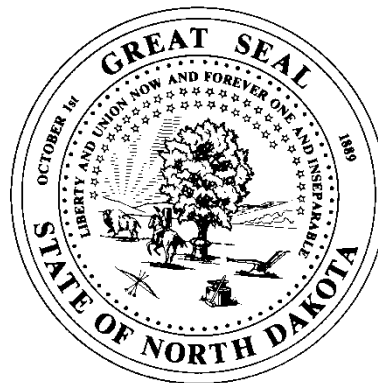


69TH LEGISLATIVE ASSEMBLY

STATE BUDGET ACTIONS

FOR THE 2025-27 BIENNIUM

(Including Supplemental and Statistical Information Regarding the State Budget)



**LEGISLATIVE COUNCIL
STATE CAPITOL
BISMARCK, NORTH DAKOTA
JUNE 2025**

This report contains information on actions by the 2025 Legislative Assembly affecting the state budget, including the 2025 Legislative Assembly's changes to base budget levels for the July 1, 2025, through June 30, 2027, biennium (2025-27). The 2025-27 biennium ongoing and one-time general fund appropriations for state agencies and institutions are also compared to 2023-25 biennium appropriations.

In preparing this analysis, the Legislative Council staff reviewed 2025 appropriation acts, the "purposes of amendments" contained in the House and Senate journals, and other available fiscal records.

Also included are selected special funds analyses, an analysis of full-time equivalent (FTE) positions, graphs and other information regarding general fund revenues and appropriations, and information regarding historic comparisons of state spending.

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EXECUTIVE SUMMARY

GENERAL FUND BUDGET SUMMARY

	2025-27 Biennium
Estimated unobligated general fund balance - July 1, 2025	\$1,155,450,960 ¹
Add estimated 2025-27 general fund revenues and transfers	5,329,161,382
Total resources available	\$6,484,612,342
Less 2025-27 general fund appropriations	6,246,564,825
Estimated general fund balance - June 30, 2027	\$238,047,517 ²
¹ This amount reflects \$24.4 million of 2023-25 biennium supplemental and deficiency appropriations, \$225.5 million of estimated 2023-25 unspent general fund appropriation authority, and \$45.9 million of exemptions to continue 2023-25 unspent general fund appropriation authority into the 2025-27 biennium.	
² In addition, the budget stabilization fund is projected to have a June 30, 2027, balance of \$936,984,724.	

TOTAL APPROPRIATIONS SUMMARY

	2023-25 Legislative Appropriations	Increase (Decrease)	2025-27 Legislative Appropriations
General fund	\$6,121,680,403	\$124,884,422	\$6,246,564,825
Estimated income	13,535,153,110	483,524,732	14,018,677,842
Total all funds	\$19,656,833,513	\$608,409,154	\$20,265,242,667

MAJOR SPECIAL FUND BALANCES

	Estimated June 30, 2027, Balance
Legacy fund	\$14,340,822,066
Social service fund	\$266,999,245
Strategic investment and improvements fund (SIIF) (unreserved)	\$929,260,539
Budget stabilization fund	\$936,984,724
Foundation aid stabilization fund (unreserved)	\$162,467,474

2025-27 GENERAL FUND REVENUES

- The 2025 legislative revenue forecast reflects total 2025-27 biennium **general fund revenues** of \$6,484 million, a decrease of \$528 million, or 7.5 percent, compared to the revised 2023-25 biennium revenues of \$7,012 million.
- Since the estimated June 30, 2025, general fund balance exceeds \$65 million, an estimated \$22.4 million will be **transferred from the general fund to the budget stabilization fund** at the end of the 2023-25 biennium. However, the transfer may be reduced or may not occur if the interest earnings of the budget stabilization fund bring the fund balance to its statutory limit.
- Major areas of **tax and fee revenue changes** (as compared to the revised revenue forecast for the 2023-25 biennium) include:
 - Sales and use tax collections increasing by \$97.7 million, or 4 percent.
 - Motor vehicle excise tax collections increasing by \$4 million, or 2.3 percent.
 - Individual income tax collections increasing by \$117.8 million, or 15.2 percent.
 - Corporate income tax collections decreasing by \$22.6 million, or 4.2 percent.
 - Oil and gas tax collections deposited in the general fund increasing by \$40 million, or 8.7 percent.
- Legislative action estimated to have a **major impact on tax and fee revenues** includes:
 - House Bill No. 1010 increases certain investment broker and firm registration fees charged by the Insurance Department resulting in an estimated increase of \$3.9 million.

- b. House Bill No. 1123 increases fees charged by the Insurance Commissioner which are deposited in the insurance regulatory trust fund and then transferred to the general fund each fiscal year resulting in an estimated increase of \$1.5 million.
- c. House Bill No. 1279 extends a partial coal conversion tax exemption for coal conversion facilities and allocates the state share of the coal conversion tax revenues to the legacy fund rather than the general fund resulting in a decrease of \$21.4 million to the general fund.
- d. Senate Bill No. 2057 increases various court fees charged by the judicial branch resulting in an estimated increase of \$3 million.
- e. Senate Bill No. 2323 increases the allocation of oil and gas tax revenues to the general fund resulting in an increase of \$40 million to the general fund.
- 5. Legislative action estimated to have a **major impact on transfers and other sources of revenue to the general fund** includes:
 - a. House Bill No. 1176 and Senate Bill No. 2012 change the allocations from the legacy earnings fund to remove the allocations to the general fund resulting in a decrease of \$311.7 million.
 - b. Senate Bill No. 2014 transfers \$140 million from Bank of North Dakota profits to the general fund.

2025-27 OIL AND GAS TAX REVENUES

- 1. **Oil prices** are anticipated to decrease from \$59 per barrel in the 1st year to \$57 per barrel in the 2nd year of the 2025-27 biennium. The average oil price in March 2025 was \$60.68 per barrel as reported by the Tax Department.
- 2. **Oil production** is anticipated to decrease from 1.15 million barrels per day in the 1st year to 1.1 million barrels per day in the 2nd year of the 2025-27 biennium. The average production in March 2025 was 1.19 million barrels per day.
- 3. The 2025 legislative revenue forecast reflects total 2025-27 biennium **oil and gas tax revenue** of \$4,269.5 million, a decrease of \$1,393 million, or 24.6 percent, compared to the revised 2023-25 biennium revenues of \$5,662.5 million.
- 4. Legislative action estimated to have a **major impact on oil and gas tax revenue collections** include:
 - a. House Bill No. 1483 expands an oil extraction tax exemption for wells drilled outside the Bakken and Three Forks Formations. The estimated impact of the expanded exemption cannot be determined.
 - b. Senate Bill No. 2397 expands an exemption for gas used at the well site, creates an exemption for gas produced from an enhanced oil recovery project, and creates an exemption for the first 250,000 barrels of oil produced during the first 36 months from a development incentive well. The estimated impact of the exemptions cannot be determined.
- 5. Legislative action estimated to have a major impact on **oil and gas tax revenue allocations** include:
 - a. Senate Bill No. 2012 decreases the allocations to the municipal infrastructure fund and the county and township infrastructure fund by \$35 million each, from \$115 million to \$80 million, allocates funding to the municipal infrastructure fund and county and township infrastructure fund before the allocation to the Public Employees Retirement System fund, and removes an allocation of \$400 million to SIIF.
 - b. Senate Bill No. 2323 limits the allocations to the North Dakota outdoor heritage fund to \$7.5 million per fiscal year for the 2025-27 biennium only, allocates an additional \$7.5 million per biennium to the oil and gas research fund for the 2025-27 biennium only, provides an additional allocation for hub city debt relief, and increases the general fund allocation by \$40 million, from \$460 million to \$500 million.

LEGACY FUND

- 1. The June 30, 2027, balance of the legacy fund is estimated to be \$14.34 billion, including oil and gas tax revenue deposits of \$1.17 billion and investment earnings of \$1.54 billion during the 2025-27 biennium.
- 2. As approved by the voters in November 2024, a constitutional amendment to Section 26 of Article X of the Constitution of North Dakota provides for a distribution from the legacy fund to the legacy earnings fund at the beginning of each biennium. House Bill No. 1176 and Senate Bill No. 2012 increase the distribution from the legacy fund by 1 percent, from 7 to 8 percent. Using a distribution of 8 percent, the transfer at the beginning of the 2025-27 biennium is \$686,881,086, which increased the transfer by \$85,860,136, from \$601,020,950 to \$686,881,086.

2025-27 GENERAL FUND APPROPRIATIONS

1. Provided general fund appropriations of \$6,246.6 million, \$124.9 million, or 2 percent, more than the 2023-25 legislative appropriations.
2. Major general fund appropriations changes relate to:
 - a. Department of Health and Human Services (DHHS) - \$176.7 million.
 - b. Department of Corrections and Rehabilitation (DOCR) - \$72.1 million.
 - c. Judicial branch - \$17.8 million.
 - d. Higher education - \$16.4 million.
 - e. Agriculture Commissioner - (\$14.2 million).
 - f. Housing Finance Agency - (\$16.3 million).
 - g. Department of Public Instruction (DPI) - (\$19.2 million).
 - h. Department of Commerce - (\$24.0 million).
 - i. Office of Management and Budget (OMB), including funding pools - (\$43.6 million).
 - j. Tax Commissioner, including property tax credits - (\$101.3 million).

2025-27 OTHER FUNDS APPROPRIATIONS

1. Provided other funds (special and federal funds) appropriations of \$14,018.7 million, \$483.5 million, or 3.6 percent more than the 2023-25 legislative appropriations.
2. Major other funds appropriations changes include:
 - a. Department of Transportation - \$424.8 million.
 - b. Tax Commissioner, including primary residence credits - \$408.9 million.
 - c. OMB, including funding pools and the State Hospital project - \$318.1 million.
 - d. DPI - \$144.4 million.
 - e. Aeronautics Commission - \$87.4 million.
 - f. Historical Society - \$63.4 million.
 - g. DHHS - (\$118.6 million).
 - h. Department of Commerce - (\$130.1 million).
 - i. Department of Water Resources - (\$135.9 million).
 - j. Information Technology Department (ITD) - (\$366.3 million).

2025-27 ONGOING AND ONE-TIME RESOURCES AND APPROPRIATIONS

1. Ongoing general fund revenues total \$5,329.2 million for the 2025-27 biennium, a decrease of \$102.2 million, or 1.9 percent, from the estimated ongoing general fund revenues of \$5,431.4 million for the 2023-25 biennium.
2. Provided \$6,113.2 million of ongoing general fund appropriations and 133.4 million of one-time general fund appropriations for the 2025-27 biennium.
3. Ongoing general fund revenues of \$5,329.2 million are \$784 million less than ongoing general fund appropriations of \$6,113.2 million for the 2025-27 biennium.

ELEMENTARY AND SECONDARY EDUCATION

1. Provided funding of \$2,496,377,703, of which \$1,656,700,353 is from the general fund, \$233,000,000 is from the foundation aid stabilization fund, \$595,677,350 is from the state tuition fund, and \$11,000,000 is from special funds, derived from general fund carryover deposited in the department's operating fund, for state school aid, **including integrated formula payments, transportation aid, and special education**. This level of funding represents an increase of \$114,602,852 from the 2023-25 legislative appropriation of \$2,381,774,851, including increases in funding of \$76,000,000 from the

foundation aid stabilization fund, \$84,817,350 from the state tuition fund, and \$11,000,000 from special funds, derived from general fund carryover deposited in the department's operating fund, and decreases in funding of \$13,993,086 from SIIF and \$43,221,412 from the general fund.

- a. In 2013 the Legislative Assembly approved a change in the K-12 state school aid funding formula. The formula provides the state will determine an adequate base level of support necessary to educate students, and this base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. For the 2025-27 biennium, the **integrated formula payment rates** are increased 2.5 percent each year of the biennium to provide \$11,349 during the 1st year of the biennium and \$11,633 during the 2nd year of the biennium. The Legislative Assembly provided funding for **integrated formula payments** totaling \$2,414,277,703, of which \$1,574,600,353 is from the general fund, \$233,000,000 is from the foundation aid stabilization fund, \$595,677,350 is from the state tuition fund, and \$11,000,000 is from special funds, derived from general fund carryover deposited in the department's operating fund. This level of funding represents an increase of \$114,602,852 from the 2023-25 biennium appropriation for integrated formula payments of \$2,299,674,851, including increases in funding of \$76,000,000 from the foundation aid stabilization fund, \$84,817,350 from the state tuition fund, and \$11,000,000 from special funds, derived from general fund carryover deposited in the department's operating fund, and decreases in funding of \$13,993,086 from SIIF and \$43,221,412 from the general fund.
 - b. The Legislative Assembly, in House Bill No. 1214 (2025), changed the method of determining **transportation aid grants** to school districts. Using factors, the new formula converts bus miles, number of bus runs, eligible family miles, square miles, and number of buildings in the district into transportation average daily membership equivalents. Total transportation average daily membership equivalents are multiplied by a 0.091 factor to determine the school district's weighted student unit equivalent. The weighted student unit equivalent is multiplied by the per pupil payment rate set in North Dakota Century Code Section 15.1-27-04.1. The estimated fiscal impact of the new formula is an increase in transportation aid funding of approximately \$6.35 million. The department anticipates excess transportation aid funding during the 2023-25 biennium and estimates the total funding needed for the 2025-27 biennium for the new formula will be \$60.1 million, or \$2 million more than the 2023-25 biennium appropriation of \$58.1 million.
 - c. The Legislative Assembly provided \$22 million from the general fund for **special education contracts**, a decrease of \$2 million from special education contract funding of \$24 million provided during the 2023-25 biennium. In addition to special education contracts, the state school aid formula provides approximately \$277.5 million through the integrated formula payments line item for special education and prekindergarten special education average daily membership and weighting factors.
2. The Legislative Assembly provided \$6 million from the general fund for grants to school districts to defray the expenses of providing meals, free of charge, for all students enrolled in public or nonpublic school at or below 225 percent of the federal poverty guideline, the same level of funding as the 2023-25 biennium legislative appropriation. The Legislative Assembly adjusted the eligibility level for free meals from 200 percent of the federal poverty guideline to 225 percent of the federal poverty guideline, but did not increase the funding because the department anticipates \$2.5 million of free meal funding will remain unspent at the end of the 2023-25 biennium.
 3. The Legislative Assembly provided \$31,800,527 for **program and passthrough grants**, of which \$25,000,527 is from the general fund, \$5,300,000 is from SIIF, and \$1,500,000 is funded through a grant from DHHS. Funding for program and passthrough grants was included in House Bill No. 1013 and Senate Bill Nos. 2213 and 2275.

HIGHER EDUCATION

1. Increased ongoing **general fund** support by \$59.8 million and decreased one-time general fund support by \$43.4 million as follows:

	2023-25 Legislative Appropriations	2025-27 Legislative Appropriations	Increase (Decrease)	
Ongoing general fund appropriations	\$811,682,526	\$871,471,221	\$59,788,695	7.4%
One-time general fund appropriations	56,839,701	13,450,000	(43,389,701)	(76.3%)
Total	\$868,522,227	\$884,921,221	\$16,398,994	1.9%

2. Increased appropriations from other funds by \$42,639,790, or 1.7 percent. The increase relates primarily to increases in funding for employee salaries and health insurance premiums.
3. Increased the authorized number of FTE positions from 6,605.91 to 6,735.65, an increase of 129.74. Of the 129.74 FTE positions, 127.74 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control, and 2 FTE positions were added for the Forest Service.
4. Increased campus **base funding formula distributions** from the general fund by \$42.9 million for credit-hour adjustments, funding formula changes, and inflationary increases.

5. Added one-time funding of \$24.76 million from SIIF for the **higher education challenge fund** to provide matching grants for academic enhancements to North Dakota University System institutions. The Legislative Assembly appropriated \$20 million from the general fund for the program during the 2023-25 biennium.

HEALTH AND HUMAN SERVICES

1. Provided total general fund appropriations for DHHS of \$2,227.8 million, \$176.7 million, or 8.6 percent, more than the \$2,051.1 million appropriated for the 2023-25 biennium.
2. Appropriated salaries and wages funding the department in a **block grant pool**, authorized the department to adjust FTE positions subject to the availability of funding and underfunded salaries and wages by \$9.7 million from the general fund for DHHS for the 2025-27 biennium.
3. Provided \$58.3 million, of which \$29.2 million is from the general fund for 2 percent **annual inflationary increases** for most providers.
4. Provided \$61.1 million for 2025-27 biennium **cost, caseload, and utilization changes**.
5. Provided an additional \$35.8 million from the general fund for federal medical assistance percentage changes for the 2025-27 biennium.
6. Reduced funding for operational expenses departmentwide by \$3.05 million from the general fund.
7. Provided funding for technology increases of \$7.3 million for ITD increases and \$20.7 million for other information technology (IT) contractual increases.
8. Provided funding of \$161.1 million for child care programs including \$120.5 million from the general fund.
9. Added \$4,948,452, of which \$2,474,226 is from the general fund for home-and community-based cross-disability waiver.
10. Included \$1,086.5 million for long-term care programs including \$571.8 million from the general fund.
11. Provided \$4.8 million to continue the programs and \$4.5 million to expand community connect and \$4 million to expand free through recovery from the general fund to provide a total of \$22.5 million for the community connect program and a total of \$22.3 million for the free through recovery program.
12. Provided funding of \$242.9 million from the social service fund for the **county social and human services program**.
13. Provided one-time funding of \$15 million to retire mainframe applications including \$2.5 million from SIIF, \$4 million from the human service finance fund, and \$8.5 million of federal funds.
14. Provided one-time funding of \$5,541,240, of which \$2,619,004 is from the general fund, to continue the additional \$5 per day included in basic care payment rates during the 2025-27 biennium.
15. Added one-time funding of \$2,962,304 from SIIF for transition costs and security equipment for the new state laboratory building.
16. Reduced federal funding by \$60.7 million for the Coronavirus Aid, Relief, and Economic Security Act.
17. House Bill No. 1015 provided \$300 million, of which \$200 million is from SIIF and \$100 million is from a Bank of North Dakota line of credit to OMB for construction of a new state hospital.

CORRECTIONS

1. Provided a total general fund appropriation for DOCR of \$344.4 million, \$72.1 million, or 26.5 percent more than the \$272.3 million appropriation for the 2023-25 biennium.
2. Provided an ongoing general fund appropriation for DOCR of \$315.7 million, \$68.6 million, or 27.8 percent more than the \$247.1 million appropriated for the 2023-25 biennium.
3. Added 34.5 **new FTE positions**, including 6 FTE Heart River Correctional Center positions, 10 FTE Missouri River Correctional Center temporary housing unit positions, 3 FTE pretrial services positions, 2 FTE community corrections positions, 3 FTE education services positions, 1 FTE maintenance supervisor position, and 9.5 FTE county and regional correctional centers positions.
4. Added \$6.5 million from the general fund for competitive market **salary equity** increases.
5. Provided \$28.4 million of one-time funding from the general fund for **payments to county jails** for overflow housing, including programming needs.
6. Provided \$35.6 million from SIIF to complete a new **women's prison facility** at the Heart River Correctional Center.
7. Provided \$20 million from SIIF for planning and design of a new Missouri River Correctional Center **minimum security male facility**.

CAPITAL CONSTRUCTION

1. Provided a total of \$3,103 million for the following capital project-related purposes:
 - a. \$944 million for major capital projects.
 - b. \$62.4 million for extraordinary repairs.
 - c. \$57.1 million for large IT projects.
 - d. \$117.1 million for bond payments, of which \$14.5 million is for bonds issued by the State Building Authority and \$102.6 million is for payments on legacy bonds issued by the Public Finance Authority.
 - e. \$1,712.7 million for contractor payments on transportation-related projects.
 - f. \$207.9 million for state-owned water projects (Southwest Pipeline Project and Northwest Area Water Supply Project).
2. The funding sources for capital projects are:

	General Fund	Other Funds
Major capital projects	\$11,202,500	\$932,845,503
Extraordinary repairs	19,366,400	43,099,368
Major IT projects	1,965,004	55,183,788
Bond payments	10,261,375	106,856,825
Transportation-related projects	0	1,712,712,078
Southwest Pipeline and Northwest Area Water Supply projects	0	207,857,325
Payments in lieu of taxes	0	1,640,020
Total	\$42,795,279	\$3,060,194,907

INFORMATION TECHNOLOGY

1. Provided \$57.1 million, of which \$1.9 million is from the general fund and \$55.2 million is from other funds for major **state agency IT projects** for the 2025-27 biennium, including:
 - a. One-time funding of \$15 million appropriated to DHHS, of which \$2.5 million is from SIIF, \$4 million from the human service finance fund, and \$8.5 million from federal funds, to **retire mainframe systems**.
 - b. One-time funding of \$9.75 million from SIIF appropriated to DOCR for a new client management software system (\$5.5 million), public safety IT upgrades (\$1.8 million), and IT data management and enhancements (\$2.45 million).
 - c. One-time funding of \$3.5 million from SIIF appropriated to ITD for a state data center migration project (\$1.7 million) and for the cost of automating IT services for application support and the cost of purchasing software licenses for a low-code, no-code platform for use by state agencies (\$1.8 million). The department anticipates using the funding from SIIF, \$2 million appropriated from the general fund for the North Dakota Health Information Network (NDHIN) for the 2023-25 biennium transferred to the operating expenses line item pursuant to Section 4 of House Bill No. 1021 (2023), and carryover funding from the business gateway enterprise customer relationship management program authorized in Section 9 of Senate Bill No. 2021 (2025), for the IT automation project.
 - d. One-time funding of \$6.6 million from special funds appropriated to Workforce Safety and Insurance to continue the claims and policy system replacement project (\$5.2 million) and to continue the myWSI enhancements project (\$1.4 million).
 - e. One-time funding of \$3 million from federal funds appropriated to the Department of Transportation for a motor vehicle and driver's license appointment system.
2. Appropriated \$200.5 million to ITD, of which \$48 million is from the general fund and \$152.5 million is from other funds, a decrease of \$80.6 million from the 2025-27 biennium base budget. The decrease is primarily due to **transferring \$99.2 million of special fund authority from the information technology operating fund to continuing appropriation authority** to allow ITD to provide IT and network services to state agencies without receiving appropriation authority from the Legislative Assembly.
3. Adjusted funding for NDHIN by eliminating funding from the general fund (\$2 million) and increasing funding from other funds (\$3,885,166) to provide total NDHIN funding of \$7,751,242 derived from participant fee revenue and federal Centers for Medicare and Medicaid Services funding deposited in the electronic health information exchange fund.

4. Authorized 509 FTE positions for ITD for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 507 FTE positions. The Legislative Assembly added 2 FTE statewide interoperable radio network positions, including 1 FTE senior enterprise service desk specialist position and 1 FTE senior tier II analyst position.

STATE EMPLOYEES

1. Provided salary increases for classified and nonclassified employees during the 2025-27 biennium of 3 percent on July 1, 2025, and 3 percent on July 1, 2026. The Legislative Assembly approved total funding of \$129.7 million for state employee salary increases for the 2025-27 biennium, of which \$42.9 million is from the general fund and \$86.8 million is from other funds.
2. Provided \$13.6 million for salary equity increases for the 2025-27 biennium, of which \$11.7 million is from the general fund and \$1.9 million is from other funds.
3. Continued funding for the full cost of health insurance premiums for state employees at \$1,893.30 per month, an increase of \$250.22, or 15.23 percent, compared to the 2023-25 biennium premium rate of \$1,643.08 per month. Funding of \$86.2 million, of which \$31 million is from the general fund and \$55.2 million is from other funds, is added for the health insurance premium increase.
4. Restored funding to state agency budgets for the 2023-25 biennium new and vacant FTE pool and provided a \$3 million general fund deficiency appropriation to OMB for the purpose of transferring funding to other state agencies for the 2023-25 biennium new and vacant FTE pool.
5. Authorized a new and vacant FTE pool in state agency budgets for newly authorized FTE positions and for estimated savings from vacant FTE positions during the 2025-27 biennium, resulting in estimated savings of \$36.9 million, of which \$17.4 million is from the general fund and \$19.5 million is from other funds, excluding higher education and DHHS.
6. Authorized a total of 16,628.37 FTE positions, an increase of 426.83 FTE positions from the 2023-25 biennium authorized level of 16,201.54 FTE positions, including an increase of 129.74 higher education FTE positions and an increase of 297.09 FTE positions in all other state agencies. Of the 297.09 new FTE positions in non-higher education agencies, 204.52 FTE positions were added for DHHS. Of the total 16,628.37 FTE positions, 6,735.65 are higher education FTE positions and 9,892.72 are FTE positions in other state agencies.

WORKFORCE AND ECONOMIC DEVELOPMENT

1. Provided \$33.7 million to the Department of Commerce for North Dakota tourism salaries and wages (\$4 million), operating expenses (\$14.7 million) and grants (\$15 million), of which \$13.2 million is from the general fund, \$542,000 is from the tourism operating fund, and \$20 million is from SIIF for tourism marketing awareness operating expenses (\$5 million) and a tourism destination initiative grant program (\$15 million). Of the total, \$13.7 million is considered ongoing funding and \$20 million is considered one-time funding. Total funding for the 2023-25 biennium was \$39.6 million.
2. Provided \$11 million of ongoing funding for the Department of Commerce uncrewed aircraft systems (UAS) program, of which \$3 million is from the general fund for operating expenses of the Northern Plains UAS Test Site and \$8 million is for grants from federal funds. Total funding for the 2023-25 biennium was \$12 million.
3. Provided one-time funding of \$15 million from SIIF for the Department of Commerce beyond visual line of sight UAS program. Total funding for the 2023-25 biennium was \$26 million.
4. Provided one-time funding of \$2.5 million from SIIF to the Department of Commerce for enhanced use lease grants. Total funding for the 2023-25 biennium was \$10 million.
5. Provided one-time funding of \$11 million from SIIF to the Department of Commerce for a state radar data pathfinder program.
6. Provided one-time funding of \$9 million from SIIF to the Department of Commerce for an uncrewed aerial vehicle replacement grant program.
7. Provided one-time funding of \$7.5 million from SIIF to the Department of Commerce for autonomous agriculture grants.
8. Provided one-time funding of \$800,000 from SIIF for autonomous technology grants, of which \$300,000 was appropriated to the Agriculture Commissioner, \$250,000 was appropriated to the Attorney General, and \$250,000 was appropriated to the Department of Career and Technical Education.
9. Provided one-time funding of \$7 million to the Department of Commerce, of which \$2 million is from the general fund and \$5 million is from SIIF, for workforce-related programs, including the regional workforce impact program grants (\$5 million), technical skills training grants (\$1 million), and funding for Global Talent Office operating expenses (\$500,000) and grants (\$500,000).
10. Provided \$3 million from the general fund to the Department of Commerce for the **operation intern program**, a program providing matching funds to help expand the number of internships, work experience, and apprenticeship positions with North Dakota employers. Of the total, \$1 million is ongoing funding and \$2 million is one-time funding. Funding for the program during the 2023-25 biennium totaled \$1,006,896 from the general fund.

11. Provided one-time funding of \$750,000 from the general fund to the Department of Commerce for providing **workforce grants to tribally controlled community colleges** in North Dakota, an increase of \$250,000 from the 2023-25 biennium appropriation of \$500,000.
12. Provided one-time funding of \$1 million from SIIF to the Department of Commerce for **base enhancement grants** to communities with an Air Force base or Air National Guard facilities, of which \$600,000 is for eligible organizations in Minot, \$250,000 is for eligible organizations in Grand Forks, and \$150,000 is for eligible organizations in Fargo.
13. Provided one-time funding of \$1.4 million from the general fund to the Department of Commerce for **regional planning council grants** under Chapter 54-40.1. In addition, of the \$2.15 million appropriated for discretionary funds, \$600,000 is designated for regional planning council grants to provide a total of \$2 million from the general fund for regional planning council grants.
14. Provided one-time funding of \$2 million from SIIF to the Department of Commerce for **children's education science center grants**, contingent on oil and gas tax revenue allocations to SIIF exceeding \$402 million during the 2025-27 biennium.
15. Provided one-time funding of \$2.5 million transferred from SIIF to and appropriated from the newly created rural catalyst fund for the Department of Commerce to administer a **rural catalyst grant program**.
16. Provided one-time funding of \$2.78 million from SIIF to the Department of Commerce for **local community grants**, including funding for a Native American small business grant (\$600,000), a historic theater restoration grant that requires matching funds on a dollar-for-dollar basis (\$500,000), historic opera house restoration grant (\$250,000), historic theater improvement grant (\$250,000), Medora transportation improvement grant (\$1 million), and a community hall grant (\$175,000).
17. Transferred \$25 million from SIIF to the **North Dakota Development Fund**.
18. Authorized a \$25 million **Bank of North Dakota line of credit for the North Dakota Development Fund**.
19. Provided \$161.1 million to DHHS for **child care-related programs**, of which \$120.5 million is from the general fund, \$33.6 million is from federal funds, and \$7 million is from special funds. **Please see the Health and Human Services overview starting on page G-1.**
20. Provided \$61.9 million from Bank of North Dakota profits, of which \$60 million is for the partnership in assisting community expansion (PACE) program, agriculture PACE program, biofuels PACE program, beginning farmer loan program, and \$1.9 million is for small business development center grants.
21. Provided \$2 million from the general fund to the Agriculture Commissioner for the **North Dakota Trade Office**, a reduction of \$100,000 from the \$2.1 million appropriated for the 2023-25 biennium. Of the total, \$1.6 million is ongoing funding and \$400,000 is one-time funding.
22. Provided \$5.1 million to the Agriculture Commissioner for the **Agricultural Products Utilization Commission**, of which \$2.1 million is ongoing funding from the Agricultural Products Utilization Commission fund and \$3 million is one-time funding from profits of the Bank of North Dakota, the same as provided for the 2023-25 biennium.
23. Transferred \$15 million from the general fund to the **agriculture diversification and development fund**.
24. Provided a \$30 million Bank of North Dakota line of credit for deposit in the agriculture diversification and development fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for a **value-added agriculture facility incentive program**.
25. Provided a \$10 million Bank of North Dakota line of credit for deposit in the agriculture diversification and development fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for a **value-added milk processing facility incentive program**.
26. Provided \$3.25 million from the general fund to Department of Career and Technical Education for workforce training grants, an increase of \$750,000 from the 2023-25 total of \$2.5 million.
27. Transferred \$10 million from SIIF to the **legacy investment for technology fund** for legacy investment technology loans.

INFRASTRUCTURE

1. Provided \$1,712.7 million, of which \$1,202.1 million is from federal funds and \$510.6 million is from state and local matching funds, for **road projects**.
2. Provided \$300 million, of which \$200 million is from SIIF and \$100 million is from a Bank of North Dakota line of credit, for the construction of a new **state hospital**.
3. Provided \$30.8 million, including funding from the general fund (\$475,000), the Aeronautics Commission fund (\$10.4 million), and the airport infrastructure fund (\$20 million) for **airport grants**.
4. Provided \$90 million from SIIF for **generational airport projects** in Fargo (\$45 million), Grand Forks (\$20 million), and Dickinson (\$25 million).
5. Provided \$708.5 million for **water projects** from various sources, including a Bank of North Dakota line of credit (\$260 million), the resources trust fund (\$298.1 million), the water projects stabilization fund (\$42.5 million), and other funds (\$107.9 million).

MILITARY-RELATED PROGRAMS

1. Provided \$39.05 million, including \$35.5 million from federal funds and \$3.55 million from the disaster relief fund for the Safeguarding Tomorrow through Ongoing Risk Mitigation Act program
2. Provided \$1.5 million from the general fund and \$4.5 million from SIIF for deferred maintenance and repairs to National Guard facilities statewide.
3. Provided \$2 million from the disaster relief fund for ongoing emergency response funding for the Department of Emergency Services.
4. Provided \$78,644,524 for the military gallery expansion project at the North Dakota Heritage Center, including \$4,200,000 to repay a 2023-25 biennium Bank of North Dakota line of credit, \$73,744,524 for the project, and \$700,000 for updates to the inspiration gallery after completion of the project.

AID TO POLITICAL SUBDIVISIONS

1. Major aid to political subdivisions increases compared to the 2023-25 biennium include the following:
 - a. Highway tax distribution fund allocations (\$43 million);
 - b. Flexible transportation fund grants and allocations (\$139 million);
 - c. Primary residence credit (\$305.7 million); and
 - d. State school aid (\$114.6 million).
2. In total, the Legislative Assembly is providing \$5.9 billion in state assistance to political subdivisions including schools for the 2025-27 biennium, a \$0.30 billion or 5.3 percent increase compared to the \$5.6 billion provided during the 2023-25 biennium. See the aid to political subdivision schedule in Section L for additional detail.

2025-27 BIENNIUM PROPERTY TAX RELIEF

1. House Bill No. 1176 increases the **primary residence credit** from \$500 to \$1,600 per year for each primary residence, and Senate Bill No. 2201 expands the credit to allow primary residences held through a trust to qualify for the credit. The bill allocates legacy fund earnings to a newly created legacy property tax relief fund and included an appropriation of \$408.9 million to provide funding for the credit.
2. Funding for the **homestead tax credit** for the 2025-27 biennium totals \$60.6 million, including a \$1 million increase related to an increase in the renters refund annual limit from \$400 to \$600 as provided in House Bill No. 1176.
3. Funding for the **disabled veterans' tax credit** for the 2025-27 biennium totals \$29.4 million, including \$7.4 million related to an increase the amount of taxable value exempt from taxation. House Bill No. 1176 adjusted the exemption to align with the homestead tax credit, which provides an exemption equivalent to \$200,000 of true and full value.
4. House Bill No. 1176 limited the increase in property taxes levied by taxing districts to 3 percent per year with additional increases requiring voter approval.

SECTION B - REVENUES

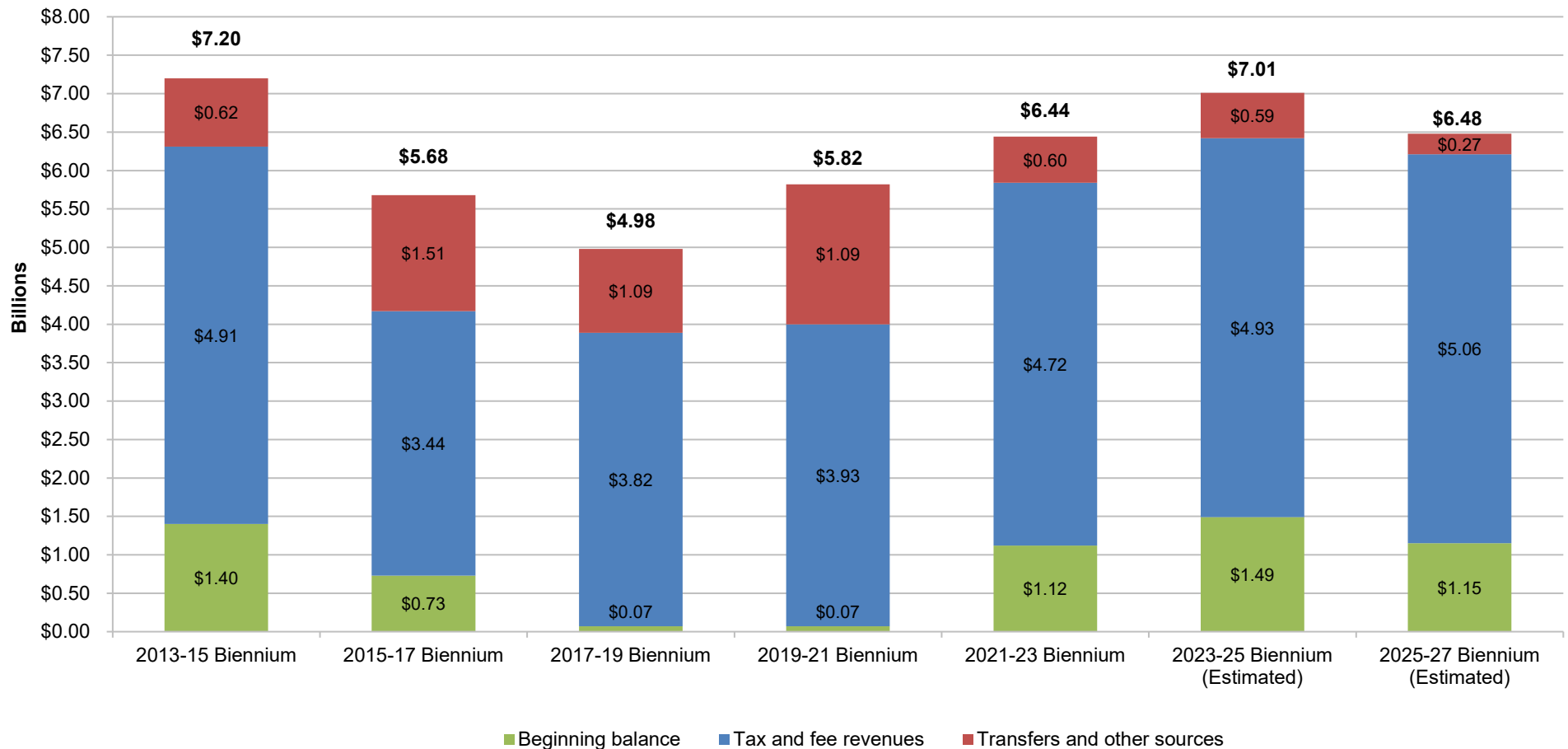
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GENERAL FUND REVENUE SUMMARY

TOTAL GENERAL FUND REVENUES

Based on the 2025 legislative revenue forecast, total 2025-27 biennium general fund revenues, including the beginning balance, tax and fee revenues, and transfers, are estimated to be \$6,484 million, which is \$528 million, or 7.5 percent, less than total 2023-25 biennium estimated revenues of \$7,012 million. The following is a summary of general fund revenues for the 2013-15 through 2025-27 bienniums:

	Actual					Estimated	
	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium
Beginning balance	\$1,396,059,186	\$729,529,389	\$65,000,000	\$65,000,000	\$1,122,353,345	\$1,490,156,765	\$1,155,450,960
Tax and fee revenues	4,906,838,449	3,437,604,096	3,818,087,697	3,931,123,045	4,723,697,050	4,929,088,237	5,056,746,408
Transfers and other sources	894,959,058	1,511,601,317	1,095,360,965	1,820,781,277	596,144,886	592,798,368	272,414,974
Total	\$7,197,856,693	\$5,678,734,802	\$4,978,448,662	\$5,816,904,322	\$6,442,195,281	\$7,012,043,370	\$6,484,612,342



GENERAL FUND BEGINNING BALANCE

Based on final legislative action, **July 1, 2025, estimated beginning balance is \$1,155.5 million**. Pursuant to North Dakota Century Code Chapter 54-27.2, any amount in the general fund at the end of a biennium in excess of \$65 million must be transferred to the budget stabilization fund, except that the balance in the budget stabilization fund may not exceed 15 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. The 15 percent limit for the budget stabilization fund is \$937 million based on total general fund appropriations for the 2025-27 biennium of \$6,246.6 million. As a result, **the estimated transfer from the general fund to the budget stabilization fund is \$22.4 million**. However, the transfer from the general fund to the budget stabilization fund may be reduced or may not be required if the interest earnings of the budget stabilization fund bring the balance of the budget stabilization fund to the 15 percent limit.

The schedule below provides information on other legislative action, excluding revenue forecast adjustments, relating to the July 1, 2025, beginning general fund balance and affecting the transfer to the budget stabilization fund.

Bill No.	Description	Amount
	Supplemental and deficiency appropriations (See the SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS FOR THE 2023-25 BIENNIUM for more detailed information)	(\$24,350,866)
HB 1003	Attorney General - Provides an exemption allowing unspent funding for a licensing and deposit software system to be continued into the 2025-27 biennium	(100,000)
HB 1009	Agriculture Commissioner - Transfers any remaining balance from the bioscience innovation grant fund to the general fund	1,029,968
HB 1012	Department Health and Human Services - Provides exemptions allowing unspent funding for expenses of additional human service centers (\$4,150,000), an employer-led child care cost-share program (\$2,200,000), a streamlined background check project (\$986,555), integrity audits (\$500,000), and a behavioral health facility grant (\$1,950,000) to be continued into the 2025-27 biennium	(9,786,555)
HB 1013	Provides exemptions for the following: Department of Public Instruction - Provides an exemption allowing unspent funding for the integrated formula payments to be continued into the 2025-27 biennium	(11,000,000)
	State Library - Provides an exemption allowing unspent funding for building renovations to be continued into the 2025-27 biennium	(146,950)
HB 1015	Office of Management and Budget - Provides exemptions allowing unspent funding for space utilization improvements (\$1,800,000), a procurement automation project (\$400,000), and the Fiscal Management Division (\$984,893) to continue into the 2025-27 biennium	(3,184,893)
SB 2016	Adjutant General - Provides exemptions allowing unspent funding for tuition assistance, recruitment, and retention incentives (\$2,200,000) and cybersecurity grants (\$125,000) to be continued into the 2025-27 biennium	(2,325,000)
SB 2001	Legislative branch - Provides an exemption allowing unspent funding for legislative branch functions to be continued into the 2025-27 biennium	(4,498,707)
SB 2010	Council on the Arts - Provides an exemption allowing unspent funding for accrued leave payouts to be continued into the 2025-27 biennium	(25,000)
SB 2014	Industrial Commission - Provides an exemption allowing unspent funding for an electricity grid resilience grant to be continued into the 2025-27 biennium	(992,400)
SB 2018	Department of Commerce - Provides exemptions allowing unspent funding for workforce programs (\$12,000,000), discretionary grants (\$500,000), and the Office of Legal Immigration (\$1,000,000) to be continued into the 2025-27 biennium	(13,500,000)
SB 2021	Information Technology Department - Provides an exemption allowing unspent funding for a state and local cybersecurity grant program to be continued into the 2025-27 biennium	(326,920)
SB 2025	Department of Veterans' Affairs - Provides an exemption allowing unspent funding for accrued leave to be continued into the 2025-27 biennium	(19,066)
SB 2201	Tax Commissioner - Retroactively allows properties held in trust to be eligible for the primary residence credit decreasing unspent appropriations before the end of the 2023-25 biennium	(1,900,000)
Total		(\$71,126,389)

GENERAL FUND TAX AND FEE REVENUES

Based on final legislative action, **2025-27 biennium estimated general fund tax and fee revenues total \$5,056.7 million**, which reflects a decrease of \$81.7 million compared to the January 2025 base revenue forecast (\$5,138.4 million) and an increase of \$22.8 million compared to the March 2025 revised revenue forecast (\$5,033.9 million). Compared to the 2023-25 biennium revised estimated general fund tax and fee revenues (\$4,929.1 million), 2025-27 biennium estimated general fund tax and fee revenues (\$5,056.7 million) reflect an increase of \$127.6 million, or 2.6 percent.

Major areas of 2025-27 biennium **tax and fee revenue change** compared to the 2023-25 biennium revised revenue forecast include:

- Sales and use tax collections are estimated to **increase** by \$97.7 million, or 4 percent.
- Motor vehicle excise taxes are estimated to **increase** by \$4 million, or 2.3 percent.
- Individual income tax collections are estimated to **increase** by \$117.8 million, or 15.2 percent.
- Corporate income taxes are estimated to **decrease** by \$22.6 million, or 4.2 percent.
- Oil and gas tax collections are estimated to **increase** by \$40 million, or 8.7 percent. (See the **oil and gas tax collections** section below.)

The 2025 Legislative Assembly approved the following bills, which are estimated to have a major impact on tax and fee revenues:

Oil and gas tax collections

- Senate Bill No. 2323 increases the allocation of oil and gas tax revenues to the general fund resulting in **an increase of \$40 million** to the general fund.

Coal conversion tax collections

- House Bill No. 1279 extends a partial coal conversion tax exemption for coal conversion facilities and allocates the state share of the coal conversion tax revenues to the legacy fund rather than the general fund resulting in **a decrease of \$21.4 million** to the general fund.

Departmental collections

- House Bill No. 1010 increases certain investment broker and firm registration fees charged by the Insurance Department resulting in **an estimated increase of \$3.9 million**.
- House Bill No. 1123 increases fees charged by the Insurance Commissioner which are deposited in the insurance regulatory trust fund and then transferred to the general fund each fiscal year resulting in **an estimated increase of \$1.5 million**.
- Senate Bill No. 2057 increases various court fees charged by the judicial branch resulting in **an estimated increase of \$3 million**.

Other bills approved by the 2025 Legislative Assembly with an estimated fiscal impact on general fund tax and fee revenues include the following:

Bill No.	Description	Estimated Impact
HB 1012	Gaming tax - Appropriates funding to the Department of Health and Human Services decreasing the amount available to be transferred from the charitable gaming operating fund to the general fund	(\$1,900,000)
HB 1086	Departmental collections - Amends fees charged by the State Fire Marshal and deposits the revenue in the insurance regulatory trust fund rather than the reduced cigarette ignition propensity fund with excess revenues transferred to the general fund at the end of the biennium	\$560,500
HB 1139	Sales and use tax - Creates a sales tax exemption for items purchased by fire departments for fire protection services	Cannot be determined
HB 1417	Departmental collections - Repeals various court and indigent defense fees	(\$340,000)
HB 1578	Motor vehicle excise tax - Provides a motor vehicle excise tax exemption for abandoned motor vehicles	(\$16,499)
SB 2024	Departmental collections - Deposits fuel inspection fees in the Department Environmental Quality operating fund rather than the general fund	(\$561,000)
SB 2090	Departmental collections - Deposits fireworks application license fees in the insurance regulatory trust fund rather than the general fund	(\$10,500)
SB 2135	Insurance premium tax - Increases the amount of tax revenue transferred to the firefighter death benefit fund, from \$50,000 to \$125,000, decreasing the amount deposited in the general fund	(\$75,000)

SB 2177	Sales and use tax - Allocates sales and use tax collections on animal agriculture facilities or related equipment to a newly created animal agriculture facility infrastructure fund rather than the general fund	(\$1,000,000)
SB 2205	Gaming tax - Increases funding transferred from the charitable gaming operating fund to the gambling disorder prevention and treatment fund, resulting in a decrease in funding transferred from the charitable gaming operating fund to the general fund	(\$520,000)
SB 2207	Motor vehicle excise tax - Provides an exemption for motor vehicles purchased by tribal governments	Cannot be determined
SB 2251	Departmental collections - Removes the authority of the State Auditor to charge for audits of state agencies	(\$343,353)
SB 2282	Individual and corporate income taxes - Creates an income tax credit for qualified employers for child care contributions made for employee child care costs	Cannot be determined
SB 2369	Sales and use tax - Clarifies a sales and use tax exemption for activities conducted by an educational, religious, or charitable nonprofit organization in a publicly owned facility	Cannot be determined

TRANSFERS AND OTHER SOURCES OF REVENUE TO THE GENERAL FUND

Based on final legislative action, **2025-27 biennium transfers and other sources of revenue to the general fund total \$272.4 million**, which reflects a decrease of \$281.9 million compared to the January 2025 base revenue forecast (\$554.3 million) and a decrease of \$311.7 million compared to the March 2025 revised revenue forecast (\$584.1 million).

Major legislative action affecting the 2025-27 biennium transfers and other sources of revenue to the general fund includes:

- **Senate Bill No. 2014** transfers \$140 million from Bank of North Dakota profits to the general fund.
- **House Bill No. 1176 and Senate Bill No. 2012** change the allocations from the legacy earnings fund to remove the allocations to the general fund resulting in a decrease of \$311.7 million.

COMPARISON OF ONGOING AND ONE-TIME GENERAL FUND REVENUES

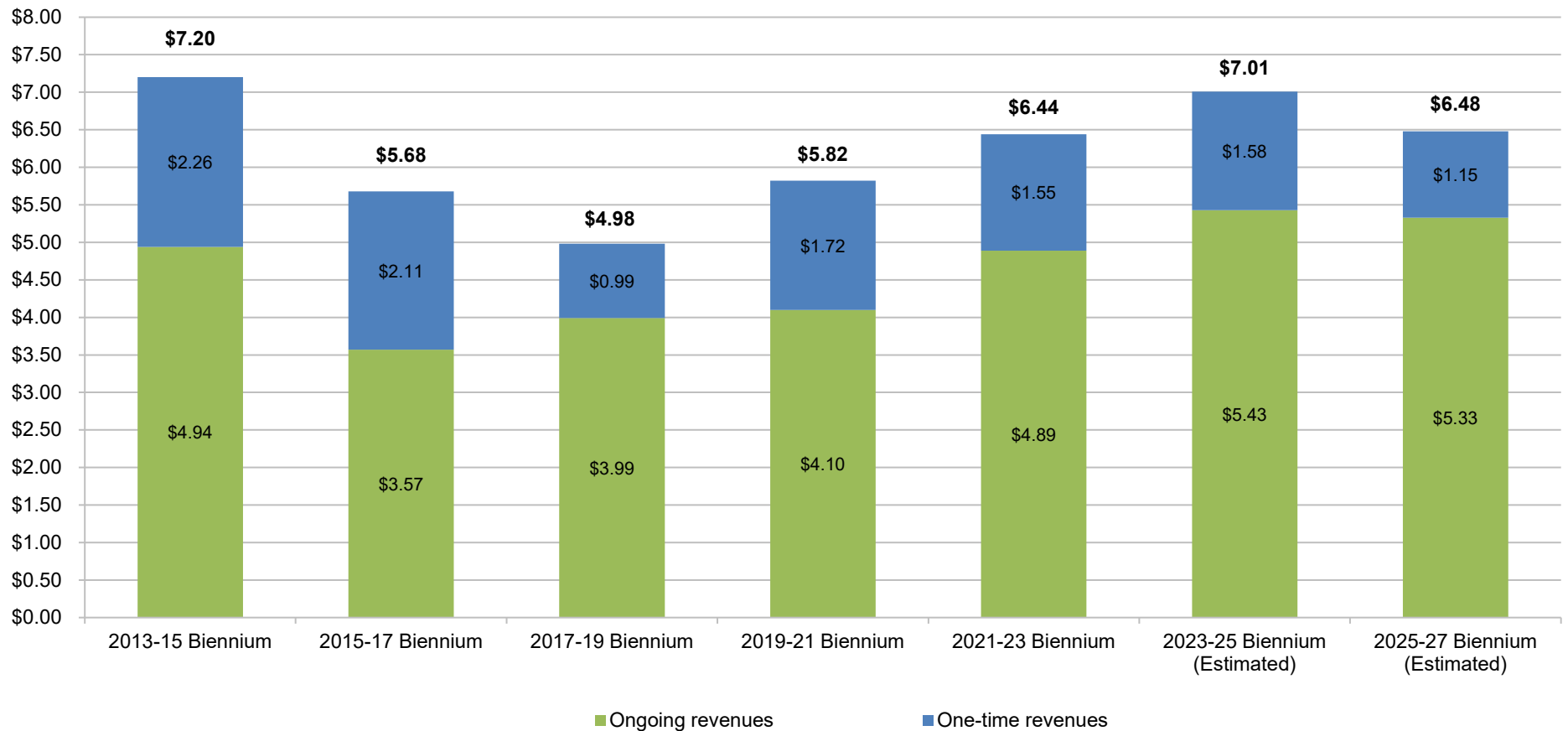
Based on final legislative action, **2025-27 biennium ongoing general fund revenues total \$5,329.2 million**, a decrease of \$102.2 million compared to 2023-25 biennium ongoing general fund revenues (\$5,431.4 million), and **2025-27 biennium one-time general fund revenues total \$1,155.5 million**, a decrease of \$425.1 million compared to 2023-25 biennium one-time general fund revenues (\$1,580.6 million). The following is a summary of ongoing and one-time general fund revenues for the 2013-15 through 2025-27 bienniums:

	Actual					Estimated	
	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium
Ongoing revenues							
Tax and fee revenues	\$4,906,838,449	\$3,437,604,096	\$3,818,087,697	\$3,931,123,045	\$4,723,697,050	\$4,929,088,237	\$5,056,746,408
Bank of North Dakota profits	0	100,000,000	140,000,000	140,000,000	140,000,000	140,000,000	140,000,000
Mill and Elevator profits ¹	6,817,200	9,051,496	11,784,981	11,817,493	15,160,126	18,377,705	20,000,000
Lottery	13,300,000	15,780,000	15,900,000	10,400,000	13,000,000	13,959,572	14,039,806
Gas tax administration	1,777,360	2,030,496	2,016,120	1,991,418	1,873,744	1,844,424	1,761,168
Budget stabilization interest	11,060,345	0	0	5,944,245	0	103,143,877	96,614,000
Legacy earnings fund ²	0	0	0	0	0	225,000,000	0
Total ongoing revenues	\$4,939,793,354	\$3,564,466,088	\$3,987,788,798	\$4,101,276,201	\$4,893,730,920	\$5,431,413,815	\$5,329,161,382
One-time revenues							
Beginning balance	\$1,396,059,186	\$729,529,389	\$65,000,000	\$65,000,000	\$1,122,353,345	\$1,490,156,765	\$1,155,450,960
Mill and Elevator profits ¹	0	0	5,892,491	0	0	0	0
Legacy earnings fund ²	0	0	0	0	0	29,474,088	0
Legacy fund	0	0	455,263,216	871,687,384	0	0	0

Strategic investment and improvements fund	520,000,000	155,000,000	248,000,000	764,400,000	410,000,000	50,000,000	0
Tax relief fund	341,790,000	657,000,000	183,000,000	8,600,000	0	0	0
Budget stabilization fund	0	572,485,454	0	0	0	0	0
Western Area Water Supply Authority loan refinance	0	0	25,000,000	0	0	0	0
Other transfers and miscellaneous sources	214,153	253,871	8,504,157	5,940,737	16,111,016	10,998,702	0
Total one-time revenues	\$2,258,063,339	\$2,114,268,714	\$990,659,864	\$1,715,628,121	\$1,548,464,361	\$1,580,629,555	\$1,155,450,960
Total	\$7,197,856,693	\$5,678,734,802	\$4,978,448,662	\$5,816,904,322	\$6,442,195,281	\$7,012,043,370	\$6,484,612,342

¹The amounts shown for the Mill and Elevator profits under ongoing revenues reflect transfers of 50 percent of the profits to the general fund. The amount shown for Mill and Elevator profits under one-time revenues reflects a temporary increase in the transfer from 50 to 75 percent for the 2017-19 biennium only, pursuant to Senate Bill No. 2014 (2017).

²The amount shown for the legacy earnings fund under ongoing revenues reflects an allocation of \$225 million to the general fund for tax relief. The amount shown for the legacy earnings fund under one-time revenues reflects an allocation of 50 percent of any remaining earnings to the general fund. The 2025 Legislative Assembly removed the allocations from the legacy earnings fund to the general fund.



GENERAL FUND REVENUES FROM THE 2019-21 BIENNIUM TO THE 2025-27 BIENNIUM

General Fund Revenue Source	Actual		Estimated ¹		2025-27 Biennium Increase (Decrease) Compared to the 2023-25 Biennium	
	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	Amount	Percentage
Beginning balance	\$65,000,000	\$1,122,353,345	\$1,490,156,765	\$1,155,450,960	(\$334,705,805)	(22.5%)
Tax and fee revenues						
Sales and use tax	\$1,823,991,775	\$2,130,643,947	\$2,446,300,000	\$2,544,000,000	\$97,700,000	4.0%
Motor vehicle excise tax	259,690,121	308,681,830	171,000,000	174,983,501	3,983,501	2.3%
Individual income tax	817,553,868 ²	938,772,561 ²	776,200,000 ²	894,000,000 ²	117,800,000	15.2%
Corporate income tax	238,409,986 ³	521,695,566 ³	537,600,000 ³	515,000,000 ³	(22,600,000)	(4.2%)
Oil and gas taxes	400,000,000 ⁴	400,000,000 ⁴	460,000,000 ⁴	500,000,000 ⁴	40,000,000	8.7%
Coal conversion tax	42,665,908	0	0	0	0	N/A
Cigarette and tobacco tax	49,907,878	45,100,319	40,370,681	40,676,670	305,989	0.8%
Wholesale liquor tax	18,727,698	20,342,214	21,420,491	21,172,640	(247,851)	(1.2%)
Gaming tax	30,860,614	36,019,390	45,094,225	43,180,000	(1,914,225)	(4.2%)
Insurance premium tax	102,357,095	132,862,128	120,759,909	113,425,000	(7,334,909)	(6.1%)
Departmental collections	89,199,565	79,090,950	85,909,138	78,308,597	(7,600,541)	(8.8%)
Interest income	16,595,489	22,715,104	144,648,180	62,000,000	(82,648,180)	(57.1%)
Mineral leasing fees	41,163,048	87,773,041	79,785,613	70,000,000	(9,785,613)	(12.3%)
Total tax and fee revenues	\$3,931,123,045	\$4,723,697,050	\$4,929,088,237	\$5,056,746,408	\$127,658,171	2.6%
Transfers and other sources						
Transfer - Bank of North Dakota profits	\$140,000,000 ⁵	\$140,000,000 ⁵	\$140,000,000 ⁵	\$140,000,000 ⁵	\$0	0.0%
Transfer - Mill and Elevator Association profits	11,817,493 ⁶	15,160,126 ⁶	18,377,705 ⁶	20,000,000 ⁶	1,622,295	8.8%
Transfer - Lottery	10,400,000	13,000,000	13,959,572	14,039,806	80,234	0.6%
Transfer - Gas tax administration	1,991,418	1,873,744	1,844,424	1,761,168	(83,256)	(4.5%)
Transfer - Budget stabilization fund (Interest)	5,944,245	0	103,143,877	96,614,000	(6,529,877)	(6.3%)
Transfer - Legacy earnings fund	0 ⁷	0 ⁷	254,474,088 ⁷	0 ⁷	(254,474,088)	(100.0%)
Transfer - Legacy fund	871,687,384 ⁷	0 ⁷	0 ⁷	0 ⁷	0	N/A
Transfer - Strategic investment and improvements fund	764,400,000 ⁸	410,000,000 ⁸	50,000,000 ⁸	0 ⁸	(50,000,000)	(100.0%)
Transfer - Tax relief fund	8,600,000 ⁹	0	0	0	0	N/A
Transfer - Research North Dakota fund	422,544 ¹⁰	0	0	0	0	N/A
Transfer - Other	5,518,193	16,111,016	10,998,702	0	(10,998,702)	(100.0%)
Total transfers and other sources	\$1,820,781,277	\$596,144,886	\$592,798,368	\$272,414,974	(\$320,383,394)	(54.0%)
Total general fund revenues	\$5,816,904,322	\$6,442,195,281	\$7,012,043,370	\$6,484,612,342	(\$527,431,028)	(7.5%)

¹ These amounts reflect the 2025 legislative revenue forecast (March 2025) and final legislative action.

² The amount shown for the 2019-21 biennium includes an estimated reduction of \$7.3 million for an income tax deduction for the taxable portion of Social Security benefits for eligible individuals. The amount shown for the 2023-25 biennium includes an estimated reduction of \$358.3 million of individual income tax relief by exempting income in the first bracket from taxation, consolidating the five income tax brackets into three brackets, and decreasing the income tax rates; an estimated reduction of \$2.4 million related to a tax credit for a 21st century manufacturing and animal agriculture workforce incentive; and an estimated reduction of \$4 million for an expanded individual income tax deduction for military pay. The 2021-23 and 2025-27 bienniums do not include any major reductions to individual income tax collections.

³ The amount shown for the 2023-25 biennium includes an estimated reduction of \$3.6 million related to a tax credit for a 21st century manufacturing and animal agriculture workforce incentive. The 2019-21, 2021-23, and 2025-27 bienniums do not include any major reductions to corporate income tax collections.

⁴ The 2011 Legislative Assembly created North Dakota Century Code Section 57-51.1-07.5 to designate the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1. For the 2011-13 biennium through the 2015-17 biennium, the designations included allocations totaling \$300 million to the general fund. For the 2017-19 biennium through the 2021-23 biennium, the designations included allocations totaling \$400 million to the general fund. For the 2023-25 biennium, the designations included allocations totaling \$460 million to the general fund. The 2025 Legislative Assembly amended the section to provide \$500 million of allocations to the general fund for the 2025-27 biennium and subsequent bienniums.

The amounts shown for the oil and gas tax collections for the 2023-25 and 2025-27 bienniums reflect the 2025 legislative revenue forecast. The state's share of oil and gas tax collections are estimated to total \$1,804.9 million for the 2023-25 biennium, including \$460 million of allocations to the general fund. The state's share of oil and gas tax collections are estimated to be \$1,308.1 million for the 2025-27 biennium, including \$500 million of allocations to the general fund. The "2025-27 Biennium Oil and Gas Tax Revenue Allocation Flowchart" section of this report provides more detailed information on the allocation of oil and gas tax revenue.

⁵ The Legislative Assembly provided for transfers of \$140 million for the 2019-21, 2021-23, 2023-25, and 2025-27 bienniums in House Bill No. 1014 (2019), Senate Bill No. 2014 (2021), House Bill No. 1014 (2023), and Senate Bill No. 2014 (2025) respectively.

⁶ The 2009 Legislative Assembly repealed the \$5 million transfer from the Mill and Elevator Association for the 2007-09 biennium and provided for future transfers from the Mill and Elevator based on a percentage of mill profits. The amounts shown reflect a transfer of 50 percent of the profits.

⁷ Based on the original provisions of Section 26 of Article X of the Constitution of North Dakota, investment earnings accruing after June 30, 2017, were transferred to the general fund at the end of each biennium. Section 21-10-12 provided that the investment earnings were the realized earnings of the fund. Senate Bill No. 2330 (2023) amended the section to define earnings as a percent of market value based on 7 percent of the 5-year average value of the legacy fund. As approved by the voters in November 2024, a constitutional amendment to Section 26 of Article X of the Constitution of North Dakota provides for a distribution from the legacy fund to the legacy earnings fund at the beginning of each biennium. House Bill No. 1176 (2025) creates a legacy property tax relief fund, and House Bill No. 1176 (2025) and Senate Bill No. 2012 (2025) provide for a distribution of 8 percent of the 5-year average value of the legacy fund to the legacy earnings fund and allocate the funding for bond payments, the highway fund, and the property tax relief fund. As a result, no legacy fund earnings are distributed to the general fund.

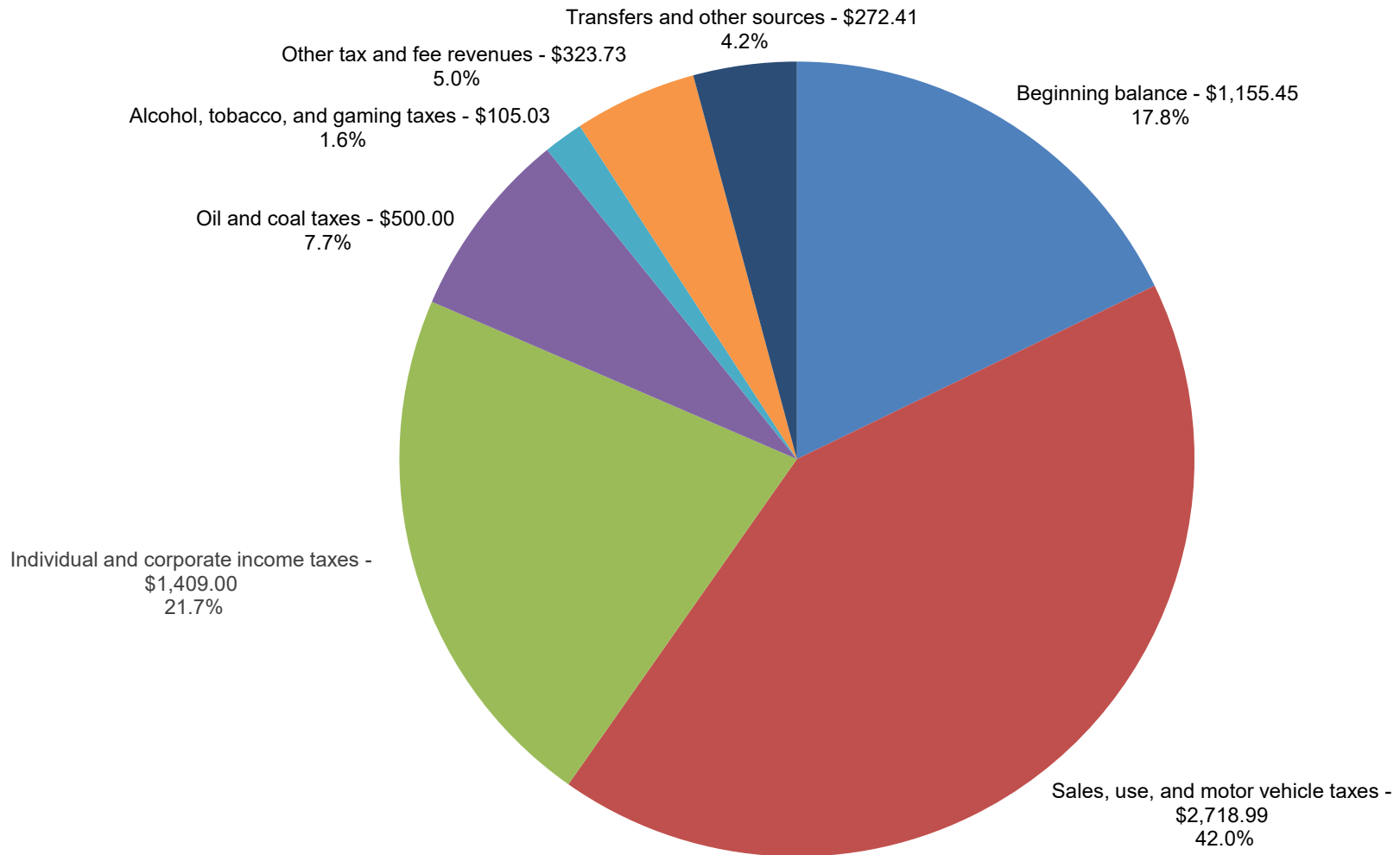
The 2019 Legislative Assembly recognized legacy fund earnings of \$100 million for budgeting purposes to be deposited in the general fund at the end of the 2019-21 biennium, but the 2021 Legislative Assembly revised the estimate to \$736 million in House Bill No. 1015 (2021). The amount shown for the 2019-21 biennium reflects the actual transfer to the general fund. In House Bill No. 1380 (2021), the Legislative Assembly provided for the legacy fund earnings to be immediately transferred from the general fund to a legacy earnings fund, and as a result, no legacy fund earnings are reflected for the 2021-23 and 2023-25 bienniums. House Bill No. 1379 (2023) provided for a \$225 million transfer from the legacy earnings fund to the general fund for tax relief and transferred 50 percent of any remaining earnings (\$29,474,088) to the general fund.

⁸ Transfers from the strategic investment and improvements fund to the general fund include \$764.4 million in Senate Bill No. 2015 (2019) for the 2019-21 biennium, \$410 million in House Bill No. 1015 (2021) for the 2021-23 biennium, and \$50 million in Senate Bill No. 2015 (2023) for the 2023-25 biennium. The 2025 Legislative Assembly did not transfer any funding from the strategic investment and improvements fund to the general fund for the 2025-27 biennium.

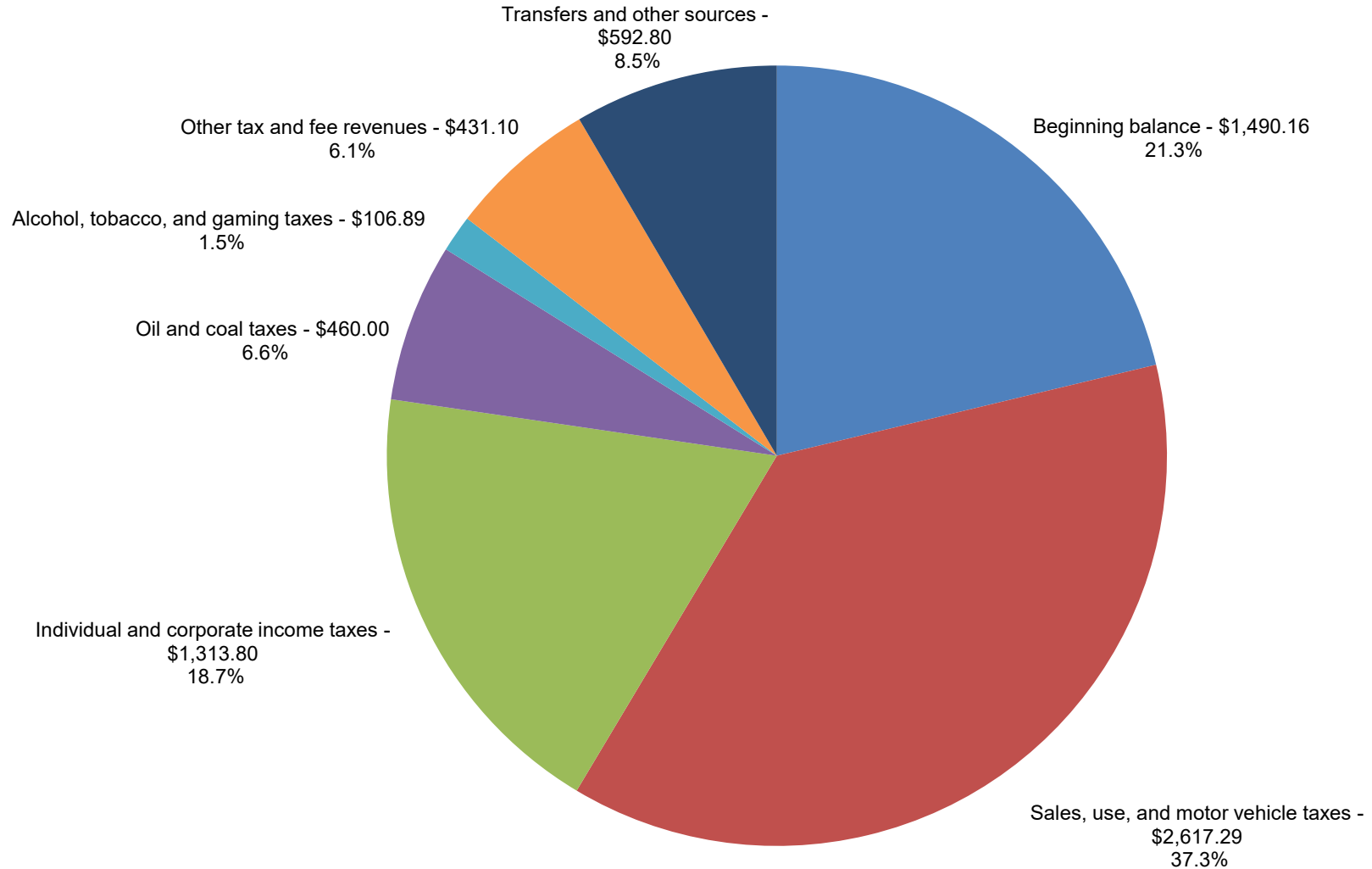
⁹ Senate Bill No. 2015 (2019) transferred \$8.6 million from the tax relief fund to the general fund for the 2019-21 biennium.

¹⁰ Senate Bill No. 2224 (2019) transferred the remaining balance in the Research North Dakota fund to the general fund at the end of the 2019-21 biennium, which was estimated to total \$581,000. The amount shown for the 2019-21 biennium reflects the actual amount transferred.

2025-27 BIENNIUM GENERAL FUND REVENUES
Total 2025-27 Estimated General Fund Revenues - \$6,484,612,342
(Amounts Shown in Millions)



2023-25 BIENNIUM GENERAL FUND REVENUES
Total 2023-25 Estimated General Fund Revenues - \$7,012,043,370
(Amounts Shown in Millions)



SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS FOR THE 2023-25 BIENNIUM

Bill No.	Description	General Fund	Other Funds	Total
HB 1015	Office of Management and Budget - New and vacant FTE pool (\$3,000,000) and Uniform Law Commission expenses (\$45,000)	\$3,045,000		\$3,045,000
HB 1024	Deficiency appropriations for state agencies as follows:			
	Governor's office - Salaries and wages (\$50,000) and operating expenses (\$20,000) related to transition costs	70,000		70,000
	Office of Management and Budget - Operating expenses related to the Risk Management Division, Shared Services Division, and Facility Management Division		\$195,000	195,000
	Attorney General - Additional funding for the statewide litigation funding pool (\$3,000,000) and prosecution witness fees (\$50,000)	3,050,000		3,050,000
	Department of Public Instruction - Federal grants for special education and school food programs		30,000,000	30,000,000
	Department of Corrections and Rehabilitation - Excess population costs	11,500,000		11,500,000
	Adjutant General - Loan interest repayment for law enforcement costs (\$1,763,490) and loan repayment for disaster costs (\$4,294,789)	6,058,279		6,058,279
	Department of Water Resources - Line of credit repayment for the water infrastructure revolving loan fund		10,000,000	10,000,000
SB 2014	Industrial Commission - Payment of an outstanding invoice related to a hydrogen energy research project	627,587		627,587
SB 2025	Department of Veterans' Affairs - Federal funds for the highly rural transportation grant program		200,000	200,000
Total supplemental and deficiency appropriations for the 2023-25 biennium		\$24,350,866	\$40,395,000	\$64,745,866

OTHER FUNDS MAJOR TAX AND FEE CHANGES

SUMMARY

The schedule below summarizes bills approved by the 2025 Legislative Assembly with major tax or fee changes affecting other funds for the 2025-27 biennium.

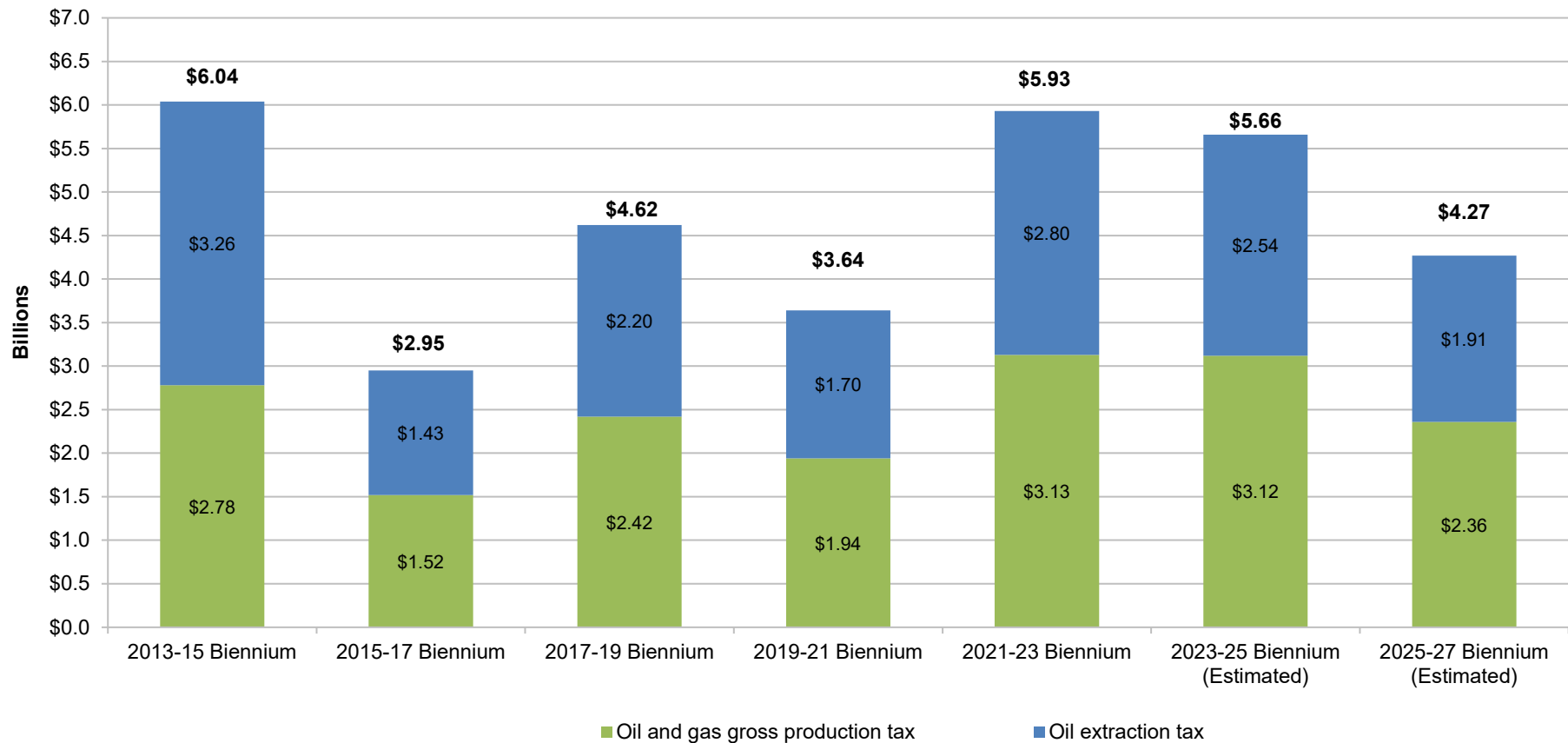
Bill No.	Description	Estimated Impact - Other Funds
HB 1086	Insurance Commissioner - Amends fees charged by the State Fire Marshal and deposits the revenue in the insurance regulatory trust fund rather than the reduced cigarette ignition propensity fund with excess revenues transferred to the general fund at the end of the biennium	(\$77,000)
HB 1113	Public Employees Retirement System - Authorizes the Public Employees Retirement System to charge participating state employees for the cost of administering the deferred compensation plan	\$900,000
HB 1123	Insurance Commissioner - Increases fees charged by the Insurance Commissioner which are deposited in the insurance regulatory trust fund and then transferred to the general fund each fiscal year	\$1,459,020
HB 1281	Department of Transportation - Allows fire departments to receive a refund of taxes paid on the purchase of motor vehicle fuel, special fuel, and aviation fuel	Cannot be determined
HB 1417	Judicial branch and Commission on Legal Counsel for Indigents - Repeals various court and indigent defense fees	(\$1,810,000)
HB 1470	Game and Fish Department - Increases hunting and fishing license fees	\$7,370,000
HB 1584	Insurance Commissioner - Requires the Insurance Commissioner to charge pharmacy benefit managers an initial application fee	Cannot be determined
SB 2057	Judicial branch - Increases the amount of various court fees charged by the judicial branch	\$374,704
SB 2082	Department of Emergency Services - Increases fees charged by the Department of Emergency Services Division of Homeland Security for the state hazardous chemical fee system, which are deposited in the state hazardous chemicals preparedness and response fund	\$582,300
SB 2133	Department of Transportation - Requires the Department of Transportation to issue blackout license plates and to charge related fees	\$2,907,537
SB 2216	Game and Fish Department - Establishes a waterfowl habitat restoration stamp fee for resident small game licenses and deposits the revenue in a newly created waterfowl habitat improvement fund	\$400,000
SB 2267	Department of Environmental Quality - Allows the Department of Environmental Quality to charge fees for wastewater treatment system licenses for deposit in the department's operating fund	\$100,000

OIL AND GAS TAX REVENUE SUMMARY

TOTAL OIL AND GAS TAX REVENUE COLLECTIONS

Based on the 2025 legislative revenue forecast, total 2025-27 biennium oil and gas tax revenues, including the oil and gas gross production tax and the oil extraction tax, are estimated to be \$4,269.5 million, which is \$1,393 million, or 24.6 percent, less than total 2023-25 biennium estimated revenues of \$5,662.5 million.

	Actual					Estimated	
	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium
Oil and gas gross production tax	\$2,778,556,383	\$1,517,963,563	\$2,415,030,017	\$1,943,976,304	\$3,128,666,170	\$3,118,220,000	\$2,363,480,000
Oil extraction tax	3,265,069,245	1,429,726,986	2,200,713,527	1,695,208,601	2,804,209,249	2,544,310,000	1,906,030,000
Total	\$6,043,625,628	\$2,947,690,549	\$4,615,743,544	\$3,639,184,905	\$5,932,875,419	\$5,662,530,000	\$4,269,510,000

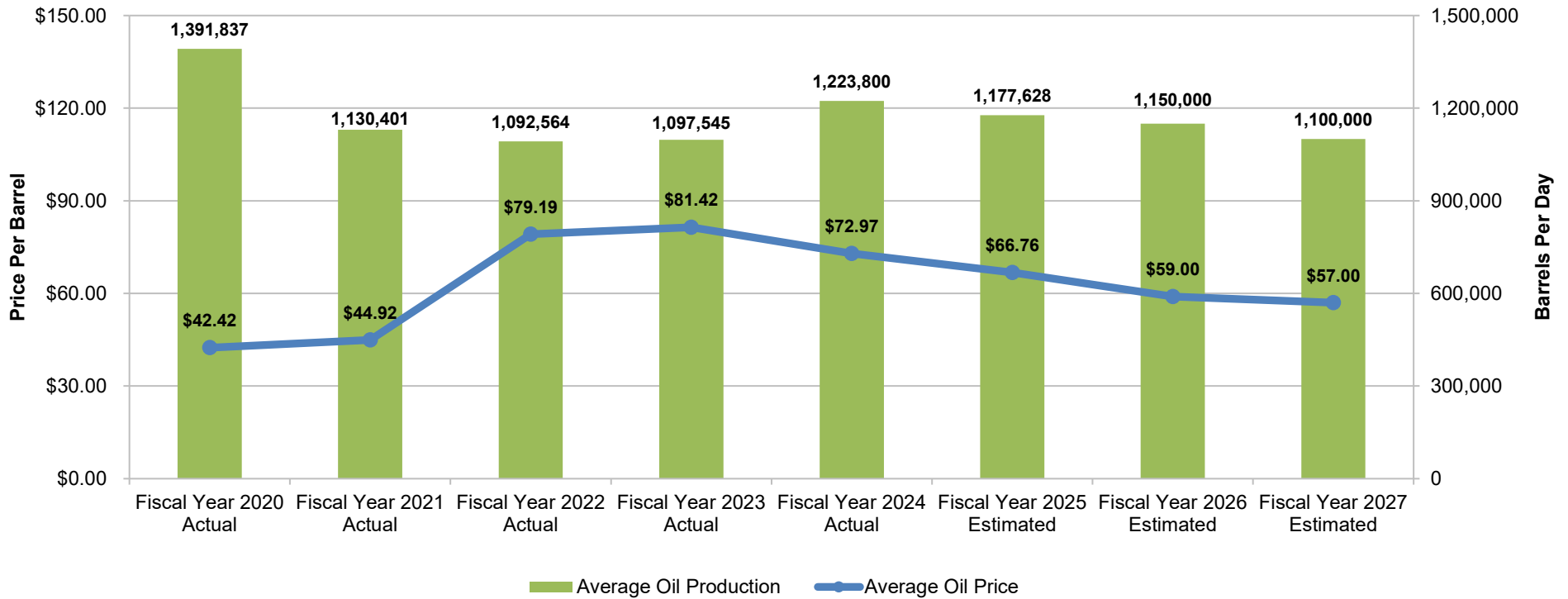


NOTE: In House Bill No. 1476 (2015), the Legislative Assembly repealed the provisions of the "large trigger" effective with December 2015 oil production and changed the oil extraction tax rate from 6.5 to 5 percent effective with January 2016 oil production. The oil and gas gross production tax rate was not changed and remains at 5 percent.

OIL PRODUCTION AND OIL PRICE

Oil Production and Oil Price Trends

Based on the 2025 legislative revenue forecast, oil and gas tax revenue collections for the remainder of the 2023-25 biennium reflect average daily oil production remaining at 1.15 million barrels per day and North Dakota oil prices remaining at \$62 per barrel. Oil and gas tax revenue collections for the 2025-27 biennium reflect average daily oil production decreasing from 1.15 million barrels per day (1st year) to 1.1 million barrels per day (2nd year) during the biennium and reflect oil prices decreasing from \$59 per barrel (1st year) to \$57 per barrel (2nd year) during the biennium.



	2019-21 Biennium		2021-23 Biennium		2023-25 Biennium		2025-27 Biennium	
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
Average daily oil production (barrels per day)	1,391,837	1,130,401	1,092,564	1,097,545	1,223,800	1,177,628	1,150,000	1,100,000
Average daily oil price (per barrel)	\$42.42 ¹	\$44.92 ¹	\$79.19 ²	\$81.42 ²	\$72.97 ²	\$66.76 ³	\$59.00 ³	\$57.00 ³
¹ These amounts reflect the average of the Flint Hills Resources prices and the West Texas Intermediate prices.								
² These amounts reflect the North Dakota oil prices reported by the Tax Department.								
³ These amounts reflect the forecast for North Dakota oil prices.								

NOTE: Monthly oil tax revenue allocations reflect oil prices and oil production from 2 months prior. For example, June 2025 oil prices and oil production relate to August 2025 oil tax revenue allocations. As a result, the fiscal year averages are based on the oil prices and oil production for the period June through May.

2025-27 Biennium Oil Production and Oil Price Changes

Based on the **oil prices** in the 2025 legislative revenue forecast for the 2025-27 biennium:

- For every 100,000 barrels of variance from the forecast, the total 2025-27 biennium oil and gas tax revenue collections would change by \$379.4 million.
- For example, if oil production was 1.25 million barrels per day (1st year) and 1.2 million barrels per day (2nd year) during the 2025-27 biennium, rather than 1.15 million (1st year) and 1.1 million (2nd year) as forecasted, the total 2025-27 biennium oil and gas tax revenue collections would increase by \$379.4 million, from \$4,269.5 million to \$4,648.9 million.

Based on the **oil production levels** in the 2025 legislative revenue forecast for the 2025-27 biennium:

- For every \$1 of variance from the forecast, the total 2025-27 biennium oil and gas tax revenue collections would change by \$73.6 million.
- For example, if oil prices were \$60 per barrel (1st year) and \$58 per barrel (2nd year) during the 2025-27 biennium, rather than \$59 per barrel (1st year) and \$57 per barrel (2nd year) as forecasted, the total 2025-27 biennium oil and gas tax revenue collections would increase by \$73.6 million, from \$4,269.5 million to \$4,343.1 million.

OIL AND GAS TAX CHANGES

Changes to the oil and gas taxes, as approved by the 2025 Legislative Assembly, were included in House Bill No. 1483 and Senate Bill No. 2397.

- **House Bill No. 1483** - Expands an oil extraction tax exemption for wells drilled outside the Bakken and Three Forks Formations. The estimated impact of the expanded exemption cannot be determined.
- **Senate Bill No. 2397** - Expands an exemption for gas used at the well site, creates an exemption for gas produced from an enhanced oil recovery project, and creates an exemption for the first 250,000 barrels of oil produced during the first 36 months from a development incentive well. The estimated impact of the exemptions well cannot be determined.

OIL AND GAS TAX ALLOCATION CHANGES

Changes to the oil and gas tax allocation formulas, as approved by the 2023 Legislative Assembly, were included in Senate Bill Nos. 2012 and 2323.

- **Senate Bill No. 2012** - Decreases the allocations to the municipal infrastructure fund and the county and township infrastructure fund by \$35 million each, from \$115 million to \$80 million, allocates funding to the municipal infrastructure fund and county and township infrastructure fund before the allocation to the Public Employees Retirement System fund, and removes an allocation of \$400 million to the strategic investment and improvements fund.
- **Senate Bill No. 2323** - Limits the allocations to the North Dakota outdoor heritage fund to \$7.5 million per fiscal year for the 2025-27 biennium only, allocates an additional \$7.5 million per biennium to the oil and gas research fund for the 2025-27 biennium only, provides an additional allocation for hub city debt relief, and increases the general fund allocation by \$40 million, from \$460 million to \$500 million.

The flowchart on pages B-20 through B-22 of this report provides more detailed information on the allocation of oil and gas tax revenue.

OIL AND GAS TAX ALLOCATIONS FROM THE 2019-21 BIENNIUM TO THE 2025-27 BIENNIUM

Allocations	Actual		Estimated ¹		2025-27 Biennium Increase (Decrease) Compared to the 2023-25 Biennium	
	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	Amount	Percentage
Three Affiliated Tribes	\$419,460,520 ²	\$688,468,099 ²	\$490,880,000 ²	\$380,600,000 ²	(\$110,280,000)	(22.5%)
Legacy fund	965,917,312 ³	1,576,253,276 ³	1,554,030,000 ³	1,168,690,000 ³	(385,340,000)	(24.8%)
North Dakota outdoor heritage fund	15,000,000 ⁴	15,000,000 ⁴	15,000,000 ⁴	15,000,000 ⁴	0	0.0%
Abandoned well reclamation fund	11,504,524 ⁵	15,641,051 ⁵	15,000,000 ⁵	14,480,000 ⁵	(520,000)	(3.5%)
Political subdivisions*	542,393,665 ⁶	806,776,494 ⁶	820,140,000 ⁶	657,280,000 ⁶	(162,860,000)	(19.9%)
Common schools trust fund	149,035,303 ⁷	246,450,127 ⁷	231,510,000 ⁷	172,930,000 ⁷	(58,580,000)	(25.3%)
Foundation aid stabilization fund	149,035,303 ⁷	246,450,127 ⁷	231,510,000 ⁷	172,930,000 ⁷	(58,580,000)	(25.3%)
Resources trust fund	305,522,369 ⁸	505,222,762 ⁸	474,590,000 ⁸	354,510,000 ⁸	(120,080,000)	(25.3%)
Oil and gas research fund	16,000,000 ⁹	14,500,000 ⁹	17,500,000 ⁹	17,500,000 ⁹	0	0.0%
State energy research center fund	5,000,000	5,000,000	7,500,000 ¹⁰	7,500,000 ¹⁰	0	0.0%
General fund	400,000,000	400,009,722	460,000,000	500,000,000 ¹¹	40,000,000	8.7%
Tax relief fund or social service fund	200,000,000	200,000,000	250,000,000	250,000,000 ¹¹	0	0.0%
Budget stabilization fund	48,431,258	9,646,249	0	0 ¹¹	0	N/A
Lignite research fund	10,000,000	10,000,000	10,000,000	10,000,000 ¹¹	0	0.0%
State disaster relief fund	0	15,511,903	8,450,000	7,560,000 ¹¹	(890,000)	(10.5%)
Municipal infrastructure fund	29,875,000	115,000,000	115,000,000	80,000,000 ¹¹	(35,000,000)	(30.4%)
County and township infrastructure fund	0	115,000,000	115,000,000	80,000,000 ¹¹	(35,000,000)	(30.4%)
Public Employees Retirement System fund	0	0	65,000,000	65,000,000 ¹¹	0	0.0%
Airport infrastructure fund	0	20,000,000	20,000,000	20,000,000 ¹¹	0	0.0%
Strategic investment and improvements fund	372,009,651	927,945,609	761,420,000	295,530,000 ¹¹	(465,890,000)	(61.2%)
Total oil and gas tax allocations	\$3,639,184,905	\$5,932,875,419	\$5,662,530,000	\$4,269,510,000	(\$1,393,020,000)	(24.6%)

*The amounts shown for the allocations to political subdivisions include the following:

	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	Amount	Percentage
Hub cities	\$85,833,356	\$108,467,403	\$110,560,000	\$114,250,000	\$3,690,000	3.3%
Hub city schools	15,153,739	20,326,087	20,790,000	17,140,000	(3,650,000)	(17.6%)
Counties	284,929,967	442,533,499	450,810,000	342,300,000	(108,510,000)	(24.1%)
Cities	95,470,401	148,932,242	151,060,000	115,010,000	(36,050,000)	(23.9%)
Schools	41,830,063	57,865,080	57,340,000	46,300,000	(11,040,000)	(19.3%)
Townships	19,176,139	28,652,183	29,580,000	22,280,000	(7,300,000)	(24.7%)
Total political subdivisions	\$542,393,665	\$806,776,494	\$820,140,000	\$657,280,000	(\$162,860,000)	(19.9%)

¹ These amounts reflect the 2025 legislative revenue forecast (March 2025) and final legislative action.

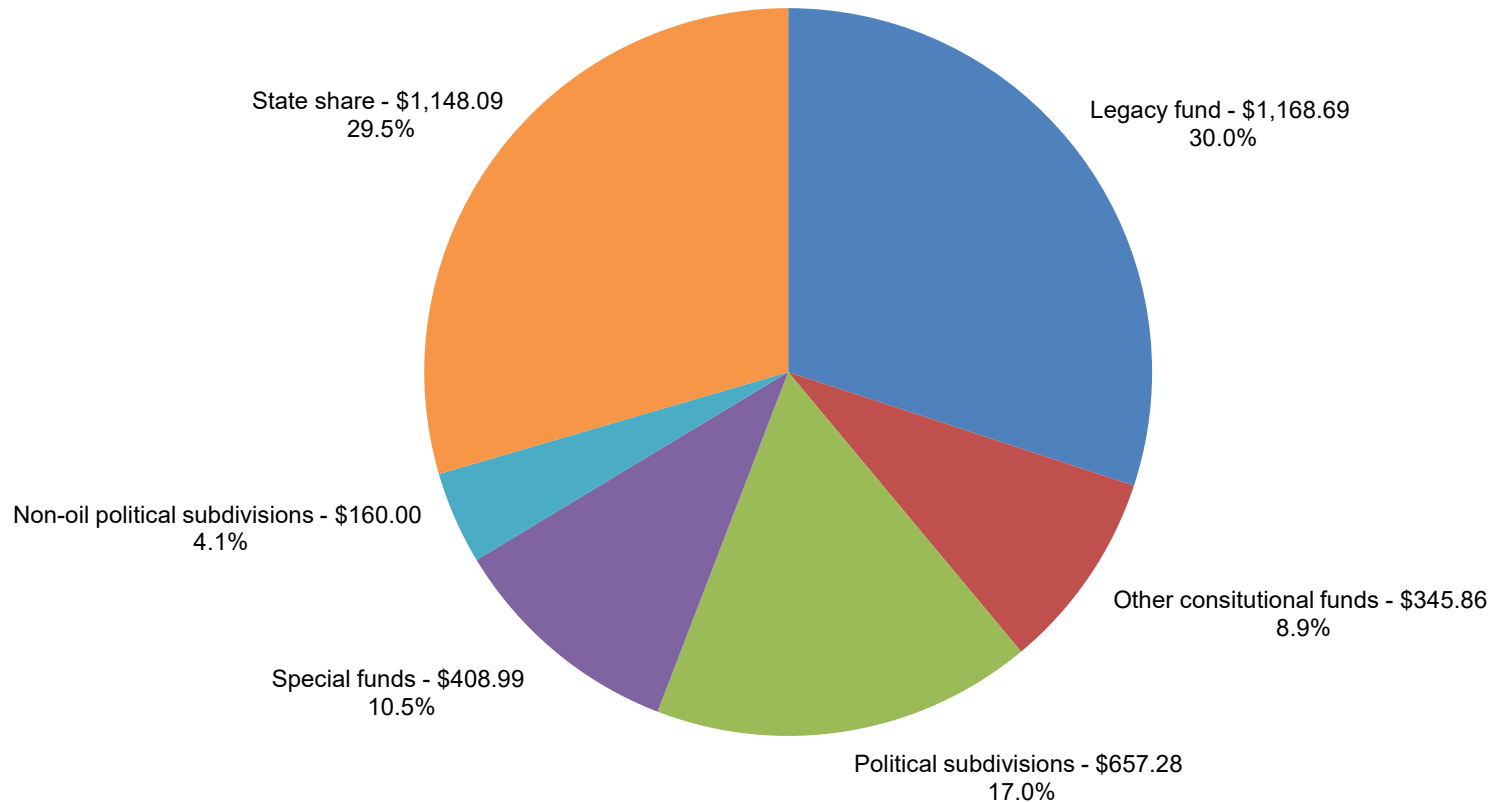
² The Legislative Assembly in House Bill No. 1198 (2013) amended North Dakota Century Code Section 57-51.2-02 to allocate revenue from tribal lands 50 percent to the state and 50 percent to the Three Affiliated Tribes of the Fort Berthold Reservation. The bill also eliminated the 5-year oil extraction tax exemption for wells drilled on tribal lands after June 30, 2013. Senate Bill No. 2362 (2019) increased the revenue allocation to the Three Affiliated Tribes providing 80 percent of the trust land revenue and 20 percent of the nontrust land revenue to the tribes with the remaining 20 percent of trust land revenue and 80 percent of nontrust land revenue allocated to the state. Senate Bill No. 2319 (2021) provided an allocation to the Three Affiliated Tribes from wells that cross into a reservation.

- ³ The passage of Constitutional Measure No. 1 in the November 2010 general election resulted in the creation of a legacy fund. Beginning July 1, 2011, the legacy fund receives an allocation of 30 percent of oil and gas gross production and oil extraction taxes.
- ⁴ The Legislative Assembly in House Bill No. 1278 (2013) amended Section 57-51-15 to provide an allocation of 4 percent of the first 1 percent of oil and gas gross production tax revenue, to a newly created North Dakota outdoor heritage fund with an annual funding limit of \$15 million, or \$30 million per biennium. The Legislative Assembly in House Bill No. 1176 (2015) increased the allocation to 8 percent with an annual funding limit of \$20 million. House Bill No. 1014 (2019), Senate Bill No. 2014 (2021), and House Bill No. 1014 (2023) limited the allocations to \$7.5 million per fiscal year for the 2019-21, 2021-23, and 2023-25 bienniums. **Senate Bill No. 2323 (2025) limits the allocations to \$7.5 million per fiscal year for the 2023-25 biennium.**
- ⁵ House Bill No. 1333 (2013) amended Section 57-51-15 to provide for 4 percent of the first 1 percent of oil and gas gross production tax to be allocated to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding \$5 million per state fiscal year and not in an amount that would bring the balance of the fund to more than \$75 million. In House Bill No. 1032 (2015), the Legislative Assembly increased the allocation limit from \$5 million to \$7.5 million per fiscal year and increased the fund balance limit from \$75 million to \$100 million. House Bill No. 1014 (2019) decreased the fund balance limit from \$100 million to \$50 million. Senate Bill No. 2059 (2023) increases the fund balance limit from \$50 million to \$100 million through the 2025-27 biennium.
- ⁶ Section 57-51-15 provides a formula for distribution of the oil and gas gross production tax to counties and other political subdivisions. In House Bill No. 1358 (2013), the Legislative Assembly changed the formula to provide 100 percent of the first \$5 million of revenue and 25 percent of all revenue over \$5 million to the county. In House Bill No. 1176 (2015), the Legislative Assembly increased the county allocation of revenue over \$5 million by 5 percent to provide 30 percent of all revenue over \$5 million to the county. House Bill No. 1066 (2019) changed the allocations to hub cities, hub city school districts, and school district supplement and adjusted the allocation percentages for the distributions to townships and hub city school districts. **Senate Bill No. 2323 (2025) provides an additional allocation for hub city debt relief.**
- For a county that receives less than \$5 million annually of oil tax allocations, 45 percent of all revenues allocated to a county is distributed to the county general fund, 20 percent to incorporated cities in the county based on population, and 35 percent to school districts within the county based on average daily attendance. For a county that receives \$5 million or more, 60 percent of all revenues allocated to a county is distributed to the county general fund, 20 percent to incorporated cities in the county based on population, 5 percent to school districts within the county based on average daily attendance, 4 percent to townships in the county based on the proportion of township road miles, 9 percent to hub cities based on an impact score, and 2 percent to hub city school districts based on an impact score.
- ⁷ The Legislative Assembly passed Senate Concurrent Resolution No. 4011 (1993), and the voters approved the constitutional measure in the November 1994 general election. The constitutional measure allocates 10 percent of the oil extraction tax revenues to the common schools trust fund and 10 percent to the foundation aid stabilization fund. Senate Bill No. 2362 (2019) changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocations to the common schools trust fund and foundation aid stabilization fund.
- ⁸ Senate Bill No. 2014 (2013) provided an allocation of 5 percent of the oil extraction tax revenue deposited in the resources trust fund, not to exceed \$3 million, to the renewable energy development fund and an allocation of .5 percent of the oil extraction tax revenue deposited in the resources trust fund, not to exceed \$1.2 million, to a newly created energy conservation fund. House Bill No. 1020 (2017) decreased the percentage transferred to the renewable energy development fund from 5 to 3 percent and limits the allocations to the energy conservation fund to \$200,000 only for the 2017-19 biennium.
- Section 61-02-78 (Senate Bill No. 2233 (2013)) established an infrastructure revolving loan fund within the resources trust fund, which became effective January 1, 2015. The fund received 10 percent of the oil extraction tax revenue deposited in the resources trust fund, which were available to provide loans for water supply, flood protection, or other water development and water management projects. House Bill No. 1020 (2017) limited the total amount deposited in the infrastructure revolving loan fund to \$26 million. House Bill No. 1431 (2021) repealed the infrastructure revolving loan fund within the resources trust fund and transferred all remaining loans to a water infrastructure revolving loan fund.
- Senate Bill No. 2362 (2019) changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands and provided an additional .5 percent allocation to the resources trust fund as an adjustment for prior period allocations both of which result in an increase in the allocations to the fund.
- ⁹ Section 57-51.1-07.3 (Senate Bill No. 2311 (2003)) establishes an oil and gas research fund and provides 2 percent of the state's share of oil and gas gross production tax and oil extraction tax revenues, up to \$4 million per biennium, are to be deposited in the oil and gas research fund. The Legislative Assembly in Senate Bill No. 2014 (2013) increased the allocation to \$10 million per biennium. House Bill No. 1014 (2019) increased the allocations to the fund by \$6 million, from \$10 million to \$16 million, for the 2019-21 biennium. Senate Bill No. 2014 (2021) increased the allocations to the fund by \$4.5 million, from \$10 million to \$14.5 million, for the 2021-23 biennium. **House Bill No. 1014 (2023) and Senate Bill No. 2323 (2025) increase the allocations to the fund by \$7.5 million, from \$10 million to \$17.5 million, for the 2023-25 and 2025-27 bienniums.**

¹⁰ Senate Bill No. 2249 (2019) created a state energy research center fund and provided an allocation of 1 percent of the state's share of oil and gas tax revenue, up to \$5 million per biennium, to the fund for the Industrial Commission to distribute to the State Energy Center for research projects. Senate Bill No. 2161 (2023) increased the allocation to provide up to \$7.5 million per biennium through the 2027-29 biennium.

¹¹ The 2011 Legislative Assembly created a new section to Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1. House Bill No. 1066 (2019) changed the allocations to provide \$400 million to the general fund; increased the allocation to the lignite research fund by \$7 million, from \$3 million to \$10 million; and allocated up to \$115 million to a newly created municipal infrastructure fund, up to \$115 million to a newly created county and township infrastructure fund, and \$20 million to a newly created airport infrastructure fund. Senate Bill No. 2016 (2019) decreased the allocation to the state disaster relief fund from up to \$20 million to up to \$15 million. House Bill No. 1015 (2021) and Senate Bill No. 2249 (2021) increased the allocation limit for the state disaster relief fund by \$5 million, from \$15 million to \$20 million. House Bill No. 1015 (2021) aligned the allocations to the municipal infrastructure fund and the county and township infrastructure fund to provide allocations to the two funds at the same time after the initial allocation to the strategic investment and improvements fund. House Bill No. 1040 (2023) added a new allocation of \$65 million to the Public Employees Retirement System fund for the main retirement plan. Senate Bill No. 2367 (2023) adjusted the allocations to increase the allocation to the general fund from \$400 million to \$460 million and to increase the allocation to the social service fund, which was previously the tax relief fund, from \$200 million to \$250 million. **Senate Bill No. 2323 (2025) amends the state's share of oil and gas tax revenues to increase the allocation to the general fund by \$40 million, from \$460 million to \$500 million. Senate Bill No. 2012 (2025) decreases the allocations to the municipal infrastructure fund and the county and township infrastructure fund by \$35 million each, from \$115 million to \$80 million, allocates funding to the municipal infrastructure fund and county and township infrastructure fund before the allocation to the Public Employees Retirement System fund, and removes an allocation of \$400 million to the strategic investment and improvements fund.**

2025-27 BIENNIUM OIL AND GAS TAX REVENUE ALLOCATIONS
Total 2025-27 Estimated Oil and Gas Tax Revenues Excluding Tribal Allocations - \$3,888,910,000
(Amounts Shown in Millions)



NOTES:

Oil and gas tax revenue collections - 2025-27 biennium oil and gas tax revenue collections total \$4,269,510,000, including \$380,600,000 of allocations to the Three Affiliated Tribes of the Fort Berthold Reservation and \$3,888,910,000 of remaining collections.

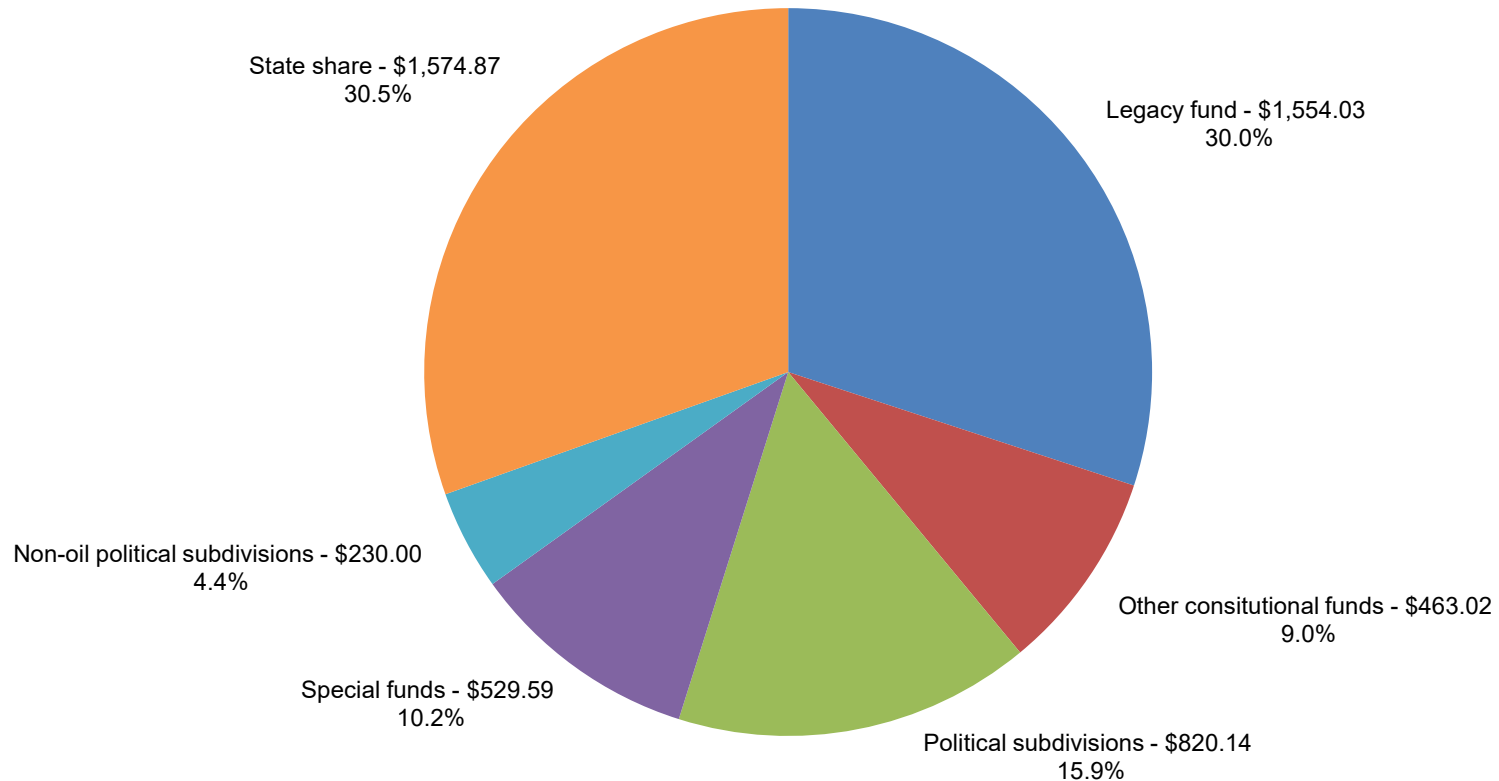
Other constitutional funds - Includes the common schools trust fund and foundation aid stabilization fund.

Special funds - Includes the North Dakota outdoor heritage fund, abandoned oil and gas well plugging and site reclamation fund, resources trust fund, oil and gas research fund, state energy research center fund, and airport infrastructure fund.

Non-oil political subdivisions - Includes the municipal infrastructure fund and county and township infrastructure fund.

State share - Includes the general fund, social services fund, budget stabilization fund, lignite research fund, state disaster relief fund, Public Employees Retirement System fund, and strategic investment and improvements fund.

2023-25 BIENNIUM OIL AND GAS TAX REVENUE ALLOCATIONS
Total 2023-25 Estimated Oil and Gas Tax Revenues Excluding Tribal Allocations - \$5,171,650,000
(Amounts Shown in Millions)



NOTES:

Oil and gas tax revenue collections - 2023-25 biennium oil and gas tax revenue collections total \$5,662,530,000, including \$490,880,000 of allocations to the Three Affiliated Tribes of the Fort Berthold Reservation and \$5,171,650,000 of remaining collections.

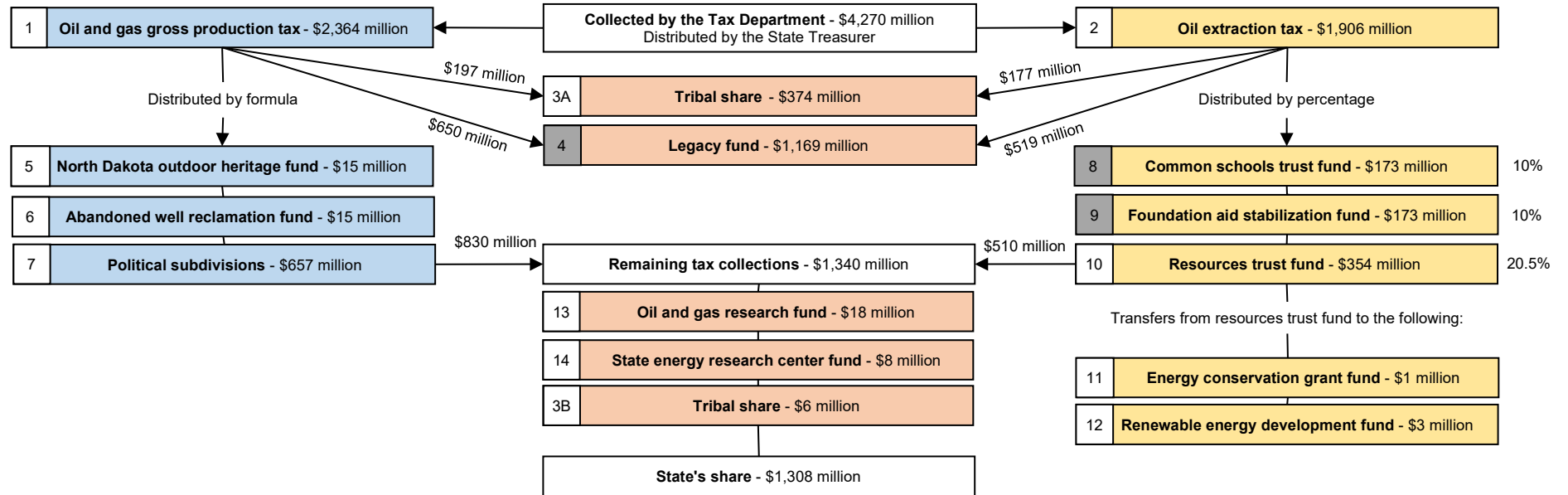
Other constitutional funds - Includes the common schools trust fund and foundation aid stabilization fund.

Special funds - Includes the North Dakota outdoor heritage fund, abandoned oil and gas well plugging and site reclamation fund, resources trust fund, oil and gas research fund, state energy research center fund, and airport infrastructure fund.

Non-oil political subdivisions - Includes the municipal infrastructure fund and county and township infrastructure fund.

State share - Includes the general fund, tax relief fund, budget stabilization fund, lignite research fund, state disaster relief fund, and strategic investment and improvements fund.

2025-27 BIENNIUM OIL AND GAS TAX REVENUE ALLOCATION FLOWCHART BASED ON THE 2025 LEGISLATIVE REVENUE FORECAST



Summary of Estimated 2025-27 Biennium Allocations		
		Total
3	Tribal share	\$380,600,000
4	Legacy fund	1,168,690,000
5	North Dakota outdoor heritage fund	15,000,000
6	Abandoned well reclamation fund	14,480,000
7	Political subdivisions	657,280,000
8	Common schools trust fund	172,930,000
9	Foundation aid stabilization fund	172,930,000
10	Resources trust fund (net deposits)	350,310,000
11	Energy conservation grant fund	1,200,000
12	Renewable energy development fund	3,000,000
13	Oil and gas research fund	17,500,000
14	State energy research center fund	7,500,000
15	General fund	500,000,000
16	Social service fund	250,000,000
17	Budget stabilization fund	0
18	Lignite research fund	10,000,000
19	State disaster relief fund	7,560,000
20	Municipal infrastructure fund	80,000,000
21	County and township infrastructure fund	80,000,000
22	Public Employees Retirement System fund	65,000,000
23	Airport infrastructure fund	20,000,000
24	Strategic investment and improvements fund	295,530,000
	Total	\$4,269,510,000

15A	General fund - First \$250 million - \$250 million
16	Social service fund - Next \$250 million - \$250 million
17	Budget stabilization fund - Next \$75 million if the fund balance does not exceed the limit - \$0
15B	General fund - Next \$250 million - \$250 million
18	Lignite research fund - Next \$10 million - \$10 million
19	State disaster relief fund - Next \$20 million if fund balance does not exceed \$20 million - \$8 million
20 21	Non-oil-producing political subdivision infrastructure funds 50 percent - Municipal infrastructure fund - \$80 million 50 percent - County and township infrastructure fund - \$80 million
22	Public Employees Retirement System fund - Next \$65 million - \$65 million
23	Airport infrastructure fund - Next \$20 million - \$20 million
24	Strategic investment and improvements fund - Any remaining revenues - \$295 million

A summary of the funds is shown on the following page.

The shading in the number boxes represents constitutional allocations

NOTE: The amounts shown are preliminary estimates. The actual amounts allocated for the 2025-27 biennium may differ significantly from these amounts based on actual oil price and oil production.

