent each year of the biennium, increasing from \$213 to \$219 effective July 2025, and \$226 effective July 2026, and a proposed increase in Legislative Management chairman pay and interim committee chairman pay from \$5 per day to \$10 per day for each day in attendance at sessions of the Legislative Management during the 2025-26 interim
- Adds \$5,648,296 from the general fund for salaries and wages and operating expenses related to 25 FTE positions
- Increases funding from the general fund by \$221,607 for information technology (IT), including service contracts, equipment, consulting, data processing, and software
- Increases funding from the general fund by \$500,000 for professional services to provide a total of \$770,000 from the general fund for professional services
- Adds **one-time funding** of \$375,000 from the general fund for operating expenses related to new FTE positions
- Adds **one-time funding** of \$280,000 from the general fund for capital assets for IT equipment, including tape library and video encoder hardware replacement

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The audit of the Legislative Council included an unmodified opinion and there were no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The audit included one audit finding related to accounts payable and expenditures. Because a vendor invoice, received after the deadline to charge expenditures back to fiscal year 2022, included work done prior to June 30, 2022, the auditor proposed an adjustment to include the invoice in accounts payable and expenditures as of June 30, 2022. The amount of the adjustment was not material and shifted the expenditure from fiscal year 2023 to fiscal year 2022 for financial statement purposes. The auditor recommended the Legislative Council review reconciliation controls to ensure the controls in place will prevent, or detect and correct, misstatements on a timely basis. The Legislative Council agreed with the finding and will review its internal processes to ensure transactions are properly accounted for and reflected on its balance sheet.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, Legislative Council has 2 fees. The Legislative Council did not recommend any changes to the fees.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

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.



Legislative Council - Budget No. 160
Agency Worksheet - Senate Bill No. 2001

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	45.00	\$19,134,709	\$88,000	\$19,222,709
2025-27 Ongoing Funding Changes				
Base payroll changes		\$771,648		\$771,648
Salary increase		915,976		915,976
Health insurance increase		420,370		420,370
Adds funding to replace 2023-25 biennium new FTE pool		27,000		27,000
Adds funding to replace 2023-25 biennium vacant FTE pool		101,202		101,202
Provides funding for proposed legislator interim per diem compensation adjustments of 3 percent each year of the biennium and in Legislative Management chairman and interim committee chairman pay from \$5 to \$10 per day during the 2025-26 interim		40,572		40,572
Adds funding for salaries and wages and operating expenses for 25 FTE positions	25.00	5,648,296		5,648,296
Increases funding for interim travel		7,047		7,047
Increases funding for IT, including service contracts, equipment, consulting, data processing, and software		221,607		221,607
Increases funding for professional services to provide a total of \$770,000		500,000		500,000
Increases funding for other operating expenses		49,084		49,084
Total ongoing funding changes	25.00	\$8,702,802	\$0	\$8,702,802
One-Time Funding Items				
Adds one-time funding for operating expenses related to new FTE positions		\$375,000		\$375,000
Adds one-time funding for capital assets for IT equipment, including tape library and video encoder hardware replacement		280,000		280,000
Total one-time funding changes	0.00	\$655,000	\$0	\$655,000
Total Changes to Base Level Funding	25.00	\$9,357,802	\$0	\$9,357,802
2025-27 Total Funding	70.00	\$28,492,511	\$88,000	\$28,580,511

Federal funds included in other funds

\$0

Total ongoing changes - Percentage of base level

55.6%

45.5%

0.0%

45.3%

Total changes - Percentage of base level

55.6%

48.9%

0.0%

48.7%

Other Sections in Legislative Council - Budget No. 160

Section Description	Executive Budget
Transfers	Section 3 allows transfers of funds between line items of appropriations for the Legislative Assembly and Legislative Council as requested by the Chairman of the Legislative Management or the Director of the Legislative Council.

Other Sections in Legislative Council - Budget No. 160

Section Description	Executive Budget
Continuation of appropriation authority	Section 4 provides the unspent funds appropriated for the Legislative Assembly and Legislative Council for the 2023-25 biennium be continued and unexpended appropriations enacted prior to the 2023-25 biennium may be canceled as directed by the Chairman of the Legislative Management or the Director of the Legislative Council.
Compensation	Section 5 increases legislative leader, assistant legislative leader, and standing committee chairmen pay by \$5 per day during future legislative sessions to provide \$20 per day for legislative leaders and \$15 per day for assistant legislative leaders and standing committee chairmen. Section 6 increases legislators' daily pay during legislative sessions, monthly compensation, and additional monthly compensation for legislative leaders by 3 percent each year of the 2025-27 biennium. Section 7 increases legislators' interim meeting pay by 3 percent each year of the 2025-27 biennium and Legislative Management chairman and interim committee chairmen pay by \$5 per day to provide \$10 per day for each day in attendance at sessions of the Legislative Management.
Emergency	Section 8 declares Sections 1 through 4 of the Act are an emergency measure.

Sixty-ninth
Legislative Assembly
of North Dakota

Introduced by

**LEGISLATIVE BRANCH REQUEST WITH GOVERNOR'S RECOMMENDATION FOR
STATE EMPLOYEE COMPENSATION**

A BILL for an Act to provide an appropriation for defraying the expenses of the legislative branch of state government; to amend and reenact sections 54-03-10, 54-03-20, and 54-35-10 of the North Dakota Century Code, relating to legislative compensation; to provide a report; to provide an exemption; to provide for application, transfer, and cancellation of unexpended appropriations; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 the insurance regulatory trust fund, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of the legislative branch of state government, for the fiscal period beginning with the effective date of this Act and ending June 30, 2027, as follows:

Subdivision 1.