Box	Tax/Fund	Description
1	Oil and gas gross production tax	North Dakota Century Code Section 57-51-02 provides for a tax of 5 percent of the gross value at the well of oil produced in North Dakota unless exempted, and a tax on gas of four cents times the gas base rate adjustment for each fiscal year as calculated by the Tax Department. Senate Bill No. 2397 (2025) expands an exemption for gas used at the well site and creates an exemption for gas produced from an enhanced oil recovery project.
2	Oil extraction tax	Section 57-51.1-02, as amended by House Bill No. 1476 (2015), provides for a tax of 5 percent of the gross value at the well on the extraction of oil unless exempted. Prior to January 1, 2016, the oil extraction tax rate was 6.5 percent. Senate Bill No. 2328 (2021) provides an oil extraction tax credit for the use of an onsite flare mitigation system. House Bill No. 1483 (2025) expands an oil extraction tax exemption for wells drilled outside the Bakken and Three Forks Formations. Senate Bill No. 2397 (2025) creates an oil extraction tax exemption for the first 250,000 barrels of oil produced in the first 36 months from a development incentive well.
3A, 3B	Tribal share	Chapter 57-51.2 provides the requirements for allocating oil and gas tax related to the oil production within the Fort Berthold Reservation. The oil and gas tax revenues are allocated 50 percent to the state and 50 percent to the Three Affiliated Tribes of the Fort Berthold Reservation. Senate Bill No. 2319 (2021) provided an allocation to the Three Affiliated Tribes from wells that cross into a reservation.
4	Legacy fund	Section 26 of Article X of the Constitution of North Dakota provides for a deposit to the legacy fund of 30 percent of total revenue derived from taxes on oil and gas production and extraction.
5	North Dakota outdoor heritage fund	House Bill No. 1278 (2013) created the North Dakota outdoor heritage fund to preserve natural areas and public lands. House Bill No. 1176 (2015) amended Section 57-51-15 to provide 8 percent of revenues from the first 1 percent of the oil and gas gross production tax, up to \$20 million per fiscal year, be deposited in the fund. Senate Bill No. 2323 (2025) limits the allocations to \$7.5 million per fiscal year for the 2025-27 biennium, the same as the 2023-25 biennium.
6	Abandoned oil and gas well plugging and site reclamation fund	House Bill No. 1333 (2013) and House Bill No. 1032 (2015) amended Section 57-51-15 to increase the allocations to the abandoned oil and gas well plugging and site reclamation fund. Based on current law, 4 percent of the first 1 percent of oil and gas gross production tax is allocated to the fund not to exceed \$7.5 million per fiscal year and not in an amount that would bring the balance of the fund to more than \$100 million. House Bill No. 1014 (2019) decreased the maximum fund balance by \$50 million, from \$100 million to \$50 million. Senate Bill No. 2059 (2023) increased the fund balance limit from \$50 million to \$100 million through the 2025-27 biennium.
7	Political subdivisions	Oil and gas gross production taxes are distributed to political subdivisions under Section 57-51-15 as amended by Senate Bill No. 2013 (2017). House Bill No. 1066 (2019) changed the funding source for the allocations to hub cities, hub city school districts, and school districts for supplemental payments, and the bill also adjusts the allocation percentages for the distributions to townships and hub city school districts. Senate Bill No. 2323 (2025) provides an additional allocation for hub city debt relief.
8	Common schools trust fund	Section 1 of Article IX of the Constitution of North Dakota provides for a common schools trust fund to be used to support the common schools of the state. Section 24 of Article X of the Constitution of North Dakota provides for a distribution of 10 percent of oil extraction taxes to the common schools trust fund to become part of the principal of the fund. The earnings are distributed through state school aid payments. Senate Bill No. 2362 (2019) changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocation to the common schools trust fund.
9	Foundation aid stabilization fund	Section 24 of Article X of the Constitution of North Dakota provides for a distribution of 10 percent of oil extraction taxes to the foundation aid stabilization fund. Section 24, as amended by Senate Concurrent Resolution No. 4003 (2015) and approved by the voters, restricts a portion of the fund to offset state school aid payments due to a revenue shortfall and allows the remainder to be used for educational purposes. Senate Bill No. 2362 (2019) changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocation to the foundation aid stabilization fund.
10	Resources trust fund	Section 57-51.1-07 provides for a distribution of 20 percent of oil extraction taxes to the resources trust fund. Section 22 of Article X of the Constitution of North Dakota provides the fund may be used, subject to legislative appropriation, for constructing water-related projects, including rural water systems, and funding of programs for energy conservation. Senate Bill No. 2362 (2019) changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands and provided an additional .5 percent allocation to the resources trust fund as an adjustment for prior period allocations, both of which result in an increase in the allocations to the fund.
11	Energy conservation grant fund	Senate Bill No. 2014 (2013) amended Section 57-51.1-07 to provide for a transfer of one-half of 1 percent of the amount credited to the resources trust fund from the resources trust fund into the energy conservation grant fund, up to \$1.2 million per biennium.
12	Renewable energy development fund	Senate Bill No. 2014 (2013) amended Section 57-51.1-07 to provide for a transfer of 5 percent of the amount credited to the resources trust fund from the resources trust fund into the renewable energy development fund, up to \$3 million per biennium. House Bill No. 1020 (2017) decreased the percentage transferred from 5 to 3 percent.

13	Oil and gas research fund	Section 57-51.1-07.3 (Senate Bill No. 2311 (2003)) established the oil and gas research fund for the Oil and Gas Research Council to provide grants. Senate Bill No. 2014 (2013) amended Section 57-51.1-07.3 to provide 2 percent of the state's share of the oil and gas tax revenues, up to \$10 million per biennium, is to be deposited into the oil and gas research fund. Senate Bill No. 2323 (2025) increases the allocations by \$7.5 million, from \$10 million to \$17.5 million, for the 2025-27 biennium, the same as the 2023-25 biennium.
14	State energy research center fund	Senate Bill No. 2249 (2019) created a state energy research center fund and allocates 1 percent of the state's share of oil and gas tax revenues, up to \$5 million per biennium, to the fund for the Industrial Commission to contract with the Energy and Environmental Research Center for research projects. Senate Bill No. 2161 (2023) increases the allocation to provide up to \$7.5 million per biennium through the 2027-29 biennium.
15A, 15B	General fund	The general fund is the chief operating fund of the state. Section 57-51.1-07.5, as amended by House Bill No. 1152 (2017), provided for an allocation of \$400 million of the state's share of oil and gas tax revenues to the general fund for the 2017-19 biennium and an allocation of \$300 million after the 2017-19 biennium. House Bill No. 1066 (2019) increased the allocation to \$400 million. Senate Bill No. 2367 (2023) increased the allocation from \$400 million to \$460 million. Senate Bill No. 2323 (2025) increases the allocation from \$460 million to \$500 million.
16	Social service fund	House Bill No. 1152 (2017) amended Section 57-51.1-07.5 to provide for the allocation of \$200 million of the state's share of oil and gas tax revenues to the tax relief fund each biennium. Senate Bill No. 2367 (2023) renamed the tax relief fund the social service fund and increased the allocation from \$200 million to \$250 million.
17	Budget stabilization fund	The budget stabilization fund is established under Section 54-27.2-01. The Governor may order a transfer from the budget stabilization fund to the general fund when certain criteria are met to offset a general fund revenue shortfall. House Bill No. 1152 (2017) amended Section 57-51.1-07.5 to provide for an allocation of up to \$75 million from the state's share of oil and gas tax revenues.
18	Lignite research fund	The lignite research fund is established under Section 57-61-01.6 for research, development projects, and marketing activities related to the lignite industry. House Bill No. 1152 (2017) amended Section 57-51.1-07.5 to provide for an allocation of up to \$3 million from the state's share of oil and gas tax revenues. House Bill No. 1066 (2019) increased the allocation to \$10 million.
19	State disaster relief fund	Section 37-17.1-27 provides for the state disaster relief fund to be used for the required state share of funding for expenses associated with presidential-declared disasters. Section 57-51.1-07.5, as amended by House Bill No. 1152 (2017), provided for the distribution of up to \$20 million of oil tax revenues to the state disaster relief fund each biennium, but not in an amount that would bring the balance of the fund to more than \$20 million. Senate Bill No. 2016 (2019) decreased the allocation to provide up to \$15 million of allocations, but not in an amount that would bring the balance of the fund to more than \$15 million. House Bill No. 1015 (2021) and Senate Bill No. 2249 (2021) increased the allocation limit by \$5 million, from \$15 million to \$20 million.
20	Municipal infrastructure fund	House Bill No. 1066 (2019) created a municipal infrastructure fund and allocates up to \$115 million per biennium for grants to non-oil-producing cities for essential infrastructure projects. House Bill No. 1015 (2021) aligned the allocations to the municipal infrastructure fund and the county and township infrastructure fund to provide allocations to the two funds at the same time after the initial allocation to the strategic investment and improvements fund. Senate Bill No. 2012 (2025) amends the state's share of oil and gas tax revenues to allocate funding to the municipal infrastructure before the allocation to the Public Employees Retirement System fund and to decrease the allocations to the fund by \$35 million, from \$115 million to \$80 million.
21	County and township infrastructure fund	House Bill No. 1066 (2019) created a county and township infrastructure fund and allocates up to \$115 million per biennium for grants to non-oil-producing counties and townships for road and bridge infrastructure projects. House Bill No. 1015 (2021) aligned the allocations to the municipal infrastructure fund and the county and township infrastructure fund to provide allocations to the two funds at the same time after the initial allocation to the strategic investment and improvements fund. Senate Bill No. 2012 (2025) amends the state's share of oil and gas tax revenues to allocate funding to the county and township infrastructure fund before the allocation to the Public Employees Retirement System fund and to decrease the allocations to the fund by \$35 million, from \$115 million to \$80 million.
22	Public Employees Retirement System fund	House Bill No. 1040 (2023) added an allocation of \$65 million per biennium to the Public Employees Retirement System fund for the main retirement plan.
23	Airport infrastructure fund	House Bill No. 1066 (2019) created an airport infrastructure fund and allocates up to \$20 million per biennium for airport infrastructure projects, subject to legislative appropriation.
24	Strategic investment and improvements fund	Section 15-08.1-08 provides for the strategic investment and improvements fund. The fund is to be used for one-time expenditures to improve state infrastructure or initiatives to improve the efficiency and effectiveness of state government. Section 57-51.1-07.5 provides for the allocation of certain oil tax revenues to the strategic investment and improvements fund. Senate Bill No. 2323 (2025) amends the state's share of oil and gas tax revenues to remove an allocation of \$400 million to the strategic investment and improvements fund.

SECTION C - APPROPRIATIONS

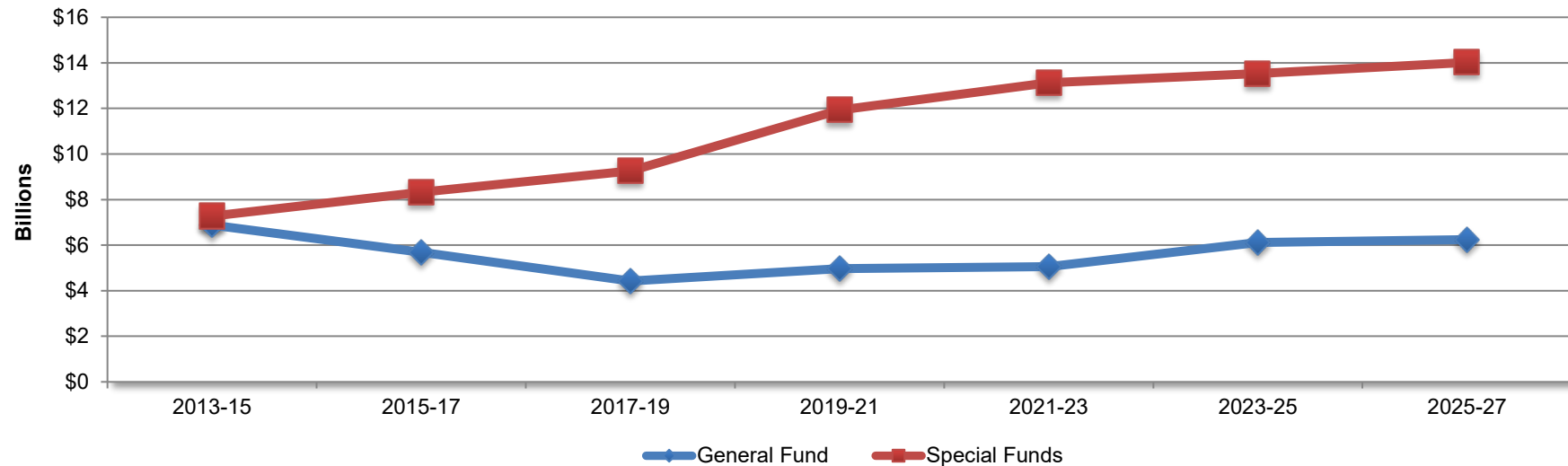
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APPROPRIATIONS SUMMARY

The Legislative Assembly in 2025 provided general fund appropriations of \$6,246,564,825, \$124,884,422, or 2.0 percent, more than the 2023-25 legislative general fund appropriations. Of the \$6,246,564,825 of general fund appropriations, \$6,113,180,565 is considered ongoing general fund appropriations and \$133,384,260 is considered one-time general fund appropriations. Ongoing general fund spending increased by 4.6 percent compared to 2023-25 appropriations. Additional information regarding one-time general fund appropriations is provided in the one-time funding schedule included in this section.

The 2025 Legislative Assembly provided special fund appropriations of \$14,018,677,842, \$483,524,732, or 3.6 percent, more than the 2023-25 legislative special fund appropriations.

The following is a summary of legislative appropriations for the 2013-15 through 2025-27 bienniums:



Biennium	General Fund Appropriations	Special Fund Appropriations	Total Appropriations
2013-15	\$6,879,671,380	\$7,275,054,956	\$14,154,726,336
2015-17 ¹	\$5,687,291,911	\$8,319,007,773	\$14,006,299,684
2017-19 ²	\$4,425,822,822	\$9,253,832,882	\$13,679,655,704
2019-21 ³	\$4,965,103,166	\$11,930,214,610	\$16,895,317,776
2021-23	\$5,058,789,985	\$13,126,971,890	\$18,185,761,875
2023-25	\$6,121,680,403	\$13,535,153,110	\$19,656,833,513
2025-27	\$6,246,564,825	\$14,018,677,842	\$20,265,242,667

NOTE: Appropriation amounts are restated to reflect, where appropriate, supplemental and deficiency appropriations provided by a subsequent Legislative Assembly or budget reductions made by the Legislative Assembly or budget allotments ordered by the Governor.

¹The 2015-17 biennium amounts have been adjusted to reflect changes made during the August 2016 special legislative session. The Legislative Assembly reduced original general fund appropriations by \$359,487,777, from \$6,046,162,678 to \$5,686,674,901, and increased special fund appropriations by \$116,053,293, from \$8,174,234,116 to \$8,290,287,409. These amounts were further affected by deficiency appropriations approved by the 2017 Legislative Assembly.

²The special funds appropriations amount for the 2017-19 biennium reflects a change in reporting relating to the North Dakota University System to specifically appropriate higher education special funds, including tuition and fees. This reporting change increased special fund appropriations by \$1,848,493,203.

³The special funds appropriations amount for the 2019-21 biennium reflects \$2.1 billion from federal funds related to the COVID-19 pandemic appropriated as a deficiency appropriation by the 2021 Legislative Assembly.

COMPARISON OF 2023-25 and 2025-27 LEGISLATIVE APPROPRIATIONS

Budget No.	Budget	Legislative Appropriation 2023-25		Legislative Appropriation 2025-27		Increase (Decrease) From 2023-25 to 2025-27	
		General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
General Government							
101	Governor's office	\$5,461,996	\$5,461,996	\$6,850,081	\$6,850,081	\$1,388,085	\$1,388,085
108	Secretary of State	7,141,710	24,985,881	10,040,819	24,117,888	2,899,109	(867,993)
110	Office of Management and Budget	88,408,063	209,263,115	47,868,951	486,986,911	(40,539,112)	277,723,796
112	Information Technology Department	46,230,825	564,971,152	48,041,136	200,508,732	1,810,311	(364,462,420)
117	State Auditor	10,412,399	16,936,220	12,426,959	18,435,299	2,014,560	1,499,079
120	State Treasurer	2,016,755	2,016,755	3,215,939	3,510,939	1,199,184	1,494,184
125	Attorney General	57,410,611	106,157,553	63,368,936	119,172,230	5,958,325	13,014,677
127	Tax Commissioner	228,900,522	229,025,522	127,587,123	536,612,123	(101,313,399)	307,586,601
140	Office of Administrative Hearings		3,029,082		3,155,750		126,668
150	Legislative Assembly	24,141,396	24,141,396	25,298,682	25,298,682	1,157,286	1,157,286
160	Legislative Council	19,910,209	19,998,209	27,738,820	28,276,820	7,828,611	8,278,611
180	Judicial branch	129,410,704	131,239,132	147,252,753	152,900,511	17,842,049	21,661,379
188	Commission on Legal Counsel for Indigents	20,999,305	23,022,372	25,568,310	27,617,526	4,569,005	4,595,154
190	Retirement and Investment Office		12,108,404		16,547,594		4,439,190
192	Public Employees Retirement System		11,353,654		14,054,162		2,700,508
195	Ethics Commission	1,140,199	1,140,199	1,368,016	1,368,016	227,817	227,817
Total General Government		\$641,584,694	\$1,384,850,642	\$546,626,525	\$1,665,413,264	(\$94,958,169)	\$280,562,622
Education							
Elementary, Secondary, and Other Education							
201	Department of Public Instruction	\$1,728,820,445	\$2,856,804,119	\$1,709,617,438	\$3,012,028,124	(\$19,203,007)	\$155,224,005
204	Center for Distance Education	7,063,483	11,613,483	8,259,116	14,883,116	1,195,633	3,269,633
226	Department of Trust Lands		14,823,925		11,960,015		(2,863,910)
250	State Library	7,015,484	9,514,557	7,692,794	10,497,006	677,310	982,449
252	School for the Deaf	8,426,391	12,111,534	9,731,555	12,903,298	1,305,164	791,764
253	North Dakota Vision Services - School for the Blind	5,240,991	6,912,696	5,844,645	7,585,589	603,654	672,893
270	Department of Career and Technical Education	53,315,277	164,079,490	62,077,324	80,755,333	8,762,047	(83,324,157)
Total Elementary, Secondary, and Other Education		\$1,809,882,071	\$3,075,859,804	\$1,803,222,872	\$3,150,612,481	(\$6,659,199)	\$74,752,677
Higher Education							
215	North Dakota University System office	\$155,337,969	\$181,598,866	\$149,565,723	\$212,712,472	(\$5,772,246)	\$31,113,606
227	Bismarck State College	47,341,910	164,348,863	39,495,371	119,313,894	(7,846,539)	(45,034,969)
228	Lake Region State College	15,674,803	43,276,400	17,161,697	47,194,465	1,486,894	3,918,065
229	Williston State College	13,485,325	82,554,256	15,112,315	41,064,119	1,626,990	(41,490,137)
230	University of North Dakota (UND)	198,160,380	1,111,142,236	195,070,460	1,155,678,662	(3,089,920)	44,536,426
232	UND School of Medicine and Health Sciences	82,831,276	254,573,118	95,870,158	269,888,474	13,038,882	15,315,356
235	North Dakota State University (NDSU)	168,546,765	929,464,195	170,388,214	988,078,435	1,841,449	58,614,240
238	North Dakota State College of Science	40,862,884	124,482,981	45,805,436	113,539,111	4,942,552	(10,943,870)
239	Dickinson State University	26,039,995	77,737,824	26,552,094	73,008,639	512,099	(4,729,185)
240	Mayville State University	24,028,396	75,734,454	23,242,591	94,378,897	(785,805)	18,644,443
241	Minot State University	50,565,243	125,474,668	59,194,211	150,177,849	8,628,968	24,703,181
242	Valley City State University	28,352,813	91,964,729	28,431,216	57,964,247	78,403	(34,000,482)
243	Dakota College at Bottineau	11,442,878	31,643,148	12,636,811	28,092,845	1,193,933	(3,550,303)
244	Forest Service	5,851,590	24,993,531	6,394,924	26,935,944	543,334	1,942,413
Total Higher Education		\$868,522,227	\$3,318,989,269	\$884,921,221	\$3,378,028,053	\$16,398,994	\$59,038,784
Total Education		\$2,678,404,298	\$6,394,849,073	\$2,688,144,093	\$6,528,640,534	\$9,739,795	\$133,791,461

Budget No.	Budget	Legislative Appropriation 2023-25		Legislative Appropriation 2025-27		Increase (Decrease) From 2023-25 to 2025-27	
		General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Health and Welfare							
303	Department of Environmental Quality	\$16,538,583	\$119,410,074	\$18,975,236	\$141,814,873	\$2,436,653	\$22,404,799
313	Veterans' Home	6,218,399	29,506,246	6,713,108	31,652,790	494,709	2,146,544
315	Office of Guardianship and Conservatorship			4,821,178	4,821,178	4,821,178	4,821,178
316	Indian Affairs Commission	1,216,621	1,216,621	1,288,351	1,288,351	71,730	71,730
321	Department of Veterans' Affairs	1,935,670	4,277,220	3,499,804	8,507,966	1,564,134	4,230,746
325	Department of Health and Human Services	2,051,109,719	5,759,962,045	2,227,783,063	5,818,036,970	176,673,344	58,074,925
360	Protection and Advocacy Project	3,431,853	7,791,270	3,822,953	8,570,241	391,100	778,971
380	Job Service North Dakota	6,733,919	121,002,169	10,650,393	79,119,917	3,916,474	(41,882,252)
Total Health and Welfare		\$2,087,184,764	\$6,043,165,645	\$2,277,554,086	\$6,093,812,286	\$190,369,322	\$50,646,641
Regulatory							
401	Insurance Commissioner		\$16,029,733		\$22,467,871		\$6,438,138
405	Industrial Commission	\$4,424,856	135,833,793	\$400,000	147,687,428	(\$4,024,856)	11,853,635
406	Department of Labor and Human Rights	2,704,336	3,216,261	3,110,514	3,658,937	406,178	442,676
408	Public Service Commission	7,672,852	21,470,697	9,221,704	23,456,172	1,548,852	1,985,475
412	Aeronautics Commission	475,000	38,674,878	475,000	126,103,048		87,428,170
413	Department of Financial Institutions		10,349,756				(10,349,756)
414	Securities Department		3,319,193				(3,319,193)
471	Bank of North Dakota		77,909,761		97,376,777		19,467,016
473	Housing Finance Agency	16,250,000	84,992,347		70,186,943	(16,250,000)	(14,805,404)
474	Department of Mineral Resources	32,582,636	35,150,636	34,329,766	40,352,603	1,747,130	5,201,967
475	Mill and Elevator Association		97,410,920		108,440,415		11,029,495
485	Workforce Safety and Insurance		72,734,976		80,434,139		7,699,163
Total Regulatory		\$64,109,680	\$597,092,951	\$47,536,984	\$720,164,333	(\$16,572,696)	\$123,071,382
Public Safety							
504	Highway Patrol	\$50,489,904	\$72,507,746	\$58,505,091	\$85,184,630	\$8,015,187	\$12,676,884
530	Department of Corrections and Rehabilitation	260,819,369	451,196,376	344,370,374	493,082,098	83,551,005	41,885,722
540	Adjutant General	27,341,342	372,925,194	30,829,077	345,058,698	3,487,735	(27,866,496)
Total Public Safety		\$338,650,615	\$896,629,316	\$433,704,542	\$923,325,426	\$95,053,927	\$26,696,110
Agriculture and Economic Development							
601	Department of Commerce	\$67,396,083	\$328,987,400	\$43,395,953	\$174,885,660	(\$24,000,130)	(\$154,101,740)
602	Agriculture Commissioner	47,820,933	80,425,739	33,604,476	78,676,816	(14,216,457)	(1,748,923)
627	Upper Great Plains Transportation Institute	5,226,375	25,240,116	5,507,259	25,595,490	280,884	355,374
628	Branch research centers	19,683,598	40,648,569	21,970,567	43,820,750	2,286,969	3,172,181
630	NDSU Extension Service	31,790,689	60,840,465	34,595,328	66,484,460	2,804,639	5,643,995
638	Northern Crops Institute	2,183,655	9,624,771	2,982,119	7,376,163	798,464	(2,248,608)
640	NDSU Main Research Center	61,833,895	221,219,360	63,700,739	140,775,031	1,866,844	(80,444,329)
649	Agronomy Seed Farm		1,632,722		1,679,996		47,274
665	State Fair Association	642,833	642,833	642,833	2,192,833		1,550,000
670	Racing Commission	478,077	650,334	521,818	699,042	43,741	48,708
Total Agriculture and Economic Development		\$237,056,138	\$769,912,309	\$206,921,092	\$542,186,241	(\$30,135,046)	(\$227,726,068)
Natural Resources							
701	State Historical Society	\$22,507,188	\$49,896,452	\$23,911,227	\$114,726,907	\$1,404,039	\$64,830,455
709	Council on the Arts	2,630,560	4,580,560	2,637,535	4,667,535	6,975	86,975
720	Game and Fish Department		108,151,604		114,864,690		6,713,086
750	Parks and Recreation Department	14,826,600	140,170,284	15,528,741	62,091,715	702,141	(78,078,569)
770	State Water Commission		895,161,166		769,257,471		(125,903,695)
Total Natural Resources		\$39,964,348	\$1,197,960,066	\$42,077,503	\$1,065,608,318	\$2,113,155	(\$132,351,748)

Budget No.	Budget	Legislative Appropriation 2023-25		Legislative Appropriation 2025-27		Increase (Decrease) From 2023-25 to 2025-27	
		General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
	Transportation						
801	Department of Transportation	\$10,375,000	\$2,307,627,645	\$4,000,000	\$2,726,092,265	(\$6,375,000)	\$418,464,620
	Total Transportation	<u>\$10,375,000</u>	<u>\$2,307,627,645</u>	<u>\$4,000,000</u>	<u>\$2,726,092,265</u>	<u>(\$6,375,000)</u>	<u>\$418,464,620</u>
	TOTAL APPROPRIATIONS	<u>\$6,097,329,537</u>	<u>\$19,592,087,647</u>	<u>\$6,246,564,825</u>	<u>\$20,265,242,667</u>	<u>\$149,235,288</u>	<u>\$673,155,020</u>
	APPROPRIATIONS SUMMARY						
	General Government	\$641,584,694	\$1,384,850,642	\$546,626,525	\$1,665,413,264	(\$94,958,169)	\$280,562,622
	Education	2,678,404,298	6,394,849,073	2,688,144,093	6,528,640,534	9,739,795	133,791,461
	Health and Welfare	2,087,184,764	6,043,165,645	2,277,554,086	6,093,812,286	190,369,322	50,646,641
	Regulatory	64,109,680	597,092,951	47,536,984	720,164,333	(16,572,696)	123,071,382
	Public Safety	338,650,615	896,629,316	433,704,542	923,325,426	95,053,927	26,696,110
	Agriculture and Economic Development	237,056,138	769,912,309	206,921,092	542,186,241	(30,135,046)	(227,726,068)
	Natural Resources	39,964,348	1,197,960,066	42,077,503	1,065,608,318	2,113,155	(132,351,748)
	Transportation	10,375,000	2,307,627,645	4,000,000	2,726,092,265	(6,375,000)	418,464,620
	TOTAL APPROPRIATIONS	<u>\$6,097,329,537</u> *	<u>\$19,592,087,647</u> *	<u>\$6,246,564,825</u>	<u>\$20,265,242,667</u>	<u>\$149,235,288</u>	<u>\$673,155,020</u>
* 2023-25 appropriations made by the 68th Legislative Assembly		\$6,097,329,537	\$19,592,087,647				
2023-25 supplemental and deficiency appropriations made by the 69th Legislative Assembly (See deficiency appropriations schedule in Section B)		24,350,866	64,745,866				
Total 2023-25 appropriations		<u>\$6,121,680,403</u>	<u>\$19,656,833,513</u>				

COMPARISON OF 2023-25 and 2025-27 BIENNIUM ONGOING GENERAL FUND APPROPRIATIONS

Budget No.	Budget	Ongoing	Ongoing	2025-27 Increase (Decrease)	
		Appropriations	Appropriations	From	
		2023-25	2025-27	2023-25	
		General Fund	General Fund	General Fund	Percentage
General Government					
101	Governor's office	\$5,266,996	\$6,820,081	\$1,553,085	29.5%
108	Secretary of State	7,141,710	9,440,819	2,299,109	32.2%
110	Office of Management and Budget	80,879,240	46,019,646	(34,859,594)	(43.1%)
112	Information Technology Department	41,418,305	48,041,136	6,622,831	16.0%
117	State Auditor	10,310,849	12,126,759	1,815,910	17.6%
120	State Treasurer	1,988,930	3,215,939	1,227,009	61.7%
125	Attorney General	49,024,265	61,225,936	12,201,671	24.9%
127	Tax Commissioner	226,900,522	126,587,123	(100,313,399)	(44.2%)
150	Legislative Assembly	18,011,846	20,847,682	2,835,836	15.7%
160	Legislative Council	19,134,709	26,538,820	7,404,111	38.7%
180	Judicial branch	128,256,984	145,512,437	17,255,453	13.5%
188	Commission on Legal Counsel for Indigents	20,999,305	25,568,310	4,569,005	21.8%
195	Ethics Commission	1,041,374	1,315,668	274,294	26.3%
Total General Government		\$610,375,035	\$533,260,356	(\$77,114,679)	(12.6%)
Education					
Elementary, Secondary, and Other Education					
201	Department of Public Instruction	\$1,728,750,445	\$1,709,267,938	(\$19,482,507)	(1.1%)
204	Center for Distance Education	7,063,483	8,183,866	1,120,383	N/A
250	State Library	6,682,484	7,692,794	1,010,310	15.1%
252	School for the Deaf	8,336,306	9,731,555	1,395,249	16.7%
253	North Dakota Vision Services - School for the Blind	5,240,991	5,844,645	603,654	11.5%
270	Department of Career and Technical Education	51,315,277	61,777,324	10,462,047	20.4%
Total Elementary, Secondary, and Other Education		\$1,807,388,986	\$1,802,498,122	(\$4,890,864)	(0.3%)
Higher Education					
215	North Dakota University System office	\$133,218,615	\$149,540,723	\$16,322,108	12.3%
227	Bismarck State College	37,381,910	39,495,371	2,113,461	5.7%
228	Lake Region State College	15,674,803	17,161,697	1,486,894	9.5%
229	Williston State College	13,485,325	13,622,315	136,990	1.0%
230	University of North Dakota (UND)	184,155,380	195,070,460	10,915,080	5.9%
232	UND School of Medicine and Health Sciences	82,831,276	95,870,158	13,038,882	15.7%
235	North Dakota State University (NDSU)	163,746,765	170,388,214	6,641,449	4.1%
238	North Dakota State College of Science	39,857,537	44,505,436	4,647,899	11.7%
239	Dickinson State University	24,439,995	26,552,094	2,112,099	8.6%
240	Mayville State University	22,278,396	22,742,591	464,195	2.1%
241	Minot State University	48,965,243	49,559,211	593,968	1.2%
242	Valley City State University	28,352,813	28,431,216	78,403	0.3%
243	Dakota College at Bottineau	11,442,878	12,136,811	693,933	6.1%
244	Forest Service	5,851,590	6,394,924	543,334	9.3%
Total Higher Education		\$811,682,526	\$871,471,221	\$59,788,695	7.4%
Total Education		\$2,619,071,512	\$2,673,969,343	\$54,897,831	2.1%
Health and Welfare					
301	State Department of Health	\$44,782,455	\$0	(\$44,782,455)	(100.0%)
303	Department of Environmental Quality	16,350,783	18,875,736	2,524,953	15.4%
313	Veterans' Home	6,218,399	6,713,108	494,709	8.0%

Budget No.	Budget	Ongoing Appropriations 2023-25	Ongoing Appropriations 2025-27	2025-27 Increase (Decrease) From 2023-25	
		General Fund	General Fund	General Fund	Percentage
315	Office of Guardianship and Conservatorship	0	4,821,178	4,821,178	N/A
316	Indian Affairs Commission	1,216,621	1,288,351	71,730	5.9%
321	Department of Veterans' Affairs	1,916,604	2,499,804	583,200	30.4%
325	Department of Health and Human Services	1,966,645,092	2,187,623,882	220,978,790	11.2%
360	Protection and Advocacy Project	3,431,853	3,803,665	371,812	10.8%
380	Job Service North Dakota	6,733,919	8,550,393	1,816,474	27.0%
Total Health and Welfare		\$2,047,295,726	\$2,234,176,117	\$186,880,391	9.1%
Regulatory					
405	Industrial Commission	\$0	\$400,000	\$400,000	N/A
406	Department of Labor and Human Rights	2,654,336	3,110,514	456,178	17.2%
408	Public Service Commission	7,489,352	8,966,124	1,476,772	19.7%
412	Aeronautics Commission	475,000	475,000	0	0.0%
473	Housing Finance Agency	2,500,000	0	(2,500,000)	(100.0%)
474	Department of Mineral Resources	28,113,785	34,160,331	6,046,546	21.5%
Total Regulatory		\$41,232,473	\$47,111,969	\$5,879,496	14.3%
Public Safety					
504	Highway Patrol	\$47,657,320	\$54,800,091	\$7,142,771	15.0%
530	Department of Corrections and Rehabilitation	247,106,915	315,742,286	68,635,371	27.8%
540	Adjutant General	25,611,342	30,829,077	5,217,735	20.4%
Total Public Safety		\$320,375,577	\$401,371,454	\$80,995,877	25.3%
Agriculture and Economic Development					
601	Department of Commerce	\$33,546,083	\$35,336,909	\$1,790,826	5.3%
602	Agriculture Commissioner	14,820,933	18,129,476	3,308,543	22.3%
627	Upper Great Plains Transportation Institute	5,226,375	5,507,259	280,884	5.4%
628	Branch research centers	19,683,598	21,970,567	2,286,969	11.6%
630	NDSU Extension Service	31,790,689	34,595,328	2,804,639	8.8%
638	Northern Crops Institute	2,183,655	2,982,119	798,464	36.6%
640	NDSU Main Research Center	58,125,665	62,133,239	4,007,574	6.9%
665	State Fair Association	642,833	642,833	0	0.0%
670	Racing Commission	458,077	488,818	30,741	6.7%
Total Agriculture and Economic Development		\$166,477,908	\$181,786,548	\$15,308,640	9.2%
Natural Resources					
701	State Historical Society	\$20,600,349	\$23,593,502	\$2,993,153	14.5%
709	Council on the Arts	2,371,630	2,632,535	260,905	11.0%
750	Parks and Recreation Department	14,826,600	15,278,741	452,141	3.0%
Total Natural Resources		\$37,798,579	\$41,504,778	\$3,706,199	9.8%
TOTAL ONGOING GENERAL FUND APPROPRIATIONS		\$5,842,626,810	\$6,113,180,565	\$270,553,755	4.6%
APPROPRIATION SUMMARY					
General Government		\$610,375,035	\$533,260,356	(\$77,114,679)	(12.6%)
Education		2,619,071,512	2,673,969,343	54,897,831	2.1%
Health and Welfare		2,047,295,726	2,234,176,117	186,880,391	9.1%
Regulatory		41,232,473	47,111,969	5,879,496	14.3%
Public Safety		320,375,577	401,371,454	80,995,877	25.3%
Agriculture and Economic Development		166,477,908	181,786,548	15,308,640	9.2%
Natural Resources		37,798,579	41,504,778	3,706,199	9.8%
TOTAL ONGOING GENERAL FUND APPROPRIATIONS		\$5,842,626,810	\$6,113,180,565	\$270,553,755	4.6%

ONE-TIME GENERAL FUND APPROPRIATIONS FOR THE 2025-27 BIENNIUM

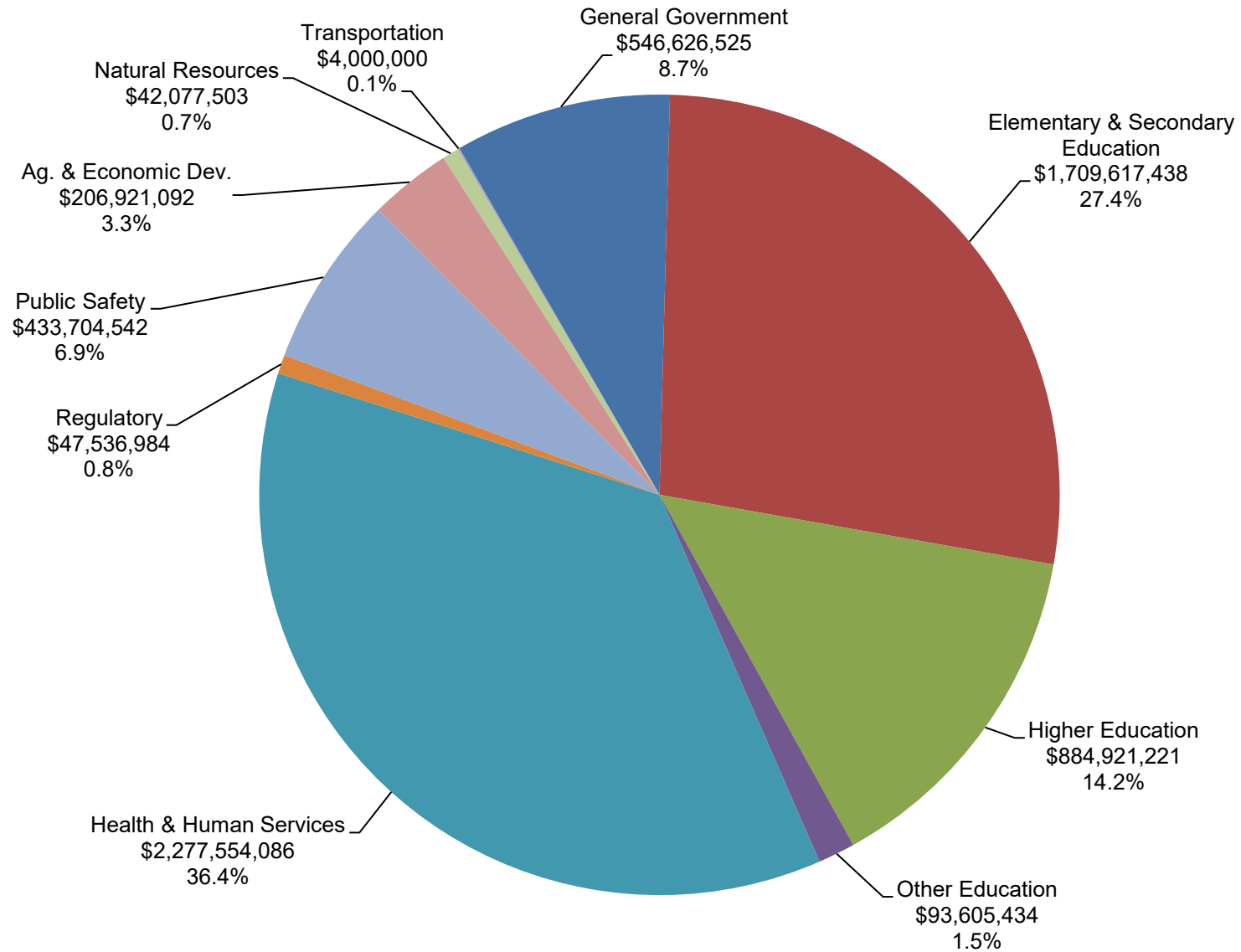
Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
101	Governor's office		
	Children's Cabinet	HB 1001	\$30,000
108	Secretary of State		
	Ballot measure educational materials	SB 2230	600,000
110	Office of Management and Budget		
	Accrued leave payouts	HB 1015	99,305
	Recruiting management system	HB 1015	250,000
	Retirement incentive pool	HB 1015	1,000,000
	State student internship	HB 1015	500,000
117	State Auditor		
	Audit software migration	HB 1004	25,200
	Peer review	HB 1004	25,000
	Development fund audit	SB 2396	250,000
125	Attorney General		
	Crime laboratory equipment and supplies	HB 1003	400,000
	Cyber crime equipment	HB 1003	161,000
	Human trafficking victim grants	HB 1003	650,000
	Information technology network switches	HB 1003	32,000
	Jail management system replacement	HB 1003	650,000
	Missing indigenous people grants	HB 1199	250,000
127	State Tax Commissioner		
	Property tax relief administration	HB 1006	1,000,000
150	Legislative Assembly		
	Legislative chamber and system upgrades	SB 2001	4,451,000
160	Legislative Council		
	Advanced nuclear energy study	HB 1025	300,000
	Ambulance billing study	HB 1322	20,000
	New FTE costs	SB 2001	375,000
	Tape library and video encoder hardware	SB 2001	280,000
	Term limits study	SB 2001	225,000
180	Judicial branch		
	Supreme Court cloud-based storage fees	SB 2002	866,100
	District courts information technology equipment	SB 2002	874,216
195	Ethics Commission		
	Case management system	SB 2004	50,000
	Office furniture	SB 2004	2,348
201	Department of Public Instruction		
	Mathematics screening services	SB 2213	300,000
	Foreign language instruction grants	SB 2275	49,500
204	Center for Distance Education		
	Student information system upgrade	HB 1013	75,250
215	North Dakota University System office		

Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
229	Financial aid system Williston State College	SB 2003	25,000
238	Healthcare program startup costs North Dakota State College of Science	SB 2003	1,490,000
	Aviation maintenance program startup costs	SB 2003	300,000
	Lease payments	SB 2003	1,000,000
240	Mayville State University		
	Nursing simulation laboratory	SB 2003	500,000
241	Minot State University		
	Advancing students toward education and employment program	SB 2003	500,000
	Dakota Hall demolition	SB 2003	635,000
	Regional health sciences institute	SB 2003	8,500,000
243	Dakota College at Bottineau		
	Student housing	SB 2003	500,000
270	Department of Career and Technical Education		
	Rent, moving, and equipment expenses	SB 2019	300,000
303	Department of Environmental Quality		
	Wastewater treatment regulation	SB 2267	99,500
321	Department of Veterans' Affairs		
	Homeless veterans services	SB 2025	500,000
	Veterans' postwar trust fund	SB 2025	500,000
325	Department of Health and Human Services		
	Northwest behavioral health facility	HB 1012	1,500,000
	Child care programs	HB 1012	11,772,500
	Developmental disabilities eligibility assessment	HB 1012	200,000
	Guardianship funding	HB 1012	3,266,177
	Infant and toddler care support	HB 1012	11,000,000
	Waterford Upstart funding	HB 1012	1,500,000
	Basic care daily rate adjustment	HB 1012	2,619,004
	Extraordinary medical needs housing	HB 1012	200,000
	Fetal alcohol spectrum disorder	HB 1012	350,000
	Nonfatal toxicology	HB 1012	151,500
	Juvenile evaluation services	SB 2037	300,000
	Family caregiver services	SB 2305	7,300,000
360	Protection and Advocacy Project		
	Accrued leave payouts	HB 1014	19,288
380	Job Service North Dakota		
	Salaries funding source change	SB 2016	2,100,000
408	Public Service Commission		
	Drone remote sensing equipment	HB 1008	5,580
	Federal intervention funding	HB 1008	250,000
474	Department of Mineral Resources		
	Mineral analyses	SB 2014	100,000

Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
	New FTE costs	SB 2014	24,435
	Portable mineral detection equipment	SB 2014	45,000
504	Highway Patrol		
	State fleet costs	SB 2011	3,705,000
530	Department of Corrections and Rehabilitation		
	New FTE costs	SB 2015	197,878
	Overflow housing	SB 2015	28,430,210
601	Department of Commerce		
	Entrepreneurship grants and vouchers	SB 2018	759,044
	Global Talent Office	SB 2018	1,000,000
	Operation intern	SB 2018	2,000,000
	Regional planning council grants	SB 2018	1,400,000
	Technical skills training grants	SB 2018	1,000,000
	Temporary salaries	SB 2018	50,000
	Tribal college grants	SB 2018	750,000
	Rural grocery grants	SB 2228	1,000,000
	Tribal tourism grants	HB 1581	100,000
602	Department of Agriculture		
	North Dakota Trade Office	HB 1009	400,000
	Irrigation expansion study	HB 1531	75,000
	Agriculture diversification and development fund	SB 2327	15,000,000
640	NDSU Main Research Center		
	Equipment storage sheds	SB 2020	1,567,500
670	Racing Commission		
	Internship program	SB 2023	20,000
	Copier replacement	SB 2023	13,000
701	State Historical Society		
	Archive storage upgrades	HB 1018	207,500
	Employee expenses	HB 1018	10,225
	Repatriation compliance costs	HB 1018	100,000
709	Council on the Arts		
	Arts Across the Prairie	SB 2010	5,000
750	Parks and Recreation Department		
	Equipment	HB 1019	250,000
801	Department of Transportation		
	Nonfixed route transit grants	HB 1106	2,000,000
	Fixed route transit grants	SB 2254	2,000,000
	Total		\$133,384,260

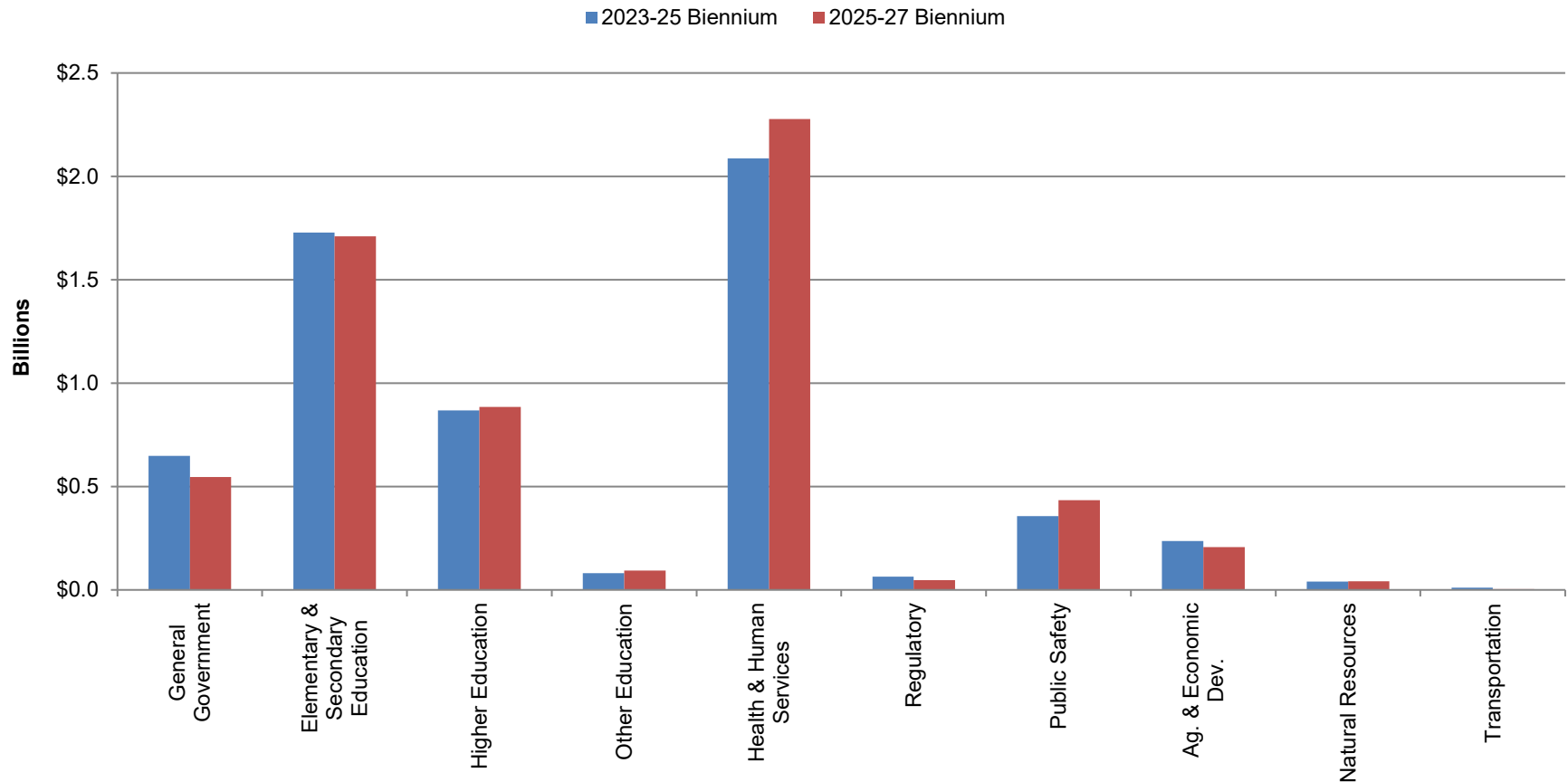
2025-27 BIENNIUM GENERAL FUND APPROPRIATIONS

Total 2025-27 General Fund Appropriations - \$6,246,564,825



COMPARISON OF 2023-25 AND 2025-27 GENERAL FUND APPROPRIATIONS

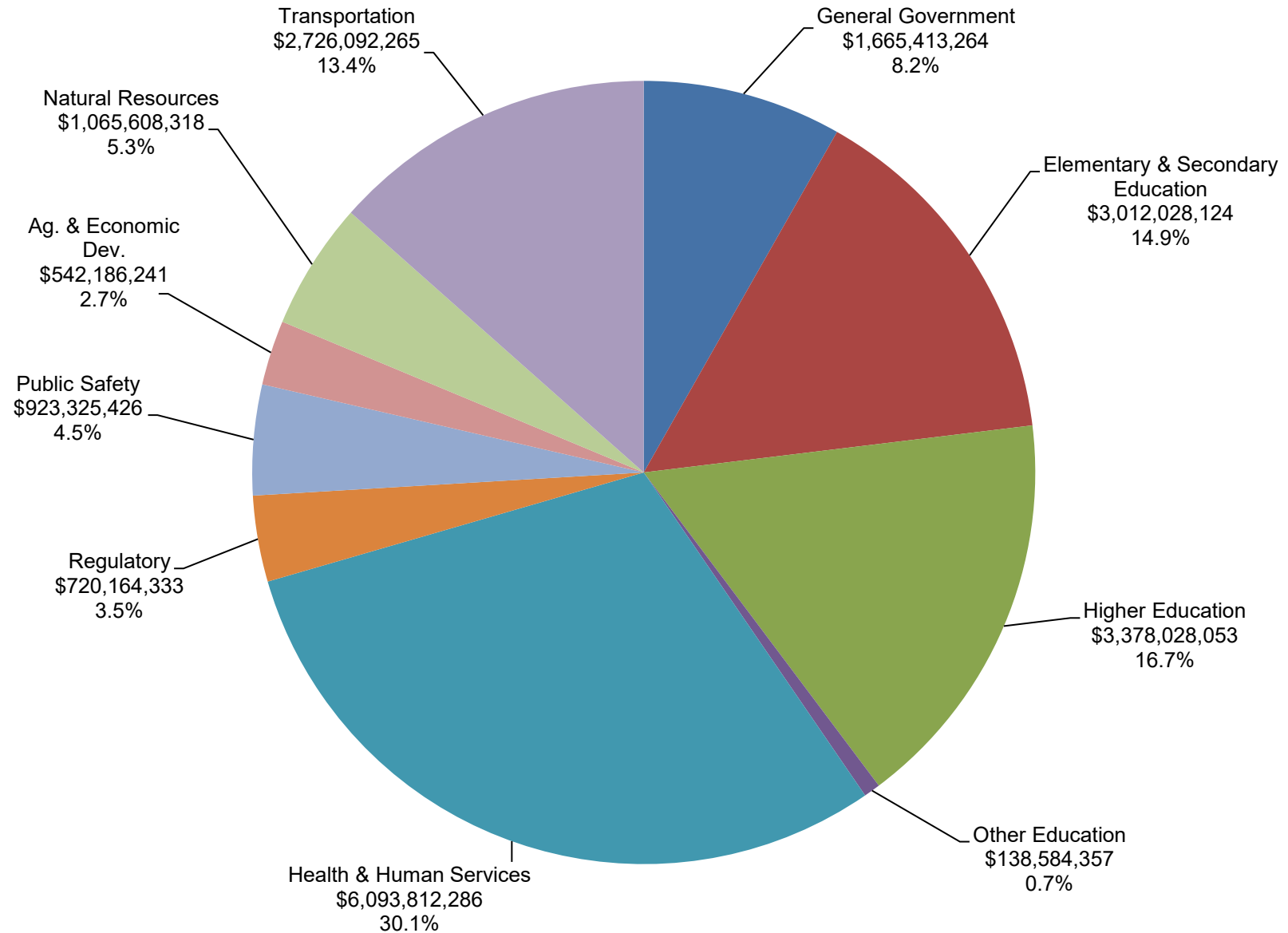
(Amounts Shown in Billions)



	2023-25 Biennium	2025-27 Biennium	Increase (Decrease)	Percentage Increase (Decrease)
General Government	\$647,749,694	\$546,626,525	(\$101,123,169)	(15.6%)
Elementary & Secondary Education	1,728,820,445	1,709,617,438	(19,203,007)	(1.1%)
Higher Education	868,522,227	884,921,221	16,398,994	1.9%
Other Education	81,061,626	93,605,434	12,543,808	15.5%
Health & Human Services	2,087,184,764	2,277,554,086	190,369,322	9.1%
Regulatory	64,737,267	47,536,984	(17,200,283)	(26.6%)
Public Safety	356,208,894	433,704,542	77,495,648	21.8%
Ag. & Economic Dev.	237,056,138	206,921,092	(30,135,046)	(12.7%)
Natural Resources	39,964,348	42,077,503	2,113,155	5.3%
Transportation	10,375,000	4,000,000	(6,375,000)	(61.4%)
Total	\$6,121,680,403	\$6,246,564,825	\$124,884,422	2.0%

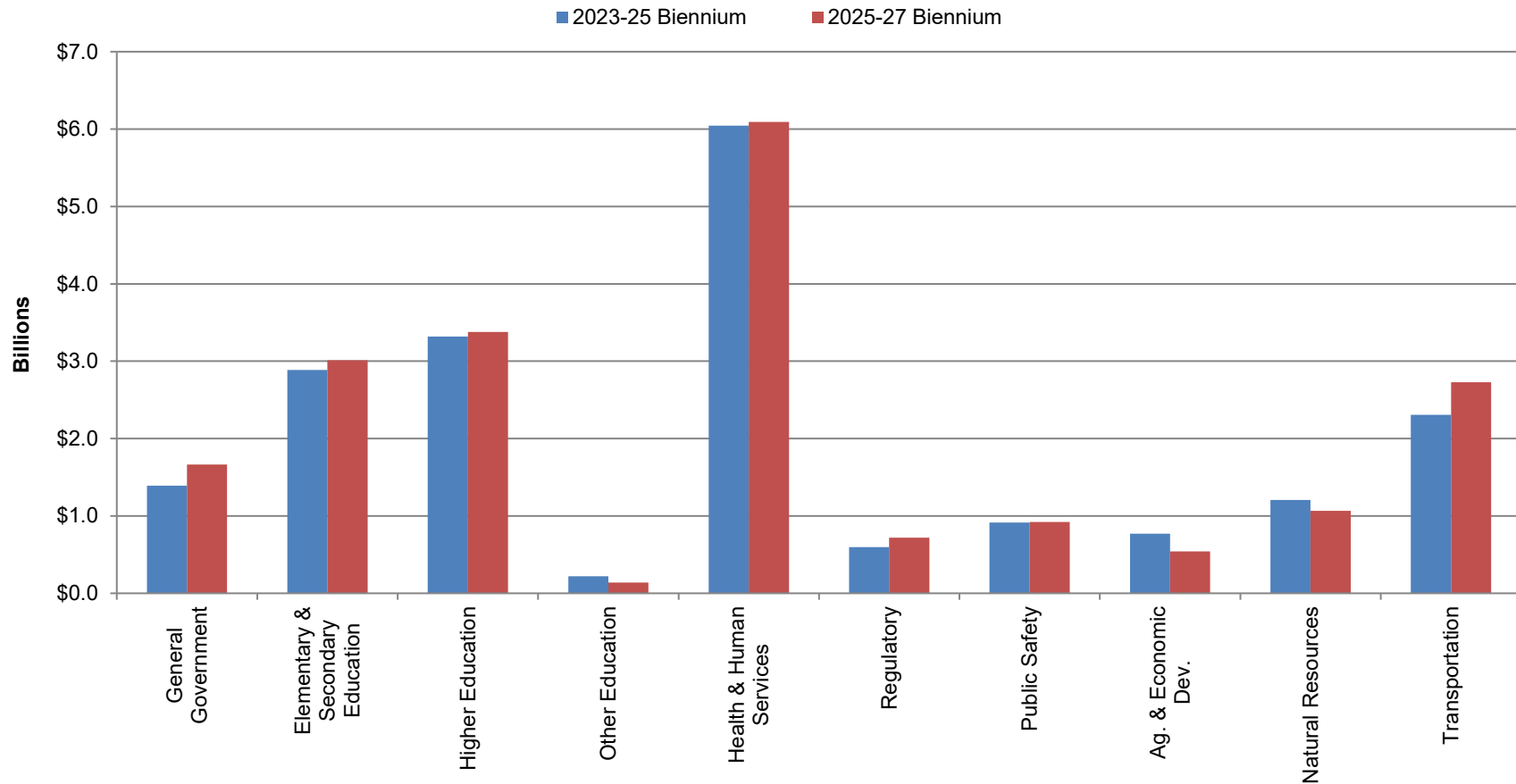
2025-27 BIENNIUM ALL FUNDS APPROPRIATIONS

Total 2025-27 Biennium All Funds Appropriations - \$20,265,242,667



COMPARISON OF 2023-25 AND 2025-27 ALL FUNDS APPROPRIATIONS

(Amounts Shown in Billions)



	2023-25 Biennium	2025-27 Biennium	Increase (Decrease)	Percentage Increase (Decrease)
General Government	\$1,391,210,642	\$1,665,413,264	\$274,202,622	19.7%
Elementary & Secondary Education	2,886,804,119	3,012,028,124	125,224,005	4.3%
Higher Education	3,318,989,269	3,378,028,053	59,038,784	1.8%
Other Education	219,055,685	138,584,357	(80,471,328)	(36.7%)
Health & Human Services	6,043,365,645	6,093,812,286	50,446,641	0.8%
Regulatory	597,720,538	720,164,333	122,443,795	20.5%
Public Safety	914,187,595	923,325,426	9,137,831	1.0%
Ag. & Economic Dev.	769,912,309	542,186,241	(227,726,068)	(29.6%)
Natural Resources	1,207,960,066	1,065,608,318	(142,351,748)	(11.8%)
Transportation	2,307,627,645	2,726,092,265	418,464,620	18.1%
Total	\$19,656,833,513	\$20,265,242,667	\$608,409,154	3.1%

COMPARISON OF ESTIMATED 2023-25 AND 2025-27 FEDERAL FUNDS APPROPRIATIONS

Budget No.	Budget	Federal Funds 2023-25	Federal Funds 2025-27	Increase (Decrease) From 2023-25 to 2025-27
108	Secretary of State	\$12,962,340	\$5,395,994	(\$7,566,346)
110	Office of Management and Budget		50,000,000	50,000,000
112	Information Technology Department	219,261,464		(219,261,464)
117	State Auditor	1,455,054	1,764,502	309,448
125	Attorney General	12,954,534	15,312,147	2,357,613
127	Tax Commissioner	23,000	125,000	102,000
180	Judicial branch	1,169,563	842,953	(326,610)
201	Department of Public Instruction	419,144,978	450,520,469	31,375,491
230	University of North Dakota		250,000	250,000
250	State Library	2,444,641	2,737,392	292,751
252	School for the Deaf	100,643	125,637	24,994
270	Department of Career and Technical Education	13,684,033	17,273,035	3,589,002
303	Department of Environmental Quality	52,677,079	82,082,846	29,405,767
313	Veterans' Home	5,726,960		(5,726,960)
321	Department of Veterans' Affairs	2,012,579	1,981,662	(30,917)
325	Department of Health and Human Services	3,080,695,721	3,101,131,518	20,435,797
360	Protection and Advocacy Project	4,008,819	4,747,288	738,469
380	Job Service North Dakota	116,388,902	67,853,438	(48,535,464)
401	Insurance Commissioner	607,916	717,971	110,055
405	Industrial Commission	7,499,037	11,885,295	4,386,258
406	Department of Labor and Human Rights	348,660	548,423	199,763
408	Public Service Commission	5,715,168	11,878,684	6,163,516
412	Aeronautics Commission	1,485,897	1,387,000	(98,897)
473	Housing Finance Agency	49,233,455	47,303,609	(1,929,846)
474	Department of Mineral Resources	5,019,989	1,728,377	(3,291,612)
504	Highway Patrol	8,660,335	10,423,655	1,763,320
530	Department of Corrections and Rehabilitation	63,251,383 ¹	15,322,798	(47,928,585)
540	Adjutant General	183,648,545	286,399,135	102,750,590
601	Department of Commerce	166,550,935	44,422,096	(122,128,839)
602	Agriculture Commissioner	19,970,336	17,614,841	(2,355,495)
627	Upper Great Plains Transportation Institute	11,843,626	13,006,610	1,162,984
630	NDSU Extension Service	8,824,965	9,831,391	1,006,426
640	NDSU Main Research Center	8,918,293	8,742,305	(175,988)
701	Historical Society	2,438,160	3,518,520	1,080,360
709	Council on the Arts	1,865,741	2,020,000	154,259
720	Game and Fish Department	49,251,828	56,432,616	7,180,788
750	Parks and Recreation Department	7,638,523	9,319,450	1,680,927
770	Department of Water Resources	87,487,150	53,301,210	(34,185,940)

801	Department of Transportation	<u>1,219,200,000</u>	<u>1,327,169,868</u>	<u>107,969,868</u>
	TOTAL ESTIMATED FEDERAL FUNDS APPROPRIATIONS	\$5,854,170,252	\$5,735,117,735	(\$119,052,517)

¹ The Office of Management and Budget transferred \$44.9 million of federal funds derived from uncommitted federal State Fiscal Recovery Fund accumulated interest or appropriation authority to the Department of Corrections and Rehabilitation in December 2024 pursuant to Section 4 of Senate Bill No. 2393 (2023 special session), to defray the expenses of salaries and wages and other operating costs.

SECTION D - ELECTED OFFICIALS

AGRICULTURE COMMISSIONER	D-32
ATTORNEY GENERAL	D-11
GOVERNOR'S OFFICE	D-1
INSURANCE COMMISSIONER	D-26
PUBLIC SERVICE COMMISSION	D-30
SECRETARY OF STATE	D-3
STATE AUDITOR	D-6
STATE TREASURER	D-9
SUPERINTENDENT OF PUBLIC INSTRUCTION - SEE SECTION E - ELEMENTARY AND SECONDARY EDUCATION	
TAX COMMISSIONER	D-23

**Governor
Budget No. 101
House Bill No. 1001**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	19.00	\$6,850,081	\$0	\$6,850,081
2025-27 base budget	19.00	5,266,996	0	5,266,996
Legislative increase (decrease) to base budget	0.00	\$1,583,085	\$0	\$1,583,085

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation¹	Total General Fund Appropriation¹
2025-27 legislative appropriations	\$6,820,081	\$30,000	\$6,850,081
2023-25 legislative appropriations	5,266,996	265,000	5,531,996
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,553,085	(\$235,000)	\$1,318,085
Percentage increase (decrease) to 2023-25 appropriations	29.5%	(88.7%)	23.8%

¹The 2023-25 legislative appropriations include a \$70,000 one-time general fund deficiency appropriation approved by the 2025 Legislative Assembly for the Governor for transition costs.

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:				
Adjusted funding for base payroll changes		\$13	\$0	\$13
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		205,213	0	205,213
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		114,100	0	114,100
Added salary equity funding		176,000	0	176,000
Increased funding for temporary salaries to \$50,000 to increase the number of office internships		20,000	0	20,000
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$501,808 for new positions and \$147,031 for vacant positions		648,839	0	648,839

Transferred \$167,695 for estimated savings 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 \$117,387 resulting in the savings as shown	(50,308)	0	(50,308)
Added funding for salary costs (\$272,000) and rent costs (\$30,000) to locate an office employee in Fargo	302,000	0	302,000
Increased operating funding for information technology costs (\$27,028), information technology enhancements (\$21,000), travel costs (\$35,000), and staff professional development (\$15,000)	98,028	0	98,028
Increased funding for Rough Rider Awards to provide a total of \$15,000	4,200	0	4,200
Added ongoing funding of \$35,000 for operating costs of the Children's Cabinet and added one-time funding of \$30,000 for consulting services for the cabinet	65,000	0	65,000
Total	0.00	\$0	\$1,583,085

FTE Changes

The Legislative Assembly approved 19 FTE positions for the Governor's office for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

The Legislative Assembly approved one-time funding of \$30,000 from the general fund for consulting services for the Children's Cabinet.

Other Sections in House Bill No. 1001

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

Additional income - Section 4 appropriates any additional other funds, excluding federal funds, which may become available to the office during the 2025-27 biennium. The section allows the Governor to accept federal funds but may spend the funds only pursuant to appropriation by the Legislative Assembly or approval by the Emergency Commission and Budget Section. The Governor's office is to report to the Budget Section regarding any additional other funds received by the agency.

Salary of the Governor and Lieutenant Governor - Sections 5 and 6 provide for statutory changes to increase the salaries of the Governor and Lieutenant Governor consistent with 2025-27 biennium state employee salary increases as follows:

	Current Level	July 1, 2025	July 1, 2026
Governor	\$158,356	\$163,107	\$168,000
Lieutenant Governor	\$135,200	\$139,256	\$143,434

Carryover authority - Section 7 authorizes the Governor's office to carry over unexpended appropriation for a constituent management software project.

Related Legislation

Senate Bill No. 2176 - Children's Cabinet - This bill provides for the Governor's office to administer the Children's Cabinet.

**Secretary of State
Budget No. 108
House Bill No. 1002; Senate Bill No. 2230**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	33.00	\$10,040,819	\$14,077,069	\$24,117,888
2025-27 base budget	35.00	7,141,710	9,344,171	16,485,881
Legislative increase (decrease) to base budget	(2.00)	\$2,899,109	\$4,732,898	\$7,632,007

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$9,440,819	\$600,000	\$10,040,819
2023-25 legislative appropriations	7,141,710	0	7,141,710
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,299,109	\$600,000	\$2,899,109
Percentage increase (decrease) to 2023-25 appropriations	32.2%	N/A	40.6%

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:				
Adjusted funding for base payroll changes			(\$144,339)	(\$144,339)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$231,638		231,638
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		168,148		168,148
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$370,950 for new positions and \$159,345 for vacant positions		316,569	213,726	530,295
Transferred \$211,682 for estimated savings 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 \$148,177, resulting in savings as shown		(63,505)		(63,505)
Removed FTE positions relating to information management and election education	(2.00)	(185,006)	(200,006)	(385,012)

Adjusted salaries and wages funding from special funds to the general fund	581,000	(581,000)	0
Restored other funds salary savings to be used for operating expenses and election reform		833,252	833,252
Added funding for information technology (IT) rate increases	11,600	10,906	22,506
Added funding to maintain and support IT systems	1,310,000		1,310,000
Added funding to match federal Help America Vote Act funds, to provide a total of \$400,000 from the general fund for matching funds	200,000		200,000
Removed funding for public printing to transfer the duties to the Legislative Council	(271,335)		(271,335)
Added one-time funding from the strategic investment and improvements fund (SIIF) for election pollpad and cradle points replacement		2,800,000	2,800,000
Added one-time funding from SIIF for IT system enhancements, including to the central indexing system		700,000	700,000
Added one-time funding from federal Help America Vote Act funds for election reform		1,000,000	1,000,000
Added one-time funding from federal funds for election security		100,359	100,359
Added one-time funding to create and distribute educational materials regarding statewide ballot measures (Senate Bill No. 2230)	600,000		600,000
Total	<u>(2.00)</u>	<u>\$2,899,109</u>	<u>\$4,732,898</u>

FTE Changes

The Legislative Assembly approved 33 FTE positions for the Secretary of State for the 2025-27 biennium, a decrease of 2 FTE positions from the 2023-25 biennium. The Legislative Assembly removed 1 FTE information management position and 1 FTE election education position.

One-Time Funding

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

	General Fund	Other Funds	Total Funds
Election pollpad and cradle points replacement (SIIF)		\$2,800,000	\$2,800,000
Information technology system enhancements (SIIF)		700,000	700,000
Election reform (Help America Vote Act funds)		1,000,000	1,000,000
Election security (federal funds)		100,359	100,359
Statewide ballot measure educational materials (Senate Bill No. 2230)	\$600,000		600,000
Total	\$600,000	\$4,600,359	\$5,200,359

Other Sections in House Bill No. 1002

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

Strategic investment and improvements fund - Section 4 provides that \$3.5 million appropriated from other funds in Section 1 is from SIIF for election pollpads and cradle points replacement (\$2.8 million) and for information technology enhancements (\$700,000).

Election fund - Section 5 authorizes the transfer of up to \$600,000 from the general fund, included in the agency's election reform line item, to the state's election fund.

Public printing - Sections 6 through 13 provide for the transfer of public printing duties from the Secretary of State to the Legislative Council.

Salary of the Secretary of State - Section 14 provides the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary will increase from the current level of \$135,200 to \$139,256 (3 percent) effective July 1, 2025, and to \$143,434 (3 percent) effective July 1, 2026, to reflect salary adjustments approved by the Legislative Assembly.

Exemptions - Sections 15 and 16 provide exemptions for the Secretary of State to continue unspent funds into the 2025-27 biennium from:

- The \$6 million appropriated from the federal State Fiscal Recovery Fund during the 2023 legislative session for an election management system and to upgrade the FirstStop system; and
- The \$1.5 million appropriated from SIIF during the 2023 legislative session for a new campaign system, contracted website redesign, and other information technology enhancements.

Related Legislation

House Bill No. 1469 - Statements of interest - This bill provides for the Secretary of State to publish online the statements of interest filed by candidates for elective office.

Senate Bill No. 2144 - Secretary of State fees - This bill removes certain fees charged by the Secretary of State relating to paper copy requests and the appointment of an attorney.

Senate Bill No. 2230 - Statewide ballot measures - This bill appropriates \$600,000 from the general fund to the Secretary of State to create and distribute educational materials relating to statewide ballot measures.

State Auditor
Budget No. 117
House Bill No. 1004; Senate Bill No. 2396

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	59.00	\$12,426,959	\$6,008,340	\$18,435,299
2025-27 base budget	65.00	10,310,849	6,486,821	16,797,670
Legislative increase (decrease) to base budget	(6.00)	\$2,116,110	(\$478,481)	\$1,637,629

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$12,126,759	\$300,200	\$12,426,959
2023-25 legislative appropriations	10,310,849	101,550	10,412,399
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,815,910	\$198,650	\$2,014,560
Percentage increase (decrease) to 2023-25 appropriations	17.6%	195.6%	19.4%

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:				
Adjusted funding for base payroll changes		\$41,001	(\$40,050)	\$951
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		376,213	179,825	556,038
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		228,201	117,105	345,306
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$958,432 for new positions and \$651,986 for vacant positions		594,249	1,016,169	1,610,418
Added funding for cost to continue salaries		152,187	67,801	219,988
Added funding for 1 FTE mineral royalty auditor and related operating expenses	1.00		104,202	104,202
Removed funding for local government audit positions due to less demand for local government audits	(7.00)		(1,545,916)	(1,545,916)

Adjusted the funding source for 2 FTE positions from special funds to the general fund to allow the State Auditor to review local government annual financial reports at no cost to the local government	412,845	(412,845)	0
Transferred \$99,686 for 1 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$89,717 resulting in the savings as shown.		(9,969)	(9,969)
Transferred \$766,798 for estimated savings 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 \$536,759 resulting in the savings as shown.	(140,303)	(89,736)	(230,039)
Increased funding for temporary salaries for internships by \$50,000 and related operating expenses by \$7,032	57,032		57,032
Increased funding for operating expenses related to IT rate increases	49,485	31,133	80,618
Increased funding for IT consultants for security assessments	45,000	90,000	135,000
Added one-time funding for operating expenses related to 1 FTE mineral royalty auditor		3,000	3,000
Added one-time funding for operating expenses related to a peer review required every 3 years	25,000		25,000
Added one-time funding for operating expenses related to migrating to new audit software	25,200	10,800	36,000
Added one-time funding to contract for a performance audit of North Dakota Development Fund (Senate Bill No. 2396)	250,000		250,000
Total	<u>(6.00)</u>	<u>\$2,116,110</u>	<u>(\$478,481)</u>

FTE Changes

The Legislative Assembly approved 59 FTE positions for the State Auditor for the 2025-27 biennium, a decrease of 6 FTE positions from the 2023-25 biennium authorized level of 65 FTE positions. The Legislative Assembly added 1 FTE mineral royalty audit position. The Legislative Assembly removed 7 FTE local government audit positions due to less demand for local government audits.

One-Time Funding

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

	General Fund	Other Funds	Total
Cost related to new FTE mineral royalty auditor position		\$3,000	\$3,000
Peer review	\$25,000	0	25,000
Audit software migration	25,200	10,800	36,000
Performance audit of the North Dakota Development Fund	250,000	0	250,000
Total	\$300,200	\$13,800	\$314,000

Other Sections in House Bill No. 1004

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.

Salary of the State Auditor - Section 4 provides the statutory changes necessary to increase the State Auditor's annual salary 3 percent each year of the biennium from the current level of \$135,200 to \$139,256 effective July 1, 2025, and to \$143,434 effective July 1, 2026, consistent with 2025-27 biennium state employee salary increases.

Related Legislation

House Bill No. 1026 - State bonding fund - This bill moves the administration of the state bonding fund from the Insurance Commissioner to the Office of Management and Budget and provides the State Auditor may, upon notification from the Office of Management and Budget of jeopardized fund interests, investigate the relevant state agency or political subdivision and provide a report. The State Auditor may evaluate blanket bond coverage when conducting an audit of a state agency or political subdivision and recommend changes in the amount of coverage in the audit report. Costs incurred by the State Auditor must be paid from the fund.

Senate Bill No. 2251 - State agency billing - This bill:

- Removes the requirement of the State Auditor to bill for agency audits;
- Eliminates billing limits on the financial statement audits of agricultural commodity groups;
- Clarifies the ability of the State Auditor to bill for the federal single audit;
- Reduces the fee retained by a political subdivision awaiting audit report approval by the State Auditor from 20 percent to 5 percent; and
- Increases the annual receipts threshold for audits of occupational or professional boards from \$200,000 to \$2 million.

A fiscal note prepared by the State Auditor indicates general fund revenue and other funds expenditure reductions of \$343,353 during the 2025-27 biennium.

Senate Bill No. 2299 - Water resource districts - This bill provides the State Auditor may audit or review the financial records of certain water resource districts upon the petition of at least 10 percent or 300 participating members, whichever is fewer.

Senate Bill No. 2396 - North Dakota Development Fund performance audit - This bill provides one-time funding of \$250,000 from the general fund for the State Auditor to contract for a performance audit of the North Dakota Development Fund.

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	7.00	\$3,215,939	\$295,000	\$3,510,939
2025-27 base budget	7.00	1,988,930	0	1,988,930
Legislative increase (decrease) to base budget	0.00	\$1,227,009	\$295,000	\$1,522,009

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$3,215,939	\$0	\$3,215,939
2023-25 legislative appropriations	1,988,930	27,825	2,016,755
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,227,009	(\$27,825)	\$1,199,184
Percentage increase (decrease) to 2023-25 appropriations	61.7%	(100.0%)	59.5%

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		\$61,957		\$61,957
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		42,037		42,037
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		21,090		21,090
Transferred \$52,351 for estimated savings from vacant FTE positions from the salaries and wages line item [other line items as necessary] to the new and vacant FTE pool line item and reduced the amount to \$36,646 resulting in the savings as shown		(15,705)		(15,705)
Added funding for salary equity increases		100,000		100,000

Transferred \$14,372 from the operating expenses line item to the salaries and wages line item for cost to continue 2023-25 salary increases	0	0
Added funding for information technology (IT) rate increases	13,630	13,630
Increased funding for coal severance shortfall payments to provide total funding of \$122,000	4,000	4,000
Added funding for carbon dioxide pipeline payments in lieu of taxes pursuant to North Dakota Century Code Section 57-06-17.2	1,000,000	1,000,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for IT projects		\$295,000 295,000
Total	0.00	\$1,227,009 \$295,000 \$1,522,009

FTE Changes

The Legislative Assembly approved 7 FTE positions for the State Treasurer for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
IT projects (SIIF)	\$0	\$295,000	\$295,000
Total	\$0	\$295,000	\$295,000

Other Sections in House Bill No. 1005

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.

IT projects - Section 4 identifies \$295,000 from SIIF for IT projects and Section 6 provides an emergency clause related to the projects.

Salary of State Treasurer - Section 5 provides the statutory changes necessary to increase the State Treasurer's salary from the current level of \$135,200 to \$139,256 (3 percent) effective July 1, 2025, and to \$143,434 (3 percent) effective July 1, 2026.

Related Legislation

House Bill No. 1278 - Cash management board - Creates a cash management board to review existing policies and procedures for the management of moneys in the state treasury in coordination with the State Treasurer and Bank of North Dakota.

Senate Bill No. 2012 - Road and bridge funding grants and allocations - Changes the allocations from the flexible transportation fund, municipal infrastructure fund, and the county and township infrastructure fund to provide funding to the Department of Transportation for grants for road and bridge projects and to designate funding for allocations by the State Treasurer.

Senate Bill No. 2177 - Animal agriculture facility infrastructure fund - Creates an animal agriculture facility infrastructure fund to allocate up to \$1 million per biennium from sales and use tax collections to a county for infrastructure projects near animal agriculture facilities.

**Attorney General
Budget No. 125
House Bill Nos. 1003, 1193, and 1199; Senate Bill Nos. 2018 and 2209**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	270.00	\$63,368,936	\$55,803,294	\$119,172,230
2025-27 base budget	266.00	49,024,265	41,914,820	90,939,085
Legislative increase (decrease) to base budget	4.00	\$14,344,671	\$13,888,474	\$28,233,145

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation¹	Total General Fund Appropriation¹
2025-27 legislative appropriations	\$61,225,936	\$2,143,000	\$63,368,936
2023-25 legislative appropriations ¹	49,024,265	11,436,346	60,460,611
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$12,201,671	(\$9,293,346)	(\$2,908,325)
Percentage increase (decrease) to 2023-25 appropriations	24.9%	(81.3%)	(4.8%)

¹The 2023-25 legislative appropriations includes a \$3,050,000 one-time general fund deficiency appropriation approved by the 2025 Legislative Assembly for the Attorney General, of which \$3,000,000 is for the statewide litigation funding pool and \$50,000 is for prosecution witness fees.

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 for the cost to continue salaries		\$1,020,488	\$664,389	\$1,684,877
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		1,633,098	868,052	2,501,150
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		984,616	558,741	1,543,357
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$4,602,851 for new positions and \$4,257,123 for vacant positions		6,701,991	2,157,983	8,859,974
Removed base level funding for vacant FTE attorney positions, of which \$221,997 is from federal funds and \$242,483 is from the Attorney General refund fund. Of the	(3.00)	(322,132)	(464,480)	(786,612)

total, \$726,612 is for salaries and wages and \$60,000 is for operating expenses.

Added funding for new FTE positions, including 1 FTE evidence technician position (\$189,393), 1 FTE executive staff officer position (\$195,432), 2 FTE Bureau of Criminal Investigation (BCI) cybercrime agent positions (\$664,000), and 1 FTE BCI guardianships agent position (\$385,355). Of the total, \$1,090,640 is for salaries and wages, \$202,260 is for operating expenses, and \$141,280 is for capital assets.	5.00	1,434,180		1,434,180
Added funding for 1 FTE Medicaid Fraud Control Unit (MFCU) attorney position, including funding from federal funds. Of the total, \$293,683 is for salaries and wages and \$49,620 is for operating expenses.	1.00	85,826	257,477	343,303
Added funding from the community health trust fund for 1 FTE tobacco compliance auditor position, of which \$197,866 is for salaries and wages and \$41,850 is for operating expenses	1.00		239,716	239,716
Transferred (\$1,582,189) for 7 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$1,423,970 resulting in the savings as shown		(116,406)	(41,813)	(158,219)
Transferred (\$5,309,631) for estimated savings from vacant FTE positions from the salaries and wages line item and other line items to the new and vacant FTE pool line item and reduced the amount to \$3,716,741 resulting in the savings as shown		(1,036,932)	(555,958)	(1,592,890)
Added funding from the Attorney General refund fund to reclassify a FTE paralegal position to a FTE attorney position			30,000	30,000
Added funding for salary equity increases, of which \$16,775 is from federal funds, \$16,128 is from the Attorney General refund fund, and \$4,557 is from the lottery operating fund. Of the total, \$180,000 is for attorney positions and \$111,777 is for other staff positions.		254,317	37,460	291,777
Adjusted funding for operating expenses, including adding \$31,770 from federal funds and reducing \$838,129 from special funds		(1,531,995)	(806,359)	(2,338,354)
Adjusted base level funding, including adding \$192,000 from the general fund for State Crime Laboratory equipment and maintenance; adding \$1,138,886 for software hosting and maintenance and other information technology (IT) costs of which \$1,118,060 is from the general fund, \$10,413 is from federal funds, and \$10,413 is from special funds; and		980,060	20,826	1,000,886

removing \$330,000 from the general fund for bond payments related to the State Crime Laboratory

Added funding for prosecution witness fees to provide a total of \$360,056 from the general fund. The \$95,056 of base level funding was transferred from the operating expenses line item to a new prosecution witness fees line item.	265,000		265,000
Added funding for human trafficking victims grants for exploitation prevention and awareness education to provide total ongoing funding of \$1,802,514 from the general fund for human trafficking victims grants	685,000		685,000
Adjusted funding for medical examinations (\$660,000) and children's forensic interviews (\$304,560) from the general fund rather than the insurance regulatory trust fund in accordance with provisions of Senate Bill No. 2292 (2025)	964,560	(964,560)	0
Added ongoing funding for the domestic violence forensic medical examination program for community- or hospital-based domestic violence examiner programs and related administrative costs (Senate Bill No. 2209)	200,000		200,000
Added one-time funding for State Crime Laboratory equipment and supplies, including \$233,000 from federal funds and \$321,000 from the strategic investment and improvements fund (SIIF)	400,000	554,000	954,000
Added one-time funding for other capital assets, including \$32,000 from the general fund for IT network switches, \$540,000 from SIIF to replace 18 BCI undercover vehicles, \$105,000 from SIIF for portable handheld dual-band radios, and \$188,000 from federal funds for intoxilyzers	32,000	833,000	865,000
Added one-time funding for BCI cybercrime agent equipment	161,000		161,000
Added one-time funding for human trafficking victims grants to provide a total of \$2,452,514, including ongoing funding of \$1,802,514, from the general fund	650,000		650,000
Added one-time funding from SIIF for the statewide litigation funding pool. Including \$3 million appropriated from the general fund as a 2023-25 biennium deficiency appropriation in House Bill No. 1024 (2025) that is authorized to continue into the 2025-27 biennium pursuant to Section 18 of House Bill No. 1003, total funding available to the Attorney General for the statewide litigation funding pool during the 2025-27 biennium is \$8 million.		5,000,000	5,000,000

Added one-time funding for criminal justice information sharing IT projects, including \$650,000 from the general fund to replace the jail management system and \$1.5 million from SIIF to replace the statewide automated victim identification notification (SAVIN) system	650,000	1,500,000	2,150,000
Added one-time funding from federal or special funds received during the 2025-27 biennium		250,000	250,000
Added one-time funding from SIIF for a peace officer and correctional officer appreciation grant program (House Bill No. 1193)		3,500,000	3,500,000
Added one-time funding from the general fund transferred to a newly created missing indigenous people grant fund for supporting efforts of a federally recognized Indian nation, tribe, or band in the state to identify, report, and find missing indigenous people (House Bill No. 1199)	250,000		250,000
Added one-time funding from SIIF for autonomous technology grants (Senate Bill No. 2018)		250,000	250,000
Total	<u>4.00</u>	<u>\$14,344,671</u>	<u>\$13,888,474</u>

FTE Changes

The Legislative Assembly approved 270 FTE positions for the Attorney General for the 2025-27 biennium, an increase of 4 FTE positions from the 2023-25 biennium authorized level of 266 FTE positions. The Legislative Assembly adjusted the Attorney General's FTE position authorization as follows:

FTE Position Description	FTE Position Authorization
Attorneys	(3.00)
Evidence technician	1.00
Executive staff officer	1.00
BCI cybercrime agents	2.00
BCI guardianships agent	1.00
MFCU attorney	1.00
Tobacco compliance auditor	1.00
Total	4.00

Deficiency Appropriations - 2023-25 Biennium

House Bill No. 1024 (2025) - Statewide litigation funding pool - Prosecution witness fees - Section 1 of this bill includes a \$3,050,000 one-time general fund deficiency appropriation to the Attorney General for the 2023-25 biennium, of which \$3,000,000 is for the statewide litigation funding pool and \$50,000 is for prosecution witness fees.

Total funding appropriated for the statewide litigation funding pool for the 2023-25 biennium, including the \$3,000,000 deficiency appropriation, is \$8,000,000, of which \$4,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund. Of the \$3,202,252 from the gaming and excise tax allocation fund, \$2,760,000 was transferred from the lottery operating fund to the gaming and excise tax allocation fund.

Total funding appropriated for prosecution witness fees for the 2023-25 biennium, including the \$50,000 deficiency appropriation, is \$145,056 from the general fund.

Section 2 of House Bill No. 1024 includes legislative intent that the Attorney General seek reimbursement from the federal government for the costs of responding to unlawful activity associated with the construction of the Dakota Access Pipeline and that the reimbursements be used to repay the Bank of North Dakota loans authorized by the Emergency Commission and the Legislative Assembly which were obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota Access Pipeline.

One-Time Funding

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

	General Fund	Other Funds	Total
State Crime Laboratory equipment and supplies (\$233,000 from federal funds; \$321,000 from SIIF)	\$400,000	\$554,000	\$954,000
IT network switches	32,000	0	32,000
BCI undercover vehicle replacements (SIIF)		540,000	540,000
Portable handheld dual-band radios (SIIF)		105,000	105,000
Indoxilyzers (federal funds)		188,000	188,000
BCI cybercrime agent equipment	161,000		161,000
Human trafficking victims grants	650,000		650,000
Statewide litigation funding pool (SIIF)		5,000,000	5,000,000
Criminal justice information sharing jail management system	650,000		650,000
SAVIN system (SIIF)		1,500,000	1,500,000
Additional income from federal or special funds (Section 4 of House Bill No. 1003)		250,000	250,000
Peace officer and correctional officer appreciation grant program (House Bill No. 1193) (SIIF)		3,500,000	3,500,000
Efforts to identify, report, and find missing indigenous people (House Bill No. 1199)	250,000		250,000
Autonomous technology grants (Senate Bill No. 2018) (SIIF)		250,000	250,000
Total	\$2,143,000	\$11,887,000	\$14,030,000

Salary Equity Increases

2019-21 Biennium

In Senate Bill No. 2003 (2019), the Legislative Assembly appropriated \$425,000 from lawsuit settlement proceeds, of which \$25,000 relates to anticipated interest and earnings of the settlement amount, to the Attorney General for the 2019-21 biennium. Section 14 of the bill included legislative intent that the Attorney General use up to \$425,000 of the appropriation for providing salary equity increases to attorney positions in the Attorney General's office for the 2019-21 biennium. Further intent was provided that the remaining settlement proceeds and investment earnings on the remaining proceeds be retained in the Attorney General refund fund and be used for the cost to continue the salary equity increases provided in the 2019-21 biennium during the 2021-23 and 2023-25 bienniums, subject to legislative appropriations.

2021-23 Biennium

In House Bill No. 1003 (2021), the Legislative Assembly appropriated \$1,374,989 from lawsuit settlement proceeds for providing salary equity increases to Attorney General staff during the 2021-23 biennium, of which \$1,249,083 was from proceeds deposited in the Attorney General refund fund for 55 FTE BCI and 2 FTE MFCU positions and \$125,906 was from funding available in the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund for 8 FTE Fire Marshal office positions. Legislative intent was provided the lawsuit settlement funding receiving by the Attorney General and any investment earnings on the funding be retained in the Attorney General refund fund and Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund for the purpose of providing salary equity increases for the 2021-23 biennium and for the cost to continue the salary equity increases during the 2023-25 biennium, subject to legislative appropriations.

In House Bill No. 1506 (2021), the Legislative Assembly, during the November 2021 special legislative session, appropriated \$537,297 from the Attorney General refund fund to the Attorney General for providing salary equity increases to State Crime Laboratory staff during the 2021-23 biennium.

2023-25 Biennium

In Senate Bill No. 2003 (2023), the Legislative Assembly adjusted the \$537,297 for the prior biennium salary equity increases for State Crime Laboratory staff from the Attorney General refund fund to the general fund.

The Legislative Assembly also authorized \$245,368 for new salary equity increases for Attorney General staff for the 2023-25 biennium, of which \$223,000 is from the general fund and \$22,368 is from special funds.

In addition, the Legislative Assembly appropriated funding to OMB in Senate Bill No. 2015 (2023) for a targeted market equity pool to provide salary equity increases to executive branch employees. During the 2023-25 biennium, OMB transferred \$1,042,561 to the Attorney General for salary equity increases, of which \$735,664 was from the general fund, \$24,305 was from federal funds, and \$282,592 was from special funds.

2025-27 Biennium

In House Bill No. 1003 (2025), the Legislative Assembly appropriated \$291,777 for salary equity increases for the 2025-27 biennium, of which \$254,317 is from the general fund, \$16,775 is from federal funds, \$16,128 is from the Attorney General refund fund, and \$4,557 is from the lottery operating fund. Of the total, \$180,000 is for attorney positions and \$111,777 is for other staff positions.

Summary

The following is a summary of salary equity increases provided to the Attorney General since the 2019-21 biennium:

Biennium	General Fund	Other Funds	Total
2019-21	\$0	\$425,000	\$425,000
2021-23	0	1,912,286	1,912,286
2023-25	958,664	329,265	1,287,929
2025-27	254,317	37,460	291,777
Total	\$1,212,981	\$2,704,011	\$3,916,992

Medicaid Fraud Control Unit

In Senate Bill No. 2003 (2019), the Legislative Assembly appropriated \$1,528,620 for the MFCU for the 2019-21 biennium, of which \$152,863, or 10 percent, is from the general fund and \$1,375,757, or 90 percent, is from federal funds. The funding includes salaries and wages funding of \$1,119,015 for 6 FTE positions, including 1 attorney, 2 auditors, 2 criminal investigators, and 1 administrative assistant. The remaining \$409,605 is for operating expenses and capital assets of the MFCU for the 2019-21 biennium.

In House Bill No. 1003 (2021), the Legislative Assembly continued funding for 6 FTE positions and reduced funding for operating expenses and capital assets by \$12,866 from the general fund to provide total MFCU operating expenses and capital assets of \$396,739, of which \$28,095 is from the general fund and \$368,644 is from federal funds.

In Senate Bill No. 2003 (2023), the Legislative Assembly appropriated \$855,644 for an additional 3 FTE MFCU positions, of which \$242,017 is from the general fund and \$613,627 is from federal funds. The Legislative Assembly also adjusted \$341,747 of funding for MFCU salaries and wages and operating expenses by reducing federal funds and increasing funding from the general fund to reflect a change in the federal-state cost sharing of the program. Previously, the federal government provided funding for 90 percent of the costs of the MFCU program. The new federal funding rate is 75 percent. In addition, the Legislative Assembly provided a one-time appropriation of \$69,273 for MFCU operating expenses and capital assets, including \$17,318 from the general fund and \$51,955 from federal funds.

In House Bill No. 1003 (2025), the Legislative Assembly appropriated \$343,303 for an additional FTE MFCU attorney position, of which \$85,826 is from the general fund and \$257,477 is from federal funds.

Statewide Litigation Funding Pool

In House Bill No. 1003 (2025), the Legislative Assembly appropriated \$5 million for a statewide litigation funding pool for the 2025-27 biennium. A recent history of funding for the statewide litigation funding pool is as follows:

Biennium	Agency	General Fund	Other Funds	Total Funds
2019-21 ¹	OMB	\$0	\$3,500,000	\$3,500,000
2021-23 ²	Attorney General	1,000,000	4,650,000	5,650,000
2023-25 ³	Attorney General	4,797,748	3,202,252	8,000,000
2025-27 ⁴	Attorney General	0	5,000,000	5,000,000
Total		\$5,797,748	\$16,352,252	\$22,150,000

¹Other funds for the 2019-21 biennium was from SIIF. In House Bill No. 1025 (2021), the Legislative Assembly required OMB to use \$875,632 of the \$3.5 million appropriated to OMB in the statewide litigation funding pool for the 2019-21 biennium for the payment of court ordered judgements.

²Funding for the 2021-23 biennium was from SIIF (\$3 million), the gaming and excise tax allocation fund (\$1.65 million), and a general fund deficiency appropriation provided by the 2023 Legislative Assembly in Senate Bill No. 2025 (\$1 million).

³Funding from the general fund for the 2023-25 biennium includes a deficiency appropriation provided by the 2025 Legislative Assembly in House Bill No. 1024 (\$3 million). Other funds for the 2023-25 biennium are from the gaming and excise tax allocation fund, of which \$2.76 million is to be transferred from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, pursuant to Section 4 of Senate Bill No. 2003 (2023).

In addition, during the 2023-24 interim, the Emergency Commission and Budget Section authorized the Attorney General a \$3 million line item transfer from the operating expenses line item to the state litigation funding pool line item from the charitable gaming operating fund for the 2023-25 biennium; however, because the Legislative Assembly appropriated the \$3 million general fund deficiency appropriation in House Bill No. 1024 (2025), the Attorney General does not anticipate using any of the line item transfer funding during the 2023-25 biennium.

⁴In House Bill No. 1003 (2025), the Legislative Assembly appropriated \$5 million from SIIF to the Attorney General for the statewide litigation funding pool. In addition, in Section 18 of House Bill No. 1003, the Legislative Assembly authorized the Attorney General to continue any remaining funding of the \$3 million appropriated as a general fund deficiency appropriation in House Bill No. 1024 for the 2023-25 biennium into the 2025-27 biennium, resulting in a total of \$8 million available for the statewide litigation funding pool for the 2025-27 biennium.

Transfer - Statewide litigation funding pool to state agencies - Section 6 of House Bill No. 1003 (2025) requires the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2025-27 biennium and provides the Attorney General may not use funding from the statewide litigation funding pool to pay judgements under North Dakota Century Code Section 32-12-04.

Exemption - Statewide litigation funding pool - Section 18 allows the Attorney General to continue any remaining funding of the \$3 million appropriated from the general fund to the Attorney General as a deficiency appropriation for the statewide litigation funding pool in House Bill No. 1024 (2025) into the 2025-27 biennium.

Charitable Gaming Technology System

The 2019 Legislative Assembly provided a one-time appropriation of \$400,000 from the Attorney General operating fund to the Attorney General to purchase equipment and software for Phases 1 and 2 of a charitable gaming technology system to address charitable gaming needs in the state during the 2019-21 biennium. Section 12 of Senate Bill No. 2003 (2019) provides an exemption from Section 53-06.1-12(3) to allow the Attorney General to retain \$400,000 of gaming tax revenues and deposit the revenue in the Attorney General operating fund during fiscal year 2020. This change reduced 2019-21 estimated general fund revenues from gaming tax collections by \$400,000.

In Section 8 of House Bill No. 1003 (2021), the Legislative Assembly identified a one-time appropriation provided in Section 1 of \$400,000 from the charitable gaming operating fund to the Attorney General for Phases 3 and 4 of the charitable gaming technology system project for additional system enhancements during the 2021-23 biennium.

In Section 6 of Senate Bill No. 2003 (2023), the Legislative Assembly identified \$736,000 of funding from the charitable gaming operating fund for defraying the expenses related to the continued development and implementation of the charitable gaming technology system, of which \$37,000 is ongoing funding and \$699,000 is one-time funding.

In subsection 4 of Section 17 of House Bill No. 1003 (2025), the Legislative Assembly authorized the Attorney General an exemption to continue any unspent funding from the \$736,000 appropriated for the charitable gaming technology system during the 2023-25 biennium into the 2025-27 biennium.

Prosecution Witness Fees

Amendment - Prosecution witness fees - Section 10 of House Bill No. 1003 (2025) amends Section 31-01-16 to increase the amount each county may request for reimbursement of prosecution witness fees from \$25,000 per county to \$30,000 per county. Counties that exceed the \$30,000 limit may enter into an agreement with another county that has not used their entire limit.

In Section 1 of House Bill No. 1003, the Legislative Assembly added \$265,000 for prosecution witness fees to provide a total of \$360,056 from the general fund and transferred \$95,056 of base level funding from the operating expenses line item to a new prosecution witness fees line item.

A recent history of funding for prosecution witness fees in the Attorney General's office is as follows:

Biennium	General Fund				Emergency Commission State Contingency Funds	Total
	Budgeted by the Attorney General	Deficiency Appropriation	Emergency Commission Line Item Transfers	General Fund Subtotal		
2013-15	\$100,000	\$50,000		\$150,000	\$120,000	\$270,000
2015-17	100,000		\$121,714	221,714		221,714
2017-19	95,056	50,000		145,056	50,000	195,056
2019-21	95,056			95,056		95,056
2021-23	95,056	75,000		170,056		170,056
2023-25	95,056	50,000		145,056		145,056
2025-27	360,056			360,056		360,056
Total	\$940,280	\$225,000	\$121,714	\$1,286,994	\$170,000	\$1,456,994

Human Trafficking Victims Grant Program

The 2015 Legislative Assembly in Senate Bill No. 2107 created Chapter 12.1-41 relating to the Uniform Act on Prevention of and Remedies for Human Trafficking, which provided a penalty for human trafficking, and authorized the Attorney General to grant or contract with service providers to develop or expand service programs for victims of human trafficking. A recent history of funding for the human trafficking victims grant program in the Attorney General's office is as follows:

Biennium	Bill No.	General Fund
2015-17 ¹	SB 2199	\$500,000
2017-19 ²	SB 2203	125,000
2019-21	SB 2003	1,400,000
2021-23 ³	HB 1003	1,101,879
2023-25 ⁴	SB 2003	1,110,614
2025-27 ⁵	HB 1003	2,452,514
Total		\$6,690,007

¹In addition to the appropriation provided to the Attorney General for prevention and treatment services related to human trafficking victims in non-oil-producing counties for the 2015-17 biennium, the Legislative Assembly, in Section 2 of Senate Bill No. 2199 (2015), directed the Board of University and School Lands, from funds designated from the oil and gas impact grant fund in House Bill No. 1176 (2015) for grants to law enforcement agencies impacted by oil and gas development, to make available \$750,000 for grants to organizations involved in providing prevention and treatment services related to human trafficking victims in hub cities located in oil-producing counties for the 2015-17 biennium. The Board of University and School Lands was required to award the grants as directed by the Attorney General.

²In addition to the appropriation provided to the Attorney General for the 2017-19 biennium, the Legislative Assembly, in Section 2 of Senate Bill No. 2203 (2017), directed the Board of University and School Lands to award, based on recommendations from the Attorney General, up to \$700,000 in grants to organizations involved in providing prevention

and treatment services related to human trafficking victims, from funds designated from the oil and gas impact grant fund for grants to law enforcement agencies impacted by oil and gas development in subsection 3 of Section 5 of Chapter 463 of the 2015 Session Laws.

³Of the \$1,101,879 appropriated in Section 1 and identified in Section 9 of House Bill No. 1003 (2021) for the 2021-23 biennium, \$921,077 is for grants and \$180,802 is for administration of the program.

⁴Of the \$1,105,404 appropriated in Section 1 and identified in Section 7 of Senate Bill No. 2003 (2023) for the 2023-25 biennium, \$992,431 is for grants and \$112,973 is for administration of the program. An additional \$5,210 of appropriation authority was distributed from OMB to the Attorney General related to the targeted market equity pool and employer retirement contribution pool for administration of the program during the 2023-25 biennium.

⁵Of the \$2,452,514 appropriated in Section 1 and identified in Section 7 of House Bill No. 1003 (2025) for the 2025-27 biennium, \$2,346,022 is for grants and \$106,492 is for administration of the program.

Human trafficking victims grant program - Section 7 of House Bill No. 1003 (2025) identifies \$2,452,514 appropriated from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims and administrative expenses, for the 2025-27 biennium. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 70th Legislative Assembly on the use of the funds received and the outcomes of its program.

Forensic Nurse Examiners Grant Program

In Senate Bill No. 2191 (2017), the Legislative Assembly appropriated one-time funding of \$150,000 from SIIF to the Attorney General for the purpose of providing grants for a domestic violence and rape crisis program, also known as the sexual assault forensic nurse examiners grant program for community- or hospital-based sexual assault examiner programs for the 2017-19 biennium. The Legislative Assembly has appropriated ongoing funding from the general fund for the program since the 2017-19 biennium. A recent history of funding for the forensic nurse examiners grant program in the Attorney General's office is as follows:

Biennium	Bill No.	General Fund	SIIF	Total
2017-19	SB 2191	\$0	\$150,000	\$150,000
2019-21	SB 2003	250,000	0	250,000
2021-23 ¹	HB 1003	250,691	0	250,691
2023-25 ²	SB 2003	251,482	0	251,482
2025-27 ³	HB 1003	254,244	0	254,244
Total		\$1,006,417	\$150,000	\$1,156,417

¹Of the \$250,691 appropriated in Section 1 and identified in Section 10 of House Bill No. 1003 (2021) for the 2021-23 biennium, \$183,689 is for grants and \$67,002 is for administration of the program.

²Of the \$251,482 appropriated in Section 1 and identified in Section 8 of Senate Bill No. 2003 (2023) for the 2023-25 biennium, \$225,627 is for grants and \$25,855 is for administration of the program.

³Of the \$254,244 appropriated in Section 1 and identified in Section 8 of House Bill No. 1003 (2025) for the 2025-27 biennium, \$228,688 is for grants and \$25,556 is for administration of the program.

Forensic nurse examiners grant program - Section 8 of House Bill No. 1003 (2025) identifies \$254,244 appropriated from the general fund for providing forensic nurse examiner program grants for community- or hospital-based sexual assault examiner programs, and administrative expenses, for the 2025-27 biennium. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 70th Legislative Assembly on the use of the funds received and the outcomes of its programs.

Exemptions

The Legislative Assembly authorized six exemptions in Section 17 of House Bill No. 1003 to allow the Attorney General to continue an estimated \$2,617,936 of unexpended prior biennium appropriations into the 2025-27 biennium, including \$100,000 from the general fund and \$2,517,936 from other funds as follows:

House Bill No. 1003, Section 17, Subsection:	Major Program Area	Appropriations from Previous Bienniums		Estimated Amount to be Spent during the 2023-25 Biennium		Estimated Amount to be Continued into the 2025-27 Biennium	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
1	SAVIN / Legal case management system ¹	\$0	\$815,000	\$0	\$735,000	\$0	\$80,000
2	Criminal history improvement project ²	0	400,000	0	62,064	0	337,936
3	Prosecuting case management system ³	0	1,000,000	0	0	0	1,000,000
4	Charitable gaming technology system ⁴	0	736,000	0	386,000	0	350,000
5	Licensing and deposit software system	177,000	0	77,000	0	100,000	0
6	Anti-methamphetamine program ⁵	0	1,772,038	0	1,022,038	0	750,000
Total		\$177,000	\$4,723,038	\$77,000	\$2,205,102	\$100,000	\$2,517,936

¹Funding for the legal case management system was originally appropriated for the 2017-19 biennium for the SAVIN system, derived from funds received from a state-political subdivisions cost-sharing program (\$315,000) and a grant from the Department of Trust Lands (\$500,000) from law enforcement grants not used during the 2015-17 biennium. The Legislative Assembly has provided exemptions to the Attorney General to continue the funding into subsequent bienniums. Starting in the 2021-23 biennium, the Attorney General was authorized to continue unspent funds from the original appropriation for the legal case management system, which tracks attorney time and billing within the agency, rather than the SAVIN system.

²Funding for the criminal history improvement project is from the Attorney General refund fund.

³Funding for the prosecuting case management system is from the federal State Fiscal Recovery Fund.

⁴Funding for the charitable gaming technology system is from the charitable gaming operating fund.

⁵Funding for the anti-methamphetamine program is from federal funds from the United States Department of Justice Community Oriented Policing Services.

Other Sections in House Bill No. 1003

New and vacant FTE pool - Section 3 provides the Attorney General may not spend funds appropriated in the new and vacant FTE pool line item but may request the Office of Management and Budget to transfer funds to line items with salaries and wages funding.

Additional federal funds or special funds - Section 4 appropriates \$250,000 from federal or special funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2025-27 biennium. The Attorney General would be required to report to the Office of Management and Budget and Legislative Council on the availability of this funding.

Transfer - Community health trust fund to Attorney general operating fund - Section 5 identifies \$239,716 appropriated in Section 1 from the community health trust fund, which the Office of Management and Budget is required to transfer to the Attorney General operating fund for defraying the expenses related to the enforcement of the master settlement agreement and consent agreement and any disputes with the agreement.

Strategic investment and improvements fund - Section 6 identifies \$7,466,000 from SIIF for State Crime Laboratory equipment and supplies (\$321,000), replacement of BCI undercover vehicles (\$540,000), portable handheld dual-band radios (\$105,000), statewide litigation funding pool (\$5,000,000), and replacement of the SAVIN system (\$1,500,000).

Bureau of Criminal Investigation cyber crime resources - Section 9 identifies \$825,000 appropriated from the general fund for the purpose of hiring 2 FTE BCI cyber crime agent positions and for related equipment and capital asset costs. The personnel hired and resources purchased must be dedicated to assisting a police department in a city in northeastern North Dakota with at least 50,000 residents with the prevention and detection of cyber crime.

Amendment - Attorney General salary - Section 11 amends Section 54-12-11 to increase the salary of the Attorney General from the current level of \$186,484 to \$192,079 (3 percent) effective July 1, 2025, and \$197,841 (3 percent) effective July 1, 2026.

Amendment - 24-7 sobriety program - Section 12 amends Section 54-12-30 to provide district court judges and judicial referees may not waive program fees for participants of the 24-7 sobriety program. **The Governor vetoed this section.**

Amendment - Tobacco settlement trust fund - Section 13 amends Section 54-27-25 to allow funding from the tobacco settlement trust fund transferred to the community health trust fund to be used for the enforcement of the master settlement agreement and consent agreement and any disputes with the agreement.

Criminal history record checks - Section 14 requires any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund during the 2025-27 biennium.

Exemption - Contingent fee arrangement - Section 15 provides, notwithstanding Section 54-12-08.1, the Attorney General may contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the period beginning with the effective date of this Act and ending June 30, 2027.

Exemption - Attorney General refund fund - Section 16 allows the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2023-25 biennium to be used during the 2025-27 biennium, rather than transferring the balance to the general fund.

Related Legislation

House Bill No. 1193 - Peace officer and correctional officer appreciation grant program - This bill includes a one-time appropriation of \$3.5 million from SIIF to the Attorney General for a peace officer and correctional officer appreciation grant program. The Attorney General is required to provide grants to each city and county law enforcement agency in the state based on the proportional number of licensed peace officers and correctional officers employed by the city or county law enforcement agency compared to the total number of licensed peace officers and correctional officers employed by all city and county law enforcement agencies. Of the funding available for the program, at least \$750,000 must be granted to city and county law enforcement agencies employing 10 or fewer employees working in a law enforcement capacity. The funding must be used for providing retention bonuses to current law enforcement and correctional officers and providing tuition and fee payments on behalf of law enforcement trainees. The Attorney General is required to provide a report to the Legislative Management during the 2025-26 interim regarding the use and effectiveness of grant funds, the number of grants provided, the average amount of bonuses provided by city and county law enforcement agencies and correctional facilities, and other program outcomes.

House Bill No. 1199 - Missing indigenous people grant fund - Continuing appropriation - This bill creates a missing indigenous people task force and a missing indigenous people grant fund, authorizes the Attorney General a continuing appropriation from the fund, and provides an appropriation and transfer of \$250,000 from the general fund to the new fund for supporting efforts of a federally recognized Indian nation, tribe, or band in the state to identify, report, and find missing indigenous people.

Senate Bill No. 2018 - Autonomous technology grants - Section 5 of this bill includes a \$250,000 one-time appropriation from SIIF to the Attorney General for providing autonomous technology grants to individuals or entities that aid BCI in conducting missing person searches, crime scene reconstruction, and law enforcement first response operations. Autonomous technology includes uncrewed aircraft systems, autonomous vehicles, or other autonomous systems, processes, or technologies. The Attorney General may require \$1 of matching funds from nonstate sources for every \$4 provided by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the Attorney General. The Attorney General is required to provide at least one report to the Legislative Management during the 2025-26 interim regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

Senate Bill No. 2029 - Office of Guardianship and Conservatorship - This bill creates an Office of Guardianship and Conservatorship, allows the Attorney General to act as legal counsel for the new agency, provides the Attorney General and BCI have primary authority to investigate criminal cases related to a guardianship or conservatorship, and allows the Attorney General to submit a request to the Emergency Commission in accordance with Chapter 54-16 during the 2025-26 interim to request authorization and related funding for 1 FTE position for BCI related to guardianship and conservatorship case investigations. Prior to submitting the request, the Office of Guardianship and Conservatorship must be operational, and the Attorney General must identify an increase in workload related to guardianship and conservatorship case investigations that results in the need for an additional FTE position.

Senate Bill No. 2167 - Internet crimes investigation fund - Continuing appropriation - This bill requires individuals convicted of a felony or misdemeanor to pay a fee of up to \$100 for the cost of digital forensic examinations, creates an Internet crimes investigation fund, and provides the Attorney General a continuing appropriation from the fund.

Senate Bill No. 2205 - Gambling prevention and treatment fund transfers - This bill increases the quarterly transfers from the charitable gaming operating fund to the gambling prevention and treatment fund to provide for a biennial increase of \$520,000, from \$80,000 to \$600,000. This results in a \$520,000 decrease in the amount transferred from the charitable gaming operating fund to the general fund at the end of each biennium.

Senate Bill No. 2209 - Domestic violence forensic medical examination program - This bill appropriates \$200,000 of ongoing funding from the general fund to the Attorney General for the domestic violence forensic medical examination program for community- or hospital-based domestic violence examiner programs and related administrative costs. Any organization receiving funding under the program is required to report to the Attorney General and the appropriations committees of the 70th Legislative Assembly on the use of the funds received and outcomes of its programs. The Attorney General is required to report to the appropriations committees of the 70th Legislative Assembly on the number of victims receiving domestic violence forensic medical examinations and documentation of collaborative efforts to assist victims, which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

Senate Bill No. 2292 - Insurance regulatory trust fund adjustment - This bill amends Section 12.1-34-07 to provide the cost of medical screenings and acute forensic medical examinations be paid from the general fund rather than the insurance regulatory trust fund. The 2025-27 biennium base budget for the Attorney General included \$964,560 from the insurance regulatory trust fund for medical examinations (\$660,000) and children's forensic interviews (\$304,560). In House Bill No. 1003, the Legislative Assembly adjusted funding for these programs to be appropriated from the general fund.

**Tax Commissioner
Budget No. 127
House Bill Nos. 1006 and 1176**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	117.00	\$127,587,123	\$409,025,000	\$536,612,123
2025-27 base budget	117.00	226,900,522	125,000	227,025,522
Legislative increase (decrease) to base budget	0.00	(\$99,313,399)	\$408,900,000	\$309,586,601

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$126,587,123	\$1,000,000	\$127,587,123
2023-25 legislative appropriations	226,900,522	2,000,000	228,900,522
2025-27 legislative increase (decrease) to 2023-25 appropriations	(\$100,313,399)	(\$1,000,000)	(\$101,313,399)
Percentage increase (decrease) to 2023-25 appropriations	(44.2%)	(50.0%)	(44.3%)

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:		\$926,560		\$926,560
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026				
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		702,618		702,618
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		1,285,846		1,285,846
Transferred \$1,599,989 for estimated savings 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 \$1,119,992 resulting in the savings as shown		(479,997)		(479,997)
Decreased funding for salaries and wages related to budget savings		(26,967)		(26,967)
Added funding for salaries and wages, including \$362,000 for the cost to continue 2023-25 biennium salary increases, \$215,011 for FTE position		823,800		823,800

reclassifications, and \$246,789 for salary equity increases related to additional responsibilities for administering property tax relief programs

Added funding for operating expenses, including \$450,000 for GenTax support, \$358,321 for information technology (IT) rate increases, and \$16,420 for Capitol rent increases	824,741		824,741
Decreased funding for the homestead tax credit to provide total funding of \$60.6 million, including \$1 million for an increase in the annual renters refund limit in House Bill No. 1176	(11,800,000)		(11,800,000)
Increased funding for the disabled veterans' tax credit to provide total funding of \$29.4 million, including \$7.4 million related to an expansion of the credit to align with the homestead tax credit in House Bill No. 1176	10,655,000		10,655,000
Adjusted funding for the primary residence credit by removing \$103,225,000 included from the general fund in House Bill No. 1006 and by adding \$408,900,000 from a newly created legacy property tax relief fund in House Bill No. 1176	(103,225,000)	\$408,900,000	305,675,000
Added one-time funding for tax relief program administrative costs related to operating expenses for advertising and IT costs	1,000,000		1,000,000
Total	<u>0.00</u>	<u>(\$99,313,399)</u>	<u>\$408,900,000</u> <u>\$309,586,601</u>

FTE Changes

The Legislative Assembly approved 117 FTE positions for the Tax Commissioner for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
Tax relief program administrative costs, including advertising and IT costs	\$1,000,000		\$1,000,000
Total	\$1,000,000	\$0	\$1,000,000

Other Sections in House Bill No. 1006

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.

Line item transfers - Section 4 allows the Tax Commissioner to transfer funding between the homestead tax credit and the disabled veterans' tax credit line items during the 2025-27 biennium.

Motor vehicle fuel taxes - Section 5 provides for a transfer of \$1,761,168 from motor vehicle fuel tax collections to the general fund for the 2025-27 biennium related to the Tax Commissioner's expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

Salary of Tax Commissioner - Section 6 provides the statutory changes necessary to increase the Tax Commissioner's salary from the current level of \$136,973 to \$141,082 (3 percent) effective July 1, 2025, and to \$145,314 (3 percent) effective July 1, 2026.

Related Legislation

House Bill No. 1176 - Primary residence credit expansion and property tax levy increase limit - Provides property tax relief by:

- Increasing the primary residence property tax credit from \$500 to \$1,600 per year for each primary residence;

- Providing \$408.9 million from earnings of the legacy fund for the primary residence credit;
- Limiting the increase in property taxes levied by taxing districts to 3 percent per year with additional increases requiring voter approval; and
- Adjusting the disabled veterans' tax credit by increasing the taxable value exempt from taxation to align with the homestead tax credit.

Senate Bill No. 2201 - Properties held in trust for the primary residence credit - Expands the primary residence credit to allow primary residences held through a trust to qualify for the credit, including a retroactive application which resulted in an estimated cost of \$1.9 million prior to the end of the 2023-25 biennium.

**Insurance Commissioner, including the Securities Division
Budget No. 401
House Bill Nos. 1010 and 1584; Senate Bill No. 2218**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations¹	60.00	\$0	\$22,467,871	\$22,467,871
2025-27 base budget	47.00	0	15,783,893	15,783,893
Legislative increase (decrease) to base budget	13.00	\$0	\$6,683,978	\$6,683,978

¹ Senate Bill No. 2214 transfers duties of the Securities Commissioner to the Insurance Commissioner.

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:				
Adjusted funding for base payroll changes			\$36,700	\$36,700
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			437,348	437,348
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			282,249	282,249
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$407,380 for new positions and \$237,366 for vacant positions			644,746	644,746
Transferred \$381,377 for estimated savings 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 \$266,964 resulting in the savings as shown			(114,413)	(114,413)
Added funding for information technology department rate increases			54,018	54,018
Combined the Securities Department with the Insurance Department, including \$2,686,987 for salaries and wages, \$643,171 for related operating expenses, and \$58,172 for the new and vacant FTE pool	10.00		3,388,330	3,388,330
Added funding for pharmacy benefit manager enforcement (House Bill No. 1584)	3.00		1,200,000	1,200,000
Added funding for attorneys' salary equity increases			90,000	90,000
Added funding for State Fire Marshal salary equity increases			25,000	25,000

Added one-time funding for a grant to the North Dakota Firefighter's Association (Senate Bill No. 2218)			500,000	500,000
Added one-time funding for equipment including radios and an x-ray machine			90,000	90,000
Added one-time funding for accrued leave payouts			30,000	30,000
Added one-time funding for State Fire Marshal compensatory time and overtime			20,000	20,000
Total	<u>13.00</u>	<u>\$0</u>	<u>\$6,683,978</u>	<u>\$6,683,978</u>

FTE Changes

The Legislative Assembly approved 60 FTE positions for the Insurance Commissioner for the 2025-27 biennium, an increase of 13 FTE positions from the 2023-25 biennium authorized level of 47 FTE positions. The Legislative Assembly added 3 FTE positions for pharmacy benefit manager enforcement and transferred in 10 FTE positions from the Securities Department.

One-Time Funding

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

	Other Funds
State Fire Marshal equipment, including radios and an x-ray machine	\$90,000
Accrued leave payouts	30,000
North Dakota Firefighter's Association grant (strategic investment and improvements fund)	500,000
State Fire Marshal compensatory time and overtime	20,000
Total	\$640,000

Securities Department

The Legislative Assembly in Senate Bill No. 2214 transferred the duties of the Securities Department to the Insurance Commissioner. The transfer includes 10 FTE positions and an appropriation of \$3,388,330, of which \$2,686,987 is for salaries and wages, \$643,171 for operating expenses, and \$58,172 for the new and vacant FTE pool.

Insurance Tax Payments to Fire Departments

The Legislative Assembly, in Senate Bill No. 2211 (2023), provided a continuing appropriation for payments to fire departments and districts from the insurance tax distribution fund, in accordance with provisions of North Dakota Century Code Section 18-04-05. Previously, the funding was specifically appropriated to the Insurance Commissioner each biennium. The following is a summary of the amounts appropriated by the Legislative Assembly in prior bienniums and an estimate of the 2025-27 biennium payments to fire departments and districts:

Biennium	Total Payments
2015-17 biennium	\$15,681,207
2017-19 biennium	\$14,235,561
2019-21 biennium	\$17,989,505
2021-23 biennium	\$19,588,470
2023-25 biennium	\$28,051,308
2025-27 biennium (estimated)	\$29,317,488

Other Sections in House Bill No. 1010

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.

Appropriation - Additional income - Section 4 appropriates any additional income from federal funds that may become available to the Insurance Commissioner for the 2025-27 biennium.

Securities Division - Fees - Section 5 updates the fee schedule for the Securities Division in subsection 8 of Section 10-04-10. The fee changes are estimated to generate an additional \$3,888,320 of general fund revenues for the 2025-27 biennium.

Insurance Commissioner's salary - Section 6 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 3 percent in the 1st year and 3 percent in the 2nd year of the biennium as follows:

Annual salary authorized by the Legislative Assembly in 2023:

July 1, 2023	\$130,000
July 1, 2024	\$135,200

Annual salary authorized by the Legislative Assembly in 2025:

July 1, 2025	\$139,256
July 1, 2026	\$143,434

Government self-insurance pool - Report - Section 7 provides for a report from a government self-insurance pool to the legislative management by September 30 of each even-numbered year including information on the activities of the pool, claims activity, claims payment history, balances, a history of complaints, and executive staff and board compensation.

Related Legislation

House Bill No 1026 - State bonding fund - This bill transfers the administration of the state bonding fund from the Insurance Commissioner to the Office of Management and Budget.

House Bill No. 1027 - State fire and tornado fund - This bill transfers the administration of the state fire and tornado fund from the Insurance Commissioner to the Office of Management and Budget.

House Bill No. 1086 - State Fire Marshal fees - This bill designates the State Fire Marshal to set cigarette certification fees and deposits the revenue in the insurance regulatory trust fund rather than the reduced cigarette ignition propensity fund.

House Bill No. 1123 - Insurance Commissioner licensing fees - This bill increases fees charged by the Insurance Commissioner, resulting in an additional \$1,459,020 of estimated revenues to the insurance regulatory trust fund for the 2025-27 biennium.

House Bill No. 1124 - Insurance holding companies - This bill sets the standards and management of an insurer with a holding company and the confidential treatment of investigation and examination records of insurance holding companies.

House Bill No. 1584 - Licensing and examination of pharmacy benefit managers - This bill appropriates \$1.2 million and 3 FTE positions for pharmacy benefit manager enforcement.

Senate Bill No. 2090 - State Fire Marshal language updates - This bill provides for the deposit of fireworks application fees in the insurance regulatory fund instead of the general fund.

Senate Bill No. 2214 - Securities Department - This bill transfers the duties of the Securities Commissioner to the Insurance Commissioner.

Senate Bill No. 2218 - North Dakota Firefighter's Association building - This bill appropriates \$500,000 from the strategic investment and improvements fund for a grant to the North Dakota Firefighter's Association for costs associated with a new building.

**Public Service Commission
Budget No. 408
House Bill No. 1008**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	45.00	\$9,221,704	\$14,234,468	\$23,456,172
2025-27 base budget	45.00	7,489,352	13,779,645	21,268,997
Legislative increase (decrease) to base budget	0.00	\$1,732,352	\$454,823	\$2,187,175

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$8,966,124	\$255,580	\$9,221,704
2023-25 legislative appropriations	7,489,352	183,500	7,672,852
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,476,772	\$72,080	\$1,548,852
Percentage increase (decrease) to 2023-25 appropriations	19.7%	39.3%	20.2%

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:				
Adjusted funding for base budget adjustments and reductions		\$0	(\$282,673)	(\$282,673)
Added funding for cost to continue 2023-25 biennium salary increases		142,505	18,945	161,450
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		274,922	185,662	460,584
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		159,891	110,347	270,238
Added funding for salary equity increases		40,000	0	40,000
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$503,632 for new positions and \$307,690 for vacant positions		546,818	264,504	811,322
Transferred \$379,621 for estimated savings from vacant FTE positions from the salaries and wages line item and the		(67,879)	(46,007)	(113,886)

railroad safety program line item to the new and vacant FTE pool line item and reduced the amount to \$265,735 resulting in the savings as shown.

Added funding for information technology rate increases	64,692	0	64,692
Increased funding for staff professional development costs	25,000	0	25,000
Increased funding for rent and other operating expenses	185,823	4,625	190,448
Added federal funding authority to purchase a drone	0	50,000	50,000
Increased funding for federal lawsuit interventions to provide a total of \$475,000, of which \$225,000 is ongoing funding and \$250,000 is one-time funding	355,000	0	355,000
Added one-time funding for drone remote sensing technology	5,580	149,420	155,000
Total	<u>0.00</u>	<u>\$1,732,352</u>	<u>\$454,823</u>

FTE Changes

The Legislative Assembly approved 45 FTE positions for the Public Service Commission for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
Federal lawsuit intervention funding	\$250,000	\$0	\$250,000
Drove remote sensing technology	5,580	149,420	155,000
Total	\$255,580	\$149,420	\$405,000

Other Sections in House Bill No. 1008

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

Bank of North Dakota - Loan authorization - Section 4 authorizes a loan from the Bank of North Dakota of \$900,000 to pay costs associated with a rail rate complaint case.

Salary of commissioners - Section 5 provides the statutory changes increasing the Public Service Commissioners' salary. Each Public Service Commissioner's salary is increased from the current level of \$135,200 to \$139,256 (3 percent), effective July 1, 2025, and to \$143,434 (3 percent) effective July 1, 2026.

Railroad safety program - Section 6 amends North Dakota Century Code Section 57-43.2-19 to increase the deposit from \$332,327 to \$352,892 per year from special fuels taxes into the rail safety fund.

Related Legislation

There is no major related legislation affecting this agency.

Agriculture Commissioner
Budget No. 602
House Bill Nos. 1009, 1143, 1531, and 1591; Senate Bill Nos. 2274 and 2327

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	81.00	\$33,604,476	\$45,072,340	\$78,676,816
2025-27 base budget	80.00	14,820,933	27,117,306	41,938,239
Legislative increase (decrease) to base budget	1.00	\$18,783,543	\$17,955,034	\$36,738,577

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$18,129,476	\$15,475,000	\$33,604,476
2023-25 legislative appropriations	14,820,933	33,000,000	47,820,933
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$3,308,543	(\$17,525,000)	(\$14,216,457)
Percentage increase (decrease) to 2023-25 appropriations	22.3%	(53.1%)	(29.7%)

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:				
Adjusted funding for base payroll changes		\$203,651	(\$228,654)	(\$25,003)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		383,276	266,444	649,720
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		271,679	214,749	486,428
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$214,930 for new positions and \$662,070 for vacant positions		608,727	268,273	877,000
Added funding for an FTE plant protection position from the general fund and the environment and rangeland protection fund, including \$41,396 for operating expenses	1.00	107,344	107,344	214,688
Transferred \$185,368 for 1 new FTE position from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$166,831 resulting in the savings as shown		(9,268)	(9,269)	(18,537)

Transferred \$839,494 for estimated savings 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 \$587,646 resulting in the savings as shown	(146,988)	(104,860)	(251,848)
Adjusted funding for temporary salaries (reduction of \$202,601), travel (increase of \$217,708), and other operating expenses (increase of \$328,979), including an increase of \$806,464 from federal funds and \$39,143 from special funds	(501,521)	845,607	344,086
Added funding for state fleet rate increases	500,000		500,000
Reduced funding from the abandoned oil and gas well plugging and site reclamation fund for the postproduction royalty oversight program		(200,000)	(200,000)
Adjusted funding for capital assets to provide a total of \$11,100 for capital assets from the Agriculture Commissioner's operating fund		4,100	4,100
Adjusted funding for grants, including an increase of \$32,000 from federal funds and a reduction of \$26,100 from special funds		5,900	5,900
Added funding for noxious weeds grants from the environment and rangeland protection fund to provide a total of \$1,990,869, of which \$170,000 is from federal funds and \$1,820,869 is from the environment and rangeland protection fund		366,900	366,900
Added funding for the specialty crop block grant program to provide a total of \$9,063,305 from federal funds. A section is added to the bill to provide the Agriculture Commissioner an exemption to continue COVID-19 funding appropriated for the program for the 2019-21 biennium into the 2025-27 biennium.		1,968,500	1,968,500
Reduced funding for the board of animal health to provide a total of \$857,361 for the board of animal health	(8,357)		(8,357)
Added funding from the environment and rangeland protection fund for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program, of which \$598,600 is from the general fund and \$1,208,800 is from the environment and rangeland protection fund		150,000	150,000
Added ongoing funding to transfer the administration of the farm management program from the Department of Career and Technical Education to the Agriculture Commissioner (Senate Bill No. 2274)	1,900,000		1,900,000
Added one-time funding from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) program to provide a total of \$5,110,417 for the program, including \$2,110,417 from the APUC fund		3,000,000	3,000,000

Added one-time funding for the North Dakota Trade Office to provide a total of \$2 million from the general fund for the North Dakota Trade Office	400,000		400,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for grasslands grazing grants		3,000,000	3,000,000
Added one-time funding from SIIF for food distribution grants for meat and protein		1,500,000	1,500,000
Added one-time funding from SIIF for autonomous technology grants		300,000	300,000
Added one-time funding from SIIF for providing a food distribution facility grant program (House Bill No. 1143)		5,000,000	5,000,000
Added one-time funding for the purpose of contracting with a consultant to study the potential benefits of expanding irrigation throughout the state (House Bill No. 1531)	75,000		75,000
Added one-time funding from SIIF for grants to county agriculture fair associations for the planning, design, and construction of infrastructure projects (House Bill No. 1591)		1,500,000	1,500,000
Added one-time funding for a transfer to the agriculture diversification and development fund (Senate Bill No. 2327)	15,000,000		15,000,000
Total	1.00	\$18,783,543	\$17,955,034
			\$36,738,577

FTE Changes

The Legislative Assembly approved 81 FTE positions for the Agriculture Commissioner for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium level of 80 FTE positions. The Legislative Assembly added 1 FTE plant protection position.

One-Time Funding

The Legislative Assembly approved \$29.8 million of one-time funding for the Agriculture Commissioner for the 2025-27 biennium as follows:

	General Fund	Other Funds	Total
APUC (Bank of North Dakota profits)		\$3,000,000	\$3,000,000
North Dakota Trade Office	\$400,000		400,000
Grasslands grazing grants (SIIF)		3,000,000	3,000,000
Food distribution grants for meat and protein (SIIF)		1,500,000	1,500,000
Autonomous technology grants (SIIF)		300,000	300,000
Food distribution facility grant (SIIF) (House Bill No. 1143)		5,000,000	5,000,000
Irrigation expansion study (House Bill No. 1531)	75,000		75,000
County fair resiliency grant program (SIIF) (House Bill No. 1591)		1,500,000	1,500,000
Agriculture infrastructure grant program (Senate Bill No. 2327)	15,000,000		15,000,000
Total	\$15,475,000	\$14,300,000	\$29,775,000

Environment and Rangeland Protection Fund

The environment and rangeland protection fund was established by the 1991 Legislative Assembly in Senate Bill No. 2451 and enacted as North Dakota Century Code Section 19-18-02.1 then amended and reenacted by the 2017 Legislative Assembly as Section 4.1-39-07 as part of the agriculture law rewrite. The fund contains collections from pesticide registration fees, fertilizer registration, inspection, and tonnage fees, and weed seed free forage fees. Prior to the 2009-11 biennium, the biennial fee was \$350 per pesticide product registered in the state. Of this amount, \$300 was deposited in the environment and rangeland protection fund and \$50 in the general fund. Beginning with the 2009-11 biennium, the entire pesticide registration fee is deposited in the environment and rangeland protection fund rather than a portion in the general fund. Funding in the environment and rangeland protection fund is utilized for various Agriculture Commissioner programs. Please refer to the **TRUST FUND ANALYSES** section of this report for an analysis of the environment and rangeland protection fund.

Minor use pesticide fund transfer - Section 5 of House Bill No. 1009 (2025) transfers \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2025-27 biennium, the same as the 2023-25 biennium.

Environmental impact mitigation fund transfer - Section 6 of House Bill No. 1009 transfers \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program, the same as the 2023-25 biennium. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.

Environment and rangeland protection fund - Section 9 of House Bill No. 1009 identifies \$8,057,927 of funding from the environment and rangeland protection fund for Agriculture Commissioner programs, an increase of \$706,380 from the 2023-25 biennium.

Agricultural Products Utilization Commission

In Senate Bill Nos. 2009 and 2328 and House Bill No. 1018, the 2019 Legislative Assembly approved the transfer of the APUC program from the Department of Commerce to the Agriculture Commissioner beginning in the 2019-21 biennium. The following is a summary of recent funding for APUC in the Department of Commerce (2013-15 through 2017-19 bienniums) and Agriculture Commissioner (2019-21 through 2025-27 bienniums):

Biennium	General Fund	APUC Fund ¹	Bank of North Dakota Profits	Federal Funds	Total ²
2013-15	\$1,202,210	\$1,738,284		\$300,000	\$3,240,494
2015-17 (adjusted) ^{3,4}	1,022,983	2,095,628			3,118,611
2017-19 ^{5,6}		3,152,915			3,152,915
2019-21 ⁷		1,760,417	\$2,000,000		3,760,417
2021-23		1,760,417	2,700,000		4,460,417
2023-25		\$2,110,417	\$3,000,000		\$5,110,417
2025-27		2,110,417	3,000,000		5,110,417
Increase (decrease) from 2023-25 biennium	\$0	\$0	\$0	\$0	\$0

¹The 2013 Legislative Assembly renamed the agricultural fuel tax fund the agricultural products utilization fund. Section 19 of Senate Bill No. 2018 (2013) removed the requirement that two cents per gallon of the motor vehicle fuel tax refund for agricultural purposes be deposited in the agricultural products utilization fund, resulting in the remaining ongoing funding sources for the agricultural products utilization fund be an annual transfer of 5 percent of the Mill and Elevator Association profits and one-half cent per gallon of the motor vehicle fuel tax refund for industrial purposes. In Section 2 of House Bill No. 1099 (2023), the Legislative Assembly amended Section 57-43.1-03 to remove the requirement to deposit one-half cent per gallon of the motor vehicle fuel tax refund in the agricultural products utilization fund, resulting in the annual transfer of 5 percent of the Mill and Elevator Association profits being the only ongoing funding source for the agricultural products utilization fund.

²These amounts do not include carryover authority.

³The 2015-17 general fund appropriation for APUC reflects a \$200,000 reduction made during the August 2016 special legislative session reductions.

⁴The 2015 Legislative Assembly provided an exemption for APUC in Section 17 of House Bill No. 1018 allowing unexpended funds from the 2013-15 biennium to continue during the 2015-17 biennium.

⁵Of the amount appropriated to the Department of Commerce through the agricultural products utilization fund for the 2017-19 biennium, approximately \$1.3 million was from the Mill and Elevator Association profits and approximately \$1,000 was from motor vehicle fuel tax refunds. The remaining amount was additional special fund spending authority from the agricultural products utilization fund if additional Mill and Elevator Association profits become available.

⁶The 2017 Legislative Assembly provided an exemption for APUC in Section 4 of Senate Bill No. 2018 allowing unexpended funds from the 2015-17 biennium to continue during the 2017-19 biennium.

⁷In addition to the funding provided to the Agriculture Commissioner in the APUC line item, funding for 1 FTE position is included from the general fund in the salaries and wages line item for the APUC program.

North Dakota Trade Office

The North Dakota Trade Office creates global partnerships to expand trade opportunities for North Dakota businesses through advocacy, education, and expertise. In Section 13 of House Bill No. 1009 (2025), the Legislative Assembly identified \$2 million appropriated in Section 1 from the general fund for the North Dakota Trade Office. The Legislative Assembly transferred the North Dakota Trade Office program from the Department of Commerce to the Agriculture Commissioner in Senate Bill No. 2018 (2021).

The following is a summary of funding for the North Dakota Trade Office in the Department of Commerce (2003-05 through 2019-21 bienniums) and Agriculture Commissioner (2021-23 biennium and 2025-27 biennium):

Biennium	General Fund	Other Funds	Total
2003-05 ¹	\$75,000		\$75,000
2005-07 ²		\$700,000	700,000
2007-09 ³	1,500,000		1,500,000
2009-11 ⁴	2,064,000		2,064,000
2011-13 ⁵	2,613,400		2,613,400
2013-15 ⁵	2,613,400		2,613,400
2015-17 (adjusted) ^{5,6}	2,556,694		2,556,694
2017-19 ⁷	2,000,000		2,000,000
2019-21 ⁷	1,600,000		1,600,000
2021-23 ⁷	1,600,000		1,600,000
2023-25 ⁷	\$2,100,000		\$2,100,000
2025-27 ⁷	2,000,000		2,000,000
Increase (decrease) from 2023-25 biennium	(\$100,000)	\$0	(\$100,000)

¹Section 21 of House Bill No. 1019 (2003) required the Department of Commerce to establish a trade promotion authority for promoting North Dakota products and improving international trade for North Dakota products for the 2003-05 biennium. The department was to use \$75,000 from the general fund appropriated in its operating expenses line item for operating costs of the trade authority for the 2003-05 biennium. Section 22 of the bill provided that the department may spend any gifts, grants, or other income received by the authority pursuant to a continuing appropriation for the 2003-05 biennium.

²The 2005 Legislative Assembly provided funding of \$500,000 from the development fund and \$200,000 from the Mill and Elevator Association for costs associated with the North Dakota Trade Office. Matching funds of 50 percent were to be provided before this funding was made available.

³Section 10 of House Bill No. 1018 (2007) provided that the Department of Commerce may spend 50 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁴Section 11 of Senate Bill No. 2018 (2009) provides that the Department of Commerce may spend 62.5 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁵Section 26 of Senate Bill No. 2057 (2011), Section 31 of Senate Bill No. 2018 (2013), and Section 12 of House Bill No. 1018 (2015), provided the Department of Commerce may spend 70 percent of funding appropriated to the North Dakota Trade Office without requiring matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the department. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁶The 2015-17 biennium appropriation for the North Dakota Trade Office reflects a \$56,706 general fund reduction made as part of the August 2016 special legislative session reductions.

⁷Section 11 of Senate Bill No. 2018 (2017) and Section 9 of House Bill No. 1018 (2019) provided the Department of Commerce and Section 12 of House Bill No. 1009 (2021), Section 13 of Senate Bill No. 2009 (2023), and Section 13 of House Bill No. 1009 (2025) provided the Agriculture Commissioner may spend 60 percent of funding appropriated for the North Dakota Trade Office without requiring matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the state. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

Bioscience Innovation Grant Program

In Senate Bill No. 2224 (2019), the Legislative Assembly established a bioscience innovation grant program, provided a continuing appropriation to the Agriculture Commissioner for the program, and required the Office of Management and Budget to transfer \$700,000 from the Research North Dakota fund to the bioscience innovation grant fund during the 2019-21 biennium. Of the \$700,000 transferred, up to \$200,000 was to be awarded to entities providing assistance to develop bioscience companies. The Agriculture Commissioner was required to collaborate with the Department of Commerce when awarding bioscience innovation grants and to coordinate the management of the Agriculture Commissioner's bioscience innovation grant program with the Department of Commerce's biotechnology grant program. At the request of the Department of Commerce, the 2021 Legislative Assembly removed funding for the biotechnology grant program beginning in the 2021-23 biennium, eliminating the program. The 2025 Legislative Assembly did not provide funding for the bioscience innovation grant program, and Section 7 of House Bill No. 1009 (2025) provides for the transfer of any balance in the bioscience innovation grant fund to the general fund on June 30, 2025. This will increase the beginning general fund balance for the 2025-27 biennium by \$1,029,968.

The following is a summary of funding transferred to the bioscience innovation grant fund for the bioscience innovation grant program:

Biennium	General Fund	SIIF	Research North Dakota Fund	Total
2019-21	\$0	\$0	\$700,000	\$700,000
2021-23	5,500,000	0	0	5,500,000
2023-25	6,500,000	5,500,000	0	12,000,000
2025-27	0	0	0	0
Total	\$12,000,000	\$5,500,000	\$700,000	\$18,200,000

Other Sections in House Bill No. 1009

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

Department of water resources funding - Section 4 identifies \$125,000 in the other funds line item, which the Department of Water Resources is required to transfer to the Agriculture Commissioner for the Wildlife Services program for the 2025-27 biennium, the same as the 2023-25 biennium.

Agricultural Products Utilization Commission - Section 8 identifies one-time funding of \$3 million in the other funds line item and APUC line item from current earnings and undivided profits of the Bank of North Dakota, which must be transferred to the Agriculture Commissioner for deposit in the agricultural products utilization fund for defraying the expenses of the APUC program during the 2025-27 biennium.

Game and fish funding - Section 10 identifies \$671,918 from the game and fish operating fund for the State Board of Animal Health (\$171,918) and Wildlife Services program (\$500,000) for the 2023-25 biennium, an increase of \$23,690 from the 2023-25 biennium appropriation of \$648,228.

Abandoned oil and gas well plugging and site reclamation fund - Section 11 identifies \$500,000 in the other funds line item from the oil and gas well plugging and site reclamation fund, of which \$200,000 is for the pipeline restoration and reclamation program during the 2025-27 biennium, the same as the 2023-25 biennium. The remaining \$300,000 is for a postproduction royalty oversight program, a decrease of \$200,000 from the 2023-25 biennium appropriation of \$500,000.

Other funds - SIIF - Section 12 identifies \$4.8 million in the other funds line item in Section 1 is from SIIF, of which:

- \$3 million is for grassland grazing grants to organizations representing cooperative grazing associations in the state. To be eligible for a grant under this program, an organization must provide one dollar of matching funds from nonstate sources for every four dollars of grant funding. An organization that receives a grant under this program may distribute the funding to cooperative grazing associations for eligible infrastructure projects, which must be located on national grasslands within the state. Eligible infrastructure projects include water development; fencing; conservation initiatives; compliance with federal permitting requirements, including fees for professional services; and other projects to enhance wildlife habitat, capture carbon, or increase the health of grasslands. Program participants shall develop and implement a grazing land plan in compliance with local soil conservation district guidance and the plan must be approved by the local soil conservation district. The Agriculture Commissioner shall establish additional guidelines for the program;
- \$1.5 million is for grants to food pantries for meat and protein; and
- \$300,000 is for autonomous technology grants to individuals or entities in the agriculture industry. The Agriculture Commissioner may require an individual or entity to provide \$1 of matching funds for every \$4 provided by the State.

Waterbank program - Section 14 provides that of the amount appropriated in the salary and wages line item in Section 1, the Agriculture Commissioner may use up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

Salary of the Agriculture Commissioner - Section 15 includes the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026, to reflect salary adjustments consistent with 2025-27 biennium state employee salary increases.

Wildlife Services program - Indirect costs - Section 16 provides the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.

Exemption - Unexpended appropriations - Section 17 allows any unspent funds remaining from the following appropriations to be continued into the 2025-27 biennium:

- 2019-21 biennium appropriation authority of \$300,000 from federal funds derived from COVID-19 funds for the specialty crop block grant program;
- 2021-23 biennium appropriation authority of \$5 million from SIIF for grasslands grazing grants;
- 2023-25 biennium appropriation authority of \$660,000 from the environment and rangeland protection fund for the regional livestock development and planning program; and
- 2023-25 biennium appropriation authority of \$1 million from SIIF for grasslands grazing grants.

Emergency clause - Section 18 declares section 7, relating to the transfer from the bioscience innovation grant fund to the general fund, to be an emergency measure.

Related Legislation

House Bill No. 1143 - Food distribution facility grant program - This bill appropriates \$5 million of one-time funding from SIIF for a food distribution facility grant program. Grant funds may be used only for costs related to the construction of a statewide charitable food distribution and logistics facility. The bill requires grant recipients to provide \$1 of matching funds for every \$1 provided by the state.

House Bill No. 1235 - Agriculture infrastructure grant program - This bill requires road and bridge projects under the agriculture infrastructure grant program to be awarded to counties, townships, or cities with a population of 1,500 residents or less.

House Bill No. 1332 - Value-added agriculture facility incentive program - This bill provides \$30 million from a line of credit with the Bank of North Dakota for deposit in the agriculture diversification and development fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for a value-added agriculture facility incentive program. The line of credit may be accessed through June 30, 2029.

House Bill No. 1531 - Irrigation expansion study - This bill appropriates \$75,000 of one-time funding from the general fund for contracting with consultant to study the potential benefits of expanding irrigation throughout the state.

House Bill No. 1591 - County fair resiliency grant program - This bill appropriates \$3 million of one-time funding from the general fund for grants to county agriculture fair associations for the planning, design, and construction of infrastructure projects. Grant recipients must provide \$1 of matching funds for every \$1 provided by the state.

Senate Bill No. 2274 - Farm management program - This bill provides statutory authority for the Agriculture Commissioner to administer the farm management program currently administered by the Department of Career and Technical Education and appropriates \$1,900,000 of ongoing funding from the general fund to the Agriculture Commissioner for the program. The Legislative Assembly removed the entire \$1,706,138 general fund appropriation from the Department of Career and Technical Education base budget for the program in Senate Bill No. 2019 (2025).

Senate Bill No. 2327 - Transfer to agriculture diversification and development fund - This bill transfers \$15 million from the general fund to the agriculture diversification and development fund and allows the agriculture diversification and development committee to use a portion of the funding for administrative expenses.

Senate Bill No. 2333 - Low-carbon fuels fund - This bill creates a low-carbon fuels fund, provides a continuing appropriation from the fund, transfers any balance in the ethanol production incentive fund to the new fund, and adjusts transfers from the highway tax distribution fund. The purpose of the fund is to distribute low-carbon fuels incentives to ethanol production facilities and to contract with an entity to develop a carbon intensity verification process.

Senate Bill No. 2342 - Value-added milk processing facility initiative program - This bill provides 10 million from a line of credit from the Bank of North Dakota for deposit in the agriculture diversification and development fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for a value-added milk processing facility incentive program.

Senate Bill No. 2368 - Grasslands grazing grants program - This bill establishes the existing grasslands grazing grant program as a new section to Chapter 4.1-01, which provides grants to organizations representing cooperative grazing associations in the state. The organizations must provide \$1 of matching funds for every \$4 of grant funding. The 2023 Legislative Assembly provided \$1 million from SIIF for the program for the 2023-25 biennium. The 2025 Legislative Assembly provided \$3 million from SIIF for the program for the 2025-27 biennium.

SECTION E - ELEMENTARY AND SECONDARY EDUCATION

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ELEMENTARY AND SECONDARY EDUCATION - OVERVIEW

STATE SCHOOL AID

The Legislative Assembly appropriated \$2,496,377,703, of which \$1,656,700,353 is from the general fund, \$233,000,000 is from the foundation aid stabilization fund, \$595,677,350 is from the state tuition fund, and \$11,000,000 is from special funds, derived from general fund carryover deposited in the department's operating fund, for state school aid, including integrated formula payments, transportation aid, and special education contracts. This level of funding represents an increase of \$114,602,852 from the 2023-25 legislative appropriation of \$2,381,774,851, including increases in funding of \$76,000,000 from the foundation aid stabilization fund, \$84,817,350 from the state tuition fund, and \$11,000,000 from special funds, derived from general fund carryover deposited in the department's operating fund, and decreases in funding of \$13,993,086 from the strategic investment and improvements fund (SIIF) and \$43,221,412 from the general fund.

In 2013, the Legislative Assembly approved the implementation of an integrated formula payment to provide school funding. The legislative appropriation for the state school aid program integrates property tax relief in the K-12 state school aid funding formula. The formula provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. For the 2025-27 biennium, the integrated payment rates are increased 2.5 percent each year of the biennium to provide \$11,349 during the 1st year of the biennium and \$11,633 during the 2nd year of the biennium. This base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment. In addition, school districts are allowed an additional 10-mill levy for general fund purposes, an additional 12-mill levy for miscellaneous purposes, and a 3-mill levy for a special reserve fund.

Property tax reform approved in House Bill No. 1176 (2025) limits school district budget increases to 3 percent each year and may impact school districts' ability to levy the total mills deducted in the formula. The Legislative Assembly, in Section 28 of the bill, provided for an integrated formula gap funding program to hold harmless certain school districts that may have more funding deducted in the state school aid formula than can be assessed under the new provisions. The bill allows the Department of Public Instruction (DPI) to use funding provided for integrated formula payments to provide the gap funding. If the department anticipates a shortfall in funding for integrated formula payments for the 2025-27 biennium, the Superintendent of Public Instruction must request a deficiency appropriation from the 70th Legislative Assembly.

The legislative appropriation for the state school aid program:

- Includes **integrated formula payments** totaling \$2,414,277,703, of which \$1,574,600,353 is from the general fund, \$233,000,000 is from the foundation aid stabilization fund, \$595,677,350 is from the state tuition fund, and \$11,000,000 is from special funds, derived from general fund carryover deposited in the department's operating fund. This level of funding represents an increase of \$114,602,852 from the 2023-25 biennium appropriation for integrated formula payments of \$2,299,674,851, including increases in funding of \$76,000,000 from the foundation aid stabilization fund, \$84,817,350 from the state tuition fund, and \$11,000,000 from special funds, derived from general fund carryover deposited in the department's operating fund, and decreases in funding of \$13,993,086 from SIIF and \$43,221,412 from the general fund. The Legislative Assembly approved an increase in the state school aid formula totaling \$114,602,852, including costs associated with integrated formula payment rate increases (\$115,415,459) and an estimated increase in local revenue exempted from deduction in the state school aid formula (\$10,500,000), which are offset by savings related to a decreased funding for regional education association grants (\$100,000) and lower than anticipated student growth compared to the 2023-25 biennium base budget (\$11,212,607).
- Authorizes DPI to spend up to \$800,000 of the integrated formula payments line item for **gifted and talented programs**, the same as the 2023-25 biennium, and up to \$600,000 for **regional education association grants**, \$100,000 less than the 2023-25 biennium. In addition to regional education association grants, the state school aid formula provides approximately \$5.5 million through the integrated formula payments line item for regional education associations based on the average daily membership of member school districts.
- Provides \$60.1 million for **transportation grants**. In House Bill No. 1214, the Legislative Assembly changed the way transportation aid grants to school districts are determined. Using factors, the new formula converts bus miles, number of bus runs, eligible family miles, and square miles and number of buildings in the district into transportation average daily membership equivalents. Total transportation average daily membership equivalents are multiplied by a 0.091 factor to determine the school district's weighted student unit equivalent. The weighted student unit equivalent is multiplied by the per student payment rate set in Section 15.1-27-04.1. The estimated fiscal impact of the new formula is an increase in transportation aid funding of approximately \$6.35 million. The department anticipates excess transportation aid funding during the 2023-25 biennium and estimates the total funding needed for the 2025-27 biennium for the new formula will be \$60.1 million, or \$2 million more than the 2023-25 biennium appropriation of \$58.1 million.

- Decreases funding for **special education contracts** by \$2 million to provide a total of \$22 million. In addition to special education contracts, the state school aid formula provides approximately \$277.5 million through the integrated formula payments line item for special education and prekindergarten special education average daily membership and weighting factors.

The legislative appropriation for the state school aid program of \$2,496,377,703 is summarized as follows:

Integrated formula payments	\$2,414,277,703
Transportation aid payments	60,100,000
Special education - Contracts	22,000,000
Total	\$2,496,377,703

OPERATING EXPENSES

The Legislative Assembly provided for the following major changes to DPI's operating expenses line item:

- School approval and improvement contract** - Increased total funding for operating expenses by \$5,613,000, including an increase in funding from the general fund of \$6,619,656 and a decrease in funding from special funds withheld from school districts' state aid of \$1,006,656, due to an increase in the cost of the school approval and improvement contract and the state assuming the full cost of school approval and improvement.
- Chronically low-performing schools** - Added funding of \$1 million from the general fund for operating expenses related to ND FIRST interventions for chronically low-performing schools.
- Food processing program** - Increased funding from special funds derived from food processing reimbursements by \$2 million for operating expenses related to increases in the food processing program.
- Federal comprehensive literacy state development grant** - Added \$1,350,000 from federal funds for operating expenses related to a federal comprehensive literacy state development grant.
- Native American textbook** - Added **one-time funding** of \$650,000 from SIIF for operating expenses related to a textbook regarding the history and culture of indigenous people.
- North Dakota Native American Essential Understandings** - Added **one-time funding** of \$300,000 from SIIF for operating expenses related to a North Dakota Native American Essential Understandings program to integrate Native American perspectives in the classroom.

OTHER APPROPRIATIONS

The Legislative Assembly provided \$27,065,527, of which \$20,265,527 is from the general fund, \$5,300,000 is from SIIF, and \$1,500,000 is from special funds made available from the Department of Health and Human Services (DHHS) for **program grants**, an increase of \$2,553,527 from the \$24,512,000 provided from the general fund (\$9,195,000) and carryover funds (\$15,317,000) for program grants during the 2023-25 biennium. The Legislative Assembly added funding for various one-time and ongoing program grants. The legislative appropriation provides:

- Adult education matching grants** - \$5.5 million from the general fund for adult education grants, the same level of funding as provided from special funds made available from general fund carryover deposited in the department's operating fund (carryover funds) during the 2023-25 biennium.
- School food services matching grants** - \$1.38 million from the general fund for child nutrition and food distribution program state matching funds, the same level of funding as provided from carryover funds during the 2023-25 biennium.
- Free meal program** - \$6 million from the general fund for grants to school districts to defray the expenses of providing meals, free of charge, for all students enrolled in public or nonpublic school at or below 225 percent of the federal poverty guideline, the same level of funding as the 2023-25 biennium legislative appropriation. The Legislative Assembly adjusted the eligibility level for free meals from 200 percent of the federal poverty guideline to 225 percent of the federal poverty guideline, but did not increase the funding because the department anticipates \$2.5 million of free meal funding will remain unspent at the end of the 2023-25 biennium.
- Program grant pool** - The Legislative Assembly did not provide funding for the program grant pool. The program grant pool was removed and funding of \$1,736,027 from the general fund was allocated to the various initiatives receiving funding from the pool in previous bienniums, including leveraging the senior year, a leadership program, and family engagement initiatives. This level of funding is \$536,027 more than the 2023-25 biennium appropriation of \$1,200,000 from carryover funds provided for the program grant pool.
- Leveraging the senior year** - \$1,536,027 from the general fund to enhance the delivery and the participation of students and teachers in advanced placement courses, an increase of \$536,027 from the carryover funding provided as part of the program grant pool during the 2023-25 biennium.
- Building tomorrow's leaders** - \$50,000 from the general fund for high school students to strengthen leadership skills, build confidence, and encourage involvement, the same level of funding as provided from

carryover as part of the program grant pool during the 2023-25 biennium.

7. **Family engagement** - \$150,000 from the general fund for family engagement initiatives, the same level of funding as provided from carryover as part of the program grant pool during the 2023-25 biennium.
8. **Paraprofessional-to-teacher program** - \$3 million from the general fund for grants to accredited institutions of higher education to assist paraprofessionals to become qualified teachers, the same as the 2023-25 biennium legislative appropriation
9. **Science of reading and literacy instruction** - \$1 million from the general fund to support professional learning related to the science of reading and implementing systematic direct literacy instruction, the same level as the **one-time funding** provided from carryover funds during the 2023-25 biennium.
10. **Science of mathematics instruction** - \$1 million from the general fund for science of mathematics instruction, an increase of \$1 million from the 2023-25 biennium legislative appropriation.
11. **Indians into STEM** - \$300,000 from the general fund for an Indians into STEM initiative, an increase of \$300,000 from the 2023-25 biennium legislative appropriation.
12. **Administrative cost-sharing reimbursement** - The Legislative Assembly did not provide funding for administrative cost-sharing during the 2025-27 biennium, a decrease of \$125,000 from the funding provided from the general fund for administrative cost-sharing reimbursements during the 2023-25 biennium. The Legislative Assembly amended North Dakota Century Code Section 15.1-27-16 to provide the administrative cost-sharing program expires June 30, 2025, rather than June 30, 2026.
13. **Centers of excellence program** - \$1 million of **one-time funding** from SIIF for a centers of excellence program, an increase of \$1 million from the 2023-25 biennium legislative appropriation.
14. **Mathematics screening tool pilot project** - \$300,000 of **one-time funding** from the general fund for a mathematics screening tool pilot project, an increase of \$300,000 from the 2023-25 biennium legislative appropriation.
15. **Amira reading tool** - \$500,000 of **one-time funding** from SIIF to make available the Amira reading tool for all students in grades 1 through 3 and for certain students in grades 4 through 12, a decrease of \$1,100,000 from the \$1,600,000 from carryover funds provided as **one-time funding** during the 2023-25 biennium. In addition to the funding from SIIF, the department anticipates using \$541,903 of federal discretionary funding from the federal Elementary and Secondary

School Emergency Education Relief (ESSER) Fund to provide a total of \$1,041,903 for a statewide reading tool during the 2025-27 biennium.

16. **Teacher retention program** - \$2 million of **one-time funding** from SIIF to make a teacher retention program available statewide, a decrease of \$300,000 from the \$2.3 million provided as **one-time funding** from carryover funds during the 2023-25 biennium.
17. **School board training** - \$1.5 million of **one-time funding** from SIIF for school board training grants, the same level of funding as provided as **one-time funding** from carryover funds during the 2023-25 biennium.
18. **Dyslexia identification training** - \$300,000 of **one-time funding** from SIIF to provide training in identification of dyslexia characteristics in schools that instruct students in kindergarten through grade three, an increase of \$21,000 from the \$279,000 provided as **one-time funding** from carryover funds during the 2023-25 biennium.
19. **Foreign language grants for kindergarten through grade three** - \$49,500 of **one-time funding** from the general fund for foreign language grants for kindergarten through grade three, an increase of \$49,500 from the 2023-25 biennium legislative appropriation.
20. **Waterford Upstart early learning program** - \$1.5 million of **one-time funding** provided through a grant from DHHS for an early learning program previously administered by DHHS, a decrease of \$900,000 from the \$2.4 million provided for the program in the DHHS budget during the 2023-25 biennium.

The Legislative Assembly did not extend one-time funding for regional education association merger incentive grants (\$70,000), provided from the general fund, or reading learning platform training (558,000), provided from carryover funds, during the 2023-25 biennium to the 2025-27 biennium.

The Legislative Assembly provided \$4,735,000 from the general fund for **passthrough grants**, a decrease of \$4,334,000 from the \$9,069,000 provided from the general fund, SIIF, and carryover funds for passthrough grants during the 2023-25 biennium. The legislative appropriation provides:

1. **Teacher mentoring program** - \$3.7 million from the general fund for a teacher support system grant program to be administered by the Education Standards and Practices Board, \$1.2 million more than the \$2.5 million provided from carryover funds during the 2023-25 biennium.
2. **National writing projects** - \$40,000 from the general fund for support of the Red River Valley Writing Project and the Northern Plains Writing Project, the same level of funding as provided from carryover funds during the 2023-25 biennium.

3. **North Dakota Museum of Art** - \$425,000 from the general fund for support of the North Dakota Museum of Art rural art outreach project, the same level of funding as provided from carryover funds during the 2023-25 biennium.
4. **Governor's school** - \$500,000 from the general fund for grants for North Dakota governor's schools at North Dakota State University and University of North Dakota, the same as the 2023-25 biennium legislative appropriation.
5. **"We the People" program** - \$70,000 from the general fund for a grant to the "We the People" program, the same level of funding as provided from carryover funds during the 2023-25 biennium.
6. **Cultural heritage grants** - The Legislative Assembly did not provide funding for grants to schools for cultural heritage events, a decrease in funding of \$34,000 from carryover funds provided from the 2023-25 biennium legislative appropriation.

The Legislative Assembly did not include funding for science center grants in the DPI appropriation, a decrease of \$5.5 million of **one-time funding** from SIIF from the 2023-25 biennium legislative appropriation. Funding for grants to science centers was included in the Department of Commerce budget. In Section 4 of Senate Bill No. 2018, the Legislative Assembly appropriated \$2 million of **one-time funding** from SIIF to the Department of Commerce for grants of up to \$1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed \$402 million during the 2025-27 biennium.

The Legislative Assembly also provided funding for:

1. **Student information systems** - Transferred \$5,775,000 of funding from the general fund from the PowerSchool line item to a student information systems line item to reflect a new vendor contract for student information system services, the same funding as the 2023-25 biennium legislative appropriation.
2. **National board certification** - \$176,290 from the general fund is provided for payments to teachers receiving national board certification, the same as the 2023-25 biennium legislative appropriation.

2023-25 BIENNIUM DEFICIENCY APPROPRIATION, TURNBACK, AND CARRYOVER FUNDING

The Legislative Assembly, in House Bill No. 1024, provided a deficiency appropriation for the 2023-25 biennium of \$30 million from federal funds to DPI to increase federal funds authority in the grants - other grants line item which was reduced when the department transferred authority from the grants - other grants line item to the ESSER - school grants line item. In addition, Section 4 of House Bill No. 1013 provided a 2023-25 biennium deficiency appropriation of up to \$500,000 to reimburse vendors for services related to ESSER contracts

denied payment by the federal Department of Education. Section 4 required an emergency clause to provide payment before June 30, 2025; however, the emergency clause for House Bill No. 1013 did not carry; therefore, the appropriation will expire before the section becomes effective.

The Department of Public Instruction estimates 2023-25 biennium excess general fund appropriation authority will total approximately \$70.6 million relating to excess appropriations for integrated formula payments (\$56.8 million), transportation aid grants (\$5 million), special education contract grants (\$6 million), the free meal program (\$2.5 million), and other program and passthrough grants (\$325,000). In Senate Bill Nos. 2013 and 2284 (2023), the Legislative Assembly authorized the department to continue up to \$18.4 million remaining in the integrated formula payments line item at the close of the 2021-23 biennium to the 2023-25 biennium for various programs and passthrough grants. The department estimates excess carryover authority of \$1.7 million related to the funding continued from the 2021-23 biennium to the 2023-25 biennium, resulting in estimated total excess general fund authority of \$72.3 million. In House Bill No. 1013 (2025), the Legislative Assembly authorized the department to continue up to \$11 million remaining in the integrated formula payments line item at the close of the 2023-25 biennium to the 2025-27 biennium for integrated formula payments, resulting in estimated turnback of \$61.3 million at the end of the 2023-25 biennium.

In addition to the unspent general fund appropriations, the Legislative Assembly allowed DPI to continue:

- Any funds appropriated to DPI from the ESSER Fund during the 2021-23 biennium, and continued into the 2023-25 biennium. The department anticipates continuing an estimated \$950,000 of ESSER funding to the 2025-27 biennium for the Amira reading tool, afterschool tutoring, choice ready initiatives, and technology and workforce readiness. Funds must be spent by March 2026.
- Any funds remaining from the \$10,000,000 of one-time funding, derived from reimbursements withheld from certain school districts' integrated formula payments and deposited in the public instruction fund, appropriated during the 2021 special legislative session for information technology project upgrades to the state automated reporting system and the statewide longitudinal data system. In 2023, the department was allowed to continue unspent funding for these projects to the 2023-25 biennium. The department continued \$9,780,703 for state automated reporting system and statewide longitudinal data system upgrades to the 2023-25 biennium, of which \$4,807,703 was transferred to the Information Technology Department. The department anticipates spending \$973,000 during the 2023-25 biennium and continuing \$4,000,000 for a multiyear project that will replace the state automated reporting system.

Department of Public Instruction
Budget No. 201
House Bill No. 1013; Senate Bill Nos. 2213, 2262, and 2275

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	86.25	\$1,709,617,438	\$1,302,410,686	\$3,012,028,124
2025-27 base budget	86.25	1,728,750,445	1,115,246,674	2,843,997,119
Legislative increase (decrease) to base budget	0.00	(\$19,133,007)	\$187,164,012	\$168,031,005

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$1,709,267,938	\$349,500	\$1,709,617,438
2023-25 legislative appropriations	1,728,750,445	70,000	1,728,820,445
2025-27 legislative increase (decrease) to 2023-25 appropriations	(\$19,482,507)	\$279,500	(\$19,203,007)
Percentage increase (decrease) to 2023-25 appropriations	(1.1%)	399.3%	(1.1%)

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:				
Adjusted funding for base payroll changes		\$21	\$25	\$46
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		299,641	479,159	778,800
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		192,665	353,841	546,506
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		295,820	493,995	789,815
Transferred \$993,564 for estimated savings 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 \$695,495 resulting in the savings as shown		(112,870)	(185,199)	(298,069)
Decreased base budget operating expenses, including federal funds (\$66) and special funds related to school food processing (\$452,060)			(452,126)	(452,126)

Adjusted base budget funding to reduce funding from federal funds and increase funding from special funds by \$51,251 for other grants			0
Increased funding for information technology rate increases	7,945		7,945
Increased funding for operating expenses due to an increase in the cost of the school approval and improvement contract and adjusted funding from special funds to the general fund to assume the full cost of the contract	6,619,656	(1,006,656)	5,613,000
Added funding for operating expenses related to ND FIRST interventions for chronically low-performing schools	1,000,000		1,000,000
Increased funding from special funds derived from food processing reimbursements for operating expenses related to increases in the food processing program		2,000,000	2,000,000
Added funding for operating expenses to administer a summer food program	150,000		150,000
Added federal funding for a United States Department of Agriculture local food program		2,705,709	2,705,709
Added funding from federal funds for operating expenses and other grants related to a federal comprehensive literacy state development grant		28,350,000	28,350,000
Adjusted the funding source for integrated formula payments to remove funding from the strategic investment and improvements fund (SIIF)	13,993,086	(13,993,086)	0
Adjusted the funding source for integrated formula payments to provide for an increase in funds available from the state tuition fund to provide a total of \$595,677,350 from the fund	(84,817,350)	84,817,350	0
Adjusted the funding source for integrated formula payments from the general fund to the foundation aid stabilization fund to provide a total of \$233 million from the foundation aid stabilization fund	(76,000,000)	76,000,000	0
Adjusted the funding source for integrated formula payments from the general fund to special funds made available from general fund carryover deposited in the department's operating fund to provide a total of \$11 million from carryover funds	(11,000,000)	11,000,000	0
Increased funding for integrated formula payments for changes to the state school aid formula approved in House Bill No. 1369, cost-to-continue savings, and costs related to anticipated increases in local revenue exempted from deduction in the state school aid formula to be used for bonded debt payments, and a \$100,000 reduction in grants to regional education associations. (See the section related to Integrated Formula Payments below for details related to the fiscal impact of formula changes)	114,602,852		114,602,852
Decreased funding for special education contracts	(2,000,000)		(2,000,000)

Increased funding for transportation aid pursuant to House Bill No. 1214 related to the adoption of a new transportation aid formula	2,000,000		2,000,000
Adjusted funding for various base budget program grants	8,491,027	(8,080,000)	411,027
Added funding for science of reading (\$1,000,000) and Indians into STEM (\$300,000) program grants	1,300,000		1,300,000
Adjusted the funding source and increased funding for teacher mentoring to provide \$3.7 million from the general fund	3,700,000	(2,500,000)	1,200,000
Adjusted funding for various base budget passthrough grants	535,000	(569,000)	(34,000)
Transferred funding of \$5,775,000 from the general fund from the PowerSchool line item to a student information systems line item			0
Added funding for science of mathematics program grants, including \$200,000 for operating expenses related to grant administration (Senate Bill No. 2213)	1,200,000		1,200,000
Added funding for operating expenses related to Kindergarten Through Grade Twelve Education Coordination Council contract costs (Senate Bill No. 2262)	60,000		60,000
Added one-time funding from SIIF for operating expenses related to a textbook regarding the history and culture of indigenous people		650,000	650,000
Added one-time funding from SIIF for operating expenses related to North Dakota Native American Essential Understandings to integrate Native American perspectives in the classroom		300,000	300,000
Added one-time funding from SIIF for school board training program grants		1,500,000	1,500,000
Added one-time funding from SIIF for dyslexia identification training program grants		300,000	300,000
Added one-time funding from SIIF for teacher retention program grants		2,000,000	2,000,000
Added one-time funding from SIIF for Amira reading program grants		500,000	500,000
Added one-time funding from SIIF for centers of excellence program grants		1,000,000	1,000,000
Added one-time funding from a Department of Health and Human Services (DHHS) grant for the Waterford Upstart project early learning program pursuant to an appropriation to DHHS (House Bill No. 1012)		1,500,000	1,500,000
Added one-time funding for science of mathematics screening tool pilot program grants (Senate Bill No. 2213)	300,000		300,000

Added one-time funding for kindergarten through grade three foreign language program grants (Senate Bill No. 2275)		49,500		49,500
Total	0.00	(\$19,133,007)	\$187,164,012	\$168,031,005

FTE Changes

The Legislative Assembly approved 86.25 FTE positions for the Department of Public Instruction (DPI) for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

The following is a summary of one-time funding items provided in House Bill No. 1013 and Senate Bill Nos. 2213 and 2275 for DPI for the 2025-27 biennium:

	General Fund	Other Funds ¹	Total
House Bill No. 1013:			
Teacher retention program		\$2,000,000	\$2,000,000
School board training		1,500,000	1,500,000
Early learning program		1,500,000	1,500,000
Centers of excellence		1,000,000	1,000,000
Native American history and culture textbook		650,000	650,000
Native American Essential Understandings		300,000	300,000
Statewide reading tool		500,000	500,000
Dyslexia identification training		300,000	300,000
Senate Bill No. 2213:			
Mathematics screening tool pilot program	\$300,000		300,000
Senate Bill No. 2275:			
Kindergarten through grade three foreign language grant pilot project	49,500		49,500
Total	\$349,500	\$7,750,000	\$8,099,500

¹Except for the early learning program, which is funded by a grant from DHHS, funding for one-time items from other funds is provided from SIIF.

2023-25 Biennium Deficiency Appropriation and 2023-25 Biennium Appropriation Carryover to the 2025-27 Biennium

The Legislative Assembly, in House Bill No. 1024 (2025), provided a deficiency appropriation for the 2023-25 biennium of \$30 million from federal funds to DPI to increase federal funds authority in the grants - other grants line item which was reduced when the department transferred authority from the grants - other grants line item to the Elementary and Secondary School Emergency Education Relief (ESSER) - school grants line item. In addition, Section 4 of House Bill No. 1013 (2025) provided a 2023-25 biennium deficiency appropriation of up to \$500,000 to reimburse vendors for services related to ESSER contracts denied payment by the federal Department of Education. Reimbursement was allowed only for services through May 2, 2025. Section 4 required an emergency clause to provide payment before June 30, 2025; however, the emergency clause for House Bill No. 1013 did not carry; therefore, the appropriation will expire before the section becomes effective.

The Department of Public Instruction estimates 2023-25 biennium excess general fund appropriation authority will total approximately \$70.6 million relating to excess appropriations for integrated formula payments (\$56.8 million), transportation aid grants (\$5 million), special education contract grants (\$6 million), the free meal program (\$2.5 million), and other program and passthrough grants (\$325,000). In addition, in Senate Bill Nos. 2013 and 2284 (2023), the Legislative Assembly authorized the department to continue up to \$18.4 million remaining in the integrated formula payments line item at the close of the 2021-23 biennium to the 2023-25 biennium for various program and passthrough grants. The department estimates excess carryover authority of \$1.7 million related to the funding continued from the 2021-23 biennium, resulting in estimated total excess general fund authority of \$72.3 million. In Section 16 of House Bill No. 1013 (2025), the Legislative Assembly provided if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2023-25 biennium, any money remains in the integrated formula payments line item, the Office of Management and Budget must continue \$11 million and transfer the funding to the public instruction fund for the purpose of providing integrated formula payments during the 2025-27 biennium. After providing for the general fund exemption, DPI anticipates \$61.3 million of unspent general fund appropriations at the end of the 2023-25 biennium.

In Section 17 of House Bill No. 1013 (2025), the Legislative Assembly provided:

- COVID-19-related funds appropriated to DPI from the ESSER Fund and any other federal funds during the 2021-23 biennium and continued to the 2023-25 biennium are not subject to the provisions of North Dakota Century Code Section 54-44.1-11 and may be continued into the 2025-27 biennium. The department anticipates \$950,000 of federal funding will be continued to the 2025-27 biennium for the Amira reading tool, after school tutoring, choice ready programs, and technology and workforce readiness programs. Federal funds must be spent by March 2026.
- Any funds remaining from special funds from the public instruction fund, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system (STARS) and the statewide longitudinal data system (SLDS), appropriated to DPI during the 2021-23 biennium and continued to the 2023-25 biennium are not subject to the provisions of Section 54-44.1-11 and may be continued into the 2025-27 biennium for the purpose of continuing the upgrades. The department continued \$9,780,703 for STARS and SLDS upgrades to the 2023-25 biennium, of which \$4,807,703 was transferred to the Information Technology Department. The department anticipates spending \$973,000 during the 2023-25 biennium and continuing \$4,000,000 for a multiyear project that will replace STARS.

State School Aid - Integrated Formula Payments, Transportation Aid, Special Education Contracts

The Legislative Assembly appropriated \$2,496,377,703, of which \$1,656,700,353 is from the general fund, \$233,000,000 is from the foundation aid stabilization fund, \$595,677,350 is from the state tuition fund, and \$11,000,000 is from special funds, derived from general fund carryover deposited in the department's operating fund, for state school aid, including integrated formula payments, transportation aid, and special education contracts. This level of funding represents an increase of \$114,602,852 from the 2023-25 legislative appropriation of \$2,381,774,851, including increases in funding of \$76,000,000 from the foundation aid stabilization fund, \$84,817,350 from the state tuition fund, and \$11,000,000 from special funds, derived from general fund carryover deposited in the department's operating fund, and decreases in funding of \$13,993,086 from SIIF and \$43,221,412 from the general fund. (See the schedules following this section for a comparison of state school aid and other grants for the 2023-25 and 2025-27 bienniums.)

Integrated Formula Payments

In 2013 the Legislative Assembly approved the implementation of an integrated formula payment to provide school funding. The legislative appropriation for the state school aid program integrates property tax relief in the K-12 state school aid funding formula. The formula provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. For the 2025-27 biennium, the integrated payment rates are increased 2.5 percent each year of the biennium to provide \$11,349 during the 1st year of the biennium and \$11,633 during the 2nd year of the biennium. This base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment. In addition, school districts are allowed an additional 10-mill levy for general fund purposes, an additional 12-mill levy for miscellaneous purposes, and a 3-mill levy for a special reserve fund.

Property tax reform approved in House Bill No. 1176 (2025) limits school district budget increases to 3 percent each year and may impact school districts' ability to levy the total mills deducted in the formula. The Legislative Assembly, in Section 28 of the bill, provided for an integrated formula gap funding program to hold harmless certain school districts that may have more funding deducted in the state school aid formula than can be assessed under the new provisions. The bill allows DPI to use funding provided for integrated formula payments to provide the gap funding. If the department anticipates a shortfall in funding for integrated formula payments for the 2025-27 biennium, the Superintendent must request a deficiency appropriation from the 70th Legislative Assembly.

For the 2025-27 biennium, the Legislative Assembly provided an appropriation of \$2,414,277,703, of which \$1,574,600,353 is from the general fund, \$233,000,000 is from the foundation aid stabilization fund, \$595,677,350 is from the state tuition fund, and \$11,000,000 is from special funds, derived from general fund carryover deposited in the department's operating fund, for state school aid for integrated formula payments. This level of funding represents an increase of \$114,602,852 from the 2023-25 biennium appropriation for integrated formula payments of \$2,299,674,851, including increases in funding of \$76,000,000 from the foundation aid stabilization fund, \$84,817,350 from the state tuition fund, and \$11,000,000 from special funds, derived from general fund carryover deposited in the department's operating fund, and decreases in funding of \$13,993,086 from SIIF and \$43,221,412 from the general fund.

The Legislative Assembly approved increases in integrated formula payments totaling \$114.6 million from the base budget, including \$11.2 million of savings related to a reduction in the cost to continue, \$125.9 million for state school aid formula changes, and a \$100,000 reduction in grants to regional education associations. Increases approved by the Legislative Assembly and other adjustments to integrated formula payments are summarized as follows:

	Integrated Formula Payment Adjustments Increase (Decrease)	Integrated Formula Payments
2023-25 biennium integrated formula payments		\$2,299,674,851
Reduction in funding for projected 2025-27 biennium cost to continue savings related to enrollment declines		(11,212,607)
Total cost to continue integrated formula payments during the 2025-27 biennium		\$2,288,462,244
Decreased funding for regional education association grants to provide a total of \$600,000 (House Bill No. 1013)	(\$100,000)	
Increased funding due to an estimated increase in local revenue exempted from deduction in the state school aid formula related to House Bill No. 1130. (House Bill No. 1130 was defeated after House Bill No. 1013 was finalized)	10,500,000	
Increased funding to provide a 2.5 percent increase in the per student payment rate in each year of the biennium (House Bill No. 1369)	115,415,459	
Total adjustments to integrated formula payments related to state school aid formula changes and other adjustments		125,815,459
Total 2025-27 biennium integrated formula payments		\$2,414,277,703

Transportation Aid Grants

The Legislative Assembly, in House Bill No. 1214 (2025), changed the way transportation aid grants to school districts are determined. Using factors, the new formula converts bus miles, number of bus runs, eligible family miles, and square miles and number of buildings in the district into transportation average daily membership equivalents. Total transportation average daily membership equivalents are multiplied by a 0.091 factor to determine the school district's weighted student unit equivalent. The weighted student unit equivalent is multiplied by the per pupil payment rate set in Section 15.1-27-04.1. Eligible miles and runs include transportation to and from school, special education, and career and technology centers and courses. A hold harmless clause provides, for school districts whose eligible bus miles and eligible bus runs remain the same or increase from the prior year, the transportation payment under the new formula may not be less than the transportation payment received by the school district for the preceding year. The hold harmless clause expires June 30, 2027. Under the new formula, transportation funding will increase as per pupil payment rates in Section 15.1-27-04.1 are increased. The estimated fiscal impact of the new formula is an increase in transportation aid funding of approximately \$6.35 million. The department anticipates excess transportation aid funding during the 2023-25 biennium and estimates the total funding needed for the 2025-27 biennium for the new formula will be \$60.1 million, or \$2 million more than the 2023-25 biennium appropriation of \$58.1 million.

Special Education Contracts

The Legislative Assembly provided \$22 million from the general fund for special education contracts during the 2025-27 biennium. This level of funding is \$2 million less than 2023-25 biennium funding of \$24 million from the general fund. The Legislative Assembly, in Section 8 of House Bill No. 1013 (2025), provided the Superintendent may expend funds provided for integrated formula payments and grants - special education contracts during the 2025-27 biennium for paying grants for educational services that were due in the 2023-25 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2025. To be reimbursed under this section, claims must be properly supported and filed with the Superintendent by June 30, 2026. In addition to special education contracts, the state school aid formula provides approximately \$277.5 million through the integrated formula payments line item for special education and prekindergarten special education average daily membership and weighting factors.

Regional Education Associations

The Legislative Assembly provided funding for annual state aid grants to be distributed equally to all regional education associations. Section 11 of House Bill No. 1013 (2025) identifies \$600,000 from the general fund included in the integrated formula payments line item for the purpose of providing annual grants to regional education associations during the 2025-27 biennium, \$100,000 less than the 2023-25 biennium. The number of regional education associations in the state was reduced to 6 during the 2023-25 biennium. An annual grant of \$50,000 is provided to each regional education association that exists as of July 1, 2025, and regional education associations that merge during the 2025-27 biennium are entitled to the annual grants that would have been paid to each of the member associations. In addition to regional education association grants, the state school aid formula provides approximately \$5.5 million through the integrated formula payments line item for regional education associations based on the average daily membership of member school districts.

Program and Passthrough Grants and the Program Grant Pool

The Legislative Assembly provided a total of \$31,800,527 from the general fund, SIIF, and special funds from a DHHS grant for programs administered by DPI (\$27,065,527) and passthrough grants (\$4,735,000). This level of funding is \$1,780,473 less than the 2023-25 biennium appropriation for program and passthrough grants of \$33,581,000 provided from the general fund, SIIF, and special funds made available from continuing unexpended 2021-23 biennium integrated formula payment funding and depositing the funding in the department's operating fund.

In 2025, the program grant pool was removed and funding of \$1,736,027 was allocated to the various initiatives funded by the pool in previous bienniums, including leveraging the senior year, a leadership program, and family engagement initiatives. This level of funding is \$536,027 more than the 2023-25 biennium appropriation of \$1,200,000 from carryover funds for the program grant pool. The Legislative Assembly provided the increased funding for the leveraging the senior year program.

The following is a summary of program grants:

	Increase (Decrease) from 2023-25 Biennium Appropriation	2025-27 Biennium General Fund	2025-27 Biennium Other Funds ¹	2025-27 Biennium Total
Adult education matching grants		\$5,500,000		\$5,500,000
School food services matching grants		1,380,000		1,380,000
Free meal program		6,000,000		6,000,000
Leveraging the senior year	\$536,027	1,536,027		1,536,027
Building tomorrow's leaders		50,000		50,000
Family engagement		150,000		150,000
Paraprofessional-to-teacher program		3,000,000		3,000,000
Science of reading and literacy instruction	1,000,000	1,000,000		1,000,000
Science of mathematics instruction	1,000,000	1,000,000		1,000,000
Indians into STEM	300,000	300,000		300,000
Administrative cost-sharing reimbursement	(125,000)			0
One-time funding for a centers of excellence program	1,000,000		\$1,000,000	1,000,000
One-time funding for a mathematics screening tool pilot project	300,000	300,000		300,000
One-time funding for regional education association merger incentive grants	(70,000)			0
One-time funding to provide the Amira reading tool statewide ²	(1,100,000)		500,000	500,000
One-time funding for a statewide teacher retention program	(300,000)		2,000,000	2,000,000
One-time funding for school board training grants	0		1,500,000	1,500,000
One-time funding for science of reading and literacy instruction	(1,000,000)			0
One-time funding for dyslexia identification training	21,000		300,000	300,000
One-time funding for reading learning platform training	(558,000)			0
One-time funding for foreign language grants for grades kindergarten through grade three	49,500	49,500		49,500
One-time funding for Waterford Upstart early learning program	1,500,000		1,500,000	1,500,000
Total	\$2,553,527	\$20,265,527	\$6,800,000	\$27,065,527

¹Except for the Waterford Upstart early learning program, which is funded through a grant from DHHS, program grants provided from other funds are funded from SIIF.

²In addition to funding appropriated by the Legislative Assembly from SIIF, DPI has obligated ESSER funding of \$541,903, continued from the 2021-23 biennium and the 2023-25 biennium, to provide a total of \$1,041,903 for a statewide reading tool during the 2025-27 biennium. See the section regarding **2023-25 Biennium Deficiency Appropriation and 2023-25 Biennium Appropriation Carryover to the 2025-27 Biennium** for additional details regarding ESSER funding continued to the 2025-27 biennium.

The following is a summary of passthrough grants:

	Increase (Decrease) from 2023-25 Biennium Appropriation	2025-27 Biennium General Fund	2025-27 Biennium Other Funds	2025-27 Biennium Total
Mentoring program	\$1,200,000	\$3,700,000		\$3,700,000
National writing projects	0	40,000		40,000
Rural art outreach project	0	425,000		425,000
Governor's school grants	0	500,000		500,000
"We the People" program	0	70,000		70,000
Cultural heritage grants	(34,000)			0
One-time funding for a grant to the Grand Forks Science Center ¹	(5,000,000)			0
One-time funding for a grant to the Fargo Science Center ¹	(500,000)			0
Total	(\$4,334,000)	\$4,735,000	\$0	\$4,735,000

¹In Section 4 of Senate Bill No. 2018 (2025), the Legislative Assembly appropriated \$2 million of one-time funding from SIIF to the Department of Commerce for grants of up to \$1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed \$402 million during the 2025-27 biennium.

Other Sections in House Bill No. 1013

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.

Contract reimbursements - Deficiency appropriation - Section 4 provides a deficiency appropriation of up to \$500,000 to reimburse vendors for services related to ESSER contracts denied payment by the federal Department of Education. Reimbursement was allowed only for services through May 2, 2025. **This section required an emergency clause to provide payment before June 30, 2025; however, the emergency clause for House Bill No. 1013 did not carry; therefore, the appropriation will expire before the bill becomes effective.**

Tuition apportionment - Section 5 provides that any money available in the state tuition fund in excess of the \$595,677,350 appropriated in Section 1 is appropriated to DPI for distribution to school districts.

Foundation aid stabilization fund - Section 6 identifies \$233 million from the foundation aid stabilization fund is appropriated for integrated formula payments.

Strategic investment and improvements fund - Section 7 identifies \$6,250,000 from SIIF for one-time program grants relating to dyslexia training, a statewide reading tool, a teacher retention program, a centers of excellence program, school board training, a Native American history and culture textbook, and a Native American Essential Understandings program.

Payments for 2023-25 biennium educational services - Section 8 provides that DPI may use money appropriated for integrated formula payments and special education contracts for the 2025-27 biennium to pay claims due during the 2023-25 biennium, but not filed with the department until the 2025-27 biennium. To be reimbursed, claims must be properly supported and filed with the Superintendent by June 30, 2026.

Gifted and talented program funding - Section 9 provides that DPI use \$800,000 of the 2025-27 biennium legislative appropriation for integrated formula payments for reimbursing school districts or special education units for gifted and talented programs. The department is to encourage cooperative efforts for gifted and talented programs among school districts and special education units.

Medicaid matching and school approval withholding and distribution - Section 10 provides state school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by DPI to DHHS on behalf of the school district or unit.

Regional education association grants - Section 11 identifies \$600,000 from the general fund, \$100,000 less than the 2023-25 biennium, included in the integrated formula payments line item for providing annual grants to regional education associations during the 2025-27 biennium. An annual grant of \$50,000 is

provided to each regional education association that exists as of July 1, 2025, and regional education associations that merge during the 2025-27 biennium are entitled to the annual grants that would have been paid to each of the member associations.

Student meal grants - Section 12 identifies \$6 million from the general fund, included in the grants - program grants line item, is to provide free meals to students in public or nonpublic schools at or below 225 percent of the federal poverty guideline, an increase in eligibility from 200 percent of the federal poverty guideline used during the 2023-25 biennium.

Paraprofessional-to-teacher program - Section 13 identifies \$3 million from the general fund, included in the grants - program grants line item, is to provide grants to institutions of higher education to assist paraprofessionals to become teachers. The Superintendent may award up to \$20,000 to each qualifying institution for program startup and other administrative costs and the remainder of the appropriation may be used only for tuition and scholarships for students enrolled in the program.

North Dakota governor's schools grants - Section 14 identifies \$500,000 from the general fund, included in the grants - passthrough grants line item, is to provide for North Dakota governor's schools at NDSU and UND.

Exemption - Deposits into the department's operating account - Section 15 provides that, notwithstanding Section 54-44.1-15, DPI may deposit indirect cost recoveries, any money collected by DPI for general educational development fees, and displaced homemaker deposits in its operating account. Section 54-44.1-15 otherwise provides that these funds be deposited in the general fund.

2023-25 biennium funding exemption and transfer - Section 16 provides that if, after the Superintendent complies with all statutory payment obligations imposed for the 2023-25 biennium, any money remains in the integrated formula payments line item, the lesser of \$11 million or the remaining amount must be continued into the 2025-27 biennium and the Office of Management and Budget must transfer this amount into the public instruction fund for the purpose of providing integrated formula payments.

2023-25 biennium funding exemption and authorization - Section 17 provides the following funds appropriated to DPI from federal funds and other funds during the 2021-23 biennium, and continued to the 2023-25 biennium, are not subject to the provisions of Section 54-44.1-11 and may be continued into the 2025-27 biennium as follows:

1. Any funds remaining from federal funds derived from the ESSER Fund and any other federal funds appropriated in subdivision 2 of Section 2 of Chapter 28 of the 2021 Session Laws; and
2. Any funds remaining from special funds from the public instruction fund in the state treasury, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system and the statewide longitudinal data system, appropriated in Section 17 of Chapter 549 of the 2021 Special Session Session Laws.

Salary of the Superintendent of Public Instruction - Section 21 provides the statutory changes to increase the Superintendent's salary. The Superintendent's annual salary is increased from the current level of \$143,668 to \$147,978, effective July 1, 2025, and to \$152,417, effective July 1, 2026, to reflect salary increases of 3 percent each year of the biennium.

Electronic collection of free or reduced-price meal eligibility information - Section 22 creates a new section to Chapter 15.1-07, effective July 1, 2026, to require school districts to establish electronic collection of free or reduced-price meal eligibility information.

Administrative cost-sharing reimbursement - Section 23 amends Section 15.1-27-16 to provide the administrative cost-sharing program expires June 30, 2025 rather than June 30, 2026. Funding for the program of \$125,000 from the general fund was removed from the department's base budget.

Effective date - Electronic collection of free or reduced-price meal eligibility information - Section 24 provides the requirement for electronic collection of free or reduced-price meal eligibility, in Section 22, is effective July 1, 2026.

Related Legislation

House Bill No. 1012 - Waterford Upstart project - This bill provides \$1.5 million of **one-time funding** from the general fund to DHHS, which DHHS will grant to DPI for the Waterford Upstart early learning project. The funding is included in the special funds appropriation to DPI in House Bill No. 1013.

House Bill No. 1105 - Virtual learning school district policy - This bill amends sections related to virtual instruction school district policies, including when school districts are required to pay for a virtual instruction course.

House Bill No. 1176 - Property tax reform - School district gap funding - This bill increases the primary residence property tax credit and the renter's refund amount; adjusts the maximum taxable value reduction for the disabled veteran's program; and limits local political subdivision budget increases. The Legislative Assembly, in Section 28 of the bill, provided for an integrated formula gap funding program to hold harmless certain school districts that may have more funding deducted in the state school aid formula than can be assessed under the new provisions. The bill allows DPI to use funding provided for integrated formula payments to provide the gap funding. If the department anticipates a shortfall in funding for integrated formula payments for the 2025-27 biennium, the Superintendent must request a deficiency appropriation from the 70th Legislative Assembly.

House Bill No. 1214 - Transportation aid - This bill establishes a new school transportation funding model moving from a block grant to a formula by determining each school district's transportation average daily membership equivalent based on the quantity of small and large bus miles, small and large bus runs, square miles in the school district, school buildings in the districts, and miles that have been reimbursed by the school to families for transportation of students. Transportation average daily membership equivalents are converted weighted student unit equivalents, which are multiplied by the per student payment rate and distributed to the school district. A fiscal note prepared by DPI indicates additional expenditures of \$6,350,000. Funding for this change is included in House Bill No. 1013.

House Bill No. 1357 - Data-sharing agreement - This bill requires each public school district to enter a data-sharing agreement with DPI, subject to federal and state privacy laws, including the Family Educational Rights and Privacy Act.

House Bill No. 1369 - State school aid formula - This bill:

- Increases per student payment rates by 2.5 percent each year of the biennium to provide \$11,349 during the 1st year of the biennium and \$11,633 during the 2nd year of the biennium;
- Eliminates the veterans' and homestead credit from the in lieu of property tax deduction and allows the department to calculate taxable value without adjustment for veteran and homestead properties;
- Requires the placement of a student with disabilities in a public or private facility paid for by the state to be approved by the Superintendent, and authorizes the Superintendent to consult with the Commissioner of DHHS regarding congregate care facilities;
- Authorizes the Board of University and School Lands to issue a loan for the lesser of 20 percent of the project cost or \$20 million dollars from the coal development trust fund for a school construction project on an Air Force base during the 2025-27 biennium;
- Removes the Superintendent's duty to designate funds in the school construction assistance revolving loan fund for construction of facilities on an Air Force base, included in Senate Bill No. 2149 (2025);
- Decreases the maximum loan amounts available from the school construction assistance revolving loan fund in each loan tier;
- Increases the threshold for bidding and contractor bonding on public improvement construction from \$200,000 to \$250,000; and
- Removes the 12 percent cap on school district tax levying authority.

A fiscal note prepared by DPI indicates additional general fund expenditures of \$115.3 million related to the foundation aid formula changes. Funding for the formula changes is included in House Bill No. 1013.

House Bill No. 1476 - School district building assessments and maintenance - This bill authorizes the Superintendent in North Dakota to oversee the assessment of all public school buildings in the state, by collecting assessments conducted by school districts, documenting and tracking building inventory and repairs, and contracting for professional services to study appropriate criteria for establishing public school facility standards. A fiscal note prepared by DPI indicates a system can be set up and maintained by DPI staff.

Senate Bill No. 2149 - Construction loan funding for air base schools - This bill provides a school construction or remodeling project on an Air Force base is eligible to be financed by a loan from the school construction assistance revolving loan fund through the Bank of North Dakota, if the cost of the project is at least \$1 million and will be utilized for 30 years, the school district has obtained approval from the Superintendent, the school district has obtained all necessary federal authorizations and funding commitments, and the school district has completed an submitted an application to the Bank. The bill required the Superintendent to designate funding in the school construction assistance revolving loan fund for the construction of facilities on an Air Force base, however this provision was removed in House Bill No. 1369 (2025).

Senate Bill No. 2213 - Kindergarten through grade eight mathematics curriculum - This bill provides a comprehensive update to mathematics education for K-12 teachers and students. The bill requires the Education Standards and Practices Board to ensure mathematics teachers demonstrate competencies in direct and explicit mathematics instruction and pedagogy prior to obtaining a teaching license. The licensure requirements do not become effective for elementary teachers until July 1, 2027. The bill also requires nonpublic and public schools to provide mathematics curricula aligned with DPI newly revised standards, provide professional development for mathematics teachers, including special education teachers, implement formative assessments and adjust instruction accordingly, and implement intervention programming when appropriate. Beginning July 1, 2027, public and nonpublic schools will be required to screen students in kindergarten through grade three for mathematics deficiencies and dyscalculia, and provide resources and accommodations as needed. The bill also appropriates \$1.5 million from the general fund to DPI to support schools and regional education associations to improve kindergarten through grade eight mathematics curriculum, instruction, and student achievement. The bill provides up to \$200,000 of the appropriation may be allocated for state-level staffing or DPI administrative expenses and up to \$300,000 of the appropriation must be allocated to **one-time funding** for a mathematics screening tool pilot program.

Senate Bill No. 2241 - Public charter schools - This bill establishes a framework for the creation, governance, and oversight of public charter schools, which are independently governed public schools formed through a charter performance agreement. The bill provides public charter schools will receive per-student state aid payments like other public schools, but no funding from the local contribution in the state aid formula. A fiscal note prepared by DPI indicates the fiscal impact cannot be determined.

Senate Bill No. 2262 - Kindergarten Through Grade Twelve Education Coordination Council - This bill authorizes the Kindergarten Through Grade Twelve Coordination Council to enter a contract to conduct studies to carry out the objectives of the council. The bill also appropriates \$60,000 from the general fund to the Superintendent for Kindergarten Through Grade Twelve Education Coordination Council contracts.

Senate Bill No. 2275 - Kindergarten through grade three foreign language - This bill creates a pilot program for the Superintendent to provide annual grants to schools that provide instruction in a foreign language to students in kindergarten through grade three. The grants may be up to \$2,500 and may be used for program costs, materials, and stipends. The bill also provides \$49,500 of **one-time funding** from the general fund to DPI for the pilot program.

Senate Bill No. 2353 - Regional education association contracts - This bill permits a regional education association to offer services to a school district that is not a member of the regional education association and to contract with the Superintendent to offer services. The bill clarifies any perceived ambiguity regarding whether a regional education association may offer services to a school district that is not a member of the regional education association and streamlines the process by which DPI contracts with a regional education association without prior approval of the Office of Management and Budget.

Senate Bill No. 2362 - Accreditation of schools - This bill authorizes the Superintendent to provide school districts with a choice of accreditation options including a state-defined accreditation created by DPI. The bill ensures school districts have access to a state-funded accreditation process and also permits school districts to select an alternative accreditation agency from a state-approved list. This bill requires the Superintendent to contract with an accreditation organization or vendor to create state-provided accreditation to offer to each public school district at no charge.

**STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION
2023-25 BIENNIUM APPROPRIATION AND ESTIMATED EXPENDITURES, 2025-27 BIENNIUM BASE BUDGET AND
LEGISLATIVE APPROPRIATION, AND COMPARISON OF APPROPRIATION TO THE 2025-27 BIENNIUM BASE BUDGET**

	2023-25 Appropriation (Adjusted)	2023-25 Estimated Expenditures	2025-27 Base Budget	2025-27 Legislative Appropriation	2025-27 Legislative Appropriation Increase (Decrease) Compared to 2025-27 Base Budget
State school aid program					
State school aid - Integrated formula payments	\$2,299,674,851 ¹	\$2,242,919,644 ²	\$2,299,674,851	\$2,414,277,703 ¹	\$114,602,852 ¹
Transportation aid payments	58,100,000	53,100,000 ²	58,100,000	60,100,000	2,000,000
Special education - Contracts	24,000,000	18,000,000 ²	24,000,000	22,000,000	(2,000,000)
Total - State school aid program	\$2,381,774,851	\$2,314,019,644	\$2,381,774,851	\$2,496,377,703	\$114,602,852
General fund	\$1,699,921,765	\$1,632,166,558 ²	\$1,699,921,765	\$1,656,700,353	(\$43,221,412)
Foundation aid stabilization fund	157,000,000 ¹	157,000,000	157,000,000	233,000,000 ¹	76,000,000 ¹
Public instruction fund/carryover				11,000,000 ¹	11,000,000 ¹
Strategic investment and improvements fund (SIIF)	13,993,086	13,993,086	13,993,086		(13,993,086)
State tuition fund	510,860,000	510,860,000	510,860,000	595,677,350	84,817,350
Total - State school aid program	\$2,381,774,851	\$2,314,019,644	\$2,381,774,851	\$2,496,377,703	\$114,602,852
Program grants					
Adult education matching grants	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$0
School food services matching grants	1,380,000	1,380,000	1,380,000	1,380,000	0
Free meal program	6,000,000	3,500,000 ²	6,000,000	6,000,000	0
Program grant pool, including leveraging the senior year	1,200,000	1,200,000	1,200,000	0	(1,200,000)
Leveraging the senior year			0	1,536,027	1,536,027
Building tomorrow's leaders			0	50,000	50,000
Family engagement			0	150,000	150,000
Foreign language grant for grades K-3 (one-time funding) (SB 2275)				49,500	49,500
Paraprofessional-to-teacher program	3,000,000	3,000,000	3,000,000	3,000,000	0
Centers of excellence program (one-time funding)			0	1,000,000	1,000,000
Science of reading and literacy instruction	1,000,000	100,000	0	1,000,000	1,000,000
Science of mathematics instruction (SB 2213)				1,000,000	1,000,000
Mathematics screening tool (one-time funding) (SB 2213)				300,000	300,000
Dyslexia identification training (one-time funding)	279,000	279,000	0	300,000	300,000
Upstart Waterford Project (one-time funding)	0	0	0	1,500,000	1,500,000
Reading learning platform training	558,000	558,000	0	0	0
Administrative cost-sharing reimbursement	125,000		125,000 ²	0	(125,000)
Regional education association merger incentive grants	70,000	70,000	0	0	0
Amira reading tool (one-time funding)	1,600,000	1,600,000	0	500,000	500,000
Teacher retention - Vital Network (one-time funding)	2,300,000	2,300,000	0	2,000,000	2,000,000
Indians into STEM			0	300,000	300,000
School board training (one-time funding)	1,500,000	750,000	0	1,500,000	1,500,000
Total - Program grants	\$24,512,000	\$20,237,000	\$17,205,000	\$27,065,527	\$9,860,527
General fund	\$9,195,000	\$6,570,000	\$9,125,000	\$20,265,527 ³	\$11,140,527 ³
Other funds - SIIF	0	0	0	5,300,000 ³	5,300,000 ³
Other funds - DHHS grant for Upstart Waterford Project	0	0	0	1,500,000 ³	1,500,000 ³
Other funds - Public instruction fund/carryover	15,317,000 ³	13,667,000	8,080,000 ³	0 ³	(8,080,000) ³
Total - Program grants	\$24,512,000	\$20,237,000	\$17,205,000	\$27,065,527	\$9,860,527

	2023-25 Appropriation (Adjusted)	2023-25 Estimated Expenditures	2025-27 Base Budget	2025-27 Legislative Appropriation	2025-27 Legislative Appropriation Increase (Decrease) Compared to 2023-25 Base Budget
Other grants - Other funds					
Federal grants	\$412,513,893 ⁴	\$412,513,893	\$382,513,893	\$412,219,602	\$29,705,709
Displaced homemaker program	225,000	225,000	225,000	225,000	0
Total - Other grants - Other funds	<u>\$412,738,893</u>	<u>\$412,738,893</u>	<u>\$382,738,893</u>	<u>\$412,444,602</u>	<u>\$29,705,709</u>
Total state school aid, program grants, and other grants - All funds	<u>\$2,819,025,744</u>	<u>\$2,746,995,537</u>	<u>\$2,781,718,744</u>	<u>\$2,935,887,832</u>	<u>\$154,169,088</u>
Agency administration					
Administration - General fund, including SB 2213 and SB 2262	\$13,252,390 ⁴	\$13,252,390	\$13,252,390	\$21,965,268	\$8,712,878
Administration - Other funds	39,505,695 ⁴	37,500,000	39,505,695	42,538,734	3,033,039
STARS rewrite - Other funds		5,780,703 ⁵			0
Native American program and text book (one-time funding) - SIIF				950,000	950,000
Total - Agency administration	<u>\$52,758,085</u>	<u>\$56,533,093</u>	<u>\$52,758,085</u>	<u>\$65,454,002</u>	<u>\$12,695,917</u>
Passthrough grants, student information systems, and national board certification					
National writing projects	\$40,000	\$40,000	\$40,000	\$40,000	\$0
Rural art outreach project	425,000	425,000	425,000	425,000	0
Mentoring program/ND Rise	2,500,000	2,500,000	2,500,000	3,700,000	1,200,000
Governor's school grants	500,000	300,000 ²	500,000	500,000	0
Science center grants	5,500,000	5,500,000	0	0	0
"We the People" program	70,000	70,000	70,000	70,000	0
Cultural heritage grants/TeenPact	34,000	20,000	34,000	0	(34,000)
Total - Passthrough grants	<u>\$9,069,000</u>	<u>\$8,855,000</u>	<u>\$3,569,000</u>	<u>\$4,735,000</u>	<u>\$1,166,000</u>
Student information systems	5,775,000	5,775,000	5,775,000	5,775,000	0
National board certification	176,290	176,290	176,290	176,290	0
Total - Passthrough grants, student information systems, and national board certification	<u>\$15,020,290</u>	<u>\$14,806,290</u>	<u>\$9,520,290</u>	<u>\$10,686,290</u>	<u>\$1,166,000</u>
General fund	\$6,451,290	\$6,251,290	\$6,451,290	\$10,686,290 ³	\$4,235,000 ³
Other funds - SIIF	5,500,000	5,500,000		0 ³	0 ³
Other funds - Public instruction fund/carryover	3,069,000 ³	3,055,000	3,069,000 ³	0 ³	(3,069,000) ³
Total - Passthrough grants, student information systems, and national board certification	<u>\$15,020,290</u>	<u>\$14,806,290</u>	<u>\$9,520,290</u>	<u>\$10,686,290</u>	<u>\$1,166,000</u>
Total - Agency administration, passthrough grants, student information systems, and national board certification - All funds	<u>\$67,778,375</u>	<u>\$71,339,383</u>	<u>\$62,278,375</u>	<u>\$76,140,292</u>	<u>\$13,861,917</u>
Total Department of Public Instruction - All funds	<u><u>\$2,886,804,119</u></u>	<u><u>\$2,818,334,920</u></u>	<u><u>\$2,843,997,119</u></u>	<u><u>\$3,012,028,124</u></u>	<u><u>\$168,031,005</u></u>
Department of Public Instruction - Funding					
Total - General fund	\$1,728,820,445	\$1,658,240,238 ²	\$1,728,750,445	\$1,709,617,438	(\$19,133,007)
Total - Other funds	<u>1,157,983,674</u>	<u>1,160,094,682</u>	<u>1,115,246,674</u>	<u>1,302,410,686</u>	<u>187,164,012</u>
Total Department of Public Instruction - All funds	<u><u>\$2,886,804,119</u></u>	<u><u>\$2,818,334,920</u></u>	<u><u>\$2,843,997,119</u></u>	<u><u>\$3,012,028,124</u></u>	<u><u>\$168,031,005</u></u>
FTE positions	86.25	86.25	86.25	86.25	0.00

Federal COVID-19 Relief Funding Appropriations for the 2021-23 Biennium Continued to the 2023-25 Biennium

	2023-25 Appropriation (Adjusted)	2023-25 Estimated Expenditures	2025-27 Base Budget	2025-27 Legislative Appropriation	2025-27 Legislative Appropriation Increase (Decrease) Compared to 2023-25 Base Budget
Federal COVID-19 Funding					
ESSER Fund III distributions and other federal funding					
Grants allocated to school districts	\$0	\$144,396,295	\$0	\$0	\$0
Department of Public Instruction - State discretionary		21,388,416			0
Individuals with Disabilities Education Act grant		1,713,764			0
Emergency Assistance to Non-Public Schools grant		527,570			0
Homeless Children and Youth program grant		1,013,166			0
Total funding from ESSER Fund III distribution and other federal funding	\$0 ⁵	\$169,039,211 ⁶	\$0	\$0	\$0
State Fiscal Recovery Fund					
Grant to a children's science center in Minot	\$0 ⁶	\$838,113 ⁷	\$0	\$0	\$0
Total funding from the State Fiscal Recovery Fund	\$0	\$838,113	\$0	\$0	\$0
Total Federal COVID-19 Funding	\$0	\$169,877,324	\$0	\$0	\$0
Total Department of Public Instruction - All funds, including COVID-19 relief					
	\$2,886,804,119	\$2,988,212,244	\$2,843,997,119	\$3,012,028,124	\$168,031,005
Total Department of Public Instruction					
General fund	\$1,728,820,445 ²	\$1,658,240,238 ²	\$1,728,750,445	\$1,709,617,438	(\$19,133,007)
Other funds	1,157,983,674	1,329,972,006	1,115,246,674	1,302,410,686	187,164,012
Total Department of Public Instruction	\$2,886,804,119	\$2,988,212,244	\$2,843,997,119	\$3,012,028,124	\$168,031,005

¹ In 2023 the Legislative Assembly provided integrated formula payments totaling \$2.3 billion, an increase of \$167.8 million from the integrated formula payments provided during the 2021-23 biennium. In 2025 the Legislative Assembly provided integrated formula payments totaling \$2.4 billion, an increase of \$114.6 million from the integrated formula payments provided during the 2023-25 biennium. The Legislative Assembly provided a total of \$233 million from the foundation aid stabilization fund, \$76 million more than the 2023-25 biennium, and \$11 million from special funds, made available from general fund carryover, for integrated formula payments during the 2025-27 biennium. The Legislative Assembly increased funding by \$10.5 million due to an estimated increase in local revenue exempted from deduction in the state school aid formula and by \$115.4 million due to increases the integrated per student payment rate of 2.5 percent each year of the 2025-27 biennium. The cost of these formula changes are offset by cost-to-continue savings of \$11.2 million related to slower enrollment growth and a decrease in annual grants to regional education associations of \$100,000, resulting in an increase in integrated formula payments of \$114.6 million.

² The Department of Public Instruction estimates 2023-25 biennium excess general fund appropriation authority will total approximately \$70.6 million relating to excess appropriations for integrated formula payments (\$56.8 million), transportation aid grants (\$5 million), special education contract grants (\$6 million), the free meal program (\$2.5 million), and other program and passthrough grants (\$325,000). In addition, the department estimates excess carryover authority of \$1.7 million related to the funding continued from the 2021-23 biennium, resulting in estimated total excess general fund authority of \$72.3 million. The Legislative Assembly has authorized the department to continue up to \$11 million remaining in the integrated formula payments line item at the close of the 2023-25 biennium to the 2025-27 biennium for integrated formula payments which will reduce anticipated turnback to approximately \$61.3 million.

³ In 2023 the Legislative Assembly authorized the department to continue up to \$18,386,000 remaining in the integrated formula payments line item at the close of the 2021-23 biennium to the 2023-25 biennium for deposit in the department's operating fund and appropriated the funding for various program and passthrough grants, including one-time funding items. The 2025-27 biennium base budget included up to \$11,149,000 of funding remaining in the integrated formula payments line item at the close of the 2023-25 biennium and continued to the 2025-27 biennium to be used for various program and passthrough grants. In 2025 the Legislative Assembly adjusted the funding source for ongoing program and passthrough grants to the general fund and one-time program grants to SIIF and a Department of Health and Human Services (DHHS) grant.

⁴ The appropriation for the 2023-25 biennium has been adjusted in the salary and wages line item to include \$1,144,179, of which \$580,001 is from the general fund and \$943,839 is from other funds, for targeted market equity and employer retirement contributions included in Senate Bill No. 2393 (2023) and in the grants - other grants line item to include \$30 million for a deficiency appropriation related to federal funding included in House Bill No. 1024 (2025).

⁵ During the 2021 special legislative session, the Legislative Assembly provided \$10,000,000 of one-time funding derived from reimbursements, withheld from certain school districts' integrated formula payments and deposited in the public instruction fund, and \$100,000 of one-time funding from the State Fiscal Recovery Fund for information technology project upgrades to the state automated reporting system and the statewide longitudinal data system. Funding from the State Fiscal Recovery Fund was provided for the information technology upgrades in lieu of withholding from school districts not eligible for federal Elementary and Secondary School Emergency Relief (ESSER) Fund allocations. The Legislative Assembly authorized the Department of Public Instruction to continue unspent funding for these projects, appropriated for the 2021-23 biennium, to the 2023-25 biennium. The department continued \$9,780,703 for state automated reporting system and statewide longitudinal data system upgrades to the 2023-25 biennium, of which \$4,807,703 was transferred to the Information Technology Department. The department anticipates spending \$973,000 during the 2023-25 biennium and continuing \$4,000,000 for a multiyear project that will replace STARS.

⁶ Funding from ESSER Fund distributions and other federal COVID-19 emergency relief funds approved in the federal American Rescue Plan Act were appropriated by the Legislative Assembly in House Bill No. 1395 (2021). In 2023 the Legislative Assembly authorized the Department of Public Instruction to continue unspent ESSER funds, appropriated for the 2021-23 biennium, to the 2023-25 biennium. The department continued \$178,761,593 of federal funding to the 2023-25 biennium. In Section 17 of House Bill No. 1013 (2025) the Legislative Assembly allowed the department to continue COVID-19 related funding. The department anticipates \$950,000 of federal funding will be continued to the 2025-27 biennium for the Amira reading tool, after school tutoring, choice ready programs, and technology and workforce readiness programs. Federal funds must be spent by March 2026.

⁷ Funding from the federal Coronavirus Capital Projects Fund was provided to the Department of Public Instruction in Section 6 of House Bill No. 1015 (2021) for a grant to an entity for the development of a children's science center in Minot. During the 2021 special legislative session, the Legislative Assembly, in House Bill No. 1505 (2021), adjusted the funding source of the \$5.9 million one-time funding grant from the Coronavirus Capital Projects Fund to the State Fiscal Recovery Fund. In 2023 the Legislative Assembly authorized the Department of Public Instruction to continue unspent funding for this project, appropriated for the 2021-23 biennium, to the 2023-25 biennium. The department continued \$838,113 of federal funding to the 2023-25 biennium.

INTEGRATED PER STUDENT PAYMENT RATES AND WEIGHTED STUDENT UNITS FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Legislative Appropriation	2023-25 Actual	2025-27 Legislative Appropriation
1 st -year integrated per student payment rates	\$10,646	\$10,646	\$11,349 ¹
2 nd -year integrated per student payment rates	\$11,072	\$11,072	\$11,633 ¹
Weighted student units			
1 st year	139,064	138,361	140,788 ³
2 nd year	140,595	139,300 ²	141,486 ³
¹ The Legislative Assembly increased integrated formula payment rates by 2.5 percent each year of the 2025-27 biennium. ² Weighted student units for the 2 nd year of the 2023-25 biennium are estimated as of May 2025. ³ Weighted student units for the 2025-27 biennium have been estimated using fall enrollment for the 2024-25 school year for the 1 st year of the biennium and a 5-year survival cohort routine for the 2 nd year of the biennium.			

SECTION F - HIGHER EDUCATION

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HIGHER EDUCATION - OVERVIEW

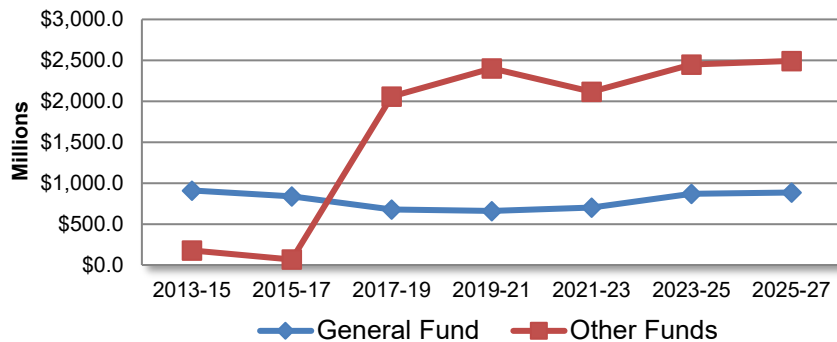
The Legislative Assembly in 2025 made the following higher education funding changes compared to 2023-25 legislative appropriations for higher education:

- Increased ongoing **general fund** support by \$59.8 million and decreased one-time general fund support by \$43.4 million as follows:

	2023-25 Legislative Appropriations	2025-27 Legislative Appropriations	Increase (Decrease)	
Ongoing general fund appropriations	\$811,682,526	\$871,471,221	\$59,788,695	7.4%
One-time general fund appropriations	56,839,701	13,450,000	(43,389,701)	(76.3%)
Total	\$868,522,227	\$884,921,221	\$16,398,994	1.9%

- Increased appropriations from **other funds** by \$42,639,790, or 1.7 percent. The increase relates primarily to increases in funding for employee salaries and health insurance premiums.
- Increased the authorized number of **FTE positions** from 6,605.91 to 6,735.65, an increase of 129.74. Of the 129.74 FTE positions, 127.74 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control, and 2 FTE positions were added for the Forest Service. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

Higher Education Appropriations



NOTE: Beginning with the 2017-19 biennium, other funds amounts include appropriation authority for all other funds received by the North Dakota University System office and institutions. Prior to the 2017-19 biennium, other funds appropriations included only certain items, such as capital projects.

Biennium	General Fund	Other Funds	Total
2013-15	\$910,632,494	\$177,980,941	\$1,088,613,435
2015-17	\$837,849,212	\$66,644,264	\$904,493,476
2017-19	\$679,438,630	\$2,059,950,275	\$2,739,388,905
2019-21	\$660,517,805	\$2,400,897,468	\$3,061,415,273
2021-23	\$703,453,294	\$2,117,621,160	\$2,821,074,454
2023-25	\$868,522,227	\$2,450,467,042	\$3,318,989,269
2025-27	\$884,921,221	\$2,493,106,832	\$3,378,028,053

Major higher education funding items include:

- Formula base funding** for campuses is increased by \$42.9 million from the general fund as follows:
 - \$9.5 million decrease relating to the student credit-hour funding formula to adjust the base budget to 2021-23 actual completed student credit-hour levels;
 - \$8.9 million increase relating to the 96 percent minimum amount payable;
 - \$7.0 million increase to increase the weighting factor for credits completed in wind energy, law enforcement, and pharmacy and to adjust the credit completion factor;
 - \$3.6 million increase to restore funding reduced in the 2023-25 biennium calculation of the higher education funding formula as a result of the averaging of the base rates;
 - \$6.3 million increase to equalize the newly calculated base rates to the highest rate for each institutional group; and
 - \$26.6 million increase for formula rate adjustments to provide for a 4 percent inflationary increase.
- Funding of \$13,450,000 for **one-time general fund appropriations**, including:

Financial aid software system enhancements	\$25,000
WSC health care program startup costs	1,490,000
NDSCS lease payments	1,000,000
NDSCS aviation maintenance program startup costs	300,000
MaSU nursing simulation laboratory	500,000
MiSU advancing students toward education and employment program	500,000
MiSU regional health sciences institute	8,500,000
MiSU Dakota Hall demolition	635,000
DCB student housing	500,000
Total	\$13,450,000

- Funding of \$10,261,375 from the general fund for **capital bond payments**, a decrease of \$936,521 from the 2023-25 biennium appropriation of \$11,197,896.

4. Funding of \$30.9 million from the general fund for the **student financial assistance grant program**, an increase of \$1 million from the 2023-25 biennium appropriation of \$29.9 million.
5. Funding of \$7.0 million from the general fund for a new **supplemental student financial assistance grants** program to pay the full cost of tuition for students with family incomes of \$80,000 or less.
6. Funding of \$17.2 million from the general fund for **academic and career and technical education scholarships**, the same as the 2023-25 biennium.
7. Funding of \$5.2 million for the **professional student exchange program**, an increase of \$1.5 million from the 2023-25 biennium appropriation of \$3.7 million.
8. Funding of \$2.5 million from the general fund for the **nursing education consortium**, a one-time increase of \$1.1 million from the 2023-25 biennium appropriation of \$1.4 million.
9. One-time funding of \$24.76 million from the strategic investment and improvements fund (SIIF) for the **higher education challenge grant program** to provide matching grants for academic enhancements to University System institutions. For every \$2 of private funds donated to an institution, a match of \$1 is to be provided from the program fund.
10. One-time funding of \$10.0 million from SIIF for a new **workforce education innovation grants** program.

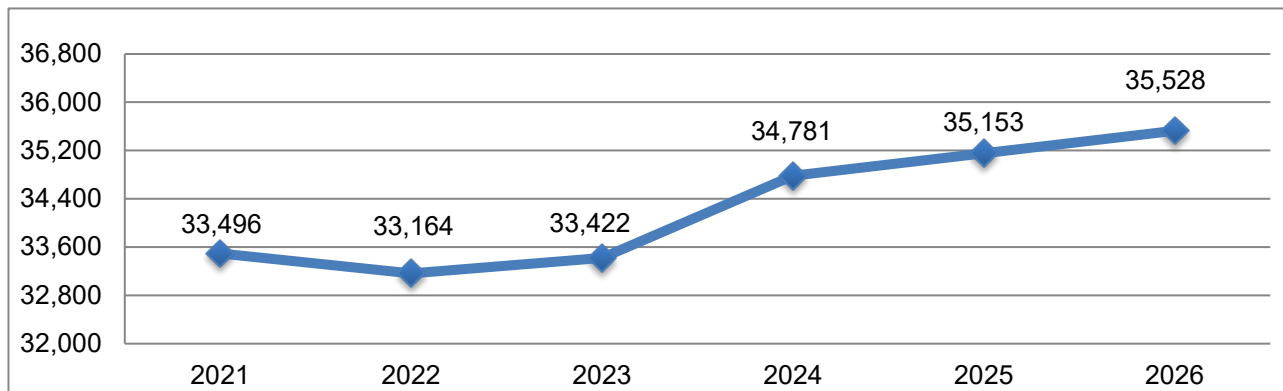
11. One-time funding of \$16.0 million from SIIF for the **national security crossroads** at the University of North Dakota and \$16.0 million from SIIF for **new horizons programming** at North Dakota State University.
12. One-time transfer of \$26.5 million from SIIF for the **University System capital building fund program**.
13. Funding of \$351.6 million for **capital assets**, including:

	General Fund	Special Funds	Total
Major capital projects	\$9,635,000	\$320,421,814 ¹	\$330,056,814
Base campus extraordinary repairs and capital payments	11,117,046		11,117,046
Capital bond payments	10,261,375		10,261,375
Forest Service extraordinary repairs and equipment over \$5,000	118,728		118,728
Total	\$31,132,149	\$320,421,814	\$351,553,963

¹Includes \$101,196,814 from SIIF.

Please refer to the schedules under the **CAPITAL CONSTRUCTION** section for additional information regarding capital improvements.

INSTITUTIONS OF HIGHER EDUCATION FULL-TIME EQUIVALENT STUDENT ENROLLMENTS¹



Institution	Actual Enrollments				Projected Enrollments	
	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025	Fall 2026
Bismarck State College	2,390	2,467	2,599	2,812	2,914	3,020
Dakota College at Bottineau	615	550	576	590	596	602
Dickinson State University	1,154	1,155	1,118	1,120	1,133	1,164
Lake Region State College	791	797	858	906	924	940
Mayville State University	815	784	734	794	817	841
Minot State University	2,242	2,167	2,135	2,125	2,146	2,167
North Dakota State University	10,861	10,701	10,553	10,443	10,475	10,475
North Dakota State College of Science	2,029	2,064	2,124	2,305	2,375	2,450
University of North Dakota	10,842	10,760	10,955	11,731	11,777	11,837
Valley City State University	1,090	1,073	1,112	1,184	1,202	1,214
Williston State College	667	646	658	771	794	818
Total	33,496	33,164	33,422	34,781	35,153	35,528

¹State Board of Higher Education policy provides that a full-time equivalent (FTE) undergraduate student is equal to 15 undergraduate student credit-hours completed per semester. The policy also provides that a graduate FTE student is equal to 12 graduate-level student credit-hours completed per semester and a professional student is counted as 1 FTE student. The information presented in this schedule for the fall 2021 through fall 2024 semesters was provided by the North Dakota University System office. The estimates for the fall 2025 and fall 2026 semesters were provided by representatives of University System institutions.

HIGHER EDUCATION - TUITION RATES

The following is a schedule of tuition and fee rates at state institutions of higher education for the academic years 2022-23 through 2025-26. House Bill No. 1003 (2023) provided for a tuition rate increase limitation of \$0 for resident tuition rates during the 2023-24 and 2024-25 academic years, excluding certain high-cost programs which may be increased by up to 1 percent per year. The State Board of Higher Education has the statutory responsibility for setting tuition rates.

Institution ¹	2022-23	2023-24	2024-25	2025-26
Bismarck State College				
Undergraduate				
Resident	\$5,209 4.0%	\$5,209 0.0%	\$5,209 0.0%	\$5,522 6.0%
Minnesota resident ²	\$5,209 (7.1%)	\$5,209 0.0%	\$5,209 0.0%	\$5,522 6.0%
Contiguous state/province ³	\$5,209 (30.7%)	\$5,209 0.0%	\$5,209 0.0%	\$5,522 6.0%
Other nonresident	\$7,813 4.0%	\$7,813 0.0%	\$7,813 0.0%	\$8,282 6.0%
International students	\$9,116 4.0%	\$9,116 0.0%	\$9,116 0.0%	\$9,663 6.0%
Dakota College at Bottineau				
Undergraduate				
Resident and all Canadian provinces	\$4,530 4.0%	\$4,530 0.0%	\$4,530 0.0%	\$4,584 1.2%
Minnesota resident ²	\$5,073 4.0%	\$5,073 0.0%	\$4,530 (10.7%)	\$4,584 1.2%
Contiguous state ³	\$5,662 4.0%	\$5,662 0.0%	\$4,530 (20.0%)	\$4,584 1.2%
Other nonresident	\$6,795 4.0%	\$6,795 0.0%	\$5,436 (20.0%)	\$5,502 1.2%
International students	\$7,927 4.0%	\$7,927 0.0%	\$5,436 (31.4%)	\$5,502 1.2%
Dickinson State University				
Undergraduate				
Resident, Minnesota resident ² , and contiguous state/province ³	\$7,470 0.0%	\$7,470 0.0%	\$7,470 0.0%	\$7,770 4.0%
Other nonresident	\$9,570 0.0%	\$9,570 0.0%	\$7,470 (21.9%)	\$7,770 4.0%
International students	\$9,570 0.0%	\$9,570 0.0%	\$9,570 0.0%	\$9,946 3.9%
Lake Region State College				
Undergraduate				
Resident and nonresident	\$4,249 4.0%	\$4,249 0.0%	\$4,249 0.0%	\$4,504 6.0%
International students	\$10,624 4.0%	\$10,624 0.0%	\$10,624 0.0%	\$11,261 6.0%

Institution ¹	2022-23	2023-24	2024-25	2025-26
Mayville State University				
Undergraduate				
Resident	\$6,517	\$6,517	\$6,517	\$6,875
	4.0%	0.0%	0.0%	5.5%
Minnesota resident ²	\$7,299	\$7,299	\$7,299	\$7,700
	4.0%	0.0%	0.0%	5.5%
Contiguous state/province ³	\$8,146	\$8,146	\$8,146	\$8,594
	4.0%	0.0%	0.0%	5.5%
Other nonresident or Canadian province	\$9,775	\$9,775	\$8,146	\$8,594
	4.0%	0.0%	(16.7%)	5.5%
International students	\$11,404	\$11,404	\$11,404	\$8,594
	4.0%	0.0%	0.0%	(24.6%)
Minot State University				
Undergraduate	\$7,168	\$7,168	\$7,168	\$7,597
	4.0%	0.0%	0.0%	6.0%
Graduate	\$9,352	\$9,352	\$9,352	\$9,913
	4.0%	0.0%	0.0%	6.0%
North Dakota State University				
Undergraduate				
Resident	\$9,309	\$9,309	\$9,309	\$9,868
	4.0%	0.0%	0.0%	6.0%
Minnesota resident ²	\$10,426	\$10,426	\$10,426	\$11,052
	4.0%	0.0%	0.0%	6.0%
Contiguous state/province ³	\$11,170	\$11,170	\$11,170	\$11,842
	4.0%	0.0%	0.0%	6.0%
Other nonresident	\$13,963	\$13,963	\$13,963	\$14,802
	4.0%	0.0%	0.0%	6.0%
International students	\$16,290	\$16,290	\$16,290	\$17,269
	4.0%	0.0%	0.0%	6.0%
Graduate				
Resident	\$10,113	\$10,113	\$10,113	\$10,720
	4.0%	0.0%	0.0%	6.0%
Minnesota resident ²	\$12,844	\$12,844	\$12,844	\$13,615
	4.0%	0.0%	0.0%	6.0%
Other nonresident	\$15,170	\$15,170	\$15,170	\$16,080
	4.0%	0.0%	0.0%	6.0%
International students	\$17,698	\$17,698	\$17,698	\$18,760
	4.0%	0.0%	0.0%	6.0%
North Dakota State College of Science				
Undergraduate				
Resident	\$4,683	\$4,683	\$4,683	\$4,870
	4.0%	0.0%	0.0%	4.0%
Minnesota resident ²	\$5,245	\$5,245	\$5,245	\$5,455
	4.0%	0.0%	0.0%	4.0%

Institution ¹	2022-23	2023-24	2024-25	2025-26
Other nonresident	\$5,620 4.0%	\$5,620 0.0%	\$5,620 0.0%	\$5,844 4.0%
International students	\$8,196 4.0%	\$8,196 0.0%	\$8,196 0.0%	\$8,523 4.0%
University of North Dakota Undergraduate Resident	\$9,237 4.0%	\$9,237 0.0%	\$9,237 0.0%	\$9,791 6.0%
Minnesota resident ²	\$10,346 4.0%	\$10,346 0.0%	\$10,346 0.0%	\$10,966 6.0%
Other nonresident	\$13,856 4.0%	\$13,856 0.0%	\$13,856 0.0%	\$14,687 6.0%
International students	\$18,474 4.0%	\$18,474 0.0%	\$18,474 0.0%	\$19,583 6.0%
Graduate Resident	\$11,963 4.0%	\$11,963 0.0%	\$11,963 0.0%	\$12,681 6.0%
Minnesota resident ²	\$15,193 4.0%	\$15,193 0.0%	\$15,193 0.0%	\$16,104 6.0%
Other nonresident	\$17,944 4.0%	\$17,944 0.0%	\$17,944 0.0%	\$19,021 6.0%
International students	\$23,926 4.0%	\$23,926 0.0%	\$23,926 0.0%	\$25,361 6.0%
School of Law ⁴ Resident	\$15,253 5.0%	\$15,253 0.0%	\$15,405 1.0%	\$17,716 15.0%
Minnesota resident and contiguous state/province ^{2,3}	\$22,879 5.0%	\$22,879 0.0%	\$23,108 1.0%	\$35,432 53.3%
Other nonresident	\$30,505 5.0%	\$30,505 0.0%	\$30,810 1.0%	\$35,432 15.0%
International students	\$30,505 (30.0%)	\$30,505 0.0%	\$30,810 1.0%	\$35,432 15.0%
School of Medicine and Health Sciences Resident	\$34,360 2.0%	\$34,360 0.0%	\$34,360 0.0%	\$35,992 4.7%
Minnesota resident ²	\$37,796 2.0%	\$37,796 0.0%	\$37,796 0.0%	\$39,591 4.7%
Other nonresident	\$63,598 2.0%	\$63,598 0.0%	\$63,598 0.0%	\$66,585 4.7%
Physical therapy Resident and Minnesota resident	\$21,671 4.0%	\$21,671 0.0%	\$21,671 0.0%	\$22,700 4.7%
Other nonresident	\$32,507 4.0%	\$32,507 0.0%	\$32,507 0.0%	\$34,051 4.7%
International students	\$32,507 4.0%	\$32,507 0.0%	\$37,924 16.7%	\$39,726 4.7%

Institution ¹	2022-23	2023-24	2024-25	2025-26
Valley City State University				
Undergraduate				
Resident	\$6,619	\$6,619	\$6,619	\$6,983
	4.0%	0.0%	0.0%	5.5%
Minnesota resident ²	\$7,413	\$7,413	\$7,413	\$7,821
	4.0%	0.0%	0.0%	5.5%
Contiguous state/province ³	\$8,273	\$8,273	\$8,273	\$7,821
	4.0%	0.0%	0.0%	(5.5%)
Other nonresident	\$11,583	\$11,583	\$11,583	\$12,220
	4.0%	0.0%	0.0%	5.5%
Graduate	\$8,807	\$8,807	\$8,807	\$9,290
	4.0%	0.0%	0.0%	5.5%
Williston State College				
Undergraduate				
Resident and other nonresident	\$4,138	\$4,138	\$4,138	\$4,386
	3.0%	0.0%	0.0%	6.0%
Minnesota resident ²	\$4,634	\$4,634	\$4,634	\$4,912
	3.0%	0.0%	0.0%	6.0%
International students	\$7,241	\$7,241	\$7,241	\$7,675
	3.0%	0.0%	0.0%	6.0%

¹The tuition rates shown are based on a credit load of 15 credit-hours per semester for undergraduate tuition and 12 credit-hours per semester for graduate tuition, which are the number of credit-hours taken by an average full-time student. Unless otherwise identified, amounts shown are for the institutions' basic tuition rate.

²Under the North Dakota/Minnesota reciprocity agreement, students pay the higher of the two states' rates, which allows North Dakota students attending Minnesota higher education institutions to pay the Minnesota resident rate while Minnesota students attending North Dakota higher education institutions generally pay the Minnesota rate, which is higher than the North Dakota rate. Beginning with the 2006-07 academic year, the University of North Dakota School of Law and School of Medicine and Health Sciences are removed from the reciprocity agreement. The university is allowed to establish its own tuition rates for Minnesota residents for these programs. Beginning with the 2009-10 academic year, the reciprocity agreement was revised to allow Lake Region State College, Minot State University, and Williston State College to charge Minnesota students the North Dakota resident tuition rate rather than the rate specified under the agreement. Beginning with the 2013-14 academic year, the reciprocity agreement was revised to charge Minnesota students attending North Dakota University System institutions 112 percent of resident undergraduate tuition rates and 127 percent of resident graduate tuition rates, with provisions to increase those rates to 115 and 130 percent respectively, in the future.

³The contiguous states and provinces are South Dakota, Montana, Saskatchewan, and Manitoba.

⁴The University of North Dakota School of Law implemented a per-credit tuition model beginning in the 2008-09 academic year. The institution charges a per-credit (part-time) tuition rate for all credit-hours. The tuition rates shown are based on a credit load of 15 credit-hours per semester, which is the number of credit-hours taken by an average full-time law student.

North Dakota University System office
Budget No. 215
Senate Bill Nos. 2003, 2147

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	168.83	\$149,565,723	\$63,146,749	\$212,712,472
2025-27 base budget	162.83	133,218,615	26,260,897	159,479,512
Legislative increase (decrease) to base budget	6.00	\$16,347,108	\$36,885,852	\$53,232,960

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$149,540,723	\$25,000	\$149,565,723
2023-25 legislative appropriations	133,218,615	22,119,354	155,337,969
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$16,322,108	(\$22,094,354)	(\$5,772,246)
Percentage increase (decrease) to 2023-25 appropriations	12.3%	(99.9%)	(3.7%)

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	6.00			
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$1,305,385	\$448,563	\$1,753,948
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		732,568	288,329	1,020,897
Transferred funding for state employee child care assistance from the Office of Management and Budget		910,000		910,000
Reduced funding for bond payments		(936,521)		(936,521)
Added funding for student financial aid system maintenance and operations		273,180		273,180
Added funding for student financial aid software licensing		180,000		180,000
Added special funds appropriation authority for systemwide purchases			249,047	249,047

Added funding for inflationary increases	740,701		740,701
Added funding for information technology security	3,190,620		3,190,620
Added funding for information technology rate adjustments	226,175	39,913	266,088
Increased funding for student financial assistance grants to provide a total of \$30.9 million	1,000,000		1,000,000
Added funding for supplemental student financial assistance grants, including \$2 million in Senate Bill No. 2147	7,000,000		7,000,000
Increased funding for tribal college grants to provide a total of \$1.6 million	200,000		200,000
Increased funding for the professional student exchange program to provide a total of \$5.2 million	1,500,000		1,500,000
Designated \$1.5 million from Bank of North Dakota profits in the University System office base budget for dual-credit tuition scholarships as one-time funding			
Added one-time funding from the strategic investment and improvements fund (SIIF) for higher education challenge grants		24,760,000	24,760,000
Added one-time funding from SIIF for the nursing education consortium to provide a total of \$2.5 million		1,100,000	1,100,000
Added one-time funding for financial aid system enhancements	25,000		25,000
Added one-time funding from SIIF for workforce education innovation grants		10,000,000	10,000,000
Total	6.00	\$16,347,108	\$36,885,852

FTE Changes

The Legislative Assembly approved 168.83 FTE positions for the University System office for the 2025-27 biennium, an increase of 6 FTE positions from the 2023-25 biennium authorized level of 162.83 FTE positions. The 6 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The following is a summary of one-time funding items for the University System for the 2023-25 biennium:

	General Fund	Other Funds	Total
Higher education challenge grants (SIIF)		\$24,760,000	\$24,760,000
Dual-credit tuition scholarships (Bank of North Dakota profits)		1,500,000	1,500,000
Financial aid software system enhancements	\$25,000		25,000
Nursing education consortium (SIIF)		1,100,000	1,100,000
Workforce education innovation grants (SIIF)		10,000,000	10,000,000
Campus capital projects (including \$101,196,814 from SIIF)	9,635,000	320,421,814	330,056,814
Williston State College (WSC) health care program startup costs	1,490,000		1,490,000

University of North Dakota (UND) national security crossroads (SIIF)		16,000,000	16,000,000
North Dakota State University (NDSU) new horizon programming (SIIF)		16,000,000	16,000,000
North Dakota State College of Science (NDSCS) lease payments and aviation maintenance program	1,300,000		1,300,000
Mayville State University (MaSU) nursing simulation laboratory	500,000		500,000
Minot State University (MiSU) advancing students toward education and employment	500,000		500,000
Forest Service emerald ash borer mitigation (SIIF)		950,000	950,000
Total	\$13,450,000	\$390,731,814	\$404,181,814

Competitive Research

The Legislative Assembly provided \$6.03 million from the general fund for competitive research. The following is a summary of funding for the competitive research program:

Biennium	General Fund
2007-09	\$5,650,000
2009-11	\$7,050,000 ²
2011-13	\$7,050,000
2013-15	\$7,050,000
2015-17	\$6,588,225
2017-19	\$6,027,750
2019-21	\$6,027,750 ³
2021-23	\$6,027,750 ³
2023-25	\$6,027,750 ³
2025-27	\$6,027,750 ³

¹The 2003 Legislative Assembly provided that \$100,000 of the \$4.75 million be used for a public-private partnership for establishment of a design center at UND.