SIXTY-NINTH AND SEVENTIETH LEGISLATIVE ASSEMBLIES AND BIENNIUM

	<u>Base Level</u>	Adjustments or <u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,950,567	\$1,645,103	\$14,595,670
Operating expenses	4,772,209	9,190,631	13,962,840
Capital assets	6,000	220,000	226,000
National conference of state legislatures	<u>283,070</u>	<u>23,102</u>	<u>306,172</u>
Total general fund	\$18,011,846	\$11,078,836	\$29,090,682

Subdivision 2.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	<u>Base Level</u>	Adjustments or <u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,435,797	\$7,867,564	\$23,303,361
Operating expenses	3,780,912	1,210,238	4,991,150

Capital assets	<u>6,000</u>	<u>280,000</u>	<u>286,000</u>
Total all funds	\$19,222,709	\$9,357,802	\$28,580,511
Less special funds	<u>88,000</u>	<u>0</u>	<u>88,000</u>
Total general fund	\$19,134,709	\$9,357,802	\$28,492,511
Full-time equivalent positions	45.00	25.00	70.00

Subdivision 3.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$37,234,555	\$20,436,638	\$57,671,193
Less grand total special funds	<u>88,000</u>	<u>0</u>	<u>88,000</u>
Grand total general fund	\$37,146,555	\$20,436,638	\$57,583,193

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 each entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Legislative Assembly			
Legislative chambers and system upgrades	<u>\$8,451,000</u>	<u>\$0</u>	<u>\$8,451,000</u>
Total legislative assembly	<u>\$8,451,000</u>	<u>\$0</u>	<u>\$8,451,000</u>
Legislative Management and Legislative Council			
Costs related to new positions	\$375,000	\$0	\$375,000
Information technology equipment	<u>280,000</u>	<u>0</u>	<u>280,000</u>
Total legislative management and legislative council	<u>\$655,000</u>	<u>\$0</u>	<u>\$655,000</u>
Grand total	\$9,106,000	\$0	\$9,106,000

SECTION 3. EXEMPTION - TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items of the legislative management and legislative council as may be requested by the chairman of the legislative management or the director of the legislative council upon the finding by the

chairman or the director that the nature of studies and duties assigned to the legislative management or legislative council requires the transfers in properly carrying on the legislative management's and legislative council's functions and duties. The director of the office of management and budget shall similarly make transfers of appropriation authority between the line items for the sixty-ninth and seventieth legislative assemblies, upon request by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or director that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 4. APPLICATION, TRANSFER AUTHORITY, AND CANCELLATION OF UNEXPENDED APPROPRIATIONS. Sections 54-16-04 and 54-44.1-11 do not apply to chapter 1 of the 2023 Session Laws. The director of the office of management and budget shall make transfers of appropriation authority between the line items and the agencies of the legislative branch within section 1 of that chapter as requested by the chairman of the legislative management or the director of the legislative council. The office of management and budget shall cancel unexpended appropriations for the legislative assembly and legislative council enacted prior to the 2023-25 biennium as directed by the chairman of the legislative management or the director of the legislative council.

SECTION 5. AMENDMENT. Section 54-03-10 of the North Dakota Century Code is amended and reenacted as follows:

54-03-10. Compensation of speaker, majority and minority leaders, assistant majority and minority leaders, committee chairmen, and employees.

The speaker of the house, the house majority leader, the senate majority leader, the house minority leader, and the senate minority leader shall each receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~fifteen~~twenty dollars per day for each calendar day during any regular, special, or organizational session. Chairmen of the substantive standing committees, the house assistant majority leader, the senate assistant majority leader, the house assistant minority leader, and the senate assistant minority leader shall receive additional compensation of ~~ten~~fifteen dollars for each calendar day during any regular, special, or organizational session. The additional compensation provided by this section must be paid in the manner provided in section 54-03-20. The legislative assembly, by concurrent resolution, shall fix the compensation of the other officers and employees elected or appointed.

SECTION 6. AMENDMENT. Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of ~~two hundred fifty~~ two hundred nineteen dollars through June 30, ~~2024~~2026, and ~~two hundred thirteen~~ two hundred twenty-six dollars thereafter for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times seventy percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
 - b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in

session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.

- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and each month upon submission of a voucher and appropriate documentation during a regular or special session, consistent with section 26 of article XI of the constitution of North Dakota.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of ~~five hundred sixty nine~~six hundred ten dollars through

June 30, ~~2024~~2026, and ~~five hundred ninety-two~~six hundred twenty-eight dollars thereafter per month, paid monthly.

- b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~four hundred eight~~four hundred thirty-seven dollars through June 30, ~~2024~~2026, and ~~four hundred twenty-four~~four hundred fifty dollars thereafter per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 7. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of ~~two hundred five~~two hundred nineteen dollars through June 30, ~~2024~~2026, and ~~two hundred thirteen~~two hundred twenty-six dollars thereafter per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.

2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional ~~five~~ten dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive ~~five~~ten dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 8. EMERGENCY. Sections 1 through 4 of this Act are declared to be an emergency measure.