²The 2009 Legislative Assembly provided that \$400,000 of the \$7.05 million be used for the National Aeronautics and Space Administration's (NASA) Experimental Program to Stimulate Competitive Research.

³The 2019, 2021, 2023, and 2025 Legislative Assemblies provided that \$342,000 of the \$6,027,750 be used for NASA's Established Program to Stimulate Competitive Research.

Student Financial Assistance Grants

The Legislative Assembly provided \$30,917,306 from the general fund for student financial assistance grants. The maximum grant award amount under the program is \$2,750 per year. To qualify, a student must be a resident undergraduate student who has graduated from a North Dakota high school and is attending a qualified postsecondary institution in North Dakota. The award of grants is based on student need. The following is a summary of funding for student financial assistance grants:

Biennium	Maximum Grant Award	Legislative Appropriations		
		General Fund	Federal Funds	Total
2007-09	\$1,000	\$5,823,497	\$164,000	\$5,987,497
2009-11	\$1,500	\$19,025,594	\$348,428	\$19,374,022
2011-13	\$1,500	\$19,025,594	\$348,428	\$19,374,022
2013-15	\$1,650	\$21,245,679		\$21,245,679
2015-17	\$1,950	\$23,886,160		\$23,886,160
2017-19	\$1,950	\$21,917,306		\$21,917,306
2019-21	\$2,200	\$23,917,306		\$23,917,306
2021-23	\$2,200	\$23,917,306		\$23,917,306
2023-25	\$2,750	\$29,917,306		\$29,917,306
2025-27	\$2,750	\$30,917,306		\$30,917,306

Supplemental Student Financial Assistance Grants

The Legislative Assembly appropriated \$7 million from the general fund for a newly established supplemental student financial assistance grant program to pay the full cost of tuition for students with family incomes of \$80,000 or less.

Professional Student Exchange Program

The Legislative Assembly provided \$5,199,342 from the general fund for the professional student exchange program. The program assists North Dakota students enrolling in professional programs not offered in the state, including dentistry, optometry, and veterinary medicine. The following is a summary of funding for the professional student exchange program:

Biennium	General Fund	Student Loan Trust Fund	Total
2007-09	\$2,199,566	\$523,380	\$2,722,946
2009-11	\$2,346,130	\$990,970	\$3,337,100
2011-13	\$2,856,131	\$465,307	\$3,321,438
2013-15	\$3,809,708	\$465,307	\$4,275,015
2015-17	\$3,476,447	\$465,307	\$3,941,754
2017-19	\$3,234,035	\$465,307	\$3,699,342
2019-21	\$3,699,342		\$3,699,342
2021-23	\$3,699,342		\$3,699,342
2023-25	\$3,699,342		\$3,699,342
2025-27	\$5,199,342		\$5,199,342

Scholars Program

The Legislative Assembly provided \$1,807,115 from the general fund for the scholars program. The scholars program provides full-tuition scholarships to resident students who score in the upper fifth percentile of North Dakota ACT test takers and enroll in an undergraduate program in the state. The following is a summary of funding for the scholars program:

Biennium	General Fund
2007-09	\$1,478,566
2009-11	\$2,113,584
2011-13	\$2,113,584
2013-15	\$2,113,584
2015-17	\$2,113,584
2017-19	\$1,807,115
2019-21	\$1,807,115
2021-23	\$1,807,115
2023-25	\$1,807,115
2025-27	\$1,807,115

Native American Scholarship Program

The Legislative Assembly provided \$1 million from the general fund for Native American scholarships. The following is a summary of funding for the Native American scholarship program:

Biennium	General Fund
2007-09	\$380,626
2009-11	\$381,292
2011-13	\$574,267
2013-15	\$649,267
2015-17	\$649,267
2017-19	\$555,323
2019-21	\$555,323
2021-23	\$555,323

2023-25	\$1,000,000
2025-27	\$1,000,000

Career and Technical Education and Academic Scholarships

The Legislative Assembly provided \$17,216,749 from the general fund for CTE and academic scholarships. To be eligible for a scholarship, a student must be a resident of the state, complete the requirements for a high school diploma, and meet program requirements for one of the programs. Any student that meets the requirements for a CTE scholarship or an academic scholarship is to receive a scholarship of \$750 per semester, or \$500 per quarter, for each period the student is enrolled at a North Dakota higher education institution and maintains eligibility up to a maximum amount of \$6,000. The following is a summary of funding for CTE and academic scholarships:

Biennium	General Fund
2009-11	\$3,000,000
2011-13	\$10,000,000
2013-15	\$10,000,000
2015-17	\$14,054,677
2017-19	\$12,016,749
2019-21	\$12,016,749
2021-23	\$16,216,749
2023-25	\$17,216,749
2025-27	\$17,216,749

Higher Education Challenge Grants Program

The Legislative Assembly provided \$24.76 million from the general fund for higher education challenge grants, \$4.76 million more than the 2023-25 biennium appropriation of \$20 million. The 2025 Legislative Assembly made statutory changes to provide the same level of funding for Dickinson State University (DSU) as Bismarck State College (BSC), MiSU, and the NDSCS. The following is a summary of funding for the higher education challenge grants program:

Biennium	General Fund	Student Loan Trust Fund	Total
2013-15	\$29,000,000		\$29,000,000
2015-17	\$21,000,000	\$2,500,000	\$23,500,000
2017-19	\$2,000,000		\$2,000,000
2019-21 ¹	\$9,650,000		\$9,650,000
2021-23	\$11,150,000		\$11,150,000
2023-25	\$20,000,000		\$20,000,000
2025-27	\$24,760,000		\$24,760,000

¹In addition to the \$9,400,000 appropriated for the higher education challenge grants program in the education challenge fund line item, \$250,000 was appropriated for UND School of Law challenge matching grants in the education incentive programs line item, to provide a total of \$9,650,000 for the program.

Capital Project Bond Payments

The Legislative Assembly provided \$10,261,375 from the general fund for University System capital project bond payments. The payments are to repay bonds issued by the North Dakota Building Authority to finance higher education capital projects approved by the Legislative Assembly. The 2019 Legislative Assembly approved the issuance of bonds through the North Dakota Building Authority for higher education capital projects for the first time since 2005. The following is a summary of the 2025-27 biennium legislative appropriation compared to the 2023-25 biennium legislative appropriation for capital bond payments:

	2023-25 Biennium Legislative Appropriation	2025-27 Biennium Legislative Appropriation	Increase (Decrease) From 2023-25 Biennium
Capital bond payments - General fund	\$11,197,896	\$10,261,375	(\$936,521)

Special funds authority to repay revenue bonds issued by institutions is included in each institution's budget. Revenue bonds are issued by institutions to finance capital projects for income-producing auxiliary services, such as student housing and dining facilities.

Capital Building Fund Program

The 2019 Legislative Assembly appropriated \$29 million for institution capital building funds for the 2019-21 biennium. The appropriation included \$10 million from Bank of North Dakota profits and \$10 million from institution dollar-for-dollar matching funds appropriated directly to each institution for Tier II of the capital building fund program. The appropriation also includes \$7 million from Bank of North Dakota profits and \$2 million from the general fund appropriated to the University System office to be allocated to the institutions for Tier III of the capital building fund program once \$2 of matching funds have been secured for each \$1 from the state. Institutions could use their capital building funds for legislatively authorized capital projects and for extraordinary repairs and deferred maintenance projects which did not exceed \$700,000 and did not increase the square footage of a building.

The 2021 Legislative Assembly enacted the capital building fund program in statute, including a newly created University System capital building fund, and provided continuing appropriation authority from the fund. The Legislative Assembly did not continue the requirement that extraordinary repairs and deferred maintenance projects not exceed \$700,000. The Legislative Assembly transferred \$19 million from SIIF to the newly created University System capital building fund, \$10 million of which is subject to dollar-for-dollar matching fund requirements and \$9 million of which is subject to \$2-to-\$1 matching fund requirements.

The 2023 Legislative Assembly continued the capital building fund program with a transfer of \$24 million from SIIF to the University System capital building fund, \$15 million of which is subject to dollar-for-dollar matching fund requirements and \$9 million of which is subject to \$2-to-\$1 matching fund requirements.

The 2025 Legislative Assembly continued the capital building fund program with a transfer of \$26.5 million from SIIF to the University System capital building fund, \$21.3 million of which is subject to dollar-for-dollar matching fund requirements and \$5.2 million of which is subject to \$2-to-\$1 matching fund requirements.

Capital Improvements

The following schedule identifies the higher education capital improvement funding contained in appropriations approved by the Legislative Assembly for the 2025-27 biennium. The schedule reflects appropriations for extraordinary repairs and major capital projects.

Entity/Project	2025-27 Legislative Appropriations		
	General Fund	Special Funds	Total
Bismarck State College			
Student housing remodel (local funds and the University System capital building fund)		\$2,200,000	\$2,200,000
Extraordinary repairs	\$417,673		417,673
Total	\$417,673	\$2,200,000	\$2,617,673
Lake Region State College (LRSC)			
Roof (SIIF)		\$2,500,000	\$2,500,000
Extraordinary repairs	\$155,367		155,367
Total	\$155,367	\$2,500,000	\$2,655,367
Williston State College			
Extraordinary repairs	\$197,801		\$197,801
Total	\$197,801	\$0	\$197,801
University of North Dakota			
Science, technology, engineering, and mathematics building (\$55.64 million from SIIF and the remainder from local funds and the University System capital building fund)		\$79,500,000	\$79,500,000
Allied health facility project (\$5 million from the community health trust fund and the remainder from local funds and the University System capital building fund)		45,000,000	45,000,000
Extraordinary repairs	\$4,411,566		4,411,566
Total	\$4,411,566	\$124,500,000	\$128,911,566
North Dakota State University			
Wrestling facility (local funds)		\$13,000,000	\$13,000,000
University Village (local funds, revenue bond proceeds, and the University System capital building fund)		54,000,000	54,000,000
Memorial Union (local funds and revenue bond proceeds)		50,000,000	50,000,000

Entity/Project	2025-27 Legislative Appropriations		
	General Fund	Special Funds	Total
Van Es biosafety laboratory (grants, local funds, and the University System capital building fund)		8,000,000	8,000,000
Extraordinary repairs	\$2,732,244		2,732,244
Total	\$2,732,244	\$125,000,000	\$127,732,244
North Dakota State College of Science			
Land purchase (local funds)		\$65,000	\$65,000
Extraordinary repairs	\$1,012,379		1,012,379
Total	\$1,012,379	\$65,000	\$1,077,379
Dickinson State University			
Woods Hall, Agriculture and technical education building, and rodeo arena projects (local funds, revenue bond proceeds, and the University System capital building fund)		\$12,500,000	\$12,500,000
Extraordinary repairs	\$409,078		409,078
Total	\$409,078	\$12,500,000	\$12,909,078
Mayville State University			
Old Main renovation (SIIF)		\$34,924,814	\$34,924,814
Extraordinary repairs	\$358,992		358,992
Total	\$358,992	\$34,924,814	\$35,283,806
Minot State University			
Dakota Hall demolition (SIIF)	\$635,000		\$635,000
Student Center renovation (revenue bond proceeds)		\$3,100,000	3,100,000
Academic facilities projects (SIIF)		8,132,000	8,132,000
Track project (local funds)		3,000,000	3,000,000
Regional health sciences institute (local funds and the University System capital building fund)	8,500,000	4,500,000	13,000,000
Extraordinary repairs	899,620		899,620
Total	\$10,034,620	\$18,732,000	\$28,766,620
Valley City State University			
Extraordinary repairs	\$408,319		\$408,319
Total	\$408,319	\$0	\$408,319
Dakota College at Bottineau			
Student housing	\$500,000		\$500,000
Extraordinary repairs	\$114,007		114,007
Total	\$614,007	\$0	\$614,007
Forest Service			
Extraordinary repairs and equipment over \$5,000	\$118,728		\$118,728
Total	\$118,728		\$118,728
Total Higher Education	\$20,870,774	\$320,421,814	\$341,292,588

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for UND and NDSU, which must match \$2 to \$1.

Strategic investment and improvements fund - Section 5 identifies \$170,006,814 for various University System projects and programs from SIIF.

Community health trust fund - Section 6 identifies \$5 million for the UND allied health facility project from the community health trust fund.

Severance agreements - Sections 7 and 8 provide for the transfer of \$500,000 and \$342,000, respectively, to BSC and LRSC from the University System office for the cost of separation agreements entered into with the presidents of the institutions.

Dual-credit tuition scholarships - Section 9 provides for a transfer of \$1.5 million from Bank of North Dakota profits to the University System office for dual-credit tuition scholarships.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Bond issue - Section 13 authorizes the issuance of revenue bonds for capital projects at NDSU, MiSU, and DSU.

State College of Science enhanced lease payments - Section 14 designates \$800,000 for enhanced lease payments for deferred maintenance and extraordinary repairs for a facility in Fargo. The enhanced lease payments must be made pursuant to an agreement with the lessor that includes the repayment of the enhanced lease payments if the property is conveyed or leased prior to June 30, 2035.

Economic diversification research fund - Section 15 amends Section 6-09-53 relating to the economic diversification research fund to reflect the transfer of no additional money into the fund for the program during the 2025-27 biennium.

Tenure - Sections 16 and 24 amend law relating to academic tenure policy at institutions of higher education.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Presidential searches - Section 22 clarifies the authority and responsibility for the appointment of institution presidents, including who determines and selects a consultant to assist in the recruitment of applicants to be an institution president.

Commissioner of higher education contract - Section 23 provides guidance regarding the terms of the contract for the Commissioner of Higher Education, including the source of funds for a position at an institution under the control of the board awarded as a term of the contract.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Scholars program - Section 29 adjusts the ACT requirement for the scholars program.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Bank of North Dakota profits - Career builders program - Sections 31 through 35 extend transfer authority for unspent funds designated from Bank profits for the career builders loan repayment and scholarship programs until June 30, 2027.

Hyperbaric oxygen therapy - Section 36 provides for the UND School of Medicine and Health Sciences hyperbaric oxygen therapy chambers to be granted to health care providers in the state.

Larry C. Skogen Polytechnic Institute - Section 37 repeals Section 15-10-74 naming the BSC Polytechnic Center the Larry C. Skogen Polytechnic Institute.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

NDSU Agricultural Research and Extension - Section 41 authorizes the continuation of unspent appropriation authority for certain NDSU agricultural research projects and programs into the 2025-27 biennium.

UND land sale - Sections 42 and 43 authorize the sale of land by UND.

UND School of Medicine and Health Sciences - Student residency - Section 44 directs UND to develop and implement student recruitment and acceptance strategies to increase resident medical student enrollment at the School of Medicine and Health Sciences and in the physician assistant program.

Funding study - Section 45 provides for a newly created Legislative Management committee to study funding for higher education.

Dual credit study - Section 46 provides for a Legislative Management study of dual credit.

Praxis Core examination report - Section 47 provides for a Legislative Management report relating to the Praxis Core examination.

Commissioner of Higher Education - Section 48 provides legislative intent for the hiring of a new Commissioner of higher education and directs the board to study the costs and benefits of a system of higher education led by a chancellor compared to a commissioner.

UND allied health facility expansion - Section 50 provides legislative intent to express support for the completion of the allied health facility expansion project at UND SMHS.

Separation and early retirement agreements - Section 51 provides legislative intent that the State Board of Higher Education not enter into any unapproved separation or early retirement agreements with a cost to the state and its institutions.

Emergency clause - Section 52 declares the capital projects, bonding, land sales, and workforce innovation grant funding to be an emergency measure.

Related Legislation

House Bill No. 1098 - This bill expands scholarship eligibility for students interested in a teaching career.

House Bill No. 1331 - This bill appropriates \$1.75 million from other funds to NDSCS to construct an artificial turf playing surface.

House Bill No. 1404 - This bill expands eligibility for the North Dakota scholarship.

House Bill No. 1600 - This bill appropriates \$400,000 from SIIF to the Office of Management and Budget to provide a grant to fund an immigration law clinic at the UND School of Law.

House Bill No. 1612 - This bill appropriates \$500,000, including \$250,000 from the community health trust fund and \$250,000 from federal funds or other sources, to UND to plan, develop, establish, and operate the North Dakota Center for Aerospace Medicine.

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

Senate Bill No. 2256 - This bill appropriates \$10 million from SIIF to the Industrial Commission to provide a grant to the NDSU Research and Technology Park for research and product development activities that advance autonomous mobile equipment opportunities.

**Bismarck State College
Budget No. 227
Senate Bill No. 2003**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	338.25	\$39,495,371	\$79,818,523	\$119,313,894
2025-27 base budget	335.33	37,381,910	74,566,953	111,948,863
Legislative increase (decrease) to base budget	2.92	\$2,113,461	\$5,251,570	\$7,365,031

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$39,495,371	\$0	\$39,495,371
2023-25 legislative appropriations	37,381,910	9,960,000	47,341,910
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,113,461	(\$9,960,000)	(\$7,846,539)
Percentage increase (decrease) to 2023-25 appropriations	5.7%	(100%)	(16.6%)

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	2.92			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$1,841,955	\$1,841,955
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,191,022	1,191,022
Added special fund authority for information technology rate adjustments			18,593	18,593
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		\$24,168		24,168

Restored funding reduced during the 2023-25 biennium due to the averaging of base rates in the higher education funding formula	598,384	598,384
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	1,490,909	1,490,909
Added one-time funding from local funds and the university system capital building fund for student housing	2,200,000	2,200,000
Total	<u>2.92</u> <u>\$2,113,461</u>	<u>\$5,251,570</u> <u>\$7,365,031</u>

FTE Changes

The Legislative Assembly approved 338.25 FTE positions for Bismarck State College for the 2025-27 biennium, an increase of 2.92 FTE positions from the 2023-25 biennium authorized level of 335.33 FTE positions. The 2.92 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The 2025 Legislative Assembly appropriated \$2.2 million of one-time funding from local funds and the university system capital building fund for student housing at Bismarck State College for the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Severance agreements - Sections 7 and 8 provide for the transfer of \$500,000 and \$342,000, respectively, to Bismarck State College and Lake Region State College from the University System office for the cost of separation agreements entered into with the presidents of the institutions.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from the strategic investment and improvements fund to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

**Lake Region State College
Budget No. 228
Senate Bill No. 2003**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	115.15	\$17,161,697	\$30,032,768	\$47,194,465
2025-27 base budget	120.59	15,674,803	26,601,597	42,276,400
Legislative increase (decrease) to base budget	(5.44)	\$1,486,894	\$3,431,171	\$4,918,065

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$17,161,697	\$0	\$17,161,697
2023-25 legislative appropriations	15,674,803	0	15,674,803
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,486,894	\$0	\$1,486,894
Percentage increase (decrease) to 2023-25 appropriations	9.5%	N/A	9.5%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	(5.44)			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$545,992	\$545,992
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			374,947	374,947
Added special fund authority for information technology rate adjustments			10,232	10,232
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(\$1,555,241)		(1,555,241)

Added funding for the 96 percent minimum amount payable provision in the higher education funding formula	945,308	945,308
Added funding to reflect adjustments to credit weighting for law enforcement and wind energy credits in the higher education funding formula	1,234,489	1,234,489
Restored funding reduced during the 2023-25 biennium due to the averaging of base rates in the higher education funding formula	139,076	139,076
Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group	100,076	100,076
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	623,186	623,186
Added one-time funding from the strategic investment and improvements fund (SIIF) for a roof project		2,500,000
Total	(5.44)	\$1,486,894
		\$3,431,171
		\$4,918,065

FTE Changes

The Legislative Assembly approved 115.15 FTE positions for Lake Region State College for the 2025-27 biennium, a decrease of 5.44 FTE positions from the 2023-25 biennium authorized level of 120.59 FTE positions. The 5.44 FTE positions were removed pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The 2025 Legislative Assembly appropriated \$2.5 million of one-time funding from SIIF for a roof project at Lake Region State College for the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Strategic investment and improvements fund - Section 5 identifies \$170,006,814 for various university system projects and programs is from SIIF.

Severance agreements - Sections 7 and 8 provide for the transfer of \$500,000 and \$342,000, respectively, to Bismarck State College and Lake Region State College from the University System office for the cost of separation agreements entered into with the presidents of the institutions.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to a dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Related Legislation

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

Williston State College
Budget No. 229
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	99.74	\$15,112,315	\$25,951,804	\$41,064,119
2025-27 base budget	102.83	13,485,325	25,154,992	38,640,317
Legislative increase (decrease) to base budget	(3.09)	\$1,626,990	\$796,812	\$2,423,802

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$13,622,315	\$1,490,000	\$15,112,315
2023-25 legislative appropriations	13,485,325	0	13,485,325
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$136,990	\$1,490,000	\$1,626,990
Percentage increase (decrease) to 2023-25 appropriations	1.0%	N/A	12.1%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	(3.09)			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$487,933	\$487,933
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			300,190	300,190
Added special fund authority for information technology rate adjustments			8,689	8,689
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(\$1,203,363)		(1,203,363)

Added funding for the 96 percent minimum amount payable provision in the higher education funding formula	678,630	678,630
Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group	164,077	164,077
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	497,646	497,646
Added one-time funding for health care program startup costs	1,490,000	1,490,000
Total	<u>(3.09)</u>	<u>\$1,626,990</u>
		<u>\$796,812</u>
		<u>\$2,423,802</u>

FTE Changes

The Legislative Assembly approved 99.74 FTE positions for Williston State College for the 2025-27 biennium, a decrease of 3.09 FTE positions from the 2023-25 biennium authorized level of 102.83 FTE positions. The 3.09 FTE positions were removed pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The 2025 Legislative Assembly appropriated \$1.49 million of one-time funding from the general fund for health care program startup costs at Williston State College for the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from the strategic investment and improvements fund to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

University of North Dakota
 Budget No. 230
 Senate Bill No. 2003; House Bill No. 1612

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	2,191.95	\$195,070,460	\$960,608,202	\$1,155,678,662
2025-27 base budget	2,060.56	184,155,380	790,481,856	974,637,236
Legislative increase (decrease) to base budget	131.39	\$10,915,080	\$170,126,346	\$181,041,426

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$195,070,460	\$0	\$195,070,460
2023-25 legislative appropriations	184,155,380	14,005,000	198,160,380
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$10,915,080	(\$14,005,000)	(\$3,089,920)
Percentage increase (decrease) to 2023-25 appropriations	5.9%	(100%)	(1.6%)

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	131.39			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$18,771,848	\$18,771,848
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			10,161,489	10,161,489
Added special fund authority for information technology rate adjustments			193,009	193,009
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		\$329,005		329,005

Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group	3,170,382	3,170,382
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	7,415,693	7,415,693
Added one-time funding , including \$55.64 million from the strategic investment and improvements fund (SIIF) and the remainder from local funds and the University System capital building fund, for the science, technology, engineering, and mathematics building project	79,500,000	79,500,000
Added one-time funding from SIIF for the national security crossroads	16,000,000	16,000,000
Added one-time funding , including \$250,000 from the community health trust fund and the remainder from federal funds or other sources, for the planning, developing, establishing, and operating of the North Dakota Center for Aerospace Medicine (House Bill No. 1612)	500,000	500,000
Added one-time funding , including \$5 million from the community health trust fund and the remainder from local funds and the University System capital building fund, for the allied health facility project	45,000,000	45,000,000
Total	<u>131.39</u>	<u>\$181,041,426</u>

FTE Changes

The Legislative Assembly approved 2,191.95 FTE positions for the University of North Dakota (UND) for the 2025-27 biennium, an increase of 131.39 FTE positions from the 2023-25 biennium authorized level of 2,060.56 FTE positions. The 131.39 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

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

	SIIF	Community Health Trust Fund	Other Funds	Total
Science, technology, engineering, and mathematics building (local funds and the University System capital building fund)	\$55,640,000		\$23,860,000	\$79,500,000
National security crossroads	16,000,000			16,000,000
Allied health facility Phase I (local funds and the University System capital building fund)		\$5,000,000	40,000,000	45,000,000
Center for Aerospace Medicine (federal funds or other sources)		250,000	250,000	500,000
Total	\$71,640,000	\$5,250,000	\$64,110,000	\$141,000,000

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for UND and North Dakota State University, which must match \$2 to \$1.

Strategic investment and improvements fund - Section 5 identifies \$170,006,814 for various University System projects and programs is from SIIF.

Community health trust fund - Section 6 identifies \$5 million for the UND allied health facility project is from the community health trust fund.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and North Dakota State University which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Hyperbaric oxygen therapy - Section 36 provides for the UND School of Medicine and Health Sciences hyperbaric oxygen therapy chambers to be granted to health care providers in the state.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

UND land sale - Sections 42 and 43 authorize the sale of land by UND.

UND School of Medicine and Health Sciences - Student residency - Section 44 directs UND to develop and implement student recruitment and acceptance strategies to increase resident medical student enrollment at the School of Medicine and Health Sciences and in the physician assistant program.

UND allied health facility expansion - Section 50 provides legislative intent to express support for the completion of the allied health facility expansion project at UND School of Medicine and Health Services.

Related Legislation

House Bill No. 1600 - This bill appropriates \$400,000 from SIIF to the Office of Management and Budget to provide a grant to fund an immigration law clinic at the UND School of Law.

House Bill No. 1612 - This bill appropriates \$500,000, including \$250,000 from the community health trust fund and \$250,000 from federal funds or other sources, to UND to plan, develop, establish, and operate the North Dakota Center for Aerospace Medicine.

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

University of North Dakota School of Medicine and Health Sciences
Budget No. 232
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	529.06	\$95,870,158	\$174,018,316	\$269,888,474
2025-27 base budget	488.83	82,831,276	168,241,842	251,073,118
Legislative increase (decrease) to base budget	40.23	\$13,038,882	\$5,776,474	\$18,815,356

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$95,870,158	\$0	\$95,870,158
2023-25 legislative appropriations	82,831,276	0	82,831,276
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$13,038,882	\$0	\$13,038,882
Percentage increase (decrease) to 2023-25 appropriations	15.7%	N/A	15.7%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	40.23			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$3,922,466	\$3,922,466
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,833,657	1,833,657
Added special fund authority for information technology rate adjustments			20,351	20,351
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		\$8,130,500		8,130,500

Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group. This funding is intended to be used for the simulation in motion - North Dakota (SIM-ND) program at the School of Medicine and Health Sciences.		1,627,434		1,627,434
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates		3,280,948		3,280,948
Total	<u>40.23</u>	<u>\$13,038,882</u>	<u>\$5,776,474</u>	<u>\$18,815,356</u>

FTE Changes

The Legislative Assembly approved 529.06 FTE positions for the University of North Dakota (UND) School of Medicine and Health Sciences for the 2025-27 biennium, an increase of 40.23 FTE positions from the 2023-25 biennium authorized level of 488.83 FTE positions. The 40.23 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Community health trust fund - Section 6 identifies \$5 million for the UND allied health facility project is from the community health trust fund.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Hyperbaric oxygen therapy - Section 36 provides for the UND School of Medicine and Health Sciences hyperbaric oxygen therapy chambers to be granted to health care providers in the state.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

UND School of Medicine and Health Sciences - Student residency - Section 44 directs UND to develop and implement student recruitment and acceptance strategies to increase resident medical student enrollment at the School of Medicine and Health Sciences and in the physician assistant program.

UND allied health facility expansion - Section 50 provides legislative intent to express support for the completion of the allied health facility expansion project at UND School of Medicine and Health Sciences.

Related Legislation

House Bill No. 1612 - This bill appropriates \$500,000, including \$250,000 from the community health trust fund and \$250,000 from federal funds or other sources, to UND to plan, develop, establish, and operate the North Dakota Center for Aerospace Medicine.

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

North Dakota State University
Budget No. 235
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	1,805.96	\$170,388,214	\$817,690,221	\$988,078,435
2025-27 base budget	1,867.50	163,746,765	653,917,430	817,664,195
Legislative increase (decrease) to base budget	(61.54)	\$6,641,449	\$163,772,791	\$170,414,240

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$170,388,214	\$0	\$170,388,214
2023-25 legislative appropriations	163,746,765	4,800,000	168,546,765
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$6,641,449	(\$4,800,000)	\$1,841,449
Percentage increase (decrease) to 2023-25 appropriations	4.1%	(100%)	1.1%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	(61.54)			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$13,805,835	\$13,805,835
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			8,876,123	8,876,123
Added special fund authority for information technology rate adjustments			90,833	90,833
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(\$12,672,786)		(12,672,786)

Added funding for the 96 percent minimum amount payable provision in the higher education funding formula	6,396,841	6,396,841		
Added funding to reflect increasing the credit weighting for pharmacy program professional credits in the higher education funding formula	4,235,751	4,235,751		
Restored funding reduced during the 2023-25 biennium due to the averaging of base rates in the higher education funding formula	2,468,181	2,468,181		
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	6,213,462	6,213,462		
Added one-time funding from local funds for a wrestling facility project	13,000,000	13,000,000		
Added one-time funding from local funds, revenue bond proceeds, and the University System capital building fund for the University Village project	54,000,000	54,000,000		
Added one-time funding from local funds and revenue bond proceeds for the Memorial Union project	50,000,000	50,000,000		
Added one-time funding from grants, local funds, and the University System capital building fund for the Van Es biosafety laboratory project	8,000,000	8,000,000		
Added one-time funding from the strategic investment and improvements fund (SIIF) for new horizon programming	16,000,000	16,000,000		
Total	(61.54)	\$6,641,449	\$163,772,791	\$170,414,240

FTE Changes

The Legislative Assembly approved 1,805.96 FTE positions for North Dakota State University (NDSU) for the 2025-27 biennium, a decrease of 61.54 FTE positions from the 2023-25 biennium authorized level of 1,867.50 FTE positions. The 61.54 FTE positions were removed pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

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

	Other Funds
Wrestling facility (local funds)	\$13,000,000
University Village (local funds, revenue bond proceeds, and the University System capital building fund)	54,000,000
Memorial Union (local funds and revenue bond proceeds)	50,000,000
Van Es biosafety laboratory (grants, local funds, and the University System capital building fund)	8,000,000
New horizon programming (SIIF)	16,000,000
Total	\$141,000,000

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota and NDSU, which must match \$2 to \$1.

Strategic investment and improvements fund - Section 5 identifies \$170,006,814 for various University System projects and programs is from the strategic investment and improvements fund (SIIF).

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding the University of North Dakota and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Bond issue - Section 13 authorizes the issuance of revenue bonds for capital projects at NDSU, Minot State University, and Dickinson State University.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

NDSU Agricultural Research and Extension - Section 41 authorizes the continuation of unspent appropriation authority for certain NDSU Agricultural Research projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

Senate Bill No. 2256 - This bill appropriates \$10 million from SIIF to the Industrial Commission to provide a grant to the NDSU Research and Technology Park for research and product development activities that advance autonomous mobile equipment opportunities.

North Dakota State College of Science
Budget No. 238
Senate Bill No. 2003; House Bill No. 1331

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	326.54	\$45,805,436	\$67,733,675	\$113,539,111
2025-27 base budget	313.95	39,857,537	63,645,097	103,502,634
Legislative increase (decrease) to base budget	12.59	\$5,947,899	\$4,088,578	\$10,036,477

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$44,505,436	\$1,300,000	\$45,805,436
2023-25 legislative appropriations	39,857,537	1,005,347	40,862,884
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$4,647,899	\$294,653	\$4,942,552
Percentage increase (decrease) to 2023-25 appropriations	11.7%	29.3%	12.1%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	12.59			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$1,273,159	\$1,273,159
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			982,402	982,402
Added special fund authority for information technology rate adjustments			18,017	18,017
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		\$2,206,386		2,206,386
Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group		731,179		731,179
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates		1,710,334		1,710,334

Added one-time funding for lease payments		1,000,000		1,000,000
Added one-time funding for aviation maintenance program startup costs		300,000		300,000
Added one-time funding from local funds to construct an artificial turf playing surface (House Bill No. 1331)			1,750,000	1,750,000
Added one-time funding from local funds to purchase land			65,000	65,000
Total	12.59	\$5,947,899	\$4,088,578	\$10,036,477

FTE Changes

The Legislative Assembly approved 326.54 FTE positions for the North Dakota State College of Science (NDSCS) for the 2025-27 biennium, an increase of 12.59 FTE positions from the 2023-25 biennium authorized level of 313.95 FTE positions. The 12.59 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

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

	General Fund	Other Local Funds	Total
Lease payments	\$1,000,000		\$1,000,000
Aviation maintenance program startup costs	300,000		300,000
Artificial turf playing surface		\$1,750,000	1,750,000
Land purchase		65,000	65,000
Total	\$1,300,000	\$1,815,000	\$3,115,000

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

State College of Science enhanced lease payments - Section 14 designates \$800,000 for enhanced lease payments for deferred maintenance and extraordinary repairs for a facility in Fargo. The enhanced lease payments must be made pursuant to an agreement with the lessor that includes the repayment of the enhanced lease payments if the property is conveyed or leased prior to June 30, 2035.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

House Bill No. 1331 - This bill appropriates \$1.75 million from other funds to NDSCS to construct an artificial turf playing surface.

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

Dickinson State University
Budget No. 239
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	170.80	\$26,552,094	\$46,456,545	\$73,008,639
2025-27 base budget	178.00	24,439,995	32,697,829	57,137,824
Legislative increase (decrease) to base budget	(7.20)	\$2,112,099	\$13,758,716	\$15,870,815

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$26,552,094	\$0	\$26,552,094
2023-25 legislative appropriations	24,439,995	1,600,000	26,039,995
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,112,099	(\$1,600,000)	\$512,099
Percentage increase (decrease) to 2023-25 appropriations	8.6%	(100%)	2.0%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	(7.20)			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$729,670	\$729,670
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			518,417	518,417
Added special fund authority for information technology rate adjustments			10,629	10,629
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(\$681,676)		(681,676)

Added funding to reflect adjustments to the credit completion factor in the higher education funding formula	1,575,524		1,575,524
Restored funding reduced during the 2023-25 biennium due to the averaging of base rates in the higher education funding formula	143,359		143,359
Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group	49,518		49,518
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	1,025,374		1,025,374
Added one-time funding from revenue bond proceeds, local funds, and the University System capital building fund for projects for Woods Hall, the Agriculture and Technical Education Building, and the rodeo arena		12,500,000	12,500,000
Total	<u>(7.20)</u>	<u>\$2,112,099</u>	<u>\$13,758,716</u>
			<u>\$15,870,815</u>

FTE Changes

The Legislative Assembly approved 170.80 FTE positions for Dickinson State University (DSU) for the 2025-27 biennium, a decrease of 7.20 FTE positions from the 2023-25 biennium authorized level of 178.00 FTE positions. The 7.20 FTE positions were removed pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The 2025 Legislative Assembly appropriated \$12.5 million of one-time funding from revenue bond proceeds, local funds, and the University System capital building fund for projects relating to Woods Hall, the Agriculture and Technical Education Building, and the rodeo arena at DSU for the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from strategic investment and improvements fund (SIIF) to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Bond issue - Section 13 authorizes the issuance of revenue bonds for capital projects at NDSU, Minot State University, and DSU.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

Mayville State University
Budget No. 240
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	226.92	\$23,242,591	\$71,136,306	\$94,378,897
2025-27 base budget	226.92	22,278,396	34,375,971	56,654,367
Legislative increase (decrease) to base budget	0.00	\$964,195	\$36,760,335	\$37,724,530

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$22,742,591	\$500,000	\$23,242,591
2023-25 legislative appropriations	22,278,396	1,750,000	24,028,396
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$464,195	(\$1,250,000)	(\$785,805)
Percentage increase (decrease) to 2023-25 appropriations	2.1%	(71.4%)	(3.3%)

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 special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$953,775	\$953,775
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			874,609	874,609
Added special fund authority for information technology rate adjustments			7,137	7,137
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(\$544,429)		(544,429)
Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group		134,559		134,559

Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	874,065	874,065
Added one-time funding from the strategic investment and improvements fund (SIIF) for the Old Main renovation project	34,924,814	34,924,814
Added one-time funding for a nursing simulation laboratory	500,000	500,000
Total	0.00	\$964,195
		\$36,760,335
		\$37,724,530

FTE Changes

The Legislative Assembly approved 226.92 FTE positions for Mayville State University for the 2025-27 biennium, the same number of FTE positions authorized for the 2023-25 biennium. Section 39 of Senate Bill No. 2003 (2025) authorizes the State Board of Higher Education to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
Old Main renovation (SIIF)		\$34,924,814	\$34,924,814
Nursing simulation laboratory	\$500,000		500,000
Total	\$500,000	\$34,924,814	\$35,424,814

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Strategic investment and improvements fund - Section 5 identifies \$170,006,814 for various University System projects and programs is from SIIF.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

**Minot State University
Budget No. 241
Senate Bill No. 2003**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	421.16	\$59,194,211	\$90,983,638	\$150,177,849
2025-27 base budget	423.63	48,965,243	68,644,425	117,609,668
Legislative increase (decrease) to base budget	(2.47)	\$10,228,968	\$22,339,213	\$32,568,181

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$49,559,211	\$9,635,000	\$59,194,211
2023-25 legislative appropriations	48,965,243	1,600,000	50,565,243
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$593,968	\$8,035,000	\$8,628,968
Percentage increase (decrease) to 2023-25 appropriations	1.2%	502.2%	17.1%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	(2.47)			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$2,131,269	\$2,131,269
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,459,686	1,459,686
Added special fund authority for information technology rate adjustments			16,258	16,258
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(\$1,578,812)		(1,578,812)

Restored funding reduced during the 2023-25 biennium due to the averaging of base rates in the higher education funding formula	268,554		268,554
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	1,904,226		1,904,226
Added one-time funding from revenue bond proceeds for a Student Center renovation project		3,100,000	3,100,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for academic facilities projects		8,132,000	8,132,000
Added one-time funding for the advancing students toward education and employment program	500,000		500,000
Added one-time funding from local funds for a track project		3,000,000	3,000,000
Added one-time funding , including from local funds and the University System capital building fund, for the regional health sciences institute	8,500,000	4,500,000	13,000,000
Added one-time funding for the Dakota Hall demolition	635,000		635,000
Total	(2.47)	\$10,228,968	\$22,339,213

FTE Changes

The Legislative Assembly approved 421.16 FTE positions for Minot State University (MiSU) for the 2025-27 biennium, a decrease of 2.47 FTE positions from the 2023-25 biennium authorized level of 423.63 FTE positions. The 2.47 FTE positions were removed pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
Student Center renovation (revenue bond proceeds)		\$3,100,000	\$3,100,000
Academic facilities projects (SIIF)		8,132,000	8,132,000
Advancing students toward education and employment program	\$500,000		500,000
Track project (local funds)		3,000,000	3,000,000
Regional health sciences institute (local funds and University System capital building fund)	8,500,000	4,500,000	13,000,000
Dakota Hall demolition	635,000		635,000
Total	\$9,635,000	\$18,732,000	\$28,367,000

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Strategic investment and improvements fund - Section 5 identifies \$170,006,814 for various University System projects and programs is from SIIF.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Bond issue - Section 13 authorizes the issuance of revenue bonds for capital projects at NDSU, MiSU, and Dickinson State University.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	217.44	\$28,431,216	\$29,533,031	\$57,964,247
2025-27 base budget	211.94	28,352,813	28,111,916	56,464,729
Legislative increase (decrease) to base budget	5.50	\$78,403	\$1,421,115	\$1,499,518

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$28,431,216	\$0	\$28,431,216
2023-25 legislative appropriations	28,352,813	0	28,352,813
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$78,403	\$0	\$78,403
Percentage increase (decrease) to 2023-25 appropriations	0.3%	N/A	0.3%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	5.50			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$809,291	\$809,291
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			601,583	601,583
Added special fund authority for information technology rate adjustments			10,241	10,241
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(\$1,990,324)		(1,990,324)

Added funding for the 96 percent minimum amount payable provision in the higher education funding formula	885,840	885,840
Restored funding reduced during the 2023-25 biennium due to the averaging of base rates in the higher education funding formula	4,024	4,024
Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group	118,528	118,528
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates	1,060,335	1,060,335
Total	<u>5.50</u>	<u>\$78,403</u>
	<u>\$1,421,115</u>	<u>\$1,499,518</u>

FTE Changes

The Legislative Assembly approved 217.44 FTE positions for Valley City State University for the 2025-27 biennium, an increase of 5.50 FTE positions from the 2023-25 biennium authorized level of 211.94 FTE positions. The 5.50 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

Dakota College at Bottineau
Budget No. 243
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	87.85	\$12,636,811	\$15,456,034	\$28,092,845
2025-27 base budget	84.00	11,442,878	14,900,270	26,343,148
Legislative increase (decrease) to base budget	3.85	\$1,193,933	\$555,764	\$1,749,697

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$12,136,811	\$500,000	\$12,636,811
2023-25 legislative appropriations	11,442,878	0	11,442,878
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$693,933	\$500,000	\$1,193,933
Percentage increase (decrease) to 2023-25 appropriations	6.1%	N/A	10.4%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	3.85			
Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$297,614	\$297,614
Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			252,980	252,980
Added special fund authority for information technology rate adjustments			5,170	5,170
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		\$41,944		41,944

Added funding to equalize the higher education funding formula base rates to the highest calculated rate for each institutional group		185,225		185,225
Added funding for a 4 percent inflationary increase in the higher education funding formula base rates		466,764		466,764
Added one-time funding for student housing		500,000		500,000
Total	3.85	\$1,193,933	\$555,764	\$1,749,697

FTE Changes

The Legislative Assembly approved 87.85 FTE positions for Dakota College at Bottineau for the 2025-27 biennium, an increase of 3.85 FTE positions from the 2023-25 biennium authorized level of 84.00 FTE positions. The 3.85 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The 2025 Legislative Assembly appropriated \$500,000 of one-time funding from the general fund for student housing at Dakota College at Bottineau for the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from the strategic investment and improvements fund to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

Related Legislation

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

**Forest Service
Budget No. 244
Senate Bill No. 2003**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	36.00	\$6,394,924	\$20,541,020	\$26,935,944
2025-27 base budget	29.00	5,851,590	19,141,941	24,993,531
Legislative increase (decrease) to base budget	7.00	\$543,334	\$1,399,079	\$1,942,413

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$6,394,924	\$0	\$6,394,924
2023-25 legislative appropriations	5,851,590	0	5,851,590
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$543,334	\$0	\$543,334
Percentage increase (decrease) to 2023-25 appropriations	9.3%	N/A	9.3%

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:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	5.00			
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$194,408	\$46,045	\$240,453
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		168,148	36,032	204,180
Added FTE positions and related funding for the conservation tree improvement initiative	2.00		350,000	350,000
Added funding for inflationary increases, including utilities, motor pool, information technology, contracted services, and temporary salaries		180,778	17,002	197,780
Added one-time funding from the strategic investment and improvements fund (SIIF) for emerald ash borer mitigation			950,000	950,000
Total	7.00	\$543,334	\$1,399,079	\$1,942,413

FTE Changes

The Legislative Assembly approved 36.00 FTE positions for the Forest Service for the 2025-27 biennium, an increase of 7 FTE positions from the 2023-25 biennium authorized level of 29.00 FTE positions. The Legislative Assembly added 2 new FTE positions for the conservation tree improvement initiative. The remaining 5 new FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The Legislative Assembly appropriated \$950,000 of one-time funding from SIIF for emerald ash borer mitigation to the Forest Service for the 2025-27 biennium.

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

SECTION G - HEALTH AND HUMAN SERVICES

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENTWIDE

Total funding - The table below compares the legislative appropriation for the Department of Health and Human Services (DHHS) for the 2025-27 biennium to the 2023-25 biennium.

DHHS Total	2023-25 Biennium Appropriation			2025-27 Biennium Appropriation			Increase (Decrease)		
	Ongoing	One-Time	Total	Ongoing	One-Time	Total	Ongoing	One-Time	Total
General fund	\$2,011,427,547	\$39,682,172	\$2,051,109,719	\$2,187,623,882	\$40,159,181	\$2,227,783,063	\$176,196,335	\$477,009	\$176,673,344
Other funds	3,541,730,000	167,122,326	3,708,852,326	3,513,986,739	76,267,168	3,590,253,907	(27,743,261)	(90,855,158)	(118,598,419)
Total	\$5,553,157,547	\$206,804,498	\$5,759,962,045	\$5,701,610,621	\$116,426,349	\$5,818,036,970	148,453,074	(90,378,149)	\$58,074,925
FTE	2,483.83		2,483.83	2,688.35		2,688.35	204.52		204.52

One-Time Funding

The Legislative Assembly identified \$116,426,349 of one-time funding for DHHS for the 2025-27 biennium, of which \$40,159,181 is from the general fund. The following schedule details the one-time funding items:

	General Fund	Other Funds	Total
Technology projects (\$1 million strategic investment and improvements fund (SIIF), \$1,613,000 community health trust fund, \$2,213,930 public health lab fund)	\$0	\$4,826,930	\$4,826,930
Human service centers and Life Skills and Transition Center projects (SIIF)		1,684,480	1,684,480
Retire Mainframe (\$4 million human service finance fund, \$2.5 million SIIF, \$8.5 million federal funds)		15,000,000	15,000,000
Child care programs	11,772,500	0	11,772,500
Housing programs (SIIF)		1,000,000	1,000,000
State laboratory move and equipment (SIIF)		2,962,304	2,962,304
Partial hospitalization day treatment (community health trust fund)		2,000,000	2,000,000
Developmental disabilities eligibility assessment tool for kids (\$200,000 federal funds)	200,000	200,000	400,000
Toxicology equipment (\$100,000 health and consolidated lab fund)	151,500	100,000	251,500
Behavioral health facility grant (SIIF)		12,960,000	12,960,000
Cultural community center grant (community health trust fund)		300,000	300,000
Intermediate care facility grant (community health trust fund)		4,400,000	4,400,000
Juvenile justice diversion services (human services finance fund)		750,000	750,000
Critical access hospital networking (community health trust fund)		2,000,000	2,000,000
Basic care daily rate increase (\$1,448,052 health care trust fund)	2,619,004	2,922,236	5,541,240
Infant and toddler care provider support	11,000,000	0	11,000,000
Child welfare technology project (Bank of North Dakota line of credit)		8,411,218	8,411,218
Medical housing for individuals with extraordinary medical needs	200,000	0	200,000
Northwest behavioral health facility grant	1,500,000	0	1,500,000
Guardianship funding	3,266,177	0	3,266,177
Waterford Upstart funding	1,500,000	0	1,500,000
Fetal alcohol spectrum disorder clinic	350,000	0	350,000
Prosecution led diversion program (House Bill No. 1425) (SIIF)		750,000	750,000
Behavioral health facility grant in the West Central Human Service Center region (House Bill No. 1468) (SIIF)		16,000,000	16,000,000
Juvenile court proceedings (Senate Bill No. 2037)	300,000	0	300,000
Family paid caregiver service pilot (Senate Bill No. 2305)	7,300,000	0	7,300,000
Total	\$40,159,181	\$76,267,168	\$116,426,349

FTE Positions, Salary and Benefit Adjustments, and Block Grant FTE Funding Pool

FTE positions - block grant funding pool - The Legislative Assembly approved 2,688.35 FTE positions for DHHS for the 2025-27 biennium, an increase of 204.52 FTE positions from the 2023-25 biennium. The Legislative Assembly appropriated salaries and wages funding for DHHS in a block grant pool authorizing the department to increase or decrease authorized FTE positions subject to the availability of funds and the provisions of Section 4 of House Bill No. 1012. The block grant total for the 2025-27 biennium is \$611,513,737 including \$320,064,625 from the general fund.

Annual salary increases - The Legislative Assembly added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026.

Employee health insurance premium increase - The Legislative Assembly added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month during the 2025-27 biennium.

Salary underfunding - The Legislative Assembly underfunded salaries and wages by a total of \$4,928,912 for DHHS for the 2025-27 biennium. General fund support for salaries and wages was underfunded by \$9,657,874.

Operating Expense Reduction

Operating reduction - The Legislative Assembly reduced funding for operational expenses departmentwide by \$3.05 million.

Federal Medical Assistance Percentage

Federal medical assistance percentage (FMAP) - The federal medical assistance percentage determines the state and federal share of Medicaid, foster care, and other program costs within the department. The Legislative Assembly added \$35,843,375 from the general fund for anticipated FMAP changes during the 2025-27 biennium. The schedule below presents recent and projected FMAPs for North Dakota.

Federal Fiscal Year	Regular FMAP	COVID-19 Temporary FMAP ¹
2012	55.40%	
2013	52.27%	
2014	50.00%	
2015	50.00%	
2016	50.00%	
2017	50.00%	
2018	50.00%	
2019	50.00%	
2020	50.05%	56.25%
2021	52.40%	58.60%
2022	53.59%	59.79%
2023	51.55%	57.04% (Average)
2024	53.82%	
2025	50.97%	
2026	50.99% ²	
2027	52.52% ²	

¹The federal Families First Coronavirus Response Act temporarily increased the FMAP by 6.2 percent effective January 1, 2020, through the last day of the calendar quarter in which the COVID-19 public health emergency declared by the Secretary of the federal Department of Health and Human Services terminates. The federal Consolidated Appropriations Act of 2023 sunsets the temporary increase through a phase down with the increase being fully removed on December 31, 2023.

²Based on estimates provided by the Federal Funds Information for States organization. **The budget approved by the Legislative Assembly for the 2025-27 biennium assumed an FMAP rate of 50.99 percent for federal fiscal year 2026 and 51.99% for federal fiscal year 2027.**

NOTE: The following is the Medicaid Expansion FMAP for each calendar year:

2016	100%
2017	95%
2018	94%
2019	93%
2020 and future years	90%

Cost and Caseload Changes

Cost, caseload, and utilization changes - The Legislative Assembly added \$61,076,944 from the general fund for the 2025-27 biennium cost, caseload, and utilization changes.

Transfer Authority

The Legislative Assembly authorized the department to transfer appropriation authority between line items within the salaries and wages block grant, business operations, behavioral health, human services, medical services, and public health divisions. The department is to report to the Budget Section after June 30, 2026, on any transfers made in excess of \$50,000 and to the Appropriations Committees of the 70th Legislative Assembly regarding any transfers made.

BUSINESS OPERATIONS

The Business Operations Division of DHHS includes administration, finance, human resources, communications, and legal services. The following are major funding adjustments made by the Legislative Assembly for the Business Operations Division:

- **Information Technology Department rate increases** - Provided \$7.3 million for increases in technology costs including \$5.2 million from the general fund.
- **Information technology contractual inflation increase** - Provided \$20.7 million for inflationary increases in information technology contracts from the general fund.

BEHAVIORAL HEALTH

The Behavioral Health Division of DHHS includes prevention and promotion, children's behavioral health, mental health, addiction, community supports, and the State Hospital.

Changes made by the Legislative Assembly affecting Behavioral Health Division programs include:

- **Inflationary increases** - Added funding of \$2,541,299 from the general fund to provide 2 percent per year inflationary increases. Provided an additional \$1.8 million for vendor inflation from the general fund.
- **Rural crisis support for law enforcement** - Provided \$1 million for the Avel eCare remote assistance for mental health.
- **Substance use disorder voucher utilization expansion** - Provided \$2.5 million from the general fund to expand the substance use disorder program to provide a total of \$21,058,243.
- **Free through recovery and community connect programs** - Provided \$4.8 million to continue the programs and \$4.5 million to expand community connect and \$4 million to expand free through recovery from the general fund to provide a total of \$22,547,100 for the community connect program and a total of \$22,274,836 for the free through recovery program.
- **New state hospital** - House Bill No. 1015 appropriated \$300 million to the Office of Management and Budget for construction of a new state hospital. The funding includes \$200 million from SIIF and \$100 million from a line of credit from the Bank of North Dakota.

HUMAN SERVICES

The Human Services Division of DHHS includes development disabilities, early childhood, economic assistance, child support, vocational rehabilitation, adult and aging services, human service zone operations, and the life skills and transition center. The following are major funding adjustments made by the Legislative Assembly from the Human Services Division:

- **Inflationary increases** - Added funding of \$12,988,702 from the general fund and \$13,926,186 from federal funds to provide 2 percent per year inflationary increases.
- **Zone employee increase** - Provided \$5 million for 3 percent annual increase to human service zone employees.
- **FMAP adjustments** - Added \$11,097,035 from the general fund to reflect estimated FMAP changes.

Child Care Programs

The following is a summary of child care program funding approved by the Legislative Assembly for the 2025-27 biennium.

	General Fund	Federal Funds	Other	Total
DHHS programs				
Child care assistance program	\$75,303,154	\$29,869,302	\$7,034,072	\$112,206,528
Quality tiers in the child care assistance program	1,500,000			1,500,000
Employer-led cost share program	2,200,000			2,200,000
Grants and shared services	5,550,000			5,550,000
Infant/toddler bonus payment	11,000,000			11,000,000
Best in Class	16,000,000			16,000,000
Waterford Upstart program	1,500,000			1,500,000
Quality/quality rating and improvement system/infrastructure contract	1,500,000	1,284,508		2,784,508
Child care assistance coaching/startup/referral contract	800,000	2,256,250		3,056,250
Inclusion supports contract	872,500	180,000		1,052,500
Stipends for worker training (Above & Beyond)	2,000,000			2,000,000
Total DHHS programs	\$118,225,654	\$33,590,060	\$7,034,072	\$158,849,786
Employer-led cost share for state employees				
Office of Management and Budget employer match for state employees	\$1,365,000			\$1,365,000
North Dakota University System match for state employees	910,000			910,000
Total state employee cost share	\$2,275,000			\$2,275,000
Grand Total	\$120,500,654	\$33,590,060	\$7,034,072	\$161,124,786

County Social and Human Service Program

County social and human services program - The county social and human service project provides for state funding to be distributed to human service zones for the delivery of human services programs previously paid through county property tax levies. The schedule below provides a comparison of funding for the county social and human service project for the 2025-27 biennium compared to the 2023-25 biennium. Section 9 of House Bill No.1015 transfers \$235.8 million from the social service fund to the human service finance fund. The human service finance fund is projected to have a July 1, 2025, balance in excess of \$7 million.

	2023-25 Biennium	2025-27 Biennium	Increase (Decrease)
General fund	\$1,240,391	\$0	(\$1,240,391)
Other funds	225,547,251	242,862,030	17,314,779
Total	\$226,787,642	\$242,862,030	\$16,074,388

Section 19 of House Bill No. 1012 identifies \$242,862,030 from the human service finance fund for state-paid economic assistance and social and human services. The funding is appropriated from the human service finance fund to DHHS for costs of the county social and human service project. Major other funds adjustments

approved by the Legislative Assembly for the county social and human service project for the 2023-25 biennium included adding \$5,002,833 of funding to provide salary increases to zone employees consistent with state employee salary increases.

Developmental Disabilities

The following schedule details grant funding for major programs included in developmental disabilities:

Program	2025-27 Base Budget	2025-27 Appropriation	Increase (Decrease)
Intermediate care facilities	\$233,291,959	\$221,293,579	(\$11,998,380)
Residential services	284,026,875	290,844,093	6,817,218
Day habilitation	117,517,263	122,181,809	4,664,546
In-home supports	36,704,331	34,203,402	(2,500,929)
Infant development	36,888,505	38,883,335	1,994,830
Other services	38,986,771	63,888,143	24,901,372
Underfunding and cost settlement	(4,622,143)	(13,545,420)	(8,923,277)
Intermediate care facility grant	0	4,400,000	4,400,000
Total	\$742,793,561	\$762,148,941	\$19,355,380
Less estimated income	391,113,161	391,130,292	17,131
General fund	\$351,680,400	\$371,018,649	\$19,338,249

MEDICAL SERVICES

The Medical Services Division of DHHS includes medical services, long-term care, home- and community-based services, and reimbursement and rate setting.

- **Inflationary increases** - Added funding of \$13,689,672 from the general fund and \$15,190,970 from federal funding to provide 2 percent per year inflationary increases.
- **FMAP adjustments** - Added \$24,746,340 from the general fund to reflect estimated FMAP changes, including long-term care programs.
- **Medicaid Expansion** - Appropriated funding of \$662.1 million, of which \$66.2 million is from the general fund, to continue the Medicaid Expansion program. The Legislative Assembly adjusted funding to provide for Medicaid Expansion rates at 145 percent of Medicare reimbursement levels effective January 1, 2025.

Medical Services

The following schedule details grant funding for major programs included in medical services:

Program	2025-27 Base Budget	2025-27 Appropriation	Increase (Decrease)
Inpatient hospital	\$227,650,273	\$237,018,597	\$9,368,324
Outpatient hospital	125,343,902	127,675,341	2,331,439
Professional services	137,991,523	152,680,272	14,688,749
Drugs	84,898,305	86,742,423	1,844,118
Premiums	54,734,853	56,694,910	1,960,057
Psychiatric residential treatment facilities	24,340,239	21,604,649	(2,735,590)
Dental services	36,094,013	37,268,190	1,174,177
Indian Health Services	58,583,364	95,260,955	36,677,591
Other traditional Medicaid services	168,999,414	130,648,185	(38,351,229)
Medicaid Expansion	802,616,834	662,092,940	(140,523,894)
Total	\$1,721,252,720	\$1,607,686,462	(\$113,566,258)
Less other funds	1,312,942,908	1,220,792,343	(92,150,565)
General fund	\$408,309,812	\$386,894,119	(\$21,415,693)

Long-Term Care

The following are major funding adjustments made by the Legislative Assembly for long-term care:

- **Long-term care grant reduction** - Reduced funding by \$65 million of which \$31.85 million is from the general fund, for nursing home utilization rate adjustments.
- **Basic care payment rates** - Provided one-time funding of \$5,541,240, of which \$2,619,004 is from the general fund, to continue the additional \$5 per day included in basic care payment rates during the 2025-27 biennium.
- **Home- and community-based cross-disability waiver** - Added \$44,948,452, of which \$2,474,226 is from the general fund for home- and community-based cross-disability waiver.

The following schedule details grant funding for major programs included in long-term care:

Program	2025-27 Base Budget	2025-27 Appropriation	Increase (Decrease)
Nursing homes	\$734,744,666	\$683,874,435	(\$50,870,231)
Basic care	72,887,128	68,479,049	(4,408,079)
Service payments to the elderly and disabled	22,402,748	30,294,955	7,892,207
Expanded service payments to the elderly and disabled	1,313,728	1,334,932	21,204
Personal care services	33,664,038	57,090,795	23,426,757
Targeted case management	940,828	1,339,659	398,831
Children's medically fragile waiver	814,760	771,877	(42,883)
Program for all-inclusive care for the elderly	29,356,221	24,452,256	(4,903,965)
Home- and community-based services waiver	54,112,132	132,633,058	78,520,926
Children's hospice waiver	76,950	80,187	3,237
Autism services	10,906,545	1,471,883	(9,434,662)
Total	\$961,219,744	\$1,001,823,086	\$40,603,342
Less other funds	476,227,491	473,024,948	(3,202,543)
General fund	\$484,992,253	\$528,798,138	\$43,805,885

PUBLIC HEALTH

The Public Health Division of DHHS includes disease control and forensic pathology, health statistics and performance, healthy and safe communities, laboratory services, health response and licensure, and medical marijuana. The department must deposit all fees related to medical marijuana into the medical marijuana fund and money in the fund is appropriated to the department on a continuing basis for use in administering the medical marijuana program. Therefore, the Legislative Assembly does not include an appropriation for the medical marijuana program in DHHS's budget.

The following are major funding adjustments made by the Legislative Assembly for the Public Health Division:

- Added \$2.25 million from the community health trust fund and \$1.9 million from the charitable gaming operating fund for domestic and sexual violence prevention.
- Added \$1,433,078 for the forensic pathology contract with the University of North Dakota.
- Reduced federal funding \$60,716,583 for the federal Coronavirus Aid, Relief, and Economic Security Act/COVID-19.
- Added one-time funding of \$2,962,304 from the SIIF for transition costs and security equipment for the new state laboratory building.

Emergency Medical Services Funding

In 2023 the Legislative Assembly, in House Bill No. 1477 increased funding for emergency medical services by providing \$7,000,000 from the community health trust fund to aid the functions and operations of rural emergency medical services and rural ambulance service districts, to provide a total of \$14,721,000 for

emergency medical services, of which \$6,596,000 is from the general fund, \$7,000,000 is from the community health trust fund, and \$1,125,000 is from the insurance tax distribution fund, for the 2023-25 biennium. House Bill No. 1012 (2025) provides a total of \$14,721,000 for emergency medical services, of which \$6,446,000 is from the general fund, \$7,000,000 is from the community health trust fund, \$150,000 is from the health and human services operating fund, and \$1,125,000 is from the insurance tax distribution fund. Funding provided for training totals \$846,000, of which \$696,000 is from the general fund and \$150,000 is from the health and human services operating fund.

Local Public Health Unit Funding

In 2023 the Legislative Assembly increased funding from the community health trust fund by \$2,750,000 to provide a total of \$8,000,000 for local public health unit state aid grants, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund. House Bill No. 1012 (2025) provides a total of \$8,000,000 for local public health unit state aid grants, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund.

Department of Health and Human Services**Budget No. 325****House Bill Nos. 1012, 1425, 1468, 1485; Senate Bill Nos. 2036, 2037, 2138, 2200, 2271, 2305, 2399**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	2,688.35	\$2,227,783,063	\$3,590,253,907	\$5,818,036,970
2025-27 base budget	2,483.83	2,011,427,547	3,541,730,000	5,553,157,547
Legislative increase (decrease) to base budget	204.52	\$216,355,516	\$48,523,907	\$264,879,423

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$2,187,623,882	\$40,159,181	\$2,227,783,063
2023-25 legislative appropriations	2,011,427,547	39,682,172	2,051,109,719
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$176,196,335	\$477,009	\$176,673,344
Percentage increase (decrease) to 2023-25 appropriations	8.76%	1.2%	8.61%

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:				
Adjusted funding for base budget changes departmentwide		(\$20,334,222)	\$93,526,181	\$73,191,959
Added funding for cost and caseload changes departmentwide		171,270,319	(98,292,545)	72,977,774
Underfunded operating expenses departmentwide		(3,050,000)		(3,050,000)
Salaries and Wages Block Grant:				
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		14,026,699	5,849,454	19,876,153
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		10,658,074	4,615,710	15,273,784
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$115,102 for new positions and \$2,323,925 for vacant positions (public health not in block grant 2023-25 biennium)		634,154	1,804,873	2,439,027

Underfunded salaries and wages departmentwide (human service operating fund)	(9,657,874)	4,728,962	(4,928,912)
Adjusted FTE positions	204.52		
Business Operations:			
Added funding for increases in information technology (IT) rates	5,196,748	2,152,302	7,349,050
Increased funding for costs of IT contracts	20,730,788		20,730,788
Added funding for increases in rates charged by the Attorney General's office and the Office of Administrative Hearings	190,590		190,590
Provided one-time funding for costs to retire mainframe applications (\$6 million federal, \$4 million human service finance fund)		10,000,000	10,000,000
Behavioral Health:			
Added funding related to an opioid settlement		8,000,000	8,000,000
Provided funding for a remote crisis intervention solution for law enforcement (community health trust fund)		1,000,000	1,000,000
Provided funding to expand use of the substance use disorder (SUD) voucher for addiction treatment and recovery services	2,500,000		2,500,000
Provided funding for SUD for medical expenses in institutions for mental disease facilities	250,000		250,000
Provided additional SUD funding for 50/50 inpatient/outpatient services	500,000		500,000
Provided equity funding for behavioral health staff in western North Dakota	250,536		250,536
Provided additional funding for inflationary increases in crisis residential contracts	706,233		706,233
Provided additional funding for inflationary increases in addiction residential contracts	917,786		917,786
Provided additional funding for inflationary increases in recovery and rehabilitation contracts	2,154,668		2,154,668
Reduced inflationary adjustment for vendor contracts	(2,000,000)		(2,000,000)
Provided funding to expand training and education for collaborative treatment for traumatized youth	408,000		408,000
Provided funding for out-of-home residential services for Medicaid-eligible children with serious emotional disorders	1,351,997		1,351,997

Added funding to continue existing levels of the free through recovery and community connect programs	4,761,081		4,761,081
Provided increased funding to the community connect program for individuals with behavioral health concerns	4,458,814		4,458,814
Provided funding to expand the free through recovery program for individuals involved with the criminal justice system who have behavioral health concerns	4,016,908		4,016,908
Increased funding for peer support utilizing a trained individual with lived experience of recovery from mental illness, substance abuse, or brain injury	137,990		137,990
Provided funding to expand the treatment court in partnership with the Department of Corrections and Rehabilitation and the court system	200,000		200,000
Provided funding for a 2 percent annual provider inflation increase	2,541,299		2,541,299
Adjusted funding to reflect increased revenue from the certified community behavioral health clinics (human service finance fund)	(2,000,000)	2,000,000	
Provided funding to implement and administer the juvenile fitness to proceed process (Senate Bill No. 2036)	500,000		500,000
Provided funding for the 988 crisis hotline (Senate Bill No. 2200) (community health trust fund)		500,000	500,000
Added one-time funding for an on-premise data backup and recovery system for the electronic health record data (strategic investment and improvements fund (SIIF))		500,000	500,000
Added one-time funding for data extraction and migration from the electronic health record legacy system (SIIF)		1,000,000	1,000,000
Added one-time funding to create a redundant network line for failover in the event of a primary network loss for the State Hospital (SIIF)		500,000	500,000
Added one-time funding for community-based partial hospitalization and intensive day treatment programs for mental health disorders and SUD (community health trust fund)		2,000,000	2,000,000
Added one-time funding to remodel bathrooms at the Southeast Human Service Center (SIIF)		972,000	972,000
Provided one-time funding for a grant to a behavioral health facility in the northeast human service region (SIIF)		12,960,000	12,960,000
Provided one-time funding for a behavioral health facility in the northwest human service region	1,500,000		1,500,000

Added one-time funding for a grant to a behavioral health facility in the west central human service region (House Bill No. 1468) (SIIF)		16,000,000	16,000,000
Added one-time funding to provide treatment for participants in prosecution-led diversion programs (House Bill No. 1425) (SIIF)		750,000	750,000
Added one-time funding to contract for juvenile fitness to proceed evaluation services (Senate Bill No. 2037)	300,000		300,000
Human Services:			
Added funding to assist with adoption services	4,883,205		4,883,205
Provided funding for permanent supported housing, including rental assistance for target population per a United States Department of Justice settlement	300,000		300,000
Added funding for people with special health needs to move out of institutional settings or to divert them from institutions to community-based settings	2,733,934	2,555,463	5,289,397
Provided funding to create host home services in the developmental disability waiver	1,689,900	1,689,900	3,379,800
Provided funding for adult protective services to respond to reports of abuse or neglect of vulnerable adults	718,522		718,522
Added funding for 2 defense attorneys contracted by North Dakota indigent defense to specialize in child welfare	350,000	350,000	700,000
Provided funding for a 2 percent annual provider inflationary increase	12,988,702	13,926,186	26,914,888
Added funding for zone employee salary increases (human service finance fund)		5,002,833	5,002,833
Adjusted funding for the federal medical assistance percentage (FMAP) estimate change from 50 to 51.99 percent	(6,253,560)	2,707,560	(3,546,000)
Adjusted funding for the low-income home energy assistance program		(9,000,000)	(9,000,000)
Adjusted funding to reflect lower foster care caseload projections	(9,000,000)	(9,000,000)	(18,000,000)
Removed ongoing funding for the Waterford Upstart program	(2,400,000)		(2,400,000)
Provided funding for Ministry on the Margins	285,000		285,000
Provided funding for Fraser LTD	300,000		300,000
Removed ongoing funding for guardianship services	(6,532,355)		(6,532,355)
Added funding for an adaptive recreation winter park grant	200,000		200,000

Reduced funding to reflect lower developmental disabilities grants utilization estimates	(4,900,000)	(5,100,000)	(10,000,000)
Reduced funding to reflect a lower estimated caseload at the Life Skills and Transition Center	(2,500,000)		(2,500,000)
Provided funding to implement a comprehensive vocational rehabilitation technology system to connect people with disabilities to employment (community health trust fund)		1,000,000	1,000,000
Provided funding for elderly care in rural areas (Senate Bill No. 2138)	200,000		200,000
Added one-time funding to expand the best in class program to provide a total of \$16 million	4,000,000		4,000,000
Provided one-time funding to continue grants and resources to child care providers for infrastructure, startups, and expansions	3,000,000		3,000,000
Provided one-time funding for early childhood quality infrastructure support for quality cohort participants and providers receiving intensive coaching	3,000,000		3,000,000
Added one-time funding for inclusion supports for children with special needs at private child care programs	172,500		172,500
Added one-time funding to expand access to the teaching strategies outcome measurement tool	100,000		100,000
Added one-time funding for quality tiers in child care assistance program	1,500,000		1,500,000
Provided one-time funding for home renovation incentives for accessibility (SIIF)		1,000,000	1,000,000
Provided one-time funding to replace the roof on the Cedar Grove building at the Life Skills and Transition Center (SIIF)		712,480	712,480
Added one-time funding to retire the economic assistance and Medicaid legacy systems on the mainframe (SIIF and federal funds)		2,000,000	2,000,000
Added one-time funding for the conversion of the developmental disability eligibility assessment tool for kids from Inventory for Client and Agency Planning to Supports Intensity Scale (federal funds)	200,000	200,000	400,000
Provided one-time funding for a community cultural center programming grant located in the west central human service region (community health trust fund)		300,000	300,000
Provided one-time funding for an intermediate care facility grant to the Anne Carlsen Center (community health trust fund)		4,400,000	4,400,000

Provided one-time funding for juvenile justice diversion services (human service finance fund)		750,000	750,000
Provided one-time funding for infant and toddler care	11,000,000		11,000,000
Provided one-time funding from a Bank of North Dakota line of credit for a child welfare technology project		8,411,218	8,411,218
Provided one-time funding for guardianship programs for a partial year	3,266,177		3,266,177
Provided one-time funding for the Waterford Upstart program	1,500,000		1,500,000
Added one-time funding for a family paid caregiver service pilot program (Senate Bill No. 2305)	7,300,000		7,300,000
Medical Services:			
Provided funding for developmental disabilities bed assessment adjustment		7,209,580	7,209,580
Expanded funding for additional provider groups to ensure populations are supported with person-centered care and support	1,000,000	1,000,000	2,000,000
Provided funding to increase private duty nursing and home health targeted rate increase	1,235,768	1,235,768	2,471,536
Provided funding for qualified provider targeted rate increase for nursing, personal care, respite, companionship, and homemaker services	3,595,104	1,797,552	5,392,656
Added funding to implement the children's cross disability waiver	2,474,226	2,474,226	4,948,452
Provided funding for 2 percent annual provider inflationary rate increases	13,689,672	15,190,970	28,880,642
Adjusted funding for the FMAP estimate change from 50 to 51.99 percent	(14,846,440)	8,392,440	(6,454,000)
Adjusted funding to reflect lower Medicaid caseload projections	(4,000,000)	(4,000,000)	(8,000,000)
Reduced funding to reflect lower 1915(i) caseload projections	(1,000,000)	(1,000,000)	(2,000,000)
Changed funding for the additional basic care \$5 daily rate from ongoing to one-time funding	(4,067,056)	(1,474,184)	(5,541,240)
Reduced funding to reflect lower long-term care grant utilization estimates	(31,850,000)	(33,150,000)	(65,000,000)
Provided funding to increase the monthly personal allowance for Medicaid residents in facilities (House Bill No. 1485) (federal funds)	762,894	689,466	1,452,360

Provided funding to increase adult residential facility rates (Senate Bill No. 2271) (federal funds)	1,709,302	1,709,302	3,418,604
Provided funding for medical assistance reimbursement of psychiatric residential treatment facilities for direct care costs (Senate Bill No. 2399) (federal funds)	647,149	660,025	1,307,174
Added one-time funding to retire the Medicaid legacy system currently on the mainframe (SIIF)		2,000,000	2,000,000
Added one-time funding for a critical access hospital networking grant (community health trust fund)		2,000,000	2,000,000
Changed funding for the additional basic care \$5 daily rate from ongoing to one-time funding (health care trust fund)	2,619,004	2,922,236	5,541,240
Added one-time funding for costs associated with housing for individuals with extraordinary medical needs	200,000		200,000
Public Health:			
Added funding to expand support for domestic and sexual violence prevention (community health trust fund)		2,250,000	2,250,000
Provided additional funding for domestic and sexual violence (charitable gaming operating fund)		1,900,000	1,900,000
Increased funding for forensic pathology contract services with the University of North Dakota	2,433,078	(1,000,000)	1,433,078
Adjusted funding related to an increase in the food and lodging fees by an additional 7.5 percent for a total increase of 20 percent	(71,298)	71,298	0
Added funding to increase the grant to the Family Voices program to provide a total of \$160,000	100,000		100,000
Reduced federal CARES Act/COVID funding		(60,716,583)	(60,716,583)
Added one-time funding to purchase nonfatal toxicology testing equipment (health and consolidated lab fund)	151,500	100,000	251,500
Added one-time funding for transition to the new state laboratory building (SIIF)		2,962,304	2,962,304
Added one-time funding to purchase a forensic examiner electronic records system (community health trust fund)		278,000	278,000
Added one-time funding for a food and lodging management information system (community health trust fund)		335,000	335,000
Added one-time funding from the public health laboratory fund for public health data modernization (health and consolidated lab fund)		2,213,930	2,213,930

Added one-time funding for a fetal alcohol spectrum disorder clinic grant		350,000		350,000
Total	204.52	\$216,355,516	\$48,523,907	\$264,879,423

FTE Changes

The Legislative Assembly approved 2,688.35 FTE positions for the Department of Health and Human Services (DHHS) for the 2025-27 biennium, an increase of 204.52 FTE positions from the 2023-25 biennium. The Legislative Assembly appropriated salaries and wages funding for DHHS in a block grant pool authorizing the department to increase or decrease authorized FTE positions subject to the availability of funds and the provisions of Section 4 of House Bill No. 1012. The block grant total for the 2025-27 biennium is \$611,513,737, including \$320,064,625 from the general fund.

Other Sections in House Bill No. 1012

Transfers - Section 3 authorizes DHHS transfer appropriation authority between line items in House Bill No. 1012.

FTE position block grant program - Section 4 authorizes DHHS to adjust FTE positions subject to the availability of funds.

Salaries and wages block grant report - Section 5 requires DHHS to report quarterly on the FTE position block grant program and vacant positions.

Behavioral health facility grant - Section 6 identifies \$12,960,000 from SIIF for a behavioral health facility in the northeast human service region.

Office of Guardianship and Conservatorship - Section 7 appropriates \$3,266,178 from the general fund for the Office of Guardianship and Conservatorship for costs after March 30, 2026.

Office of Guardianship and Conservatorship - Section 8 identifies \$3,266,177 for guardianship programs in the DHHS budget and transfers any unspent appropriation authority to the Office of Guardianship and Conservatorship on April 1, 2026.

Infant and toddler care provider support direct payment - Section 9 identifies \$11 million of one-time funding for the direct payments to licensed day care providers to support high-quality early childhood care for infants and toddlers effective January 1, 2026.

Intermediate care facility medically and behaviorally complex services grant - Section 10 identifies \$4.4 million in one-time funding from the community health trust fund to provide a one-time grant to a licensed intermediate care facility in the south central human service region for providing services to children or young adults with medically and behaviorally complex conditions.

Special health care needs grant - Section 11 identifies \$100,000 for providing a grant to a provider in the south central human service region for statewide education, information, training, and peer support to families with children with special health care needs, medically complex conditions, or a disability.

Crisis services grants - Section 12 identifies \$585,000 for providing crisis services grants including the sum of \$300,000 for crisis organizations that provide crisis services to young adults who are at risk of being homeless or experiencing other serious adverse life events and the sum of \$285,000 to a volunteer-based ecumenical ministry organization.

Medical housing for individuals with extraordinary medical needs - Section 13 identifies \$200,000 in one-time funding for the preliminary design consultation and project administration of developing housing for individuals with disabilities that have extraordinary medical needs and for rent subsidies for individuals residing in these housing facilities.

Behavioral health facility grant - Section 14 identifies \$1.5 million in one-time funding and Section 29 continues unexpended authority of up to \$1.95 million for a total of \$3.45 million for the purpose of providing a one-time behavioral health facility grant to establish a behavioral health facility in the northwest human service center region.

Community cultural center grant - Section 15 identifies \$300,000 in one-time funding from the community health trust fund for the purpose of providing a community cultural center programming grant in the west central human service region.

Juvenile justice diversion services and programs - Section 16 identifies \$750,000 of one-time funding from the human service finance fund for juvenile justice diversion services and programs.

Insurance tax distribution fund - Section 17 identifies \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants.

Community health trust fund - Section 18 identifies \$41,009,522 provided by the community health trust fund for the following programs:

	Community Health Trust Fund 2025-27 Biennium
Loan repayment programs	\$594,500
Tobacco prevention and control grants to local public health units	6,250,000
Tobacco prevention and control	4,549,698
Tobacco cessation grants	500,000
Youth vaping prevention grants	300,000
Cancer and women's way programs	909,824
Behavior risk state survey	200,000
Intermediate care facility grant	4,400,000
Domestic violence programs	4,250,000
Local public health grants	3,275,000
988 crisis hotline	1,867,500
Various IT system upgrades	1,335,000
Grants to rural ambulances	7,000,000
Law enforcement rural crisis support program	1,000,000
Development of partial hospitalization/intensive day treatment	2,000,000
Critical access hospital networking	2,000,000
Forensic examiner electronic records	278,000
Cultural center programming	300,000
Total	\$41,009,522

Human service finance fund - Section 19 identifies \$242,862,030 provided from the human service finance fund for state-paid economic assistance and social and human services.

Opioid settlement fund - Section 20 identifies \$8 million from the opioid settlement fund for opioid remediation and abatement efforts.

Charitable gaming operating fund - Section 21 identifies \$1.9 million from the charitable gaming operating fund for domestic and sexual violence prevention.

Health care trust fund - Section 22 identifies \$1,448,052 from the health care trust fund for the additional daily rate increase for basic care.

Strategic investment and improvements fund - Section 23 identifies \$22,106,784 from SIIF for the following programs:

	SIIF
Retiring technology from the mainframe	\$2,500,000
New state laboratory move-in costs and security equipment purchases	2,962,304
Capital projects in certified community behavioral health clinics and the Life Skills and Transition Center	1,684,480
Housing incentive programs	1,000,000
Technology projects at the State Hospital	1,000,000
Behavioral health facility grant	12,960,000
Total	\$22,106,784

Bank of North Dakota line of credit - Section 24 provides a line of credit of up to \$8,411,218 for DHHS for costs associated with a child welfare technology project.

Laboratory building steering committee - Section 25 maintains the Laboratory Building Steering Committee include representation from DHHS, the Department of Environmental Quality, the Office of Management and Budget, the Governor's office, and the Legislative Assembly. Legislative Assembly members assigned to the committee must include one member of the Senate, appointed by the Senate Majority Leader; one member of the House, appointed by the House Majority Leader; and one member of the minority party from either the Senate or the House, appointed by the Minority Leaders of the Senate and House.

Special assessments - Section 26 authorizes DHHS to pay special assessments at the State Hospital, Southeast Human Service Center, and the Life Skills and Transition Center.

Capital projects and maintenance - Section 27 authorizes DHHS to spend up to \$10 million for capital projects and maintenance pertaining to operation of its facilities, including demolition projects, and may seek Emergency Commission and Budget Section approval to spend more than \$10 million under this section.

Permanent supportive housing grants - Section 28 identifies \$4,672,536 for permanent supportive housing grants.

Medicaid Expansion - Section 29 provides DHHS may not spend more for the Medicaid Expansion program than the amount appropriated in the bill with certain exceptions.

Human service centers - Section 30 provides DHHS continue the process of human service centers becoming certified community behavioral health clinics.

Intermediate care facility moratorium - Section 31 restricts DHHS from adding any new licensed intermediate care facilities for individuals with intellectual disabilities beds to the state's licensed bed capacity.

Carryover exemptions - Section 32 authorizes DHHS to continue unexpended appropriations for various purposes into the 2025-27 biennium.

Utilization rate adjustments - Section 33 provides legislative intent that DHHS seek a deficiency appropriation from the 70th Legislative Assembly if utilization rates exceed estimates used in the budget.

Provider rate increase - Section 34 provides for 2 percent annual inflationary increase for providers for 2025-27 biennium. This section does not apply to nursing facilities.

Federal funding appeal limitation - Section 35 precludes an individual from appealing a denial of service by DHHS due to the unavailability of federal coronavirus relief funding.

Long-term structured residence plan report - Section 36 provides for a study and report on options and a plan to establish long-term structured residences for individuals with severe and persistent mental illness.

Extraordinary medical needs housing loan fund - Section 37 creates a loan fund at the Bank of North Dakota for construction projects to provide housing for individuals with extraordinary medical needs.

Lease terms - Section 38 amends the maximum lease term for real or personal property at the Life Skills and Transition Center or the State Hospital to 99 years.

Substance use disorder treatment voucher system - Section 39 allows reimbursement to a licensed substance abuse treatment program with more than 16 beds for direct medical costs of an eligible individual. This becomes effective on July 1, 2026.

Basic care payment rates - Section 40 extends the increase of \$5 per day in the daily rate for basic care facilities for the 2025-27 biennium.

State of residence - Section 41 extends the child care assistance child care workforce benefit to individuals that work in North Dakota and reside outside of the state.

Opioid advisory committee - Section 42 amends the North Dakota Century Code provisions relating to the opioid advisory committee.

Children's Cabinet - Section 43 amends the Century Code provisions relating to the Children's Cabinet.

Housing availability assessment - Section 44 requires DHHS to collaborate with the North Dakota housing finance agency and other appropriate stakeholders to assess the availability of housing for individuals requiring extraordinary health care support services.

Facilities funding - Section 45 identifies the funding included in Section 1 for the behavioral health clinics, State Hospital, and the Life Skills and Transition Center.

Student truancy and absenteeism - Section 46 provides for a Legislative Management study of truancy and absenteeism in K-12 in public schools.

Maternal health services - Section 47 provides for a Legislative Management study on access to maternal health services.

Life Skills and Transition Center - Section 48 provides legislative intent that DHHS review the facilities and land at the Life Skills and Transition Center to identify which portions are necessary for delivery of services and the portions that could be conveyed to another entity.

Disability service accreditation study - Section 49 requires DHHS to study accreditation requirements and provider costs for serving individuals with intellectual and developmental disabilities, including the cost of accreditation.

Value-based care incentive program - Section 50 requires DHHS, in collaboration with the North Dakota long term care association, develop a payment withhold structure for value-based payments and that changes not be implemented before July 1, 2027.

Disability services study - Section 51 provides for Legislative Management study the efficiency, effectiveness, and outcomes of developmental disability services provided by DHHS.

Disability services study funding - Section 52 appropriates \$150,000 of one-time funding from the community health trust fund to the Legislative Council for the purpose of contracting for consulting services for a disability services study.

Statewide dementia coordination - Section 53 provides legislative intent that DHHS address the statewide coordination of dementia services.

Behavioral health facilities grant reporting - Section 54 requires DHHS to report to the Budget Section regarding the award of grant funding to increase the number of behavioral health beds in the state.

Related Legislation

House Bill No. 1066 - Compensation rate - This bill provides an increase in the compensation rate paid by DHHS under the senior community service employment program.

House Bill No. 1067 - Medicaid waivers for children - This bill changes the age from 18 to 21 to administer Medicaid waivers to provide in-home services to children with extraordinary medical needs and to children diagnosed with an autism spectrum disorder and would otherwise meet an institutional level of care.

House Bill No. 1070 - Gross income eligibility - This bill changes the modified adjusted gross income eligibility limit for the children's health insurance program from 210 to 205 percent of the federal poverty level.

House Bill No. 1425 - Prosecution-led diversion programs - This bill provides an appropriation of \$750,000 from the SIIF to DHHS to provide treatment services for participants in the prosecution-led diversion program.

House Bill No. 1460 - Respite care for adult foster care - This bill increases the amount of respite care available to adult foster care providers and provides that legislative management shall consider studying the licensing of foster homes for adults.

House Bill No. 1468 - Behavioral Health facility grant - This bill provides an appropriation of \$16 million from SIIF to DHHS for a grant to a behavioral health facility in the West Central Human Service Center region to increase the number of behavioral health beds.

House Bill No. 1485 - Personal allowance for Medicaid residents - This bill provides an appropriation of \$762,894 from the general fund and \$689,466 from federal funds to increase the personal monthly allowance for Medicaid residents in basic care, nursing, intermediate care, or psychiatric residential treatment facilities.

Senate Bill No. 2029 - Office of guardianship and conservatorship - This bill creates the office of guardianship and conservatorship under the Supreme Court and provides an appropriation of \$1.2 million to the judicial branch to defray the expense of the office and authorizes 4 FTE positions.

Senate Bill No. 2033 - Distressed ambulance service - This bill provides a continuing appropriation from the distressed ambulance service program fund to DHHS for contracting with a consultant to identify, evaluate, and develop a plan to manage distressed ambulance services.

Senate Bill No. 2036 - Fitness to proceed and remediation of juveniles - This bill provides an appropriation of \$500,000 from the general fund to DHHS to implement and administer the juvenile fitness to proceed process.

Senate Bill No. 2037 - Juvenile court proceedings - This bill provides one-time funding of \$300,000 from the general fund to DHHS to contract for juvenile fitness to proceed evaluation services.

Senate Bill No. 2113 - State-operated behavioral health clinics - This bill updates language and renames the human service centers as state-operated behavioral health clinics.

Senate Bill No. 2138 - Elderly care in rural areas - This bill provides an appropriation of \$200,000 from the general fund to DHHS for grant funding to organizations that provide care to the elderly in rural areas.

Senate Bill No. 2200 - 988 crisis hotline program - This bill provides an appropriation of \$500,000 from the community health trust fund to DHHS to establish and implement a 988 crisis hotline program.

Senate Bill No. 2271 - Adult residential facility payment rates - This bill provides an appropriation of \$3,418,604 of which \$1,709,302 is from the general fund to increase adult residential facility rates.

Senate Bill No. 2305 - Family paid caregiver service pilot - This bill provides a one-time appropriation of \$7.3 million from the general fund to establish a family paid caregiver service pilot project.

Senate Bill No. 2399 - Medical assistance reimbursement of psychiatric residential treatment facilities - This bill provides an appropriation of \$647,149 from the general fund and \$660,025 from federal funds for DHHS for psychiatric residential treatment facility reimbursement. It amends the rules for medical assistance reimbursement of psychiatric residential treatment facilities for direct care costs.

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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	\$334,350,545

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.

Information Technology Department
 Budget No. 112
 Senate Bill No. 2021

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	509.00	\$48,041,136	\$152,467,596	\$200,508,732
2025-27 base budget	507.00	41,418,305	239,646,504	281,064,809
Legislative increase (decrease) to base budget	2.00	\$6,622,831	(\$87,178,908)	(\$80,556,077)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$48,041,136	\$0	\$48,041,136
2023-25 legislative appropriations	41,418,305	4,812,520	46,230,825
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$6,622,831	(\$4,812,520)	\$1,810,311
Percentage increase (decrease) to 2023-25 appropriations	16.0%	(100.0%)	3.9%

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:				
Adjusted funding for base payroll changes related to salary equity increases, position reclassifications, and other staffing changes		(\$25,257)	\$3,229,838	\$3,204,581
Added funding for the cost to continue salary increases		418,501	2,047,215	2,465,716
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		845,089	4,640,214	5,485,303
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		498,438	2,520,280	3,018,718
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$4,966,686 for new positions and \$8,919,434 for vacant positions		3,467,729	10,418,391	13,886,120
Added funding from the information technology operating fund for 2 FTE statewide interoperable radio network (SIRN)	2.00		608,927	608,927

positions, including \$529,994 for salaries and wages and \$78,933 for operating expenses

Transferred \$529,994 for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$476,995 resulting in the savings as shown		(52,999)	(52,999)
Transferred \$11,323,468 for estimated savings from vacant FTE positions from the salaries and wages line item and other line items to the new and vacant FTE pool line item and reduced the amount to \$7,926,429 resulting in the savings as shown	(522,246)	(2,874,794)	(3,397,040)
Reduced funding for operating expenses, primarily professional services. Of the funding reduced from other funds, \$744,345 is from federal funds and \$9,595,013 is from special funds	(599,999)	(10,339,358)	(10,939,357)
Added funding for information technology inflationary costs, including \$231,845 from federal funds and \$299,802 from special funds	3,181,664	531,647	3,713,311
Added funding for cybersecurity contractual service increases	942,554		942,554
Transferred special fund authority from the information technology operating fund to continuing appropriation authority (North Dakota Century Code Section 54-59-14)		(99,168,477)	(99,168,477)
Reduced funding for the statewide longitudinal data system, including \$500,000 from federal funds	(394,839)	(500,000)	(894,839)
Reduced funding for EduTech operating expenses, including \$500,000 from federal funds and \$53,869 from special funds		(553,869)	(553,869)
Added funding from special funds for an EduTech training application replacement project		391,793	391,793
Reduced ongoing funding from the PowerSchool fund for license costs (\$1,472,653) and for salaries and wages of 8 FTE EduTech positions (\$993,138) for the 2 nd year of the biennium related to the student information system transition from PowerSchool Holdings, Inc., to Infinite Campus, Inc. This results in 8 FTE EduTech positions being underfunded for the 2025-27 biennium as the Department of Public Instruction will require less support from the Information Technology Department (ITD) under the new system		(2,465,791)	(2,465,791)
Adjusted funding for the K-12 wide area network, including a reduction from special funds	512,501	(90,000)	422,501

Adjusted funding for the geographic information system, including a reduction from federal funds	89,176	(65,679)	23,497
Adjusted funding for the North Dakota Health Information Network (NDHIN) by eliminating funding from the general fund and increasing funding from other funds to provide a total of \$7,751,242 derived from participant fee revenue and federal Centers for Medicare and Medicaid Services funding deposited in the electronic health information exchange fund	(2,000,000)	3,885,166	1,885,166
Adjusted funding for SIRN, including adding \$209,520 from the general fund for circuits and reducing \$2,854,082 from the SIRN fund for equipment	209,520	(2,854,082)	(2,644,562)
Added one-time funding from the strategic investment and improvements fund (SIIF) for a state data center migration project		1,719,061	1,719,061
Added one-time funding from SIIF for the cost of automating information technology services for application support and the cost of purchasing software licenses for a low-code, no-code platform for use by state agencies. The department anticipates using the funding from SIIF, \$2 million appropriated from the general fund for NDHIN for the 2023-25 biennium transferred to the operating expenses line item pursuant to Section 4 of House Bill No. 1021 (2023), and carryover funding from the business gateway enterprise customer relationship management program authorized in Section 9 of Senate Bill No. 2021 (2025), for the project		1,793,609	1,793,609
Total	<u>2.00</u>	<u>\$6,622,831</u>	<u>(\$87,178,908)</u>

FTE Changes

The Legislative Assembly approved 509 FTE positions for ITD for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 507 FTE positions. The Legislative Assembly added 2 FTE SIRN positions, including 1 FTE senior enterprise service desk specialist position and 1 FTE senior tier II analyst position.

One-Time Funding

The Legislative Assembly appropriated \$3,512,670 of one-time funding from SIIF to ITD for the 2025-27 biennium, of which \$1,719,061 is for a state data center migration project and \$1,793,609 is for the cost of automating information technology services for application support and the cost of purchasing software licenses for a low-code, no-code platform for use by state agencies.

Health Information Network Expansion

2017-19 Biennium

Section 1 of Senate Bill No. 2021 (2017) included \$43.6 million for the NDHIN expansion project, a project designed to provide for the secure exchange of health information to enable clinical users, such as providers, nurses, and clerical staff to easily and efficiently view information relating to a patient's electronic medical records. The project was intended to enhance the functionality of NDHIN by allowing Medicaid providers options to meet specific measures and objectives to achieve meaningful use and promote comprehensive interoperability between all providers throughout the state. The project was to enhance existing NDHIN

infrastructure and allow for statewide repositories for analytics, care coordination, credentialing, advanced directives, and provide for necessary connections between providers.

Of the amount appropriated to ITD, \$40.5 million is from federal funds distributed by the Centers for Medicare and Medicaid Services to the Department of Human Services. Federal funds were available through a Medicaid advanced planning document and required a 10 or 15 percent match. The matching funds were to be generated from billings to providers, payers, and the state match from the electronic health information exchange fund. Funding was to be available for the project through the anticipated completion date of September 2021.

2019-21 Biennium

In Section 5 of House Bill No. 1021 (2019), the Legislative Assembly authorized ITD to continue the funding appropriated for the NDHIN expansion and care coordination project for the 2017-19 biennium into the 2019-21 biennium.

2021-23 Biennium

As a result of changes made by the federal government, federal funding for NDHIN became limited starting in the 2021-23 biennium, as the Centers for Medicare and Medicaid Services changed procedures to allow a match of up to 15 percent of funding spent for state health information networks, rather than 85 to 90 percent. The 2021 Legislative Assembly added \$5.5 million of federal funds, resulting in a total of \$6 million of federal funds spending authority available to ITD for the 2021-23 biennium.

In Section 3 of Senate Bill No. 2021 (2021), the Legislative Assembly identified an additional \$6 million of one-time funding is included in Section 1 from the health information technology planning loan fund, which the Bank of North Dakota is required to transfer, at the request of the Chief Information Officer, to the electronic health information exchange fund for the purpose of defraying the expenses of the Health Information Technology Office and NDHIN during the 2021-23 biennium. Legislative intent was provided that the funding from the information technology planning loan fund be transferred only to the extent federal funding is not available to defray the expenses of the Health Information Technology Office and NDHIN during the 2021-23 biennium.

The Chief Information Officer requested the Bank transfer the entire \$6 million of funding from the health information technology planning loan fund to the electronic health information exchange fund during the 2021-23 biennium.

2023-25 Biennium

In House Bill No. 1021 (2023), the Legislative Assembly provided for a one-time transfer of \$3 million, as requested by the Chief Information Officer, from the health information technology planning loan fund to the electronic health information exchange fund for the purpose of defraying the expenses of the Health Information Technology Office and the health information network during the 2023-25 biennium.

The Chief Information Officer requested the Bank transfer the entire \$3 million of funding from the health information technology planning loan fund to the electronic health information exchange fund during the 2023-25 biennium.

The Legislative Assembly also reduced ongoing federal funds by \$6 million, added \$2 million of ongoing funding from the general fund, and added \$1 million from fees collected from NDHIN users and providers deposited in the electronic health information exchange fund for the Health Information Technology Office and NDHIN. An additional \$16,240 was added from the electronic health information exchange fund for employee compensation.

2025-27 Biennium

In Senate Bill No. 2021 (2025), the Legislative Assembly adjusted funding for NDHIN by eliminating funding from the general fund and increasing funding from other funds to provide a total of \$7,751,242 derived from participant fee revenue and federal Centers for Medicare and Medicaid Services funding deposited in the electronic health information exchange fund.

Statewide Interoperable Radio Network

2019-21 Biennium

In House Bill No. 1435 (2019), the Legislative Assembly appropriated \$120 million to ITD for the SIRN project, of which \$80 million was from a Bank of North Dakota line of credit, \$20 million was from Bank profits, and \$20 million was from SIIF. House Bill No. 1014 (2019) and Senate Bill No. 2015 (2019) amended Section 8 of House Bill No. 1435 to delay the transfer of Bank profits until after \$25 million of the line of credit is used. The funding from SIIF was spent during the 2019-21 biennium. The department did not use any of the \$80 million line of credit during the 2019-21 biennium, resulting in the \$20 million appropriation from Bank profits being canceled at the end of the biennium.

2021-23 Biennium

In Section 9 of Senate Bill No. 2021 (2021), the Legislative Assembly provided an exemption to allow ITD to continue \$20 million appropriated from SIIF for the SIRN project for the 2019-21 biennium into the 2021-23 biennium.

2023-25 Biennium

In House Bill No. 1242 (2023), the Legislative Assembly appropriated \$100 million of one-time funding for the SIRN project, of which \$20 million was transferred from Bank of North Dakota profits to the SIRN fund to repay funding utilized by ITD from the Bank line of credit authorized by the 2019 Legislative Assembly and \$80 million was from the federal State Fiscal Recovery Fund.

2025-27 Biennium

In Senate Bill No. 2021 (2025), the Legislative Assembly authorized ITD an exemption to continue any unspent funding appropriated for the SIRN project for the 2023-25 biennium into the 2025-27 biennium. The estimated project completion date is 2027.

Exemptions

The Legislative Assembly authorized six exemptions in Section 9 of Senate Bill No. 2021 to allow ITD to continue an estimated \$176,539,737 of unexpended prior biennium appropriations into the 2025-27 biennium, including \$326,920 from the general fund and \$176,212,817 from other funds, as follows:

Senate Bill No. 2021, Section 9, Subsection:	Major Program Area	Appropriations from Previous Bienniums		Estimated Amount to be Spent during the 2023-25 Biennium		Estimated Amount to be Continued into the 2025-27 Biennium	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
1	Broadband infrastructure grants ¹	\$0	\$38,680,527	\$0	\$556,061	\$0	\$38,124,466
2	Enterprise digitization (\$7 million) and business gateway enterprise customer relationship management program (\$5 million) ²	0	12,000,000	0	7,238,603	0	4,761,397
3	Governance, risk, and compliance costs and the Department of Public Instruction lighthouse project ³	600,000	4,856,876	600,000	3,341,440	0	1,515,436
4	Broadband, equity, access, and deployment (BEAD), digital equity, and state and local cybersecurity grant programs ⁴	0	147,762,480	0	44,529,964	0	103,232,516
5	State and local cybersecurity grant program matching funds	487,520	0	160,600	0	326,920	0
6	SIRN project ⁵	0	80,000,000	0	51,420,998	0	28,579,002
Total		\$1,087,520	\$283,299,883	\$760,600	\$107,087,066	\$326,920	\$176,212,817

¹Funding for this item was from the federal Coronavirus Capital Projects Fund.

²Funding for these items was from SIIF.

³Other funds for these items was from the information technology operating fund.

⁴Funding for these items were from federal funds derived from the federal Infrastructure Investment and Jobs Act.

⁵Funding for this item was from the State Fiscal Recovery Fund.

Other Sections in Senate Bill No. 2021

New and vacant FTE pool - Section 3 provides ITD may not spend funds appropriated in the new and vacant FTE pool line item but may request the Office of Management and Budget to transfer funds to line items with salaries and wages funding.

Exemption - Line item transfers - Section 4 allows the Director of the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer of ITD for the development and implementation of technology projects.

SIIF - Section 5 identifies \$3,512,670 of one-time funding appropriated from SIIF in Section 1 for a state data center migration project (\$1,719,061) and the cost of automating information technology services and the purchase of software licenses (\$1,793,609).

Amendment - Information Technology Committee membership - Section 6 amends Section 54-35-15.1 to expand membership of the Information Technology Committee to include an individual with information technology experience from the Department of Health and Human Services as a nonvoting member of the committee.

Amendment - Information technology operating fund - Continuing appropriation - Section 7 amends Section 54-59-14 to provide ITD a continuing appropriation from the information technology operating fund to allow ITD to provide information technology and network services to state agencies without receiving appropriation authority from the Legislative Assembly. The department is required to provide a report at each meeting of the Budget Section and to the appropriations committee each legislative session regarding the status of the information technology operating fund and the balance of the fund. The department may not use funding in the information technology operating fund for the cost of salaries and wages expenses.

Amendment - Information technology operating fund renamed - Section 8 amends Section 54-59-15 to rename the information technology operating account the information technology operating fund.

Legislative Management study - SIRN and emergency communication fees - Section 10 provides for a Legislative Management study of fees collected for technology services, including emergency communications, behavioral health crisis response, and SIRN. The study must include an analysis of the adequacy of current fee structures, financial needs of the technology services, current fees and revenue trends for 911 and 988 services, the SIRN project, the estimated project completion date, estimated ongoing funding needs to operate the network, current funding available for the network, future funding options for the network that will not negatively affect existing emergency communication systems, and a comparison of statewide radio network funding models used in other states.

Legislative Management study - Enterprise resource planning system - Section 11 provides for a Legislative Management study of the enterprise resource planning system for the state, including use by state agencies and higher education.

Budget Section report - Student information system transition - Section 12 requires ITD and the Department of Public Instruction to report to the Budget Section quarterly regarding the student information system transition from PowerSchool to Infinite Campus.

Related Legislation

House Bill No. 1448 - Advanced technology review committee - This bill creates an advanced technology review committee, an advanced technology grant program, and an advanced technology grant fund. The Chief Information Officer is included as a member of the advanced technology review committee.

Senate Bill No. 2049 - Major information technology projects - This bill amends Chapter 54-35 and Chapter 54-59 regarding major information technology projects, including changing the definition of a major information technology project from a project that has a total estimated cost of \$500,000 to a project which has a total estimated cost of \$5 million or more; requires 1 year or longer to reach operational status; or requires oversight due to its potential benefits, risks, public impact, visibility, or other significant reason determined by the Chief Information Officer.

**Office of Administrative Hearings
Budget No. 140
Senate Bill No. 2017**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	5.00	\$0	\$3,155,750	\$3,155,750
2025-27 base budget	5.00	0	3,029,082	3,029,082
Legislative increase (decrease) to base budget	0.00	\$0	\$126,668	\$126,668

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		\$0	\$58,665	\$58,665
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			30,026	30,026
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions			20,058	20,058
Transferred \$23,672 for estimated savings 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 \$16,570 resulting in the savings as shown			(7,102)	(7,102)
Added funding to provide for temporary salaries (\$2,750) and for overtime salary costs (\$2,750)			5,500	5,500
Increased information technology funding to provide a total of \$89,942 for data processing costs			19,521	19,521
Total	0.00	\$0	\$126,668	\$126,668

FTE Changes

The Legislative Assembly approved 5 FTE positions for the Office of Administrative Hearings for the 2025-27 biennium, the same as the 2023-25 biennium.

Other Sections in Senate Bill No. 2017

New and vacant FTE funding pool - Section 2 provides guidelines for the use of funding in the new and vacant FTE funding pool line item.

Bank of North Dakota line of credit - Section 3 authorizes the Office of Administrative Hearings to access a line of credit of up to \$150,000 from the Bank of North Dakota during the 2025-27 biennium to address agency cash flow needs.

Related Legislation

There is no major related legislation affecting this agency.

**Legislative Assembly
Budget No. 150
Senate Bill No. 2001**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	0.00	\$25,298,682	\$0	\$25,298,682
2025-27 base budget	0.00	18,011,846	0	18,011,846
Legislative increase (decrease) to base budget	0.00	\$7,286,836	\$0	\$7,286,836

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$20,847,682	\$4,451,000	\$25,298,682
2023-25 legislative appropriations ¹	18,011,846	6,129,550	24,141,396
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,835,836	(\$1,678,550)	\$1,157,286
Percentage increase (decrease) to 2023-25 appropriations	15.7%	(27.4%)	4.8%

¹The 2023-25 biennium one-time general fund appropriation has been increased by \$425,000 for costs related to the October 2023 special legislative session (House Bill No. 1541 (2023)).

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 for cost-to-continue 2021-23 biennium compensation increases		\$89,350		\$89,350
Added funding for 2025-27 biennium legislative compensation adjustments of 3 percent each year of the biennium, for regular and organizational sessions, legislators' monthly compensation, and additional monthly compensation for legislative leaders		539,742		539,742
Added funding for increases of \$5 per day for legislative leaders and standing committee chairmen		21,778		21,778
Increased funding for temporary salaries during the 2027 legislative session		195,272		195,272
Added funding for legislator health insurance premiums to reflect a revised premium estimate of \$1,893 per month		798,961		798,961

Added funding to increase the maximum monthly lodging rate to \$2,475 anticipated for the 2027 legislative session, including an additional \$198,000 due to lodging rate increases approved in Senate Bill No. 2084. The maximum rate was \$2,022 for the 2025 legislative session	310,163	310,163
Added funding for travel for an increase in mileage from \$0.60 to \$0.67 per mile for organizational session and regular session	81,639	81,639
Increased funding for operating expenses related to information technology, including data processing, software, maintenance, consulting, and equipment	556,444	556,444
Adjusted funding for operating expenses, including increases in rental equipment and various other expenses offset by decreases in printing and postage	(10,615)	(10,615)
Increased funding for the International Legislators' Forum dues	10,000	10,000
Added funding for capital assets for information technology related to audio and video storage and video streaming quality	220,000	220,000
Increased funding for National Conference of State Legislatures dues	23,102	23,102
Added one-time funding for legislative chamber and systems upgrades	4,451,000	4,451,000
Total	0.00	\$7,286,836

One-Time Funding

The Legislative Assembly provided one-time funding of \$4,451,000 from the general fund for legislative chamber and systems upgrades.

Legislative Pay Increases

The Legislative Assembly approved Senate Bill No. 2001 providing for legislative pay increases. Section 7 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 8 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 9 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. The compensation adjustments are as follows:

	Current Compensation Rate	Rate Effective July 1, 2025	Rate Effective July 1, 2026
Monthly compensation	\$592	\$610	\$628
Leaders' additional monthly compensation	\$424	\$437	\$450
Daily session pay	\$213	\$219	\$226
Speaker of the House, House Majority Leader, Senate Majority Leader, House Minority Leader, and Senate Minority Leader additional daily session pay	\$15	\$20	\$20

Chairmen of the substantive standing committees, House Assistant Majority Leader, Senate Assistant Majority Leader, House Assistant Minority Leader, and Senate Assistant Minority Leader additional daily session pay	\$10	\$15	\$15
Interim meeting pay	\$213	\$219	\$226
Chairman of Legislative Management additional daily pay for interim meetings	\$5	\$10	\$10
Interim committee chairman	\$5	\$10	\$10

Other Sections in Senate Bill No. 2001

Transfers - Section 4 allows transfers of funds between line items of appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management or the Director of the Legislative Council.

Continuation of appropriation authority - Section 5 allows transfers of funds between line items of the 2023-25 biennium appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management or the Director of the Legislative Council. The section also provides unspent funds appropriated for the Legislative Assembly and the Legislative Council for the 2023-25 biennium be continued and that 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 of members of the Legislative Assembly - Section 7 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 8 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 9 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.

Legislative intent - Chamber accessibility - Section 10 provides legislative intent that Legislative Management gather additional information regarding options to improve chamber access.

Related Legislation

House Bill No. 1002 - Secretary of State - This bill provides the statutory changes to transfer the publication of any session laws, compilations, or codifications from the Secretary of State to the Legislative Council and removes funding of \$271,335 from the general fund for public printing from the Secretary of State's budget.

House Bill No. 1442 - Legislative Task Force on Government Efficiency - This bill establishes the Legislative Task Force on Government Efficiency and requires the Legislative Council to provide staffing and administrative services for the task force.

Senate Bill No. 2084 - Lodging rates - This bill increases the in-state lodging and out-of-state mileage rates for all employees to follow established federal General Services Administration rates and increases the Legislative Assembly maximum monthly lodging reimbursement from 70 to 75 percent of the daily General Services Administration rate. The Legislative Council estimated the fiscal impact of the change to the Legislative Assembly and the Legislative Council would be \$198,000 and \$28,000, respectively.

Senate Concurrent Resolution No. 4005 - House and Senate positions - This bill designates House and Senate employment positions and fixes compensation.

Legislative Council
Budget No. 160
Senate Bill No. 2001; House Bill Nos. 1012, 1025, and 1322

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	70.00	\$27,738,820	\$538,000	\$28,276,820
2025-27 base budget ¹	45.00	19,134,709	88,000	19,222,709
Legislative increase (decrease) to base budget	25.00	\$8,604,111	\$450,000	\$9,054,111

¹The 2025-27 biennium base budget for Legislative Council has been increased by \$255,000 from the general fund for funding added for salaries and wages during the October 2023 special legislative session (House Bill No. 1541 (2023))

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$26,538,820	\$1,200,000	\$27,738,820
2023-25 legislative appropriations ¹	19,134,709	775,500	19,910,209
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$7,404,111	\$424,500	\$7,828,611
Percentage increase (decrease) to 2023-25 appropriations	38.7%	54.7%	39.3%

¹The 2023-25 biennium general fund appropriation and ongoing general fund appropriation have been increased by \$255,000 for additional salaries and wages funding appropriated during the October 2023 special legislative session (House Bill No. 1541 (2023)).

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:				
Adjusted funding for base payroll changes		\$771,648		\$771,648
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		748,789		748,789
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		420,358		420,358
Added funding for 2025-27 biennium legislative compensation adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, for legislators' attendance at interim meetings and for increases in Legislative Management chairman and interim committee chairmen pay from \$5 to \$10 per day		40,572		40,572

Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$27,000 for new positions and \$101,202 for vacant positions		128,202	128,202
Added funding for 25 FTE positions, including policy analysts, program evaluators, legal counsel, fiscal analyst, information technology (IT) support, human resources, and administrative support. Funding is provided for salaries and wages, based on a phased-in hiring schedule.	25.00	4,938,963	4,938,963
Transferred \$4,938,963 for 25 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$4,445,067 resulting in the savings as shown		(493,896)	(493,896)
Transferred \$919,211 for estimated savings 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 \$643,448 resulting in the savings as shown		(275,763)	(275,763)
Added funding for operating expenses related to new FTE positions, including dues and professional development		57,500	57,500
Increased funding for interim travel		7,047	7,047
Increased funding for IT, including service contracts, equipment, consulting, data processing, and software		221,607	221,607
Increased funding for professional services to provide a total of \$770,000		500,000	500,000
Increased funding for other operating expenses		49,084	49,084
Added funding for public printing transferred from the Secretary of State pursuant to House Bill No. 1002		290,000	290,000
Added one-time funding for operating expenses related to new FTE positions, including IT equipment and office furniture.		375,000	375,000
Added one-time funding for capital assets for IT equipment, including tape library and video encoder hardware replacement		280,000	280,000
Added one-time funding for consulting services related to a study of the impacts of legislative term limits		225,000	225,000
Added one-time funding from the community health trust fund to contract for services related to a disabilities services study (House Bill No. 1012)			\$150,000 150,000

Added one-time funding , including funding from grants or donations, for consulting services related to a study of the deployment of advanced nuclear power plants (House Bill No. 1025)	300,000	300,000	600,000
Added one-time funding for consulting services related to an ambulance delinquent billing reimbursement study (House Bill No. 1322)	20,000		20,000
Total	<u>25.00</u>	<u>\$8,604,111</u>	<u>\$450,000</u>
			<u>\$9,054,111</u>

FTE Changes

The Legislative Assembly approved 70 FTE positions for the Legislative Council for the 2025-27 biennium, an increase of 25 FTE positions from the 2023-25 biennium authorized level of 45 FTE positions. The Legislative Assembly added policy analysts, program evaluators, legal counsel, fiscal analyst, IT support, human resources, and administrative support positions.

One-Time Funding

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

	General Fund	Other Funds	Total
Costs related to new positions	\$375,000		\$375,000
IT equipment	280,000		280,000
Legislative term limit study	225,000		225,000
Disabilities services study		\$150,000	150,000
Advanced nuclear power study	300,000	300,000	600,000
Ambulance delinquent billing reimbursement study	20,000		20,000
Total	\$1,200,000	\$450,000	\$1,650,000

Legislative Pay Increases

The Legislative Assembly approved Senate Bill No. 2001 providing for legislative pay increases. Section 7 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 8 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 9 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. The compensation adjustments are as follows:

	Current Compensation Rate	Rate Effective July 1, 2025	Rate Effective July 1, 2026
Monthly compensation	\$592	\$610	\$628
Leaders' additional monthly compensation	\$424	\$437	\$450
Daily session pay	\$213	\$219	\$226
Speaker of the House, House Majority Leader, Senate Majority Leader, House Minority Leader, and Senate Minority Leader additional daily session pay	\$15	\$20	\$20
Chairmen of the substantive standing committees, House Assistant Majority Leader, Senate Assistant Majority Leader, House Assistant Minority Leader, and Senate Assistant Minority Leader additional daily session pay	\$10	\$15	\$15
Interim meeting pay	\$213	\$219	\$226
Chairman of Legislative Management additional daily pay for interim meetings	\$5	\$10	\$10
Interim committee chairman	\$5	\$10	\$10

Other Sections in Senate Bill No. 2001

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.

Transfers - Section 4 allows transfers of funds between line items of appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management or the Director of the Legislative Council.

Continuation of appropriation authority - Section 5 allows transfers of funds between line items of the 2023-25 biennium appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management or the Director of the Legislative Council. The section also provides unspent funds appropriated for the Legislative Assembly and the Legislative Council for the 2023-25 biennium be continued and that 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.

Use of Legislative Assembly rooms and halls - Section 6 amends the section related to the use of Legislative Assembly rooms and halls to provide the 15th floor of the Capitol is reserved for the exclusive use of the Legislative Council. **(The Governor vetoed this section.)**

Compensation of members of the Legislative Assembly - Section 7 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 8 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 9 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.

Legislative Intent - Chamber accessibility - Section 10 provides legislative intent that Legislative Management gather additional information regarding chamber access.

Related Legislation

House Bill No. 1002 - Secretary of State - This bill provides the statutory changes to transfer the publication of any session laws, compilations, or codifications from the Secretary of State to the Legislative Council and removes funding of \$271,335 from the general fund for public printing from the Secretary of State's budget.

House Bill No. 1012 - Disability services study consulting - Section 52 of this bill appropriates one-time funding of \$150,000 from the community health trust fund to Legislative Council to contract for consulting services for a disability services study.

House Bill No. 1025 - Advanced nuclear energy study - This bill appropriates one-time funding of \$600,000, of which \$300,000 is from the general fund and \$300,000 is from special funds derived from grants or donations from nonstate sources, to Legislative Council for consulting services related to a study on the feasibility, siting, and deployment of advanced nuclear power plants in the state.

House Bill No. 1322 - Study of delinquent billing reimbursement grant system for ambulance service providers - This bill provides one-time funding of \$20,000 from the general fund to Legislative Council to contract for consulting services related to a study of the feasibility and desirability of establishing a delinquent billing reimbursement grant system for ambulance service providers.

House Bill No. 1442 - Legislative Task Force on Government Efficiency - This bill establishes the Legislative Task Force on Government Efficiency and requires the Legislative Council to provide staffing and administrative services for the task force.

Senate Bill No. 2084 - Lodging rates - This bill increases the in-state lodging and out-of-state mileage rates for all employees to follow established General Services Administration rates and increases the Legislative Assembly maximum monthly lodging reimbursement from 70 percent to 75 percent of the daily General Services Administration rate. The Legislative Council estimated the fiscal impact of the change to the Legislative Assembly and the Legislative Council would be \$198,000 and \$28,000, respectively.

**Judicial branch
Budget No. 180
Senate Bill No. 2002**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	394.00	\$147,252,753	\$5,647,758	\$152,900,511
2025-27 base budget	384.00	128,256,984	1,440,428	129,697,412
Legislative increase (decrease) to base budget	10.00	\$18,995,769	\$4,207,330	\$23,203,099

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$145,512,437	\$1,740,316	\$147,252,753
2023-25 legislative appropriations	128,256,984	1,153,720	129,410,704
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$17,255,453	\$586,596	\$17,842,049
Percentage increase (decrease) to 2023-25 appropriations	13.5%	50.8%	13.8%

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:				
Adjusted funding for base payroll changes, including step increases in the judicial branch pay plan		\$3,490,350	(\$114,374)	\$3,375,976
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		2,998,833	30,331	3,029,164
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		2,365,333	18,767	2,384,100
Added funding for judges' and justices' salary increases		2,078,868		2,078,868
Added funding for a 2 percent salary adjustment for the judicial branch pay plan		1,352,118	7,093	1,359,211
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$443,240 for new positions and \$2,036,164 for vacant positions		2,455,681	23,723	2,479,404
Added new FTE juvenile court administrative assistant positions	1.50	152,771		152,771

Added a new FTE district court administrative assistant position	1.00	170,025		170,025
Added a new FTE district court deputy court administrator position	1.00	272,529		272,529
Added new FTE district court programmer analyst positions	2.00	421,496		421,496
Added new FTE district court network analyst positions	2.00	421,496		421,496
Added a new FTE district court technology coordinator position	1.00	196,210		196,210
Added a new FTE Supreme Court staff attorney position	1.00	293,625		293,625
Increased a 0.5 FTE Supreme Court administrative assistant position to a full-time position	0.50	65,161		65,161
Transferred \$1,993,313 for 10 new FTE positions from the salaries and wages line items to the new and vacant FTE pool line item and reduced the amount to \$1,793,982 resulting in the savings as shown		(199,331)		(199,331)
Transferred \$8,827,129 for estimated savings from vacant FTE positions from the salaries and wages and judicial conduct commission and disciplinary board line items to the new and vacant FTE pool line item and reduced the amount to \$6,178,991, resulting in savings as shown		(2,629,226)	(18,912)	(2,648,138)
Added funding for a mental health treatment court in Mandan and a veterans court in Cass County for the 2 nd year of the biennium		124,492		124,492
Reduced funding for judges' retirement		(13,666)		(13,666)
Added funding for information technology (IT) system maintenance and enhancements		2,059,179		2,059,179
Added funding for the law library reference materials subscription		73,882		73,882
Added funding for operating costs		409,699	(7,298)	402,401
Added funding for interpreters		125,500		125,500
Added funding for county clerk of court contract costs		189,428		189,428
Added funding for the rural attorney recruitment program		36,000		36,000
Added funding for the guardian ad litem program		700,000		700,000
Transferred funding for an attorney FTE position to the newly created Office of Guardianship and Conservatorship separate from the judicial branch		(355,000)		(355,000)
Added one-time funding for an IT equipment lease		874,216		874,216
Added one-time funding for cloud-based storage fees		866,100		866,100
Added one-time funding from the strategic investment and improvements fund (SIIF) to transition the case management system to cloud-based hosting			758,000	758,000
Added one-time funding from SIIF for clerk filing software			1,250,000	1,250,000

Added one-time funding from SIIF for a court records access system		960,000	960,000
Added one-time funding from SIIF for courtroom audio and video systems		1,200,000	1,200,000
Added one-time funding from SIIF for Cass County courtroom equipment		100,000	100,000
Total	10.00	\$18,995,769	\$4,207,330
			\$23,203,099

FTE Changes

The Legislative Assembly approved 394.00 FTE positions for the judicial branch for the 2025-27 biennium, an increase of 10.00 FTE positions from the 2023-25 biennium authorized amount of 384.00 FTE positions. The Legislative Assembly added 10.00 FTE positions as follows:

- 1.50 FTE juvenile court administrative assistant positions;
- 1 FTE district court administrative assistant position;
- 1 FTE district court deputy court administrator position;
- 2 FTE district court programmer analyst positions;
- 2 FTE district court network analyst positions;
- 1 FTE district court technology coordinator position;
- 1 FTE Supreme Court staff attorney position; and
- 0.50 FTE Supreme Court part-time administrative assistant position increase to full-time.

One-Time Funding

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

	General Fund	Other Funds	Total Funds
IT equipment lease	\$874,216		\$874,216
Cloud-based storage fees	866,100		866,100
Case management system migration to cloud-based computing (SIIF)		\$758,000	758,000
Clerk filing software (SIIF)		1,250,000	1,250,000
Court records access system (SIIF)		960,000	960,000
Courtroom audio and video systems (SIIF)		1,200,000	1,200,000
Cass County courtroom equipment (SIIF)		100,000	100,000
Total	\$1,740,316	\$4,268,000	\$6,008,316

Office of Guardianship and Conservatorship

The Legislative Assembly, in Senate Bill No. 2002, appropriated \$355,000 from the general fund to the newly created Office of Guardianship and Conservatorship for the purpose of providing salaries, wages, and operations funding for an attorney position to be transferred from the Supreme Court to the office on July 1, 2025, pursuant to Senate Bill No. 2029. The remaining guardianship and conservatorship funding (\$375,478) and FTE positions in the judicial branch budget were transferred to an office of guardianship and conservatorship line item under the Supreme Court. The FTE position remaining after the July 1, 2025, transfer and any unspent funding in the line item are to be transferred to the newly created Office of Guardianship and Conservatorship by April 1, 2026.

Other Sections in Senate Bill No. 2002

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

Appropriation - Section 4 appropriates to the judicial branch all funds received pursuant to federal acts and private gifts, grants, and donations, for the purpose as designated in the federal acts or private gifts, grants, and donations, for the period beginning July 1, 2025, and ending June 30, 2027.

Appropriation - Office of Guardianship and Conservatorship - Section 5 appropriates \$355,000 to the Office of Guardianship and Conservatorship for attorney salaries and wages and related operations.

Transfer - SIIF - Court facilities improvement and maintenance fund - Section 6 provides for the transfer of \$200,000 from SIIF to the court facilities improvement and maintenance fund.

Strategic Investment and Improvements Fund - Section 7 identifies \$4,268,000 from SIIF is included in Section 1 for various one-time appropriations.

Supreme Court justices' salaries - Section 8 provides the statutory changes to increase Supreme Court justices' salaries by approximately 11.1 percent on July 1, 2025. Supreme Court justices' annual salaries will be increased from the current level of \$186,484 to \$207,249 effective July 1, 2025. The Chief Justice would be entitled to receive an additional \$7,647 per annum effective July 1, 2025, an increase from the current additional amount for the Chief Justice of \$5,274 per annum.

District court judges' salaries - Section 9 provides the statutory changes to increase district court judges' salaries by approximately 7.7 percent on July 1, 2025. District court judges' annual salaries will be increased from the current level of \$171,113 to \$184,366 effective July 1, 2025. A presiding judge of a judicial district would be entitled to receive an additional \$5,162 per annum effective July 1, 2025, an increase from the current additional amount for presiding judges of \$4,862 per annum.

Credit card and bank fees - Section 10 provides authority for the judicial branch to charge a fee as a service charge for the acceptance of a payment made by a credit or debit card.

Line item transfers - Section 11 requires the Director of the Office of Management and Budget to transfer appropriation authority between line items for the judicial branch as requested by the Supreme Court.

Related Legislation

House Bill No. 1032 - City ordinances - This bill provides authority for the district court to hear city ordinance cases for cities of fewer than 5,000 people.

House Bill No. 1047 - Psychological counseling services - This bill provides for the court to offer psychological counseling services to jurors who served in a trial involving extraordinarily graphic, gruesome, or emotional evidence or testimony.

House Bill No. 1263 - Petition to seal criminal records - This bill allows for individuals to appeal the denial of a petition to seal a criminal record from a district court judge.

House Bill No. 1328 - Juvenile court referrals - This bill requires a school to exhaust all school discipline policies and procedures before referring a child to juvenile court.

House Bill No. 1347 - Supervised treatment programs - This bill clarifies responsibilities for district court supervised treatment programs.

House Bill No. 1417 - Court fines and fees - This bill provides for a Legislative Management study of court fines and fees.

Senate Bill No. 2029 - Office of Guardianship and Conservatorship - This bill establishes the Office of Guardianship and Conservatorship and provides for the transfer of guardianship and conservatorship related funding and FTE positions from the Supreme court to the newly created office.

Senate Bill No. 2036 - Due process rights - This bill codifies due process rights, provides a method for juvenile competency remediation, and allows the court to deflect cases based on prior judicial findings of a lack of fitness to proceed.

Senate Bill No. 2037 - Sex offenses - This bill amends the statutory provisions relating to age-based sex offenses, sexual offender registration, child offender registration, domestic violence laws, and criminal responsibility for juvenile offenders.

Senate Bill No. 2056 - Right to appeal - This bill allows for an arrested person to waive the right to appear before a district court judge prior to being transferred to the custody of the applicable tribal authority.

Senate Bill No. 2057 - Filing fees - This bill increases the restitution collection assistance, civil filing, and Supreme Court filing fees.

Commission on Legal Counsel for Indigents
Budget No. 188
Senate Bill Nos. 2022 and 2226

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	43.00	\$25,568,310	\$2,049,216	\$27,617,526
2025-27 base budget	41.00	20,999,305	2,023,067	23,022,372
Legislative increase (decrease) to base budget	2.00	\$4,569,005	\$26,149	\$4,595,154

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$25,568,310	\$0	\$25,568,310
2023-25 legislative appropriations	20,999,305	0	20,999,305
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$4,569,005	\$0	\$4,569,005
Percentage increase (decrease) to 2023-25 appropriations	21.8%	N/A	21.8%

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		\$377,323	\$10,765	\$388,088
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		252,222	6,005	258,227
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$137,781 for new positions and \$260,728 for vacant positions		391,375	7,134	398,509
Added FTE investigator positions	2.00	362,120		362,120
Transferred \$362,120 for 2 new FTE positions from the commission on legal counsel for indigents line item to the new and vacant FTE pool line item and reduced the amount to \$325,908 resulting in the savings as shown		(36,212)		(36,212)
Transferred \$326,928 for estimated savings from vacant FTE positions from the commission on legal counsel for indigents		(95,438)	(2,641)	(98,079)

line item to the new and vacant FTE pool line item and reduced the amount to \$228,849, resulting in savings as shown

Added funding to implement a new compensation strategy and to increase the contract rate paid to attorneys	2,500,000			2,500,000
Added funding for information technology rate increases	43,971	4,886		48,857
Added funding to replace special funds not anticipated to be collected as a result of the removal of the indigent defense application fee in House Bill No. 1417	310,000			310,000
Added funding to provide legal counsel services for incarcerated individuals at initial appearances (Senate Bill No. 2226)	463,644			463,644
Total	<u>2.00</u>	<u>\$4,569,005</u>	<u>\$26,149</u>	<u>\$4,595,154</u>

FTE Changes

The Legislative Assembly approved 43 FTE positions for the Commission on Legal Counsel for Indigents for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium. The Legislative Assembly added 2 FTE investigator positions.

Other Sections in Senate Bill No. 2022

New and vacant FTE pool - Section 2 provides language regarding the use of funding in the new and vacant FTE pool line item.

Employee classification - Section 3 adds a new subsection to North Dakota Century Code Section 54-44.3-20 to exempt attorneys employed by the Commission on Legal Counsel for Indigents from the employee classification system.

Legislative Management study - Section 4 provides for a Legislative Management study of the potential impact of establishing the Public Defenders Office as an administrative agency under the authority of the Commission on Legal Counsel for Indigents.

Related Legislation

House Bill No. 1417 - Indigent defense application fee - This bill eliminates fees for the reimbursement of indigent defense costs and expenses and provides for a Legislative Management study of court fines and fees.

Senate Bill No. 2226 - Incarcerated individuals initial appearances - This bill appropriates \$463,644 from the general fund to the Commission on Legal Counsel for Indigents to provide legal counsel services for incarcerated individuals at initial appearances.

Retirement and Investment Office
Budget No. 190
House Bill No. 1022

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	35.00	\$0	\$16,547,594	\$16,547,594
2025-27 base budget	34.00	0	11,483,504	11,483,504
Legislative increase (decrease) to base budget	1.00	\$0	\$5,064,090	\$5,064,090

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			\$471,836	\$471,836
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			204,180	204,180
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$1,547,947 for new positions and \$238,129 for vacant positions			1,786,076	1,786,076
Added 1 FTE internal auditor position, including \$233,228 for salaries and wages and \$16,650 for operating expenses	1.00		249,878	249,878
Transferred \$233,228 for 1 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$209,905 resulting in the savings as shown			(23,323)	(23,323)
Transferred \$372,230 for estimated savings 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 \$260,561 resulting in the savings as shown			(111,669)	(111,669)
Added funding for salaries and wages, including \$1,236,914 for FTE positions partially funded for the 2023-25 biennium, \$118,302 for cost to continue 2023-25 salary increases, and \$24,000 for internship funding			1,379,216	1,379,216
Transferred \$70,450 from the operating expense line item to the salaries and wages line item for base payroll adjustments			0	0

Added funding for operating expenses, including \$61,562 for information technology rate increases, \$751,334 for software hosting fees, \$20,000 for investment conference hosting expenses, and \$25,000 for a retirement education initiative			857,896	857,896
Added one-time funding for information technology consulting to evaluate replacement options for new accounting software			250,000	250,000
Total	<u>1.00</u>	<u>\$0</u>	<u>\$5,064,090</u>	<u>\$5,064,090</u>

FTE Changes

The Legislative Assembly approved 35 FTE positions for the Retirement and Investment Office for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium authorized level of 34 FTE positions. The Legislative Assembly added 1 FTE internal auditor position.

One-Time Funding

The following is a summary of one-time funding items for the Retirement and Investment Office for the 2025-27 biennium:

	General Fund	Other Funds	Total
Information technology consulting	\$0	\$250,000	\$250,000
Total	\$0	\$250,000	\$250,000

Other Sections in House Bill No. 1022

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

Related Legislation

House Bill No. 1319 (2025) - Legacy fund disclosure website - Requires the State Investment Board to maintain a website with information regarding legacy fund investments.

**Public Employees Retirement System
Budget No. 192
House Bill No. 1023**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	42.50	\$0	\$14,054,162	\$14,054,162
2025-27 base budget	40.50	0	10,898,654	10,898,654
Legislative increase (decrease) to base budget	2.00	\$0	\$3,155,508	\$3,155,508

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:				
Reduced funding for base payroll changes (\$22,226) and added funding for the cost to continue salary increases (\$152,826)			\$130,600	\$130,600
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			359,837	359,837
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			252,222	252,222
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$980,870 for new positions and \$220,377 for vacant positions			1,201,247	1,201,247
Added funding for 1 FTE accountant position (\$239,016) and 1 FTE benefit enrollment position (\$203,646), of which \$442,662 is for salaries and wages and \$7,500 is for operating expenses	2.00		450,162	450,162
Transferred \$442,662 for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$398,396 resulting in the savings as shown			(44,266)	(44,266)
Transferred \$299,316 for estimated savings 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 \$209,521 resulting in the savings as shown			(89,795)	(89,795)
Added funding for temporary salaries for an office intern position and board member compensation			45,000	45,000
Added funding for the cost to continue information technology increases			298,906	298,906

Added funding for increased rent costs to provide a total of \$211,692 from special funds			12,000	12,000
Added one-time funding for information technology contractual services to automate the PERSLink business system			539,595	539,595
Total	<u>2.00</u>	<u>\$0</u>	<u>\$3,155,508</u>	<u>\$3,155,508</u>

FTE Changes

The Legislative Assembly approved 42.50 FTE positions for the Public Employees Retirement System (PERS) for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level. The Legislative Assembly added 1 FTE accountant position and 1 FTE benefit enrollment position.

One-Time Funding

The Legislative Assembly appropriated \$539,595 of one-time funding from special funds for information technology contractual services to automate the PERSLink business system.

Other Sections in House Bill No. 1023

New and vacant FTE pool - Section 3 provides PERS may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.

Related Legislation

House Bill No. 1015 - Retirement incentive pool - This bill includes a \$1 million general fund appropriation to the Office of Management and Budget for providing payments to state employees who elected to transfer from the PERS main system defined benefit (DB) retirement plan to the new defined contribution (DC). In House Bill No. 1040 (2023), the Legislative Assembly provided state employees with no more than 5 years of experience who are enrolled in the main system DB retirement plan and elect to transfer to the new DC plan between January 1, 2025, through March 31, 2025, are eligible for a \$3,333 additional annual contribution in January 2026, January 2027, and January 2028.

There were 144 state employees that elected to transfer to the new DC plan. The \$1 million appropriation in House Bill No. 1015 is for providing the first two annual incentive payments to the employees who elected the transfer.

House Bill No. 1113 - Deferred compensation plan administrative costs - This bill requires PERS 457 deferred compensation plan participants to pay for administrative costs of the plan and authorizes PERS a continuing appropriation for contribution payments. Currently, the fees are paid through continuing appropriation by using Federal Insurance Contributions Act savings and participant contributions from other PERS plans or insurance reserves.

House Bill No. 1114 - Cost of covered insulin drugs - This bill establishes a \$25 per month out-of-pocket limit on the cost of covered insulin or diabetic drugs and supplies, resulting in a shift in the cost of the benefit from participants to the health insurance plan. The estimated fiscal impact of the bill is \$833,955 and the estimated monthly premium increase as a result of increased benefits under the health insurance plan is \$2.07 for the 2025 27 biennium. The cost of the bill will be paid from the health insurance reserve fund for the 2025-27 biennium.

House Bill No. 1146 - Main system retirement plans - This bill authorizes political subdivisions that are not participating in the PERS main system DB retirement plan to join the new DC retirement plan and clarifies that only state agencies that receive budgetary approval from the Legislative Assembly are required to pay for the actuarially determined employer contribution (ADEC) rate and the incentive payment for state employees to transfer from the DB plan to the new DC plan. The bill allows the Legislative Assembly to transfer funding to the PERS fund that is equal to or greater than the ADEC amount most recently published by the PERS Board, rather than appropriating funding to each state agency to contribute the ADEC amount to PERS.

House Bill No. 1216 - Prescription drug maximum - This bill limits the maximum amount a participant of a health insurance plan can be charged for prescription drugs, resulting in a shift in the cost of the benefit from participants to the state health insurance plan. The estimated fiscal impact of the bill is \$4,458,088 and the estimated monthly premium increase as a result of increased benefits under the health insurance plan is \$11.05 for the 2025 27 biennium. The cost of the bill will be paid from the health insurance reserve fund for the 2025-27 biennium.

House Bill No. 1234 - Main system DB retirement plan unfunded liability - This bill transfers \$25 million from the strategic investment and improvements fund to the PERS fund to reduce the unfunded liability of the PERS main system DB retirement plan. A section of legislative intent is provided that the \$65 million of oil and gas tax revenues projected to be deposited in the PERS fund during the 2025 27 biennium pursuant to North Dakota Century Code Section 57-51.1-07.5 is for reducing the unfunded liability of the PERS main system DB retirement plan.

House Bill No. 1274 - Public safety retirement plan eligibility - This bill expands the eligibility in the PERS public safety DB retirement plan to include correctional officers employed by state agencies and participating political subdivisions.

House Bill No. 1419 - Public safety retirement plan eligibility - This bill expands eligibility in the PERS public safety DB retirement plan to include State Radio dispatchers in state public safety DB retirement plan and allows political subdivisions to offer the public safety DB retirement plan to dispatchers and emergency personnel.

House Bill No. 1602 - Political subdivision participation in new DC retirement plan - This bill allows political subdivisions currently participating in the new DC retirement plan to withdraw from the plan at no cost to the political subdivision.

Senate Bill No. 2120 - Highway Patrol Troopers retirement plan unfunded liability - This bill transfers \$15 million from the strategic investment and improvements fund to the Highway Patrol Troopers' DB retirement plan to reduce the unfunded liability of the plan and increase the funded ratio of the plan.

Senate Bill No. 2160 - Nongrandfathered health insurance plan - This bill required PERS to offer state employees and non-Medicare retirees a nongrandfathered health insurance plan under the federal Patient Protection and Affordable Care Act of 2010 rather than the current grandfathered health insurance plan, beginning January 1, 2027. Political subdivisions would continue to be offered the grandfathered health insurance plan. **Governor Armstrong vetoed this bill, resulting in PERS continuing to offer the current grandfathered health insurance plan to all plan participants.**

**Ethics Commission
Budget No. 195
Senate Bill No. 2004**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	3.00	\$1,368,016	\$0	\$1,368,016
2025-27 base budget	3.00	1,041,374	0	1,041,374
Legislative increase (decrease) to base budget	0.00	\$326,642	\$0	\$326,642

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$1,315,668	\$52,348	\$1,368,016
2023-25 legislative appropriations	1,041,374	98,825	1,140,199
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$274,294	(\$46,477)	\$227,817
Percentage increase (decrease) to 2023-25 appropriations	26.3%	(47.0%)	20.0%

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		\$35,168	\$0	\$35,168
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		18,016	0	18,016
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$60,798 for new positions and \$11,109 for vacant positions		71,907	0	71,907
Transferred \$14,193 for estimated savings from vacant FTE positions from the Ethics Commission line item to the new and vacant FTE pool line item and reduced the amount to \$9,935 resulting in the savings as shown		(4,258)	0	(4,258)
Increased funding for internship salaries (\$28,484), overtime pay (\$4,778), and commissioner salaries (\$10,141)		43,403	0	43,403
Added salary workload increase funding		24,434	0	24,434

Added funding for information technology rate increases (\$8,713) and software and subscriptions (\$19,151)	27,864	0	27,864
Increased funding for professional fees to provide a total of \$120,000	50,000	0	50,000
Increased funding for travel costs	7,760	0	7,760
Added one-time funding for a case management system	50,000	0	50,000
Added one-time funding for office furniture	2,348	0	2,348
Total	0.00	\$326,642	\$0

FTE Changes

The Legislative Assembly approved 3 FTE positions for the Ethics Commission for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund
Case management system	\$50,000
Office furniture	2,348
Total	\$52,348

Other Sections in Senate Bill No. 2004

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.

Ethics Commission procedures, affirmative defense, immunity, and definitions - Sections 4 through 16 create and amend various sections relating to immunity, affirmative defense, the informal resolution process, and other provisions relating to the Ethics Commission, including references to an accused individual. The Governor vetoed Section 5 of the bill which would have provided members of the Legislative Assembly immunity from criminal prosecution resulting from a vote if a member properly disclosed a conflict of interest.

Annual report - Section 17 provides for the Ethics Commission to produce an annual report.

Related Legislation

There is no major related legislation affecting this agency.

**Center for Distance Education
Budget No. 204
House Bill No. 1013**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	31.00	\$8,259,116	\$6,624,000	\$14,883,116
2025-27 base budget	30.80	7,063,483	4,550,000	11,613,483
Legislative increase (decrease) to base budget	0.20	\$1,195,633	\$2,074,000	\$3,269,633

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$8,183,866	\$75,250	\$8,259,116
2023-25 legislative appropriations	7,063,483	0	7,063,483
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,120,383	\$75,250	\$1,195,633
Percentage increase (decrease) to 2023-25 appropriations	15.9%	N/A	16.9%

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		\$268,445	(\$1)	\$268,444
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		175,347		175,347
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$321,000 for new positions and \$164,655 for vacant positions		485,655		485,655
Added a 0.20 FTE information technology (IT) position to increase a current 0.80 FTE position to full-time	0.20	50,410		50,410
Transferred \$50,410 for a 0.20 new FTE position from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$45,369 resulting in the savings as shown		(5,041)		(5,041)
Transferred \$225,410 for estimated savings from vacant FTE positions from the salaries and wages line item to the new and vacant		(67,623)		(67,623)

FTE pool line item and reduced the amount to \$157,787 resulting in the savings as shown.

Added funding from special funds derived from tuition for market equity salary increases		100,000		100,000
Increased funding from special funds derived from tuition for temporary and other salaries to provide more adjunct hours and for hybrid teaching overload		1,622,900		1,622,900
Increased funding from special funds derived from tuition for operating expenses related to fees, travel, IT equipment, and supplies		319,038		319,038
Increased funding, including from special funds derived from tuition, for IT rate increases	21,190	7,063		28,253
Added funding for a virtual military pathway program and a homeschool tuition program	192,000			192,000
Added one-time funding from special funds derived from tuition for IT equipment		25,000		25,000
Added one-time funding for professional fees related to a student information system upgrade	75,250			75,250
Total	0.20	\$1,195,633	\$2,074,000	\$3,269,633

FTE Changes

The Legislative Assembly approved 31 FTE positions for the Center for Distance Education (CDE) for the 2025-27 biennium, an increase of a 0.20 FTE position from the 2023-25 biennium authorized level of 30.80 FTE positions. The Legislative Assembly added a 0.20 FTE IT position to increase a current 0.80 FTE position to full-time.

One-Time Funding

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

	General Fund	Other Funds	Total
IT equipment		\$25,000	\$25,000
Student information system upgrade	\$75,250		75,250
Total	\$75,250	\$25,000	\$100,250

Other Sections in House Bill No. 1013

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

Related Legislation

- House Bill No. 1105 - Virtual instruction** - This bill relates to virtual learning and school district policy regarding access and payment for virtual instruction.
- House Bill No. 1269 - State procurement of technology and educational content** - This bill removes a requirement that CDE use Office of Management and Budget for procurement of technology and educational content to deliver K-12 education and related services virtually.
- House Bill No. 1404 - Military pathways** - Allows students to use military pathways courses to qualify for the North Dakota scholarship.

Department of Trust Lands
Budget No. 226
Senate Bill No. 2013

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	34.00	\$0	\$11,960,015	\$11,960,015
2025-27 base budget	33.00	0	9,869,025	9,869,025
Legislative increase (decrease) to base budget	1.00	\$0	\$2,090,990	\$2,090,990

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			\$350,818	\$350,818
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			198,173	198,173
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$739,732 for new positions and \$230,225 for vacant positions			969,957	969,957
Added 1 FTE unclaimed property FTE position	1.00		242,900	242,900
Transferred \$242,900 for 1 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$218,610 resulting in the savings as shown			(24,290)	(24,290)
Transferred \$287,348 for estimated savings 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 \$201,144 resulting in the savings as shown			(86,204)	(86,204)
Added funding for salaries and wages related to equity increases and employee retention			550,000	550,000
Transferred \$53,998 from the operating expenses line item to the salaries and wages line item for cost to continue 2023-25 biennium salary increases			0	0
Added funding for information technology rate increases			66,810	66,810
Decreased funding for operating expenses related to budgetary savings			(177,174)	(177,174)
Total	1.00	\$0	\$2,090,990	\$2,090,990

FTE Changes

The Legislative Assembly approved 34 FTE positions for the Department of Trust Lands for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium authorized level of 33 FTE positions. The Legislative Assembly added 1 FTE unclaimed property position.

Distributions to State Institutions

Section 3 of Senate Bill No. 2013 identifies distributions to state institutions for the 2025-27 biennium pursuant to Article IX of the Constitution of North Dakota. The schedule below provides a comparison of the distributions for the 2023-25 and 2025-27 bienniums.

	2023-25 Biennium	2025-27 Biennium	Increase (Decrease)
Common schools	\$499,860,000	\$584,677,350	\$84,817,350
North Dakota State University	7,648,000	8,770,000	1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
Youth Correctional Center	2,662,000	3,136,000	474,000
School for the Deaf	2,198,000	2,388,000	190,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
State Hospital	1,835,700	1,976,284	140,584
Veterans' Home	893,700	994,284	100,584
Valley City State University	1,354,000	1,566,000	212,000
North Dakota Vision Services - School for the Blind	1,679,700	1,936,284	256,584
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$528,301,900	\$617,283,338	\$88,981,438

Other Sections in Senate Bill No. 2013

New and vacant FTE pool line item - Section 2 provides guidelines regarding the use of funding in the new and vacant FTE pool line item.

Revenue diversification and development collaboration - Section 4 directs the Commissioner of University and School Lands and the Commissioner of Commerce to collaborate to identify revenue diversification and development opportunities on trust lands.

Related Legislation

Senate Bill No. 2302 - Critical minerals and rare earth elements - Clarifies the authority for the Board of University and School Lands to lease trust lands for the extraction of critical minerals and rare earth elements.

State Library
Budget No. 250
House Bill No. 1013

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	26.75	\$7,692,794	\$2,804,212	\$10,497,006
2025-27 base budget	26.75	6,682,484	2,499,073	9,181,557
Legislative increase (decrease) to base budget	0.00	\$1,010,310	\$305,139	\$1,315,449

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$7,692,794	\$0	\$7,692,794
2023-25 legislative appropriations	6,682,484	333,000	7,015,484
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,010,310	(\$333,000)	\$677,310
Percentage increase (decrease) to 2023-25 appropriations	15.1%	(100.0%)	9.7%

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:				
Adjusted funding for base payroll changes		\$54,119	\$9,086	\$63,205
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		142,834	25,990	168,824
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		144,163	18,021	162,184
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		93,855	17,697	111,552
Transferred \$153,645 for estimated savings 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 \$107,552 resulting in the savings as shown		(39,474)	(6,619)	(46,093)
Added funding for targeted salary increase		128,000		128,000
Added funding for salaries related to retirement payouts		20,000		20,000

Increased base budget funding for operating expenses			138,535	138,535
Adjusted base budget funding sources for operating expenses	(74,119)		74,119	0
Added funding for the information technology rate increases	76,543		28,310	104,853
Added funding for rent increase	14,389			14,389
Added funding for operating expenses related to an interlibrary loan bridge	450,000			450,000
Total	<u>0.00</u>	<u>\$1,010,310</u>	<u>\$305,139</u>	<u>\$1,315,449</u>

FTE Changes

The Legislative Assembly approved 26.75 FTE positions for the State Library for the 2025-27 biennium, the same as the 2023-25 biennium.

Other Sections in House Bill No. 1013

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

Exemption - Unexpended library building improvements appropriation - Section 18 allows the State Library to continue \$150,000 appropriated from the general fund for the 2023-25 biennium for library building improvements to the 2025-27 biennium.

State aid to public libraries - Section 20 provides that of the \$1,737,582 provided for aid to public libraries, no more than one-half may be spent during the 1st year of the biennium.

Related Legislation

House Bill No. 1254 - Library materials - This bill requires the State Librarian to make library materials available to North Dakota citizens.

House Bill No. 1420 - Library Coordinating Council - This bill clarifies that the Library Coordinating Council approves the distribution of state funded grants to libraries, except for the state aid to public libraries grant.

Senate Bill No. 2219 - Annual report - This bill requires the State Librarian to disburse surplus library materials to libraries throughout the state and requires public libraries to complete and submit an annual report, required under North Dakota Century Code Section 54-24.2-06, related to detailing the expenditures of state aid funds and all other funds to be eligible for state aid.

**School for the Deaf
Budget No. 252
House Bill No. 1013**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	46.86	\$9,731,555	\$3,171,743	\$12,903,298
2025-27 base budget	45.36	8,336,306	2,811,557	11,147,863
Legislative increase (decrease) to base budget	1.50	\$1,395,249	\$360,186	\$1,755,435

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$9,731,555	\$0	\$9,731,555
2023-25 legislative appropriations	8,336,306	90,085	8,426,391
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,395,249	(\$90,085)	\$1,305,164
Percentage increase (decrease) to 2023-25 appropriations	16.7%	(100.0%)	15.5%

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:				
Adjusted funding for base payroll changes		\$266,392	(\$337,071)	(\$70,679)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		219,989	8,176	228,165
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		301,397	28,883	330,280
Added funding for teacher salary increases		223,535		223,535
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$115,294 for new positions and \$213,543 for vacant positions		313,978	14,859	328,837
Added a 0.75 FTE paraprofessional position for the preschool program	0.75	118,474		118,474
Added a 0.75 FTE dormitory counselor position for the preschool program	0.75	106,116		106,116

Transferred \$224,590 for 1.50 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$202,131 resulting in the savings as shown	(22,459)		(22,459)
Transferred \$304,913 for estimated savings 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 \$213,440 resulting in the savings as shown	(84,746)	(6,727)	(91,473)
Increased funding for base budget operating expenses and adjusted funding sources from the general fund and federal funds to special funds available from trust fund distributions, rents, and service revenue	(266,392)	359,571	93,179
Increased funding, including special funds available from trust fund distributions, rents, and service revenue, for operating expenses related to information technology rate increases	26,085	8,695	34,780
Increased funding for various operating expenses	122,880		122,880
Added funding for online courses	70,000		70,000
Added one-time funding from special funds available from trust fund distributions, rents, and service revenue for capital assets for equipment replacement		45,000	45,000
Added one-time funding from special funds available from trust fund distributions, rents, and service revenue for capital assets for campus security upgrades		238,800	238,800
Total	<u>1.50</u>	<u>\$1,395,249</u>	<u>\$360,186</u>

FTE Changes

The Legislative Assembly approved 46.86 FTE positions for the School for the Deaf for the 2025-27 biennium, an increase of a 1.50 FTE positions from the 2023-25 biennium authorized level of 45.36 FTE positions. The Legislative Assembly added 0.75 FTE paraprofessional and 0.75 FTE dormitory counselor positions for the preschool program.

One-Time Funding

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

	Total Special Funds
Equipment replacement	\$45,000
Campus security upgrades	238,800
Total	\$283,800

Extraordinary Repairs and Capital Assets

The Legislative Assembly provided a total of \$442,478 from special funds available from trust fund distributions, rents, and service revenue for extraordinary repairs and capital assets as follows:

	Total Special Funds
One-time funding:	
Equipment greater than \$5,000	\$45,000
Campus security upgrades	238,800
Total one-time funding	\$283,800
Base budget extraordinary repairs	158,678
Total extraordinary repairs and capital assets	\$442,478

Other Sections in House Bill No. 1013

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

Exemption - Unexpended boiler replacement and fire alarm and control appropriations - Section 19 allows the School for the Deaf to continue \$800,000 appropriated from special funds available from trust fund distributions, rents, and service revenue for the 2023-25 biennium for boiler replacement and fire alarm and controls to the 2025-27 biennium.

Related Legislation

There is no major related legislation affecting this agency.

North Dakota Vision Services - School for the Blind
Budget No. 253
House Bill No. 1013

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	28.75	\$5,844,645	\$1,740,944	\$7,585,589
2025-27 base budget	27.75	5,240,991	1,206,705	6,447,696
Legislative increase (decrease) to base budget	1.00	\$603,654	\$534,239	\$1,137,893

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$5,844,645	\$0	\$5,844,645
2023-25 legislative appropriations	5,240,991	0	5,240,991
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$603,654	\$0	\$603,654
Percentage increase (decrease) to 2023-25 appropriations	11.5%	N/A	11.5%

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:				
Adjusted funding for base payroll changes		\$5,708	(\$158,112)	(\$152,404)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		109,158	5,388	114,546
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		156,157	6,006	162,163
Added funding for teacher salary increases		108,950		108,950
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		124,322	7,765	132,087
Added 1 FTE assistive technology position in the 2 nd year of the biennium	1.00	152,723		152,723
Transferred \$152,723 for 1 new FTE position from the salaries and wages line item to the new and vacant FTE pool line item		(15,272)		(15,272)

and reduced the amount to \$137,451 resulting in the savings as shown

Transferred \$174,264 for estimated savings from vacant FTE positions from the salaries and wages line to the new and vacant FTE pool line item and reduced the amount to \$121,985 resulting in the savings as shown	(50,740)	(1,539)	(52,279)
Increased funding from special funds available from trust fund distributions, rents, and service revenue for temporary salaries		50,000	50,000
Increased funding for base budget operating expenses and adjusted funding sources to provide additional funding from special funds available from trust fund distributions, rents, and service revenue	(5,708)	197,304	191,596
Increased funding, including from special funds available from trust fund distributions, rents, and service revenue, for operating expenses related to information technology rate increases	18,356	6,119	24,475
Added funding from special funds available from trust fund distributions, rents, and service revenue for operating expenses for information technology costs related to a database		20,000	20,000
Increased funding from special funds available from trust fund distributions, rents, and service revenue for operating expenses related to programming, utilities, outreach, maintenance, and advertising		142,500	142,500
Removed base funding from special funds available from trust fund distributions, rents, and service revenue for capital assets for extraordinary repairs		(39,192)	(39,192)
Added one-time funding from special funds available from trust fund distributions, rents, and service revenue for operating expenses related to equipment less than \$5,000		28,000	28,000
Added one-time funding from special funds available from trust fund distributions, rents, and service revenue for capital assets to replace a door		10,000	10,000
Added one-time funding special funds available from trust fund distributions, rents, and service revenue for capital assets to remodel breakroom areas		55,000	55,000
Added one-time funding from special funds available from trust fund distributions, rents, and service revenue for capital assets to replace a lawn/snow tractor		55,000	55,000

Added one-time funding from special funds available from trust fund distributions, rents, and service revenue for capital assets to replace the south parking lot	150,000	150,000
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Total	<u>1.00</u>	<u>\$603,654</u>	<u>\$534,239</u>	<u>\$1,137,893</u>
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FTE Changes

The Legislative Assembly approved 28.75 FTE positions for the North Dakota Vision Services - School for the Blind for the 2025-27 biennium, an increase of 1.00 FTE position from the 2023 25 biennium authorized level of 27.75 FTE positions. The Legislative Assembly added 1.00 FTE assistive technology position in the 2nd year of the biennium.

One-Time Funding

The following is a summary of one-time funding items for the North Dakota Vision Services - School for the Blind for the 2025-27 biennium:

	Total Special Funds
Equipment less than \$5,000	\$28,000
Door replacement	10,000
Breakroom remodel	55,000
Tractor replacement	55,000
South parking lot replacement	150,000
Total	\$298,000

Extraordinary Repairs and Capital Assets

The Legislative Assembly provided a total of \$270,000 from special funds available from trust fund distributions, rents, contributions, service revenue, and grants for extraordinary repairs and capital assets, including:

	Total Special Funds
One-time funding:	
Door replacement	\$10,000
Breakroom remodel	55,000
Tractor replacement	55,000
South parking lot replacement	150,000
Total one-time funding for extraordinary repairs and equipment	\$270,000
Base budget extraordinary repairs	0
Total extraordinary repairs and capital assets	\$270,000

Other Sections in House Bill No. 1013

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

Related Legislation

There is no major related legislation affecting this agency.

Department of Career and Technical Education
 Budget No. 270
 Senate Bill Nos. 2019 and 2018

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	23.50	\$62,077,324	\$18,678,009	\$80,755,333
2025-27 base budget	23.50	51,315,277	14,500,485	65,815,762
Legislative increase (decrease) to base budget	0.00	\$10,762,047	\$4,177,524	\$14,939,571

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$61,777,324	\$300,000	\$62,077,324
2023-25 legislative appropriations	51,315,277	2,000,000	53,315,277
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$10,462,047	(\$1,700,000)	\$8,762,047
Percentage increase (decrease) to 2023-25 appropriations	20.4%	(85.0%)	16.4%

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:				
Adjusted funding for base payroll changes		\$7	(\$828)	(\$821)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		198,576	14,927	213,503
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		134,611	9,516	144,127
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$394,874 for new positions and \$148,852 for vacant positions		524,832	18,894	543,726
Transferred (\$180,290) for estimated savings 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 \$126,203 resulting in the savings as shown		(50,343)	(3,744)	(54,087)
Added funding for operating expenses, primarily related to professional services and fees, travel, information technology costs, and office equipment		10,502	388,759	399,261

Added federal funding for grants to schools and area career and technical centers for career and technical education programs to provide a total of \$14,007,349 from federal funds		2,500,000	2,500,000
Added funding for the cost to continue career and technical education reimbursement rates at schools (27 percent) and area career and technical centers (40 percent)	4,000,000		4,000,000
Added funding for new and expanding secondary career and technical education programs	6,000,000		6,000,000
Added funding for grants to schools for work-based learning coordinators to provide a total of \$2 million from the general fund	500,000		500,000
Added funding for the Marketplace for Kids program to provide a total of \$400,000 from the general fund	100,000		100,000
Removed funding for the adult farm management program, eliminating the program in the Department of Career and Technical Education. Senate Bill No. 2274 (2025) included statutory changes necessary to transfer the program to the Agriculture Commissioner and a \$1.9 million appropriation from the general fund to the Agriculture Commissioner for a farm management program.	(1,706,138)		(1,706,138)
Added funding for workforce training grants to provide a total of \$3.25 million from the general fund	750,000		750,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for virtual reality career exploration hardware and software		1,000,000	1,000,000
Added one-time funding for rent, moving, and office equipment expenses	300,000		300,000
Added one-time funding from SIIF for autonomous technology grants (Senate Bill No. 2018)		250,000	250,000
Total	<u>0.00</u>	<u>\$10,762,047</u>	<u>\$4,177,524</u>
			<u>\$14,939,571</u>

FTE Changes

The Legislative Assembly approved 23.50 FTE positions for the Department of Career and Technical Education for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

The Legislative Assembly appropriated \$1.55 million of one-time funding to the Department of Career and Technical Education for the 2025-27 biennium, as follows:

	General Fund	SIIF	Total
Virtual reality career exploration hardware and software		\$1,000,000	\$1,000,000
Rent, moving, and office equipment expenses	\$300,000		300,000
Autonomous technology grants (Senate Bill No. 2018)		250,000	250,000
Total	\$300,000	\$1,250,000	\$1,550,000

Secondary Funding

During the November 2016 general election, Constitutional Measure No. 2 was approved by North Dakota voters, amending Section 24 of Article X of the Constitution of North Dakota to allow the Legislative Assembly to use any excess principal balance of the foundation aid stabilization fund for education-related purposes whenever the balance exceeds 15 percent of the general fund appropriation for state aid to school districts for the most recently completed biennium.

The 2017 Legislative Assembly, in Senate Bill No. 2272 and House Bill No. 1155, amended North Dakota Century Code Section 54-44.1-12 to provide any reductions to the general fund appropriations to the Department of Career and Technical Education for grants to school districts due to an allotment are also to be offset by funding from the foundation aid stabilization fund. Senate Bill No. 2272 also created a new section to Chapter 54-27 indicating that state school aid includes general fund appropriations for state school aid, transportation aid, and special education aid in the Department of Public Instruction as well as general fund appropriations for career and technical education grants to school districts and area centers in the Department of Career and Technical Education.

The 2023 Legislative Assembly provided a \$41,537,780 general fund appropriation for career and technical education grants to school districts and area centers for the 2023-25 biennium. Of this amount, \$6,230,667, or 15 percent must be included when calculating the required reserve in the foundation aid stabilization fund during the 2025-27 biennium.

The 2025 Legislative Assembly provided a \$52,037,780 general fund appropriation for career and technical education grants to school districts and area centers for the 2025-27 biennium. Of this amount, \$7,805,667, or 15 percent, must be included when calculating the required reserve in the foundation aid stabilization fund during the 2027-29 biennium.

Other Sections in Senate Bill No. 2019

New and vacant FTE pool - Section 3 provides the Department of Career and Technical Education may not spend funds appropriated in the new and vacant FTE pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.

Virtual reality career exploration - Section 4 identifies \$1 million of one-time funding appropriated from SIIF in Section 1 for virtual reality career exploration hardware and software.

Exemption - Career academies - Section 5 provides the Department of Career and Technical Education an exemption to continue any unspent funding appropriated from the federal Coronavirus Capital Projects Fund for career academies during the 2021-23 and 2023-25 bienniums into the 2025-27 biennium.

Emergency - Section 6 provides the \$300,000 of one-time funding appropriated from the general fund for rent, moving, and office equipment expenses in Section 1 is declared an emergency measure.

Related Legislation

House Bill No. 1188 - Career and technical education fees - This bill amends requirements for area career and technical centers boards to assess fees to school districts for participation in career and technical education programs.

Senate Bill No. 2018 - Autonomous technology grants - Section 6 of this bill includes a \$250,000 one-time appropriation from SIIF to the Department of Career and Technical Education for providing autonomous technology grants to a workforce training center serving the Northwest area of the state for workforce training and to address workforce shortages in the state. Autonomous technology includes uncrewed aircraft systems, autonomous vehicles, or other autonomous systems, processes, or technologies. The department may require \$1 of matching funds from nonstate sources for every \$4 provided by the state. A workforce training center may use grant funding for education or training curriculum expenses related to autonomous technology, autonomous technology operations, contracting for

services related to autonomous technology, or other eligible uses as determined by the department. The department is required to provide at least one report to the Legislative Management during the 2025-26 interim regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

Senate Bill No. 2274 - Farm management program - This bill provides statutory authority for the Agriculture Commissioner to administer the farm management program currently administered by the Department of Career and Technical Education and appropriates \$1,900,000 of ongoing funding from the general fund to the Agriculture Commissioner for the program. The Legislative Assembly removed the entire \$1,706,138 appropriation from the general fund in the Department of Career and Technical Education base budget for the program in Senate Bill No. 2019.

Department of Environmental Quality
Budget No. 303
Senate Bill Nos. 2024 and 2267; House Bill No. 1577

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	175.00	\$18,975,236	\$122,839,637	\$141,814,873
2025-27 base budget	173.00	16,350,783	76,074,697	92,425,480
Legislative increase (decrease) to base budget	2.00	\$2,624,453	\$46,764,940	\$49,389,393

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$18,875,736	\$99,500	\$18,975,236
2023-25 legislative appropriations	16,350,783	187,800	16,538,583
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,524,953	(\$88,300)	\$2,436,653
Percentage increase (decrease) to 2023-25 appropriations	15.4%	(47.0%)	14.7%

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:				
Adjusted funding for base payroll changes		(\$6,473)	\$676,352	\$669,879
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		509,588	1,072,043	1,581,631
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		332,285	712,694	1,044,979
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$1,772,248 for new positions and \$1,971,296 for vacant positions		947,910	2,795,634	3,743,544
Added funding from special funds from fees for 1 FTE chemist position (\$237,902) and related operating expenses (\$115,500) to establish a program to test water for emerging contaminants	1.00		353,402	353,402
Added funding from special funds from inspection fees for 1 FTE chemist position for a state fuel inspection program	1.00		237,900	237,900

Transferred \$475,802 for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$428,222 resulting in the savings as shown		(47,580)	(47,580)
Transferred \$2,660,925 for estimated savings 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 \$1,862,648 resulting in the savings as shown	(256,604)	(541,673)	(798,277)
Added funding from special funds from inspection fees for temporary salaries (\$100,100) and operating expenses (\$99,300) for the state fuel inspection program		199,400	199,400
Adjusted funding for base budget changes to operating expenses	(508,475)	1,652,430	1,143,955
Increased funding for operating expenses related to information technology (IT) rate increases	26,244	168,158	194,402
Increased funding for operating expenses and grants for cost to continue IT and rent	767,204	715,512	1,482,716
Increased funding for ongoing operating expenses related to the new chemistry laboratory, including rent, supplies, and IT	718,074		718,074
Increased funding from special funds from fees for operating expenses related to the water and wastewater operator certification program to expand test availability		100,500	100,500
Increased funding from the petroleum tank release compensation fund for operating expenses related to a new database		260,000	260,000
Adjusted funding for base budget changes to capital assets	(4,800)	1,124,900	1,120,100
Adjusted funding for base budget changes to grants		22,146,882	22,146,882
Added one-time funding from the strategic investment and improvements fund (SIIF) for operating expenses related to moving the chemistry laboratory		1,500,000	1,500,000
Added one-time funding from the SIIF for operating expenses related to the new chemistry laboratory, including office and IT equipment, maintenance, wireless connectivity, and security		700,186	700,186
Added one-time funding from special funds from fees for operating expenses related to the water and wastewater operator certification program to expand test availability		5,000	5,000

Added one-time funding from special funds from fees for operating expenses (\$3,200) and capital assets (\$940,000) for computers and laboratory equipment to establish a program to test water for emerging contaminants			943,200	943,200
Added one-time funding from the petroleum tank release compensation fund for operating expense for a new database			700,000	700,000
Added one-time funding from SIIF for capital assets related to the new chemistry laboratory			1,375,000	1,375,000
Added one-time funding from special funds from inspection fees for equipment related to a state fuel inspection program			215,000	215,000
Added one-time funding from a Bank of North Dakota line of credit for wastewater infrastructure grants (House Bill No. 1577)			9,700,000	9,700,000
Added one-time funding for salaries and wages (\$71,050) and operating expenses (\$28,450) to implement onsite wastewater treatment system regulation (Senate Bill No. 2267)		99,500		99,500
Total	2.00	\$2,624,453	\$46,764,940	\$49,389,393

FTE Changes

The Legislative Assembly approved 175 FTE positions for the Department of Environmental Quality (DEQ) for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 173 FTE positions. The Legislative Assembly added 2 FTE chemist positions to establish a state fuel inspection program and an emerging contaminants water testing program.

One-Time Funding

The following is a summary of one-time funding items for DEQ, included in Senate Bill Nos. 2024 and 2267 and House Bill No. 1577, for the 2025-27 biennium:

	General Fund	Other Funds	Total
Move to the new chemistry laboratory		\$1,500,000	\$1,500,000
New chemistry laboratory capital assets		1,375,000	1,375,000
New chemistry laboratory operating expenses		700,186	700,186
Emerging contaminants program equipment		943,200	943,200
Petroleum tank database		700,000	700,000
State fuel inspection program capital assets		215,000	215,000
Water and wastewater operator certification program		5,000	5,000
Wastewater infrastructure grants (HB 1577)		9,700,000	9,700,000
Implementation of onsite wastewater treatment system regulation (SB 2267)	\$99,500	0	99,500
Total	\$99,500	\$15,138,386	\$15,237,886

Other Sections in Senate Bill No. 2024

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

Environment and rangeland protection fund - Section 4 authorizes the Department to spend \$250,000 from the environment and rangeland protection fund for ground water testing programs. Of this amount, \$50,000 is for a grant to the North Dakota Stockmen's Association for the environmental services program.

Petroleum release compensation fund - Section 5 authorizes the department to spend \$1,827,025 from the petroleum tank release compensation fund for expenses related to the petroleum tank release program.

Strategic investment and improvements fund - Section 6 authorizes the department to spend \$3,575,186 from SIIF for expenses related to moving into the new chemistry laboratory and for chemistry laboratory operating expenses and equipment purchases.

State fuel inspection program - Section 7 amends North Dakota Century Code Section 23.1-13-16 to provide for the deposit of fuel inspection fees into the DEQ operating fund instead of the general fund and to provide the funds must be used, subject to legislative appropriation, for the state fuel inspection program.

Related Legislation

House Bill No. 1058 - Regulation of aboveground storage tanks - This bill provides for DEQ regulation of aboveground storage tanks, including fees for permits and licensing. A fiscal note prepared by DEQ indicates the fiscal impact would be approximately \$15,000 from other funds related to travel.

House Bill No. 1577 - Wastewater infrastructure grants - This bill establishes a wastewater infrastructure grant program for political subdivisions, which prioritizes projects that have experienced a reduction in previously approved federal funds or federal assistance related to wastewater infrastructure projects and are prepared to begin the wastewater infrastructure project upon receipt of the grants. The bill also provides one-time funding of \$9.7 million from a Bank of North Dakota line of credit to DEQ for certain wastewater infrastructure grants.

Senate Bill No. 2110 - Water system operator certificate examinations - This bill allows water distribution and wastewater system operator certificate examinations to be given by a third-party testing service and would allow the fees for the examinations to be set in North Dakota Administrative Code. A fiscal note prepared by DEQ indicates revenue and expenses would both increase approximately \$72,000 for the cost of the third-party testing service and revenue related to the additional fees collected to cover the third-party testing service cost.

Senate Bill No. 2267 - Onsite wastewater treatment system regulation - This bill creates a new chapter that authorizes DEQ to adopt rules regarding the licensing, permitting, and inspections of onsite wastewater treatment systems. The bill also provides one-time funding of \$99,500 from the general fund to DEQ to implement onsite wastewater treatment system regulation. The department will license installers and deposit the revenue in its operating fund and future costs related to regulation will be funded by special funds from license fees.

**Veterans' Home
Budget No. 313
Senate Bill No. 2007**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	114.79	\$6,713,108	\$24,939,682	\$31,652,790
2025-27 base budget	114.79	6,218,399	20,833,167	27,051,566
Legislative increase (decrease) to base budget	0.00	\$494,709	\$4,106,515	\$4,601,224

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$6,713,108	\$0	\$6,713,108
2023-25 legislative appropriations	6,218,399	0	6,218,399
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$494,709	\$0	\$494,709
Percentage increase (decrease) to 2023-25 appropriations	8.0%	0.0%	8.0%

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:				
Adjusted funding for base payroll changes			(\$37,529)	(\$37,529)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$169,156	462,492	631,648
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		193,370	557,290	750,660
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		229,015	663,198	892,213
Transferred \$1,218,463 for estimated savings 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 \$852,924 resulting in the savings as shown		(96,832)	(268,707)	(365,539)
Added funding from the soldiers' home fund for salaries and wages, including \$750,000 for nursing salary equity increases, \$200,000 for nursing overtime, and \$15,000 to			965,000	965,000

convert an FTE licensed practical nurse (LPN) position to an FTE registered nurse (RN) position

Added funding from the soldiers' home fund for increased contract nursing costs	275,000	275,000
Reduced funding from the soldiers' home fund for temporary salaries (\$125,000), overtime (\$13,108), shift differential pay (29,544), and operating expenses, including travel (\$48,000) and information technology equipment (\$30,000)	(245,652)	(245,652)
Added funding from the soldiers' home fund for operating expenses, including state fire and tornado insurance premium increases (\$15,100), utilities (\$65,000), repairs (\$43,229), resident food expenses (\$200,000), resident medical expenses (\$277,284), and marketing and advertising (\$50,000)	650,613	650,613
Added funding from the soldiers' home fund for information technology rate increases, software, and services	213,305	213,305
Added funding from the soldiers' home fund for equipment replacement and upgrades, including a water heater (\$40,000), medication carts (\$40,000), dishwashing machines (\$30,000), temperature sensor readers (\$35,000), card access (\$80,000), a skid steer (\$36,000), and other equipment (\$18,500)	279,500	279,500
Adjusted funding from the soldiers' home fund for bond and interest payments	4,955	4,955
Added one-time funding from the soldiers' home fund for building maintenance, including door openers replacement (\$80,000), interior repainting (\$50,000), and carpet replacement (\$260,000)	390,000	390,000
Added one-time funding from the Melvin Norgard memorial fund for resident garages and storage units	175,000	175,000
Added one-time funding from the soldiers' home fund for equipment, including a commercial floor cleaning machine (\$5,600) and equipment under \$5,000	22,050	22,050
Total	<u>0.00</u>	<u>\$494,709</u>
	<u>\$4,106,515</u>	<u>\$4,601,224</u>

FTE Changes

The Legislative Assembly approved 114.79 FTE positions for the Veterans' Home for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
Building maintenance, including door openers replacement (\$80,000), interior repainting (\$50,000), and carpet replacement (\$260,000) ¹		\$390,000	\$390,000
Resident garages and storage units ²		175,000	175,000
Equipment, including a commercial floor cleaning machine (\$5,600) and equipment under (\$5,000) ¹		22,050	22,050
Total	\$0	\$587,050	\$587,050

¹Funding for these items is from the soldiers' home fund.

²Funding for the resident garages and storage units is from the Melvin Norgard memorial fund.

Other Sections in Senate Bill No. 2007

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

Meals provided to Veterans' Home employees - Section 4 creates and enacts a new section to Chapter 37-15 to allow the Veterans' Home to provide meals to employees in the event of a disruption of operations.

Line item transfer - Section 5 authorizes the Veterans' Home to transfer up to \$600,000 from special funds from the salaries and wages line item to the operating expenses line item during the 2023-25 biennium.

Legislative Management study - Veterans' Home facilities - Section 6 provides for a Legislative Management study of the usage of the Veterans' Home facilities.

Emergency - Section 7 declares the \$175,000 appropriated from the Melvin Norgard fund in Section 1 for resident garages and storage units and the line item transfer in Section 5 to be an emergency measure.

Related Legislation

Senate Bill No. 2025 - Veteran's Home supervision and governance - Adds sections to transfer supervision and governance of the Veterans' Home from the Administrative Committee on Veterans' Affairs to the Governor.

Office of Guardianship and Conservatorship
Budget No. 315
Senate Bill Nos. 2002 and 2029; House Bill No. 1012

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	4.00	\$4,821,178	\$0	\$4,821,178
2025-27 base budget	0.00	0	0	0
Legislative increase (decrease) to base budget	4.00	\$4,821,178	\$0	\$4,821,178

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$4,821,178	\$0	\$4,821,178
2023-25 legislative appropriations	0	0	0
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$4,821,178	\$0	\$4,821,178
Percentage increase (decrease) to 2023-25 appropriations	N/A	N/A	N/A

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 new FTE positions and related funding for a newly created Office of Guardianship and Conservatorship (Senate Bill No. 2029)	4.00	\$1,200,000		\$1,200,000
Added funding for salaries, wages, and operations for an attorney position to be transferred from the Supreme Court to the Office of Guardianship and Conservatorship on July 1, 2025 (Senate Bill No. 2002)		355,000		355,000
Added funding for guardianship services (House Bill No. 1012)		3,266,178		3,266,178
Total	4.00	\$4,821,178	\$0	4,821,178

FTE Changes

The Legislative Assembly, in Section 7 of Senate Bill No. 2029, approved 4.00 FTE positions for the newly created Office of Guardianship and Conservatorship for the 2025-27 biennium. The Legislative Assembly, in Section 8 of Senate Bill No. 2029, provided for the transfer of 2.00 additional FTE positions from the Supreme Court to the Office of Guardianship and Conservatorship during the 2025-27 biennium.

Other Sections in Senate Bill No. 2029

Office of Guardianship and Conservatorship - Sections 1 through 6 establish the Office of Guardianship and Conservatorship.

Appropriation - Section 7 authorizes 4 new FTE positions and appropriates \$1.2 million from the general fund to the Office of Guardianship and Conservatorship.

Transfer - Supreme Court attorney - Section 8 provides for the transfer of an attorney position from the Supreme Court to the Office of Guardianship and Conservatorship, effective July 1, 2025. This section also provides for the transfer of the remaining Supreme Court guardianship monitoring FTE position to the Office of Guardianship and Conservatorship by April 1, 2026.

Transfer - Judicial branch - Section 9 provides for the transfer of any unspent appropriation authority authorized for the office of guardianship and conservatorship line item in Senate Bill No. 2002 from the judicial branch to the Office of Guardianship and Conservatorship, effective April 1, 2026.

Transfer - Department of Health and Human Services - Section 10 provides for the transfer of any unspent appropriation authority for guardianship-related services and grants in House Bill No. 1012 from the Department of Health and Human Services to the Office of Guardianship and Conservatorship, effective April 1, 2026.

Transfer - Office of Management and Budget - Section 11 allows for the transfer of any unspent appropriation authority from the guardianship grants line item in House Bill No. 1015 from the Office of Management and Budget to the Office of Guardianship and Conservatorship, effective April 1, 2026.

Attorney General - Emergency Commission - Section 12 allows the Attorney General to submit a request to the Emergency Commission to request authorization and related funding, if necessary, for 1 FTE position for the Bureau of Criminal Investigation related to guardianship and conservatorship case investigations.

Related Legislation

House Bill No. 1012 - Guardianship services and grants - This bill appropriates \$3,266,178 from the general fund to the Office of Guardianship and Conservatorship for guardianship services and grants. An additional \$3,266,177 is appropriated to the Department of Health and Human Services for guardianship services and grants. Any unspent funding for guardianship services and grants appropriated to the Department of Health and Human Services is to be transferred to the Office of Guardianship and Conservatorship on April 1, 2026.

Senate Bill No. 2002 - Attorney position - This bill appropriates \$355,000 from the general fund to the Office of Guardianship and Conservatorship for salaries, wages, and operations for an attorney position to be transferred from the Supreme Court to the Office of Guardianship and Conservatorship on July 1, 2025, pursuant to Section 8 of Senate Bill No. 2029.

Senate Bill No. 2291 - Persons with disabilities - This bill amends law relating to guardians for children and persons with disabilities.

Indian Affairs Commission
Budget No. 316
Senate Bill No. 2005

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	4.00	\$1,288,351	\$0	\$1,288,351
2025-27 base budget	4.00	1,216,621	0	1,216,621
Legislative increase (decrease) to base budget	0.00	\$71,730	\$0	\$71,730

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$1,288,351	\$0	\$1,288,351
2023-25 legislative appropriations	1,216,621	0	1,216,621
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$71,730	\$0	\$71,730
Percentage increase (decrease) to 2023-25 appropriations	5.9%	0.0%	5.9%

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		\$35,358		\$35,358
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		24,021		24,021
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		12,519		12,519
Transferred \$14,945 for estimated savings 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 \$10,462 resulting in the savings as shown		(4,483)		(4,483)
Added funding for information technology rate increases		4,315		4,315
Transferred \$7,913 of appropriation authority from the salaries and wages line item to the operating expenses line item		0		0
Total	0.00	\$71,730	\$0	\$71,730

FTE Changes

The Legislative Assembly approved 4 FTE positions for the Indian Affairs Commission for the 2025-27 biennium, the same as the 2023-25 biennium.

Other Sections in Senate Bill No. 2005

New and vacant FTE pool - Section 2 provides for the use of funding in the new and vacant FTE pool line item.

Related Legislation

House Bill No. 1535 - Feather Alert notice system - Creates a Feather Alert notice system to utilize the emergency alert system to broadcast descriptions and assist in locating missing indigenous individuals. The Indian Affairs Commission will serve as the primary liaison between tribal, state, and federal agencies regarding the Feather Alert notice system and assist with public education, outreach, and advocacy efforts.

Department of Veterans' Affairs
Budget No. 321
Senate Bill Nos. 2025 and 2265

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	10.00	\$3,499,804	\$5,008,162	\$8,507,966
2025-27 base budget	9.00	1,916,604	1,449,214	3,365,818
Legislative increase (decrease) to base budget	1.00	\$1,583,200	\$3,558,948	\$5,142,148

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$2,499,804	\$1,000,000	\$3,499,804
2023-25 legislative appropriations	1,916,604	19,066	1,935,670
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$583,200	\$980,934	\$1,564,134
Percentage increase (decrease) to 2023-25 appropriations	30.4%	5,144.9%	80.8%

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:				
Adjusted federal funding for base payroll changes for the state approving agency			\$51,826	\$51,826
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$71,636	11,382	83,018
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		53,047	7,006	60,053
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$99,966 for new positions and \$23,441 for vacant positions		120,383	3,024	123,407
Added funding for an FTE veterans benefit specialist position, including \$6,270 for operating expenses	1.00	176,498		176,498
Transferred \$170,228 for 1 new FTE position from the veterans' affairs line item to the new and vacant FTE pool line item and reduced the amount to \$153,205 resulting in the savings as shown		(17,023)		(17,023)

Transferred \$71,002 for estimated savings from vacant FTE positions from the veterans' affairs line item and the state approving agency line item to the new and vacant FTE pool line item and reduced the amount to \$49,702 resulting in the savings as shown	(18,463)	(2,837)	(21,300)
Added funding for veterans' service officer salary equity increases	50,000		50,000
Added funding for operating expenses	84,000		84,000
Added funding for information technology rate increases	8,922	3,426	12,348
Added funding for posttraumatic stress disorder service dog program	50,000		50,000
Added federal funding for the highly rural transportation grant program		193,621	193,621
Added funding for the nonhighly rural transportation van replacement program	4,200		4,200
Added one-time funding , of which \$265,000 is from federal funds and \$26,500 is from the Melvin Norgard memorial fund, for the Veterans' Home cemetery grant program for repairing and maintaining the cemetery located on the Veterans' Home campus		291,500	291,500
Added one-time funding for homeless veterans' services to prevent and eliminate veteran homelessness	500,000		500,000
Added one-time funding as a transfer to the veterans' postwar trust fund for the benefit of veterans	500,000		500,000
Added one-time funding from a line of credit from the Bank of North Dakota for a Veterans' National Cemetery grant (Senate Bill No. 2265)		3,000,000	3,000,000
Total	1.00	\$1,583,200	\$3,558,948
			\$5,142,148

FTE Changes

The Legislative Assembly approved 10 FTE positions for the Department of Veterans' Affairs for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium level of 9 FTE positions. The Legislative Assembly added 1 FTE veterans benefit specialist position.

One-Time Funding

The Legislative Assembly appropriated \$4,291,500 of one-time funding to the Department of Veterans' Affairs for the 2025-27 biennium, as follows:

	General Fund	Other Funds	Total Funds
Homeless veterans' services	\$500,000		\$500,000
Veterans' Home cemetery grant program ¹		\$291,500	291,500
Veterans' National Cemetery grant (Senate Bill No. 2265) ²		3,000,000	3,000,000

Transfer to veterans' postwar trust fund	500,000		500,000
Total	\$1,000,000	\$3,291,500	\$4,291,500
¹ Funding for the Veterans' Home Cemetery grant program is from federal funds (\$265,000) and the Melvin Norgard memorial fund (\$26,500).			
² Funding for the Veterans' National Cemetery grant is from a Bank of North Dakota line of credit.			

Other Sections in Senate Bill No. 2025

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

Highly rural transportation grants program - 2023-25 biennium appropriation - Section 4 provides for a 2023-25 biennium federal funds appropriation of \$200,000 for the highly rural transportation grants program.

Transfer to veterans' postwar trust fund - Section 5 requires the Office of Management and Budget to transfer \$500,000 from the general fund to the veterans' postwar trust fund.

Administrative Committee on Veterans' Affairs governance authority - Sections 6 through 12 transfer governance authority for the Department of Veterans' Affairs and the Veterans' Home from the Administrative Committee on Veterans' Affairs to the Governor.

Exemption - Federal State Fiscal Recovery Fund - Subsections 1, 2, 4, and 5 of Section 13 authorizes the continuation of unspent State Fiscal Recovery Fund appropriation authority into the 2025-27 biennium for the Fisher House (\$1 million), the document scanning project (\$100,836), and to improve and expand veterans' medical transportation (\$147,000).

Exemption - Accrued leave - Subsection 3 of Section 13 authorizes the continuation of \$19,066 of unspent general fund appropriation authority into the 2025-27 biennium for the payout of accrued leave.

Emergency - Section 14 provides that Section 4, relating to the 2023-25 biennium appropriation for the highly rural transportation grants program, is declared to be an emergency measure.

Service Dogs

The 2025 Legislative Assembly appropriated \$50,000 from the general fund for the posttraumatic stress disorder service dog program, the same as provided for the 2021-23 biennium. The 2023 Legislative Assembly did not provide an appropriation for this program for the 2023-25 biennium due to the availability of prior biennium appropriations. The funding is for the purpose of training up to four service dogs to assist North Dakota veterans with posttraumatic stress disorder. Funding provided for training each service dog is \$12,500, or approximately 50 percent of the total cost of training.

Nonhighly Rural Transport Vans

The 2025 Legislative Assembly appropriated \$23,000 from the general fund for the purchase of one nonhighly rural transport van to transport veterans to medical appointments at the veterans hospital in Fargo during the 2025-27 biennium, an increase of \$4,200 from the 2023-25 biennium appropriation of \$18,800.

Highly Rural Transportation Grant Program

The highly rural transportation grant program is a federal grant program that provides funding to the Department of Veterans' Affairs to purchase transport vans and to provide transportation to medical appointments for veterans of highly rural counties. The primary purpose of using the vans must be for medical reasons, although vans are generally allowed to transport veterans to other locations, such as grocery stores or other locations, as long as the additional stop is reasonable and does not require an unreasonable amount of time. The department pays for all maintenance, gas, insurance, and other costs associated with the transport vans using federal funds.

The 2025 Legislative Assembly appropriated \$1,319,706 of federal funds to the Department of Veterans' Affairs for the highly rural transportation grant program for the 2025-27 biennium. The 2025 Legislative Assembly authorized a 2023-25 biennium federal funds appropriation of \$200,000 for the highly rural transportation grants program to provide a total appropriation of \$1,326,085 for the 2023-25 biennium. Through April 2025, the department spent \$1,149,086 of the \$1,326,085 appropriation for the 2023-25 biennium. During the 2021-23 biennium, the department spent \$1,050,020 of the \$1,220,000 authorized for the biennium.

Related Legislation

House Bill No. 1135 - Veterans' aid fund loan limit - This bill increases the loan limit under the veterans' aid fund from \$5,000 to \$8,000.

House Bill No. 1293 - Burial medallion program - This bill creates a program to provide a medallion for a National Guard or National Guard Reserve Member, not buried in the Veterans' Cemetery, who does not qualify for another medallion from the state or federal Department of Veterans Affairs.

House Bill No. 1504 - Veterans' postwar trust fund - This bill allows veterans organizations to donate funds to the veterans' postwar trust fund for homeless veterans' services to prevent and eliminate veteran homelessness.

Senate Bill No. 2265 - Veterans' National Cemetery line of credit - This bill authorizes a line of credit of \$3 million to provide a grant to a nonprofit organization for costs associated with the construction of a welcome center, parking lot, and related infrastructure at a Veterans' National Cemetery in the state.

**Protection and Advocacy Project
Budget No. 360
House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	29.50	\$3,822,953	\$4,747,288	\$8,570,241
2025-27 base budget	28.50	3,431,853	4,359,417	7,791,270
Legislative increase (decrease) to base budget	1.00	\$391,100	\$387,871	\$778,971

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$3,803,665	\$19,288	\$3,822,953
2023-25 legislative appropriations	3,431,853	0	3,431,853
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$371,812	\$19,288	\$391,100
Percentage increase (decrease) to 2023-25 appropriations	10.8%	N/A	11.4%

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		\$118,965	\$127,366	\$246,331
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		85,936	94,222	180,158
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		72,725	93,591	166,316
Added 1 FTE workforce technology services position, including \$118,940 from the general fund and \$118,940 from federal funds	1.00	118,940	118,940	237,880
Transferred \$237,880 for 1 new FTE position from the Protection and Advocacy operations line item to the new and vacant FTE pool line item and reduced the amount to \$214,092 resulting in the savings as shown		(11,894)	(11,894)	(23,788)

Transferred \$211,169 for estimated savings from vacant FTE positions from the Protection and Advocacy operations line item to the new and vacant FTE pool line item and reduced the amount to \$147,819 resulting in the savings as shown	(30,521)	(32,829)	(63,350)
Added funding for information technology rate increases	17,661	22,477	40,138
Decreased federal funding for operational savings		(24,002)	(24,002)
Added one-time funding from the general fund for accrued leave payouts	19,288		19,288
Total	<u>1.00</u>	<u>\$391,100</u>	<u>\$387,871</u>

FTE Changes

The Legislative Assembly approved 29.5 FTE positions for the Protection and Advocacy Project for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium authorized level of 28.5 FTE positions. The Legislative Assembly added 1 FTE workforce technology services position.

One-Time Funding

The following is a summary of one-time funding items for the Protection and Advocacy Project for the 2025-27 biennium:

	General Fund	Other Funds	Total
Accrued leave payments	\$19,288	\$0	\$19,288
Total	\$19,288	\$0	\$19,288

Other Sections in House Bill No. 1014

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.

Related Legislation

There is no major related legislation affecting this agency.

**Job Service North Dakota
Budget No. 380
Senate Bill No. 2016**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	159.61	\$10,650,393	\$68,469,524	\$79,119,917
2025-27 base budget	158.61	6,733,919	69,268,250	76,002,169
Legislative increase (decrease) to base budget	1.00	\$3,916,474	(\$798,726)	\$3,117,748

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$8,550,393	\$2,100,000	\$10,650,393
2023-25 legislative appropriations	6,733,919	0	6,733,919
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,816,474	\$2,100,000	\$3,916,474
Percentage increase (decrease) to 2023-25 appropriations	27.0%	N/A	58.2%

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		\$132,055	\$1,054,663	\$1,186,718
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		105,719	831,105	936,824
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$439,818 for new positions and \$1,608,835 for vacant positions		460,937	1,587,716	2,048,653
Added funding for 1 FTE H2A foreign agricultural workers program position, including \$47,200 for operating expenses	1.00	233,672		233,672
Transferred \$186,472 for 1 new FTE position from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$167,825 resulting in the savings as shown		(18,647)		(18,647)

Transferred \$2,066,233 for estimated savings 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 \$1,446,364 resulting in the savings as shown	(69,172)	(550,697)	(619,869)
Adjusted funding for operating expenses, including operating fees, repairs, and information technology (IT) services, of which \$2,917,152 is reduced from federal funds and \$2,386 is added from special funds		(2,914,766)	(2,914,766)
Transferred \$659,489 from the operating expenses line item to the salaries and wages line item	0	0	0
Added funding for IT rate increases, including \$1,052,602 from federal funds and \$3,651 from special funds	734,910	1,056,253	1,791,163
Added funding for increased mainframe leasing (\$235,500) and hosting (\$238,500) costs, including funding from federal funds	237,000	237,000	474,000
Added one-time funding from the general fund to replace salaries and wages funding from federal funds	2,100,000	(2,100,000)	0
Total	<u>1.00</u>	<u>\$3,916,474</u>	<u>(\$798,726)</u>
			<u>\$3,117,748</u>

FTE Changes

The Legislative Assembly approved 159.61 FTE positions for Job Service North Dakota for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium level of 158.61 FTE positions. The Legislative Assembly added 1 FTE position for the H2A foreign agriculture workers program.

One-Time Funding

In Section 2 of Senate Bill No. 2016, the Legislative Assembly identified \$2.1 million from the general fund to replace salaries and wages funding from federal funds.

Other Sections in Senate Bill No. 2016

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

Federal funds appropriation - Section 4 provides all federal funds received by Job Service North Dakota in excess of the funds appropriated in Section 1 are appropriated for the 2025-27 biennium.

Unemployment insurance computer modernization project - Reed Act funds - Section 5 identifies \$10,915,000 of other funds appropriated in Section 1 from federal Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 is for developing a modernized unemployment insurance computer system.

Exemption - Unemployment insurance computer modernization project - Federal State Fiscal Recovery Fund - Section 6 provides the agency an exemption to continue \$45 million of one-time funding appropriated from the State Fiscal Recovery Fund during the 2023-25 biennium for the unemployment insurance modernization project, into the 2025-27 biennium.

Related Legislation

There is no major related legislation affecting this agency.

**Industrial Commission
Budget No. 405
Senate Bill Nos. 2014 and 2256**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	9.75	\$400,000	\$147,287,428	\$147,687,428
2025-27 base budget	9.75	0	122,237,102	122,237,102
Legislative increase (decrease) to base budget	0.00	\$400,000	\$25,050,326	\$25,450,326

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$400,000	\$0	\$400,000
2023-25 legislative appropriations	0	5,052,443 ¹	5,052,443
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$400,000	(\$5,052,443)	(\$4,652,443)
Percentage increase (decrease) to 2023-25 appropriations	N/A	(100.0%)	(92.1%)

¹This amount includes a deficiency appropriation of \$627,587 from the general fund in Senate Bill No. 2014 for a hydrogen energy research project.

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			\$71,132	\$71,132
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			45,039	45,039
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$490,562 for new positions and \$30,381 for vacant positions			520,943	520,943
Transferred \$29,109 for estimated savings 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 \$20,376 resulting in the savings as shown			(8,733)	(8,733)

Added funding for salary equity increases for the Industrial Commission Executive Director (\$125,000) and the Public Finance Agency Executive Director (\$50,000)		175,000	175,000
Transferred \$81,422 from the salaries and wages line item to the operating expenses line item related to base budget adjustments		0	0
Added funding for operating expenses, including \$369 for information technology rate adjustments, \$15,200 for professional development and travel, \$275,000 for grant management software fees, \$50,000 for inflationary increases, and \$400,000 for a North Dakota Transmission Authority director contract	\$400,000	340,569	740,569
Decreased funding for bond payments to provide total funding of \$117,118,200		(2,761,713)	(2,761,713)
Added one-time funding for an electricity grid resiliency grant, including \$1,782,794 from the strategic investment and improvements fund (SIIF) and \$11,885,295 from federal funds		13,668,089	13,668,089
Added one-time funding from SIIF for lignite litigation, the same as the 2023-25 biennium		3,000,000	3,000,000
Added one-time funding from SIIF for a research technology park grant program in Senate Bill No. 2256		10,000,000	10,000,000
Total	0.00	\$400,000	\$25,050,326

FTE Changes

The Legislative Assembly approved 9.75 FTE positions for the Industrial Commission for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
Electricity grid resiliency federal grant, including \$1,782,794 from SIIF and \$11,885,295 from federal funds		\$13,668,089	\$13,668,089
Lignite litigation from SIIF		3,000,000	3,000,000
Research technology grant program from SIIF (SB 2256)		10,000,000	10,000,000
Total	\$0	\$26,668,089	\$26,668,089

Deficiency Appropriation

Section 5 of Senate Bill No. 2014 includes a deficiency appropriation of \$627,587 from the general fund for an outstanding invoice related to a hydrogen energy research project.

Bond Payments

Section 4 of Senate Bill No. 2014 provides legislative intent for bond payments during the 2025-27 biennium. The schedule below provides a comparison of the bond payments for the 2023-25 and 2025-27 biennium, which include funds received from agencies for lease payments on outstanding bonded indebtedness.

	2023-25 Biennium	2025-27 Biennium	Increase (Decrease)
Infrastructure project and program bonds - Legacy sinking and interest fund	\$102,620,461	\$102,622,743	\$2,282
Higher education institutions	15,021,771	14,083,250	(938,521)
North Dakota University System energy conservation projects	207,649		(207,649)
Department of Corrections and Rehabilitation - State Penitentiary	143,375		(143,375)
Office of Management and Budget	283,875		(283,875)
Attorney General's office	330,000		(330,000)
State Historical Society	592,375		(592,375)
Parks and Recreation Department	30,950		(30,950)
Agriculture Research and Extension Service	242,205		(242,205)
Veterans' Home	407,252	412,207	4,955
Total	\$119,879,913	\$117,118,200	(\$2,761,713)

Lignite Research Funding

Lignite research grants - Section 13 of Senate Bill No. 2014 designates \$4.5 million from the lignite research fund for lignite marketing studies, advanced energy technology, or possible lignite-related litigation and requires the Industrial Commission to provide a report.

Please refer to the **TRUST FUND ANALYSES** section of this report for an analysis of the lignite research fund.

Other Sections in Senate Bill No. 2014

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.

Administration funding - Section 8 allows the Industrial Commission to transfer up to \$2,260,660 from special funds from the entities and funds under the control of the Industrial Commission for administrative services and provides an exemption allowing unspent prior biennium appropriation authority for administrative costs to be available in the 2025-27 biennium.

Enhanced oil recovery grant program - Section 12 transfers \$4 million from the State Energy Research Center fund and \$21 million from SIIF to the oil and gas research fund for an enhanced oil recovery grant program.

Strategic investment and improvements fund - Section 14 identifies funding from SIIF for matching federal funds for an electric grid resiliency grant (\$1,782,794) and lignite litigation (\$3,000,000).

Salt cavern underground energy storage research project - Section 27 amends 2023 Session Laws decreasing the amount of funding from SIIF for a salt cavern underground energy storage research project from \$6 million to \$2 million and allows the funding to be used for a business case analysis rather than construction of salt caverns.

Clean sustainable energy fund - Section 28 repeals Section 3 of Senate Bill No. 2188 to remove a transfer of \$50 million from SIIF to the clean sustainable energy fund.

Unspent biennium appropriation authority exemption - Section 29 provides exemptions allowing unspent prior biennium appropriation authority to continue into the 2025-27 biennium for grant management software, records digitization, and a federal electric grid resiliency grant.

Related Legislation

House Bill No. 1592 - Lignite Research Council - This bill clarifies the membership of the Lignite Research Council and requires the council to meet at least twice per year.

Senate Bill No. 2143 - State Energy Research Center fund - This bill continues the State Energy Research Center fund and the allocation of up to \$7.5 million of oil and gas tax revenues to the fund each biennium through June 30, 2033.

Senate Bill No. 2188 - Clean Sustainable Energy Authority - This bill adds the Director of the Department of Water Resources to the membership of the Clean Sustainable Energy Authority and extends the authority's access to a \$390 million line of credit through June 30, 2029.

Senate Bill No. 2256 - Research technology park grant program - This bill creates a research technology grant program and appropriates \$10 million from SIIF to the Industrial Commission for a grant to the North Dakota State University Research and Technology Park with a requirement for the North Dakota State University Research and Technology Park to provide \$5 million of matching funds.

Department of Labor and Human Rights
Budget No. 406
House Bill No. 1007

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	13.00	\$3,110,514	\$548,423	\$3,658,937
2025-27 base budget	13.00	2,654,336	511,925	3,166,261
Legislative increase (decrease) to base budget	0.00	\$456,178	\$36,498	\$492,676

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$3,110,514	\$0	\$3,110,514
2023-25 legislative appropriations	2,654,336	50,000	2,704,336
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$456,178	(\$50,000)	\$406,178
Percentage increase (decrease) to 2023-25 appropriations	17.2%	(100.0%)	15.0%

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:				
Adjusted funding for base payroll changes		(\$101,347)	(\$10,689)	(\$112,036)
Added funding for cost to continue 2023-25 biennium salary increases		34,046	7,129	41,175
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		102,039	12,101	114,140
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		68,881	9,188	78,069
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		65,389	13,776	79,165
Transferred \$96,614 for estimated savings 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 \$67,629 resulting in the savings as shown		(25,849)	(3,136)	(28,985)

Added funding for an unfunded FTE compliance investigator position	232,104			232,104
Added funding for temporary salaries (\$80,080) and travel (\$8,964), including funding from federal funds	80,915	8,129		89,044
Total	<u>0.00</u>	<u>\$456,178</u>	<u>\$36,498</u>	<u>\$492,676</u>

FTE Changes

The Legislative Assembly approved 13 FTE positions for the Department of Labor and Human Rights for the 2025-27 biennium, the same as the 2023-25 biennium. The Legislative Assembly added funding for a vacant FTE compliance investigator II position that was unfunded for the 2021-23 and 2023-25 bienniums.

Other Sections in House Bill No. 1007

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

Related Legislation

There is no major related legislation affecting this agency.

Aeronautics Commission
Budget No. 412
Senate Bill No. 2006

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	7.00	\$475,000	\$125,628,048	\$126,103,048
2025-27 base budget	7.00	475,000	31,699,878	32,174,878
Legislative increase (decrease) to base budget	0.00	\$0	\$93,928,170	\$93,928,170

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$475,000	\$0	\$475,000
2023-25 legislative appropriations	475,000	0	475,000
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$0	\$0	\$0
Percentage increase (decrease) to 2023-25 appropriations	0.0%	N/A	0.0%

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			\$70,936	\$70,936
Added funding for cost to continue 2023-25 biennium salary increases			20,864	20,864
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			42,037	42,037
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions			24,489	24,489
Transferred \$29,279 for estimated savings 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 \$20,495 resulting in the savings as shown			(8,784)	(8,784)
Added funding for information technology rate increases			3,628	3,628

Added funding from the Aeronautics Commission fund for airport infrastructure grants			3,775,000	3,775,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for generational airport infrastructure projects in Fargo (\$45 million), Grand Forks (\$20 million), and Dickinson (\$25 million)			90,000,000	90,000,000
Total	0.00	\$0	\$93,928,170	\$93,928,170

FTE Changes

The Legislative Assembly approved 7 FTE positions for the Aeronautics Commission for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2006, the Legislative Assembly identified \$90 million of one-time funding from SIIF for generational airport projects.

Other Sections in Senate Bill No. 2006

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

Exemption - Airport infrastructure fund - Section 4 provides that any unexpended funds from the airport infrastructure fund are not subject to the provisions of North Dakota Century Code Section 54-44.1-11 and any unexpended funds may be expended during the 2027-29 biennium to provide grants to airports.

SIIF - Generational airport projects - Section 5 identifies \$90 million from SIIF for airport grants during the 2025-27 biennium, provides any unexpended funds during the 2025-27 biennium may be continued into the 2027-29 biennium, and provides legislative intent that any federal grant funds applied for but not received for the generational airport projects not be replaced with state funds and that \$45 million of the funding be used for the Fargo commercial terminal expansion project, \$20 million be used for the Grand Forks primary runway reconstruction project, and \$25 million be used for the Dickinson terminal construction project.

Dickinson airport project debt repayments - Section 6 requires the City of Dickinson to use funding allocated from the hub city debt relief funding pool under Section 57-51-15 for debt repayments related to debt incurred for the Dickinson terminal construction project.

Exemption - International Peace Garden airport pavement rehabilitation - Section 7 provides an exemption to continue any unexpended 2023-25 biennium funds for the International Peace Garden airport pavement rehabilitation project into the 2025-27 biennium.

Related Legislation

There is no major related legislation affecting this agency.

Department of Financial Institutions
Budget No. 413
Senate Bill Nos. 2008 and 2028

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	0.00	\$0	\$0	\$0
2025-27 base budget	35.00	0	10,349,756	10,349,756
Legislative increase (decrease) to base budget	(35.00)	\$0	(\$10,349,756)	(\$10,349,756)

CONTINUING APPROPRIATION AUTHORITY APPROVED BY LEGISLATIVE ASSEMBLY

Senate Bill No. 2028 provides a continuing appropriation to the department through the 2027-29 biennium, removing it from the appropriations process. The bill requires the State Banking Board and State Credit Union Board to approve the budget for the department and requires the department to report to the Appropriations Committees during each legislative session. Since the department does not need a specific appropriation, Senate Bill No. 2008 was not passed by the Senate.

Securities Department
Budget No. 414
House Bill No. 1011

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	0.00	\$0	\$0	\$0
2025-27 base budget	10.00	0	3,169,193	3,169,193
Legislative increase (decrease) to base budget	(10.00)	\$0	(\$3,169,193)	(\$3,169,193)

MERGER OF SECURITIES DEPARTMENT INTO INSURANCE DEPARTMENT

Senate Bill No. 2214 (2025) transfers the duties of the Securities Department into the Insurance Department. The position of the Securities Commissioner, previously appointed by the Governor and confirmed by the Senate for a 4-year term, is now a position in the Insurance Department. Responsibilities previously held by the Securities Commissioner are transferred to the Insurance Commissioner, including the employment of necessary staff for administration. A total of \$3,388,330 of special funds authority and 10 FTE positions were added to the Insurance Department budget in House Bill No. 1010 (2025) to account for the merger. House Bill No. 1010 also included a section to increase securities registration fees. The fee changes are estimated to increase general fund revenues by \$3,888,320 for the 2025-27 biennium. House Bill No. 1011 (2025), which was the appropriations bill for the Securities Department, was not passed by the Senate.

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	187.00	\$0	\$97,376,777	\$97,376,777
2025-27 base budget	187.00	0	71,605,483	71,605,483
Legislative increase (decrease) to base budget	0.00	\$0	\$25,771,294	\$25,771,294

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			\$1,825,271	\$1,825,271
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,122,988	1,122,988
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$3,106,682 for new positions and \$2,323,303 for vacant positions			5,429,985	5,429,985
Transferred \$3,031,534 for estimated savings from vacant FTE positions from Bank of North Dakota operations line item to the new and vacant FTE pool line item and reduced the amount to \$2,122,074 resulting in the savings as shown			(909,460)	(909,460)
Added funding for the cost to continue 2023-25 biennium salary increases			343,487	343,487
Adjusted funding for operations, including a decrease of \$78,168 for operational savings and an increase of \$403,892 for information technology rate adjustments			325,724	325,724
Transferred \$804,278 from the Bank of North Dakota operations line item to the capital assets line item for base budget adjustments			0	0
Added one-time funding for capital improvements projects			2,633,299	2,633,299
Added one-time funding from the strategic investment and improvements fund (SIIF) for a long-term care facility infrastructure loan program in House Bill No. 1619			15,000,000	15,000,000
Total	0.00	\$0	\$25,771,294	\$25,771,294

FTE Changes

The Legislative Assembly approved 187 FTE positions for the Bank of North Dakota for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
Capital improvement projects	\$0	\$2,633,299	\$2,633,299
Long-term care facility infrastructure loan program (SIIF) - House Bill No. 1619	0	15,000,000	15,000,000
Total	\$0	\$17,633,299	\$17,633,299

Estimated Capital Structure

The following schedule provides an analysis of the Bank of North Dakota's estimated capital structure for the 2025-27 biennium:

	Amount
Estimated beginning capital level (July 1, 2025)	\$1,271,000,000
Estimated 2025-27 biennium profits	393,000,000 ¹
Estimated capital available before transfers	\$1,664,000,000
Estimated 2025-27 biennium transfers	
Transfer to general fund (SB 2014)	(\$140,000,000)
Transfers relating to economic development programs (SB 2014)	(60,000,000)
Transfer to the University of North Dakota for the North Dakota small business development center (SB 2014)	(1,900,000)
Transfer to the Parks and Recreation Department for an interest rate buydown on Theodore Roosevelt Presidential Library line of credit (SB 2014)	(5,000,000)
Transfer to the State Board of Higher Education for a tuition scholarship program for dual-credit courses (HB 1003)	(1,500,000)
Transfer to agricultural products utilization fund (HB 1009)	(3,000,000)
Total estimated 2025-27 biennium transfers	(\$211,400,000)
Estimated ending capital level (June 30, 2027)	\$1,452,600,000

¹Actual calendar year 2024 profits were \$200 million.

Profits and Transfers of Profits and Accumulated Earnings

The following schedule provides information on the Bank of North Dakota's profits based on calendar years as well as transfers of profits and accumulated earnings to state funds from the 2013-15 biennium to the 2025-27 biennium:

	Based on Calendar Years	
	Bank Profits	Transfers to State Funds
2013-15 biennium - Calendar years 2013 and 2014	\$205,174,000	\$40,255,000
2015-17 biennium - Calendar years 2015 and 2016	\$266,809,000	\$257,875,000
2017-19 biennium - Calendar years 2017 and 2018	\$303,792,000	\$315,547,000
2019-21 biennium - Calendar years 2019 and 2020	\$310,250,000	\$217,659,000
2021-23 biennium - Calendar years 2021 and 2022	\$335,321,000	\$209,000,000
2023-25 biennium - Calendar years 2023 and 2024	\$393,174,000	\$232,800,000
2025-27 biennium (estimated)	\$393,000,000	\$211,400,000

Bank of North Dakota Loans and Lines of Credit

The 2025 Legislative Assembly authorized loans and lines of credit from the Bank of North Dakota, as follows:

Bill No.	Description
HB 1008	Public Service Commission - Provides a loan of up to \$900,000 to pay any costs associated with a rail rate complaint case
HB 1012	Department of Health and Human Services - Authorizes a line of credit of up to \$8,411,218 for a child welfare technology project and creates an extraordinary medical needs housing loan fund administered by the Bank of North Dakota to provide loans for new construction projects for individuals with disabilities that have extraordinary medical needs
HB 1015	Office of Management and Budget - Provides a line of credit of up to \$100 million for costs associated with the construction of a new state hospital
HB 1018	State Historical Society - Authorizes a line of credit of up to \$20 million for a military gallery expansion project
HB 1020	Department of Water Resources - Authorizes a line of credit of up to \$100 million for a transfer to the water infrastructure revolving loan fund to provide funding for local cost-share loans and increases a line of credit by \$160 million, from \$100 million to \$260 million, to provide funding for water projects
HB 1027	Office of Management and Budget - Changes borrowing authority from the Insurance Commissioner to the Office of Management and Budget for the state fire and tornado fund related to changing the administration of the fund from the Insurance Commissioner to the Office of Management and Budget
HB 1332	Agriculture Commissioner - Authorizes a line of credit of up to \$30 million for deposit in the agriculture diversification and development fund to provide funding for a value-added agriculture production facility incentive grant program
HB 1487	Office of Management and Budget - Provides a line of credit of up to \$5.6 million to construct a facility in Minot to lease to other state agencies
HB 1577	Department of Environmental Quality - Provides a line of credit of up to \$9.7 million for wastewater infrastructure grants
SB 2014	Industrial Commission - Increases the amount the North Dakota Pipeline Authority may borrow for pipeline capacity positions by \$40 million, from \$60 million to \$100 million
SB 2015	Department of Corrections and Rehabilitation - Authorizes a contingent line of credit of up to \$989,891 for purchasing tasers, body cameras, and ballistic vests if federal funding is not available
SB 2017	Office of Administrative Hearings - Allows for borrowing of up to \$150,000 to manage cash flow needs
SB 2018	Department of Commerce - Provides a line of credit of up to \$25 million for a transfer to the North Dakota Development Fund
SB 2188	Industrial Commission - Extends the Clean Sustainable Energy Authority's access to a \$390 million line of credit through June 30, 2029
SB 2265	Department of Veterans' Affairs - Authorizes a line of credit of up to \$3 million for a grant to a nonprofit organization for construction costs associated with infrastructure at a veterans' national cemetery
SB 2342	Agriculture Commissioner - Authorizes a line of credit of up to \$5 million for deposit in the agriculture diversification and development fund to provide funding for a value-added milk processing facility incentive program

Other Sections in Senate Bill No. 2014

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.

Transfer to general fund - Section 9 transfers \$140 million from the Bank of North Dakota's current earnings and undivided profits to the general fund during the 2025-27 biennium.

Transfers for other programs - Section 10 transfers \$60 million from Bank of North Dakota profits to economic development programs, \$1.9 million to the University of North Dakota small business development center to match federal funds, and up to \$5 million to the Parks and Recreation Department for an interest rate buydown on the line of credit for the Theodore Roosevelt Presidential Library project.

Rail revolving loan fund - Sections 11, 20, and 24 create a new rail revolving loan fund to provide loans for rail infrastructure improvements, require the Department of Transportation to coordinate with the Bank of North Dakota for rail projects financed from the new fund, and transfer any outstanding loans and money in the rail fund to the newly created rail revolving loan fund.

Confidential and exempt Bank of North Dakota records - Sections 17 and 18 amend statutory provisions relating to Bank records to clarify the confidentiality of indirect financing records and to exempt insurance coverage from open records.

Rebuilders loan program - Section 19 amends the rebuilders loan program to allow loans for weather-related incidents or economic hardships as determined by the Governor.

North Dakota Pipeline Authority borrowing - Section 21 increases loan guarantees from SIIF by \$20 million, from \$140 million to \$160 million, reflecting an increase of \$40 million for North Dakota Pipeline Authority borrowing and a decrease of \$20 million for other loan guarantees. Section 26 increases the amount the North Dakota Pipeline Authority may borrow for pipeline capacity positions by \$40 million, from \$60 million to \$100 million. Section 32 provides an effective date of July 1, 2027, related to the increased funding available from SIIF for the loan guarantees.

Partnership in assisting community expansion (PACE) - interest rate buydowns - Section 22 increases the amount of funding that may be used for interest rate buydowns under the PACE fund from \$500,000 to \$1.5 million for projects with a substantial economic impact and removes the matching requirement for the additional \$1 million of interest rate buydown funding.

Economic development study - Section 31 requires the Bank of North Dakota to study economic development opportunities in western North Dakota in coordination with the Department of Commerce and oil-producing counties and to provide reports on the results of the study. However, the **Governor vetoed this section**, which also removed \$250,000 of appropriation authority related to the study.

Related Legislation

House Bill No. 1015 - Contingent loan repayment - Provides a contingent appropriation of \$13.6 million from the general fund to pay the outstanding balance and accrued interest on a Bank of North Dakota loan related to state costs incurred for responding to unlawful protests if the state receives at least \$13.6 million from the federal government in a judgment award.

House Bill No. 1018 - Military gallery line of credit repayment - Appropriates \$4.2 million from SIIF for the repayment of a line of credit from the Bank of North Dakota for the military gallery expansion project.

House Bill No. 1020 - Water infrastructure revolving loan fund - Transfers \$40 million from the resources trust fund to the water infrastructure revolving loan fund to provide funding for water project loans.

House Bill No. 1024 - Loan repayment intent - Provides legislative intent for the Attorney General to seek reimbursement from the federal government to repay a Bank of North Dakota loan related to state costs incurred for responding to unlawful protests.

House Bill No. 1278 - Cash management board - Creates a cash management board to review existing policies and procedures for the management of money in the state treasury in coordination with the State Treasurer and Bank of North Dakota and requires the Bank to provide staff services for the board.

House Bill No. 1369 - School construction assistance revolving loan fund - Changes the loan amounts available to school districts to decrease the loan amount for projects totaling less than \$75 million by \$5 million, from \$15 million to \$10 million, and to decrease the loan amount for projects totaling \$75 million or more by \$10 million, from \$30 million to \$20 million.

House Bill No. 1619 - Long-term care facility infrastructure loan program - Creates a long-term care facility infrastructure loan program and appropriates \$15 million from SIIF to the Bank of North Dakota to provide funding for the loan program.

Senate Bill No. 2003 - Profit transfers - Extends the period for the Bank of North Dakota to transfer profits to the skilled workforce student loan repayment program fund, the skilled workforce scholarship fund, and the State Board of Higher Education for dual-credit tuition scholarships through June 30, 2027.

Senate Bill No. 2149 - Air Force base school construction project - Expands the school construction assistance revolving loan fund to allow school construction projects on an Air Force base to qualify for a loan from the fund.

Senate Bill No. 2188 - Clean Sustainable Energy Authority - Extends access to a \$390 million line of credit from the Bank of North Dakota through June 30, 2029.

**Housing Finance Agency
Budget No. 473
Senate Bill No. 2014**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	59.00	\$0	\$70,186,943	\$70,186,943
2025-27 base budget	54.00	2,500,000	68,742,347	71,242,347
Legislative increase (decrease) to base budget	5.00	(\$2,500,000)	\$1,444,596	(\$1,055,404)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$0	\$0	\$0
2023-25 legislative appropriations	2,500,000	13,750,000	16,250,000
2025-27 legislative increase (decrease) to 2023-25 appropriations	(\$2,500,000)	(\$13,750,000)	(\$16,250,000)
Percentage increase (decrease) to 2023-25 appropriations	(100.0%)	(100.0%)	(100.0%)

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			\$488,030	\$488,030
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			336,296	336,296
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$986,476 for new positions and \$465,165 for vacant positions			1,451,641	1,451,641
Added 2 FTE homeownership and loan specialist positions	2.00		369,592	369,592
Added 1 FTE accountant position	1.00		257,410	257,410
Added 1 FTE homeless program manager position	1.00		213,880	213,880
Added 1 FTE business analyst position	1.00		257,410	257,410
Transferred \$1,098,292 for 5 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$988,463 resulting in the savings as shown			(109,829)	(109,829)

Transferred \$620,424 for estimated savings 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 \$434,297 resulting in the savings as shown			(186,127)	(186,127)
Adjusted funding for operating expenses, including an increase of \$44,453 for information technology rate adjustments and a decrease of \$1,478,160 for budgetary savings			(1,433,707)	(1,433,707)
Decreased funding for grants, including a decrease of \$200,000 from federal funds related to budgetary savings and the removal of \$2.5 million from the general fund related to homeless grants		(\$2,500,000)	(200,000)	(2,700,000)
Total	5.00	(\$2,500,000)	\$1,444,596	(\$1,055,404)

FTE Changes

The Legislative Assembly approved 59 FTE positions for the Department of Trust Lands for the 2025-27 biennium, an increase of 5 FTE position from the 2023-25 biennium authorized level of 54 FTE positions. The Legislative Assembly added 2 FTE homeownership and loan specialist positions, 1 FTE accountant position, 1 FTE homeless program manager position, and 1 FTE business analyst position.

Housing Incentive Fund

Senate Bill No. 2210 (2011) created a special revolving housing incentive fund and provided a continuing appropriation to the Housing Finance Agency for disbursements from the fund to address housing needs in the state. House Bill No. 1014 (2015) continued the housing incentive fund into the 2015-17 biennium and amended the fund to limit the origination fee to 5 percent per award. Senate Bill No. 2014 (2017) removed the expiration date associated with the housing incentive fund and changed the reporting requirements for the Housing Finance Agency. The report to the Budget Section was changed from a quarterly report to a biennial report. The report to the Industrial Commission was incorporated into the reporting requirements of the fund, and a separate section of North Dakota Century Code requiring the report to the Industrial Commission was repealed. House Bill No. 1014 (2019) decreased the amount of funding designated for developing communities by 10 percent, from 25 to 15 percent and removed the prioritization and reporting requirements related to essential service workers. Senate Bill No. 2014 (2021) decreased the amount of funding designated for developing communities by 5 percent, from 15 to 10 percent, and designated 10 percent for projects to prevent homelessness. House Bill No. 1014 (2023) removed the 10 percent designation for projects to prevent homelessness and expanded the eligible uses of funding to include single family housing projects.

The Legislative Assembly has provided the following funding for the housing incentive fund:

	General Fund	Income Tax Credits	Bank of North Dakota Profits	Total
2011-13 biennium - Senate Bill No. 2210 (2011) and Senate Bill No. 2371 (2011) ¹		\$15,000,000		\$15,000,000
2013-15 biennium - House Bill No. 1029 (2013) and Senate Bill No. 2014 (2013) ²	\$15,400,000	20,000,000		35,400,000
2015-17 biennium - House Bill No. 1014 (2015) ³		30,000,000	\$10,000,000	40,000,000
2017-19 biennium - Senate Bill No. 2014 (2017) ⁴				
2019-21 biennium - House Bill No. 1014 (2019) ⁵	7,500,000			7,500,000
2021-23 biennium - Senate Bill No. 2014 (2021) ⁶	9,500,000			9,500,000
2023-25 biennium - House Bill No. 1014 (2023) ⁷	13,750,000			13,750,000
2025-27 biennium - Senate Bill No. 2014 (2025) ⁸				
Total	\$46,150,000	\$65,000,000	\$10,000,000	\$121,150,000

¹Senate Bill No. 2210 (2011) authorized a tax credit for income tax purposes for contributions to the fund, not to exceed an aggregate amount of \$4 million per biennium for all eligible contributors. Senate Bill No. 2371 (2011) increased the aggregate tax credit limit to \$15 million per biennium.

²Senate Bill No. 2014 (2013) provided for a one-time transfer of \$15.4 million from the general fund to the housing incentive fund. The bill continued the housing incentive fund tax credit through the first 2 taxable years after December 31, 2012, and increased the aggregate amount of tax credits allowed to all eligible contributors from \$15 million to \$20 million per biennium. Similar provisions were also included in House Bill No. 1029 (2013).

³House Bill No. 1014 (2015) provided for a transfer of \$5 million from the Bank of North Dakota's profits to the housing incentive fund with an emergency clause. The bill also provided a contingent transfer of \$5 million from the Bank's profits to the housing incentive fund if the Bank's profits exceeded \$130 million during calendar year 2015. The contingency was met, and the \$5 million was transferred to the housing incentive fund. The Legislative Assembly increased the funding available to the housing incentive fund through income tax credits from \$20 million to \$30 million.

⁴The 2017 Legislative Assembly did not provide any new funding for the housing incentive fund for the 2017-19 biennium.

⁵House Bill No. 1014 (2019) transferred \$7.5 million from the general fund to the housing incentive fund for the 2019-21 biennium.

⁶Senate Bill No. 2014 (2021) transferred \$9.5 million from the general fund to the housing incentive fund for the 2021-23 biennium.

⁷House Bill No. 1014 (2023) transfers \$13.75 million from the general fund to the housing incentive fund for the 2023-25 biennium.

⁸The 2025 Legislative Assembly provided \$35 million for the housing incentive fund for the 2025-27 biennium, including \$10 million from the general fund for homelessness programs and \$25 million from the strategic investment and improvements fund (SIIF) for housing projects and programs. However, the Governor vetoed this funding.

Other Sections in Senate Bill No. 2014

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.

Additional income - Section 6 provides appropriation authority to the Housing Finance Agency for any additional or unanticipated income from federal or other funds which may become available during the 2025-27 biennium. The section also requires the Housing Finance Agency to notify the Office of Management and Budget and the Legislative Council of additional income received resulting in an increase in appropriation authority.

Transfers to housing incentive fund - Section 7 appropriates and transfers \$10 million from the general fund to HIF for homelessness programs, transfers \$25 million from SIIF to HIF for housing programs, and designates \$150,000 for a grant to an organization for a Native American homelessness liaison. However, **the Governor vetoed this section** so no new funding is available for the housing incentive fund for the 2025-27 biennium.

Housing incentive fund administrative expenses - Section 16 identifies \$213,880 from the housing incentive fund for homelessness program position. Section 25 amends the housing incentive fund to allow money in the fund to be used for administrative expenses subject to legislative appropriation.

Homelessness study - Section 30 provides for a legislative management study of homelessness.

Related Legislation

There is no major related legislation affecting this agency.

Department of Mineral Resources
Budget No. 474
Senate Bill No. 2014

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	113.00	\$34,329,766	\$6,022,837	\$40,352,603
2025-27 base budget	108.00	28,113,785	268,000	28,381,785
Legislative increase (decrease) to base budget	5.00	\$6,215,981	\$5,754,837	\$11,970,818

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$34,160,331	\$169,435	\$34,329,766
2023-25 legislative appropriations	28,113,785	4,468,851	32,582,636
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$6,046,546	(\$4,299,416)	\$1,747,130
Percentage increase (decrease) to 2023-25 appropriations	21.5%	(96.2%)	5.4%

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		\$978,870		\$978,870
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		666,585		666,585
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$1,284,293 for new positions and \$1,389,856 for vacant positions		2,674,149		2,674,149
Added funding from the abandoned oil and gas well plugging and site reclamation fund for 3 FTE reclamation specialist positions, including \$554,661 for salaries and wages and \$193,770 for operating expenses	3.00		\$748,431	748,431
Added funding for salaries and wages for 1 FTE administrative assistant position	1.00	163,030		163,030

Added funding for 1 FTE deputy director position, including \$351,400 for salaries and wages and \$12,727 for operating expenses	1.00	364,127		364,127
Transferred \$1,069,091 for 5 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$962,182 resulting in the savings as shown		(51,443)	(55,466)	(106,909)
Transferred \$1,656,337 for estimated savings 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 \$1,159,436 resulting in the savings as shown		(496,901)		(496,901)
Added funding to convert an administrative assistant position to a geologist position, including \$101,785 for salaries and wages and \$70,159 for operating expenses		171,944		171,944
Adjusted funding for salaries and wages, including an increase of \$16,000 from federal funds for federal program administration, an increase of \$45,000 from the general fund for temporary salaries, and a decrease of \$300,587 from the general fund for budget reductions from salary savings		(255,587)	16,000	(239,587)
Adjusted funding for operating expenses, including a decrease of \$511,293 as a budget reduction for operating efficiency savings, an increase of \$108,065 for information technology rate adjustments, and an increase of \$2,235,000 for state fleet rate adjustments		1,831,772		1,831,772
Added one-time funding from the federal funds for the administration of a federal abandoned well reclamation program, including \$500,727 for salaries and wages and \$943,650 for operating expenses			1,444,377	1,444,377
Added one-time funding for new FTE position operating expenses, including \$24,435 from the general fund and \$51,495 from the abandoned oil and gas well plugging and site reclamation fund		24,435	51,495	75,930
Added one-time funding from the general fund, including \$100,000 for mineral analyses and \$45,000 for portable mineral detection equipment		145,000		145,000
Added one-time funding from the strategic investment and improvements fund (SIIF), including \$400,000 for a rare earth elements study, \$150,000 for a paleontology excavation project and \$3 million for oil and gas litigation			3,550,000	3,550,000
Total	5.00	\$6,215,981	\$5,754,837	\$11,970,818

FTE Changes

The Legislative Assembly approved 113 FTE positions for the Department of Mineral Resources for the 2025-27 biennium, an increase of 5 FTE positions from the 2023-25 biennium authorized level of 108 FTE positions. The Legislative Assembly added 3 FTE reclamation specialist positions, 1 FTE administrative assistant, and 1 FTE deputy director position.

One-Time Funding

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

	General Fund	Other Funds	Total
Federal abandoned well program (federal funds)		\$1,444,377	\$1,444,377
FTE position operating expenses (abandoned oil and gas well plugging and site reclamation fund)	\$24,435	51,495	75,930
Mineral analyses	100,000		100,000
Rare earth elements study (SIIF)		400,000	400,000
Paleontology excavation project (SIIF)		150,000	150,000
Oil and gas litigation (SIIF)		3,000,000	3,000,000
Portable mineral detection equipment	45,000		45,000
Total	\$169,435	\$5,045,872	\$5,215,307

Other Sections in Senate Bill No. 2014

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.

Strategic investment and improvements fund - Section 14 identifies \$3,550,000 from SIIF for a rare earth elements study (\$400,000), a paleontology excavation project (\$150,000), and oil and gas litigation (\$3,000,000).

Abandoned oil and gas well plugging and site reclamation fund - Section 15 identifies \$799,926 from the abandoned oil and gas well plugging and site reclamation fund for reclamation specialists and related operating expenses. Section 23 amends the abandoned oil and gas well plugging and site reclamation fund allowing moneys in the fund to be used for administrative expenses subject to legislative appropriation.

Unspent biennium appropriation authority exemption - Section 29 provides exemptions allowing unspent prior biennium appropriation authority to continue into the 2025-27 biennium for a federal abandoned oil well conversion to water supply grant program, a survey review, and a federal abandoned well reclamation program.

Related Legislation

There is no major related legislation affecting this agency.

**Mill and Elevator Association
Budget No. 475
Senate Bill No. 2014**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	172.00	\$0	\$108,440,415	\$108,440,415
2025-27 base budget	170.00	0	97,410,920	97,410,920
Legislative increase (decrease) to base budget	2.00	\$0	\$11,029,495	\$11,029,495

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 subject to union negotiations			\$2,545,656	\$2,545,656
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,032,908	1,032,908
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$2,367,332 for new positions and \$1,756,563 for vacant positions			4,123,895	4,123,895
Added 2 FTE railcar inspector positions	2.00		359,808	359,808
Transferred \$359,808 for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$323,827 resulting in the savings as shown			(35,981)	(35,981)
Transferred \$2,356,718 for estimated savings 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 \$1,649,703 resulting in the savings as shown			(707,015)	(707,015)
Added salaries and wages funding for overtime or a 4 th shift in milling operations			1,000,000	1,000,000
Added funding for operating expenses, including \$10,224 for information technology rate adjustments and \$2.7 million for milling capacity increases related to insurance, utilities, supplies, and other operating expenses			2,710,224	2,710,224
Total	2.00	\$0	\$11,029,495	\$11,029,495

FTE Changes

The Legislative Assembly approved 172 FTE positions for the Mill and Elevator Association for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 170 FTE positions. The Legislative Assembly approved 2 FTE railcar inspector positions.

Gain-Sharing Program

The gain-sharing program was implemented in 1990 with the primary goal of incentivizing employees to maximize profits and production through teamwork while maintaining a safe working environment. Each year, the Industrial Commission reviews and approves the criteria for the program. The following schedule provides information on the Mill and Elevator Association's profits and the gain-sharing program from fiscal year 2014 to fiscal year 2024:

	Profits (Losses) ¹	Gain-Sharing Payout to Employees	Gain-Sharing as a Percentage of Employees' Wages
2013-15 biennium - Fiscal year 2014	\$13,351,343	\$1,389,214	18.09%
2013-15 biennium - Fiscal year 2015	\$16,675,348	\$1,805,863	21.84%
2015-17 biennium - Fiscal year 2016	\$9,336,618	\$1,274,309	14.86%
2015-17 biennium - Fiscal year 2017	\$9,719,163	\$1,487,019	15.50%
2017-19 biennium - Fiscal year 2018	\$14,188,276	\$2,191,199	20.82%
2017-19 biennium - Fiscal year 2019	\$10,622,211	\$1,670,277	15.63%
2019-21 biennium - Fiscal year 2020	\$11,418,612	\$2,016,447	18.99%
2019-21 biennium - Fiscal year 2021	\$13,460,320	\$2,742,209	24.62%
2021-23 biennium - Fiscal year 2022	\$14,677,789	\$2,764,190	22.47%
2021-23 biennium - Fiscal year 2023	\$17,238,265	\$3,375,154	27.78%
2023-25 biennium - Fiscal year 2024	\$20,795,168	\$3,898,722	29.84%

¹The amounts shown for profits and losses reflect the Mill and Elevator Association's profits after any gain-sharing payouts but before any transfers to state funds.

Major Expansion and Renovation Projects

The Mill and Elevator Association regularly undertakes various capital projects that are financed through a line of credit and loans at the Bank of North Dakota. The repayments are deducted prior to determining the Mill and Elevator Association's profits. The schedule below provides information on major expansion and renovation projects:

Fiscal Year	Project Description	Cost
2007	Constructed a new C mill to increase spring wheat milling capacity	\$6.3 million
2009	Constructed a new E mill resulting in a production capacity increase of 1,000 hundredweights (cwt) per day of spring wheat	\$2.4 million
2010	Expanded the D mill resulting in a production capacity increase of 1,000 cwt per day of durum wheat	\$2.4 million
2013	Three phase renovation and expansion of the K mill	\$8.4 million
2015	Construction of a new G mill and additional flour storage	\$38.7 million
2016	Constructed a high-speed truck and rail unloading system to receive wheat	\$9.3 million
2018	Phase 2 high-speed rail unloading system and increased grain storage	\$24.7 million
2020	Terminal receiving scales and conveyors	\$8.5 million
2021	Automated flour packing system	\$4.7 million
2022	Construction of new H and I mills to increase spring wheat capacity by 8,000 cwt per day and durum wheat capacity by 3,000 cwt per day	\$24.5 million
2025	Phase 1 wheat middlings storage and handling facility	\$34 million
2025	Phase 2 wheat middlings storage and handling facility (\$8 million); Phase 3 wheat middlings storage and handling facility (\$7 million); Durum wheat truck loading bins (\$4 million); Increase whole wheat milling capacity (\$3 million)	\$22 million
Potential future projects	Modernization of terminal elevator; Add a 9 th floor to the A and B mills to increase milling capacity; Install additional electrical generators	Unknown

Profits and Transfers of Profits

Beginning in the 2009-11 biennium, 5 percent of the Mill and Elevator Association's annual profits are transferred to the agricultural products utilization fund and 50 percent of the remaining annual profits are transferred to the general fund pursuant to North Dakota Century Code Sections 54-18-19 and 54-18-21. The 2013 Legislative Assembly limited the transfers from the Mill and Elevator Association's profits to the general fund to \$6,817,200 for the 2013-15 biennium. Section 20

of Senate Bill No. 2014 (2017) increased the transfer of annual profits to the general fund from 50 to 75 percent, and pursuant to the expiration date in Section 32 of the bill, the increase was effective only for the 2017-19 biennium.

The following schedule provides information on the Mill and Elevator Association's profits and the transfer of profits to state funds from the 2013-15 biennium to the 2025-27 biennium:

	Profits (Losses) ¹	Transfers to State Funds
2011-13 biennium	\$19,955,625	\$10,506,703
2013-15 biennium	\$30,026,691	\$8,318,534
2015-17 biennium	\$19,055,782	\$10,004,285
2017-19 biennium	\$24,810,487	\$18,917,997
2019-21 biennium	\$24,878,932	\$13,061,439
2021-23 biennium	\$31,916,054	\$15,160,125
2023-25 biennium (estimated)	\$38,800,000	\$20,500,000
2025-27 biennium (estimated)	\$42,100,000	\$22,100,000

¹The amounts shown for profits and losses reflect the Mill and Elevator Association's profits before any gain-sharing payouts and transfers to state funds.

Other Sections in Senate Bill No. 2014

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.

Related Legislation

There is no major related legislation affecting this agency.

Workforce Safety and Insurance
Budget No. 485
House Bill No. 1021

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	260.14	\$0	\$80,434,139	\$80,434,139
2025-27 base budget	260.14	0	65,954,976	65,954,976
Legislative increase (decrease) to base budget	0.00	\$0	\$14,479,163	\$14,479,163

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			\$2,117,947	\$2,117,947
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,578,608	1,578,608
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions			3,701,233	3,701,233
Transferred \$4,555,725 for estimated savings from vacant FTE positions from the Workforce Safety and Insurance line item to the new and vacant FTE funding pool line item and reduced the amount to \$3,189,008 resulting in the savings as shown			(1,366,717)	(1,366,717)
Added funding for information technology rate increases			315,976	315,976
Adjusted funding for temporary salaries and operating expenses, including office equipment, travel, and professional development			(442,259)	(442,259)
Added one-time funding for the claims and policy system replacement project			5,208,325	5,208,325
Added one-time funding for the myWSI enhancement project			1,366,050	1,366,050
Added one-time funding for building improvements, including a roof replacement, carpet installation, bathroom upgrades, and exterior repairs			2,000,000	2,000,000
Total	0.00	\$0	\$14,479,163	\$14,479,163

FTE Changes

The Legislative Assembly approved 260.14 FTE positions for Workforce Safety and Insurance (WSI) for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

In Section 2 of House Bill No. 1021, the Legislative Assembly identified \$8,574,375 of one-time funding for WSI for the 2025-27 biennium, of which \$5,208,325 is for the claims and policy system replacement project, \$1,366,050 is for the myWSI enhancement project, and \$2,000,000 is for building improvements.

Other Sections in House Bill No. 1021

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

Claims and Policy System

The claims and policy system is a program designed to replace core WSI business systems, which support injury services and employer services, with current industry web-based technology in order to improve customer service, enhance system maintainability, and provide enhanced reporting and accessibility to information. The claims and policy system program consists of five phases and 20 smaller projects, or releases, as shown in the schedule below.

Phase	Number of Releases	Status	Completion Date
Planning and analysis		Complete	June 2015
Shared components refacing	3	Complete	February 2017
Policyholder services application refacing	6	Complete	August 2022
Claims management system refacing	11	Incomplete	May 2031 (Projected)
Program finalization		Incomplete	May 2031 (Projected)

The schedule below provides the legislative appropriations from the WSI fund for the claims and policy system project.

Biennium	Releases	Appropriations	Expenditures
2015-17	1 - 3	\$6,000,000	\$4,560,510
2017-19	4 - 6	8,120,097	5,052,599
2019-21	7 - 10 ¹	7,010,000	4,464,467
2021-23	9 - 10 ¹	7,500,000	3,746,274
2023-25	11	4,950,000	4,132,126 ²
2025-27	12 - 14	5,208,325	N/A
Total		\$38,788,422	N/A

¹The COVID-19 pandemic delayed the progress of Releases 9 and 10 during the 2019-21 biennium, resulting in the releases being rescheduled for the 2021-23 biennium.

²Expenditures listed for the 2023-25 biennium include actual expenditures through April 2025 and estimates expenditures for May and June 2025.

Workforce Safety and Insurance anticipates additional funding of approximately \$9.6 million will be needed in the 2027-29 and 2029-31 bienniums to complete the project and meet the 2031 projected completion date. Workforce Safety and Insurance estimates total expenditures for the project will be approximately \$37.4 million.

MyWSI Enhancement Project

The myWSI enhancement project was approved by the 2017 Legislative Assembly to create a secure extranet portal for injured workers, employers, and medical providers. The project will add functionality to the existing extranet, integrate claims and policy documents, add forms for collecting information, and add dashboards to access information. The project includes nine releases. The schedule below provides the legislative appropriations from the WSI fund for the myWSI enhancement project.

Biennium	Releases	Appropriations	Expenditures
2015-17	0	\$0	\$469,031 ¹
2017-19	1 - 2	538,500	948,829 ²
2019-21	3 - 4	850,000	843,890
2021-23	5 - 6	3,050,000	2,438,445
2023-25	7	1,830,000	1,544,832 ³

2025-27	8 - 9	1,366,050	N/A
Total		\$7,634,550	N/A

¹During the 2015-17 biennium, WSI used \$469,031 of savings from the claims and policy system project to begin the planning phase of the myWSI enhancement project for extranet infrastructure analysis.

²In addition to the \$538,500 appropriated for the myWSI enhancement project for the 2017-19 biennium, WSI spent \$410,329 on the project by using savings from the claims and policy system project, resulting in a total of \$948,829 spent on the project during the 2017-19 biennium.

³Expenditures listed for the 2023-25 biennium include actual expenditures through April 2025 and estimates expenditures for May and June 2025.

Workforce Safety and Insurance anticipates completing the entire project in 2026 at a total cost of approximately \$7.8 million.

Related Legislation

House Bill No. 1423 - Lifetime maximums - This bill increases the lifetime maximums for organizations to modify real estate or motor vehicles after an employee is catastrophically injured from \$75,000 to \$150,000 for remodeling expenses and from \$150,000 to \$200,000 for vehicles and vehicle adaptation expenses.

Senate Bill No. 2046 - Military premium credit - This bill provides a one-time premium credit of up to \$250 for new employer accounts where at least 50 percent ownership is held by an active member of the National Guard or armed forces, veteran, or surviving spouse.

Senate Bill No. 2109 - Lifetime death benefit - This bill increases the lifetime maximum death benefit from \$300,000 to \$400,000.

**Highway Patrol
Budget No. 504
Senate Bill No. 2011**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	205.00	\$58,505,091	\$26,679,539	\$85,184,630
2025-27 base budget	205.00	47,657,320	20,428,226	68,085,546
Legislative increase (decrease) to base budget	0.00	\$10,847,771	\$6,251,313	\$17,099,084

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$54,800,091	\$3,705,000	\$58,505,091
2023-25 legislative appropriations	47,657,320	2,832,584	50,489,904
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$7,142,771	\$872,416	\$8,015,187
Percentage increase (decrease) to 2023-25 appropriations	15.0%	30.8%	15.9%

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:				
Adjusted funding for base payroll changes and budget reductions		(\$1,547,059)	(\$392,830)	(\$1,939,889)
Restored a portion of base budget reductions		1,190,778	193,847	1,384,625
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		1,466,329	550,758	2,017,087
Added funding for cost to continue 2023-25 biennium salary increases		687,000	187,687	874,687
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		886,517	332,554	1,219,071
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$2,591,914 for new positions and \$2,728,023 for vacant positions		3,724,768	1,595,169	5,319,937
Transferred \$3,493,032 for estimated savings from vacant FTE positions from the Highway Patrol line item to the new		(769,095)	(278,815)	(1,047,910)

and vacant FTE pool line item and reduced the amount to \$2,445,122 resulting in the savings as shown

Added funding for infrared camera system maintenance	76,000	12,000	88,000
Increased funding for Capitol grounds security technology costs	218,000	0	218,000
Increased funding for facility lease costs	191,000	31,000	222,000
Added funding for equipment inflationary increases	318,000	52,000	370,000
Added funding for information technology software maintenance	130,000	20,000	150,000
Added funding for in-car router systems	180,000	30,000	210,000
Increased funding for information technology rates	186,533	79,943	266,476
Provided funding from the motor carrier electronic permit fund for ongoing body armor replacement		184,000	184,000
Provided ongoing funding (\$1,526,000) and one-time funding (\$3,983,000) for estimated increases in state fleet rates	3,909,000	1,600,000	5,509,000
Provided one-time funding from the motor carrier electronic permit fund for Taser replacements	0	870,000	870,000
Added one-time funding from the motor carrier electronic permit fund to resurface the emergency vehicle operations course	0	260,000	260,000
Added one-time funding from the motor carrier electronic permit fund to replace preliminary breath test devices	0	50,000	50,000
Provided one-time funding from the motor carrier electronic permit fund for a victims of crime act position	0	194,000	194,000
Added one-time funding from the motor carrier electronic permit fund to replace agency handguns	0	200,000	200,000
Added one-time federal funds authority for in car router system costs	0	480,000	480,000
Total	<u>0.00</u>	<u>\$10,847,771</u>	<u>\$6,251,313</u>
			<u>\$17,099,084</u>

FTE Changes

The Legislative Assembly approved 205 FTE positions for the Highway Patrol for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund	Other Funds	Total
State fleet rates (general fund and highway tax distribution fund)	\$3,705,000	\$278,000	\$3,983,000
Taser replacements (motor carrier electronic permit transaction fund)	0	870,000	870,000
Emergency vehicle operations course resurface (motor carrier electronic permit transaction fund)	0	260,000	260,000
Preliminary breath test devices (motor carrier electronic permit transaction fund)	0	50,000	50,000
Victims of crime act position (motor carrier electronic permit transaction fund)	0	194,000	194,000
Handgun replacement (motor carrier electronic permit transaction fund)	0	200,000	200,000
In-car router systems (federal funds)	0	480,000	480,000
Total	\$3,705,000	\$2,332,000	\$6,037,000

Other Sections in Senate Bill No. 2011

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

Highway tax distribution fund - Section 4 identifies \$12,836,056 of special funds from the highway tax distribution fund to be used for Highway Patrol operations.

Motor carrier electronic permit transaction fund - Section 5 identifies \$3,419,828 of special funds from the motor carrier electronic permit fund to be used for Highway Patrol operations.

Highway Patrol officer per diem - Section 6 provides for Highway Patrol officer per diem of \$200 per month during the 2025-27 biennium, the same as provided during the 2023-25 biennium. The per diem payments are in lieu of reimbursement for meals and other expenses while in travel status within the state.

Carryover authority - Section 7 authorizes the continuation of 2023-25 biennium funding for technology projects.

Related Legislation

House Bill No. 1535 - Feather alert notice system - This bill requires the Highway Patrol, Bureau of Criminal Investigations, and Department of Emergency Services to establish a feather alert notice system.

Senate Bill No. 2120 - Transfer to retirement fund - This bill transfers \$15 million from the strategic investment and improvements fund to the Highway Patrol trooper's retirement system fund to reduce the unfunded liability of the fund.

Department of Corrections and Rehabilitation
 Budget No. 530
 Senate Bill No. 2015; House Bill No. 1425

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	965.29	\$344,370,374	\$148,711,724	\$493,082,098
2025-27 base budget	929.79	247,106,915	45,744,746	292,851,661
Legislative increase (decrease) to base budget	35.50	\$97,263,459	\$102,966,978	\$200,230,437

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$315,742,286	\$28,628,088	\$344,370,374
2023-25 legislative appropriations ¹	247,106,915	25,212,454	272,319,369
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$68,635,371	\$3,415,634	\$72,051,005
Percentage increase (decrease) to 2023-25 appropriations	27.8%	13.5%	26.5%

¹The 2023-25 general fund appropriation has been increased by \$11,500,000 for a deficiency appropriation in House Bill No. 1024 relating to excess inmate population costs.

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		\$6,615,655	\$273,756	\$6,889,411
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		5,188,409	229,614	5,418,023
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$2,604,277 for new positions and \$11,400,825 for vacant positions		13,436,071	569,031	14,005,102
Added new FTE Heart River Correctional Center (HRCC) positions and related operating funding, including \$36,742 of one-time funding	6.00	426,215		426,215

Added new FTE Missouri River Correctional Center (MRCC) positions and related operating funding, including \$121,136 of one-time funding	10.00	2,031,261		2,031,261
Added new FTE pretrial services positions and related operating funding, including \$40,000 of one-time funding	3.00	754,765		754,765
Added new FTE county and regional correctional centers positions and related operating funding	9.50	3,912,251		3,912,251
Converted temporary positions to FTE positions, including 2 community corrections positions, 3 education services positions, and 1 maintenance supervisor position	6.00	192,349		192,349
Transferred \$4,814,119 for 34.50 new FTE positions from the adult services line item to the new and vacant FTE pool line item and reduced the amount to \$4,332,707 resulting in the savings as shown		(481,412)		(481,412)
Transferred \$15,593,554 for estimated savings from vacant FTE positions from the adult services and youth services line items to the new and vacant FTE pool line item and reduced the amount to \$10,915,489, resulting in savings as shown		(4,496,200)	(181,865)	(4,678,065)
Added funding for a competitive market salary equity		6,528,187		6,528,187
Added funding for educator salaries to comply with the teachers composite schedule		358,463		358,463
Added funding for correctional officers participation in the public safety retirement plan		645,000		645,000
Added funding for increased inmate wage		404,472		404,472
Added funding for inflationary costs, including utilities, food, clothing, medications, and medical costs		8,206,230		8,206,230
Added ongoing funding to continue one-time funding appropriated for the 2023-25 biennium for the contract with the Dakota Women's Correctional and Rehabilitation Center		2,450,000		2,450,000
Added funding for increased transitional facility costs		8,401,542		8,401,542
Added funding for a women's treatment unit		2,087,800		2,087,800
Added funding for payments to county and regional jails for overflow housing and programming needs, including \$28,430,210 of one-time funding		29,476,648		29,476,648
Added funding for information technology (IT) data processing costs		2,500,000		2,500,000
Added funding for medical IT modules		400,000		400,000

Adjusted funding to eliminate supervision fees	1,500,000	(1,500,000)	0
Added funding for a 25-bed re-entry center in the northwest region of the state	1,600,000		1,600,000
Added funding for correctional facility program grants	1,500,000		1,500,000
Adjusted base budget funding	3,625,753	(9,602,305)	(5,976,552)
Added one-time funding from the strategic investment and improvements fund (SIIF) to complete the HRCC facility		35,635,000	35,635,000
Added one-time funding from SIIF for a MRCC temporary housing unit		8,032,757	8,032,757
Added one-time funding from SIIF for deferred maintenance and extraordinary repairs		13,006,609	13,006,609
Added one-time funding from SIIF for a James River Correctional Center (JRCC) facility study		750,000	750,000
Added one-time funding from SIIF for planning and design of a new MRCC minimum security male facility		20,000,000	20,000,000
Added one-time funding from SIIF for software systems and technology upgrades		9,750,000	9,750,000
Added one-time funding , including \$989,891 from federal funds or a Bank of North Dakota line of credit and \$1,089,809 from SIIF, for equipment, including a body scanner, medical equipment, dental equipment, body cameras, tasers, ballistic vests, kitchen equipment, and laundry equipment		2,079,700	2,079,700
Added one-time funding from SIIF to replace federal funds for victims of crime grants		7,000,000	7,000,000
Added one-time funding from SIIF to demolish the JRCC maintenance building		570,000	570,000
Added one-time funding from SIIF and an FTE position for a prosecution-led diversion supervision pilot program (House Bill No. 1425)	1.00	1,000,000	1,000,000
Added one-time funding from SIIF for consulting services for a cost-savings study relating to pretrial service programs (House Bill No. 1425)		55,000	55,000
Added one-time funding from federal funds for mental health assessments and services		550,000	550,000
Added one-time funding from federal funds for workforce training and education		1,027,500	1,027,500

Added one-time funding from special funds for Rough Rider Industries equipment and supplies			13,722,181	13,722,181
Total	35.50	\$97,263,459	\$102,966,978	\$200,230,437

FTE Changes

The Legislative Assembly approved 965.29 FTE positions for the Department of Corrections and Rehabilitation (DOCR) for the 2025-27 biennium, an increase of 35.50 FTE positions from the 2023-25 biennium authorized amount of 929.79 FTE positions. The Legislative Assembly added 35.50 FTE positions as follows:

- 6 FTE HRCC positions;
- 10 FTE MRCC temporary housing unit positions;
- 3 FTE pretrial services positions;
- 9.50 FTE county and regional correctional centers positions;
- 6 FTE converted from temporary positions, including 2 community corrections positions, 3 education services positions, and 1 maintenance supervisor position; and
- 1 FTE prosecution-led diversion supervision pilot program position.

One-Time Funding

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

	General Fund	Other Funds	Total Funds
HRCC project (SIIF)		\$35,635,000	\$35,635,000
HRCC new FTE positions and startup costs	\$36,742		36,742
MRCC temporary housing unit (SIIF)		8,032,757	8,032,757
MRCC temporary housing unit new FTE positions and startup costs	121,136		121,136
MRCC new facility planning and design (SIIF)		20,000,000	20,000,000
JRCC facility study (SIIF)		750,000	750,000
JRCC maintenance building demolition (SIIF)		570,000	570,000
Payments to county and regional jails for overflow housing and programming needs	28,430,210		28,430,210
Deferred maintenance and extraordinary repairs (SIIF)		13,006,609	13,006,609
Software systems and technology upgrades (SIIF)		9,750,000	9,750,000
Victims of crime grants (SIIF)		7,000,000	7,000,000
Pretrial services new FTE positions	40,000		40,000
Prosecution-led diversion supervision pilot program (SIIF) (House Bill No. 1425)		1,000,000	1,000,000
Consulting services for a cost-savings study relating to pretrial services (SIIF) (House Bill No. 1425)		55,000	55,000
Equipment, including a body scanner and dental, medical, kitchen, and laundry equipment (SIIF)		1,089,809	1,089,809
Equipment, including body cameras, tasers, and ballistic vests (federal funds or a Bank line of credit)		989,891	989,891
Mental health assessments and services (federal funds)		550,000	550,000
Workforce training and education (federal funds)		1,027,500	1,027,500
Rough Rider Industries equipment and supplies (special funds)		13,722,181	13,722,181
Total	\$28,628,088	\$113,178,747	\$141,806,835

Dakota Women's Correctional and Rehabilitation Center

The Legislative Assembly provided \$13.75 million from the general fund for a contract to house female inmates at the Dakota Women's Correctional and Rehabilitation Center in New England, the same amount as the 2023-25 biennium.

Deficiency Appropriation - 2023-25 Biennium

The Legislative Assembly, in House Bill No. 1024, approved a deficiency appropriation of \$11.5 million from the general fund to DOCR for costs relating to excess inmate population.

Inmate Population

The following table summarizes the 2025-27 biennium inmate population projections used to develop the legislative appropriation:

	Male	Female	Total
Fiscal year 2026			
July	1,907	284	2,191
August	1,912	284	2,196
September	1,918	285	2,203
October	1,924	286	2,210
November	1,930	286	2,216
December	1,936	287	2,223
January	1,941	288	2,229
February	1,947	289	2,236
March	1,953	290	2,243
April	1,959	291	2,250
May	1,965	292	2,257
June	1,971	293	2,264
Fiscal year 2027			
July	1,976	294	2,270
August	1,982	294	2,276
September	1,988	295	2,283
October	1,994	296	2,290
November	2,000	296	2,296
December	2,006	297	2,303
January	2,011	298	2,309
February	2,017	299	2,316
March	2,023	300	2,323
April	2,029	300	2,329
May	2,035	301	2,336
June	2,040	302	2,342

The following table shows the estimated and actual average male and female inmate populations for the 2023-25 biennium to date:

	Male Inmate Population Estimated Versus Actual			Female Inmate Population Estimated Versus Actual		
	Legislative Estimated Population	Actual Population	Actual Above (Below) Estimate	Legislative Estimated Population	Actual Population	Actual Above (Below) Estimate
Fiscal year 2024						
July	1,528	1,625	97	223	254	31
August	1,529	1,645	116	223	246	23
September	1,530	1,641	111	224	254	30
October	1,530	1,645	115	224	256	32
November	1,531	1,659	128	225	260	35
December	1,532	1,663	131	226	256	30
January	1,533	1,661	128	226	259	33
February	1,533	1,669	136	227	256	29
March	1,534	1,669	135	227	257	30
April	1,535	1,699	164	228	259	31
May	1,536	1,719	183	228	263	35

June	1,536	1,718	182	229	263	34
Fiscal year 2025						
July	1,538	1,734	196	229	261	32
August	1,540	1,753	213	230	258	28
September	1,541	1,774	233	230	265	35
October	1,543	1,785	242	231	263	32
November	1,545	1,848	303	232	272	40
December	1,547	1,868	321	232	271	39
January	1,549	1,871	322	233	268	35
February	1,551	1,869	318	233	261	28
March	1,552	1,869	317	234	255	21
April	1,554	1,853	299	234	255	21
May	1,556			234		
June	1,558			234		

Other Sections in Senate Bill No. 2015

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

Other funds - Strategic investment and improvements fund - Section 4 identifies \$95,834,175 from SIIF for various one-time projects and items appropriated in Section 1.

Tasers, ballistic vests, and body cameras - Section 5 provides for a Bank of North Dakota line of credit for \$989,891 that DOCR may access to purchase tasers, ballistic vests, and body cameras in the event the department does not receive federal funds for this purpose.

Operating fund authority - Section 6 provides authority to DOCR to deposit in and spend from its operating fund pursuant to legislative appropriation any money received from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from DOCR commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the Youth Correctional Center permanent fund.

Missouri River Correctional Center - Section 7 requires DOCR to report quarterly to the Legislative Management regarding planning and design for a new MRCC minimum security facility. The section also provides for a steering committee to oversee the design and construction of the facility. The section also provides legislative intent that the 70th Legislative Assembly consider supporting the completion of the capital project.

Legislative Management study - Diversion and deflection centers - Section 8 provides for a Legislative Management study of diversion and deflection centers.

Legislative Management study - Offender sentencing - Section 9 provides for a Legislative Management study relating to offender sentencing, use of transitional facilities, and parole.

Exemptions - Carryover - Section 10 provides exemptions for DOCR to continue funding appropriated from SIIF and the federal State Fiscal Recovery Fund for the HRCC facility, deferred maintenance and extraordinary repairs, Department of Corrections Subject Tracking and Reporting System (DOCSTARS) maintenance, and IT needs.

Related Legislation

House Bill No. 1024 - Deficiency appropriation - This bill provides a deficiency appropriation of \$11.5 million from the general fund to DOCR for excess population costs.

House Bill No. 1197 - Legislative Management study - This bill provides for a Legislative Management study of jails and regional correctional centers.

House Bill No. 1206 - Driving under the influence penalty - This bill increases the penalty for driving under the influence of alcohol or any other drugs or substances if a minor is in the vehicle.

House Bill No. 1225 - Reckless endangerment penalty - This bill increases the penalty for reckless endangerment and adjusts the definition of habitual offenders.

House Bill No. 1274 - Retirement plan - This bill expands the eligibility in the public safety retirement plan to include correctional officers employed by a governmental unit.

House Bill No. 1344 - County and regional jails - This bill provides for DOCR to pay county and regional jails for inmates sentenced to the department and housed at the local jail.

House Bill No. 1361 - Human trafficking offenders - This bill provides mandatory minimum sentences for human trafficking offenders.

House Bill No. 1367 - Repeat drug offender penalties - This bill increases the penalty for repeat drug offenders.

House Bill No. 1417 - Supervision fees - This bill eliminates supervision fees charged by DOCR.

House Bill No. 1425 - Pilot project - This bill provides for a prosecution-led diversion supervision pilot program and appropriates \$1 million and authorizes 1 new FTE position for DOCR for the program. This bill also appropriates \$55,000 to DOCR to contract for consulting services to study pretrial service programs.

House Bill No. 1549 - Correctional facility grant committee - This bill provides for DOCR to establish a correctional facility grant committee to expand access to evidence-based programming in county, regional, and tribal correctional facilities.

Senate Bill No. 2013 - Permanent fund distributions - This bill provides distributions to institutions from permanent funds established for the benefit of the institutions, including \$3,136,000 for the Youth Correctional Center.

Senate Bill No. 2352 - Children of female inmates - This bill authorizes DOCR to allow children to reside with their mothers at HRCC.

Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
House Bill No. 1016

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	235.00	\$30,829,077	\$314,229,621	\$345,058,698
2025-27 base budget	233.00	25,611,342	172,971,352	198,582,694
Legislative increase (decrease) to base budget	2.00	\$5,217,735	\$141,258,269	\$146,476,004

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$30,829,077	\$0	\$30,829,077
2023-25 legislative appropriations ¹	25,611,342	7,788,279	33,399,621
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$5,217,735	(\$7,788,279)	(\$2,570,544)
Percentage increase (decrease) to 2023-25 appropriations	20.4%	(100.0%)	(7.7%)

¹The 2023-25 general fund appropriation has been increased by \$6,058,279 for a deficiency appropriation, including \$4,294,789 to repay Bank of North Dakota loans for the state's share of disaster costs and \$1,763,490 to pay interest on a loan relating to Dakota Access Pipeline law enforcement. See the **Deficiency Appropriation** section below for additional information.

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:				
Adjusted funding for base payroll changes		(\$625,653)	(\$212,870)	(\$838,523)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		568,401	1,179,045	1,747,446
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		407,659	925,516	1,333,175
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$1,346,386 for new positions and \$2,347,844 for vacant positions		1,870,255	1,823,975	3,694,230
Added 1 FTE custodial supervisor position, 1 FTE Veterans' Cemetery administrative position, 1 FTE Veterans' Cemetery maintenance position, and 1 FTE watch center position	4.00	287,517	471,327	758,844

Added an unfunded next generation leader program FTE position	1.00			
Added funding to convert a vacant FTE emergency program specialist position to an FTE watch center position, to provide total funding of \$197,101 from the general fund and \$20,567 from hazardous chemical fees, including \$12,000 for operating expenses		(1,894)	20,567	18,673
Transferred \$746,844 for 5 new FTE positions from the salaries and wages, Army Guard contract, and Veterans' Cemetery line items to the new and vacant FTE pool line item and reduced the amount to \$672,159 resulting in the savings as shown		(27,552)	(47,133)	(74,685)
Transferred \$3,117,545 for estimated savings from vacant FTE positions from the salaries and wages, Civil Air Patrol, Air Guard contract, Army Guard contract, Veterans' Cemetery, and disaster costs line items to the new and vacant FTE pool line item and reduced the amount to \$2,182,282 resulting in the savings as shown		(308,944)	(626,319)	(935,263)
Added funding for 2 partially funded FTE positions at the Dickinson Readiness Center and 1 partially funded FTE maintenance position at Camp Grafton		271,002	271,000	542,002
Added funding from federal funds for an unfunded construction coordinator position			257,694	257,694
Removed funding from federal funds and authority for 3 vacant FTE national guard security positions	(3.00)		(461,825)	(461,825)
Adjusted funding for temporary salaries and overtime		(1,029,675)	611,961	(417,714)
Transferred the reintegration program to the salaries and wages and operating expenses line items				0
Adjusted funding for operating expenses and repairs, including \$8,854,011 from federal funds		1,076,645	9,910,924	10,987,569
Reduced funding for special assessments and property taxes		(124,046)		(124,046)
Added funding for information technology operations and maintenance costs		509,232		509,232
Added funding for a North Dakota response website		87,336		87,336
Added emergency response funding from the disaster relief fund			2,000,000	2,000,000
Adjusted funding from federal funds for land and buildings			2,781,796	2,781,796

Adjusted funding for disaster grants, including \$28,394,107 from federal funds	(33,401)	26,192,185	26,158,784
Added funding for a critical infrastructure state matching fund	1,500,000		1,500,000
Added funding for infrastructure insurance	790,853		790,853
Added one-time funding from federal funds for an addition to the existing regional training institute at Camp Grafton		34,000,000	34,000,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for the Williston Readiness Center design		2,500,000	2,500,000
Added one-time funding from SIIF for a critical infrastructure state matching fund		4,500,000	4,500,000
Added one-time funding from SIIF for a Civil Air Patrol statewide interoperable radio network (SIRN) upgrade		206,426	206,426
Added one-time funding from federal funds for disaster response equipment		660,000	660,000
Added one-time funding for the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, including \$35.5 million from federal funds and \$3.55 million from the disaster relief fund		39,050,000	39,050,000
Added one-time funding for wildland fire disaster assistance, including \$2.25 million from federal funds and \$300,000 from the disaster relief fund		2,550,000	2,550,000
Added one-time funding from SIIF for a State Radio law enforcement redundant switch		525,000	525,000
Added one-time funding from SIIF for SIRN costs		495,000	495,000
Added one-time funding from the disaster relief fund for flood mitigation grants		200,000	200,000
Added one-time funding from federal funds for the line of communication bridge training site		3,674,000	3,674,000
Added one-time funding from federal funds for the Dickinson Readiness Center		5,800,000	5,800,000
Added one-time funding from federal funds for the Camp Grafton fitness facility		2,000,000	2,000,000
Total	<u>2.00</u>	<u>\$5,217,735</u>	<u>\$141,258,269</u>
			<u>\$146,476,004</u>

FTE Changes

The Legislative Assembly approved 235 FTE positions for the Adjutant General for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 233 FTE positions. The Legislative Assembly:

- Added 1 FTE custodial supervisor position

- Added 1 FTE Veterans' Cemetery administrative position
- Added 1 FTE Veterans' Cemetery maintenance position
- Added 1 FTE watch center position
- Added 1 unfunded FTE next generation leader program position
- Removed 3 vacant FTE National Guard security positions

One-Time Funding

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

	SIIF	Disaster Relief Fund	Federal Funds	Total
Camp Grafton regional training institute addition			\$34,000,000	\$34,000,000
Williston Readiness Center design	\$2,500,000			2,500,000
Critical infrastructure state matching fund	4,500,000			4,500,000
Civil Air Patrol SIRM upgrade	206,426			206,426
Disaster response equipment			660,000	660,000
STORM Act program		\$3,550,000	35,500,000	39,050,000
Wildland fires		300,000	2,250,000	2,550,000
State Radio law enforcement redundant switch	525,000			525,000
SIRM costs	495,000			495,000
Line of communication bridge training site			3,674,000	3,674,000
Dickinson readiness center			5,800,000	5,800,000
Camp Grafton fitness facility			2,000,000	2,000,000
Flood mitigation grants		200,000		200,000
Total	\$8,226,426	\$4,050,000	\$83,884,000	\$96,160,426

Dakota Access Pipeline Response

House Bill No. 1015 - Contingent Appropriation - Section 4 of House Bill No. 1015 provides a contingent appropriation of \$13.6 million from the general fund to the Office of Management and Budget to repay the outstanding Dakota Access Pipeline (DAPL) loan obligation and accrued interest for the 2025-27 biennium, incurred due to unlawful activities during DAPL construction. The appropriation is contingent upon the Office of Management and Budget certifying to the Legislative Council that at least \$13.6 million, from the judgement awarded by the United States District Court for the District of North Dakota on April 24, 2025, in the case of *State of North Dakota vs. United States of America*, has been received and deposited into the general fund.

Deficiency Appropriation

House Bill No. 1024 - Deficiency Appropriation - This bill provides deficiency appropriations of \$4,294,789 from the general fund to repay Bank of North Dakota loans for the state's share of disaster costs and \$1,763,490 from the general fund to pay accrued interest for the 2023-25 biennium on the DAPL law enforcement response loan.

Other Sections in House Bill No. 1016

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

Veterans' Cemetery maintenance fund - Section 4 appropriates any funds received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2025-27 biennium.

Line item transfer authority - Section 5 provides authority for the Adjutant General to transfer up to \$500,000 from any line item to the operating expenses and capital assets line items.

Other funds - SIIF - Section 6 identifies \$8,226,426 in the other funds line item in Section 1 from SIIF, of which \$4.5 million is for critical infrastructure state matching, \$2.5 million is for the Williston Readiness Center design, \$525,000 is for a State Radio law enforcement redundant switch, \$495,000 is for SIRM costs, \$206,426 is for the Civil Air Patrol SIRM upgrade.

Other funds - State disaster relief fund - Section 7 identifies \$11.8 million in the other funds line item in Section 1 from the state disaster relief fund, of which \$5.75 million is for costs related to previous state disasters, \$2 million is for preparing for, responding to, and recovering from natural disasters, \$3.55 million is for the STORM Act program, \$200,000 is for flood mitigation grants, and \$300,000 is for wildland fire disaster funding.

North Dakota military gallery - Section 8 authorizes the Adjutant General to accept private and federal funds for the construction of a North Dakota military gallery.

Exemption - Unexpended appropriations - Section 9 allows unspent funds remaining from the following appropriations to be continued into the 2025-27 biennium:

- 2021-23 biennium appropriation authority from federal funds for the construction of the Dickinson Readiness Center;
- 2021-23 biennium appropriation authority from federal funds for the line of communication bridge training site;
- 2023-25 biennium appropriation authority of \$9 million from the federal State Fiscal Recovery Fund for the construction of the Camp Grafton fitness facility;
- 2023-25 biennium appropriation authority of \$3,362,235 from the general fund for tuition assistance, recruiting, and retention incentives to eligible current and former members of the North Dakota National Guard, which may be used for program administration and operating costs;
- 2021-23 biennium appropriation authority from the National Guard training area and facility development trust fund for the Camp Grafton expansion;
- 2021-23 biennium appropriation authority from the State Fiscal Recovery Fund for replacing the state active duty software and maintenance;
- 2023-25 biennium appropriation authority of \$314,000 from the general fund for cybersecurity grants; and
- 2023-25 biennium appropriation authority of \$225,000 from the state disaster relief fund for flood mitigation grants.

Camp Grafton expansion - Section 10 provides legislative intent that the Adjutant General contract for the purchase or long-term lease of land for the Camp Grafton expansion and that the Adjutant General not use eminent domain for the expansion.

Emergency clause - Section 11 declares \$39.05 million from the state disaster relief fund and federal funds for the STORM Act, \$6 million from the general fund and SIIF for critical infrastructure state matching funds, and \$206,426 from SIIF for the Civil Air Patrol SIRM upgrade to be emergency measures.

Related Legislation

House Bill No. 1073 - State disaster relief fund - This bill authorizes the use of the state disaster relief fund following a declaration of a state of disaster or emergency issued by the Governor in accordance with Section 37-17.1-05.

House Bill No. 1076 - Death benefits - This bill increases the payment of a death benefit to the beneficiary or next of kin of a member of the National Guard who died while serving on state active duty from \$15,000 to \$100,000.

House Bill No. 1079 - Division names - This bill renames the divisions within the Department of Emergency Services. The Division of Homeland Security would be renamed the Division of Homeland Security and Emergency Management, and State Radio would be renamed the State Emergency Communications Center.

House Bill No. 1209 - Foreign advisory assessment - This bill requires the Department of Emergency Services to perform an assessment of foreign adversaries and report recommendations to the Legislative Management during the 2025-26 interim.

House Bill No. 1520 - New training and storage facility - This bill authorizes the Department of Health and Human Services to transfer property in Jamestown to the Adjutant General to construct a new training and storage facility.

Senate Bill No. 2082 - Hazardous chemical fees - This bill authorizes the Division of Homeland Security director to set fees for the state hazardous chemical fee system.

Senate Bill No. 2114 - State Radio fees - This bill authorizes the Division of State Radio director to set State Radio system and service fees.

Senate Bill No. 2332 - Legislative Management study - This bill provides for a Legislative Management study of grant funding for emergency services and public safety.

Department of Commerce
Budget No. 601
Senate Bill Nos. 2018, 2228, and 2390; House Bill Nos. 1038 and 1581

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	65.80	\$43,395,953	\$131,489,707	\$174,885,660
2025-27 base budget	62.80	33,546,083	53,344,371	86,890,454
Legislative increase (decrease) to base budget	3.00	\$9,849,870	\$78,145,336	\$87,995,206

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$35,336,909	\$8,059,044	\$43,395,953
2023-25 legislative appropriations	33,546,083	33,850,000	67,396,083
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$1,790,826	(\$25,790,956)	(\$24,000,130)
Percentage increase (decrease) to 2023-25 appropriations	5.3%	(76.2%)	(35.6%)

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:				
Adjusted funding for base payroll changes related to salary equity increases, position reclassifications, and other staffing changes		\$67,653	\$82,578	\$150,231
Added funding for the cost to continue salary increases		238,480	45,544	284,024
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		531,691	127,953	659,644
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		294,619	77,709	372,328
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$405,880 for new positions and \$663,427 for vacant positions		966,736	102,571	1,069,307
Transferred \$832,285 for estimated savings from vacant FTE positions from the salaries and wages line item to the new and		(198,263)	(51,422)	(249,685)

vacant FTE pool line item and reduced the amount to \$582,600 resulting in the savings as shown

Added 3 FTE positions as ongoing positions that were previously authorized for the 2023-25 biennium as one-time FTE positions as a result of \$120 million of one-time federal funding becoming available for weatherization and energy programs from the federal Infrastructure Investment and Jobs Act and Inflation Reduction Act. The funding for the positions is included in a separate section of the bill authorizing the Department of Commerce an exemption to continue unspent federal funding from the \$120 million appropriated for the 2023-25 biennium into the 2025-27 biennium.	3.00		0
Added federal funding for temporary salaries (\$55,503) and operating expenses (\$43,080) to maintain building codes		98,583	98,583
Adjusted funding for operating expenses, including \$54,666 for information technology increases (\$38,467 from federal funds and \$16,199 from special funds), a \$10,827 reduction for other operating expenses (\$21,481 general fund reduction, \$26,853 federal funds increase, and \$16,199 special funds reduction), and adding \$290,000 of federal funding for AmeriCorps program operating expenses	(21,481)	355,320	333,839
Reduced funding for the operation intern program to provide ongoing funding of \$1 million	(6,896)		(6,896)
Adjusted funding for federal grants, including adding funding for the AmeriCorps program (\$1,132,157) and weatherization assistance grant programs (\$2,000,000) and reducing funding for the community development block grant (\$2,057,882) and community services block grant (\$29,058)		1,045,217	1,045,217
Removed funding for the continuum of care program (\$81,713 from the general fund and \$750,000 from federal funds) and the state apprenticeship program (\$347,157 from federal funds), eliminating the programs	(81,713)	(1,097,157)	(1,178,870)
Removed funding from the uncrewed aircraft system (UAS) fund for UAS program grants. The department has continuing appropriation authority from the UAS fund.		(1,020,150)	(1,020,150)
Added one-time funding for temporary staff salaries and an office intern (\$50,000 from the general fund and \$3,590 from the economic development fund) and North Dakota Development Fund temporary salaries (\$100,000 from the economic development fund)	50,000	103,590	153,590

Added one-time funding from the strategic investment and improvements fund (SIIF) for tourism marketing awareness, of which \$250,000 is designated for a grant to support the North Dakota state magazine	5,000,000	5,000,000
Added one-time funding for the operation intern program to provide a total of \$3 million, including \$1 million of ongoing funding, from the general fund	2,000,000	2,000,000
Added one-time funding for the Global Talent Office, formerly known as the Office of Legal Immigration, including \$500,000 for operating expenses and \$500,000 for grants	1,000,000	1,000,000
Added one-time funding from SIIF for tourism destination development grants	15,000,000	15,000,000
Added one-time funding from SIIF for an uncrewed aerial vehicle replacement grant program	9,000,000	9,000,000
Added one-time funding from SIIF for beyond visual line of sight (BVLOS) UAS program grants, also known as the Vantis program	15,000,000	15,000,000
Added one-time funding from SIIF for the enhanced use lease grant program	2,500,000	2,500,000
Added one-time funding from SIIF for autonomous agriculture grants	7,500,000	7,500,000
Added one-time funding from SIIF for base enhancement grants	1,000,000	1,000,000
Added one-time funding for grants to tribally controlled community colleges	750,000	750,000
Added one-time funding from SIIF for a Native American small business grant	600,000	600,000
Added one-time funding from SIIF for a historic theater restoration grant	500,000	500,000
Added one-time funding from SIIF for a historic opera house restoration grant	250,000	250,000
Added one-time funding from SIIF for a historic theater improvement grant	250,000	250,000
Added one-time funding from SIIF for a Medora transportation improvement grant	1,000,000	1,000,000
Added one-time funding from SIIF for a community hall grant	175,000	175,000

Added one-time funding for regional planning council grants. In addition, of the \$2,150,000 appropriated for discretionary funds, \$600,000 is designated for regional planning council grants to provide a total of \$2,000,000 from the general fund for regional planning council grants	1,400,000			1,400,000
Added one-time funding for the entrepreneurship grants and vouchers program, also known as the Innovate ND program, to provide a total of \$1,707,511, of which \$1,500,000 is from the general fund and \$207,511 is from the economic development fund	759,044			759,044
Added one-time funding from SIIF for regional workforce impact program (RWIP) grants		5,000,000		5,000,000
Added one-time funding for technical skills training grants	1,000,000			1,000,000
Added one-time funding from SIIF for children's education science center grants, contingent on oil and gas tax revenue allocations to SIIF exceeding \$402 million during the 2025-27 biennium		2,000,000		2,000,000
Added one-time funding from SIIF for a state radar data pathfinder program (House Bill No. 1038)		11,000,000		11,000,000
Added one-time funding for tribal tourism grants (House Bill No. 1581)	100,000			100,000
Added one-time funding for rural grocery store sustainability grants (Senate Bill No. 2228)	1,000,000			1,000,000
Added one-time funding transferred from SIIF to the newly created rural catalyst fund for a rural catalyst grant program (Senate Bill No. 2390)		2,500,000		2,500,000
Total	<u>3.00</u>	<u>\$9,849,870</u>	<u>\$78,145,336</u>	<u>\$87,995,206</u>

FTE Changes

The Legislative Assembly approved 65.80 FTE positions for the Department of Commerce for the 2025-27 biennium, an increase of 3 FTE positions from the base level of 62.80 FTE positions. The Legislative Assembly added 3 FTE positions as ongoing positions that were previously authorized for the 2023-25 biennium as one-time FTE positions as a result of \$120 million of one-time federal funding becoming available for weatherization and energy programs from the Infrastructure Investment and Jobs Act and Inflation Reduction Act.

One-Time Funding

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

	General Fund	SIIF	Other Funds	Total
Temporary salaries for temporary staff and an office intern ¹	\$50,000		\$3,590	\$53,590
North Dakota Development Fund temporary salaries ¹			100,000	100,000
Tourism marketing awareness, of which \$250,000 is for the North Dakota state magazine		\$5,000,000		5,000,000

Operation intern program	2,000,000			2,000,000
Global Talent Office (formerly the Office of Legal Immigration)	1,000,000			1,000,000
Tourism destination development grants		15,000,000		15,000,000
Uncrewed aerial vehicle replacement grant program		9,000,000		9,000,000
BVLOS UAS program grants		15,000,000		15,000,000
Enhanced use lease grant program		2,500,000		2,500,000
Autonomous agriculture grants		7,500,000		7,500,000
Base enhancement grants		1,000,000		1,000,000
Tribally controlled community college grants	750,000			750,000
Native American small business grant		600,000		600,000
Historic theater restoration grant		500,000		500,000
Historic opera house restoration grant		250,000		250,000
Historic theater improvement grant		250,000		250,000
Medora transportation improvement grant		1,000,000		1,000,000
Community hall grant		175,000		175,000
Regional planning council grants	1,400,000			1,400,000
Entrepreneurship grants and vouchers program	759,044			759,044
RWIP grants		5,000,000		5,000,000
Technical skills training grants	1,000,000			1,000,000
Children's education science center grants (contingent funding)		2,000,000		2,000,000
State radar data pathfinder program (House Bill No. 1038)		11,000,000		11,000,000
Tribal tourism grants (House Bill No. 1581)	100,000			100,000
Rural grocery store sustainability grants (Senate Bill No. 2228)	1,000,000			1,000,000
Rural catalyst grant program (Senate Bill No. 2390) ²			2,500,000	2,500,000
Total	\$8,059,044	\$75,775,000	\$2,603,590	\$86,437,634

¹Other funds for temporary salaries and an office intern is from the economic development fund.

²Other funds for the rural catalyst grant program is from funding transferred from SIIF to and appropriated from the newly created rural catalyst fund.

Uncrewed Aircraft Systems Program

The 2013 Legislative Assembly established the UAS program and UAS program fund in Section 14 of Senate Bill No. 2018, provided a one-time appropriation of \$5 million from the general fund, and provided a continuing appropriation to defray the expenses of the UAS program. The Department of Commerce was required to establish the UAS program in collaboration with the University of North Dakota, the Aeronautics Commission, the Adjutant General, and private parties; to administer the UAS test site upon receiving Federal Aviation Administration approval; and to provide semiannual reports to the Legislative Management. Funding is provided to the Northern Plains UAS Test Site located in Grand Forks, which is one of six Federal Aviation Administration UAS test sites in the United States.

In Section 12 of Senate Bill No. 2018 (2021), the Legislative Assembly amended North Dakota Century Code Section 54-60-29 to expand the continuing appropriation provided to the Department of Commerce from the UAS fund for expenses of the UAS program to also include expenses of the BVLOS UAS program and the enhanced use lease grant program.

In Sections 23 and 24 of House Bill No. 1018 (2023), the Legislative Assembly amended Sections 54-60-28 and 54-60-29 to rename the unmanned aircraft system program and unmanned aircraft system fund as the uncrewed aircraft system program and uncrewed aircraft system fund and made other administrative changes related to the program.

The following is a summary of funding for the UAS program:

Biennium	General Fund	UAS Fund ¹	SIIF	Federal Funds	Total
One-Time Funding					
2013-15	\$5,000,000				\$5,000,000
2015-17 ²	2,718,620				2,718,620
2017-19 ³			\$2,000,000		2,000,000
2019-21 ^{4,5}	2,250,000				2,250,000
2021-23 ⁶		\$1,000,000			1,000,000
2023-25					0
Total one-time funding	\$9,968,620	\$1,000,000	\$2,000,000	\$0	\$12,968,620
Ongoing Funding					
2019-21 ⁴		\$1,000,000		\$1,000,000	\$2,000,000
2021-23 ⁵	\$3,000,000	1,020,150		8,000,000	12,020,150
2023-25 ^{5,7}	3,000,000	1,020,150		8,000,000	12,020,150
2025-27 ⁸	3,000,000			8,000,000	11,000,000
Total ongoing funding	\$9,000,000	\$3,040,300	\$0	\$25,000,000	\$37,040,300
Total funding ⁵	\$18,968,620	\$4,040,300	\$2,000,000	\$25,000,000	\$50,008,920

¹Funding from the UAS fund is derived from private donations.

²Of the \$2,718,620 appropriated for the UAS program for the 2015-17 biennium, \$1,200,000 was designated for a business incentive match fund to incentivize private sector business development related to the test site. The department was also authorized to continue \$1,500,000 appropriated for the program for the 2013-15 biennium into the 2015-17 biennium, to provide a total of \$4,218,620 available for the 2015-17 biennium.

³The department was also authorized to continue up to \$1 million from the 2015-17 biennium general fund appropriation for the UAS program into the 2017-19 biennium, to provide a total of \$3 million available for the 2017-19 biennium.

⁴The department was also authorized to continue unexpended funding from SIIF from the 2017-19 biennium appropriation, estimated at \$750,000 during the 2019 legislative session, to provide a total of \$5 million available for the 2019-21 biennium.

⁵Funding appropriated for the UAS program is for grants, with exception of the general fund appropriations provided for the 2019-21 biennium (\$2.25 million), 2021-23 biennium (\$3 million), and 2023-25 biennium (\$3 million), which were provided for operating expenses of the Northern Plains UAS Test Site.

⁶The department was also authorized to continue unexpended funding appropriated from the general fund for the 2019-21 biennium into the 2021-23 biennium, estimated at \$150,000 at the end of the 2021 legislative session, to provide a total of \$13,170,150 available for the 2021-23 biennium.

⁷The department was also authorized to continue unexpended funding appropriated from the general fund for the 2021-23 biennium into the 2023-25 biennium, estimated at \$1,698,712 at the end of the 2023 legislative session, to provide a total of \$13,718,862 available for the 2023-25 biennium.

⁸The 2025 Legislative Assembly removed \$1,020,150 of budget authority from the UAS fund beginning for the 2025-27 biennium. The department has continuing appropriation authority from the UAS fund, authorizing the department to use money in the fund without specific budgetary approval.

Amendment - UAS program - Section 21 of Senate Bill No. 2018 amends Section 54-60-28 to provide the Northern Plains UAS Test Site authority to enter contracts for the UAS program.

Amendment - UAS program fund - Section 22 of Senate Bill No. 2018 amends Section 54-60-29 to clarify the sources of funding that can be deposited in the UAS fund.

Beyond Visual Line of Sight Uncrewed Aircraft Systems Program

In Section 12 of House Bill No. 1018 (2019), the Legislative Assembly provided a 2017-19 biennium supplemental appropriation of \$28 million to the Department of Commerce for a BVLOS UAS program. The department was authorized to continue this funding into the 2019-21 biennium.

Section 13 of House Bill No. 1018 (2019) created Section 54-60-29.1 to establish a BVLOS UAS program for the design, purchase, implementation, and operating costs of a BVLOS UAS. The Department of Commerce must require any entity receiving funding for this program which is operating the BVLOS UAS to provide

quarterly payments to the State Treasurer equal to 3 percent of the entity's gross income associated with the operation of the BVLOS UAS as reported in the entity's prior year financial statements. The State Treasurer is required to deposit any funds received under this section in the state general fund. The department was required to provide semiannual reports to the Legislative Management regarding the development of the BVLOS UAS program and the total amount deposited by the State Treasurer in the state general fund.

In Section 25 of House Bill No. 1018 (2023), the Legislative Assembly amended Section 54-60-29.1 to rename the BVLOS unmanned aircraft system program as the BVLOS uncrewed aircraft system program and changed the state-private revenue sharing provisions from 3 percent of the entity's gross income associated with the operation of the BVLOS UAS as reported in the entity's prior year financial statements to instead be based on a fee structure determined by the Commissioner of the Department of Commerce. Through April 2025, no funding for the BVLOS UAS program has been remitted to the State Treasurer for deposit in the state general fund.

The following is a summary of funding provided to the Department of Commerce for the BVLOS UAS program:

Biennium	General Fund	SIIF	Total
2017-19 ^{1,2}	\$28,000,000		\$28,000,000
2019-21			0
2021-23 ²	1,000,000	\$19,000,000	20,000,000
2023-25		26,000,000	26,000,000
2025-27		15,000,000	15,000,000
Total	\$29,000,000	\$60,000,000	\$89,000,000

¹Supplemental appropriation provided by the 2019 Legislative Assembly.

²In addition to the amounts shown in this table, the 2021 Legislative Assembly appropriated \$5 million of remaining funds from the Department of Commerce's \$28 million 2017-19 biennium appropriation to the Department of Transportation for the 2021-23 biennium, which the Department of Transportation was to use for defraying infrastructure construction expenses of the BVLOS UAS program during the 2021-23 biennium. An exemption was provided to the Department of Commerce for unexpended 2017-19 biennium funds continued into the 2019-21 biennium for the BVLOS UAS program to continue into the 2021-23 biennium. The exemption provided the Department of Commerce may provide grants of up to \$5 million to the Department of Transportation for defraying infrastructure construction expenses of the BVLOS UAS program during the 2021-23 biennium. The Department of Commerce did not grant any of this funding to the Department of Transportation.

Amendment - BVLOS UAS program - Section 23 of Senate Bill No. 2018 amends Section 54-60-29.1 to provide the Northern Plains UAS Test Site authority to enter contracts for the BVLOS UAS program.

Enhanced Use Lease Grant Program

The 2013 Legislative Assembly established the enhanced use lease grant program and provided a one-time appropriation of \$2.5 million from SIIF to the Department of Commerce for the department to develop the program and award grants. The department was to award grants for constructing infrastructure required for an enhanced use lease private sector business development project located on or adjacent to the Grand Forks Air Force Base, contingent upon certification from the department verifying both a signed enhanced use lease agreement and a commitment by a private sector business to locate in the development. In February 2015 Grand Sky Development Company, a wholly owned subsidiary of Infinity Development Partners LLC, entered into an agreement on behalf of Grand Forks County with the Grand Forks Air Force Base to form the Grand Forks Business Park. Grand Sky provides Grand Forks Air Force Base lease tenants with the ability to test UAS and BVLOS UAS flights in partnership with the Northern Plains UAS Test Site.

The following is a summary of funding for the enhanced use lease grant program:

Biennium	General Fund	SIIF	Total
2013-15		\$2,500,000	\$2,500,000
2015-17 ¹		7,500,000	7,500,000
2017-19 ²	\$1,000,000	2,000,000	3,000,000
2019-21	3,000,000		3,000,000
2021-23		7,000,000	7,000,000
2023-25		10,000,000	10,000,000

2025-27		2,500,000	2,500,000
Total	\$4,000,000	\$31,500,000	\$35,500,000

¹Of the \$7.5 million provided for the enhanced use lease grant program during the 2015-17 biennium, \$3.1 million was contingent on the construction and agreement of a first private sector single-tenant or multi-tenant building on the property. The remaining \$4.4 million was contingent on agreement of a second private sector single-tenant or multi-tenant building on the property or after an agreement is reached with any data-intensive tenant for data connectivity and redundancy infrastructure requirements or for data services. The contingencies were met.

²Section 10 of Senate Bill No. 2018 (2017) required grants available during the 2017-19 biennium be awarded for initiatives related to the UAS industry in North Dakota, including for the purposes of infrastructure, research, development, the creation of software, and the purchase of equipment benefiting UAS. The Department of Commerce was to require grant recipients to provide matching funds in the form of cash, property, or in-kind consideration, totaling \$1 million for the grants awarded under this program.

Legacy Investment Technology Loans

In House Bill No. 1333 (2019), the Legislative Assembly established an Innovation Loan Fund to Support Technology Advancement Committee and loan program. The Commissioner of Commerce is the chairperson of the committee, is a nonvoting member of the committee, and appoints the members of the committee with the President of the Bank of North Dakota. The department is required to administer the program in consultation with the Bank of North Dakota to provide loans. The department is required to provide administrative support for the program, including the drafting of application forms, receiving applications, reviewing applications for completeness and compliance with committee policy, and forwarding complete applications to the committee in accordance with the guidelines established by the committee. The innovation loan fund to support technology advancement is administered by the department, and the funding is appropriated to the department on a continuing basis for providing innovation technology loans and for administrative expenses. The department is required to conduct postaward monitoring of loans provided for this program.

In Sections 13 through 19 of House Bill No. 1018 (2023), the Legislative Assembly amended Chapter 6-09.18 to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology (LIFT) program.

The Legislative Assembly has transferred the following funding to the LIFT fund for the LIFT program:

Biennium	Bill No.	Bank of North Dakota Profits	SIIF	Total
2019-21	Section 2 of House Bill No. 1333 (2019)	\$15,000,000		\$15,000,000
2021-23	Section 1 of House Bill No. 1141 (2021)		\$15,000,000	15,000,000
2023-25	Section 4 of House Bill No. 1018 (2023)		10,000,000	10,000,000
2025-27	Section 9 of Senate Bill No. 2018 (2025)		10,000,000	10,000,000
Total		\$15,000,000	\$35,000,000	\$50,000,000

Transfer - SIIF to LIFT fund - Section 9 of Senate Bill No. 2018 (2025) requires the Office of Management and Budget (OMB) to transfer \$10 million from SIIF to the LIFT fund for the purpose of providing innovation technology loans during the 2025-27 biennium.

North Dakota Development Fund

Purpose - In House Bill No. 1021 (1995), the Legislative Assembly created the North Dakota Development Fund in Chapter 10-30.5. Section 10-30.5-02 creates a statewide nonprofit development corporation that may take equity positions in, provide loans to, or use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state.

The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.

Money in the North Dakota Development Fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Money may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business.

Funding - Continuing appropriation - Section 10-30.5-10 provides the North Dakota Development Fund is a revolving fund and all money transferred to the fund, interest earned on money in the fund, and payments to the fund are appropriated to the North Dakota Development Fund on a continuing basis.

Transfer - SIIF to North Dakota Development Fund - Section 10 of Senate Bill No. 2018 (2025) requires OMB to transfer \$25 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium. The North Dakota Development Fund may use up to \$10 million of the funds provided in this section for nonprimary sector business activities.

Bank of North Dakota line of credit - North Dakota Development Fund - Section 11 of Senate Bill No. 2018 (2025) allows the Department of Commerce to borrow up to \$25 million through a Bank line of credit to be transferred to the North Dakota Development Fund.

Amendment - North Dakota Development Fund - Section 17 of Senate Bill No. 2018 (2025) amends Subsection 1 of Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to enter joint ventures.

Funding - Historical - The following is a summary of funding appropriated by the Legislative Assembly for the North Dakota Development Fund:

Biennium ¹	General Fund	Other Funds	Total
1995-97	\$1,968,750	\$6,000,000	\$7,968,750
1997-99	1,909,875		1,909,875
1999-01	750,000		750,000
2001-03	2,350,000		2,350,000
2003-05	1,550,000	398,625	1,948,625
2005-07		700,000	700,000
2007-09	3,000,000	1,000,000	4,000,000
2009-11	1,820,000		1,820,000
2011-13	1,000,000		1,000,000
2019-21		15,000,000	15,000,000
2021-23		5,000,000	5,000,000
2023-25		95,000,000	95,000,000
2025-27		50,000,000	50,000,000
Total	\$14,348,625	\$173,098,625	\$187,447,250

¹This table does not include funding authorized for the North Dakota Future Fund and regional rural development revolving fund prior to these funds being combined into the newly created North Dakota Development Fund. Funding provided for the North Dakota Future Fund was \$13,335,030, including \$1,600,030 during the 1989-91 biennium, \$6,730,000 during the 1991-93 biennium, and \$5,005,000 during the 1993-95 biennium. Funding transferred from the general fund to the regional rural development revolving loan fund totaled \$8,660,171 during the 1991-93 biennium.

Operation Intern Program

The Operation Intern program provides a 50 percent match up to \$5,000 per semester per position for a business's expenses related to an internship, an apprenticeship, or a work experience opportunity involving North Dakota students enrolled in an institution of higher education. The maximum amount of funding a business may receive from the Operation Intern program is \$50,000 per biennium.

Funding for the program is appropriated from the general fund and transferred to the internship fund, from which the Department of Commerce has continuing appropriation authority.

Transfer - General fund to internship fund - Operation intern program - Section 8 of Senate Bill No. 2018 (2025) requires OMB to transfer \$3,000,000 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the operation intern program during the 2025-27 biennium. The Legislative Assembly appropriated \$1,000,000 of ongoing funding and \$2,000,000 of one-time funding to provide a total of \$3,000,000 from the general fund, an increase of \$1,993,104 from the 2023-25 biennium appropriation and transfer of \$1,006,896.

Other Grant Programs

Autonomous agriculture grants - In Senate Bill No. 2018, the Legislative Assembly appropriated \$7.5 million of one-time funding from SIIF for autonomous agriculture grants. The 2023 Legislative Assembly did not appropriate funding for the program for the 2023-25 biennium. During the November 2021 special legislative session, the 2021 Legislative Assembly appropriated \$10 million from the federal State Fiscal Recovery Fund for the program for the 2021-23 biennium.

Base enhancement grants - In Senate Bill No. 2018, the Legislative Assembly appropriated \$1 million of one-time funding for base enhancement grants to communities with an Air Force base or Air National Guard facilities, of which \$600,000 is for eligible organizations in Minot, \$250,000 is for eligible organizations in Grand Forks, and \$150,000 is for eligible organizations in Fargo. The program has also been referred to as the base retention grant program.

Children's education science center grants - In Senate Bill No. 2018, the Legislative Assembly appropriated \$2 million of one-time funding from SIIF for providing grants of up to \$1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed \$402 million during the 2025-27 biennium.

Discretionary funds - In section 16 of Senate Bill No. 2018, the Legislative Assembly identified of the \$2.15 million appropriated from the general fund in Section 1 for discretionary funds for the 2025-27 biennium, \$600,000 is designated for grants to support regional planning councils under Chapter 54-40.1. The Legislative Assembly also appropriated \$2.15 million from the general fund to the department for discretionary funds for the 2023-25 biennium. Section 25 of Senate Bill No. 2018 includes an exemption to authorize the department to continue the \$2.15 million from the 2023-25 biennium into the 2025-27 biennium, resulting in a total of \$4.3 million available for discretionary funds during the 2025-27 biennium.

Entrepreneurship grants and voucher program - In Senate Bill No. 2018, the Legislative Assembly added \$759,044 from the general fund for the entrepreneurship grants and vouchers program, also known as the Innovate ND program, to provide a total of \$1,707,511, of which \$1,500,000 is from the general fund and \$207,511 is from the economic development fund.

Local community grants - In Senate Bill No. 2018, the Legislative Assembly appropriated \$2,775,000 of one-time funding from SIIF for local community grants, including funding for a Native American small business grant (\$600,000), a historic theater restoration grant that requires matching funds on a dollar-for-dollar basis (\$500,000), historic opera house restoration grant (\$250,000), historic theater improvement grant (\$250,000), Medora transportation improvement grant (\$1,000,000), and a community hall grant (\$175,000).

Regional planning council grants - In Senate Bill No. 2018, the Legislative Assembly appropriated \$1.4 million of one-time funding from the general fund for regional planning council grants under Chapter 54-40.1. In addition, of the \$2.15 million appropriated for discretionary funds, \$600,000 is designated for regional planning council grants to provide a total of \$2 million from the general fund for regional planning council grants.

Regional workforce impact program grants - In Senate Bill No. 2018, the Legislative Assembly appropriated \$5 million of one-time funding from SIIF for RWIP grants to support regional workforce initiatives to promote economic stability and address workforce challenges. The 2023 Legislative Assembly appropriated \$12.5 million for the RWIP program for the 2023-25 biennium, which was also referred to as workforce investment program grants.

Rural catalyst grant program - In Senate Bill No. 2390, the Legislative Assembly transferred \$2.5 million from SIIF to a newly created rural catalyst fund and appropriated the funding from the new fund for a rural catalyst grant program to assist communities in the state with quality-of-life improvement projects to strengthen existing community systems, organizations, and individuals in partnership with each regional council. Grant funding may be awarded for projects that will address a critical need in the areas of art and culture, community and economic development, education, health and wellness, or for the purpose of preserving or reopening rural grocery stores in a rural community with a population of 4,500 or fewer individuals. The maximum grant award under the program is \$500,000.

Rural health care grants program - Section 12 of Senate Bill No. 2018 identifies \$444,000 from the general fund in the grants line item in Section 1 for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The Department of Commerce may spend these funds only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis. The 2023 Legislative Assembly also appropriated \$444,000 from the general fund for the program for the 2023-25 biennium.

Rural grocery store sustainability grants - In Senate Bill No. 2228, the Legislative Assembly appropriated \$1 million of one-time funding from the general fund for providing grants for the preservation of rural grocery stores and increasing the availability of food access in the state during the 2025-27 biennium. The department is required to prioritize grant funding awarded under this section for supporting existing rural grocery stores before awarding grant funding for feasibility

costs related to reopening a grocery store in a community without a grocery store. The funding may not be used for food processing or offsite preparation operations of a rural grocery store. The 2023 Legislative Assembly also appropriated \$1 million of one-time funding from the general fund for the program.

State data pathfinder program - In House Bill No. 1038, the Legislative Assembly appropriated \$11 million of one-time funding from SIIF for a state data pathfinder program. The department is required to collaborate with the uncrewed aircraft systems test site established in Section 54-60-28 in administering the state radar data pathfinder program and participating in the federal radar data pathfinder program administered by the Federal Aviation Administration.

Technical skills training grants - In Senate Bill No. 2018, the Legislative Assembly appropriated \$1 million of one-time funding from the general fund for technical skills training grants, a reduction of \$1 million from the 2023-25 biennium appropriation of \$2 million. The program is for supporting new and expanding accelerated skilled workforce training programs. Funding is used to offset the cost of employers participating in the program to support the development of highly trained and skilled workers to meet labor market demands.

Tourism destination development initiative - In Senate Bill No. 2018, the Legislative Assembly appropriated \$15 million of one-time funding from SIIF for tourism destination development grants, which are for providing financial support for the development of new or expanded tourism experiences and attractions that will result in economic growth and diversification in the state. The 2023 Legislative Assembly appropriated \$25 million from SIIF for the 2023-25 biennium. The Department of Commerce awarded the entire \$25 million for 14 projects across the state.

Tribal college workforce grant program - In Senate Bill No. 2018, the Legislative Assembly appropriated \$750,000 of one-time funding from the general fund for the tribally controlled community college grants, an increase of \$250,000 from the 2023-25 biennium appropriation of \$500,000. The purpose of this grant program is to develop certificate- or degree-based training programs that assist students to obtain jobs needed within the state and to assist students attending a tribal college with establishing a new business.

Tribal tourism grants - In House Bill No. 1581, the Legislative Assembly appropriated \$100,000 of one-time funding from the general fund for providing tribal tourism grants during the 2025-27 biennium. A tribal government in the state may apply to the department for a grant of up to \$20,000 to match funds committed by a tribal government to promote and enhance tribal nation tourism opportunities.

Uncrewed aerial vehicle replacement grant program - In Senate Bill No. 2018, the Legislative Assembly appropriated \$9 million of one-time funding from SIIF for an uncrewed aerial vehicle replacement program. The department is required to collaborate with the UAS test site established in Section 54-60-28 and state agencies, including institutions under the control of the State Board of Higher Education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the federal National Defense Authorization Act and the American Security Drone Act of 2023.

Exemptions

The Legislative Assembly authorized 15 exemptions in Section 25 of Senate Bill No. 2018 to allow the Department of Commerce to continue an estimated \$163,322,065 of unexpended prior biennium appropriations into the 2025-27 biennium, including \$13,650,000 from the general fund and \$149,672,065 from other funds as follows:

Senate Bill No. 2018, Section 25, Subsection:	Major Program Area	Appropriations from Previous Bienniums		Estimated Amount to be Spent during the 2023-25 Biennium		Estimated Amount to be Continued into the 2025-27 Biennium	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
1	Community development block grant ¹	\$0	\$3,000,000	\$0	\$1,500,000	\$0	\$1,500,000
2	State small business credit initiative program ¹	0	56,234,176	0	38,569,622	0	17,664,554
3	Workforce development incentive grant program ²	0	15,000,000	0	14,650,000	0	350,000
4	Technical skills training grant program ²	0	5,000,000	0	3,500,000	0	1,500,000
5	Workforce related programs ³	28,500,000	0	16,500,000	0	12,000,000	0
6	Tourism destination development initiative program ⁴	0	25,000,000	0	10,000,000	0	15,000,000
7	Enhanced use lease grant program ⁴	0	10,000,000	0	3,500,000	0	6,500,000
8	Weatherization and energy programs ⁵	0	120,000,000	0	20,000,000	0	100,000,000
9	Discretionary funds	2,150,000	0	1,650,000	0	500,000	0
10	Heating and cooling grants ⁶	0	3,258,084	0	2,558,084	0	700,000

11	Energy conservation grant program ⁶	0	14,081,719	0	9,581,719	0	4,500,000
12	Parks and recreation grant program ⁶	0	1,550,000	0	150,000	0	1,400,000
13	State small business credit initiative program ⁶	0	572,143	0	222,143	0	350,000
14	Entrepreneurship grants and vouchers program ⁷	740,956	207,511	590,956	0	150,000	207,511
15	Office of Legal Immigration	2,000,000	0	1,000,000	0	1,000,000	0
Total		\$33,390,956	\$253,903,633	\$19,740,956	\$104,231,568	\$13,650,000	\$149,672,065

¹Funding for these items is from federal COVID-19 funds.

²Funding for these items is from the State Fiscal Recovery Fund.

³Workforce related programs include \$12 million for workforce talent attraction initiative operating expenses, \$12.5 million for workforce investment program grants, \$2 million for technical skills training grants, and \$2 million for new Americans workforce development and training grants.

⁴Funding for these items is from SIIF.

⁵Funding for weatherization and energy programs is from federal funds available as a result of the Infrastructure Investment and Jobs Act and Inflation Reduction Act.

⁶Funding for these items if from federal funds.

⁷Other funds for the entrepreneurship grants and vouchers program is from the economic development fund.

Other Sections in Senate Bill No. 2018

New and vacant FTE pool - Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE pool line item but may request OMB to transfer funds to the salaries and wages line item.

Contingent SIIF appropriation - Children's education science centers - Section 4 appropriates \$2 million of one-time funding from SIIF to the Department of Commerce for providing grants of up to \$1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed \$402 million during the 2025-27 biennium.

Appropriation - Attorney General - Autonomous technology grants - Section 5 appropriates \$250,000 of one-time funding from SIIF to the Attorney General for autonomous technology grants for the 2025-27 biennium. The Attorney General may require grant recipients to provide \$1 of matching funds from nonstate sources for every \$4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

Appropriation - Department of Career and Technical Education - Autonomous technology grants - Section 6 appropriates \$250,000 of one-time funding from SIIF to the Department of Career and Technical Education for autonomous technology grants for the 2025-27 biennium. The department may require grant recipients to provide \$1 of matching funds from nonstate sources for every \$4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

Appropriation - State Fair Association - Sanitation restoration project - Section 7 appropriates \$350,000 of one-time funding from the general fund to the State Fair Association for a sanitation restoration project during the 2025-27 biennium. **The Governor vetoed this section.**

Rural health care grant program - Section 12 identifies \$444,000 appropriated from the general fund for the rural health care grant program. The department may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.

Strategic investment and improvements fund - Section 13 identifies \$62,775,000 appropriated in Section 1 from SIIF, including \$5,000,000 for tourism marketing awareness, \$9,000,000 for an uncrewed aerial vehicle replacement program, \$15,000,000 for tourism destination development grants, \$15,000,000 for the BVLOS UAS program, \$2,500,000 for the enhanced use lease grant program, \$7,500,000 for autonomous agriculture grants, \$1,000,000 is for base enhancement grants, \$600,000 for a Native American small business grant, \$500,000 for a historic theater restoration grant that requires matching funds on a dollar-for-dollar basis, \$250,000 for a historic opera house restoration grant, \$250,000 for a historic theater improvement grant, \$1,000,000 for a Medora transportation improvement grant, \$175,000 is for a community hall grant, and \$5,000,000 is for regional workforce impact program grants. Of the \$5,000,000 for tourism marketing awareness, \$250,000 is designated for the continuation of the North Dakota state magazine with the current publisher. Of the \$1,000,000 for base enhancement grants, \$600,000 is for eligible organizations in Minot, \$250,000 is for eligible organizations in Grand Forks, and \$150,000 is for eligible organizations in Fargo.

Uncrewed aerial vehicle replacement program - Section 14 identifies \$9 million of one-time funding appropriated from SIIF in Section 1 for an uncrewed aerial vehicle replacement program. The department is required to collaborate with the uncrewed aircraft systems test site established in Section 54-60-28 and state agencies, including institutions under the control of the state board of higher education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the National Defense Authorization Act and the American Security Drone Act of 2023. Any uncrewed aerial vehicle replaced under this section must be remitted to the UAS test site for proper decommissioning and disposal pursuant to federal and state regulations, which may include the sale of uncrewed aerial vehicles to the United States Department of Homeland Security at market rates for use in the counter unmanned aircraft system program. The department is required to remit any funding received under this section to the State Treasurer for deposit in the general fund. The department is required to report to the Legislative Management during the 2025-26 interim on the status of the program.

Tribally controlled community college grants - Section 15 identifies \$750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college. A tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.

Discretionary funds - Regional planning council grants - Section 16 identifies of the \$2.15 million appropriated from the general fund in Section 1, \$600,000 is designated for grants to support regional planning councils under Chapter 54-40.1.

Amendment - Department of Commerce grant reporting requirements - Section 18 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.

Amendment - Division of Workforce Development duties and report - Section 19 amends Section 54-60-09 to provide the Workforce Development Division continually refine the state workforce mission, vision, and strategies, and to conduct regular employer talent and skills supply and demand studies.

Amendment - Division of Workforce Development talent strategy - Section 20 amends Section 54-60-19 to provide the Workforce Development Division must collect data on all workforce programs administered by state agencies.

Amendment - Office of Legal Immigration renamed the Global Talent Office - Section 24 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Global Talent Office.

Related Legislation

House Bill No. 1038 - State radar data pathfinder program - This bill appropriates \$11 million of one-time funding from SIIF to the Department of Commerce for a state radar data pathfinder program. The department is required to collaborate with the UAS test site established in Section 54-60-28 in administering the state radar data pathfinder program and participating in the federal radar data pathfinder program administered by the Federal Aviation Administration. The department is required to report to the Legislative Management and the Governor by June 30, 2026, regarding the status of the state radar data pathfinder program, integration of the state program with the Federal Aviation Administration radar data pathfinder program, expenditures to date, and the effect of the program on UAS operations, safety, and data security in the state.

House Bill No. 1448 - Advanced technology review committee - This bill creates an advanced technology review committee, an advanced technology grant program, and an advanced technology grant fund. The Commissioner of Commerce is included as a member of the advanced technology review committee.

House Bill No. 1524 - Regional planning council grants - This bill creates a new section to Chapter 54-60 to authorize the Department of Commerce to award grants to regional planning councils under Chapter 54-40.1 to support local and regional implementation of state-authorized programs and initiatives, including housing, regional workforce, rural catalyst, local food and grocery, and other state-authorized programs, subject to legislative appropriations. The department may approve grants to support program implementation, resource development, and efforts to attract and leverage public or private investment in local and regional areas of the state.

House Bill No. 1581 - Tribal tourism grants - This bill appropriates \$100,000 of one-time funding from the general fund to the Department of Commerce for providing tribal tourism grants during the 2025-27 biennium. A tribal government in the state may apply to the department for a grant of up to \$20,000 to match funds committed by a tribal government to promote and enhance tribal nation tourism opportunities. A grant application must include a plan for using funds to

promote and enhance tribal nation tourism opportunities to be overseen by the department's Division of Tourism. The department is required to report to Legislative Management regarding the distribution, use, and impact of grants.

Senate Bill No. 2228 - Rural grocery store sustainability grants - This bill appropriated \$1 million of one-time funding from the general fund to the Department of Commerce for providing grants for the preservation of rural grocery stores and increasing the availability of food access in the state during the 2025-27 biennium. The department is required to prioritize grant funding awarded under this section for supporting existing rural grocery stores before awarding grant funding for feasibility costs related to reopening a grocery store in a community without a grocery store. The funding may not be used for food processing or offsite preparation operations of a rural grocery store. The is required to establish guidelines for awarding grants under this section.

Senate Bill No. 2390 - Rural catalyst grant program - This bill creates a rural catalyst committee, grant program, and fund to assist communities in the state with quality-of-life improvement projects to strengthen existing community systems, organizations, and individuals in partnership with each regional council. Grant funding may be awarded for projects that will address a critical need in the areas of art and culture, community and economic development, education, health and wellness, or for the purpose of preserving or reopening rural grocery stores in a rural community with a population of 4,500 or fewer individuals. The bill provides for a one-time transfer of \$2.5 million from SIIF to the newly created rural catalyst fund and appropriates the funding from the new fund to the Department of Commerce for the rural catalyst grant program. The maximum grant award under the program is \$500,000.

Senate Bill No. 2396 - North Dakota Development Fund audit - This bill appropriates \$250,000 of one-time funding from the general fund to the State Auditor for contracting for a performance audit of the North Dakota Development Fund during the 2025-27 biennium. The audit period must be from July 1, 2019, through June 30, 2024. The State Auditor must receive the final audit report by August 1, 2026. The performance audit must address the economy, efficiency, and effectiveness of the North Dakota Development Fund by examining internal processes, controls, and results to identify areas for improvement and provide recommendations for corrective actions. The State Auditor is required to present the report to the Legislative Audit and Fiscal Review Committee and the Legislative Management.

Senate Concurrent Resolution No. 4001 - Congressional block grants - This resolution authorizes the Budget Section to hold the required legislative hearings on state plans for the receipt and expenditures of new or revised block grants passed by Congress. Senate Bill No. 2018 contains directions regarding the use of community services block grant program money in the Department of Commerce budget for the period ending September 30, 2027.

**Upper Great Plains Transportation Institute
Budget No. 627
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	42.88	\$5,507,259	\$20,088,231	\$25,595,490
2025-27 base budget	43.88	5,226,375	19,581,141	24,807,516
Legislative increase (decrease) to base budget	(1.00)	\$280,884	\$507,090	\$787,974

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$5,507,259	\$0	\$5,507,259
2023-25 legislative appropriations	5,226,375	0	5,226,375
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$280,884	\$0	\$280,884
Percentage increase (decrease) to 2023-25 appropriations	5.4%	N/A	5.4%

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		\$141,039	\$314,606	\$455,645
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		71,675	192,557	264,232
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		102,295	236,946	339,241
Transferred \$380,027 for estimated savings from vacant FTE positions from the Upper Great Plains Transportation Institute line item to the new and vacant FTE pool line item and reduced the amount to \$266,019 resulting in the savings as shown		(34,125)	(79,883)	(114,008)
Removed a vacant FTE program assistant position	(1.00)		(157,136)	(157,136)
Total	(1.00)	\$280,884	\$507,090	\$787,974

FTE Changes

The Legislative Assembly approved 42.88 FTE positions for the Upper Great Plains Transportation Institute (UGPTI) for the 2025-27 biennium, a decrease of 1.00 FTE position from the 2023-25 biennium. The Legislative Assembly removed 1 vacant FTE program assistant position.

Other Sections in Senate Bill No. 2020

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

Additional income appropriation - Section 6 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by UGPTI, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2025-27 biennium.

FTE position adjustments - Section 9 authorizes the State Board of Higher Education to adjust or increase FTE positions for UGPTI and provides that any adjustments be reported to the Office of Management and Budget and the Budget Section.

Unexpended general fund - Excess income - Section 10 authorizes the continuation of any unexpended general fund appropriation and excess income received by UGPTI into the 2027-29 biennium.

Related Legislation

There is no major related legislation affecting this agency.

**Branch Research Centers
Budget No. 628
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	107.16	\$21,970,567	\$21,850,183	\$43,820,750
2025-27 base budget	111.81	19,683,598	20,964,971	40,648,569
Legislative increase (decrease) to base budget	(4.65)	\$2,286,969	\$885,212	\$3,172,181

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$21,970,567	\$0	\$21,970,567
2023-25 legislative appropriations	19,683,598	0	19,683,598
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,286,969	\$0	\$2,286,969
Percentage increase (decrease) to 2023-25 appropriations	11.6%	N/A	11.6%

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:				
Adjusted FTE positions pursuant to Section 10 of House Bill No. 1020 (2023)	(4.65)			
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$625,768	\$188,357	\$814,125
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		461,078	181,487	642,565
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$386,000 for new positions and \$1,133,131 for vacant positions		1,199,319	319,812	1,519,131
Added partial funding for a grape and vineyard research specialist position. The State Board of Higher Education may increase the number of authorized FTE positions pursuant to Section 9 for this position.		100,000		100,000

Transferred \$100,000 for a partially funded grape and vineyard research specialist position from the North Central Research Center line item to the new and vacant FTE pool line item and reduced the amount to \$90,000 resulting in the savings as shown	(10,000)		(10,000)
Transferred \$1,428,106 for estimated savings from vacant FTE positions from the Dickinson Research Center, Central Grasslands Research Center, Hettinger Research Center, Langdon Research Center, North Central Research Center, Williston Research Center, and Carrington Research Center line items to the new and vacant FTE pool line item and reduced the amount to \$999,674 resulting in the savings as shown	(324,563)	(103,869)	(428,432)
Added funding for information technology rate increases	19,095	19,425	38,520
Removed funding for bond payments at the Central Grasslands Research Center (\$24,296) and the North Central Research Center (\$39,432)	(63,728)		(63,728)
Added funding for operating expenses at the branch research centers	280,000	280,000	560,000
Total	<u>(4.65)</u>	<u>\$2,286,969</u>	<u>\$885,212</u>

FTE Changes

The Legislative Assembly approved 107.16 FTE positions for the branch research centers for the 2025-27 biennium, a decrease of 4.65 FTE positions from the 2023-25 biennium authorized level of 111.81 FTE positions. 4.65 FTE positions were removed pursuant to Section 10 of House Bill No. 1020 (2023), which authorized the State Board of Higher Education to adjust FTE positions at entities under its control. Section 9 of Senate Bill No. 2020 (2025) continues the authorization of the board to adjust positions at entities under its control during the 2025-27 biennium.

Other Sections in Senate Bill No. 2020

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

Dickinson Research Extension Center mineral rights income - Section 4 authorizes the Dickinson Research Extension Center to spend up to \$755,000 of revenue received during the 2025-27 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of \$755,000 may be spent only for one-time expenditures for the 2025-27 biennium.

Williston Research Extension Center mineral rights income - Section 5 directs the Williston Research Extension Center to report to the 70th Legislative Assembly on amounts received and spent from mineral royalties, leases, or easements in the 2023-25 biennium and the 2025-27 biennium.

Additional income appropriation - Section 6 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the branch research centers, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2025-27 biennium.

Transfer authority - Section 8 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to the Office of Management and Budget and the Budget Section.

FTE position adjustments - Section 9 authorizes the State Board of Higher Education to adjust or increase FTE positions for the branch research centers and provides that any adjustments be reported to the Office of Management and Budget.

Unexpended general fund - Excess income - Section 10 authorizes the continuation of any unexpended general fund appropriation and excess income received by the branch research centers into the 2027-29 biennium.

Related Legislation

There is no major related legislation affecting this agency.

**NDSU Extension Service
Budget No. 630
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	256.44	\$34,595,328	\$31,889,132	\$66,484,460
2025-27 base budget	252.70	31,790,689	29,049,776	60,840,465
Legislative increase (decrease) to base budget	3.74	\$2,804,639	\$2,839,356	\$5,643,995

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$34,595,328	\$0	\$34,595,328
2023-25 legislative appropriations	31,790,689	0	31,790,689
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,804,639	\$0	\$2,804,639
Percentage increase (decrease) to 2023-25 appropriations	8.8%	N/A	8.8%

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:				
Adjusted funding for base payroll changes and FTE position adjustments pursuant to Section 10 of House Bill No. 1020 (2023)	2.74	(\$1,239,116)	(\$150,138)	(\$1,389,254)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		1,094,432	964,019	2,058,451
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		720,767	738,096	1,458,863
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$410,000 for new positions and \$3,444,545 for vacant positions		2,091,347	1,763,198	3,854,545
Added funding for 1 FTE extension carbon specialist position, including \$15,000 for operating expenses	1.00	290,000		290,000
Transferred \$275,000 for 1 new FTE position from the Extension Service line item to the new and vacant FTE pool		(27,500)		(27,500)

line item and reduced the amount to \$247,500 resulting in the savings as shown

Transferred \$4,362,564 for estimated savings from vacant FTE positions from the Extension Service line item to the new and vacant FTE pool line item and reduced the amount to \$3,053,795 resulting in the savings as shown	(682,950)	(625,819)	(1,308,769)
Added funding for supplies, operating expenses, and temporary salaries	557,659	150,000	707,659
Total	<u>3.74</u>	<u>\$2,804,639</u>	<u>\$2,839,356</u>

FTE Changes

The Legislative Assembly approved 256.44 FTE positions for the NDSU Extension Service for the 2025-27 biennium, an increase of 3.74 FTE positions from the 2023-25 biennium authorized level of 252.70 FTE positions. The Legislative Assembly added 1 FTE extension carbon specialist position. In addition, 2.74 FTE positions were added pursuant to Section 10 of House Bill No. 1020 (2023), which authorized the State Board of Higher Education to adjust FTE positions at entities under its control. Section 9 of Senate Bill No. 2020 (2025) continues the authorization of the board to adjust positions at entities under its control during the 2025-27 biennium.

Other Sections in Senate Bill No. 2020

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

Additional income appropriation - Section 6 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the NDSU Extension Service, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2025-27 biennium.

Transfer authority - Section 8 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to the Office of Management and Budget.

FTE position adjustments - Section 9 authorizes the State Board of Higher Education to adjust or increase FTE positions for the NDSU Extension Service and provides that any adjustments be reported to the Office of Management and Budget and the Budget Section.

Unexpended general fund - Excess income - Section 10 authorizes the continuation of any unexpended general fund appropriation and excess income received by the NDSU Extension Service into the 2027-29 biennium.

Related Legislation

There is no major related legislation affecting this agency.

**Northern Crops Institute
Budget No. 638
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	18.35	\$2,982,119	\$4,394,044	\$7,376,163
2025-27 base budget	18.15	2,183,655	3,541,116	5,724,771
Legislative increase (decrease) to base budget	0.20	\$798,464	\$852,928	\$1,651,392

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$2,982,119	\$0	\$2,982,119
2023-25 legislative appropriations	2,183,655	0	2,183,655
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$798,464	\$0	\$798,464
Percentage increase (decrease) to 2023-25 appropriations	36.6%	N/A	36.6%

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:				
Adjusted FTE positions pursuant to Section 10 of House Bill No. 1020 (2023)	0.20			
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$76,883	\$96,404	\$173,287
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		43,015	71,085	114,100
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		58,637	60,680	119,317
Transferred \$145,707 for estimated savings from vacant FTE positions from the Northern Crops Institute line item to the new and vacant FTE pool line item and reduced the amount to \$101,995 resulting in the savings as shown		(18,871)	(24,841)	(43,712)
Added funding for operating expenses at the Peltier Complex, including \$299,600 from local funds		638,800	299,600	938,400

Added one-time funding from local funds for a pilot-scale mill and air classification system to separate protein, starch, and fiber			350,000	350,000
Total	<u>0.20</u>	<u>\$798,464</u>	<u>\$852,928</u>	<u>\$1,651,392</u>

FTE Changes

The Legislative Assembly approved 18.35 FTE positions for the Northern Crops Institute for the 2025-27 biennium, an increase of 0.2 FTE positions from the 2023-25 biennium authorized level of 18.15 FTE positions. The 0.2 FTE positions were added pursuant to Section 10 of House Bill No. 1020 (2023), which authorized the State Board of Higher Education to adjust FTE positions at entities under its control. Section 9 of Senate Bill No. 2020 (2025) continues the authorization of the board to adjust positions at entities under its control during the 2025-27 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2020, the Legislative Assembly identified \$350,000 from local funds for a protein extraction and air classification system.

Other Sections in Senate Bill No. 2020

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

Additional income appropriation - Section 6 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the Northern Crops Institute, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2025-27 biennium.

Transfer authority - Section 8 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to the Office of Management and Budget.

FTE position adjustments - Section 9 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Northern Crops Institute and provides that any adjustments be reported to the Office of Management and Budget and the Budget Section.

Unexpended general fund - Excess income - Section 10 authorizes the continuation of any unexpended general fund appropriation and excess income received by the Northern Crops Institute into the 2027-29 biennium.

Related Legislation

Senate Bill No. 2003 - Exemption - Section 41 of this bill provides an exemption to continue 2023-25 biennium appropriation authority from the strategic investment and improvements fund for the Northern Crops Institute feed production center facility upgrade and pellet mill into the 2025-27 biennium.

**NDSU Main Research Center
Budget No. 640
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	364.55	\$63,700,739	\$77,074,292	\$140,775,031
2025-27 base budget	358.47	58,125,665	58,022,465	116,148,130
Legislative increase (decrease) to base budget	6.08	\$5,575,074	\$19,051,827	\$24,626,901

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$62,133,239	\$1,567,500	\$63,700,739
2023-25 legislative appropriations	58,125,665	3,708,230	61,833,895
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$4,007,574	(\$2,140,730)	\$1,866,844
Percentage increase (decrease) to 2023-25 appropriations	6.9%	(57.7%)	3.0%

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:				
Adjusted funding for base payroll changes and FTE position adjustments pursuant to Section 10 of House Bill No. 1020 (2023)	10.06	(\$291,232)	\$291,232	\$0
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		2,067,139	1,191,857	3,258,996
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		1,225,890	852,118	2,078,008
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$220,000 for new positions and \$5,339,202 for vacant positions		3,714,807	1,844,395	5,559,202
Added funding for 1 FTE veterinary toxicology resident position	1.00	275,000		275,000
Transferred \$275,000 for 1 new FTE position from the Main Research Center line item to the new and vacant FTE pool		(27,500)		(27,500)

line item and reduced the amount to \$247,500 resulting in the savings as shown

Transferred \$6,875,286 for estimated savings from vacant FTE positions from the Main Research Center line item to the new and vacant FTE pool line item and reduced the amount to \$4,812,701 resulting in the savings as shown		(1,289,612)	(772,973)	(2,062,585)
Adjusted funding source for graduate assistant salaries		(300,000)	300,000	0
Removed vacant FTE positions	(4.98)	(1,140,411)	(50,656)	(1,191,067)
Adjusted funding for supplies, operating expenses, repairs, and travel		(48,030)	(1,074,146)	(1,122,176)
Added funding for research equipment			1,000,000	1,000,000
Removed funding for bond payments		(178,477)		(178,477)
Added one-time funding from the strategic investment and improvements fund (SIIF) to complete the interior of the Oakes Irrigation Research Site			620,000	620,000
Added one-time funding from SIIF for deferred maintenance			500,000	500,000
Added one-time funding , including \$950,000 from SIIF, for a seed conditioning plant at the Langdon Research Center			2,600,000	2,600,000
Added one-time funding for equipment storage sheds at the Dickinson Research Center, the Central Grasslands Research Center, and the Carrington Research Center		1,567,500		1,567,500
Added one-time funding , including \$400,000 from SIIF, to complete the Nesson Valley Irrigation Research Site project			2,300,000	2,300,000
Added one-time funding for an equipment storage shed at the Williston Research Center			200,000	200,000
Added one-time funding for a swine facility renovation			6,000,000	6,000,000
Added one-time funding for a greenhouse addition			3,250,000	3,250,000
Total	6.08	\$5,575,074	\$19,051,827	\$24,626,901

FTE Changes

The Legislative Assembly approved 364.55 FTE positions for the NDSU Main Research Center for the 2025-27 biennium, an increase of 6.08 FTE positions from the 2023-25 biennium authorized level of 358.47 FTE positions. The Legislative Assembly added 1 FTE veterinary toxicology resident position and removed 4.98 vacant FTE positions. In addition, 10.06 FTE positions were added pursuant to Section 10 of House Bill No. 1020 (2023), which authorized the State Board of Higher Education to adjust FTE positions at entities under its control. Section 9 of Senate Bill No. 2020 (2025) continues the authorization of the board to adjust positions at entities under its control during the 2025-27 biennium.

One-Time Funding

The following is a summary of one-time funding items for the NDSU Main Research Center for the 2025-27 biennium:

	General Fund	Other Funds	Total Funds
Interior of the Oakes Irrigation Research Site (SIIF)		\$620,000	\$620,000
Deferred maintenance (SIIF)		500,000	500,000
Langdon Research Extension Center seed conditioning plant (\$950,000 from SIIF and \$1,650,000 from local funds)		2,600,000	2,600,000
Equipment storage sheds	\$1,567,500		1,567,500
Nesson Valley Irrigation Research Site project (\$400,000 from SIIF and \$1,900,000 from local funds)		2,300,000	2,300,000
Williston equipment storage shed (local funds)		200,000	200,000
Swine facility renovation (local funds)		6,000,000	6,000,000
Main research center greenhouse addition (local funds)		3,250,000	3,250,000
Total	\$1,567,500	\$15,470,000	\$17,037,500

Other Sections in Senate Bill No. 2020

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

Additional income appropriation - Section 6 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the NDSU Main Research Center, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2025-27 biennium.

Other funds - SIIF - Section 7 identifies \$2,470,000, including \$950,000 for the Langdon Research Extension Center seed conditioning plant, \$620,000 for the Oakes Irrigation Research Site, \$500,000 for deferred maintenance, and \$400,000 for the Nesson Valley Irrigation Research Site from SIIF.

Transfer authority - Section 8 authorizes the transfer of appropriation authority between the NDSU Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to OMB.

FTE position adjustments - Section 9 authorizes the State Board of Higher Education to adjust or increase FTE positions for the NDSU Main Research Center and provides that any adjustments be reported to OMB and the Budget Section.

Unexpended general fund - Excess income - Section 10 authorizes the continuation of any unexpended general fund appropriation and excess income received by the NDSU Main Research Center into the 2027-29 biennium.

Exemption - Unexpended appropriations - Subsection 1 of Section 11 allows the Main Research Center to continue unexpended SIIF appropriation authority relating to the branch research center storage sheds appropriated in Section 1 of Chapter 20 of the 2023 Session Laws into the 2025-27 biennium. Subsection 2 of Section 11 authorizes the continuation of unexpended general fund appropriation authority relating to the Nesson Valley Irrigation Research Site appropriated in Section 1 of Chapter 20 of the 2023 Session Laws into the 2025-27 biennium.

Plans, drawings, and specifications exemption - Section 12 allows the Main Research Center to expend funds for storage sheds without procuring plans, drawings, and specifications from an architect or engineer.

Emergency - Section 13 declares the \$6 million from other funds for the swine facility renovation to be an emergency measure.

Related Legislation

Senate Bill No. 2003 - Exemptions - Subsection 1 of Section 41 of this bill provides an exemption to continue 2023-25 biennium appropriation authority from SIIF and the general fund for branch research centers capital projects inflation into the 2025-27 biennium. Subsection 3 of Section 41 provides an exemption to continue 2023-25 biennium appropriation authority from SIIF and other funds for the Main Research Center Waldron Hall replacement project into the 2025-27 biennium.

**Agronomy Seed Farm
Budget No. 649
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	3.00	\$0	\$1,679,996	\$1,679,996
2025-27 base budget	3.00	0	1,632,722	1,632,722
Legislative increase (decrease) to base budget	0.00	\$0	\$47,274	\$47,274

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			\$24,093	\$24,093
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			18,016	18,016
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions			8,312	8,312
Transferred \$10,490 for estimated savings from vacant FTE positions from the Agronomy Seed Farm line item to the new and vacant FTE pool line item and reduced the amount to \$7,343 resulting in the savings as shown			(3,147)	(3,147)
Total	0.00	\$0	\$47,274	\$47,274

FTE Changes

The Legislative Assembly approved 3 FTE positions for the Agronomy Seed Farm for the 2025-27 biennium, the same as the 2023-25 biennium.

Other Sections in Senate Bill No. 2020

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

Additional income appropriation - Section 6 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the Agronomy Seed Farm, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2025-27 biennium.

FTE position adjustments - Section 9 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Agronomy Seed Farm and provides that any adjustments be reported to the Office of Management and Budget and the Budget Section.

Unexpended general fund - Excess income - Section 10 authorizes the continuation of any unexpended general fund appropriation and excess income received by the Agronomy Seed Farm into the 2027-29 biennium.

Related Legislation

There is no major related legislation affecting this agency.

State Fair Association
Budget No. 665
Senate Bill No. 2009

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	0.00	\$642,833	\$1,550,000	\$2,192,833
2025-27 base budget	0.00	642,833	0	642,833
Legislative increase (decrease) to base budget	0.00	\$0	\$1,550,000	\$1,550,000

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$642,833	\$0	\$642,833
2023-25 legislative appropriations	642,833	0	642,833
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$0	\$0	\$0
Percentage increase (decrease) to 2023-25 appropriations	0.0%	N/A	0.0%

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 one-time funding from the strategic investment and improvements fund (SIIF) to provide a cost-share for a campground rest facility			\$750,000	\$750,000
Added one-time funding from SIIF for safety and security infrastructure			800,000	800,000
Total	0.00	\$0	\$1,550,000	\$1,550,000

One-Time Funding

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

	Total SIIF
Campground rest facility	\$750,000
Safety and security infrastructure	800,000
Total	\$1,550,000

State Fair Premiums

The Legislative Assembly provided \$642,833 from the general fund for premiums, the same as the 2023-25 biennium appropriation.

Other Sections in Senate Bill No. 2009

Strategic investment and improvements fund - Section 3 identifies funding for the campground rest facility and safety and security infrastructure is provided from SIIF.

Campground rest facility - Distribution - Section 4 provides the state funding, made available for the campground rest facility, is to provide a cost-share not to exceed \$750,000. The cost-share will provide \$2 of state funding for each \$1 of State Fair Association funds.

Repeal - State Fair facility operations and maintenance costs - Section 5 repeals North Dakota Century Code Section 4.1-45-22.1 related to funding for the facility operations and maintenance costs of the State Fair.

Emergency - Campground rest facility and security infrastructure - Section 6 provides the funding for the campground rest facility and safety and security infrastructure is declared an emergency measure.

Related Legislation

Senate Bill No. 2018 - Sanitation restoration project - Section 7 of this bill, provides one-time funding of \$350,000 from the general fund to the State Fair Association for a sanitation restoration project. **The Governor vetoed this section.**

**Racing Commission
Budget No. 670
Senate Bill No. 2023**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	2.00	\$521,818	\$177,224	\$699,042
2025-27 base budget	2.00	458,077	172,257	630,334
Legislative increase (decrease) to base budget	0.00	\$63,741	\$4,967	\$68,708

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$488,818	\$33,000	\$521,818
2023-25 legislative appropriations	458,077	20,000	478,077
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$30,741	\$13,000	\$43,741
Percentage increase (decrease) to 2023-25 appropriations	6.7%	65.0%	9.1%

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		\$15,703	\$827	\$16,530
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		11,410	601	12,011
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		5,645	298	5,943
Transferred \$7,076 for estimated savings from vacant FTE positions from the racing commission line item to the new and vacant FTE pool line item and reduced the amount to \$4,953 resulting in the savings as shown		(2,017)	(106)	(2,123)
Added funding for information technology rate increases			3,347	3,347
Added one-time funding for internships		20,000		20,000

Added one-time funding for a copier replacement		13,000		13,000
Total	0.00	\$63,741	\$4,967	\$68,708

FTE Changes

The Legislative Assembly approved 2 FTE positions for the Racing Commission for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

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

	General Fund
Internship program	\$20,000
Copier replacement	13,000
Total	\$33,000

Other Sections in Senate Bill No. 2023

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

Related Legislation

There is no major related legislation affecting this agency.

**State Historical Society
Budget No. 701
House Bill Nos. 1018 and 1603**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	85.50	\$23,911,227	\$90,815,680	\$114,726,907
2025-27 base budget	83.50	20,600,349	2,434,264	23,034,613
Legislative increase (decrease) to base budget	2.00	\$3,310,878	\$88,381,416	\$91,692,294

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$23,593,502	\$317,725	\$23,911,227
2023-25 legislative appropriations	20,600,349	1,906,839	22,507,188
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$2,993,153	(\$1,589,114)	\$1,404,039
Percentage increase (decrease) to 2023-25 appropriations	14.5%	(83.3%)	6.2%

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:				
Adjusted funding for base payroll changes		(\$87,917)	(\$218,735)	(\$306,652)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		572,726	65,130	637,856
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		458,503	51,946	510,449
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$1,131,016 for new positions and \$637,376 for vacant positions		919,203	849,189	1,768,392
Added funding for 2 FTE positions, including a FTE exhibition preparator position (\$190,080) and a FTE tribal liaison position (\$208,076). Of the total, \$388,876 is for salaries and wages and \$9,280 is for operating expenses.	2.00	398,156		398,156

Transferred (\$388,876) for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$349,988 resulting in the savings as shown	(38,888)		(38,888)
Transferred (\$834,697) for estimated savings 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 \$584,288 resulting in the savings as shown	(224,858)	(25,551)	(250,409)
Added funding for temporary salaries to provide a total of \$2,723,848	945,088		945,088
Added funding for compliance with the federal Native American Graves Protection and Repatriation Act (NAGPRA), including temporary salaries of \$376,436 and operating expenses of \$13,920	390,356		390,356
Added federal funding for a temporary historic preservation specialist position, of which \$170,122 is for temporary salaries and \$2,280 is for operating expenses		172,402	172,402
Adjusted base level funding, including an increase in information technology costs (\$71,996), increases in operating expenses, primarily insurance and utilities (\$186,163), an increase for Pembina State Museum marketing expenses (\$37,000), reducing funding from capital assets (\$42,000), and adding funding for National Historical Publications and Records Commission (NHPRC) grants (\$27,500 from federal funds)	253,159	27,500	280,659
Transferred \$15,000 of federal funds from the operating expenses line item to the grants line item for NHPRC grants		0	0
Removed funding for bonds related to the Chateau de Mores Interpretive Center which were repaid in January 2024	(592,375)		(592,375)
Removed funding for cultural heritage grants	(500,000)		(500,000)
Added one-time funding from federal funds for a temporary archaeology collections specialist position, including \$46,460 for salaries and \$3,540 for operating expenses		50,000	50,000
Added one-time funding for new FTE position operating expenses, including funding from federal funds	10,225	2,011	12,236
Added one-time funding for operating expenses related to NAGPRA repatriation compliance	100,000		100,000
Added one-time funding from federal funds for consultant costs related to the underrepresented community program		75,000	75,000

Added one-time funding from the strategic investment and improvements fund (SIIF) for the Pembina State Museum for the purchase of exhibit objects and the installation of a new gallery design in the permanent gallery of the museum (\$600,000), replacement of carpeting (\$13,000), a photo gallery exhibit (\$20,000), and advertising expenses (\$5,000)		638,000		638,000
Added one-time funding for the military gallery expansion project at the North Dakota Heritage Center, including \$4,200,000 to repay a 2023-25 biennium Bank of North Dakota line of credit, \$73,744,524 for the project, and \$700,000 for updates to the inspiration gallery after completion of the project		78,644,524		78,644,524
Added one-time funding from SIIF for Medora area planning		2,000,000		2,000,000
Added one-time funding for state archive storage upgrades	207,500			207,500
Added one-time funding from SIIF for improvements to historical structures and buildings		3,000,000		3,000,000
Added one-time funding from federal funds for Paul Bruhn historic revitalization grants for the restoration of historic buildings in rural communities		750,000		750,000
Added one-time funding from SIIF for a historic museum repairs grant		200,000		200,000
Added one-time funding from SIIF for a historic armory restoration grant		100,000		100,000
Added one-time funding from SIIF for America 250 th celebration activities, of which \$1 million is for state-related activities and \$1 million is for a grant to assist in Medora-related activities		2,000,000		2,000,000
Added ongoing funding for NAGPRA compliance, including the establishment of a compliance committee consisting of tribal historic preservation officers or their designees from each North Dakota tribe with an agreement under North Dakota Century Code Chapter 54-40.2 (House Bill No. 1603)	500,000			500,000
Total	<u>2.00</u>	<u>\$3,310,878</u>	<u>\$88,381,416</u>	<u>\$91,692,294</u>

FTE Changes

The Legislative Assembly approved 85.50 FTE positions for the State Historical Society for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 83.50 FTE positions. The Legislative Assembly added 1 FTE exhibition preparator position and a FTE tribal liaison position.

One-Time Funding

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

	General Fund	Federal Funds	Special Funds	Total
Temporary staff salaries and operating expenses	\$10,225	\$52,011		\$62,236
NAGPRA repatriation compliance costs	100,000			100,000
Pembina State Museum exhibit designs and objects ¹			\$638,000	638,000
Underrepresented community program		75,000		75,000
Repayment of 2023-25 biennium line of credit for military gallery expansion project ^{1,2}			4,200,000	4,200,000
Military gallery expansion project ^{1,2}			73,744,524	73,744,524
Inspiration gallery updates ^{1,2}			700,000	700,000
Medora area planning ¹			2,000,000	2,000,000
State archive storage updates	207,500			207,500
Historical structures and buildings improvements ¹			3,000,000	3,000,000
Paul Bruhn historical revitalization grants		750,000		750,000
Historic museum repairs grant ¹			200,000	200,000
Historic armory restoration grant ¹			100,000	100,000
America 250 th celebration activities ¹			2,000,000	2,000,000
Total	\$317,725	\$877,011	\$86,582,524	\$87,777,260

¹Funding for these items is from SIIF.

²Funding for the military gallery expansion project totals \$78,644,524, including \$4,200,000 to repay a 2023-25 biennium Bank of North Dakota line of credit, \$73,744,524 for the project, and \$700,000 for updates to the inspiration gallery after completion of the project. Of the \$73,744,524 for the project, \$15,000,000 is from SIIF, \$20,000,000 is from a Bank line of credit, and \$38,744,524 is from donations. Of the \$700,000 for updates to the inspiration gallery, \$350,000 is from SIIF and \$350,000 is from donations.

Military Gallery Expansion Project

The Legislative Assembly appropriated \$78,644,524 of one-time funding from special funds for the military gallery expansion project, as follows:

	SIIF	Bank of North Dakota Line of Credit	Donations	Total
Repayment of 2023-25 biennium line of credit	\$4,200,000			\$4,200,000
Military gallery expansion project ¹	15,000,000	\$20,000,000	\$38,744,524	73,744,524
Inspiration gallery updates	350,000		350,000	700,000
Total	\$19,550,000	\$20,000,000	\$39,094,524	\$78,644,524

¹Section 6 of House Bill No. 1018 provides the funding appropriated from SIIF for the military gallery expansion project may be accessed only upon certification from the State Historical Society to the Office of Management and Budget that 33 percent, or \$12,785,693, of the \$38,744,524 appropriated from donated funds for the project have been pledged.

Bank of North Dakota line of credit - Section 7 identifies \$20 million appropriated in Section 1 is from a Bank of North Dakota line of credit for the military gallery expansion project.

Other funds - donations - Section 8 identifies \$39,094,524 appropriated in Section 1 is from other funds derived from donations, of which \$38,744,524 is for the military gallery expansion project and \$350,000 is to update the inspiration gallery at the North Dakota Heritage Center.

Amendment - Military gallery - Section 10 amends Section 55-01-2.1 to require the State Historical Society to collaborate with the Adjutant General on all public displays, signage, and museum content for the military gallery within the Heritage Center building and provides the regimental room be named the North Dakota National Guard Regimental Room.

Emergency - Section 11 provides the \$4.2 million appropriated from SIIF in Section 1 for the repayment of a 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion project and the \$15 million appropriated from SIIF in Section 1 for the project are declared an emergency measures.

Other Sections in House Bill No. 1018

New and vacant FTE pool - Section 3 provides the State Historical Society may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.

Appropriation - Revolving fund - Section 4 appropriates all fees collected and deposited in the revolving fund to the State Historical Society.

Appropriation - Gifts, grants, and bequests - Section 5 appropriates all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.

Strategic investment and improvements fund - Matching funds - Section 6 identifies \$27,488,000 appropriated in Section 1 from SIIF, of which \$638,000 is for Pembina State Museum exhibit designs and objects, \$4,200,000 is for repayment of the 2023-25 biennium line of credit for the military gallery expansion project, \$15,000,000 is for the military gallery expansion project, \$350,000 is for an update to the inspiration gallery at the North Dakota Heritage Center, \$2,000,000 is for Medora area planning, \$3,000,000 is for improvements to historical structures and buildings, \$200,000 is for a historic museum repairs grant, \$100,000 is for a historic armory restoration grant, and \$2,000,000 is for America 250th semiquincentennial celebration activities. Funding for the historic museum repairs grant and historic armory restoration grant requires \$1 of matching funds from grant recipients for every \$2 provided by the state. Matching funds raised prior to the 2025-27 biennium are eligible to match grants identified in this section. Funding from SIIF for the military gallery expansion project may be accessed only upon certification from the State Historical Society to the Office of Management and Budget that 33 percent, or \$12,785,693, of the \$38,744,524 appropriated from donated funds for the project have been pledged.

Lewis and Clark Interpretive Center - Section 9 identifies \$100,000 appropriated in the other funds line item in Section 1 is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2025-27 biennium.

Related Legislation

House Bill No. 1603 - NAGPRA compliance - This bill includes \$500,000 of ongoing funding from the general fund appropriated to the State Historical Society for costs associated with compliance with NAGPRA. The State Historical Society is required to use the funding to establish a compliance committee consisting of tribal historic preservation officers or their designees from each North Dakota tribe with an agreement under Chapter 54-40.2. Each tribe participating on the committee is required to provide matching funds of up to \$100,000 for committee efforts. The committee is required to identify and prioritize compliance efforts for the repatriation of culturally significant human remains, funerary objects, sacred objects, and objects of cultural patrimony, including funding for staffing, training, and consultation with tribal historic preservation offices.

**Council on the Arts
Budget No. 709
Senate Bill No. 2010**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	6.00	\$2,637,535	\$2,030,000	\$4,667,535
2025-27 base budget	6.00	2,371,630	1,880,000	4,251,630
Legislative increase (decrease) to base budget	0.00	\$265,905	\$150,000	\$415,905

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$2,632,535	\$5,000	\$2,637,535
2023-25 legislative appropriations	2,371,630	258,930	2,630,560
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$260,905	(\$253,930)	\$6,975
Percentage increase (decrease) to 2023-25 appropriations	11.0%	(98.1%)	0.3%

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:				
Adjusted funding for base payroll changes		\$12,903		\$12,903
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		48,415		48,415
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		36,032		36,032
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$69,750 for new positions and \$15,884 for vacant positions		85,634		85,634
Transferred \$23,598 for estimated savings 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 \$16,519, resulting in savings as shown		(7,079)		(7,079)
Added funding for a grants program officer temporary position		85,000		85,000

Added federal funds for an arts across the prairie temporary position			\$150,000	150,000
Added one-time funding for arts across the prairie education		5,000		5,000
Total	0.00	\$265,905	\$150,000	\$415,905

FTE Changes

The Legislative Assembly approved 6 FTE positions for the Council on the Arts for the 2025-27 biennium, the same level as the 2023-25 biennium.

Other Sections in Senate Bill No. 2010

Cultural endowment fund - Section 3 appropriates all income from the cultural endowment fund to the Council on the Arts during the 2025-27 biennium for furthering the cultural arts in the state, and allows for the spending of accrued interest for the fabrication, site preparation, and installation of arts across the prairie projects.

Gifts, grants, and bequests - Section 4 appropriates all income from gifts, grants, devises, bequests, donations, and assignments received by the Council on the Arts during the 2025-27 biennium.

New and vacant FTE pool - Section 5 provides for the use of funding in the new and vacant FTE pool line item.

State troubadour and poet laureate - Section 6 designates \$20,000 from the grants line item to provide \$10,000 each for the State Troubadour and Poet Laureate.

Line item transfers - Section 7 provides authority for the Council on the Arts to transfer funds between line items and requires the Council on the Arts to report transfers to the Legislative Council, Budget Section, and the Appropriations Committees of the 70th Legislative Assembly.

Carryover - Accrued leave - Section 8 authorizes the continuation of \$25,000 of unspent appropriation authority into the 2025-27 biennium for the payout of accrued leave.

**Game and Fish Department
Budget No. 720
House Bill No. 1017**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	170.00	\$0	\$114,864,690	\$114,864,690
2025-27 base budget	170.00	0	104,727,514	104,727,514
Legislative increase (decrease) to base budget	0.00	\$0	\$10,137,176	\$10,137,176

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:				
Adjusted funding for base payroll changes			(\$838,661)	(\$838,661)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, of which \$601,106 is from federal funds and \$987,429 is from special funds			1,588,535	1,588,535
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month, of which \$396,260 is from federal funds and \$606,621 is from special funds			1,002,881	1,002,881
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$2,241,734 for new positions and \$1,179,021 for vacant positions. Of the total, \$1,489,600 is from federal funds and \$1,931,155 is from special funds.			3,420,755	3,420,755
Transferred (\$2,660,727) for estimated savings from vacant FTE positions from the salaries and wages line item and other line items as necessary to the new and vacant FTE pool line item and reduced the amount to \$1,862,510 resulting in the savings as shown			(798,217)	(798,217)
Added funding for temporary salaries, including \$77,756 from federal funds and \$187,744 from the game and fish operating fund to provide a total of \$2,221,582 for temporary salaries in the salaries and wages line item			265,500	265,500
Added funding for increasing motorpool costs, including \$321,100 from federal funds and \$366,231 from the game and fish operating fund			687,331	687,331

Added funding from special funds for increasing information technology costs	639,189	639,189
Adjusted base level funding, including adding \$109,291 for accrued leave payouts for retirements, adding \$26,000 for the land habitat and deer depredation program, adding \$36,572 for the aquatic nuisance species program, reducing (\$1,351,997) for game and fish grants, and reducing (\$550,203) for operating expenses and capital assets, primarily related to decreases in operating fees and services and buildings, grounds, and vehicle supplies	(1,730,337)	(1,730,337)
Reduced federal funding for shooting ranges grants, resulting in \$1,650,000 of federal funding remaining for the program	(1,650,000)	(1,650,000)
Added one-time funding from the game and fish operating fund for information technology projects, including \$100,000 for the Game and Fish Department mobile application, \$250,000 for a customer relationship management solution, and \$30,000 for a video asset management system	380,000	380,000
Added one-time funding from the game and fish operating fund for repairs to the Baukol-Noonan Dam	150,000	150,000
Added one-time funding from the game and fish operating fund for equipment, of which \$91,850 is from federal funds and \$128,350 is from the game and fish operating fund, including \$70,000 for tractors, \$12,000 for all-terrain vehicles, \$13,200 for law enforcement aquatic radios, \$65,000 for a fiberglass boat, motor, and trailer, and \$60,000 for the replacement of game warden firearms	220,200	220,200
Added one-time funding for Garrison Dam National Fish Hatchery pondliners (\$1.5 million) and high-pressure pumps (\$300,000), of which \$1.35 million is from federal funds and \$450,000 is from the game and fish operating fund	1,800,000	1,800,000
Added one-time funding for wildlife habitat and access on private lands, including \$1 million for the habitat improvement program, \$2.3 million for private land open to sportsmen (PLOTS) payments, and \$1.7 million for the rangeland legacy program. Of the total, \$4.1 million is from federal funds and \$900,000 is from the habitat and depredation fund.	5,000,000	5,000,000
Total	<u>0.00</u>	<u>\$0</u>
	<u>\$10,137,176</u>	<u>\$10,137,176</u>

FTE Changes

The Legislative Assembly approved 170 FTE positions for the Game and Fish Department for the 2025-27 biennium, the same as the 2023-25 biennium.

One-Time Funding

The following is a summary of one-time funding items for the Game and Fish Department for the 2025-27 biennium:

	Federal Funds	Special Funds	Total
Information technology projects	\$0	\$380,000	\$380,000
Baukol-Noonan Dam repairs	0	150,000	150,000
Equipment	91,850	128,350	220,200
Garrison Dam National Fish Hatchery - Pondliner replacements	1,125,000	375,000	1,500,000
Garrison Dam National Fish Hatchery - High-pressure pump replacements	225,000	75,000	300,000
Wildlife habitat and access on private lands	4,100,000	900,000	5,000,000
Total	\$5,541,850	\$2,008,350	\$7,550,200

Other Sections in House Bill No. 1017

New and vacant FTE pool line item - Section 3 provides the Game and Fish Department may not spend funds appropriated in the new and vacant FTE pool line item but may request the Office of Management and Budget to transfer funds to line items with salaries and wages funding.

Grants, gifts, and donations line - Section 4 identifies \$100,000 received by the Game and Fish Department in the grants, gifts, and donations line item for surface damage, easements, or reclamation on department-owned or managed properties as a result of mineral exploration and extraction activities.

Midterm conservation agreements - Section 5 identifies that the \$2,777,778 included in the land habitat and deer depredation line item can be used for midterm conservation agreements entered with private landowners for a maximum of 30 years with buyout options at 15, 20, and 25 years.

Line item transfer authority - Section 6 authorizes the Game and Fish Department to transfer up to \$2 million between the operating expenses, capital assets, and grants - game and fish line items, during the 2025-27 biennium. The department is required to report transfers to the Legislative Council.

Related Legislation

House Bill No. 1470 - Hunting fees - This bill increases hunting, fishing, and gun dog activity fees.

Senate Bill No. 2216 - Waterfowl stamp - This bill requires a \$5 waterfowl habitat restoration stamp to be purchased in addition to the purchase of a resident small game license.

**Parks and Recreation Department
Budget No. 750
House Bill No. 1019**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	76.00	\$15,528,741	\$46,562,974	\$62,091,715
2025-27 base budget	65.00	14,826,600	24,893,684	39,720,284
Legislative increase (decrease) to base budget	11.00	\$702,141	\$21,669,290	\$22,371,431

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$15,278,741	\$250,000	\$15,528,741
2023-25 legislative appropriations	14,826,600	0	14,826,600
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$452,141	\$250,000	\$702,141
Percentage increase (decrease) to 2023-25 appropriations	3.0.%	N/A	4.7%

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:				
Adjusted funding for base payroll changes		(\$775,784)	(\$67,351)	(\$843,135)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		508,470	45,464	553,934
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		357,762	38,588	396,350
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$197,103 for new positions and \$513,210 for vacant positions		547,095	163,218	710,313
Added funding for retirement contributions to convert temporary positions to FTE positions	9.00	269,901		269,901
Added funding for FTE natural resource services II positions for the 2 nd year of the biennium, of which 1 FTE position is for Roughrider State Park and 1 FTE position is for Pembina Gorge State Park	2.00	191,476		191,476

Transferred \$191,476 for 2 new FTE positions from the parks operations and maintenance line item to the new and vacant FTE pool line item and reduced the amount to \$172,328 resulting in the savings as shown	(19,148)		(19,148)
Transferred (\$724,378) for estimated savings from vacant FTE positions from administration, parks operations and maintenance, and recreation line items to the new and vacant FTE pool line item and reduced the amount to \$507,065 resulting in the savings as shown	(199,126)	(18,187)	(217,313)
Adjusted funding for operating expenses, primarily related to information technology increases and professional services and travel reductions, including funding from the parks and recreation fund	(428,505)	66,058	(362,447)
Added one-time funding for the replacement of equipment, including lawnmowers, skid steers, tractors, and other equipment. Other funds are derived from the parks and recreation fund.	250,000	250,000	500,000
Added one-time funding from the strategic investment and improvement fund (SIIF) for deferred maintenance on roads, structures, utilities, and marinas		12,500,000	12,500,000
Added one-time funding from SIIF to match Federal Emergency Management Agency funds for the construction of comfort stations at state parks		924,000	924,000
Added one-time funding from SIIF for state parks technology enhancements, including expanded Wi-Fi capabilities for state park staff buildings and the automation of services at state parks		2,500,000	2,500,000
Added one-time funding from SIIF for a Lake Metigoshe State Park sewer infrastructure program. Grant funding may not exceed 20 percent of the total project cost to replace or repair the sewer infrastructure system.		800,000	800,000
Added one-time funding for state park matching grants, of which \$1.25 million is from SIIF and \$1.25 million is from local matching funds collected and deposited in the parks and recreation fund		2,500,000	2,500,000
Added one-time funding from SIIF for an International Peace Garden International Music Camp complex revitalization project		1,400,000	1,400,000
Added one-time funding from SIIF for an International Peace Garden sewer, water, and irrigation master development plan		250,000	250,000

Added one-time funding from SIIF for an International Peace Garden cactus conservatory project			317,500	317,500
Total	11.00	\$702,141	\$21,669,290	\$22,371,431

FTE Changes

The Legislative Assembly approved 76 FTE positions for the Parks and Recreation Department for the 2025-27 biennium, an increase of 11 FTE positions from the 2023-25 biennium authorized level of 65 FTE positions. The Legislative Assembly converted 9 temporary positions to FTE positions and added 2 FTE natural resource services II positions for the 2nd year of the biennium, of which 1 FTE position is for Roughrider State Park and 1 FTE position is for Pembina Gorge State Park.

One-Time Funding

The following is a summary of one-time funding items for the Parks and Recreation Department for the 2025-27 biennium:

	General Fund	Other Funds	Total
Replacement of equipment, including lawn mowers, skid steers, tractors, and other equipment (parks fund)	\$250,000	\$250,000	\$500,000
Deferred maintenance on roads, structures, utilities, and marinas (SIIF)		12,500,000	12,500,000
Comfort stations at state parks (SIIF)		924,000	924,000
State parks technology enhancements (SIIF)		2,500,000	2,500,000
Lake Metigoshe State Park sewer infrastructure system (SIIF)		800,000	800,000
State parks matching grants (SIIF and local matching funds)		2,500,000	2,500,000
International Peace Garden - International Music Camp complex revitalization project (SIIF)		1,400,000	1,400,000
International Peace Garden - Sewer, water, and irrigation master development plan (SIIF)		250,000	250,000
International Peace Garden - Cactus conservatory project (SIIF)		317,500	317,500
Total	\$250,000	\$21,441,500	\$21,691,500

International Peace Garden

The following is a summary of funding appropriated to the Parks and Recreation Department for the International Peace Garden for the 2025-27 biennium:

	General Fund	SIIF	Total
Base budget funding for International Peace Garden salaries and operating expenses (ongoing funding)	\$1,126,329		\$1,126,329
International Peace Garden - International Music Camp complex revitalization project (one-time funding)		\$1,400,000	1,400,000
International Peace Garden - Sewer, water, and irrigation master development plan (one-time funding)		250,000	250,000
International Peace Garden - Cactus conservatory project (one-time funding)		317,500	317,500
Total	\$1,126,329	\$1,967,500	\$3,093,829

International Peace Garden - Section 7 provides the one-time funding of \$1,967,500 appropriated in Section 1 for projects at the International Peace Garden must be matched by the Province of Manitoba at a value equal to the US Dollar exchange rate on July 1, 2025.

Exemptions

The Legislative Assembly authorized 16 exemptions in Section 9 of House Bill No. 1019 to allow the Parks and Recreation Department to continue an estimated \$101,642,823 of unexpended prior biennium appropriations into the 2025-27 biennium, including \$106,516 from the general fund and \$101,536,307 from other funds as follows:

House Bill No. 1019, Section 9, Subsection:	Major Program Area	Appropriations from Previous Bienniums		Estimated Amount to be Spent during the 2023-25 Biennium		Estimated Amount to be Continued into the 2025-27 Biennium	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
1	Trail lease renewals	\$200,000	\$0	\$143,484	\$0	\$56,516	\$0
2	State parks capital projects (SIIF)	0	1,755,000	0	1,655,000	0	100,000
3	Fort Abraham Lincoln viewshed lease	50,000	0	0	0	50,000	0
4	Deferred maintenance (federal State Fiscal Recovery Fund)	0	10,000,000	0	5,500,000	0	4,500,000
5	Local park district matching grants (State Fiscal Recovery Fund)	0	5,000,000	0	4,975,000	0	25,000
6	State parks improvements (State Fiscal Recovery Fund and local matching funds)	0	1,632,800	0	800	0	1,632,000
7	Deferred maintenance (State Fiscal Recovery Fund)	0	7,900,000	0	4,400,000	0	3,500,000
8	International Peace Garden capital projects (SIIF)	0	800,000	0	100,000	0	700,000
9	Deferred maintenance and capital projects (SIIF)	0	10,000,000	0	1,250,000	0	8,750,000
10	Cabin construction (SIIF)	0	2,400,000	0	0	0	2,400,000
11	Lake Metigoshe reimagined (SIIF)	0	250,000	0	175,000	0	75,000
12	Local park district matching grant (SIIF)	0	6,000,000	0	3,500,000	0	2,500,000
13	Theodore Roosevelt Presidential Library (Bank of North Dakota line of credit) ¹	0	70,000,000	0	0	0	70,000,000
14	Pembina Gorge Campground construction (SIIF)	0	6,000,000	0	3,000,000	0	3,000,000
15	State parks improvements (SIIF and local matching funds)	0	3,000,000	0	0	0	3,000,000
16	Sovereign land grants (State Water Commission grant funding) ²	0	2,000,000	0	645,693	0	1,354,307
Total		\$250,000	\$126,737,800	\$143,484	\$25,201,493	\$106,516	\$101,536,307

¹In subsection 13 of Section 9 of House Bill No. 1019, the Legislative Assembly authorized the Parks and Recreation Department an exemption to continue unspent funding from a Theodore Roosevelt Presidential Library line of credit from the 2023-25 biennium into the 2025-27 biennium and provided the funding may be used only for providing reimbursement of construction costs associated with building the Theodore Roosevelt Presidential Library, including fixtures, furnishings, exhibit structures, supplies, and materials.

²In subsection 16 of Section 9 of House Bill No. 1019, the Legislative Assembly authorized the Parks and Recreation Department an exemption to continue unspent funding from State Water Commission grant funding for sovereign land grants for the 2023-23 biennium into the 2025-27 biennium and provided up to \$450,000 of the funding continued into the 2025-27 biennium may be used for deferred maintenance projects at state parks and for the purchase of equipment. All other remaining funding continued into the 2025-27 biennium under this subsection must be used for sovereign land grants.

Other Sections in House Bill No. 1019

New and vacant FTE pool line item - Section 3 provides the Parks and Recreation Department may not spend funds appropriated in the new and vacant FTE pool line item but may request the Office of Management and Budget to transfer funds to other line items.

Appropriation - Additional federal funds or other funds - Section 4 appropriates any additional income from federal or other funds that may become available to the Parks and Recreation Department for the 2025-27 biennium.

Game and fish operating fund - Transfer for boat ramp maintenance - Section 5 transfers \$122,000 from the game and fish operating fund, or federal or other funds available to the Game and Fish Department to the Parks and Recreation Department for maintenance, operating, and extraordinary repair expenses relating to boat ramps at state parks for the 2025-27 biennium.

Strategic investment and improvements fund - Section 6 identifies \$19,941,500 appropriated in Section 1 from SIIF, including \$12,500,000 for deferred maintenance, \$924,000 for comfort stations, \$2,500,000 for state parks technology enhancements, \$800,000 for a Lake Metigoshe State Park sewer infrastructure project, \$1,250,000 for state parks matching funds, \$1,400,000 for an International Music Camp complex revitalization project at the International Peace Garden, \$250,000 for a sewer, water, and irrigation master development plan at the International Peace Garden, and \$317,500 for a cactus conservatory project at the International Peace Garden. The section authorizes the Parks and Recreation Department to utilize funding for deferred maintenance projects for the purchase of

buildings to replace current buildings that are beyond feasible repair. The department is required to provide a grant of \$800,000 to a local sewer district to replace or repair the sewer infrastructure system at Lake Metigoshe State Park and surrounding areas. Grant funding awarded under this section may not exceed 20 percent of the total project cost to replace or repair the sewer infrastructure system.

Amendment - Creation and naming of state parks - Section 8 creates a new section to North Dakota Century Code Chapter 55-08 to provide state agencies and officials cannot create a new state park or rename an existing state park without prior approval from the Legislative Assembly. **The Governor vetoed this section.**

Related Legislation

There is no major related legislation affecting this agency.

Department of Water Resources
Budget No. 770
House Bill No. 1020

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	98.00	\$0	\$769,257,471	\$769,257,471
2025-27 base budget	93.00	0	699,660,783	699,660,783
Legislative increase (decrease) to base budget	5.00	\$0	\$69,596,688	\$69,596,688

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:				
Adjusted funding for base payroll changes			\$416,661	\$416,661
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			962,334	962,334
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			606,534	606,534
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$703,398 for new positions and \$912,231 for vacant positions			1,615,629	1,615,629
Added FTE positions and related operating funding, including an accountant, deputy director, Northwest Area Water Supply (NAWS) operator, general counsel, and "silver jacket" flood risk positions, including \$36,000 of one-time funding	5.00		1,554,738	1,554,738
Transferred \$1,361,986 for 5 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$1,225,788 resulting in the savings as shown			(136,198)	(136,198)
Transferred \$1,636,100 for estimated savings 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 \$1,145,270, resulting in savings as shown			(490,830)	(490,830)
Added funding for State Water Commissioner salaries and operating expenses			138,960	138,960
Added funding for overtime and temporary salaries			60,000	60,000
Added funding for NAWS on-call pay			106,954	106,954

Added funding for Board of Water Well Contractors administrative services, including \$30,000 of one-time funding	81,123	81,123
Added funding for an internship program	100,000	100,000
Adjusted funding for operating expenses, including professional fees and services and Devils Lake outlet utilities	(1,864,821)	(1,864,821)
Decreased funding for capital assets, including the Devils Lake outlet	(980,000)	(980,000)
Added funding for discretionary funding, including costs associated with State Water Commission studies of Missouri River intake sites, regional water systems governance, and the state's cost-share policy	10,000,000	10,000,000
Added funding for the Southwest Pipeline Project to provide a total of \$101 million	20,968,600	20,968,600
Added funding for NAWS to provide a total of \$106.9 million	40,817,004	40,817,004
Adjusted funding among the water projects and grants line items and designated \$260 million as one-time funding from a Bank of North Dakota line of credit	(5,300,000)	(5,300,000)
Added one-time funding for the replacement of emergency pumps	480,000	480,000
Added one-time funding for the replacement of an excavator	400,000	400,000
Added one-time funding for a data logger replacement	60,000	60,000
Total	5.00	\$0

FTE Changes

The Legislative Assembly approved 98 FTE positions for the Department of Water Resources for the 2025-27 biennium, an increase of 5 FTE positions from the 2023-25 biennium. The Legislative Assembly added an FTE accountant, deputy director, NAWS operator, and general counsel positions and converted a "silver jacket" flood risk temporary position to an FTE position.

One-Time Funding

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

	Other Funds
Bank of North Dakota line of credit for water projects and grants	\$260,000,000
New FTE one-time funding	36,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
Board of Water Well Contractors one-time funding	30,000
Total	\$261,006,000

Deficiency Appropriation - 2023-25 Biennium

The Legislative Assembly, in House Bill No. 1024 (2025), approved a deficiency appropriation of \$10 million from the resources trust fund to the Department of Water Resources for the 2023-25 biennium to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.

Other Sections in House Bill No. 1020

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

Additional income - Appropriation - Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium.

Water projects stabilization fund - Section 5 identifies \$42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.

Discretionary funding - Section 6 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 24 may be used as necessary, except for salaries and wages.

Transfer - Water infrastructure revolving loan fund - Section 7 provides for a transfer of \$40 million from the resources trust fund to the water infrastructure revolving loan fund.

Line of credit - Water infrastructure revolving loan fund - Section 8 provides for a \$100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.

Attorney position authorization - Section 9 amends North Dakota Century Code Section 54-12-08 to allow the Department of Water Resources to employ an attorney.

Water Topics Overview Committee - Powers and duties - Section 10 amends the powers and duties of the Water Topics Overview Committee to provide for committee review of water project proposals with a state cost-share of \$10 million or more.

Bank of North Dakota line of credit - Section 11 amends Section 61-02-79 to provide a line of credit of up to \$260 million for water projects, including \$50 million for the Southwest Pipeline Project.

Northwest Area Water Supply - Biota water treatment plant - Section 12 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.

Red River Valley Water Supply Project - Section 13 provides legislative intent for \$205 million for the Red River Valley Water Supply Project for the 2025-27 biennium. Section 14 provides legislative intent that any federal funds received for the Red River Valley Water Supply Project be allocated 75 percent to the state share and 25 percent to the local share.

Mouse River flood control project - Section 15 provides legislative intent for \$81.1 million for the Mouse River flood control project for the 2025-27 biennium.

Legislative intent - Grants and water projects - Section 16 provides additional detail regarding allocations within line items for water projects.

Missouri River system - Section 17 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.

Legislative Management study - Designated appropriations - Section 18 provides for a study of legislatively designated funding for water projects, including multiphase projects.

Legislative Management study - Storm water projects - Section 19 provides for a legislative management study of storm water projects.

Missouri River intake sites study - Section 20 provides for the Department of Water Resources to study or conduct a field investigation regarding Missouri River intake sites.

Regional water systems governance and finance - Section 21 provides for a State Water Commission study of regional water systems governance and finance.

Cost-share policy - Section 22 provides for a State Water Commission study of its cost-share policy and financial planning.

Line item transfers - Section 23 provides authority for the Director of the Department of Water Resources to transfer up to \$5 million between the operating expenses and capital assets line items.

Water project carryover - Section 24 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be \$600 million, may be continued and expended during the 2025-27 biennium.

Bowman radar system carryover - Section 25 allows funding for the Bowman radar system to be continued into the 2025-27 biennium.

Emergency - Section 26 declares the bill and House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.

Related Legislation

House Bill No. 1009 - This bill provides for the transfer of \$125,000 from the Department of Water Resources to the Agriculture Commissioner for the wildlife services program.

House Bill No. 1024 - This bill provides a deficiency appropriation of \$10 million from the resources trust fund to the Department of Water Resources to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.

House Bill No. 1040 - This bill amends eligibility for the drought disaster livestock water assistance program to remove the requirement that an applicant first apply for water cost-share assistance from the federal Department of Agriculture.

Department of Transportation
Budget No. 801
Senate Bill Nos . 2012, 2254; House Bill No. 1106

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	1,005.00	\$4,000,000	\$2,722,092,265	\$2,726,092,265
2025-27 base budget	1,001.00	0	1,749,752,645	1,749,752,645
Legislative increase (decrease) to base budget	4.00	\$4,000,000	\$972,339,620	\$976,339,620

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$0	\$4,000,000	\$4,000,000
2023-25 legislative appropriations	0	10,375,000	10,375,000
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$0	(\$6,375,000)	(\$6,375,000)
Percentage increase (decrease) to 2023-25 appropriations	0.0%	(61.5%)	(61.5%)

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		\$0	\$8,694,284	\$8,694,284
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			5,889,434	5,889,434
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$3,545,684 for new positions and \$14,863,018 for vacant positions			18,408,702	18,408,702
Added 1 FTE bridge load rating coordinator position	1.00		249,997	249,997
Added 1 FTE road maintenance position	1.00		203,003	203,003
Added 1 FTE local government assistance position	1.00		249,997	249,997
Added 1 FTE interoperable radio coordinator position	1.00		236,000	236,000

Transferred \$938,997 for new FTE positions and \$18,187,600 for estimated vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$13,576,477 resulting in the savings as shown			(5,550,120)	(5,550,120)
Provided for budget adjustments and reductions as requested in the department's budget request			(21,621,679)	(21,621,679)
Added funding for a data management program			451,898	451,898
Added funding for information technology rate increases			4,022,016	4,022,016
Adjusted grant and spending authority for additional funds deposited in the flexible transportation fund			225,600,000	225,600,000
Increased spending authority for estimated local funds to be received for projects			3,800,000	3,800,000
Increased federal funds for estimated formula and discretionary federal funds			406,821,876	406,821,876
Increased State Fleet Services budget authorization			12,500,000	12,500,000
Added one-time funding for department facility improvements			5,970,000	5,970,000
Added one-time funding for an appointment system upgrade project			3,000,000	3,000,000
Added one-time funding for an inventory tracking system			350,000	350,000
Added one-time funding for a walking trail grant			100,000	100,000
Increased one-time funding for road maintenance costs			9,842,212	9,842,212
Added one-time funding for equipment purchases			5,872,000	5,872,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for road projects			287,100,000	287,100,000
Added one-time funding from SIIF for a passenger rail compact grant			150,000	150,000
Added one-time funding for nonfixed transit provider grants (House Bill No. 1106)	2,000,000	0		2,000,000
Added one-time funding for fixed route city paratransit grants (Senate Bill No. 2254)	2,000,000	0		2,000,000
Total	<u>4.00</u>	<u>\$4,000,000</u>	<u>\$972,339,620</u>	<u>\$976,339,620</u>

FTE Changes

The Legislative Assembly approved 1,005.00 FTE positions for the Department of Transportation (DOT) for the 2025-27 biennium, an increase of 4.00 FTE positions from the 2023-25 biennium. The Legislative Assembly added 1 FTE bridge load rating coordinator, 1 FTE road maintenance position, 1 FTE local government assistance position, and 1 FTE interoperable radio coordinator.

One-Time Funding

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

	General Fund	Other Funds	Total
Facility improvements		\$5,970,000	\$5,970,000
Appointment system upgrade		3,000,000	3,000,000
Inventory tracking system		350,000	350,000
Walking trail grant		100,000	100,000
Increased maintenance costs		9,842,212	9,842,212
Equipment purchases		5,872,000	5,872,000
Highway projects (SIIF)		287,100,000	287,100,000
Passenger rail compact grant (SIIF)		150,000	150,000
Nonfixed transit provider grants	\$2,000,000		2,000,000
Fixed route city paratransit grants	2,000,000		2,000,000
Total	\$4,000,000	\$312,384,212	\$316,384,212

Highway Tax Distribution Fund

Section 12 of Senate Bill No. 2012 adjusts the percentage distributions from the highway tax distribution fund. The scheduled below details the current and revised distribution percentages and the amount of funding estimated to be allocated to the state highway fund, counties and cities, townships, and public transportation fund during the 2025-27 biennium based on the revised percentage distributions.

	Current	2025-27 Biennium	Estimated 2025-27 Allocations (in Millions)
State highway fund	61.3%	60.0%	\$363.5
Counties and cities	34.5%	35.0%	212.0
Township highway aid fund	2.7%	3.4%	20.6
Public transportation fund	1.5%	1.6%	9.7
Total	100.0%	100.0%	\$605.8

Flexible Transportation Fund

Current law provides that 25 percent of state funds deposited in the flexible transportation fund must be used for non-oil-producing county and township projects and the remaining 75 percent of funds can be used for any state or local project. Section 11 of Senate Bill No. 2012 provides for state funds deposited in the flexible transportation fund to be allocated for certain political subdivision grants and formula distributions. The schedule below details the percentage of state funds that must be used for specific purposes and the estimated 2025-27 biennium funding that will be allocated for each purpose.

	Percentage Allocation	Estimated 2025-27 Allocations (in Millions)
Undesignated state and local projects	21.0%	\$48.30
Non-oil county and city grants	19.5%	44.85
Non-oil county and city formula distributions	19.5%	44.85

Political subdivision bridge grants	17.5%	40.25
Non-oil township grants	13.5%	31.05
Non-oil township formula distributions	9.0%	20.70
Total	100.0%	\$230.00

State Funding for Road and Bridge Needs

The 2025 Legislative Assembly provided total funding of \$1,298.1 million from motor fuels taxes and registration fees, motor vehicle excise taxes, legacy fund earnings, and SIIF for road and bridge needs. The following schedule details major state funding provided for road and bridge needs for the 2025-27 biennium by the funding source.

Estimated 2025-27 Biennium State Funding for Road and Bridge Needs (in Millions)				
	Highway Tax Distribution Fund ¹	Flexible Transportation Fund	Highway Fund ¹	Total
Motor fuels taxes and registration fees	\$518.3			\$518.3
Motor vehicle excise taxes	87.5	\$87.5		175
Legacy fund earnings			\$175.2	175.2
SIIF		142.5	287.1	429.6
Total	\$605.8	\$230.0	\$462.3	\$1,298.1

¹Of the amounts estimated to be deposited in the highway tax distribution fund, a total of \$363.5 million will be allocated to the highway fund.

Other Sections in Senate Bill No. 2012

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.

SIIF transfer - Section 4 transfers \$142.5 million from SIIF to the flexible transportation fund.

Line item transfers - Section 5 authorizes the Office of Management and Budget to transfer funds between the salaries and wages, operating expenses, capital assets, and grants line items as requested by DOT when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Legislative Council.

SIIF - Section 6 identifies funding from SIIF for highway projects (\$287.1 million) and for a passenger rail compact grant (\$150,000).

Municipal and county and township infrastructure fund - Section 7 identifies funding from the municipal infrastructure fund and county and township infrastructure fund for grants to political subdivision. Section 16 and 17 provide for half of the funding deposited in each fund to be distributed as grants to non-oil-producing political subdivisions.

Passenger rail compact - Section 10 authorizes DOT to enter agreements with the Big Sky Passenger Rail Authority to create a service development plan.

Flexible transportation fund - Section 11 adjusts the uses of the flexible transportation fund.

Highway tax distribution fund - Section 12 adjusts the allocations from the highway tax distribution fund.

Legacy earnings fund - Section 13 increases the percent of market value distributions from the legacy fund each biennium from 7 to 8 percent of the 5-year average value of the fund. The section also adjusts distributions from the legacy earnings fund to provide the first \$102.6 million is for bond payments and any remaining funds are allocated 25 percent to the highway fund and 75 percent to the legacy property tax relief fund. Sections 8 and 9 adjust cross-references to the legacy earnings fund.

Motor vehicle excise taxes - Section 14 adjusts allocations of motor vehicle excise taxes to provide 50 percent of collections are deposited in the general fund, the same as current law, but allocates 25 percent to the highway tax distribution fund, and 25 percent to the flexible transportation fund rather than 50 percent to the flexible transportation fund.

State share of oil and gas tax revenue deposits - Section 15 adjusts the order of deposit of the state share of oil and gas tax revenue to remove an allocation of \$400 million to SIIF and reduces the amount of funding deposited in the municipal infrastructure fund and county and township infrastructure fund from \$130 million to \$80 million for each fund.

Repealed sections - Section 18 repeals statutory sections related to the legacy earnings highway distribution fund and certain references to the legacy earnings fund.

US Highway 85 project - Section 19 provides for DOT to continue the US Highway 85 environmental review process for remaining portions of the highway that have not been four-laned. Section 22 provides for DOT to complete the US Highway 85 four-lane project between Highway 200 and the Long X Bridge.

Rest area agreement - Section 20 provides for DOT to review options to enter a cooperative agreement for the operation of the Painted Canyon visitor center.

Appliance purchases - Section 21 authorizes DOT to purchase kitchen appliances for use at department facilities.

Carryover authority - Section 23 authorizes DOT to continue unexpended appropriations into the 2025-27 biennium.

Related Legislation

House Bill No. 1053 - Length of state highway system - Removes the limitation that the state highway system may not exceed seven percent of the entire road mileage of the state.

House Bill No. 1056 - Oahe Reservoir bridge - Authorizes DOT to accept ownership of any bridge constructed over the Oahe Reservoir.

House Bill Nos. 1091, 1092, 1140, 1173, and 1212 and Senate Bill No. 2277 - Designated names for roads and bridges - Designates names for certain roads and bridges and provides DOT with a continuing appropriation to spend any funds donated for the placement of signs designating the names of the roads and bridges.

Senate Bill No. 2133 - Blackout license plates - Authorizes DOT to issue blackout license plates for an additional fee.

SECTION I - CAPITAL CONSTRUCTION

SUMMARY OF KEY RECOMMENDATIONS	I-1
MAJOR NEW CAPITAL CONSTRUCTION PROJECTS	I-2
EXTRAORDINARY REPAIRS	I-4
MAJOR INFORMATION TECHNOLOGY PROJECTS	I-8
STATE BOND ISSUANCES	I-9
SALES TAX LIMITATION - BOND PAYMENTS	I-12

CAPITAL CONSTRUCTION - SUMMARY

CAPITAL PROJECTS

The Legislative Assembly provided a total of \$3,102,990,186 for capital projects, large information technology projects, bond payments, and payments in lieu of taxes for the 2025-27 biennium as reflected on the following schedule:

	2025-27 Biennium		
	General Fund	Other Funds	Total Funds
Major capital projects - See the major new capital construction schedule on page I-2	\$11,202,500	\$932,845,503	\$944,048,003
Extraordinary repairs - See the extraordinary repairs schedule on page I-4	19,366,400	43,099,368	62,465,768
Large information technology projects - See the major information technology projects schedule on page I-7	1,965,004	55,183,788	57,148,792
Department of Transportation - Contractor payments	0	1,712,712,078	1,712,712,078
Southwest Pipeline and Northwest Area Water Supply capital projects	0	207,857,325	207,857,325
Payments in lieu of taxes ¹	0	1,640,020	1,640,020
Bond payments ²	10,261,375	106,856,825	117,118,200
Total	\$42,795,279	\$3,060,194,907	\$3,102,990,186

¹This amount includes payments in lieu of taxes of approximately \$1,640,020 for the Game and Fish Department from special funds. This amount does not include payments in lieu of taxes of approximately \$477,447 estimated to be paid by Workforce Safety and Insurance in the 2025-27 biennium under the agency's continuing appropriation for building maintenance.

²The amounts shown for bond payments reflect \$14.5 million for payments on bonds issued by the State Building Authority and \$102.6 million for payments on legacy bonds issued by the Public Finance Authority.

BOND ISSUANCES AND LEASE PAYMENTS

The Legislative Assembly provided a total of \$10,261,375 from the general fund for 2025-27 biennium lease payments for repayment of notes issued to finance capital projects. Funding is included in the budgets for the North Dakota University System and the Veterans' Home.

North Dakota Century Code Section 54-17.2-23 limits the amount of lease payments paid from the general fund for a biennium to 10 percent of an equivalent one-cent sales tax. This maximum for the 2025-27 biennium is estimated to be \$63.4 million based on projected sales, use, and motor vehicle excise tax collections included in the 2025 legislative revenue forecast.

The 2021 Legislative Assembly authorized \$680,000,000 in bonds from the legacy fund to finance capital projects. The 2025 Legislative Assembly provided a total of \$102,622,743 from the legacy earnings fund for 2025-27 biennium payments on the bonds issued. The outstanding principal of the bonds as of June 30, 2025, is \$652,625,000 and the maturity date of the bonds is December 1, 2041.

Please see **STATE BOND ISSUANCES** for additional information.

**MAJOR NEW CAPITAL CONSTRUCTION
FOR THE 2025-27 BIENNIUM COMPARED TO THE 2023-25 BIENNIUM**

No.	Agency or Institution	Project	2025-27 Legislative Appropriations			2023-25 Legislative Appropriations		
			General Fund	Other Funds	Bonding	General Fund	Other Funds	Bonding
110	Office of Management and Budget	Capitol building improvements (Capital building trust fund) New State Hospital project (\$200 million SIIF, \$100 million line of credit) Governor's residence projects (Capitol building fund) Minot building project (Line of credit)		\$3,000,000 300,000,000 2,350,000 5,600,000				
227	Bismarck State College	Student housing remodel		2,200,000				
228	Lake Region State College	Roof project (SIIF)		2,500,000				
230	University of North Dakota	Science, technology, engineering, and mathematics building (\$55.64 million SIIF) Allied Health facility Phase I (\$5 million community health trust fund)		79,500,000 45,000,000				
235	North Dakota State University	Practice wrestling facility University Village Memorial Union Van Es biosafety laboratory		13,000,000 54,000,000 50,000,000 8,000,000				
239	Dickinson State University	Woods Hall, agriculture and technical education building, and rodeo arena		12,500,000				
240	Mayville State University	Old Main renovation (SIIF)		34,924,814				
241	Minot State University	Student center renovation Academic facilities projects (SIIF) Track project Regional Health Sciences Institute Dakota Hall demolition		3,100,000 8,132,000 3,000,000 \$8,500,000 635,000				
243	Dakota College at Bottineau	Student housing	500,000					
313	Veterans' Home	Resident garages and storage units		175,000			750,000	
412	Aeronautics Commission	Fargo commercial terminal expansion project (SIIF) Grand Forks primary runway reconstruction project (SIIF) Dickinson terminal construction project (SIIF)		45,000,000 20,000,000 25,000,000				
471	Bank of North Dakota	Building improvements, including carpet replacement Other remodeling projects, including the lobby and teller lines		3,316,299 177,000				
530	Department of Corrections and Rehabilitation	Temporary housing unit at Missouri River Correctional Center (SIIF) Heating plant at Youth Correctional Center (SIIF) Male facility planning for Missouri River Correctional Center (SIIF) Completion of Heart River Correctional Center (SIIF) Demolition of maintenance building at James River Correctional Center (SIIF)		8,032,757 6,556,609 20,000,000 35,635,000 570,000			131,200,000	
540	Adjutant General	Regional Training Institute billeting addition		34,000,000				
640	Main Research Center	Oakes Irrigation Research Site building completion (SIIF) Langdon Research Extension Center seed conditioning plant (\$900,000 SIIF) Nesson Valley Irrigation Research Site project (\$400,000 SIIF) Equipment storage sheds Swine facility renovation Main Research Center greenhouse addition		620,000 2,600,000 2,300,000 1,567,500 200,000 6,000,000 3,250,000		1,700,000	1,900,000	
665	State Fair Association	Campground rest facility		750,000				
701	Historical Society	Military gallery and regimental room expansion (SIIF and other funds) Military gallery project - Bank of North Dakota line of credit repayment (SIIF)		73,744,524 4,200,000				
750	Parks and Recreation Department	Federal Emergency Management Agency comfort stations (SIIF) Lake Metigoshe State Park sewer infrastructure program (SIIF) International Peace Garden International Music Camp revitalization (SIIF) International Peace Garden cactus conservatory project (SIIF)		924,000 800,000 1,400,000 317,500				

No.	Agency or Institution	Project	2025-27 Legislative Appropriations			2023-25 Legislative Appropriations		
			General Fund	Other Funds	Bonding	General Fund	Other Funds	Bonding
801	Department of Transportation	Facility improvement projects		5,970,000				
Total 2025-27 legislative appropriation			<u>\$11,202,500</u>	<u>\$932,845,503</u>	<u>\$0</u>			
Total 2023-25 legislative appropriation						<u>\$21,928,230</u> ¹	<u>\$808,007,026</u> ¹	<u>\$40,000,000</u> ¹

¹ Please refer to the Legislative Council's *State Budget Actions Supplement for the 2023-25 Biennium* report for details regarding the 2023-25 appropriations. The Legislative Assembly, in its October 2023 special legislative session, authorized Bismarck State College to issue up to \$40 million of revenue bonds for their multipurpose academic and athletic center project.

**EXTRAORDINARY REPAIRS
FOR THE 2025-27 BIENNIUM COMPARED TO 2023-25 BIENNIUM**

Bill No.	Agency or Institution	2025-27 Legislative Appropriations			2023-25 Legislative Appropriations		
		General Fund	Other Funds	Total	General Fund	Other Funds	Total
HB 1015	Office of Management and Budget (110)						
	Miscellaneous repairs to Capitol complex		\$500,000	\$500,000			
	Total - Office of Management and Budget		\$500,000	\$500,000	\$2,500,000	\$24,750,000	\$27,250,000
SB 2021	Information Technology Department (112)						
	Capitol security software upgrade and fiber replacement project (federal State Fiscal Recovery Fund)						
	Total - Information Technology Department			\$0		\$2,499,467	\$2,499,467
HB 1003	Attorney General (125)						
	State Crime Laboratory improvements						
	Total - Attorney General			\$0	\$250,000		\$250,000
SB 2001	Legislative Assembly (150)						
	Legislative chamber and systems upgrades	\$4,451,000		\$4,451,000			
	Total - Legislative Assembly	\$4,451,000		\$4,451,000			\$0
SB 2003	Bismarck State College (227)						
	Miscellaneous projects	\$417,673		\$417,673			
	Total - Bismarck State College	\$417,673		\$417,673	\$417,673		\$417,673
SB 2003	Lake Region State College (228)						
	Miscellaneous projects	\$155,367		\$155,367			
	Total - Lake Region State College	\$155,367		\$155,367	\$155,367		\$155,367
SB 2003	Williston State College (229)						
	Miscellaneous projects	\$197,801		\$197,801			
	Total - Williston State College	\$197,801		\$197,801	\$197,801		\$197,801
SB 2003	University of North Dakota (230)						
	Building exterior	\$280,000		\$280,000			
	Interior finishes	280,000		280,000			
	Mechanical and electrical upgrades	1,169,000		1,169,000			
	Miscellaneous projects	20,000		20,000			
	Paving and lighting	1,935,000		1,935,000			
	Structural repairs	24,333		24,333			
	Utilities and infrastructure	703,233		703,233			
	Total - University of North Dakota	\$4,411,566		\$4,411,566	\$4,411,566		\$4,411,566
SB 2003	North Dakota State University (235)						
	Miscellaneous projects	\$2,732,244		\$2,732,244			
	Total - North Dakota State University	\$2,732,244		\$2,732,244	\$2,732,244		\$2,732,244
SB 2003	North Dakota State College of Science (238)						
	Miscellaneous projects	\$1,012,379		\$1,012,379			
	Total - North Dakota State College of Science	\$1,012,379		\$1,012,379	\$1,012,379		\$1,012,379
SB 2003	Dickinson State University (239)						
	Miscellaneous projects	\$409,078		\$409,078			

Bill No.	Agency or Institution	2025-27 Legislative Appropriations			2023-25 Legislative Appropriations		
		General Fund	Other Funds	Total	General Fund	Other Funds	Total
	Total - Dickinson State University	\$409,078		\$409,078	\$409,078		\$409,078
SB 2003	Mayville State University (240)						
	Miscellaneous projects	\$358,992		\$358,992			
	Total - Mayville State University	\$358,992		\$358,992	\$358,992		\$358,992
SB 2003	Minot State University (241)						
	Miscellaneous projects	\$899,620		\$899,620			
	Total - Minot State University	\$899,620		\$899,620	\$899,620		\$899,620
SB 2003	Valley City State University (242)						
	Miscellaneous projects	\$408,319		\$408,319			
	Total - Valley City State University	\$408,319		\$408,319	\$408,319		\$408,319
SB 2003	Dakota College at Bottineau (243)						
	Miscellaneous projects	\$114,007		\$114,007			
	Total - Dakota College at Bottineau	\$114,007		\$114,007	\$114,007		\$114,007
SB 2003	Forest Service (244)						
	Exterior updates to the Bottineau field office	\$62,480		\$62,480			
	Total - Forest Service	\$62,480		\$62,480	\$62,480		\$62,480
HB 1013	State Library (250)						
	Renovation of information desk and workspace						
	Total - State Library			\$0	\$150,000		\$150,000
HB 1013	School for the Deaf (252)						
	Extraordinary repair allocation		\$158,678	\$158,678			
	Campus security upgrades		238,800	238,800			
	Total - School for the Deaf		\$397,478	\$397,478		\$958,678	\$958,678
HB 1013	North Dakota Vision Services - School for the Blind (253)						
	Replace south parking lot		\$150,000	\$150,000			
	Renovate breakroom		55,000	55,000			
	Replace door		10,000	10,000			
	Total - North Dakota Vision Services - School for the Blind		\$215,000	\$215,000		\$478,192	\$478,192
SB 2024	Department of Environmental Quality (303)						
	Extraordinary repair allocation		\$24,000	\$24,000			
	Total - Department of Environmental Quality		\$24,000	\$24,000	\$4,800	\$19,200	\$24,000
SB 2007	Veterans' Home (313)						
	Building maintenance, including door openers replacement, interior repainting, and carpet replacement		\$390,000	\$390,000			
	Miscellaneous building repairs	\$30,000		30,000			
	Total - Veterans' Home	\$30,000	\$390,000	\$420,000	\$30,000	\$1,578,930	\$1,608,930
HB 1012	Department of Health and Human Services (325)						
	Life Skills and Transition Center - roof on Cedar Grove building		\$712,480	\$712,480			
	Southeast Human Service Center bathroom remodel		972,000	972,000			
	Public health laboratory transition		2,962,304	2,962,304			
	Total - Department of Health and Human Services		\$4,646,784	\$4,646,784	\$1,848,296	\$846,664	\$2,694,960

Bill No.	Agency or Institution	2025-27 Legislative Appropriations			2023-25 Legislative Appropriations		
		General Fund	Other Funds	Total	General Fund	Other Funds	Total
HB 1010 Insurance Commissioner (401)							
	Total - Insurance Commissioner			\$0		\$75,000	\$75,000
HB 1021 Workforce Safety and Insurance (485)							
	Building improvements, including roof replacement, carpet replacement, and exterior repairs		\$2,000,000	\$2,000,000			
	Total - Workforce Safety and Insurance		\$2,000,000	\$2,000,000			\$0
SB 2011 Highway Patrol (504)							
	Emergency vehicles operation course pad resurfacing		\$260,000	\$260,000			
	Total - Adjutant General		\$260,000	\$260,000			\$0
SB 2015 Department of Corrections and Rehabilitation (530)							
	Facility repairs		\$6,450,000	\$6,450,000			
	Total - Department of Corrections and Rehabilitation		\$6,450,000	\$6,450,000	\$2,000,000	\$255,500	\$2,255,500
HB 1016 Adjutant General (540)							
	Infrastructure maintenance and repair (including \$4.5 million from SIIF)	\$1,500,000	\$4,500,000	\$6,000,000			
	Total - Adjutant General	\$1,500,000	\$4,500,000	\$6,000,000	\$1,000,000		\$1,000,000
SB 2020 Upper Great Plains Transportation Institute (627)							
	Total - Upper Great Plains Transportation Institute			\$0	\$432,600		\$432,600
SB 2020 North Dakota State University Main Research Center (640)							
	Miscellaneous projects	\$1,340,065		\$1,340,065			
	Deferred maintenance (SIIF)		\$500,000	500,000			
	Total - North Dakota State University Main Research Center	\$1,340,065	\$500,000	\$1,840,065	\$1,340,465	\$500,000	\$1,840,465
HB 1018 State Historical Society (701)							
	Inspiration gallery update (SIIF and other funds)		\$700,000	\$700,000			
	State archives storage	\$200,000		200,000			
	Medora area planning (SIIF)		2,000,000	2,000,000			
	Historic site improvements and extraordinary repairs (SIIF)		3,000,000	3,000,000			
	Miscellaneous projects	665,809		665,809			
	Total - State Historical Society	\$865,809	\$5,700,000	\$6,565,809	\$500,000	\$3,415,809	\$3,915,809
HB 1017 Game and Fish Department (720)							
	Garrison Dam National Fish Hatchery pond liners and pumps		\$1,800,000	\$1,800,000			
	Baukol-Noonan dam repairs		150,000	150,000			
	Miscellaneous projects		1,128,750	1,128,750			
	Total - Game and Fish Department		\$3,078,750	\$3,078,750		\$3,681,061	\$3,681,061
HB 1019 Parks and Recreation Department (750)							
	Roads, structures, utilities, and marinas deferred maintenance and capital projects (SIIF)		\$12,500,000	\$12,500,000			
	Miscellaneous projects		1,687,356	1,687,356			
	Total - Parks and Recreation Department		\$14,187,356	\$14,187,356		\$14,466,920	\$14,466,920
HB 1020 Department of Water Resources (770)							
	Repair pipe breakage		\$250,000	\$250,000			
	Total - Department of Water Resources		\$250,000	\$250,000		\$250,000	\$250,000

Bill No.	Agency or Institution	2025-27 Legislative Appropriations			2023-25 Legislative Appropriations		
		General Fund	Other Funds	Total	General Fund	Other Funds	Total
SB 2012	Department of Transportation (801)						
	Total - Department of Transportation			\$0	\$865,000	\$501,800	\$1,366,800
	Total 2025-27 extraordinary repairs	\$19,366,400	\$43,099,368	\$62,465,768			
	Total 2023-25 extraordinary repairs				\$22,100,687 ¹	\$54,277,221 ¹	\$76,377,908

¹ These amounts reflect the total appropriation for extraordinary repairs provided by the 2023 Legislative Assembly. Please refer to the Legislative Council's *State Budget Actions for the 2023-25 Biennium* report for details regarding the 2023-25 appropriations.

MAJOR INFORMATION TECHNOLOGY PROJECTS FOR THE 2025-27 BIENNIUM

The 2025 Legislative Assembly appropriated \$57.1 million, including \$1.9 million from the general fund and \$55.2 million from other funds, to the following agencies for major information technology (IT) projects during the 2025-27 biennium:

Agency	Project ¹	General Fund	Other Funds	Total
108 - Secretary of State	Central indexing system upgrade	\$700,000	\$0	\$700,000
110 - Office of Management and Budget	Procurement automation ²	615,004	515,052	1,130,056
112 - Information Technology Department	Health IT data lake ³	0	3,885,166	3,885,166
	State data center migration project ²	0	1,719,061	1,719,061
	IT services automation ²	0	1,793,609	1,793,609
125 - Attorney General	Statewide automated victim information and notification replacement ²	0	1,500,000	1,500,000
	Criminal justice information system jail management system	650,000	0	650,000
180 - Judicial branch	Court records system research and secure access ²	0	960,000	960,000
	Clerk filing artificial intelligence software ²	0	1,250,000	1,250,000
	Case management system migration to cloud-based hosting ²	0	758,000	758,000
192 - Public Employees Retirement System	PERSLink business system automation	0	539,595	539,595
303 - Department of Environmental Quality	Petroleum tank release compensation fund IT database	0	700,000	700,000
325 - Department of Health and Human Services (DHHS)	Retire mainframe systems ⁴	0	15,000,000	15,000,000
	New IT projects ⁵	0	4,213,930	4,213,930
485 - Workforce Safety and Insurance	Claims and policy system replacement	0	5,208,325	5,208,325
	myWSI enhancement	0	1,366,050	1,366,050
530 - Department of Corrections and Rehabilitation	New client management software system ²	0	5,500,000	5,500,000
	Public safety IT upgrades ²	0	1,800,000	1,800,000
	IT data management and enhancements ²	0	2,450,000	2,450,000
540 - Adjutant General	State Radio law enforcement redundant switch ²	0	525,000	525,000
750 - Parks and Recreation Department	State parks technology enhancements ²	0	2,500,000	2,500,000
801 - Department of Transportation	Motor vehicle and drivers license appointment system ⁶	0	3,000,000	3,000,000
Total		\$1,965,004	\$55,183,788	\$57,148,792

¹This schedule reflects IT projects expected to cost at least \$500,000.

²Funding for this project includes funding from the strategic investment and improvements fund (SIIF).

³Funding for the health IT data lake is from participant fee revenue and federal Centers for Medicare and Medicaid Services funding deposited in the electronic health information exchange fund.

⁴Funding to retire mainframe systems includes \$2.5 million from SIIF, \$4 million from the human service finance fund, and \$8.5 million from federal funds.

⁵Funding for new DHHS IT projects includes \$1,000,000 from SIIF, \$1,000,000 from the community health trust fund, and \$2,213,930 from the public health lab fund.

⁶Funding for the motor vehicle and drivers license appointment system is from federal funds.

STATE BOND ISSUANCES

BONDS ISSUED BY THE STATE BUILDING AUTHORITY

The schedule below lists bonds issued by the State Building Authority including biennium lease payments and outstanding principal balances.

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2023	Outstanding Principal Balance June 30, 2025	Outstanding Principal Balance June 30, 2027
				2021-23 Actual Payments	2023-25 Estimated Payments	2025-27 Estimated Payments			
2001 Legislative Assembly approved: State Department of Health - Laboratory addition (\$2,700,000) Job Service North Dakota - Bismarck service delivery office (\$2,302,000)	2010 Series A and 2010 Series B bonds refunded the 2002 Series A State Building Authority revenue bonds (2% to 4% - 12-year bonds) ¹ (2022)	\$5,002,000	\$6,035,000	\$495,200	\$0	\$0	\$0	\$0	\$0
2003 Legislative Assembly approved: State Department of Health - Morgue and storage annex (\$960,000) Department of Corrections and Rehabilitation - James River Correctional Center food service/laundry renovations - Phase II (\$2,662,890) Dickinson State University - Murphy Hall - Phase I addition (\$5,882,047) Mayville State University - Steamline replacement - Phase II (\$1,355,000) Valley City State University - Graichen Gymnasium elevator and emergency exits (\$785,300)									
2005 Legislative Assembly approved: Office of Management and Budget - Fire suppression system (\$3,155,000)	2017 Series A refunded 2005 Series A State Building Authority revenue bonds (4.50% - 20-year bonds) ⁴ (2025)	28,848,248	37,955,000	6,216,750	2,805,825	0	2,512,416	0	0

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2023	Outstanding Principal Balance June 30, 2025	Outstanding Principal Balance June 30, 2027
				2021-23 Actual Payments	2023-25 Estimated Payments	2025-27 Estimated Payments			
Attorney General's office - Crime Laboratory addition and renovation (\$3,632,691) North Dakota State University (NDSU) - Hazardous material handling and storage facility (\$3,500,000) North Dakota State College of Science - Electrical distribution (\$736,000) Dickinson State University - Murphy Hall (\$4,100,557) Minot State University - Bottineau - Thatcher Hall addition (\$2,500,000) Department of Corrections and Rehabilitation - James River Correctional Center ET Building improvements (\$980,000) Department of Corrections and Rehabilitation - James River Correctional Center programs building code improvements (\$584,000) North Central Research Center - Agronomy laboratory and greenhouse (\$440,000) Central Grasslands Research Center - Office addition (\$270,000) Main Research Center - Greenhouse complex (\$2,000,000)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2023	Outstanding Principal Balance June 30, 2025	Outstanding Principal Balance June 30, 2027
				2021-23 Actual Payments	2023-25 Estimated Payments	2025-27 Estimated Payments			
State Historical Society - Chateau de Mores Interpretive Center (\$1,100,000) State Historical Society and Heritage Center - Research collections expansion (\$5,500,000) Parks and Recreation Department - Turtle River State Park administrative office (\$350,000) 2009 Legislative Assembly approved: Veterans' Home (\$2,355,000) - Series A	2010 Series A taxable facilities improvement bonds (recovery zone economic development bonds) (3.5% to 6.25% - 20-year bonds) ⁵ (2030)	2,355,000	2,355,000	407,271	407,252	412,207	1,390,000	1,075,000	740,000
2019 Legislative Assembly approved: NDSU - Dunbar Hall (\$40,000,000) Valley City State University - Communications and Fine Arts Building (\$30,000,000) University of North Dakota - Gamble Hall (\$6,000,000) University of North Dakota - Deferred maintenance (\$30,000,000) Dickinson State University - Pulver Hall (\$4,000,000)		110,000,000	88,585,000	14,007,500	14,046,375	14,083,250	83,175,000	77,180,000	70,570,000
Total		\$157,850,485	\$148,010,000	\$22,040,721	\$17,259,452	\$14,495,457	\$87,077,416	\$78,255,000	\$71,310,000
Breakdown of payments									
General fund ⁷				\$17,028,945	\$12,787,343	\$10,261,375			
Agency contributions				5,011,776	4,472,109	4,234,082			
Total ⁸				\$22,040,721	\$17,259,452	\$14,495,457			

¹Senate Bill No. 2023 (2001) included a section stating \$2,302,000 (Job Service North Dakota) and \$1,755,000 (State Department of Health) must be available from nongeneral fund sources to assist in the retirement of the debt incurred to finance the two projects.

²House Bill No. 1023 (2003) appropriated \$4,237,755 of special funds for the issuance of bonds for projects at the State Department of Health and the Department of Corrections and Rehabilitation. Of that amount, \$614,865 for the State Department of Health was paid for with bioterrorism program dollars rather than by bonding.

House Bill No. 1003 (2003) appropriated \$8,022,347 of special funds for the issuance of bonds for three North Dakota University System projects by the State Building Authority. In addition, \$830,000 of capital bond payments from the 2001-03 biennium was used for bond issuance buydown. Dickinson State University also provided \$250,000 during the 2005-07 biennium to assist in the retirement of the bonds.

³This bond issuance included funding for the 2003-05 biennium state facility energy improvement program capital project that was recommended to be funded with bond proceeds for the Department of Corrections and Rehabilitation in the amount of \$105,326. Bonds sold to finance the project under this program do not factor in the general fund lease payment limitation and will be repaid with resulting energy cost-savings.

This bond issuance does not include the \$20 million of bonding for the Information Technology Department for ConnectND. These bonds will be repaid from charges collected by the Information Technology Department from higher education and other state agencies for the ConnectND project. In September 2003 the Industrial Commission issued 2003 Series C bonds, totaling \$20 million, at an interest rate of 3.86 percent, for a period of 10 years with annual debt service of approximately \$2.7 million.

This bond issuance does not include the bonding of \$2 million authorized in Senate Bill No. 2416 (2003) for two State Historical Society projects (Chateau de Mores and Fort Abercrombie Interpretive Centers), which are to be paid from federal, local, or donated funds collected by the State Historical Society. The State Building Authority did not issue bonds for these projects because the State Historical Society did not have adequate funding for the debt service.

⁴Senate Bill No. 2023 (2005) included a section stating that \$300,000 must be available from nongeneral fund sources to assist in the retirement of the debt incurred to finance the project costs associated with the construction of the State Historical Society projects. The State Historical Society's \$33,333 biennial payments (nine payments) began with the 2007-09 biennium.

This bond issuance also included funding for the 2005-07 biennium state facility energy improvement capital projects in the amount of \$2,331,554. Bonds sold to finance the projects under this program do not factor in the general fund lease payment limitation and will be repaid with resulting energy cost-savings. The debt service and principal balance for these energy conservation projects are not included in this schedule.

⁵2021-23 bond payments for Veterans' Home Series A bond payments totaled \$402,252, which was included in Senate Bill No. 2014 (2021). In addition, a federal bond subsidy of \$78,786 was paid to the trustee, which is the Bank of North Dakota.

⁶Senate Bill No. 2097 (2019) and House Bill No. 1003 (2019) authorized the Industrial Commission to provide up to \$130,000,000 of bond proceeds for various institutions of higher education buildings projects, which are to be repaid by funds received from lease payments from general fund appropriations and from other funds. Bonds were sold on October 15, 2020, to provide project funds of \$80,000,000. The bond sale resulted in \$64,415,000 of bonds and a premium of \$17,908,685 which will be amortized over the life of the bond issue. The all-in true interest rate which takes into account the premium and all bond costs is 2.36 percent. The bond coupons are 5 percent.

The State Building Authority did not issue bonds for the NDSU agriculture products development center in the amount of \$20 million as NDSU was not able to meet the legislative directive to provide match funding in the amount of \$20 million.

⁷North Dakota Century Code Section 54-17.2-23 provided 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax be deposited in the capital construction fund for lease payments associated with capital construction projects. The Legislative Assembly in 1993 repealed the provisions of the capital construction fund and increased the maximum that lease payments can total for a biennium from 10 to 12.5 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The Legislative Assembly in 1995 decreased the maximum that lease payments can total for a biennium from 12.5 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax to 11 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The Legislative Assembly in 1997 decreased the maximum that lease payments can total for a biennium from 11 percent of a 1 percent sales, use, and motor vehicle excise tax to 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The Legislative Assembly in 2001 clarified the statute to provide the computation for the authorized general fund lease payments for a biennium must be based on the projected sales, use, and motor vehicle excise tax collections presented to the Legislative Assembly at the close of the most recently adjourned regular legislative session.

⁸These amounts are based on information provided by the State Building Authority.

SALES TAX LIMITATION - BOND PAYMENTS

Section 54-17.2-23 limits the amount of lease payments paid from the general fund for a biennium on bonds issued by the State Building Authority to 10 percent of an equivalent one-cent sales tax. The following table shows the projected fund portion of the bond payments for the 2023-25 through 2029-31 bienniums and what the 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax is projected to generate:

Biennium	Total Payments ¹	Other Funds	General Fund	10 Percent of the Equivalent of 1 Percent ²	Estimated Excess General Fund Resources Available for Bond Payments
2023-25	\$17,259,452	\$4,472,109	\$12,787,343	\$63,429,414	\$50,642,071
2025-27	\$14,495,457	\$4,234,082	\$10,261,375	\$65,296,517	\$55,035,142
2027-29	\$14,417,053	\$4,223,678	\$10,193,375	\$67,255,413	\$57,062,038
2029-31	\$14,183,971	\$4,159,317	\$10,024,654	\$69,273,075	\$59,248,421

¹The future biennium bond payments do not reflect any other future bond issues that may be authorized by future Legislative Assemblies. During the 2023-25 biennium, the 2017 Series A bond issues were paid off.

² These amounts are based on the 2025 legislative revenue forecast for the 2023-25 biennium and 2025-27 biennium and 3 percent growth each subsequent biennium.

APPROPRIATION BONDS ISSUED BY THE PUBLIC FINANCE AUTHORITY

In House Bill No. 1431 (2021), the Legislative Assembly authorized the Public Finance Authority to provide up to \$680,000,000 of bond proceeds for the 2021-23 biennium for various projects as detailed in the table below. Legacy fund earnings are anticipated to be used for the repayment of the bonds and these bonds are not considered debt of the state and do not impact the sales tax limitation calculation. The initial bond sale on December 9, 2021, resulted in \$389,200,000 of bonds and a premium of \$641,540 which will be amortized over the life of the bond issue. The all-in true interest rate which includes the premium and all bond costs is 2.71 percent. The second bond sale on June 30, 2022, resulted in \$320,915,000 of bonds and a discount of \$1,884,652 which will be amortized over the life of the bond issue. The all-in true interest rate is 4.58 percent. The total amount of bonds issued was \$710,115,000. The bonds will be repaid over 20 years. The biennial bond payment is \$102,622,743.

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	2025-27 Estimated Payments	Outstanding Principal Balance June 30, 2027
2021 Legislative Assembly approved: Fargo diversion (\$219,000,000) Resources trust fund (\$74,500,000) Bank of North Dakota infrastructure revolving loan fund (\$50,000,000) Highway fund (\$16,000,000) NDSU agriculture products development center "Peltier Complex" (\$15,000,000) Fargo diversion (\$216,500,000) Highway fund (\$54,000,000) NDSU agriculture products development center "Peltier Complex" (\$35,000,000)	2021 Series A taxable bonds (2041)	\$374,500,000	\$389,200,000	\$52,598,710	\$319,510,000
	2022 Series A taxable bonds (2041)	305,500,000	320,915,000	50,024,033	273,030,000
		\$680,000,000	\$710,115,000	\$102,622,743	\$592,540,000

SECTION J - STATE EMPLOYEES

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STATE EMPLOYEES - OVERVIEW

SALARY INCREASES

The 2025 Legislative Assembly provided funding in each agency's appropriation bill and included provisions in Section 17 of House Bill No. 1015 for state employee salary increases. Salary increases for classified and nonclassified employees during the 2025-27 biennium are 3 percent on July 1, 2025, and 3 percent on July 1, 2026. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.

The Legislative Assembly approved total funding of \$129.7 million for state employee salary increases for the 2025-27 biennium, of which \$42.9 million is from the general fund and \$86.8 million is from other funds. These totals include higher education salary increases from other funds. The Legislative Assembly did not include specific salary increase funding from the general fund for higher education institutions but did provide funding for inflationary increases to be used at the discretion of higher education institutions.

SALARY EQUITY INCREASES

The Legislative Assembly appropriated \$13.6 million, of which \$11.7 million is from the general fund and \$1.9 million is from other funds, to 18 agencies for salary equity increases during the 2025-27 biennium, as follows:

	General Fund	Other Funds	Total
101 - Governor	\$176,000	\$0	\$176,000
110 - Office of Management and Budget	0	110,114	110,114
120 - State Treasurer	100,000	0	100,000
125 - Attorney General	254,317	37,460	291,777
127 - Tax Commissioner	246,789	0	246,789
180 - Judicial branch	3,430,986	7,093	3,438,079
188 - Commission on Legal Counsel for Indigents	500,000	0	500,000
195 - Ethics Commission	24,434	0	24,434
204 - Center for Distance Education	0	100,000	100,000
226 - Department of Trust Lands	0	550,000	550,000
250 - State Library	128,000	0	128,000
313 - Veterans' Home	0	750,000	750,000
321 - Department of Veterans' Affairs	50,000	0	50,000
325 - Department of Health and Human Services	250,536	0	250,536
401 - Insurance Commissioner	0	115,000	115,000
405 - Industrial Commission	0	175,000	175,000
408 - Public Service Commission	40,000	0	40,000
530 - Department of Corrections and Rehabilitation	6,528,187	0	6,528,187
Total	\$11,729,249	\$1,844,667	\$13,573,916

SALARY UNDERFUNDING

The Legislative Assembly underfunded 12 FTE positions in four agencies for the 2025-27 biennium, including the Information Technology Department (8 FTE positions), Adjutant General (1 FTE position), branch research centers (1 FTE position), and Parks and Recreation Department (2 FTE positions). The Legislative Assembly provided a total of \$1,826,616 for these positions, of which \$562,478 is from the general fund and \$1,264,138 is from other funds. In addition, the Legislative Assembly unfunded 1 FTE next generation leader position in the Adjutant General.

ACCRUED LEAVE PAYOUTS

The Legislative Assembly provided funding for accrued leave payouts in five agencies totaling \$328,579, of which \$138,593 is from the general fund and \$189,986 is from other funds. This funding is available for accrued leave payouts to eligible employees upon retirement or termination of employment.

HIGHER EDUCATION

The Legislative Assembly authorized a total of 6,735.65 higher education FTE positions for the 2025-27 biennium, an increase of 129.74 FTE positions from the 2023-25 biennium authorized level of 6,605.91 FTE positions.

Total funding provided for higher education salary increases is \$47.6 million, of which \$1.5 million is from the general fund for the North Dakota University System office and the Forest Service and \$46.1 million is from other funds. The Legislative Assembly did not include specific salary increase funding from the general fund for higher education institutions but did provide funding for inflationary increases to be used at the discretion of higher education institutions.

Total funding provided for increases in health insurance premiums for higher education FTE positions is \$28.7 million, of which approximately \$900,000 is from the general fund for the University System office and the Forest Service and \$27.8 million is from other funds. The Legislative Assembly did not include specific health insurance increase funding from the general fund for higher education institutions but did provide funding for inflationary increases to be used at the discretion of higher education institutions.

EXECUTIVE BRANCH ELECTED OFFICIALS

The Legislative Assembly provided funding for elected and appointed officials' salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, the same as other state employees. The statutory changes necessary to increase salaries of executive branch elected officials are included in the respective elected officials' appropriation bills.

JUDICIAL BRANCH

The Legislative Assembly provided funding for employees of the judicial branch of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, the same as other state employees. The salaries of the North Dakota Supreme Court justices and district court judges were not adjusted for 3 percent annual increases.

The Legislative Assembly authorized 2025-27 biennium salary increases of approximately 12.1 percent for the Supreme Court Chief Justice, approximately 11.1 percent for other Supreme Court justices, and approximately 7.7 percent for district court judges, effective July 1, 2025, with no additional salary increase in the 2nd year of the 2025-27 biennium, the same as requested by the judicial branch.

Additional increases may be provided to other employees of the judicial branch pursuant to the judicial branch salary schedule. The Legislative Assembly appropriated \$1,359,211, of which \$1,352,118 is from the general fund and \$7,093 is from special funds, for a 2 percent salary adjustment for the judicial branch salary schedule.

NEW AND VACANT FTE POOL 2025-27 Biennium

Executive Branch

For each agency with salaries and wages funding, excluding the Department of Health and Human Services and higher education, the Legislative Assembly provided for a new and vacant FTE pool in the agency's 2025-27 biennium budget. A new and vacant FTE pool line item was added to each agency's budget bill in which funding was appropriated for new FTE positions for the 2025-27 biennium. In addition, salaries and wages funding was reduced in other existing line items in anticipation of vacancy savings from employee turnover during the biennium. A portion of this funding was restored in the new and vacant FTE pool line item.

A section was added to each executive branch agency budget bill to provide the agency may not spend funds appropriated in the new and vacant FTE pool line item but may request the Office of Management and Budget (OMB) transfer funds from the new and vacant FTE pool line item to other line items with salaries and wages funding.

In Section 18 of House Bill No. 1015, the Legislative Assembly provided for guidelines for each executive branch state agency's new and vacant FTE pool for the 2025-27 biennium, including:

- OMB is required to transfer funding from an agency's new and vacant FTE pool line item to other line items with salaries and wages funding as requested by the agency.
- An executive branch state agency may request a transfer for funding of a new FTE position from the date of hire through the end of the 2025-27 biennium, limited to the amount identified for the position in

the statement of purpose of amendment attached to the agency's budget bill.

- After July 31, 2026, an executive branch state agency may request a transfer from the new and vacant FTE pool line item if the agency projects actual salaries and wages expenditures will exceed the agency's available salaries and wages funding for the biennium.
- Each executive branch state agency with a new and vacant FTE pool line item is required to report to OMB and the Legislative Council on a quarterly basis regarding the status of the agency's new and vacant FTE pool.
- OMB is required to report to the Budget Section each quarter on the status of each executive branch agency's new and vacant FTE pool line item.
- An executive branch agency may request a deficiency appropriation from the 2027 Legislative Assembly if the funding in the agency's new and vacant FTE pool line item is insufficient to provide the necessary salaries and wages funding for the biennium.

Legislative Branch

In Section 3 of Senate Bill No. 2001, the Legislative Assembly provided guidelines for the legislative branch new and vacant FTE pool for the 2025-27 biennium, including:

- The Legislative Council may not spend funds appropriated in the new and vacant FTE pool line item but may transfer funds to the salaries and wages line item as necessary to provide funding to fill a new FTE position from the date of hire through the end of the biennium and if salaries and wages savings from vacant positions and employee turnover is less than estimated.
- The Legislative Council is required to report to the Budget Section on the status of the legislative branch new and vacant FTE pool line item.
- The Legislative Council may request a deficiency appropriation from the 2027 Legislative Assembly if the funding in the new and vacant FTE pool line item is insufficient to provide the necessary salaries and wages funding for the biennium.

Judicial Branch

In Section 3 of Senate Bill No. 2002, the Legislative Assembly provided guidelines for the judicial branch new and vacant FTE pool for the 2025-27 biennium, including:

- The Supreme Court may not spend funds appropriated in the new and vacant FTE pool line item but may transfer funds to other line items as necessary to provide funding to fill a new FTE position from the date of hire through the end of the biennium and if salaries and wages savings from vacant positions and employee turnover is less than estimated.

- The Supreme Court is required to report to the Budget Section on the status of the judicial branch new and vacant FTE pool line item.
- The Supreme Court may request a deficiency appropriation from the 2027 Legislative Assembly if the funding in the new and vacant FTE pool line item is insufficient to provide the necessary salaries and wages funding for the biennium.

All Branches

Total salaries and wages funding for the 2025-27 biennium new and vacant FTE pool is as follows:

	General Fund	Other Funds	Total
Vacant salaries funding removed	(\$52,639,587)	(\$62,405,579)	(\$115,045,166)
Vacant salaries funding restored	36,847,715	43,683,911	80,531,626
Net vacant salaries savings	(\$15,791,872)	(\$18,721,668)	(\$34,513,540)
New salaries funding removed	(\$16,288,922)	(\$7,560,878)	(\$23,849,800)
New salaries funding restored	14,660,030	6,804,790	21,464,820
Net new salaries savings	(\$1,628,892)	(\$756,088)	(\$2,384,980)
Total salaries savings	(\$17,420,764)	(\$19,477,756)	(\$36,898,520)

2023-25 Biennium

The 2023 Legislative Assembly appropriated \$98.2 million, of which \$40.1 million was from the general fund and \$58.1 million was from other funds, to OMB for a new and vacant FTE funding pool for executive branch agencies, excluding higher education and the nonpublic health divisions of the Department of Health and Human Services, for the 2023-25 biennium. Funding for estimated vacant FTE positions and new FTE positions authorized for the 2023-25 biennium was removed from each agency's appropriation bill. The Legislative Assembly also provided for new and vacant FTE funding pools for the legislative branch and judicial branch.

The 2025 Legislative Assembly restored funding removed for new FTE positions and estimated vacancy savings from the 2023-25 biennium in each state agency budget for the 2025-27 biennium.

In Section 5 of House Bill No. 1015, the 2025 Legislative Assembly appropriated \$3 million from the general fund to OMB as a 2023-25 biennium deficiency appropriation for the purpose of transferring funding to other state agencies, if necessary, for the 2023-25 biennium new and vacant FTE funding pool.

HEALTH INSURANCE Premiums

The Legislative Assembly continued to provide funding for the cost of health insurance premiums for state employees. The appropriations provide \$1,893.30 per month for employee health insurance, an increase of \$250.22, or 15.23 percent, compared to the 2023-25 biennium premium rate of

\$1,643.08 per month. A recent history of monthly health insurance premiums provided for each employee is listed below.

Biennium	Monthly Premium	Percentage Change from Previous Biennium
1995-97	\$265	N/A
1997-99	\$301	13.6%
1999-2000	\$350	16.3%
2001-03	\$409	16.9%
2003-05	\$489	19.6%
2005-07	\$554	13.3%
2007-09	\$658	18.8%
2009-11	\$826	25.5%
2011-13	\$887	7.4%
2013-15	\$982	10.7%
2015-17	\$1,130	15.1%
2017-19	\$1,241	9.8%
2019-21	\$1,427	15.0%
2021-23	\$1,429	0.1%
2023-25	\$1,643	15.0%
2025-27	\$1,893	15.2%

Health Insurance Plans

In Senate Bill No. 2160, the Legislative Assembly provided the Public Employees Retirement System (PERS) offer state employees and non-medicare retirees a nongrandfathered health insurance plan under the Patient Protection and Affordable Care Act of 2010 rather than the current grandfathered health insurance plan, beginning January 1, 2027. Political subdivisions would continue to be offered the grandfathered health insurance plan. **The Governor vetoed this bill, resulting in PERS continuing to offer the current grandfathered health insurance plan to all plan participants.**

Health Insurance Reserve Fund

In House Bill No. 1114, the Legislative Assembly provided for a \$25 per month limit on the cost of insulin or diabetic drugs and supplies for plan participants, resulting in a shift in the cost of the benefit from participants to the health insurance plan. The estimated fiscal impact of the bill is \$833,955 and the estimated monthly premium increase as a result of increased benefits under the health insurance plan is \$2.07 for the 2025-27 biennium.

In House Bill No. 1216, the Legislative Assembly limited the maximum amount a member of the health insurance plan can be charged for prescription drugs, resulting in a shift in the cost of the benefit from participants to the state health insurance plan. The estimated fiscal impact of the bill is \$4,458,088 and the estimated monthly premium increase as a result of increased benefits under the health insurance plan is \$11.05 for the 2025-27 biennium.

Because the Legislative Assembly did not provide funding for these increases, it is anticipated that PERS will use funds available in the health insurance reserve fund established in North Dakota Century Code

Section 54-52.1-06 for these increased costs. The July 1, 2025, estimated health insurance reserve balance is approximately \$60.3 million. Of this amount, \$2 million is for estimated administrative expenses and \$3.1 million has been reserved by the PERS Board for the potential buydown of life insurance plan premiums, resulting in approximately \$55.2 million available for health insurance premium buydowns during the 2025-27 biennium. Reducing the \$55.2 million available reserve fund balance by approximately \$5.3 million for the estimated cost of House Bill Nos. 1114 and 1216 during the 2025-27 biennium, the remaining available balance in the health insurance reserve fund is approximately \$49.9 million.

RETIREMENT

Main System Plan

The Legislative Assembly approved the following bills affecting the PERS main system retirement plan:

- **House Bill No. 1015** - This bill includes a \$1 million general fund appropriation to OMB to provide payments to state employees who elected to transfer from the PERS main system defined benefit (DB) retirement plan to the new defined contribution (DC). In House Bill No. 1040 (2023), the Legislative Assembly provided state employees with no more than 5 years of experience who are enrolled in the main system DB retirement plan and elect to transfer to the new DC plan between January 1, 2025, through March 31, 2025, are eligible for a \$3,333 additional annual contribution in January 2026, January 2027, and January 2028.
There were 144 state employees that elected to transfer to the new DC plan. The \$1 million appropriation in House Bill No. 1015 is to provide the first two annual incentive payments to the employees who elected the transfer.
- **House Bill No. 1146** - This bill authorizes political subdivisions that are not participating in the PERS main system DB retirement plan to join the new DC retirement plan and clarifies that only state agencies that receive budgetary approval from the Legislative Assembly are required to pay for the actuarially determined employer contribution (ADEC) rate for the incentive payment for state employees to transfer from the DB plan to the DC plan. The bill allows the Legislative Assembly to transfer funding to the PERS fund that is equal to or greater than the ADEC amount most recently published by the PERS board, rather than appropriating funding to each state agency to contribute the ADEC amount to PERS.
- **House Bill No. 1234** - This bill transfers \$25 million from the strategic investment and improvements fund to the PERS fund to reduce the unfunded liability of the PERS main system DB retirement plan. A section of legislative intent is provided that the \$65 million of oil and gas tax revenues projected to be deposited in the PERS fund during

the 2025-27 biennium pursuant to Section 57-51.1-07.5 is also for reducing the unfunded liability of the PERS main system DB retirement plan. The combined amounts result in \$90 million being provided for reducing the unfunded liability of the plan.

- **House Bill No. 1602** - This bill allows political subdivisions currently participating in the new DC retirement plan to withdraw from the plan at no cost to the political subdivision.

Public Safety Plan

The Legislative Assembly approved the following bills affecting the PERS public safety retirement plan:

- **House Bill No. 1274** - This bill expands the eligibility in the PERS public safety DB retirement plan to include correctional officers employed by state agencies and participating political subdivisions.
- **House Bill No. 1419** - This bill expands eligibility in the PERS public safety DB retirement plan to include State Radio dispatchers in state public safety DB retirement plan and allows political subdivisions to offer the public safety DB retirement plan to dispatchers and emergency personnel.

Highway Patrol Plan

In Senate Bill No. 2120, the Legislative Assembly transferred \$15 million from the strategic investment and improvements fund to the Highway Patrol troopers' DB retirement plan to reduce the unfunded liability of the plan.

OTHER BENEFITS

Employee Assistance Program

The monthly rate for the employee assistance program remains at \$1.54 per month, or \$18.48 annually.

Life Insurance

The monthly rate for life insurance provided to state employees remains at \$0.28 per month, or \$3.36 annually.

Unemployment Insurance

Funding is included for unemployment insurance for state employees at a rate of 1 percent of the first \$6,000 of an employee's annual salary (\$60 per year or \$120 per biennium maximum) for the 2025-27 biennium, the same rate as the 2023-25 biennium.

TOTAL COST OF COMPENSATION CHANGES

The schedule below provides the total cost of major compensation changes approved by the Legislative Assembly for the 2025-27 biennium, including higher education.

	General Fund	Other Funds	Total
Salary increases ¹	\$42,936,508	\$86,810,253	\$129,746,761
Salary increases - Judges	2,078,868	0	2,078,868
Salary increases - Extra judicial salaries	1,352,118	7,093	1,359,211
Salary equity increases	11,729,249	1,844,667	13,573,916
Accrued leave payouts	138,593	189,986	328,579
New and vacant FTE pool	(17,420,764)	(19,477,756)	(36,898,520)
Health insurance premium increases	30,951,887	55,257,395	86,209,282
Main system DB retirement plan incentive pool	1,000,000	0	1,000,000
Main system DB retirement plan transfer	0	25,000,000 ²	25,000,000 ²
Highway Patrol DB retirement plan transfer	0	15,000,000	15,000,000
Total	\$72,766,459	\$164,631,638	\$237,398,097

¹The Legislative Assembly did not include specific salary increase funding from the general fund for higher education institutions but did provided funding for inflationary increases to be used at the discretion of higher education institutions.

²This amount is in addition to the \$65 million allocation to the PERS DB retirement fund transfer from oil and gas tax revenues in Section 57-51.1-07.5.

FULL-TIME EQUIVALENT POSITIONS

The Legislative Assembly authorized a total of 16,628.37 FTE positions, an increase of 426.83 FTE positions from the 2023-25 authorized level of 16,201.54 FTE positions, including an increase of 129.74 higher education FTE positions and an increase of 297.09 FTE positions in all other state agencies. Of the total 16,628.37 FTE positions, 6,735.65 are higher education FTE positions and 9,892.72 are FTE positions in other state agencies.

The Legislative Assembly made the following FTE position adjustments beginning in the 2025-27 biennium:

- Created the Office of Guardianship and Conservatorship in Senate Bill No. 2029 and provided for the transfer of FTE positions from the judicial branch to the newly created agency.
- Transferred the Securities Department, including 10 FTE positions, to be under the supervision of the Insurance Commissioner.
- Authorized the Department of Financial Institutions to operate the department budget pursuant to a statutory continuing appropriation, resulting in biennial appropriations and FTE position authorizations from the Legislative Assembly being removed. The 35 FTE positions authorized for the 2023-25 biennium remain available to the department and the department will have the authority to adjust staffing needs as necessary, subject to the availability of funds.

- Appropriated \$269,901 from the general fund to the Parks and Recreation Department to convert 9 temporary positions to FTE positions.

Major changes in FTE positions, excluding higher education, are as follows:

Agency	FTE Authorization 2023-25 Biennium	FTE Authorization 2025-27 Biennium	Increase (Decrease)
325 - Department of Health and Human Services	2,483.83	2,688.35	204.52
530 - Department of Corrections and Rehabilitation	929.79	965.29	35.50
160 - Legislative Council	45.00	70.00	25.00
401 - Insurance Commissioner	47.00	60.00	13.00
750 - Parks and Recreation Department	65.00	76.00	11.00
180 - Judicial branch	384.00	394.00	10.00
315 - Office of Guardianship and Conservatorship	0.00	4.00	4.00
117 - State Auditor	65.00	59.00	(6.00)
414 - Securities Department	10.00	0.00	(10.00)
413 - Department of Financial Institutions	35.00	0.00	(35.00)

ANALYSIS OF FTE POSITIONS AUTHORIZED BY THE LEGISLATIVE ASSEMBLY IN 2025 FOR THE 2025-27 BIENNIUM

Agency	2023-25 FTE Positions	2025-27 FTE Positions	Increase (Decrease)	Percentage Increase (Decrease)
GENERAL GOVERNMENT				
101 - Governor's office	19.00	19.00	0.00	0.0%
108 - Secretary of State	35.00	33.00	(2.00)	(5.7%)
110 - Office of Management and Budget	110.00	111.00	1.00	0.9%
112 - Information Technology Department	507.00	509.00	2.00	0.4%
117 - State Auditor	65.00	59.00	(6.00)	(9.2%)
120 - State Treasurer	7.00	7.00	0.00	0.0%
125 - Attorney General	266.00	270.00	4.00	1.5%
127 - Tax Commissioner	117.00	117.00	0.00	0.0%
140 - Office of Administrative Hearings	5.00	5.00	0.00	0.0%
160 - Legislative Council	45.00	70.00	25.00	55.6%
180 - Judicial branch	384.00	394.00	10.00	2.6%
188 - Commission on Legal Counsel for Indigents	41.00	43.00	2.00	4.9%
190 - Retirement and Investment Office	34.00	35.00	1.00	2.9%
192 - Public Employees Retirement System	40.50	42.50	2.00	4.9%
195 - Ethics Commission	3.00	3.00	0.00	0.0%
TOTAL GENERAL GOVERNMENT	<u>1,678.50</u>	<u>1,717.50</u>	<u>39.00</u>	<u>2.3%</u>
HIGHER EDUCATION - see page J-10				
OTHER EDUCATION				
201 - Department of Public Instruction	86.25	86.25	0.00	0.0%
204 - Center for Distance Education	30.80 ¹	31.00	0.20	0.6%
226 - Department of Trust Lands	33.00	34.00	1.00	3.0%
250 - State Library	26.75	26.75	0.00	0.0%
252 - School for the Deaf	45.36	46.86	1.50	3.3%
253 - North Dakota Vision Services - School for the Blind	27.75	28.75	1.00	3.6%
270 - Department of Career and Technical Education	23.50 ¹	23.50	0.00	0.0%
TOTAL OTHER EDUCATION	<u>273.41</u>	<u>277.11</u>	<u>3.70</u>	<u>1.4%</u>

HEALTH AND WELFARE

303 - Department of Environmental Quality	173.00	175.00	2.00	1.2%
313 - Veterans' Home	114.79	114.79	0.00	0.0%
315 - Office of Guardianship and Conservatorship	0.00 ²	4.00 ²	4.00 ²	N/A
316 - Indian Affairs Commission	4.00	4.00	0.00	0.0%
321 - Department of Veterans' Affairs	9.00	10.00	1.00	11.1%
325 - Department of Health and Human Services	2,483.83 ³	2,688.35 ³	204.52 ³	8.2%
360 - Protection and Advocacy Project	28.50	29.50	1.00	3.5%
380 - Job Service North Dakota	158.61	159.61	1.00	0.6%
TOTAL HEALTH AND WELFARE	<u>2,971.73</u>	<u>3,185.25</u>	<u>213.52</u>	<u>7.2%</u>

REGULATORY

401 - Insurance Commissioner	47.00 ⁴	60.00 ⁴	13.00 ⁴	27.7%
405 - Industrial Commission	9.75 ⁵	9.75	0.00	0.0%
406 - Department of Labor and Human Rights	13.00	13.00	0.00	0.0%
408 - Public Service Commission	45.00	45.00	0.00	0.0%
412 - Aeronautics Commission	7.00	7.00	0.00	0.0%
413 - Department of Financial Institutions	35.00 ⁶	0.00 ⁶	(35.00) ⁶	(100.0%)
414 - Securities Department	10.00 ⁴	0.00 ⁴	(10.00) ⁴	(100.0%)
471 - Bank of North Dakota	187.00	187.00	0.00	0.0%
473 - Housing Finance Agency	54.00	59.00	5.00	9.3%
474 - Department of Mineral Resources	108.00 ⁵	113.00	5.00	4.6%
475 - Mill and Elevator Association	170.00	172.00	2.00	1.2%
485 - Workforce Safety and Insurance	260.14	260.14	0.00	0.0%
TOTAL REGULATORY	<u>945.89</u>	<u>925.89</u>	<u>(20.00)</u>	<u>(2.1%)</u>

PUBLIC SAFETY

504 - Highway Patrol	205.00	205.00	0.00	0.0%
530 - Department of Corrections and Rehabilitation	929.79	965.29	35.50	3.8%
540 - Adjutant General	233.00	235.00	2.00	0.9%
TOTAL PUBLIC SAFETY	<u>1,367.79</u>	<u>1,405.29</u>	<u>37.50</u>	<u>2.7%</u>

AGRICULTURE AND ECONOMIC DEVELOPMENT

601 - Department of Commerce	65.80	65.80	0.00	0.0%
602 - Agriculture Commissioner	80.00	81.00	1.00	1.3%
627 - Upper Great Plains Transportation Institute	43.88 ⁷	42.88 ⁷	(1.00) ⁷	(2.3%)
628 - Branch research centers	111.81 ⁷	107.16 ⁷	(4.65) ⁷	(4.2%)
630 - North Dakota State University Extension Service	252.70 ⁷	256.44 ⁷	3.74 ⁷	1.5%
638 - Northern Crops Institute	18.15 ⁷	18.35 ⁷	0.20 ⁷	1.1%
640 - Main Research Center	358.47 ⁷	364.55 ⁷	6.08 ⁷	1.7%
649 - Agronomy Seed Farm	3.00 ⁷	3.00 ⁷	0.00 ⁷	0.0%
670 - Racing Commission	2.00	2.00	0.00	0.0%
TOTAL AGRICULTURE AND ECONOMIC DEVELOPMENT	<u>935.81</u>	<u>941.18</u>	<u>5.37</u>	<u>0.6%</u>

NATURAL RESOURCES AND HIGHWAYS

701 - State Historical Society	83.50	85.50	2.00	2.4%
709 - Council on the Arts	6.00	6.00	0.00	0.0%
720 - Game and Fish Department	174.00 ⁸	170.00 ⁸	(4.00) ⁸	(2.3%)
750 - Parks and Recreation Department	65.00 ⁹	76.00 ⁹	11.00 ⁹	16.9%
770 - State Water Commission	93.00	98.00	5.00	5.4%
801 - Department of Transportation	1,001.00	1,005.00	4.00	0.4%
TOTAL NATURAL RESOURCES AND HIGHWAYS	<u>1,422.50</u>	<u>1,440.50</u>	<u>18.00</u>	<u>1.3%</u>

SUMMARY TOTALS

General Government	1,678.50	1,717.50	39.00	2.3%
Other Education	273.41	277.11	3.70	1.4%
Health and Welfare	2,971.73	3,185.25	213.52	7.2%
Regulatory	945.89	925.89	(20.00)	(2.1%)
Public Safety	1,367.79	1,405.29	37.50	2.7%
Agriculture and Economic Development	935.81	941.18	5.37	0.6%
Natural Resources and Highways	1,422.50	1,440.50	18.00	1.3%
TOTAL ALL DEPARTMENTS (EXCLUDING HIGHER EDUCATION)	<u>9,595.63</u>	<u>9,892.72</u>	<u>297.09</u>	<u>3.1%</u>

HIGHER EDUCATION

215 - North Dakota University System office	162.83 ¹⁰	168.83 ¹⁰	6.00 ¹⁰	3.7%
227 - Bismarck State College	335.33 ¹⁰	338.25 ¹⁰	2.92 ¹⁰	0.9%
228 - Lake Region State College	120.59 ¹⁰	115.15 ¹⁰	(5.44) ¹⁰	(4.5%)
229 - Williston State College	102.83 ¹⁰	99.74 ¹⁰	(3.09) ¹⁰	(3.0%)
230 - University of North Dakota	2,060.56 ¹⁰	2,191.95 ¹⁰	131.39 ¹⁰	6.4%
232 - University of North Dakota School of Medicine and Health Sciences	488.83 ¹⁰	529.06 ¹⁰	40.23 ¹⁰	8.2%
235 - North Dakota State University	1,867.50 ¹⁰	1,805.96 ¹⁰	(61.54) ¹⁰	(3.3%)
238 - North Dakota State College of Science	313.95 ¹⁰	326.54 ¹⁰	12.59 ¹⁰	4.0%
239 - Dickinson State University	178.00 ¹⁰	170.80 ¹⁰	(7.20) ¹⁰	(4.0%)
240 - Mayville State University	226.92 ¹⁰	226.92 ¹⁰	0.00 ¹⁰	0.0%
241 - Minot State University	423.63 ¹⁰	421.16 ¹⁰	(2.47) ¹⁰	(0.6%)
242 - Valley City State University	211.94 ¹⁰	217.44 ¹⁰	5.50 ¹⁰	2.6%
243 - Dakota College at Bottineau	84.00 ¹⁰	87.85 ¹⁰	3.85 ¹⁰	4.6%
244 - Forest Service	29.00 ¹⁰	36.00 ¹⁰	7.00 ¹⁰	24.1%
TOTAL HIGHER EDUCATION	<u>6,605.91</u>	<u>6,735.65</u>	<u>129.74</u>	<u>2.0%</u>
TOTAL ALL DEPARTMENTS (INCLUDING HIGHER EDUCATION)	<u><u>16,201.54</u></u>	<u><u>16,628.37</u></u>	<u><u>426.83</u></u>	<u><u>2.6%</u></u>

¹ The 2023 Legislative Assembly transferred supervisory authority of the Center for Distance Education from the Department of Career and Technical Education to the Department of Public Instruction beginning in the 2023-25 biennium. Section 3 of Senate Bill No. 2269 (2023) provides the Center for Distance Education must have a separate budget and a separate staff from the Department of Public Instruction.

² The Legislative Assembly created the Office of Guardianship and Conservatorship in Senate Bill No. 2029 (2025) and provided for the transfer of FTE positions from the judicial branch to the newly created agency.

³ Pursuant to Section 7 of Senate Bill No. 2012 (2023) and Section 4 of House Bill No. 1012 (2025), the Department of Health and Human Services is authorized a FTE position block grant program, authorizing the department to adjust FTE positions as necessary, subject to the availability of funds.

⁴ In Senate Bill No. 2214 (2025), the Legislative Assembly transferred the Securities Department to the Insurance Commissioner. In House Bill No. 1010 (2025), the Legislative Assembly provided for the transfer of 10 FTE Securities Department positions to the Insurance Commissioner.

⁵ The 2023 Legislative Assembly provided staff positions for the Department of Mineral Resources to be separated from the Industrial Commission beginning in the 2023-25 biennium. Previously, staff positions were combined for these departments.

⁶ In Senate Bill No. 2028 (2025), the Legislative Assembly authorized the Department of Financial Institutions to operate the department budget pursuant to a statutory continuing appropriation, resulting in biennial appropriations and FTE position authorizations from the Legislative Assembly being removed. The 35 FTE positions authorized for the 2023-25 biennium remain available to the department and the department will have the authority to adjust staffing needs as necessary, subject to the availability of funds.

⁷ The FTE positions listed for the following entities under the control of the State Board of Higher Education were adjusted in accordance with Section 10 of House Bill No. 1020 (2023):

Agency	2023-25 Legislative Authorization	2023-25 Adjusted FTE Position Level	Variance from 2023-25 Adjusted Level to 2023-25 Legislative Authorization	2025-27 Legislative Authorization	Variance from 2023-25 Adjusted Level to 2025-27 Legislative Authorization
Upper Great Plains Transportation Institute	43.88	43.88	0.00	42.88	(1.00)
Branch research centers	111.81	107.16	(4.65)	107.16	0.00
North Dakota State University Extension Service	252.70	256.44	3.74	256.44	0.00
Northern Crops Institute	18.15	18.35	0.20	18.35	0.00
Main Research Center	358.47	370.53	12.06	364.55	(5.98)
Agronomy Seed Farm	3.00	3.00	0.00	3.00	0.00
Total	788.01	799.36	11.35	792.38	(6.98)

⁸ In Section 4 of Senate Bill No. 2017 (2023), the Legislative Assembly appropriated \$27.15 million and authorized 4 FTE positions to implement the Recovering America's Wildlife Act during the 2023-25 biennium, contingent upon enactment of the Recovering America's Wildlife Act and after corresponding federal funds have been made available to the state. Congress did not enact the Act, resulting in the contingent funding and FTE positions not being available to the department.

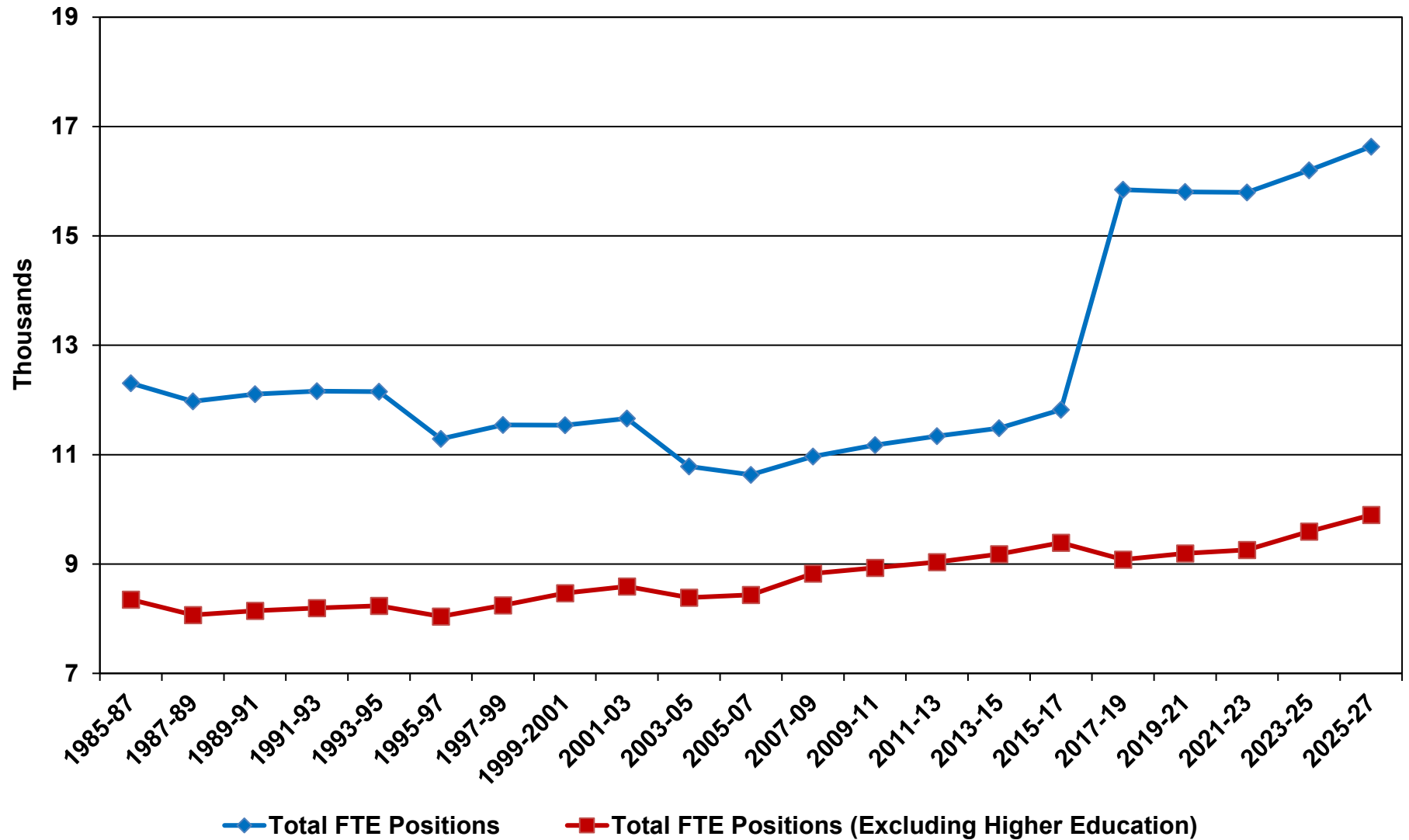
⁹ In House Bill No. 1019 (2025), the Legislative Assembly added 11 FTE positions for the Parks and Recreation Department for the 2025-27 biennium, including 2 new FTE positions beginning in the 2nd year of the biennium and the conversion of 9 temporary positions to FTE positions.

¹⁰ The FTE positions listed for the following entities under the control of the State Board of Higher Education were adjusted in accordance with Section 39 of House Bill No. 1003 (2023):

Agency	2023-25 Legislative Authorization	2023-25 Adjusted FTE Position Level	Variance from 2023-25 Adjusted Level to 2023-25 Legislative Authorization	2025-27 Legislative Authorization	Variance from 2023-25 Adjusted Level to 2025-27 Legislative Authorization
North Dakota University System office	162.83	168.83	6.00	168.83	0.00
Bismarck State College	335.33	338.25	2.92	338.25	0.00
Lake Region State College	120.59	115.15	(5.44)	115.15	0.00
Williston State College	102.83	99.74	(3.09)	99.74	0.00
University of North Dakota	2,060.56	2,191.95	131.39	2,191.95	0.00
University of North Dakota School of Medicine and Health Sciences	488.83	529.06	40.23	529.06	0.00
North Dakota State University	1,867.50	1,805.96	(61.54)	1,805.96	0.00
North Dakota State College of Science	313.95	326.54	12.59	326.54	0.00
Dickinson State University	178.00	170.80	(7.20)	170.80	0.00
Mayville State University	226.92	226.92	0.00	226.92	0.00
Minot State University	423.63	421.16	(2.47)	421.16	0.00
Valley City State University	211.94	217.44	5.50	217.44	0.00
Dakota College at Bottineau	84.00	87.85	3.85	87.85	0.00
Forest Service	29.00	34.00	5.00	36.00	2.00
Total	6,605.91	6,733.65	127.74	6,735.65	2.00

NUMBER OF STATE EMPLOYEES - HISTORY

The following is a summary of the number of authorized state employee FTE positions for the 1985-87 through 2025-27 bienniums:



Biennium	General Government	Education (Other Than Higher Education)	Health and Welfare	Regulatory	Public Safety	Agriculture and Economic Development	Natural Resources and Highways	Total FTE Positions Excluding Higher Education	Higher Education	Total FTE Positions
1985-87	915.50	396.39	3,393.11	996.43	552.80	802.28	1,294.50	8,351.01	3,956.84	12,307.85
1987-89	975.55	296.10	3,079.89 ¹	1,021.93	648.77	770.58	1,273.00	8,065.82	3,909.16	11,974.98
1989-91	916.25	309.36	3,028.11	1,047.94	699.27	785.57	1,357.50	8,144.00	3,963.02	12,107.02
1991-93	949.85	327.91	2,876.26	1,078.92	727.69	826.57	1,406.50	8,193.70	3,965.80	12,159.50
1993-95	1,016.10	322.44	2,794.66	1,138.81	774.04	787.02 ²	1,404.00	8,237.07	3,912.91	12,149.98
1995-97	1,004.42	313.38	3,103.11 ⁴	665.50 ⁴	774.52	777.97	1,402.50	8,041.40	3,249.13 ³	11,290.53
1997-99	1,039.90	312.54	3,124.00	696.00	894.64	817.12	1,359.50	8,243.70	3,297.30	11,541.00
1999-2001	1,164.00 ⁵	308.19	3,099.06	723.00	954.68	856.35	1,363.00	8,468.28	3,068.64 ⁶	11,536.92
2001-03	1,236.20	271.07	3,069.86	762.50	967.18	914.03	1,369.75	8,590.59	3,070.58	11,661.17
2003-05	1,266.70 ⁷	245.60	2,852.80	767.37	995.18 ⁷	878.65	1,379.75	8,386.05	2,400.38 ⁸	10,786.43 ⁹
2005-07	1,246.00	243.89	2,840.20	763.51	1,056.28	898.80	1,389.00	8,437.68	2,194.42	10,632.10
2007-09	1,325.00	242.69	2,993.75	783.51	1,136.29	939.93	1,407.00	8,828.17	2,136.59	10,964.76
2009-11	1,362.00	253.19	3,008.65	806.20	1,161.29	921.30	1,417.50	8,930.13	2,245.51	11,175.64
2011-13	1,373.60	255.19	2,968.33	823.20	1,234.29	952.31	1,429.50	9,036.42	2,303.74	11,340.16
2013-15	1,419.10	262.11	2,975.06	859.89	1,273.29	933.79	1,456.50	9,179.74	2,304.74	11,484.48
2015-17	1,505.10	264.61	2,984.06	907.89	1,285.29	950.08	1,489.50	9,386.53	2,430.35	11,816.88
2017-19	1,434.30	250.11	2,867.06	899.89	1,283.29	899.47	1,445.50	9,079.62	6,767.76 ¹⁰	15,847.38
2019-21 ¹¹	1,498.50	269.81	2,932.56	899.89	1,318.79	897.85	1,378.50	9,195.90	6,609.87	15,805.77
2021-23 ¹¹	1,588.50	265.66	2,953.73	888.39	1,322.79	884.77	1,377.50	9,281.34	6,533.99	15,815.33
2023-25 ¹¹	1,678.50	273.41	2,971.73	945.89	1,367.79	935.81	1,422.50	9,595.63	6,605.91	16,201.54
2025-27 ¹²	1,717.50	277.11	3,185.25	925.89	1,405.29	941.18	1,440.50	9,892.72	6,735.65	16,628.37

¹Reflects a phase-out of FTE positions at San Haven (258.47 FTE positions reduction) and a reduction of 46 FTE positions at the Grafton State School.

²Excludes 14.1 authorized FTE positions for commodity groups because House Bill No. 1203 (1993) provided statutory continuing appropriations for these agencies to spend funds they collect without a specific legislative appropriation.

³The state colleges and universities changed the formula for counting teacher FTE positions based on the number of months worked during the year. Those who worked 12 months were reduced from 1.20 FTE positions to 1 FTE position, and those who worked 9 months were reduced from 1 FTE position to .75 FTE position. The net reduction from the change is 415.85 FTE positions. In addition, the University of North Dakota Rehabilitation Hospital was privatized resulting in a reduction of 286.20 FTE positions.

⁴Job Service North Dakota and its 420.5 FTE positions were switched from **Regulatory** to **Health and Welfare**.

⁵The judicial branch added 129.5 FTE positions with the clerk of court unification.

⁶Reflects elimination of 203.3 FTE positions associated with local funds at the University of North Dakota School of Medicine and Health Sciences.

⁷Reflects a decrease of 31 FTE positions in **General Government** and a corresponding increase in **Public Safety** due to State Radio being consolidated with the Division of Emergency Management.

⁸The FTE count for higher education was reduced by 688.17 FTE positions to reflect institutional reductions and to report only the number of FTE positions funded from the general fund.

⁹House Bill No. 1505 (2003) provided that on November 1, 2003, 24 FTE positions relating to information services, including electronic mail, file and print server administration, database administration, storage, application server, and hosting services, must be reduced and transferred to the Information Technology Department (ITD). The project executive committee recommended the transfer of 8.5 FTE positions to ITD on November 1, 2003, and the exemption of the remaining 15.5 FTE positions. The 2003-05 FTE positions reflect the transfer of 8.5 FTE positions.

¹⁰Prior to the 2017-19 biennium, higher education FTE positions supported from special funds were not reflected in the budget, as the State Board of Higher Education and institutions under its control have continuing appropriation authority for special funds. The 2015 Legislative Assembly amended North Dakota Century Code Section 54-44.1-04

to require higher education entities to enter all budget data in the state's budget system in the same manner as other agencies. This increased the total number of FTE positions by 4,337.41. The 2017 Legislative Assembly reduced the number of general fund supported FTE positions in higher education by 313.27 to 2,117.08 for the 2017-19 biennium. Higher education FTE positions supported from all funds was 6,767.76 in the 2017-19 biennium.

¹¹The 2019 Legislative Assembly approved a shared services unification of certain agencies' information technology resources and personnel, including the transfer of 96 FTE information technology positions from 5 agencies to ITD. The 2021 and 2023 Legislative Assemblies approved additional unification of state government information technology resources and personnel, including the transfer of 56 FTE information technology positions from 11 agencies to ITD, resulting in 152 FTE positions transferred during the 2019-21, 2021-23, and 2023-25 bienniums, as follows:

Agency	Agency Category	FTE Transferred to ITD			
		2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	Total
110 - Office of Management and Budget	General government		4.00		4.00
190 - Retirement and Investment Office	General government		2.00		2.00
226 - Department of Trust Lands	Education	2.00			2.00
301 - State Department of Health	Health and welfare		4.00		4.00
303 - Department of Environmental Quality	Health and welfare		1.00		1.00
325 - Department of Human Services	Health and welfare	48.00			48.00
380 - Job Service North Dakota	Health and welfare		16.00		16.00
401 - Insurance Commissioner	Regulatory			1.00	1.00
471 - Bank of North Dakota	Regulatory		16.00		16.00
504 - Highway Patrol	Public safety		2.00		2.00
530 - Department of Corrections and Rehabilitation	Public safety		6.00	2.00	8.00
540 - Adjutant General - Department of Emergency Services	Public safety	4.00			4.00
601 - Department of Commerce	Agriculture and economic development		1.00		1.00
720 - Game and Fish Department	Natural resources		1.00		1.00
750 - Parks and Recreation Department	Natural resources	1.00			1.00
801 - Department of Transportation	Transportation	41.00			41.00
Total		96.00	53.00	3.00	152.00

¹²Major changes to FTE positions for the 2025-27 biennium include the transfer of 4 FTE positions from the judicial branch to a newly created Office of Guardianship and Conservatorship, the transfer of 10 FTE positions to the Insurance Commissioner as part of the merger of the Securities Department into the Insurance Department, and authorizing the Department of Financial Institutions to operate the department budget on a continuing basis, resulting in 35 FTE position being removed from the statewide budget. The 35 FTE positions authorized for the 2023-25 biennium remain available to the department and the department will have the authority to adjust staffing needs as necessary, subject to the availability of funds.

HISTORY OF STATE EMPLOYEE SALARY INCREASES

Year	General Salary Increases	Annual Inflation*
1973	5%	6.2%
1974	4%	11.0%
1975	5% (in addition to an 11.9% salary adjustment)	9.1%
1976	5%	5.7%
1977	5%	6.5%
1978	5%	7.6%
1979	6.5%	11.3%
1980	6.5%	13.5%
1981	9% (in addition to a 10% salary adjustment)	10.3%
1982	8% (reduced by Governor's budget allotments)	6.2%
1983	2% contribution to retirement	3.2%
1984	2% contribution to retirement	4.3%
1985	9.5% higher education faculty and senior administrative staff, 5.5% for all other state employees	3.5%
1986	4% with a minimum of \$50 per month; the Governor deferred this increase for agencies under the Governor's control to January 1, 1987	1.9%
1987	0%	3.7%
1988	0%	4.1%
1989	11.4% higher education faculty at the University of North Dakota and North Dakota State University; 9.5% higher education faculty at other 4-year universities; 7.3% higher education faculty at 2-year colleges; 9.1% faculty at the medical school; administrative, professional, and classified employees at the institutions of higher education received increases averaging between 8.7% and 9.7%; 7.1% for all other state employees	4.8%
1990	7% higher education faculty at 4-year universities, 5% higher education faculty at 2-year colleges, 0% all other state employees	5.4%
1991	4% with a minimum of \$50 per month	4.2%
1992	\$40 per month	3.0%
1993	\$60 per month	3.0%
1994	3% (to the extent available from agency savings)	2.6%
1995	2%	2.8%
1996	3% (includes 1% for salary inequity correction and merit increases)	2.9%
1997	3% (includes 1.5% for salary inequity correction and merit increases)	2.3%
1998	3% (includes 1.5% for salary inequity correction and merit increases; in addition, the North Dakota University System received a \$3.2 million pool of funds for the 1997-99 biennium to address salary compression, market, and equity problems)	1.5%
1999	2% with a minimum of \$35 per month - Increases over \$35 were based on merit and equity	2.2%
2000	2% with a minimum of \$35 per month - Increases over \$35 were based on merit and equity. An additional 1% was provided to the extent the increase could be paid with existing agency resources.	3.4%
2001 ¹	3% with a minimum of \$35 per month - Increases over \$35 were based on merit and equity	2.8%
2002 ¹	2% with a minimum of \$35 per month - Increases over \$35 were based on merit and equity	1.6%

Year	General Salary Increase	Annual Inflation*
2003	Up to 1% effective on January 1, 2004, for the executive and judicial branches to the extent that the increase could be provided from pooled savings realized from the eliminated full-time equivalent (FTE) positions and from accumulated savings from other vacant FTE positions. At least 70% of the funding for the increase provided was required to be from pooled savings of the eliminated FTE positions. No specific funding was provided to higher education institutions for salary increases, with the intent that any salary increases provided be from existing appropriation authority. The judicial branch eliminated 4 vacant FTE positions and provided a 1% salary increase to its employees effective January 1, 2004. The executive branch did not receive a salary increase.	2.3%
2004	Up to 2% effective on January 1, 2005, for the executive and judicial branches to the extent that the increase could be provided from pooled savings realized from the eliminated FTE positions and from accumulated savings from other vacant FTE positions. At least 70% of the funding for the increase provided was required to be from pooled savings of the eliminated FTE positions. No specific funding was provided to higher education institutions for salary increases, with the intent that any salary increases provided be from existing appropriation authority. The executive branch and the judicial branch did not eliminate positions to receive salary increases on January 1, 2005.	2.7%
2005	4%	3.4%
2006	4%	3.2%
2007 ²	4% with a minimum of \$75 per month (salary increases were to be based on merit and equity and were not to be given across the board)	2.9%
2008 ²	4% with a minimum of \$75 per month (salary increases were to be based on merit and equity and were not to be given across the board)	3.8%
2009 ³	5% with a minimum of \$100 per month (salary increases were to be based on merit and equity and were not to be given across the board)	(0.3%)
2010 ³	5% with a minimum of \$100 per month (salary increases were to be based on merit and equity and were not to be given across the board)	1.6%
2011 ⁴	3% (Salary increases for nonclassified employees were to be based on merit and equity and were not to be given across the board. Salary increases for classified employees were to be based on guidelines developed by the Office of Management and Budget (OMB).)	3.1%
2012 ⁴	3% (Salary increases for nonclassified employees were to be based on merit and equity and were not to be given across the board. Salary increases for classified employees were to be based on guidelines developed by OMB.)	2.1%
2013 ⁵	From 3% to 5% based on performance and up to 2% for classified employees in the first quartile of their salary range and up to 1% for classified employees in the second quartile of their salary range for market equity	1.5%
2014 ⁵	From 2% to 4% based on performance and up to 2% for classified employees in the first quartile of their salary range and up to 1% for classified employees in the second quartile of their salary range for market equity	1.6%
2015 ⁶	From 2% to 4% based on performance	0.1%
2016 ⁶	From 2% to 4% based on performance	1.2%
2017	0%	1.6%
2018	0%	2.2%
2019 ⁷	2% with a minimum monthly increase of \$120 and a maximum monthly increase of \$200	1.6%
2020	2.5%	(0.1%)
2021 ⁸	1.5% with a minimum monthly increase of \$100	4.5%
2022	2%	8.6%
2023 ⁹	6%	3.9%
2024 ⁹	4%	3.1%
2025	3%	3.4% (projected)
2026	3%	2.7% (projected)

*Percentage change, consumer price index annual rate, Moody's Analytics and IHS Markit

¹In addition the 2001 Legislative Assembly provided:

- \$5 million, \$2.7 million of which was from the general fund, for market equity compensation adjustments for classified employees as approved by Human Resource Management Services.
- \$4,628,824 from the general fund for equity and special needs for entities under the control of the State Board of Higher Education. A portion of this amount was used for salary increases to address equity issues.
- \$178,233, \$142,697 of which was from the general fund, for salary equity adjustments for elected and appointed officials.

²In addition the 2007 Legislative Assembly provided \$10 million, \$5 million of which was from the general fund and \$5 million of special funds, for market equity salary adjustments based on market data for classified employees. Employees furthest from market were to receive the largest increase (Senate Bill No. 2189 (2007)).

The 2007-09 legislative appropriation for the University System included funding for parity to provide for inflationary costs, including the general fund share of 5 percent per year salary increases and health insurance increases.

³In addition the 2009 Legislative Assembly provided an appropriation of \$15,984,000, of which \$9,000,000 is from the general fund, to OMB to address salary equity issues. House Bill No. 1015 (2009) provided the statewide equity pool be used for market equity compensation adjustments for classified and nonclassified state employees of executive branch agencies, institutions, and departments, excluding entities under the control of the State Board of Higher Education. The market equity increases were to be prioritized based on a statewide plan to address occupational market disparities, economic growth areas, recruitment and retention challenges, and internal and external pay inequities for employees who are critical to the mission of the agency. The plan needed to give priority to employees who were employed by the state for the greatest length of time and were furthest below their salary range midpoint. The Office of Management and Budget, in developing the plan, was to consider employee pay comparisons to similar occupational classifications of other North Dakota employers and employers in Montana, South Dakota, and Wyoming.

The 2009-11 legislative appropriation for the University System included funding for parity to provide for inflationary costs, including the general fund share of 5 percent per year salary increases and health insurance increases.

⁴In addition the 2011 Legislative Assembly provided additional salary equity-related funding for the following agencies:

- Attorney General's office - \$125,000 from the general fund - Salary increases available upon certification completion for personnel advancement.
- Industrial Commission - \$502,832 from the general fund - Salary equity increases primarily for geologists and petroleum engineers.
- State Treasurer - \$24,000 from the general fund - Salary increases for employee reclassifications.
- Department of Transportation - \$600,000 from special funds - Optional market salary adjustments primarily for heavy equipment operators and highway maintenance personnel.

The 2011-13 legislative appropriation for the University System included funding for parity to provide for inflationary costs, including the general fund share of 3 percent per year salary increases and health insurance premium increases.

The 2011 Legislative Assembly provided funding for an increase in contributions to the retirement system of 2 percent on January 1, 2012, and another 2 percent increase on January 1, 2013. For each increase, employees would pay 1 percent of the increased contribution and the state would pay the remaining 1 percent.

⁵The 2013 Legislative Assembly provided salary increases for eligible classified employees of up to 2 percent per year based on an employee's position in the assigned pay range and increases of 3 to 5 percent on July 1, 2013, and 2 to 4 percent on July 1, 2014, based on performance. The Legislative Assembly provided salary increases to eligible nonclassified employees of 3 to 5 percent on July 1, 2013, and 2 to 4 percent on July 1, 2014, based on performance.

The Legislative Assembly also provided funding for an increase in contributions to the retirement system of 2 percent on January 1, 2014. For the increase, employees paid 1 percent of the increased contribution and the state paid the remaining 1 percent.

⁶The 2015 Legislative Assembly provided salary increases for all eligible classified and nonclassified employees of 2 to 4 percent per year, based on performance.

The 2015 Legislative Assembly also provided targeted market equity funds of \$4.49 million, which included \$3.75 million from the general fund to address occupational market disparities, economic growth areas, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Agencies that received a targeted market equity salary adjustment include the Adjutant General (\$71,323), Veterans' Home (\$468,954), State Department of Health (\$724,558), Department of Human Services (\$3,039,616), and the Protection and Advocacy Project (\$185,549).

The 2015 Legislative Assembly also provided additional salary market equity-related funding for the following agencies:

- Attorney General's office - \$1,546,301, which includes \$1,012,301 from the general fund.
- Office of Administrative Hearings - \$38,110 from special funds.
- Retirement and Investment Office - \$50,000 from special funds.
- Department of Public Instruction - \$100,000 from the general fund.
- Department of Corrections and Rehabilitation - \$2,126,442 from the general fund.
- Adjutant General - \$192,621 from the general fund.

⁷The 2019 Legislative Assembly approved state employee salary increases of 2 percent with a \$120 monthly minimum and a \$200 monthly maximum on July 1, 2019, which results in the following:

- Employees earning less than \$72,000 each year will receive a \$120 monthly salary increase rather than a 2 percent increase;
- Employees earning \$72,000 or more each year but less than \$120,000 each year will receive a 2 percent salary increase; and
- Employees earning \$120,000 or more each year are limited to a \$200 monthly salary increase rather than a 2 percent increase.

⁸The 2021 Legislative Assembly approved state employee salary increases of 1.5 percent with a \$100 monthly minimum on July 1, 2021, which results in the following:

- Employees earning less than \$80,000 each year will receive a \$100 monthly salary increase rather than a 1.5 percent increase; and
- Employees earning \$80,000 or more each year will receive a 1.5 percent salary increase.

⁹The 2023 Legislative Assembly approved state employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024. In addition, the Legislative Assembly appropriated \$82.5 million, of which \$45.1 million was from the general fund and \$37.4 million was from other funds, to OMB in a targeted market equity pool for the purpose of providing compensation adjustments for executive branch state employees during the 2023-25 biennium.

ELECTED OFFICIALS' SALARIES

The 2025 Legislative Assembly authorized 2025-27 biennium salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, for state employees, including elected officials. The 2023 Legislative Assembly authorized 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, for state employees, including elected officials. The schedule below shows the salary authorized by the 2023 Legislative Assembly and the 2025 Legislative Assembly for each elected official.

State Official	Statutory Annual Salary Authorized by the 2023 Legislative Assembly		Statutory Annual Salary Authorized by the 2025 Legislative Assembly	
	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Governor ¹	\$152,265	\$158,356	\$163,107	\$168,000
Lieutenant Governor ²	\$130,000	\$135,200	\$139,256	\$143,434
Secretary of State ²	\$130,000	\$135,200	\$139,256	\$143,434
State Auditor ²	\$130,000	\$135,200	\$139,256	\$143,434
State Treasurer ²	\$130,000	\$135,200	\$139,256	\$143,434
Attorney General	\$179,312	\$186,484	\$192,079	\$197,841
Tax Commissioner	\$131,705	\$136,973	\$141,082	\$145,314
Superintendent of Public Instruction	\$138,142	\$143,668	\$147,978	\$152,417
Insurance Commissioner ²	\$130,000	\$135,200	\$139,256	\$143,434
Public Service Commissioners (3) ²	\$130,000	\$135,200	\$139,256	\$143,434
Agriculture Commissioner	\$131,423	\$136,680	\$140,780	\$145,003

¹Section 4 of Senate Bill No. 2002 (2023) provided an exemption that if the Governor chooses not to accept the salary and benefits of the position, or any portion of the salaries and benefits, the Office of Management and Budget may transfer appropriation authority from the Governor's salary line item to other line items during the 2023-25 biennium.

²In addition to regular salary increases for the 2023-25 biennium, the 2023 Legislative Assembly authorized salary equity increases for executive branch elected officials to provide each elected official an annual salary of at least \$130,000 beginning July 1, 2023. The equity adjustments increased the salaries of the Lieutenant Governor (16.4 percent), Secretary of State (13.6 percent), State Auditor (13.6 percent), State Treasurer (13.6 percent), Insurance Commissioner (13.6 percent), and Public Service Commissioners (10.5 percent) from July 1, 2023, through June 30, 2024. After applying the 4 percent salary increase on July 1, 2024, the annual salary of these elected officials increased to \$135,200.

The 2025 Legislative Assembly authorized 2025-27 biennium salary increases of approximately 12.1 percent for the North Dakota Supreme Court Chief Justice, approximately 11.1 percent for other supreme court justices, and approximately 7.7 percent for district court judges, effective July 1, 2025, with no additional salary increase in the 2nd year of the 2025-27 biennium, the same as requested by the judicial branch. The schedule below shows the salary authorized by the 2023 Legislative Assembly and the 2025 Legislative Assembly for judges and justices.

	Statutory Annual Salary Authorized by the 2023 Legislative Assembly		Statutory Annual Salary Authorized by the 2025 Legislative Assembly
	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
Supreme Court Chief Justice	\$184,383	\$191,758	\$214,896
Other Supreme Court justices	\$179,312	\$186,484	\$207,249
District court presiding judges	\$169,207	\$175,975	\$189,528
Other district court judges	\$164,532	\$171,113	\$184,366

COST OF STATE EMPLOYEE SALARY AND HEALTH INSURANCE INCREASES HISTORY

The following is a summary of the cost of providing salary and health insurance increases for the 1999-2001 through 2025-27 bienniums:

State Employee Salary Increases				
Biennium	Percentage Increase	General Fund	Other Funds	Total
1999-2001	2 percent with a \$35 per month minimum on July 1, 1999, and 2 percent with a \$35 per month minimum on July 1, 2000	\$17,681,836	\$9,633,401	\$27,315,237
2001-03	3 percent with a \$35 per month minimum on July 1, 2001, and 2 percent with a \$35 per month minimum on July 1, 2002	\$27,043,178	\$12,493,632	\$39,536,810
2003-05	Up to 1 percent on January 1, 2004, and up to 2 percent on January 1, 2005 (based on the elimination of positions and savings from vacant positions)	\$0	\$0	\$0
2005-07	4 percent on July 1, 2005, and 4 percent on July 1, 2006	\$19,778,486	\$21,746,666	\$41,525,152
2007-09	4 percent with a \$75 per month minimum on July 1, 2007, and 4 percent with a \$75 per month minimum on July 1, 2008	\$23,372,817	\$22,505,911	\$45,878,728
2009-11	5 percent with a \$100 per month minimum on July 1, 2009, and 5 percent with a \$100 per month minimum on July 1, 2010	\$36,821,006	\$31,667,339	\$68,488,345
2011-13	3 percent on July 1, 2011, and 3 percent on July 1, 2012	\$23,920,117	\$20,892,142	\$44,812,259
2013-15	From 3 to 5 percent on July 1, 2013, and from 2 to 4 percent on July 1, 2014, for performance and up to 2 percent for classified employees in the first quartile of their salary range and up to 1 percent for classified employees in the second quartile of their salary range in July 2013 and July 2014 for market equity	\$41,268,879	\$34,551,738	\$75,820,617
2015-17	From 2 to 4 percent based on performance on July 1, 2015, and from 2 to 4 percent based on performance on July 1, 2016	\$31,461,697	\$24,353,454	\$55,815,151
2017-19	The 2017 Legislative Assembly did not approve state employee salary increases for the 2017-19 biennium	\$0	\$0	\$0
2019-21	2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020	\$36,759,178	\$48,127,899	\$84,887,077
2021-23	1.5 percent with a minimum monthly increase of \$100 on July 1, 2021, and 2 percent on July 1, 2022	\$32,270,322	\$39,441,988	\$71,712,310
2023-25	6 percent on July 1, 2023, and 4 percent on July 1, 2024	\$88,958,028	\$125,431,382	\$214,389,410
2025-27	3 percent on July 1, 2025, and 3 percent on July 1, 2026	\$42,936,508 ¹	\$86,810,253	\$129,746,761 ¹

¹The Legislative Assembly did not include specific funding from the general fund for higher education institutions, but did provide funding for inflationary increases to be used at the discretion of higher education institutions.

State Employee Health Insurance Increases						
Biennium	Monthly Premium	Increase From Previous Biennium	Percentage Increase	General Fund	Other Funds	Total
1999-2001	\$350	\$49	16.3%	\$6,989,537	\$3,858,174	\$10,847,711
2001-03	\$409	\$59	16.9%	\$11,182,551	\$6,001,252	\$17,183,803
2003-05	\$489	\$80	19.6%	\$8,027,122	\$8,258,216	\$16,285,338
2005-07	\$554	\$65	13.3%	\$5,335,798	\$7,903,870	\$13,239,668
2007-09	\$658	\$104	18.8%	\$9,115,817	\$12,346,031	\$21,461,848
2009-11	\$826	\$168	25.5%	\$15,889,790	\$20,215,824	\$36,105,614
2011-13	\$887	\$61	7.4%	\$7,179,809	\$5,995,847	\$13,175,656
2013-15	\$982	\$95	10.7%	\$11,127,312	\$9,700,989	\$20,828,301
2015-17	\$1,130	\$148	15.1%	\$19,877,362	\$14,316,411	\$34,193,773
2017-19	\$1,241	\$111	9.8%	\$19,741,923	\$23,074,031	\$42,815,954
2019-21	\$1,427	\$186	15.0%	\$29,220,876	\$40,005,248	\$69,226,124
2021-23	\$1,429	\$2	0.1%	\$340,891	\$415,088	\$755,979
2023-25	\$1,643	\$214	15.0%	\$31,375,156	\$46,610,163	\$77,985,319
2025-27	\$1,893	\$250	15.2%	\$30,951,887	\$55,257,395	\$86,209,282

SECTION K - TRUST FUND ANALYSES

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ANALYSIS OF THE ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$25,312,303		\$38,164,303
Add estimated revenues ¹				
Fees, forfeitures, transfers, and recoveries penalties	\$9,236,000		\$2,500,000	
Oil and gas tax collections (2023 SB 2059) ^{2,3}	15,000,000		14,480,000	
Federal funds ⁴	21,910,000		15,560,000	
Total estimated revenues		46,146,000		32,540,000
Total available		\$71,458,303		\$70,704,303
Less estimated expenditures and transfers				
Reclamation of well sites placed into service after July 31, 1983	\$6,441,000		\$1,200,000	
Reclamation of well sites placed into service on or before July 31, 1983	2,130,000		1,000,000	
Orphaned well plugging and reclamation costs ⁵	21,866,000		560,000	
Brine pond and soil remediation studies	1,745,000		15,000,000	
Transfer to the environmental quality restoration fund ⁶	400,000		400,000	
Pipeline restoration and reclamation oversight program - Agriculture Commissioner (2023 SB 2009; 2025 HB 1009) ⁷	200,000		200,000	
Postproduction royalty oversight program - Agriculture Commissioner (2023 SB 2009; 2025 HB 1009) ⁷	500,000		300,000	
Administrative expenses - Reclamation specialist positions ⁸			799,926	
Miscellaneous ⁹	12,000		12,000	
Total estimated expenditures and transfers		33,294,000		19,471,926
Estimated ending balance		\$38,164,303		\$51,232,377

¹Revenues to the fund include:

- Fees collected by the Oil and Gas Division of the Industrial Commission for permits or other services;
- Funds received from the forfeiture of drilling and reclamation bonds;
- Funds received from any federal agency or from donations related to well plugging and site reclamation;
- Transfers or grant awards from the oil and gas impact fund;
- Oil and gas tax collections; and
- Funds recovered from the sale of confiscated equipment and oil and from certain civil penalties.

²House Bill No. 1014 (2019) decreased the allocation limit related to the fund balance by \$50 million, from \$100 million to \$50 million. Senate Bill No. 2059 (2023) increases the allocation related to the fund balance by \$50 million, from \$50 million to \$100 million, through the 2025-27 biennium.

³Estimated revenues - The estimated allocations for the 2023-25 and 2025-27 bienniums are based on the 2025 legislative revenue forecast.

⁴The amounts shown for the 2023-25 and 2025-27 bienniums reflect funding anticipated to be received by the Industrial Commission from the federal Infrastructure Investment and Jobs Act for formula grants and the federal State Fiscal Recovery Fund.

⁵The amount shown for the 2023-25 and 2025-27 bienniums reflect the estimated costs for plugging and reclaiming orphaned oil wells pursuant to the requirements under the Infrastructure Investment and Jobs Act and the State Fiscal Recovery Fund.

⁶For the 2023-25 biennium to date through April 2025, the Department of Environmental Quality has not requested any transfers. As amended by Senate Bill No. 2190 (2015), North Dakota Century Code Section 38-08-04.5 allows for transfers from the abandoned oil and gas well plugging and site reclamation fund with the requirement that any transfers into the environmental quality restoration fund will be returned by the State Department of Health to the abandoned oil and gas well plugging and site reclamation fund.

⁷House Bill No. 1009 (2021) includes an appropriation of \$200,000 from the fund for the pipeline restoration and reclamation oversight program. Senate Bill No. 2009 (2023) includes \$700,000 for the pipeline restoration and reclamation oversight program (\$200,000) and postproduction royalty oversight program (\$500,000). House Bill No. 1009 (2025) includes \$500,000 for the pipeline restoration and reclamation oversight program (\$200,000) and postproduction royalty oversight program (\$300,000). Through April 2025, the Agriculture Commissioner requested and received \$119,780 for the programs.

⁸Senate Bill No. 2014 (2025) identifies \$799,926 from the fund for administrative expenses, including funding for reclamation specialist positions and related operating expenses.

⁹Miscellaneous expenditures include credit card merchant fees and audit fees.

FUND HISTORY

The fund was established in 1983 under Section 38-08-04.5. The purpose of the fund is to defray the costs of plugging or replugging oil wells, the reclamation of well sites, and all other related activities for wells or pipelines. The money in the fund may be spent, pursuant to a continuing appropriation, for contracting for the plugging of abandoned wells; contracting for the reclamation of abandoned drilling and production sites, saltwater disposal pits, drilling fluid pits, and access roads; paying mineral owners their royalty share of confiscated oil; and paying any contract-related expenses. House Bill No. 1358 (2015) expanded the use of the fund allowing up to \$1.5 million per biennium to be spent on the reclamation of well sites placed into service on or before July 31, 1983, and demonstration projects related to reclamation. House Bill No. 1347 (2017), increased the amount available for the expanded uses to \$5 million per biennium. Senate Bill No. 2123 (2019) clarifies the fund may be used for the reclamation of saltwater handling facility sites and treating plant sites. The Industrial Commission is to report to the Budget Section each biennium on the expenditures of the fund and the fund balance.

The Legislative Assembly, in House Bill No. 1333 (2013), established an allocation of 4 percent, up to \$5 million per fiscal year, from 1 percent of the 5 percent oil and gas gross production tax to the fund and limited the allocation based on the fund balance. House Bill No. 1032 (2015) increased the oil and gas tax allocation to the fund by \$2.5 million per fiscal year, from \$5 million to \$7.5 million, and increased the allocation limit based on the fund balance by \$25 million, from \$75 million to \$100 million. In Senate Bill No. 2013 (2017), the Legislative Assembly decreased the oil and gas tax allocations to the fund by \$3.5 million per fiscal year, from \$7.5 million to \$4 million; however, the decrease was effective only for the 2017-19 biennium. House Bill No. 1014 (2019) decreased the allocation limit based on the fund balance by \$50 million, from \$100 million to \$50 million. Senate Bill No. 2059 (2023) increases the allocation related to the fund balance by \$50 million, from \$50 million to \$100 million, through the 2025-27 biennium.

Senate Bill No. 2014 (2025) amended statutory provisions to allow the Department of Mineral Resources to pay administrative expenses from the fund for salaries and wages and operating expenses, subject to legislative appropriation.

ANALYSIS OF THE ATTORNEY GENERAL REFUND FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance ^{1,2,3}		\$20,149,959		\$6,426,587
Add estimated revenues				
Refunds of consumer protection and antitrust expenditures, attorney's fees, and civil penalties ⁴	\$3,000,000		\$3,000,000	
Cash deposit bonds	0		0	
Tribal gaming, licensing, and investigation fees	0		0	
Background checks	30,000		30,000	
Interest on investments ^{1,2}	200,000		0	
Lawsuit proceeds - Opioid addiction prevention and treatment program ³	0		0	
Lawsuit proceeds - JUUL Labs, Inc., settlement ⁵	232,114		348,170	
Return of prior biennium expenditures and miscellaneous revenues	0		0	
Total estimated revenues		3,462,114		3,378,170
Total available		\$23,612,073		\$9,804,757
Less estimated expenditures and transfers authorized in North Dakota Century Code				
Section 54-12-18				
Refunds to specifically named consumers (Section 54-12-18(1)) ⁶	\$0		\$0	
Claims against cash deposit bonds (Section 54-12-18(2))	0		0	
Refund of cash deposit bond balance (Section 54-12-18(3))	0		0	
Consumer Protection and Antitrust Division expenditures (Section 54-12-18(4))	2,694,722		2,725,000	
Tribal gaming background investigations (Section 54-12-18(5))	0		0	
Tribal gaming licensing expenditures (Section 54-12-18(5))	0		0	
Tribal gaming enforcement expenditures (Section 54-12-18(5))	0		0	
Less other estimated expenditures and transfers ⁷				
Bureau of Criminal Investigation (BCI) salaries and operating expenses ⁸	683,201		685,000	
State Crime Laboratory operating expenditures ⁸	250,554		250,554	
Information technology contractual program maintenance	445,482		445,482	
Information technology operating expenditures	349,936		0	
Criminal justice information sharing system improvements (2023 SB 2003) ^{8,9}	471,992		471,992	
Operating expenses of the Attorney General's office ⁸	493,372		1,449,575	
Attorney salary equity increases (2019 SB 2003) ¹	386,814		386,814	
Medicaid Fraud Control Unit (MFCU) and BCI salary equity increases (2021 HB 1003; 2023 SB 2003) ²	1,337,597		1,403,745	
Staff salary equity increases (2025 HB 1003)	0		16,128	
Criminal history improvement system (2023 SB 2003; 2025 HB 1003) ¹⁰	12,000		337,936	
Opioid addiction prevention and treatment program - Transfer to the opioid settlement fund (2021 HB 1003; 2023 HB 1447) ³	9,598,002		0	
JUUL Labs, Inc., settlement - Transfer to the community health trust fund (2023 HB 1004) ⁵	461,814		0	
Total estimated expenditures and transfers		17,185,486		8,172,226
Estimated ending balance ¹¹		\$6,426,587		\$1,632,531

¹In April 2019, the Consumer Protection Division of the Attorney General's office received a \$1,215,561 settlement for a Wells Fargo lawsuit related to Wells Fargo's automobile gap insurance, the company opening accounts without consumers' knowledge, and its mortgage interest rate extension fees. The funding was deposited in the Attorney General refund fund.

Senate Bill No. 2003 (2019) included an appropriation of \$425,000, of which \$25,000 related to anticipated interest and earnings of the settlement amount, of this funding to the Attorney General for the 2019-21 biennium. In Section 14 of the bill, the Legislative Assembly provided legislative intent that the Attorney General use up to \$425,000 from the April 2019 settlement for providing salary equity increases to attorney positions in the Attorney General's office for the 2019-21 biennium. Further intent was provided that the remaining settlement proceeds and investment earnings on the remaining proceeds be retained in the Attorney General refund fund and be used for the cost-to-continue salary equity increases provided in the 2019-21 biennium during the 2021-23 and 2023-25 bienniums, subject to legislative appropriations. Section 15 of the bill allowed the Attorney General to invest up to \$1,215,561 of the settlement proceeds under the supervision of the State Investment Board for the period beginning July 1, 2019, and ending June 30, 2025.

Revenue available for attorney salary equity increases during the 2019-21 biennium totaled \$1,263,086, of which \$1,215,561 was from lawsuit settlement proceeds and \$11,063 was from interest earned on lawsuit proceed investments. Investment returns for the 2021-23 biennium for all funds invested for Attorney General staff salary equity increases totaled a \$151,630 investment loss. The estimated investment return for 2023-25 biennium is \$200,000. The investment account will be closed at the end of the 2023-25 biennium.

In September 2019, the Attorney General invested \$1,100,000 with the State Investment Board. The Attorney General spent \$354,192 of the \$425,000 appropriation to provide 29 FTE attorney positions salary equity increases during the 2019-21 biennium, resulting in \$861,369, excluding interest earned on investments, of the total \$1,215,561 of lawsuit proceeds remaining in the Attorney General refund fund available for the cost-to-continue attorney salary equity increases during the 2021-23 and 2023-25 bienniums. The Attorney General spent \$371,148 to continue attorney salary equity increases during the 2021-23 biennium. Including investment losses for the 2021-23 biennium on previously earned interest and investment principal, the Attorney General anticipates \$386,814 will be remaining for the 2023-25 biennium. The Attorney General anticipates spending \$386,814 from the Attorney General refund fund to continue the salary equity increases during the 2025-27 biennium. See footnote 2 below for more information.

²In January 2021, the Consumer Protection Division of the Attorney General's office received a \$1,160,896 lawsuit settlement from Apple, Inc., related to Apple's 2016 decision to adjust the speed of consumer iPhones to address unexpected shutdowns in some devices and Apple's concealment of the issue, which led to a software update in December 2016 that reduced iPhone performance. The funding was deposited in the Attorney General refund fund.

In April 2021, the Consumer Protection Division of the Attorney General's office received a \$1,416,728 lawsuit settlement from Boston Scientific Corporation related to a defective surgical mesh medical device that has caused complications in some women who used the device. The funding was deposited in the Attorney General refund fund.

House Bill No. 1003 (2021) included an appropriation of \$1,249,083 to the Attorney General for providing salary equity increases during the 2021-23 biennium for 55 FTE BCI positions and 2 FTE MFCU positions. Section 12 of the bill allowed the Attorney General to invest up to \$2,577,624 of funding in the Attorney General refund fund, including \$1,160,896 of January 2021 settlement proceeds and \$1,416,728 of April 2021 settlement proceeds, under the supervision of the State Investment Board for the period beginning July 1, 2021, and ending June 30, 2025. Section 12 of the bill included legislative intent that \$2,577,624 in the Attorney General refund fund and any investment earnings on the funding be retained in the Attorney General refund fund for the purpose of providing the salary equity increases provided for in Sections 1 and 11 of the bill and for the cost-to-continue salary equity increases during the 2023-25 biennium, subject to legislative appropriations.

In August 2021, the Attorney General invested \$2,185,895 with the State Investment Board. The Attorney General spent \$1,254,719 during the 2021-23 biennium on BCI and MFCU salary equity increases, which included \$5,636 of additional funding available in the Attorney General refund fund. Of the \$2,577,624 of lawsuit proceeds deposited in the Attorney General refund fund, \$1,328,541 is available to the Attorney General for the cost-to-continue salary equity increases during the 2023-25 biennium, excluding estimated investment earnings. The Attorney General anticipates using \$9,056 of additional funding available in the Attorney General refund fund to continue salary equity increases during the 2023-25 biennium. The Attorney General anticipates spending \$1,403,745 from the Attorney General refund fund to continue the salary equity increases during the 2025-27 biennium.

³In March 2021, the Consumer Protection Division of the Attorney General's office received a \$892,400 lawsuit settlement from McKinsey and Company for an opioid-related lawsuit. Section 5 of House Bill No. 1003 (2021) provided for a transfer of up to \$2 million from opioid-related lawsuit settlement proceeds deposited

in the Attorney General refund fund to the Department of Health and Human Services (DHHS) and appropriated the funding to DHHS for an opioid addiction prevention and treatment program during the 2021-23 biennium. The department was required to consult with the Attorney General on the use of funding for the program. The Attorney General was required to notify the Legislative Council and Office of Management and Budget of any lawsuit settlement proceeds that become available for transfer to DHHS for this program. No transfer was made from the Attorney General to DHHS for the opioid addiction prevention and treatment program during the 2021-23 biennium.

House Bill No. 1447 (2023) required the Office of Management and Budget to transfer all opioid-related lawsuit settlement proceeds deposited in the Attorney General refund fund since March 1, 2021, to the newly created opioid settlement fund. The bill included an \$8 million appropriation from the opioid settlement fund to DHHS for opioid remediation and abatement efforts during the 2023-25 biennium.

In January 2024, the Office of Management and Budget transferred \$9,598,002 from the Attorney General refund fund to the opioid settlement fund. All future opioid settlement proceeds will be deposited directly in the opioid settlement fund. Through April 2025, \$13,571,666 of additional opioid settlement proceeds have been deposited in the opioid settlement fund.

⁴The Attorney General has indicated that it is not possible to separately identify refunds, attorney's fees, and civil penalties received, as a court judgement often includes a lump sum amount awarded for the payment of attorney's fees, investigation costs, or payment in lieu of civil penalties.

⁵In September 2022, the Attorney General's office announced an agreement had been reached between JUUL Labs, Inc., and 34 states and territories regarding JUUL Labs e-cigarette marketing and sales practices. Of the \$438,500,000 total settlement, North Dakota was awarded \$6,028,211, which will be paid in installments for a period of 6 to 10 years. In House Bill No. 1004 (2023), the Legislative Assembly required 80 percent of funding deposited in the Attorney General refund fund from the JUUL Labs, Inc., settlement during the 2021-23 biennium be transferred to the community health trust fund and enacted Section 54-27-31 to require 80 percent of additional funding received from the settlement be deposited directly in the community health trust fund beginning in the 2023-25 biennium.

The Attorney General received \$577,267 during the 2021-23 biennium, of which \$461,814 was transferred from the Attorney General refund fund to the community health trust fund in July 2023. Through February 2024, settlement funds received during the 2023-25 biennium totals \$1,160,571, of which \$928,457 was deposited in the community health trust fund and \$232,114 was deposited in the Attorney General refund fund. The Attorney General does not anticipate additional settlement funds will be received during the 2023-25 biennium. The Attorney General anticipates settlement funds will total \$1,740,850 during the 2025-27 biennium, of which \$1,392,680 (80 percent) would be deposited in the community health trust fund and \$348,170 (20 percent) would be deposited in the Attorney General refund fund.

⁶The Attorney General has indicated that a court rarely awards refunds to specific consumers, instead awarding refunds to organizations such as the Housing Finance Agency.

⁷The other expenditures are not specifically authorized in Section 54-12-18 but are included as part of the Attorney General's biennial appropriation.

⁸In House Bill No. 1003 (2021), the Legislative Assembly removed \$2.12 million from the general fund in the Attorney General's budget for salaries and operating expenses in various line items. The bill restored \$1.2 million of these items from the Attorney General refund fund, of which \$283,227 is for salaries and wages of a BCI agent and a BCI administrative assistant, \$34,377 is for operating expenses of the State Crime Laboratory, \$271,889 is for operating expenses of the criminal justice information sharing system, and \$610,507 is for other operating expenses of the Attorney General's office, primarily related to information technology-related expenses. See footnote 9 below for additional information.

⁹In Senate Bill No. 2003 (2019), the Legislative Assembly appropriated ongoing funding of \$140,000 from the Attorney General refund fund to the Attorney General for criminal justice information sharing improvements during the 2019-21 biennium. The Attorney General spent \$108,412 during the 2019-21 biennium. In House Bill No. 1003 (2021) \$271,889 was authorized for ongoing operating expenses of the criminal justice information sharing system, resulting in a total of \$411,889 authorized for the system each biennium beginning during the 2021-23 biennium. During the 2023-25 biennium, the Attorney General anticipates utilizing \$60,103 of excess funding available in the fund for ongoing operating expenses of the system, totaling \$471,992. The Attorney General anticipates spending an additional \$471,992 for ongoing maintenance and upgrades of the system during the 2025-27 biennium.

¹⁰The criminal history repository replacement project began in the 2011-13 biennium to rewrite the criminal history repository system. The criminal history repository replacement project consists of various smaller projects. The Attorney General budgeted \$450,000 on the project during the 2011-13 biennium, \$2.3 million during the 2013-15 biennium, and \$970,000 during the 2015-17 biennium. The Legislative Assembly appropriated \$400,000 for the project in each of the

2019-21 and 2021-23 bienniums, resulting in a total of \$4.52 million approved for the project, all from the Attorney General refund fund. In Section 18 of Senate Bill No. 2003, the Legislative Assembly authorized the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium. During the 2021-23 biennium, the Attorney General spent \$50,064 on the project and anticipates spending \$12,000 during the 2023-25 biennium.

Section 17 of House Bill No. 1003 (2025), authorizes the Attorney General to continue any remaining funding of the \$400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2025-27 biennium. The Attorney General anticipates \$337,936 will be continued into the 2025-27 biennium.

Of the \$4,520,000 approved for the project since the 2011-13 biennium, actual expenditures through April 2025 totaled \$3,912,595, which includes excess funding available in the fund spent in prior bienniums. The project has been substantially completed, although upgrades to the criminal history improvement system are periodically requested.

¹¹Section 54-12-18 provides at the end of each biennium, any balance in the Attorney General refund fund in excess of the amount necessary to fulfill the requirements of the fund must be deposited in the general fund. Section 15 of Senate Bill No. 2003 (2023) and Section 16 of House Bill No. 1003 (2025), authorizes the Attorney General to retain the June 30, 2023, and June 30, 2025, balance in the Attorney General refund fund rather than transferring the balance to the general fund. As a result, no funding from the Attorney General refund fund was transferred to the general fund at the end of the 2021-23 biennium and no funding is anticipated to be transferred to the general fund at the end of the 2023-25 biennium, allowing the Attorney General to use the remaining balance in the Attorney General refund fund during the 2023-25 and 2025-27 bienniums. See the **FUND HISTORY** section for additional information on exemptions granted to the Attorney General.

FUND HISTORY

Section 54-12-18, created by House Bill No. 1141 (1989), establishes the Attorney General refund fund. The section was amended by the 1991, 1993, 1999, and 2001 Legislative Assemblies and currently provides when the Attorney General's Consumer Protection Division recovers funding for cases involving the violation of consumer fraud laws, the Attorney General is required to deposit the funding in the Attorney General refund fund. Funding recovered by the Consumer Protection Division for the following costs must also be deposited in the fund:

1. Refunds related to Consumer Protection Division expenditures, attorney's fees, and civil penalties regarding consumer protection or antitrust matters;
2. Cash deposit bonds paid by applicants for a transient merchant's license when surety bonds are not provided; and
3. Funds and fees collected by the gaming section for licensing tribal gaming and the investigation of gaming employees, applicants, organizations, manufacturers, distributors, or tribes involved in state or tribal gaming.

Funding in the Attorney General refund fund is appropriated to the Attorney General on a continuing basis for the following purposes:

1. Provide refunds from funds recovered by the Consumer Protection Division to specifically named consumers;
2. Pay valid claims against cash deposit bonds posted by transient merchant licensees;
3. Refund the balance of any cash deposit bond remaining after the payment of valid claims. Refunds will be issued 2 years after the expiration of the transient merchant's license;
4. Pay expenditures, attorney's fees, and salaries incurred in the operation of the Consumer Protection Division; and
5. Pay the actual costs of background investigations, licensing, and enforcement of gaming in the state or pursuant to Indian gaming compacts.

At the end of each biennium, any money in the fund in excess of the amounts required for numbers 1, 2, 3, and 5 above must be deposited in the general fund. The Attorney General and Director of the Office of Management and Budget are required to establish accounting procedures for the Attorney General refund fund.

Since the 2001 legislative session, each Legislative Assembly has provided the Attorney General with an exemption to allow unexpended funds from the Attorney General refund fund to continue to be spent in each subsequent biennium. The following table provides information regarding these exemptions:

Biennium	Bill No.	Section	Exemption Limitation ¹
2001-03	1003	8	\$100,000
2003-05	2003	4	No limitation specified
2005-07	1003	11	No limitation specified
2007-09	2003	15	No limitation specified
2009-11	1003	13	No limitation specified
2011-13	2003	9	No limitation specified
2013-15	1003	3	No limitation specified
2015-17	2003	4	No limitation specified
2017-19	1003	16	No limitation specified
2019-21	2003	3	No limitation specified
2021-23	1003	18	No limitation specified
2023-25	2003	15	No limitation specified
2025-27	1003	16	No limitation specified

¹Section 8 of House Bill No. 1003 (2001) allowed the Attorney General to continue up to \$100,000 of unexpended funds from the Attorney General refund fund to be spent during the 2001-03 biennium while any remaining amount in excess of \$100,000 was required to be returned to the general fund at the end of the 1999-2001 biennium. Exemptions granted in subsequent bienniums have not been limited to a specific dollar amount, allowing the Attorney General to continue using the full balance of the Attorney General refund fund each biennium.

In House Bill No. 1212 (2021), the Legislative Assembly created Section 53-06.1-11.2 and provides all gaming taxes, monetary fines, and interest and penalties are to be deposited in the newly created charitable gaming operating fund and provides the administrative and operating costs of charitable gaming be paid from the fund. Section 13 of House Bill No. 1003 (2021) further amended this section regarding allocations of gaming tax revenues. Adjustments were made to the Attorney General's budget to remove funding for gaming-related expenditures from the Attorney General refund fund beginning in the 2021-23 biennium.

ANALYSIS OF THE STATE BONDING FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$3,807,543		\$4,172,843
Add estimated revenues				
Investment income	\$370,000		\$250,000	
State bonding fund claims collections	12,300		10,000	
Total estimated revenues		382,300		260,000
Total available		\$4,189,843		\$4,432,843
Less estimated expenditures and transfers				
Claim liabilities/payments/writeoffs	\$9,000		\$20,000	
Investment expense	8,000		8,000	
Total expenditures and transfers		17,000		28,000
Ending balance		<u>\$4,172,843</u>		<u>\$4,404,843</u>

FUND HISTORY

The state bonding fund was created in 1915 and is maintained for bond coverage of public employees. The state bonding fund is managed by the Insurance Commissioner, and the amount of coverage provided to each state agency, department, industry, and institution is determined by the Insurance Commissioner based upon the amount of money and property handled and the opportunity for default. North Dakota Century Code Section 26.1-21-09 provides that premiums for bond coverage are to be determined by the Insurance Commissioner but can be waived if the state bonding fund's balance is in excess of \$2 million. No premium has been charged, possibly since 1953, because the bonding fund's balance has exceeded the minimum level established by the Legislative Assembly.

Senate Bill No. 2010 (2019) provided for the Insurance Commissioner to contract with the North Dakota Insurance Reserve Fund for administration of the state bonding fund. The bill also provided continuing appropriation authority from the state bonding fund to the Insurance Commissioner to pay contractual fund administration costs to the North Dakota Insurance Reserve Fund.

House Bill No. 1541 (2023) provides for a study to determine the feasibility of changing administration of the state bonding fund from the Insurance Commissioner to the Director of the Office of Management and Budget.

House Bill No. 1026 (2025) transfers the administration of the state bonding fund from the Insurance Commissioner to the Office of Management and Budget.

ANALYSIS OF THE BUDGET STABILIZATION FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$914,599,431		\$936,984,724
Add estimated revenues				
Investment income (loss)	\$103,143,877 ¹		\$96,614,000 ¹	
Oil and gas tax collections	0 ²		0 ²	
Transfer from general fund	22,385,293 ³		0	
Total estimated revenues		125,529,170		96,614,000
Total available		\$1,040,128,601		\$1,033,598,724
Less estimated expenditures and transfers				
Transfer to general fund	\$103,143,877 ¹		\$96,614,000 ¹	
Total estimated expenditures and transfers		103,143,877		96,614,000
Estimated ending balance		\$936,984,724		\$936,984,724

¹Interest earnings are retained in the fund unless the balance of the fund is at the maximum amount allowed under North Dakota Century Code Section 54-27.2-01. Any interest earnings that would cause the fund to exceed the maximum balance are transferred to the general fund.

²Section 57-51.1-07.5 provides for the deposit of up to \$75 million of the state share of oil and gas tax collections into the budget stabilization fund each biennium. The entire \$75 million is not estimated to be deposited in the fund during either the 2023-25 or 2025-27 biennium due to the fund being at its maximum balance.

³Chapter 54-27.2 provides any amount in the general fund at the end of a biennium in excess of \$65 million must be transferred to the budget stabilization fund, except that the balance in the budget stabilization fund may not exceed 15 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. The amount shown is based on a general fund appropriation amount of \$6,246,564,825 which reflects legislative action during the 2025 legislative session.

FUND HISTORY

The budget stabilization fund was established by the Legislative Assembly in House Bill No. 1596 (1987). Major provisions include:

- Section 54-27.2-01 establishes the budget stabilization fund and provides any interest earned on the balance of the budget stabilization fund must be retained in the fund. The section originally provided any money in the fund in excess of 10 percent of the general fund budget, as approved by the most recently adjourned Legislative Assembly, must be deposited in the general fund. House Bill No. 1451 (2011) decreased the maximum balance allowed in the fund from 10 to 9.5 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. House Bill No. 1155 (2017) increased the maximum balance allowed in the fund from 9.5 to 15 percent of the general fund budget, as approved by the most recently adjourned Legislative Assembly.
- Section 54-27.2-02 provides any amount in the general fund at the end of a biennium in excess of \$65 million must be transferred to the budget stabilization fund.
- Section 54-27.2-03 provides the Governor may order a transfer from the budget stabilization fund to the general fund if the Director of the Office of Management and Budget projects a general fund revenue shortfall. The section originally limited the transfer to the difference between an amount 2.5 percent less than the original legislative general fund revenue forecast and the revised forecast prepared by the Office of Management and Budget. House Bill No. 1155 (2017) revised the section to allow for transfers from the budget stabilization fund to the general fund as follows:

After general fund allotments totaling at least 3 percent have been made under Section 54-44.1-12, the Governor may order a transfer of up to an amount equal to 3 percent of general fund appropriations;

After the previous transfer has been made and an additional 1 percent general fund budget allotment has been made, the Governor may order a transfer of up to 2 percent of general fund appropriations;

After the previous transfer has been made and an additional 1 percent general fund budget allotment has been made, the Governor may order a transfer of up to 3 percent of general fund appropriations; and

After the previous transfer has been made and an additional 1 percent general fund budget allotment has been made, the Governor may order a transfer of any remaining funds in the budget stabilization fund.

The amount of transfers from the budget stabilization fund to the general fund may not exceed the difference between the original and revised general fund revenue forecasts less general fund allotments made under Section 54-44.1-12. For purposes of the transfers, total general fund allotment percentages must be based on allotments made after any allotment exemption granted by the Director of the Budget.

ANALYSIS OF THE CAPITOL BUILDING FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS¹

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$7,480,758		\$9,948,402
Add estimated revenues				
Investment income	\$1,371,174		\$367,187	
Rentals, royalties, and bonuses	4,303,796		1,915,894	
Total revenues		5,674,970		2,283,081
Total available		\$13,155,728		\$12,231,483
Less estimated expenditures and transfers				
Administrative expenses	\$373,681		\$400,000	
Income payments to counties (North Dakota Century Code Section 15-04-23) ²	8,645		11,000	
Capitol Grounds Planning Commission continuing appropriation (Section 48-10-02) ³	250,000		250,000	
Capitol Grounds Planning Commission operating expenses (2023 SB 2015; 2025 HB 1015)	25,000		25,000	
Governor's residence security improvements (2023 SB 2015)	100,000			
Brynhild Haugland Room remodel (2023 SB 2015)	250,000			
Capitol window replacement (2023 SB 2015)	150,000		3,850,000	
Facility Management extraordinary repairs (2023 SB 2015)	250,000			
Building automation project (2023 SB 2015)	800,000			
Accessibility improvements (2023 SB 2015)	150,000			
Continuation of 2021-23 biennium projects	850,000			
Ongoing Capitol grounds repairs (2025 HB 1015)			500,000	
Governor's residence projects (2025 HB 1015)			2,350,000	
Capitol building improvements (2025 HB 1015)			3,000,000	
Total estimated expenditures and transfers		3,207,326		10,386,000
Ending balance		<u>\$9,948,402</u>		<u>\$1,845,483</u>

¹The analysis reflects the legislative appropriations for the 2023-25 and 2025-27 bienniums and does not include the land owned by the fund.

²Section 15-04-23 provides the Board of University and School Lands is to pay a fee to the board of county commissioners of each county in which the state retains original grant lands. The total fees paid may not exceed 5 percent of the net revenue generated from the original grant lands in that county during the year preceding the payments. The board of county commissioners is to forward a prorated portion of any fees received to the organized townships in which the original grant lands are located. The funds are to be used for the repair, maintenance, and construction of roads and bridges. Any remaining funds are to be used by the county for repair, maintenance, and construction of roads and bridges in unorganized townships in which the original grant lands are located.

³Section 48-10-02 provides continuing appropriation authority of \$250,000 per biennium of income and interest from the Capitol building fund to the Capitol Grounds Planning Commission. The amount that may be spent may not exceed 50 percent of the unencumbered balance of the fund on the 1st day of the biennium.

FUND HISTORY

The Capitol building fund was established at the time of statehood by the Enabling Act of 1889. Section 12 of the Enabling Act provided 32,000 acres to North Dakota upon statehood to be sold and the proceeds used to finance the construction of buildings for legislative, executive, and judicial use. The proceeds from the sale make up the Capitol building fund along with any investment proceeds from that fund.

In 1957 Congress amended Section 12 of the Enabling Act to expand the fund's use for construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvements of public buildings at the Capitol.

In Senate Bill No. 388 (1967) the Legislative Assembly created Section 48-10-02 to provide that all money, properties and income from the fund, unless otherwise appropriated, are dedicated and reserved for the exclusive purpose of the construction of an addition to the legislative wing. The Capitol Grounds Planning Commission is to take steps to accumulate and conserve the money and property in the Capitol building fund for this purpose.

In House Bill No. 1117 (1979) the Legislative Assembly amended Section 48-10-02 to provide that the Board of University and School Lands invest and manage the fund on behalf of the Capitol Grounds Planning Commission. The section was further amended to provide a continuing appropriation to the Capitol Grounds Planning Commission from the interest and income from the Capitol building fund not to exceed 50 percent of the unencumbered balance. Expenditures made under the continuing appropriation may be made after consideration of the Capitol grounds master plan for projects or planning but may not exceed \$50,000 per biennium. Expenditures may be made only upon approval by two-thirds of the total membership of the commission. The Legislative Assembly in Senate Bill No. 2090 (2007) increased the continuing appropriation to the Capitol Grounds Planning Commission limit from \$50,000 to \$100,000.

In House Bill No. 1015 (2013) the Legislative Assembly amended Section 48-10-02 to increase the continuing appropriation to the Capitol Grounds Planning Commission from \$100,000 to \$175,000 per biennium beginning with the 2013-15 biennium.

In Senate Bill No. 2015 (2019) the Legislative Assembly amended Section 48-10-02 to increase the continuing appropriation to the Capitol Grounds Planning Commission from \$175,000 to \$250,000 per biennium.

ANALYSIS OF THE COAL DEVELOPMENT TRUST FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium ¹		2025-27 Biennium ¹	
Beginning balance		\$254,398		\$1,450,501
Add estimated revenues				
Investment income ²	\$2,487,529		\$1,638,020	
School construction loan income ²	947,034		900,000	
Total estimated revenues		3,434,563		2,538,020
Total available		\$3,688,961		\$3,988,521
Less estimated expenditures and transfers				
Investment expense	\$497,292		\$150,000	
Administrative expenses	4,000		4,000	
Transfer to the general fund ²	1,737,168		1,000,000	
Total estimated expenditures and transfers		2,238,460		1,154,000
Estimated ending balance		\$1,450,501		\$2,834,521

¹The beginning and ending balances do not include the value of permanent assets of the coal development trust fund, which must be maintained pursuant to North Dakota Century Code Section 57-62-02 and Section 21 of Article X of the Constitution of North Dakota. As of December 31, 2024, the total value of permanent fund assets was \$75 million, of which \$33.2 million was school construction loans receivable, \$6.9 million was coal impact loans receivable, and \$34.9 million was either cash or short-term investments.

Section 15.1-36-02 makes available up to \$60 million from the fund for loans of up to \$2 million for unanticipated school construction projects or emergency repairs. Senate Bill No. 2015 (2023) increases the maximum amount of a loan for unanticipated school construction projects by \$3 million, from \$2 million to \$5 million, and allows schools with unanticipated construction inflation costs for projects bid after January 1, 2021, and before June 30, 2024, to access loans of up to \$5 million. House Bill No. 1369 (2025) expands the program for the 2025-27 biennium only to allow a loan for a school construction project on an Air Force base up to the lesser of \$20 million or 20 percent of the project cost.

²Pursuant to Section 57-62-02 and Section 21 of Article X of the Constitution of North Dakota, income from the coal development trust fund must be used first to replace any uncollectible loans with any remaining income must be deposited in the general fund. The amounts shown on this analysis include only the income in excess of any allowance for uncollectible loans made from the fund and do not include any revenues or expenses affecting the permanent fund balance.

FUND HISTORY

The coal development trust fund originated with the passage of House Bill No. 1257 (1979), now codified as various sections of Chapter 57-62. In 1980 the voters of North Dakota approved Constitutional Measure No. 5, Section 21 of Article X of the Constitution of North Dakota, establishing the coal development trust fund as a constitutional trust fund.

Section 57-62-02 allocates 30 percent of the coal severance tax to the coal development trust fund. Senate Bill No. 2014 (2017) reduced the allocation of coal severance tax allocations to the coal development trust fund from 30 to 15 percent and provided an allocation of 15 percent to the lignite research fund. The coal severance tax allocations become part of the fund assets which are not reflected in the amounts shown.

Section 57-61-01.5 provides that 70 percent of the money deposited in the coal development trust fund must be transferred to the lignite research fund. Consequently, 15 percent of the coal severance taxes deposited in the fund (4.5 percent of total coal severance taxes collected) remains in the coal development trust fund to be used for the purposes provided in Section 57-62-02.

Pursuant to Section 57-62-02 the Board of University and School Lands administers the fund to provide loans to coal-impacted counties, cities, and school districts, and to school districts for school construction projects. Section 15.1-36-02 limits the outstanding principal balance of school construction loans from the coal development trust fund to \$50 million. Senate Bill No. 2272 (2017) increased the amount available for loans to \$60 million with a limit of up to \$2 million per loan for unanticipated school construction projects or emergency repairs. Senate Bill No. 2015 (2023) increased the maximum amount of a loan for unanticipated school construction projects by \$3 million, from \$2 million to \$5 million.

In Senate Bill No. 2039 (2015), the Legislative Assembly created a new school construction assistance loan fund and identified the income from the coal development trust fund as income to the new fund. However, the income from the coal development trust fund was not transferred to the school construction assistance loan fund because Section 57-62-02 and Section 21 of Article X of the Constitution of North Dakota require the income to be transferred to the general fund. The provisions to continue the transfer of income to the general fund were included in Senate Bill Nos. 2101 and 2272 (2017).

ANALYSIS OF THE COMMON SCHOOLS TRUST FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

ASSETS, DISTRIBUTIONS, AND INVESTMENT RETURNS FOR THE COMMON SCHOOLS TRUST FUND

The following is a summary of actual and estimated assets, distributions, and investment returns for the common schools trust fund for the 1997-99 through 2025-27 bienniums:

Biennium	Fiscal Year	Beginning Assets (Excluding Land and Mineral Values)	Distributions	Total Average Investment Return (Interest Income and Capital Gains)
1997-99	1998	\$400,689,879	\$23,200,000	13.57%
	1999	\$444,823,559	\$23,200,000	7.50%
1999-2001	2000	\$467,059,293	\$23,775,000	11.05%
	2001	\$521,509,978	\$23,775,000	2.03%
2001-03	2002	\$533,360,593	\$28,896,500	(1.34%)
	2003	\$522,905,814	\$28,896,500	4.57%
2003-05	2004	\$547,047,877	\$30,000,000	12.60%
	2005	\$614,738,548	\$30,000,000	8.58%
2005-07	2006	\$686,273,875	\$31,100,000	7.51%
	2007	\$761,901,287	\$31,100,000	12.82%
2007-09	2008	\$887,092,909	\$33,400,000	(4.22%)
	2009	\$908,928,685	\$33,400,000	(13.75%)
2009-11	2010	\$846,314,086	\$38,589,000	14.48%
	2011	\$1,221,501,801	\$38,589,000	17.99%
2011-13	2012	\$1,622,412,984	\$46,257,000	2.42%
	2013	\$1,917,135,220	\$46,257,000	10.65%
2013-15	2014	\$2,417,363,782	\$65,163,000	13.85%
	2015	\$3,128,315,233	\$65,163,000	.50%
2015-17	2016	\$3,437,988,002	\$103,067,000	(0.63%)
	2017	\$3,512,355,582	\$103,067,000	9.50%
2017-19	2018	\$3,940,114,988	\$144,132,000	6.50%
	2019	\$4,318,989,728	\$144,132,000	3.87%
2019-21 ¹	2020	\$4,651,515,837	\$183,378,000	(1.87%)
	2021	\$4,628,066,674	\$183,378,000	21.67%
2021-23	2022	\$5,736,576,906	\$210,510,000	(4.99%)
	2023	\$5,655,342,224	\$210,510,000	6.17%
2023-25	2024	\$6,216,075,290	\$249,930,000	9.4%
	2025	\$6,997,804,865	\$249,930,000	²
2025-27	2026	²	\$292,338,675 ³	²
	2027	²	\$292,338,675 ³	²

¹The Legislative Assembly approved Senate Bill No. 2362 (2019), which changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocation to the common schools trust fund. In addition, Senate Bill No. 2362 provides, if the actual legacy fund earnings transferred to the general fund at the end of the 2019-21 biennium in accordance with Section 26 of Article X of the Constitution of North Dakota exceed the estimate made by the 66th Legislative Assembly by at least \$64,370,000, the State Treasurer must immediately transfer \$64,370,000 from the general fund to the common schools trust fund, for the biennium beginning July 1, 2019, and ending June 30, 2021. The State Treasurer transferred \$64,370,000 from the general fund to the common schools trust fund at the end of the 2019-21 biennium.

²Section 2 of Article IX of the Constitution of North Dakota was amended in November 2006 through voter approval of Measure No. 1 (House Concurrent Resolution No. 3037 (2005)). The measure changed the way distributions from the common schools trust fund and other permanent educational trust funds are determined. The amendment became effective July 1, 2009, and distributions are no longer based on interest and income earned by the fund. Distributions from the common schools trust fund are now based on a percentage of the 5-year average value of trust assets, excluding the value of lands and minerals. Therefore, the Board of University and School Lands does not project asset values, income, or investment return because it is no longer relevant to the calculation of distribution amounts. **The unaudited fund balance of the common schools trust fund was \$7,560,744,030 as of February 28, 2025.**

³In House Bill No. 1013 (2025), the Legislative Assembly appropriated \$595,677,350 from the state tuition fund for integrated formula payments, including \$584,677,350 from the common schools trust fund and an estimated \$11,000,000 from fines for the violation of state laws.

MONEY DEPOSITED IN THE COMMON SCHOOLS TRUST FUND

Select Constitutional Provisions

Article IX, Section 1

This section provides the following money must be deposited in a permanent trust fund, known as the common schools trust fund, and used to support the common schools of the state:

- All proceeds relating to public lands granted to the state by the federal government for the support of the common schools.
- All proceeds relating to property acquired by the state through escheat (property reverting to the state in the absence of legal heirs).
- All gifts, donations, and other property acquired by the state for the support of the common schools.
- The proceeds of all bonuses relating to the leasing of coal, gas, oil, or other mineral interests relating to common schools lands.

This section was included in the original Constitution of North Dakota enacted in 1889. In 1982 the section was amended to provide that bonuses relating to the leasing of coal, gas, oil, or other mineral interests relating to common schools lands were to be deposited in the common schools trust fund. Measure No. 1 (2006), approved by voters, removed the reference to bonuses related to leasing and provided that revenues earned by a perpetual trust fund must be deposited in the fund.

Article IX, Section 5

This section provides that in all sales of common schools lands, the state must retain the mineral interests. Leases may be executed for the extraction and sale of the minerals.

This section was included in the original Constitution of North Dakota enacted in 1889. As originally enacted, the section prohibited the sale of common schools lands that were "coal lands" and did not address other minerals. In 1960 the section was amended to its current form which allows the sale of lands containing minerals, but requires that the state retain the mineral interests. Minerals are defined to include oil, gas, coal, cement materials, sodium sulphate, sand and gravel, road material, building stone, chemical substances, metallic ores, uranium ores, and colloidal or other clays.

Article X, Section 24

This section provides that 10 percent of oil extraction tax revenue must be deposited in the common schools trust fund.

This section was enacted in 1994 through voter approval of Measure No. 1 (Senate Concurrent Resolution No. 4011 (1993)). In November 2016 voters approved Senate Concurrent Resolution No. 4003 (2015), which provided for a constitutional amendment to Section 24. The amendment allows the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state

school aid for the most recently completed biennium for education-related purposes and simplifies other language in the section. However, the amendment does not change deposits to the fund or limit the balance in the common schools trust fund, which has not been changed since enactment.

The Legislative Assembly approved Senate Bill No. 2362 (2019), which changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocation to the foundation aid stabilization fund.

Select North Dakota Century Code Provisions

Section 47-30.2-44

Section 47-30.2-44 provides that all funds received by the state under the Uniform Unclaimed Property Act must be deposited in the common schools trust fund.

Section 54-27-25

This section, which was enacted by the 1999 Legislative Assembly, creates a tobacco settlement trust fund to be used to deposit tobacco settlement money received by the state. The Legislative Assembly, in Senate Bill No. 2003 (2015), amended Section 54-27-25 related to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the Master Settlement Agreement and any disputes with the agreement. Appropriations made to the Attorney General for enforcement of the Master Settlement Agreement reduce the amount available for transfer from the tobacco settlement trust fund to the common schools trust fund.

Until July 1, 2017, 45 percent of the tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement and deposited in the tobacco settlement trust fund was transferred to the common schools trust fund and became a part of the principal of the fund. In House Bill No. 1012 (2017), the Legislative Assembly amended Section 54-27-25 to suspend transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium and increase transfers from the tobacco settlement trust fund to the community health trust fund from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund.

In Senate Bill No. 2012 (2019), the Legislative Assembly amended Section 54-27-25 to remove authorization for appropriation to the Attorney General for enforcement of the Master Settlement Agreement and to provide all money in the fund must be transferred within 30 days of receipt to the community health trust fund. As a result, no additional tobacco settlement proceeds will be deposited into the common schools trust fund.

Tobacco settlement money received by the state and transferred to the common schools trust fund totaled \$189,745,840. The following is a summary of actual transfers to the common schools trust fund from the tobacco settlement trust fund, net of funds appropriated from the tobacco settlement trust fund to the Attorney General's office for the enforcement of the Master Settlement Agreement.

Biennium	Total Transfers
1999-2001	\$23,805,353
2001-03	23,998,745
2003-05	20,977,122
2005-07	19,722,653
2007-09	27,672,929
2009-11	18,248,834
2011-13	18,108,052
2013-15	19,003,716
2015-17	18,208,436
Total	\$189,745,840

DISTRIBUTIONS FROM THE COMMON SCHOOLS TRUST FUND

Select Constitutional Provisions

Article IX, Section 1

This section provides that revenues earned by the perpetual trust fund must be deposited in the fund, the costs of administering the fund may be paid out of the fund, and the perpetual trust funds must be managed to preserve their purchasing power and to maintain stable distributions to fund beneficiaries.

Article IX, Section 2

This section provides that payments to the common schools of the state include:

- Biennial distributions from each educational trust fund must be 10 percent of the 5-year average value of the trust assets, excluding the value of lands and minerals. This section was amended in November 2006 through voter approval of Measure No. 1 (House Concurrent Resolution No. 3037 (2005)). The measure changed the way distributions from the common schools trust fund and other permanent educational trust funds are determined. Previously, distributions were based on the amount of interest and income earned by each trust during a fiscal year. The amendment became effective July 1, 2009, and distributions from the common schools trust fund for the 2009-11 biennium and all subsequent bienniums are based on the distribution formula.
- All fines for violation of state laws. (This money is not added to the trust fund, but is added to the distributions from the common schools trust fund and distributed to schools.)
- All other amounts provided by law.

This section was included in the original Constitution of North Dakota enacted in 1889. The original law contained the following two provisions that were removed through voter approval of Measure No. 3 in June 1982:

- Payments to the common schools must be distributed in proportion to the number of school-age children in each district.
- Any portion of the interest or income of the common schools trust fund not distributed during a fiscal year must be added to the permanent balance of the trust fund.

Select North Dakota Century Code Provisions

Section 15-01-02

This section provides the Board of University and School Lands has full control of:

- The selection, appraisalment, rental, sale, disposal, and management of common schools lands.
- The investment of any funds derived from the sale of common schools lands.
- The proceeds of any other property required by law to be used for the support of the common schools.

Section 47-30.2-46

Section 47-30.2-46 provides a continuing appropriation for the amounts necessary to pay all expense deductions, including the payment of claims, costs related to the sale of abandoned property, and certain administrative costs.

INVESTMENT OF THE COMMON SCHOOLS TRUST FUND

Section 15-03-04 provides the Board of University and School Lands is to apply the prudent investor rule in investing the permanent funds under its control, including the common schools trust fund. The prudent investor rule means that in making investments, the board is to exercise the same judgment and care that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it.

ANALYSIS OF THE COMMUNITY HEALTH TRUST FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$31,973,946		\$40,352,465
Add estimated revenues				
Transfers to date from the tobacco settlement trust fund	\$42,711,756 ¹		\$0	
Projected transfers from the tobacco settlement trust fund	0 ²		40,000,000 ²	
JUUL Labs, Inc., settlement proceeds (2023 HB 1004)	1,390,271 ²		1,000,000 ²	
Refund of prior biennium expenditures from the fund	45		0	
Total estimated revenues		44,102,072 ²		41,000,000 ²
Total available		\$76,076,018		\$81,352,465
Less estimated expenditures and adjustments				
Department of Health and Human Services - Public Health (2023 HB 1004 and HB 1477; 2025 HB 1012)				
Tobacco prevention and control program grants to local public health units for tobacco prevention and control	\$5,950,000		\$6,250,000	
Tobacco prevention and control, including the Tobacco Quitline, cessation grants, other program grants, and operating expenses	5,043,000 ³		4,549,698 ³	
Tobacco cessation grants	500,000		500,000	
Youth vaping prevention grants	300,000		300,000	
Women's Way program	329,500		329,500	
Behavioral Risk Factor State Survey	200,000		200,000	
Dentists' loan repayment program	360,000 ⁴		360,000 ⁴	
Behavioral health loan repayment program	234,500 ⁵		234,500 ⁵	
Cancer programs	580,324		580,324	
Domestic violence offender treatment	1,000,000 ⁶		1,250,000 ⁶	
Domestic violence prevention	1,000,000 ⁶		3,000,000 ⁶	
Local public health state aid	3,275,000 ⁷		3,275,000 ⁷	
Forensic examiner contract	1,000,000 ⁸		0 ⁸	
Forensic examiner electronic records system - One-time funding			278,000 ⁸	
One-time funding for a statewide health strategies initiative	1,500,000 ⁹			
Grants to rural emergency medical services and rural ambulance service districts (2023 HB 1477)	7,000,000 ¹⁰		7,000,000 ¹⁰	
Food and lodging management information system - One-time funding			335,000	
Department of Health and Human Services - Human Services (2023 SB 2012; 2025 HB 1012 and SB 2200)				
Child support computer replacement project - Funding provided in 2023 SB 2012 is continued to the 2025-27 biennium (Section 32 of 2025 HB 1012)	33,729		20,366,271	
988 crisis hotline program, including \$500,000 appropriated in 2025 SB 2200	1,867,500		2,367,500	
Cross-Disability Advisory Council	700,000		0	
Basic care funding rate study	600,000		0	
Health Care Task Force	750,000		0	
Vocational rehabilitation information technology system - One-time funding			1,000,000	

Law enforcement rural crisis support program			1,000,000	
Develop partial hospitalization/intensive day treatment - One-time funding			2,000,000	
Critical access hospital networking - One-time funding			2,000,000	
Intermediate care facility grant - One-time funding			4,400,000	
Cultural center programming - One-time funding			300,000	
University of North Dakota School of Medicine and Health Sciences - Clinically integrated network grant (2023 SB 1212)	3,500,000		0	
University of North Dakota School of Medicine and Health Sciences - One-time funding for an allied health facility project (2025 SB 2003)			5,000,000	
University of North Dakota - One-time funding to establish a North Dakota Center for Aerospace Medicine, provided in addition to \$250,000 from federal funds (2025 HB 1612)			250,000	
Legislative Council - One-time funding to contract for consulting services related to a disability services study (2025 HB 1012)			150,000	
Attorney General - Expenses related to the enforcement of the master settlement agreement and consent agreement and any disputes with the agreement (2025 HB 1003)			239,716	
Total estimated expenditures and adjustments		35,723,553		67,515,509
Estimated ending balance		<u>\$40,352,465</u>		<u>\$13,836,956</u>

¹Through April 21, 2025, the state has received tobacco settlement payments totaling \$42,711,756 for the 2023-25 biennium, all of which has been transferred from the tobacco settlement trust fund to the community health trust fund. Total transfers of \$217,789,660 have been made from the tobacco settlement trust fund to the community health trust fund.

²Revenues - Interest earned on the community health trust fund is deposited in the general fund. Community health trust fund revenues for the 2023-25 biennium are based on actual revenues received through April 21, 2025, and the March 2025 legislative revenue forecast for the remainder of the 2023-25 biennium. The estimated revenues for the 2025-27 biennium are based on the March 2025 legislative revenue forecast.

In September 2022, the Attorney General's office announced an agreement had been reached between JUUL Labs, Inc., and 34 states and territories regarding JUUL Labs Inc., e-cigarette marketing and sales practices. Of the \$438.5 million total settlement, North Dakota was awarded \$6,028,211, which will be paid in installments over a period of 6 to 10 years. The Legislative Assembly, in House Bill No. 1004 (2023), provided 80 percent of funding deposited in the Attorney General refund fund from the JUUL Labs, Inc., settlement during the 2021-23 biennium be transferred to the community health trust fund and requires 80 percent of additional funding received from the settlement be deposited directly in the community health trust fund beginning in the 2023-25 biennium.

³North Dakota Century Code Section 54-27-25 provides money in the community health trust fund may be appropriated for community-based public health programs and other public health programs, including programs with an emphasis on preventing or reducing tobacco usage. The 2003 Legislative Assembly authorized the establishment of a telephone "Tobacco Quitline." The 2007 Legislative Assembly increased the funding for the Tobacco Quitline to provide nicotine replacement therapy and cessation counseling.

⁴In 2023 the Legislative Assembly provided a total of \$585,200 for the dentists' loan repayment program, of which \$360,000 is from the community health trust fund and \$225,200 is from the general fund. House Bill No. 1012 (2025) provides a total of \$585,200 for the dentists' loan repayment program, of which \$360,000 is from the community health trust fund and \$225,200 is from the general fund.

⁵In 2023 the Legislative Assembly provided a total of \$528,480 for the behavioral health loan repayment program, of which \$234,500 is from the community health trust fund and \$293,980 is from the general fund. House Bill No. 1012 (2025) provides a total of \$426,000 for the behavioral health loan repayment program, of which \$234,500 is from the community health trust fund and \$191,500 is from the general fund.

⁶In 2023 the Legislative Assembly increased funding for domestic violence offender treatment to provide \$1,000,000 from the community health trust fund. In addition, the Legislative Assembly increased funding for domestic violence prevention to provide a total of \$5,936,285, of which \$4,596,285 is from the general fund, \$1,000,000 is from the community health trust fund, and \$340,000 is from the domestic violence and sexual assault prevention fund which receives revenue

from marriage license fees. House Bill No. 1012 (2025) provides a total of \$1,250,000 from the community health trust fund for domestic violence offender treatment and \$10,461,285 for domestic violence prevention, of which \$5,221,285 is from the general fund, \$3,000,000 is from the community health trust fund, \$1,900,000 from the charitable gaming operating fund, and \$340,000 is from the domestic violence and sexual assault prevention fund which receives revenue from marriage license fees.

⁷In 2023 the Legislative Assembly increased funding from the community health trust fund by \$2,750,000 to provide a total of \$8,000,000 for local public health unit state aid grants, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund. House Bill No. 1012 (2025) provides a total of \$8,000,000 for local public health unit state aid grants, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund.

⁸In 2023 the Legislative Assembly provided \$1,000,000 from the community health trust fund for Public Health's forensic examiner contract with the University of North Dakota School of Medicine and Health Sciences and increased funding for the contract from the general fund to \$755,292, to provide a total of \$1,755,292 for the 2023-25 biennium. House Bill No. 1012 (2025) provides a total of \$2,433,078 from the general fund for Public Health's forensic examiner contract with the University of North Dakota School of Medicine and Health Sciences. In addition, House Bill No. 1012 (2025) includes \$278,000 from the community health trust fund for a forensic examiner electronic records system.

⁹In 2021 the Legislative Assembly provided one-time funding of \$1.5 million from the community health trust fund for a statewide health strategies initiative totaling \$3 million. The Legislative Assembly provided the one-time funding from the community health trust fund for the statewide health strategies initiative is contingent on the State Department of Health securing \$1.5 million in dollar-for-dollar matching funds. In House Bill No. 1004 (2023), the Legislative Assembly allowed Public Health to continue the \$3 million of one-time funding, appropriated during the 2021-23 biennium for a statewide health strategies initiative, to the 2023-25 biennium and provided the \$1.5 million continued from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds. House Bill No. 1012 (2025) does not include funding for statewide health strategies.

¹⁰In 2023 the Legislative Assembly, in House Bill No. 1477 increased funding for emergency medical services by providing \$7,000,000 from the community health trust fund to aid the functions and operations of rural emergency medical services and rural ambulance service districts, to provide a total of \$14,721,000 for emergency medical services, of which \$6,596,000 is from the general fund, \$7,000,000 is from the community health trust fund, and \$1,125,000 is from the insurance tax distribution fund, for the 2023-25 biennium. House Bill No. 1012 (2025) provides a total of \$14,721,000 for emergency medical services, of which \$6,446,000 is from the general fund, \$7,000,000 is from the community health trust fund, \$150,000 is from the health and human services operating fund, and \$1,125,000 is from the insurance tax distribution fund. Funding provided for training totals \$846,000, of which \$696,000 is from the general fund and \$150,000 is from the health and human services operating fund.

FUND HISTORY

Section 54-27-25, created by House Bill No. 1475 (1999), established the community health trust fund. This section created a tobacco settlement trust fund for the deposit of all tobacco settlement money obtained by the state. Money in the fund must be transferred within 30 days of its deposit in the fund as follows:

- 10 percent to the community health trust fund. In House Bill No. 1012 (2017), the Legislative Assembly suspended transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium and increased transfers from the tobacco settlement trust fund to the community health trust fund from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund.
- 45 percent to the common schools trust fund. In House Bill No. 1012 (2017), the Legislative Assembly suspended transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium and increased transfers from the tobacco settlement trust fund to the community health trust fund from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund.
- 45 percent to the water development trust fund.

Section 54-27-25, as amended in Senate Bill No. 2012 (2019), provided all money in the fund must be transferred within 30 days of receipt to the community health trust fund.

In the November 2008 general election, voters approved Initiated Measure No. 3 that amended Section 54-27-25 to establish a tobacco prevention and control trust fund. The measure provides for a portion of tobacco settlement funds received by the state to be deposited in this new fund rather than the entire amount in

the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement, which continues in perpetuity, will continue to be deposited into the tobacco settlement trust fund and allocated pursuant to Section 54-27-25. In 2009, tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement, relating to strategic contribution payments, which began in 2008 and continued through 2017, was deposited into the tobacco prevention and control trust fund. The measure also provided 80 percent of the funds allocated to the community health trust fund from the tobacco settlement trust fund be used for tobacco prevention and control. However, in Senate Bill No. 2004 (2017), the Legislative Assembly amended Section 54-27-25 to remove the 80 percent restriction on transfers to the community health trust fund.

The Legislative Assembly, in Senate Bill No. 2003 (2015), amended Section 54-27-25 related to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the Master Settlement Agreement and any disputes with the agreement. Appropriations made to the Attorney General for enforcement of the Master Settlement Agreement reduce the amount available for transfer from the tobacco settlement trust fund to the community health trust fund. The Legislative Assembly, in Senate Bill No. 2012 (2019), removed this authorization. In Senate Bill No. 2004 (2021), the Legislative Assembly repealed the tobacco prevention and control trust fund and required the Office of Management and Budget to transfer any money remaining in the tobacco prevention and control trust fund to the community health trust fund on July 1, 2021.

The Legislative Assembly, in House Bill No. 1004 (2023), created a new section to Chapter 54-27 to provide for the deposit of funds to be received pursuant to an agreement reached between the Attorney General's office and JUUL Labs, Inc. In September 2022, the Attorney General's office announced an agreement had been reached between JUUL Labs, Inc., and 34 states and territories regarding JUUL Labs, Inc., e-cigarette marketing and sales practices. Of the \$438.5 million total settlement, North Dakota was awarded \$6,028,211, which will be paid in installments over a period of 6 to 10 years. The Legislative Assembly, in House Bill No. 1004 (2023), provided 80 percent of funding deposited in the Attorney General refund fund from the JUUL Labs, Inc., settlement during the 2021-23 biennium be transferred to the community health trust fund and requires 80 percent of additional funding received from the settlement be deposited directly in the community health trust fund beginning in the 2023-25 biennium.

ANALYSIS OF THE STATE DISASTER RELIEF FUND FOR THE 2019-21, 2021-23, 2023-25, AND 2025-27 BIENNIUMS

	2019-21 Biennium Actual		2021-23 Biennium Actual		2023-25 Biennium Estimated		2025-27 Biennium Estimated	
Beginning balance		\$21,987,295		\$15,396,161		\$18,524,149		\$22,999,300
Add revenues								
Interest income	\$66,353		\$51,247		\$477,220		\$1,224,000	
Miscellaneous reimbursements	24,577		6,035		15,000		15,000	
Oil and gas tax collections ¹	0		15,511,903		8,450,480		7,562,403	
Total revenues		90,930		15,569,185		8,942,700		8,801,403
Total available		\$22,078,225		\$30,965,346		\$27,466,849		\$31,800,703
Less estimated expenditures								
Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act Funding							\$3,550,000 ¹⁰	
2011 flooding	\$2,367,837 ²							
State disasters, flood mitigation efforts, and predisaster mitigation			\$142,276 ⁵		\$751,811 ⁹		636,232 ¹⁰	
2013 Red River Valley flood	210 ²							
2013 winter storm	2,320 ²							
2014 rain storms	100,182 ²							
2017 flooding	217,970 ²		99,164 ⁵					
Federal Emergency Management Agency (FEMA) mitigation programs	93,046 ²				266,042 ⁹		2,000,000 ¹⁰	
Dickey County FEMA repayment	200,000 ²							
Non-oil-producing township road maintenance and improvement			8,200,000 ⁶					
Emergency township road repairs	750,000 ³							
Dakota Access Pipeline law enforcement	703,432 ⁴		4,513,495 ⁷					
2019 flooding	1,352,454 ⁴		54,745 ⁵		505,990 ⁹		40,196 ¹⁰	
2020 COVID-19			1,292 ⁵		136,620 ⁹		204,945 ¹⁰	
2020 flooding	894,613 ⁴		(569,775) ⁵		180,822 ⁹		20,314 ¹⁰	
2021 June severe storms					53,438 ⁹		5,672 ¹⁰	
2022 spring storm					2,335,993 ⁹		3,923,404 ¹⁰	
2022 winter storm					236,833 ⁹		18,132 ¹⁰	
Snow removal grants ⁸								
2023 flooding							269,815 ¹⁰	

2023 ice storm						831,993 ¹⁰	
2024 wildland fires						300,000 ¹⁰	
Total estimated expenditures and transfers		6,682,064		12,441,197		4,467,549 ¹¹	11,800,703
Estimated ending balance		<u>\$15,396,161</u>		<u>\$18,524,149</u>		<u>\$22,999,300</u>	<u>\$20,000,000</u>

¹The 2019-21 biennium amount reflects actual oil tax revenue allocations. House Bill No. 1066 (2019) and Senate Bill No. 2016 (2019) amended North Dakota Century Code Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1 as follows:

- The first \$685 million is deposited in the general fund, tax relief fund, budget stabilization fund, and lignite research fund; and
- The next \$15 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$15 million.

The 2021-23 biennium amount reflects actual oil tax revenue allocations. House Bill No. 1015 (2021) and Senate Bill No. 2249 (2021) amended Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1 as follows:

- The first \$685 million is deposited in the general fund, tax relief fund, budget stabilization fund, and lignite research fund; and
- The next \$20 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20 million.

The 2023-25 biennium amount reflects actual oil tax revenue allocations. Senate Bill No. 2367 (2023) amended Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1 as follows:

- The first \$795 million is deposited in the general fund, social services fund, budget stabilization fund, and lignite research fund; and
- The next \$20 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20 million.

The 2025-27 biennium amount reflects estimated oil tax revenue allocations based on the 2025 legislative revenue forecast. As amended, Senate Bill No. 2323 (2025) amends Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1 as follows:

- The first \$835 million is deposited in the general fund, social services fund, budget stabilization fund, and lignite research fund; and
- The next \$20 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20 million.

²Section 1 of Senate Bill No. 2016 (2019) included spending authority of \$7.1 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2019-21 biennium.

³Section 4 of Senate Bill No. 2012 (2021) provided a 2021-23 biennium appropriation of \$750,000 from the state disaster relief fund to the Department of Transportation to provide grants to townships for emergency township road repairs.

⁴Section 1 of House Bill No. 1025 (2021) included a deficiency appropriation of \$3,880,540 from the state disaster relief fund, including \$3,130,540 for expenses related to flooding in the spring of 2019, fall of 2019, and spring of 2020, and \$750,000 to repay loan interest relating to Dakota Access Pipeline law enforcement response costs.

⁵Section 1 of House Bill No. 1016 (2021) included spending authority of \$6 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2021-23 biennium.

⁶Section 4 of House Bill No. 1015 (2021) provided a 2021-23 biennium appropriation of \$8.2 million from the state disaster relief fund to the State Treasurer for the purpose of providing distributions to townships in non-oil-producing counties for maintenance and improvement of township roads and bridges.

⁷Section 1 of Senate Bill No. 2025 (2023) included a deficiency appropriation of \$5,722,723 from the state disaster relief fund, including \$4,695,890 for loan repayment, and \$1,026,833 for loan interest repayment relating to Dakota Access Pipeline law enforcement response costs.

⁸Section 5 of Senate Bill No. 2015 (2023) appropriated \$5 million from the state disaster relief fund for providing emergency snow removal grants to tribal governments, counties, cities, and townships in the 2021-23 biennium. This amount was in addition to the \$20 million from the general fund appropriated in Senate Bill No. 2183 (2023) for emergency snow removal grants for the 2021-23 biennium. The \$5 million from the state disaster relief fund was not spent, because actual snow removal grant requests were less than the \$20 million appropriated from the general fund.

⁹Section 1 of Senate Bill No. 2016 (2023) included spending authority of \$12.7 million from the state disaster relief fund for expenses related to unclosed state disasters, \$2 million for natural disaster response and recovery grants, and \$225,000 for flood mitigation efforts in the 2023-25 biennium.

¹⁰Section 1 of House Bill No. 1016 (2025) includes spending authority of \$6.05 million from the state disaster relief fund for expenses related to unclosed state disasters, \$3.55 million for expenses related to the STORM Act program, \$2 million for natural disaster response and recovery grants, \$300,000 for wildland fire funding, and \$200,000 for flood mitigation efforts in the 2025-27 biennium.

¹¹The 2023-25 biennium amount is an estimate based on actual expenditures through January 31, 2025, and agency estimated expenditures through June 30, 2025.

FUND HISTORY

Section 37-17.1-27 (Section 4 of Senate Bill No. 2012 (2009)) establishes a state disaster relief fund. Any interest or other fund earnings must be deposited in the fund. In Senate Bill No. 2369 (2011), the Legislative Assembly amended Section 37-17.1-27 to limit use of money in the fund for only the required state share of funding for expenses associated with presidentially declared disasters in the state and to require Emergency Commission and Budget Section approval of the use of money in the fund. In Senate Bill No. 2292 (2013), the Legislative Assembly further amended the section to allow money in the fund to be used for wide area search and rescue activities. Section 6 of Senate Bill No. 2055 (2019) further amended Section 37-17.1-27 to allow the fund to be used for the state share of FEMA disaster response, recovery, and mitigation grants, to remove the requirement for Emergency Commission and Budget Section approval of the use of money that has been appropriated by the Legislative Assembly, and to provide for the Adjutant General to report to the Budget Section on fund expenditures. House Bill No. 1073 (2025) authorizes the use of the state disaster relief fund following a declaration of a state disaster or emergency issued by the Governor in accordance with Section 37-17.1-05.

ANALYSIS OF THE ELECTRONIC HEALTH INFORMATION EXCHANGE FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance ¹		\$2,507,151		\$4,342,179
Add estimated revenues				
Funds from health information network participants	\$1,360,586		\$1,470,218	
Funds from the Department of Health and Human Services (DHHS) ²	18,720		0	
Federal funds from the Centers for Medicare and Medicaid Services (CMS) ³	6,181,593		5,561,474	
Transfer - Health information technology planning loan fund (2023 HB 1021) ⁴	3,000,000		0	
Total estimated revenues		10,560,899		7,031,692
Total available		\$13,068,050		\$11,373,871
Less estimated expenditures and transfers				
Health information technology and exchange network ^{2,3}	\$8,725,871		\$9,751,242	
Total estimated expenditures and transfers		8,725,871		9,751,242
Estimated ending balance		\$4,342,179		\$1,622,629

¹Section 8 of Senate Bill No. 2332 (2009) provided the Industrial Commission transfer, during the 2009-11 biennium, as requested by the Director of the Health Information Technology Office, up to \$8 million from the Bank of North Dakota's profits to the health information technology loan fund to meet any required match for federal funds or to the electronic health information exchange fund to meet any required match for federal funds.

Section 6 of House Bill No. 1021 (2011) amended Section 8 of Senate Bill No. 2332 (2009) to provide the Industrial Commission transfer, during the 2009-11 or 2011-13 biennium, up to \$8 million from the Bank of North Dakota's profits to the information technology loan fund or to the electronic health information exchange fund to meet any required match for federal funds or for ongoing operating expenditures of the health information exchange. During the 2009-11 biennium, \$500,000 was transferred to the electronic health information exchange fund, and during the 2011-13 biennium, \$7.5 million was transferred to the electronic health information exchange fund.

²Section 2 of Senate Bill No. 2021 (2017) provided a special funds appropriation of \$43,555,133 to the Information Technology Department (ITD) for a project to expand the North Dakota health information network (NDHIN). The purpose of the funding was to enhance the overall functionality of NDHIN by providing comprehensive interoperability between all Medicaid providers throughout the state. The project was intended to allow for statewide repositories for analytics, care coordination, credentialing, and advanced directives.

The Department of Health and Human Services anticipated receiving federal Health Information Technology for Economic and Clinical Health (HITECH) Act Medicaid funding of \$40.8 million for the project, which was included in House Bill No. 1012 (2017) and was to be provided to payers, providers, and existing state health information networks. Funds were expected to be used through the 2021-23 biennium; however, due to funding changes made by the federal government, DHHS and ITD do not anticipate receiving the entire amount for the project.

The Information Technology Department received \$125,100 during the 2015-17 biennium from DHHS for advanced planning documents, a state Medicaid plan, and to conduct a care coordination study of NDHIN. The Information Technology Department received \$6,333,134 in the 2017-19 biennium, \$14,584,718 in the 2019-21 biennium, \$1,110,149 in the 2021-23 biennium, and \$18,720 in the 2023-25 biennium through March 11, 2025, from DHHS for the network for a total of \$22,171,821 of federal HITECH funds received for the network. No additional federal HITECH funds are expected to be available during the 2023-25 biennium or in future bienniums. The majority of estimated federal funding for the 2023-25 biennium and all estimated federal funding for the 2025-27 biennium is from funding received from CMS pursuant to a NDHIN cost reimbursement agreement.

³The Centers for Medicare and Medicaid Services certified NDHIN as a Medicaid management information system in February 2022, which allows ITD to request up to 75 percent federal reimbursement for eligible network expenditures. In December 2023, CMS approved the Health Information Technology Office Medicaid

cost allocation methodology, resulting in a \$4,012,776 reimbursement to the state for health information network expenses incurred between October 2021 through December 2023 that were no longer eligible for HITECH funding, and allowing ITD to submit new expenses to CMS for reimbursement. The Information Technology Department estimates an additional \$2,168,817 of federal CMS funding may be reimbursed during the 2023-25 biennium, providing an estimated total of \$6,181,593. The estimated amount of federal funding to be received from CMS for the 2025-27 biennium is \$5,561,474.

⁴House Bill No. 1021 (2023) provides for a transfer of \$3 million, as requested by the Chief Information Officer, from the health information technology planning loan fund to the electronic health information exchange fund for the purpose of defraying the expenses of the Health Information Technology Office and the health information network during the 2023-25 biennium. In March 2025, the Chief Information Officer requested the entire \$3 million be transferred to the electronic health information exchange fund.

FUND HISTORY

North Dakota Century Code Section 54-59-27 (Senate Bill No. 2332 (2009)) establishes the electronic health information exchange fund. The fund consists of the money deposited in the fund from federal or other sources or money transferred into the fund as directed by the Legislative Assembly. The Health Information Technology Office is to administer the fund. The money in the fund is to be used to facilitate and expand the electronic health information exchange. Money in the fund may be used, subject to legislative appropriations, to provide services directly for grants and for costs of administration of the fund.

An application for a grant must be made to the Health Information Technology Office. The Health Information Technology Office is to determine the applicant's eligibility based upon criteria established by the Director of the Health Information Technology Office.

In Section 39 of Senate Bill No. 2308 (2025), the Legislative Assembly repealed Section 54-59-25 related to the Health Information Technology Advisory Committee.

ANALYSIS OF THE ENVIRONMENT AND RANGELAND PROTECTION FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$7,081,986		\$5,835,421
Add estimated revenues				
Pesticide registration fees (North Dakota Century Code Section 4.1-34-03) ¹	\$5,300,000		\$5,300,000	
Weed seed-free forage (Section 4.1-14-04) ²	30,000		30,000	
Fertilizer registration, inspection, and tonnage fees (Sections 4.1-40-02, 4.1-40-03, and 4.1-40-07) ^{3,4}	1,425,000		1,425,000	
Commercial feed registration, inspection, and tonnage fees (Section 4.1-41-19) ⁵	727,500		727,500	
Total estimated revenues		7,482,500		7,482,500
Total available		\$14,564,486		\$13,317,921
Less estimated expenditures and transfers				
Agriculture Commissioner (2023 SB 2009; 2025 HB 1009)				
Administrative Services Division	\$368,646		\$557,090	
Marketing and Information Division	166,005		123,473	
Wildlife Services program	433,800		433,800	
Animal Health Division (State Veterinarian)	143,343		142,989	
Plant Industries Division	2,003,966		2,549,672	
Pesticide and Fertilizer Division	3,716,326		3,441,355	
Grain Inspection and Feed Division	456,979		734,548	
Transfer to environmental impact mitigation fund (2023 SB 2009; 2025 HB 1009)	250,000		250,000	
Crop Protection Product Harmonization and Registration Board (2023 SB 2009; 2025 HB 1009)				
Crop protection product registration, labeling, and grants ⁶	75,000		75,000	
Minor use pesticide registration	325,000		325,000	
Department of Environmental Quality (2023 HB 1024; 2025 SB 2024)				
Ground water testing, including a \$50,000 grant for the North Dakota Stockmen's Association environmental services program	250,000		250,000	
Regional livestock development and planning grant program (2023 HB 1437; 2025 HB 1009) ⁷	540,000		660,000	
Total estimated expenditures and transfers		8,729,065		9,542,927
Estimated ending balance		\$5,835,421		\$3,774,994

¹The Legislative Assembly approved Senate Bill No. 2009 (1999), which amended Section 19-18-04, increased the biennial pesticide registration fee by \$50, from \$300 to \$350. House Bill No. 1009 (2009) further amended Section 19-18-04 to deposit all pesticide registration fees in the environment and rangeland protection fund rather than a portion in the general fund. In Senate Bill No. 2027 (2017), Section 19-18-04 was repealed and rewritten as Section 4.1-34-03 as part of the rewrite of agriculture statutes.

²Chapter 4.1-14 allows the Agriculture Commissioner to certify forage acreage as being free of certain weeds and weed seed. Section 4.1-14-04 provides the Agriculture Commissioner a continuing appropriation to certify forage acreage using fees charged for certifications. The Agriculture Commissioner may set and charge the fees. All weed seed-free forage fee revenue must be deposited in the environment and rangeland protection fund.

³House Bill No. 1321 (2011) repealed Section 19-20.2-08.1 that provided for the deposit of certain inspection fees in the anhydrous ammonia storage facility inspection fund. The bill provided that the fee collections are to be deposited in the environment and rangeland protection fund, and anhydrous ammonia inspection storage facility inspection duties are to be transferred from the Insurance Commissioner to the Agriculture Commissioner.

⁴Senate Bill No. 2009 (2011) amended Sections 19-20.1-03, 19-20.1-03.1, and 19-20.1-06 to deposit fertilizer distribution registration, licensing, and inspection fees in the environment and rangeland protection fund rather than the general fund. House Bill No. 1321 (2011) also amended Section 19-20.1-06 to deposit a portion of fertilizer distribution inspection fees in the environment and rangeland protection fund rather than the general fund. In Senate Bill No. 2027 (2017), Sections 19-20.1-03, 19-20.1-03.1, and 19-20.1-06 were rewritten as Sections 4.1-40-02, 4.1-40-03, and 4.1-40-07, respectively.

⁵Section 4.1-41-19 provides for the deposit of the first \$727,500 of commercial feed inspection, licensing, and registration fees in the environment and rangeland protection fund rather than the general fund.

⁶Section 4-35-30, as created by the Legislative Assembly in House Bill Nos. 1009 (2001) and 1328 (2001), created the Crop Protection Product Harmonization and Registration Board. In Senate Bill No. 2027 (2017), Section 4-35-30 was rewritten as Section 4.1-39-02. The duties of the board relate to crop protection product labeling and registration. In Senate Bill No. 2009 (2023) the Legislative Assembly appropriated \$75,000 from the fund for the board for the 2023-25 biennium. In House Bill No. 1009 (2025), the Legislative Assembly appropriated \$75,000 from the fund for the board for the 2025-27 biennium.

⁷In House Bill No. 1437 (2023), the Legislative Assembly appropriated \$1.2 million from the environment and rangeland protection fund to the Agriculture Commissioner for identifying locations for rural economic development, including animal feeding operations, agricultural processing and storage facilities, and other agriculture-related development, and assisting the review and updating of township zoning and land use regulations during the 2023-25 biennium. The bill created a new section to Chapter 4.1-01 for the establishment of the program. Grants under the program may not exceed \$12,000 for each county included in an application. Grants of up to \$500 may be awarded to each township included in an application. House Bill No. 1009 (2025) provides an exemption to continue \$660,000 appropriated from the environment and rangeland protection fund for the regional livestock development and planning program during the 2023-25 biennium into the 2025-27 biennium.

FUND HISTORY

Section 19-18-02.1, created by Senate Bill No. 2451 (1991), established the environment and rangeland protection fund. The fund contains collections from pesticide registration fees. During the 2007-09 biennium, the biennial fee was \$350 per pesticide product registered in the state. Of this amount, \$300 was deposited in the environment and rangeland protection fund and \$50 in the general fund. Pursuant to Section 19-18-04, as amended by House Bill No. 1009 (2009), beginning with the 2009-11 biennium, the entire pesticide registration fee is deposited in the environment and rangeland protection fund rather than a portion in the general fund.

In Senate Bill No. 2027 (2017), Sections 19-18-02.1 and 19-18-04 were repealed and rewritten as Sections 4.1-39-07 and 4.1-34-03, respectively, as part of the rewrite of agriculture statutes.

ANALYSIS OF THE FIRE AND TORNADO FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$16,300,447		\$15,025,447
Add estimated revenues				
Premium collections	\$26,000,000		\$29,000,000	
Investment income (loss)	2,400,000		1,750,000	
Total estimated revenues		28,400,000		30,750,000
Total available		\$44,700,447		\$45,775,447
Less estimated expenditures and transfers				
Loss claims payments	\$10,000,000		\$15,000,000	
Claims-related payments, including reinsurance costs	17,000,000		17,000,000	
Administration/investment expense	2,500,000		3,200,000	
State Fire Marshal program (North Dakota Century Code Section 18-01-35)	175,000			
Total estimated expenditures and transfers		29,675,000		35,200,000
Estimated ending balance		<u>\$15,025,447</u>		<u>\$10,575,447</u>

FUND HISTORY

The fire and tornado fund originated in 1919. The fund is maintained to insure the various political subdivisions and state industries against loss to public buildings and permanent fixtures. Section 26.1-22-14 requires that if the fire and tornado fund balance is less than \$12 million, the Insurance Commissioner must increase assessments on policies. Chapter 26.1-22.1 provides for a boiler inspection program under the Insurance Commissioner and provides for the deposit of boiler inspection fees in the state fire and tornado fund.

Senate Bill No. 2010 (2019) provided for the Insurance Commissioner to contract with the North Dakota Insurance Reserve Fund for administration of the state fire and tornado fund. The bill also provided continuing appropriation authority from the state fire and tornado fund to the Insurance Commissioner to pay contractual fund administration costs to the North Dakota Insurance Reserve Fund. The bill also transferred the boiler inspection program from the Insurance Commissioner to the Department of Environmental Quality.

House Bill No. 1541 (2023) provided for a study to determine the feasibility of changing administration of the fire and tornado fund from the Insurance Commissioner to the Director of the Office of Management and Budget.

House Bill No. 1027 (2025) transfers the administration of the state fire and tornado fund from the Insurance Commissioner to the Office of Management and Budget.

Senate Bill No. 2090 (2025) repealed Section 18-01-35 relating to fees for the State Fire Marshal program.

ANALYSIS OF THE FOUNDATION AID STABILIZATION FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$484,246,406		\$483,756,406
Add estimated revenues				
Oil extraction tax allocations	\$231,510,000 ¹		\$172,930,000 ¹	
Total estimated revenues		231,510,000 ²		172,930,000 ²
Total available		\$715,756,406		\$656,686,406
Less estimated expenditures and transfers				
Department of Public Instruction (DPI) (2023 SB 2013; 2025 HB 1013)				
State school aid	\$157,000,000 ³		\$233,000,000 ³	
Transfer to the school construction assistance revolving loan fund (2023 SB 2284)	75,000,000 ³			
Total estimated expenditures and transfers		232,000,000 ⁴		233,000,000 ⁴
Estimated ending balance		\$483,756,406		\$423,686,406
Less required reserve of 15 percent of the general fund appropriation for state school aid and career and technical education (CTE) grants to school districts and area centers during the prior biennium		250,093,242 ⁵		261,218,932 ⁶
Estimated ending balance available		\$233,663,164		\$162,467,474

¹Estimated revenues - Based on actual oil extraction tax collections deposited in the fund through February 2025. The estimated allocations for the remainder of the 2023-25 biennium and the estimated allocations for the 2025-27 biennium are based on the March 2025 legislative revenue forecast.

²Section 24 of Article X of the Constitution of North Dakota provides the interest income of the foundation aid stabilization fund must be transferred to the general fund on July 1 of each year. However, the State Treasurer allocates the interest income to the general fund on a monthly basis. For the period July 1, 2023, through February 28, 2025, \$5,913,933 of interest has been allocated to the general fund.

³The Legislative Assembly, in Senate Bill No. 2013 (2023), appropriated \$157 million from the foundation aid stabilization fund to DPI to provide ongoing funding for state school aid for the 2023-25 biennium. In Senate Bill No. 2284 (2023), the Legislative Assembly transferred \$75 million from the foundation aid stabilization fund to the school construction assistance revolving loan fund. The Legislative Assembly, in House Bill No. 1013 (2025), appropriated \$233 million from the foundation aid stabilization fund to DPI to provide ongoing funding for state school aid for the 2025-27 biennium.

⁴Expenditures - Prior to December 8, 2016, Section 24 of Article X of the Constitution of North Dakota provided the principal of the foundation aid stabilization fund could only be used to offset foundation aid reductions made by executive action due to a revenue shortfall. Senate Concurrent Resolution No. 4003 (2015), approved by voters in November 2016, amended Section 24 of Article X of the Constitution of North Dakota to allow the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state school aid for the most recently completed biennium for education-related purposes.

⁵Amendments to the constitution approved by the voters, as provided in Senate Concurrent Resolution No. 4003 (2015), require the balance in the foundation aid stabilization fund be at least 15 percent of the general fund appropriation for state aid to school districts for the most recently completed biennium as determined by the Office of Management and Budget. Any excess balance in the fund is available for education-related purposes. The Legislative Assembly, in Senate Bill No. 2272 (2017) and House Bill No. 1155 (2017), amended North Dakota Century Code Section 54-44.1-12 to provide any reductions to the general fund appropriation to the Department of Career and Technical Education for grants to school districts due to allotment are also to be offset by funding from the foundation aid stabilization fund. Senate Bill No. 2272 also created a new section to Chapter 54-27 indicating that state school aid includes general fund appropriations for state school aid, transportation aid, and special education aid in DPI as well as general fund appropriations for CTE grants to school districts and area centers in

the Department of Career and Technical Education. In 2021, the Legislative Assembly provided \$2,216,925,000 for integrated formula payments, transportation aid, and special education grants for the 2021-23 biennium, of which \$433,020,000 is from the state tuition fund, \$143,454,500 is from the foundation aid stabilization fund, and \$1,640,450,500 is from the general fund. In addition, general fund appropriations for CTE grants to school districts and area centers in the Department of Career and Technical Education total \$26,837,780 for the 2021-23 biennium. Based on this level of funding from the general fund during the 2021-23 biennium, the required reserve balance for the 2023-25 biennium is \$250,093,242, \$7,235,689 less than the reserve required for the 2021-23 biennium.

⁶The Legislative Assembly, in Senate Bill Nos. 2013 and 2398 (2023), provided \$2,381,774,851 for integrated formula payments, transportation aid, and special education grants for the 2023-25 biennium, of which \$510,860,000 is from the state tuition fund, \$157,000,000 is from the foundation aid stabilization fund, \$13,993,086 is from the strategic investment and improvements fund, and \$1,699,921,765 is from the general fund. In addition, the Legislative Assembly approved House Bill No. 1019 (2023) which includes general fund appropriations to the Department of Career and Technical Education for CTE grants to school districts and area centers totaling \$41,537,780 for the 2023-25 biennium. Based on this level of funding from the general fund during the 2023-25 biennium, the required reserve balance for the 2025-27 biennium is \$261,218,932, \$11,125,690 more than the reserve required for the 2023-25 biennium. The Legislative Assembly, in House Bill No. 1013 (2025), provided \$2,496,377,703 for integrated formula payments, transportation aid, and special education grants for the 2025-27 biennium, of which \$595,677,350 is from the state tuition fund, \$233,000,000 is from the foundation aid stabilization fund, \$1,656,700,353 is from the general fund, and \$11,000,000 is from carryover funds, continued from the 2023-25 biennium and deposited in the department's operating fund. In addition, the Legislative Assembly approved Senate Bill No. 2019 (2025) which includes general fund appropriations to the Department of Career and Technical Education for career and technical education grants to school districts and area centers totaling \$52,037,780 for the 2025-27 biennium. Based on this level of funding from the general fund during the 2025-27 biennium, the required reserve balance for the 2027-29 biennium would be \$256,310,720, \$4,908,212 less than the reserve required for the 2025-27 biennium.

FUND HISTORY

The foundation aid stabilization fund was created in 1994 when the voters of North Dakota approved a constitutional amendment--now Section 24 of Article X of the Constitution of North Dakota--to provide that 20 percent of oil extraction tax revenue be allocated as follows:

- 50 percent (of the 20 percent) to the common schools trust fund; and
- 50 percent (of the 20 percent) to the foundation aid stabilization fund.

In November 2016 voters approved Senate Concurrent Resolution No. 4003 (2015), which amended the Constitution of North Dakota to allow the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state school aid for education-related purposes. In addition, the Legislative Assembly approved Senate Bill No. 2039 (2015), which included certain provisions effective December 1, 2016, based on the approval of Senate Concurrent Resolution No. 4003 by voters. Those provisions of Senate Bill No. 2039 established a scholarship endowment fund and a school construction assistance loan fund and provided for transfers from the foundation aid stabilization fund to the school construction assistance loan fund (the lesser of \$200 million or 50 percent of the balance of the fund on December 1, 2016), and to the scholarship endowment fund (the lesser of \$200 million or 50 percent of the balance of the fund on December 1, 2016). Other provisions of Senate Bill No. 2039 provided any accessible funds that remain in the foundation aid stabilization fund, after completion of the required transfers to other funds, must be used for education-related purposes, including state aid to school districts and education-related property tax relief to school district patrons. The Legislative Assembly approved Senate Bill No. 2272 (2017), which provided for uses of the foundation aid stabilization fund and repealed Sections 9 and 10 of Chapter 153 of the 2015 Session Laws related to the transfers to the scholarship endowment fund and the school construction assistance loan fund.

Prior to December 8, 2016, the principal of the foundation aid stabilization fund was only available upon order of the Governor to offset foundation aid reductions made by executive action due to a revenue shortfall. Section 54-44.1-12 provides the Director of the Budget may order an allotment to control the rate of expenditures of state agencies. This section provided that an allotment must be made by a specific fund and all departments and agencies that receive money from a fund must be allotted on a uniform percentage basis, except that appropriations for foundation aid, transportation aid, and special education aid may only be allotted to the extent the allotment can be offset by transfers from the foundation aid stabilization fund. The Legislative Assembly approved Senate Bill No. 2272 (2017) and House Bill No. 1155 (2017), which amended Section 54-44.1-12 to provide any reductions to the general fund appropriation to the Department of Career and Technical Education for grants to school districts due to allotment are offset by funding from the foundation aid stabilization fund. Senate Bill No. 2272 also created a new section to Chapter 54-27 indicating that state school aid includes general fund appropriations for state school aid, transportation aid, and special

education aid in DPI, as well as general fund appropriations for CTE grants to school districts and area centers in the Department of Career and Technical Education.

The Legislative Assembly approved Senate Bill No. 2362 (2019), which changed the method of allocating oil extraction tax revenue related to the state's share of revenue associated with production on tribal lands, increasing the allocation to the foundation aid stabilization fund.

Section 24 of Article X of the Constitution of North Dakota provides the interest income of the foundation aid stabilization fund must be transferred to the general fund on July 1 of each year. However, the State Treasurer's office allocates the interest income to the general fund on a monthly basis.

ANALYSIS OF THE HEALTH CARE TRUST FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$645,860		\$848,052
Add estimated revenues				
Investment earnings	\$8,848		\$15,000	
Loan repayments - Principal and interest ¹	693,344		585,000	
Total estimated revenues		702,192		600,000
Total available		\$1,348,052		\$1,448,052
Less estimated expenditures and transfers				
Department of Health and Human Services basic care facility bad debt expense (2023 SB 2012)	\$500,000		\$0	
Department of Health and Human Services basic care additional daily rate (2025 HB 1012)			1,448,052	
Total estimated expenditures and transfers		500,000		1,448,052
Estimated ending balance		\$848,052		\$0

¹As of June 30, 2024, the remaining principal balance of loans outstanding is \$1,925,566.

FUND HISTORY

The health care trust fund was established by the Legislative Assembly in Senate Bill No. 2168 (1999) for providing nursing alternative loans or grants. The Legislative Assembly in House Bill No. 1196 (2011) provided that money in the fund may be transferred to the long-term care facility loan fund for nursing facility renovation projects and used for other programs as authorized by the Legislative Assembly. Money was generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities--McVile and Dunseith. Payments were made based on the average amount Medicare rates exceeded Medicaid rates for all nursing care facilities in the state multiplied by the total of all Medicaid resident days of all nursing homes. Federal Medicaid funds were available for these payments and required a state match. Payments were made to the two government nursing facilities and were subsequently returned to the state, less a \$50,000 transaction fee retained by each of the two government nursing facilities. Once returned to the state, the state's matching share was returned to its source, and the federal funds were deposited in the health care trust fund. Money in the fund is invested by the State Investment Board, and any investment earnings are retained in the fund. The federal government has eliminated this intergovernmental transfer program. As a result, North Dakota's final intergovernmental transfer payment was received in July 2004. The Legislative Assembly, in House Bill No. 1012 (2009), amended North Dakota Century Code Section 50-30-02 to preclude the Governor from recommending spending from the health care trust fund in draft appropriation acts under Section 54-44.1-06, except for the operation and maintenance of the nurse aide registry.

ANALYSIS OF THE HEALTH INFORMATION TECHNOLOGY PLANNING LOAN FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance ¹		\$2,835,337		\$393,165
Add estimated revenues				
Loan repayments - Principal	\$513,897		\$227,513	
Loan repayments - Interest and miscellaneous income	49,109		15,235	
Total estimated revenues		563,006		242,748
Total available		\$3,398,343		\$635,913
Less estimated expenditures and transfers				
Loans to health care entities ²	\$0		\$0	
Bank of North Dakota fees	5,178		2,500	
Transfer - Electronic health information exchange fund (2023 HB 1021) ³	3,000,000		0	
Total estimated expenditures and transfers		3,005,178		2,500
Estimated ending balance		\$393,165		\$633,413

¹Section 9 of Senate Bill No. 2332 (2009) provided for a transfer of up to \$5 million of Bank of North Dakota profits to the health information technology planning loan fund, which was transferred during the 2009-11 biennium. Section 4 of House Bill No. 1021 (2011) provided for a transfer of up to \$5 million of Bank profits to the health information technology planning loan fund in the 2011-13 biennium. During the 2011-13 biennium, approximately \$4.3 million of Bank profits were transferred to the fund.

²The Health Information Technology Advisory Committee approved \$14,227,024 of loans from the program's inception in the 2009-11 biennium through April 2025. Loans have not been issued since the 2017-19 biennium. The following is a summary of loans provided to health care facilities:

Borrowing Entity	Original Loan Amount	Loan Balance Through April 2025	Loan Maturation Date
St. Andrew's Health Center (Bottineau)	\$625,000	\$0	N/A
Cooperstown Medical Center	396,996	0	N/A
Wishek Hospital	761,149	0	N/A
Towner County Medical Center (Cando)	924,018	0	N/A
Presentation Medical Center (Rolla)	625,000	0	N/A
West River Health Services (Hettinger)	1,250,000	0	N/A
Ashley Medical Center	815,652	76,834	April 2029
Tioga Medical Center	931,320	0	N/A
St. Luke's Community Hospital and Clinics (Crosby)	874,542	26,076	February 2026
Midgarden Family Clinic (Park River)	101,590	0	N/A
7-Day Clinic Walk-In Express Care (Fargo)	50,000	0	N/A
Linton Hospital	1,073,012	28,503	October 2025
McKenzie County Health Care System	600,000	0	N/A
Garrison Memorial Hospital	800,000	0	N/A
Nelson County Health System	305,000	0	N/A
Southwest Healthcare System	605,000	0	N/A
CHI St. Alexius Medical Center	1,250,000	0	N/A
Pediatric Therapy Partners	100,000	0	N/A
Valley Health	72,155	0	N/A

Knife River Care Center	125,000	0	N/A
Golden Acres Manor	98,648	0	N/A
St. Luke's Home	115,053	0	N/A
Richard P. Stadter Psychiatric Center	463,000	0	N/A
Elm Crest Manor	74,500	0	N/A
Northwood Deaconess	920,125	202,235	February 2029
Pharmacists Association	120,070	14,597	July 2026
St. Gerard's Community of Care	150,194	13,067	March 2026
Total	\$14,227,024	\$361,312	

³House Bill No. 1021 (2023) provides for a transfer of \$3 million, as requested by the Chief Information Officer, from the health information technology planning loan fund to the electronic health information exchange fund for the purpose of defraying the expenses of the Health Information Technology Office and the health information network during the 2023-25 biennium. In March 2025, the Chief Information Officer requested the entire \$3 million be transferred from the health information technology planning loan fund.

FUND HISTORY

North Dakota Century Code Section 6-09-43 (Senate Bill No. 2332 (2009)) established a health information technology planning loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health information technology infrastructure. This fund is a revolving loan fund. Pursuant to Section 9 of the bill, \$5 million was transferred from the Bank to this fund during the 2009-11 biennium. All money transferred into the fund, interest upon money in the fund, and collections of interest and principal on loans made from the fund are appropriated for disbursement. Annually, the Bank may deduct a service fee for administering the revolving loan fund.

Section 4 of House Bill No. 1021 (2011) provided the Industrial Commission transfer up to \$5,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the health information technology planning loan fund or the health information technology loan fund in the 2011-13 biennium. The director of the Health Information Technology Office was to request transfers from the Bank only as necessary to meet cash flow needs of the funds and only upon certification by the director of a demonstrated need for health information technology planning loans. During the 2011-13 biennium, \$4,280,219 was transferred by the Bank to the health information technology loan fund.

An application for a loan must be made to the Health Information Technology Office. The director of the Health Information Technology Office may approve the application of a qualified applicant that meets the criteria established by the director of the Health Information Technology Office. The Health Information Technology Office is to forward approved applications to the Bank of North Dakota. Upon approval of the application by the Bank, the Bank is to make the loan from the revolving loan fund.

Loans are provided at a fixed interest rate of 1.00 percent. Of the 1.00 percent of interest collected, 0.50 percent is deposited in the fund and 0.50 percent is retained by the Bank of North Dakota as the service fee for administering the loans.

In Section 39 of Senate Bill No. 2308 (2025), the Legislative Assembly repealed Section 54-59-25 related to the Health Information Technology Advisory Committee.

ANALYSIS OF THE HIGHWAY TAX DISTRIBUTION FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$0		\$0
Add estimated revenues ^{1,2}				
Motor vehicle fuel tax	\$184,000,000		\$185,450,000	
Special fuels taxes	167,800,000		172,800,000	
Motor vehicle registration fees	181,450,000		184,664,654	
Motor vehicle excise tax ³	0		87,500,000	
Total estimated revenues		533,250,000		630,414,654
Total available		\$533,250,000		\$630,414,654
Less estimated deductions and transfers				
Highway Patrol	\$11,256,381		\$12,836,056	
Motorboat safety account	300,000		300,000	
State snowmobile fund	150,000		150,000	
Rail safety fund	664,654		705,784	
Administrative assistance to transferees	5,500,000		5,500,000	
Ethanol production incentives	4,900,000		4,900,000	
Total estimated deductions before distributions		22,771,035		24,391,840
Total available for distributions and transfers		\$510,478,965		\$606,022,814
Less estimated distributions and transfers ⁴				
State highway fund	\$312,878,965		\$363,613,688	
Counties	112,300,000		135,262,503	
Cities	63,800,000		76,845,482	
Townships	13,800,000		20,604,776	
Transit	7,700,000		9,696,365	
Total estimated distributions and transfers		510,478,965		606,022,814
Estimated ending balance		\$0		\$0

¹Revenues do not include funds collected and disbursed for the administration of the Department of Transportation's (DOT) Motor Vehicle Division, through tribal agreements, or funds collected for vanity license plates and disbursed to nonprofit organizations.

²The amounts shown reflect actual revenue collections deposited in the fund through September 2024. The estimated revenue for the remainder of the 2023-25 biennium and the estimated collections for the 2025-27 biennium are based on DOT's revenue forecast.

³Senate Bill No. 2012 (2025) amended North Dakota Century Code Section 57-40.3-10 to provide for 25 percent of motor vehicle excise tax collections to be deposited in the highway tax distribution fund instead of the flexible transportation fund.

⁴Senate Bill No. 2012 (2025) amended Section 54-27-19 to provide for revised allocations from the highway tax distribution as follows:

	2023-25 Biennium	2025-27 Biennium
State highway fund	61.3%	60.0%
Counties and cities	34.5%	35.0%
Township highway aid fund	2.7%	3.4%
Public transportation fund	1.5%	1.6%
Total	100.0%	100.0%

FUND HISTORY

Section 11 of Article X of the Constitution of North Dakota provides:

Revenue from gasoline and other motor fuel excise and license taxation, motor vehicle registration and license taxes, except revenue from aviation gasoline and unclaimed aviation motor fuel refunds and other aviation motor fuel excise and license taxation used by aircraft, after deduction of cost of administration and collection authorized by legislative appropriation only, and statutory refunds, shall be appropriated and used solely for construction, reconstruction, repair and maintenance of public highways, and the payment of obligations incurred in the construction, reconstruction, repair, and maintenance of public highways.

The majority of funds received from motor fuels taxes and motor vehicle registration fees are deposited in the highway tax distribution fund. Section 54-27-19 provides the highway tax distribution fund consists of the "moneys available by law from collections of motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes." This section provides after the first \$5.5 million per biennium is transferred to the state highway fund for the purpose of providing administrative assistance to other transferees. Senate Bill No. 2012 (2025) changed the percentage allocations to provide that money in the fund must be distributed by the State Treasurer as follows:

1. Sixty percent must be transferred monthly to the state department of transportation and placed in a state highway fund.
2. Three and four-tenths percent must be transferred monthly to the township highway fund.
3. One and six-tenths percent must be transferred monthly to the public transportation fund.
4. Thirty-five percent must be allocated to the counties of this state in proportion to the number of vehicle registrations credited to each county. Each county must be credited with the certificates of title of vehicles registered by residents of the county. The state treasurer shall compute and distribute the counties' share monthly after deducting the incorporated cities' share. All the moneys received by the counties from the highway tax distribution fund must be set aside in a separate fund called the "highway tax distribution fund" and must be appropriated and applied solely for highway purposes in accordance with section 11 of article X of the Constitution of North Dakota. The state treasurer shall compute and distribute monthly the sums allocated to the incorporated cities within each county according to the formulas in this subsection using the incorporated cities' populations as determined by the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to the census.
 - a. For counties having no cities with a population of ten thousand or more, twenty-seven percent of the total county allocation must be distributed to all of the incorporated cities within the county on a countywide per capita basis. The remaining county allocation amount must be transferred into the county highway tax distribution fund.
 - b. For each county having a city with a population of ten thousand or more, the amount transferred each month into the county highway tax distribution fund must be the difference between the amount allocated to that county pursuant to this subsection and the total amount allocated and distributed to the incorporated cities in that county as computed according to the following formula:
 - (1) A statewide per capita average as determined by calculating twenty-seven percent of the amount allocated to all of the counties under this subsection divided by the total population of all of the incorporated cities in the state.
 - (2) The share distributed to each city in the county having a population of less than one thousand must be determined by multiplying the population of that city by the product of 1.50 times the statewide per capita average computed under paragraph 1.

- (3) The share distributed to each city in the county having a population of one thousand to four thousand nine hundred ninety-nine, inclusive, must be determined by multiplying the population of that city by the product of 1.25 times the statewide per capita average computed under paragraph 1.
- (4) The share distributed to each city in the county having a population of five thousand or more must be determined by multiplying the population of that city by the statewide per capita average for all such cities, which per capita average must be computed as follows: the total of the shares computed under paragraphs 2 and 3 for all cities in the state having a population of less than five thousand must be subtracted from the total incorporated cities' share in the state as computed under paragraph 1 and the balance remaining must then be divided by the total population of all cities of five thousand or more in the state.

5. The moneys allocated to the incorporated cities must be distributed to them monthly by the state treasurer and must be deposited by the cities in a separate fund and may only be used in accordance with section 11 of article X of the Constitution of North Dakota and an incorporated city may use the fund for the construction, reconstruction, repair, and maintenance of public highways within or outside the city pursuant to an agreement entered into between the city and any other political subdivision as authorized by section 54-40-08.

Section 54-27-19(1) provides for 60 percent of the funds from the highway tax distribution fund be transferred to DOT for deposit in the state highway fund. Section 24-02-37(1) provides, except for investment income, the money of the state highway fund must be applied in the following priority:

- a. The cost of maintaining the state highway system.
- b. The cost of construction and reconstruction of highways in the amount necessary to match, in whatever proportion may be required, federal aid granted to this state by the United States government for road purposes in North Dakota. Notwithstanding any other provision of law, the department of transportation may repay the United States department of transportation for previous related expenditures from current biennium appropriations to allow the department to reobligate the federal aid to other federal aid projects.
- c. Any portion of the highway fund not allocated as provided in subdivisions a and b may be expended for the construction of state highways without federal aid or may be expended in the construction, improvement, or maintenance of such state highways.

Section 54-27-19(2) requires 3.4 percent of the funds from the highway tax distribution fund to be deposited in the township highway fund. Section 54-27-19.1 directs the State Treasurer to distribute the money to the counties of the state based on the length of township roads in each county compared to the length of all township roads in the state. To receive any funds, organized townships must provide 50 percent matching funds. Each county treasurer is required to allocate the funds received to the organized townships in the county which provide 50 percent matching funds based on the length of township roads in each of those organized townships compared to the length of all township roads in the county. The funds received must be deposited in the township road and bridge fund and used for highway and bridge purposes. If a county does not have organized townships, or has some organized and some unorganized townships, the county is required to retain a pro rata portion of the funds received based on the length of roads in unorganized townships compared to the length of township roads in organized townships in the county.

Section 54-27-19(3) allocates 1.6 percent of the funds from the highway tax distribution fund to the public transportation fund. Section 39-04.2-04 provides money in the public transportation fund must be disbursed under guidelines issued by the Director of DOT and must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped. In addition, the money may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation and for other expenditures authorized by the Director.

Motor Vehicle Fuel Tax

Prior to 1983, the motor vehicle fuel excise tax was 8 cents per gallon on motor vehicle fuel sold. The 1983 Legislative Assembly repealed Chapter 57-54 relating to motor vehicle fuel tax and created Chapter 57-43.1 to consolidate the provisions of the motor fuel tax law and the importers for use tax law. Section 1 of House Bill No. 1539 (1983) imposed a 13 cents per gallon tax for all motor vehicle fuel sold except on motor vehicle fuel sold containing a minimum of 10 percent agricultural ethyl or methanol, which was taxed as shown in the following table:

Exception Effective Dates	Tax Rate Per Gallon
Through December 31, 1983	\$0.09
January 1, 1984, through December 31, 1984	\$0.08
January 1, 1985, through December 31, 1985	\$0.07

January 1, 1986, through June 30, 1992	\$0.09
July 1, 1992	\$0.13

The Legislative Assembly, in Section 1 of Senate Bill No. 2296 (1985), changed the language from agricultural ethyl or methanol to "a qualifying alcohol," adjusted the motor fuel tax on motor vehicle fuel sold containing a minimum of 10 percent agricultural ethyl or methanol as shown in the following table:

Exception Effective Dates	Tax Rate Per Gallon
July 1, 1985, through June 30, 1987	\$0.05
July 1, 1987, through December 31, 1992	\$0.09
January 1, 1993	\$0.13

The Legislative Assembly, in Section 9 of Senate Bill No. 2557 (1987), increased the motor vehicle fuel tax from 13 cents per gallon to 17 cents per gallon for all motor vehicle fuel sold.

The Legislative Assembly, in Section 2 of Senate Bill No. 2029 (1989), increased the motor vehicle fuel tax from 17 cents per gallon to 20 cents per gallon for all motor vehicle fuel sold. The referred measure was disapproved on December 5, 1989, leaving the motor vehicle fuel tax rate at 17 cents per gallon.

The Legislative Assembly, in Section 2 of House Bill No. 1575 (1991), removed Section 57-43.1-02(2) relating to the exception from the motor vehicle fuel tax for motor vehicle fuels containing a minimum of 10 percent of qualifying alcohol.

The Legislative Assembly, in Section 1 of House Bill No. 1163 (1997), increased the motor vehicle fuel tax from 17 cents per gallon to 20 cents per gallon for all motor vehicle fuel sold.

The Legislative Assembly, in Section 2 of House Bill No. 1183 (1999), increased the motor vehicle fuel tax from 20 cents per gallon to 21 cents per gallon for all motor vehicle fuel sold.

The Legislative Assembly, in Section 12 of Senate Bill No. 2012 (2005), increased the motor vehicle fuel tax from 21 cents per gallon to 23 cents per gallon for all motor vehicle fuel sold. Section 2 of House Bill No. 1478 (2005), created a new subsection to Section 57-43.1-02, imposing a 1 cent per gallon motor vehicle fuel tax on E85 fuel effective after June 30, 2005, through the month in which a cumulative total of 1.2 million gallons of E85 fuel has been reported to the Tax Commissioner and after that date is ineffective.

Special Fuels Excise Tax

The 1983 Legislative Assembly also repealed Chapter 57-52, relating to special fuels excise tax and created Chapter 57-43.2 to consolidate the provisions of the Special Fuels Tax Act, the special fuels tax levy, the Importers for Use Tax Act, and the aviation fuel tax. Section 1 of House Bill No. 1072 (1983) created Chapter 57-43.2 related to special fuels taxes and imposed an excise tax of 8 cents per gallon on the sale or delivery of special fuel with some exceptions and an excise tax of 2 cents per gallon on the exempt items in Section 57-43.2-02. Section 1 of House Bill No. 1539 (1983) amended Section 1 of House Bill No. 1072 to increase the special fuels excise tax from 8 cents per gallon to 13 cents per gallon.

The Legislative Assembly, in Section 1 of House Bill No. 1248 (1985), amended the definition of special fuel to include compressed natural gas.

The Legislative Assembly, in Section 10 of Senate Bill No. 2557 (1987), increased the special fuels excise tax from 13 cents per gallon to 17 cents per gallon.

The Legislative Assembly, in Section 3 of Senate Bill No. 2029 (1989), increased the special fuels excise tax from 17 cents per gallon to 19 cents per gallon. The referred measure was disapproved on December 5, 1989, leaving the special fuels excise tax rate at 17 cents per gallon.

The Legislative Assembly, in Section 12 of House Bill No. 1311 (1997), removed exemptions from the 17 cents per gallon on special fuels. Section 2 of House Bill No. 1163 (1997), increased the special fuels excise tax from 17 cents per gallon to 20 cents per gallon.

The Legislative Assembly, in Section 3 of House Bill No. 1183 (1999), increased the special fuels excise tax from 20 cents per gallon to 21 cents per gallon.

The Legislative Assembly, in Section 3 of Senate Bill No. 2454 (2001), amended Section 57-43.2-02 regarding special fuels excise taxes to authorize a reduction of one and five-hundredths cents per gallon on the sale or delivery of diesel fuel that contains at least 2 percent biodiesel fuel by weight.

The Legislative Assembly, in Section 14 of Senate Bill No. 2012 (2005), amended Section 57-43.2-02 regarding special fuels excise taxes to increase the special fuels excise tax from 21 cents per gallon to 23 cents per gallon effective after June 30, 2005.

Motor Vehicle Registration Fees

Motor vehicle registration fees are assessed based on Chapter 39-04 and vary by vehicle type and vehicle weight. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of an initial fee of \$10 for plates. Motor vehicle registration fees were last changed in 2005, which increased fees for all weight classes by \$10.

ANALYSIS OF THE LEGACY EARNINGS FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$486,568,637		\$0
Add estimated revenues				
Earnings distributed from the legacy fund - percent of market value calculation (2025 HB 1176 and SB 2012) ¹	\$0		\$686,881,086	
Total estimated revenues		0		686,881,086
Total available		\$486,568,637		\$686,881,086
Less estimated expenditures and transfers (2025 HB 1176 and SB 2012) ²				
Transfer to the legacy sinking and interest fund	\$102,620,461		\$102,622,743	
Transfer to the general fund for tax relief	225,000,000		N/A	
Transfer to the legacy earnings highway distribution fund	100,000,000		N/A	
Transfer of remaining earnings				
50 percent to the general fund	29,474,088		N/A	
50 percent to the strategic investment and improvements fund (SIIF)	29,474,088		N/A	
30 percent to the highway fund	N/A		175,277,503	
70 percent to the legacy property tax relief fund	N/A		408,980,840	
Total estimated expenditures and transfers		486,568,637		686,881,086
Estimated ending balance		\$0		\$0

¹As approved by the voters in November 2024, a constitutional amendment to Section 26 of Article X of the Constitution of North Dakota provides for a distribution from the legacy fund to the legacy earnings fund at the beginning of each biennium. North Dakota Century Code Section 21-10-12, as amended by Senate Bill No. 2330 (2023), identified a percent of market value calculation for the distribution using 7 percent of the 5-year average value of the legacy fund assets based on the June 30th fund balances for the 5-year period ending with the most recently completed even-numbered fiscal year.

Prior to the amendments, legacy fund earnings were transferred to the general fund at the end of each biennium, and House Bill No. 1380 (2021), as codified in Section 21-10-13, provided a process to immediately transfer the legacy fund earnings from the general fund to the legacy earnings fund. Since the earnings were transferred at the end of the biennium, Section 21-10-13 clarified the earnings were available for spending in the subsequent biennium.

The transfer at the end of the 2021-23 biennium, available for the 2023-25 biennium, was \$486,568,637 based on June 30th legacy fund balances of \$5,576,084,018 (2018), \$6,122,227,871 (2019), \$6,995,309,070 (2020), \$8,115,202,181 (2021), and \$7,946,079,492 (2022).

House Bill No. 1176 (2025) and Senate Bill No. 2012 (2025) increase the distribution from the legacy fund by 1 percent, from 7 to 8 percent. Using a distribution of 8 percent, the transfer at the beginning of the 2025-27 biennium is \$686,881,086 based on June 30th legacy fund balances of \$6,995,309,070 (2020), \$8,115,202,181 (2021), \$7,946,079,492 (2022), \$8,999,738,920 (2023), and \$10,873,738,190 (2024). Changing the distribution to 8 percent increased the transfer by \$85,860,136, from \$601,020,950 to \$686,881,086.

²House Bill No. 1379 (2023) amended Section 21-10-13 to designated spending from the legacy earnings fund for transfers to the legacy sinking and interest fund (\$102.6 million), the general fund for tax relief (\$225 million), and the legacy earnings highway distribution fund (\$100 million) with any remaining amounts transferred 50 percent to the general fund and 50 percent to SIIF.

House Bill No. 1176 (2025) and Senate Bill No. 2012 (2025) repeal Sections 21-10-12 and 21-10-13 and create a new section to Chapter 54-11 for the legacy earnings fund. The allocations are designated for the legacy sinking and interest fund (\$102.6 million) with any remaining amounts allocated 30 percent to the highway fund and 70 percent to a newly created legacy property tax relief fund to provide funding for an expansion of the primary residence credit.

FUND HISTORY

House Bill No. 1380 (2021), as codified in Section 21-10-13, created the legacy earnings fund and provided a process to immediately transfer legacy fund earnings from the general fund to the legacy earnings fund. The earnings were allocated to special funds designated by the Legislative Assembly. Any excess earnings were retained in the legacy earnings fund as a reserve for bond payments, and up to \$100 million of the excess was transferred to the legacy fund to become part of the principal with the remaining excess transferred to SIIF.

House Bill No. 1379 (2023) changed the designated spending from the legacy earnings fund to provide transfers to the legacy sinking and interest fund (\$102.6 million), the general fund for tax relief (\$225 million), and a newly created legacy earnings highway distribution fund (\$100 million) with any remaining amounts transferred 50 percent to the general fund and 50 percent to SIIF. The bill also changed the designations for the excess earnings to transfer 50 percent of the excess earnings to the general fund and 50 percent to SIIF and removed the provision to retain a portion of the excess earnings as a reserve for future bond payments.

Senate Bill No. 2330 (2023) amended Section 21-10-12 to change the definition of earnings to reflect a percent of market value calculation using 7 percent of the 5-year average value of the legacy fund assets. As a result, the calculation of the amount available for spending aligned with the calculation for the definition of legacy fund earnings so the earnings transferred to the legacy earnings fund would be the same as the amount available for spending.

The Legislative Assembly approved House Concurrent Resolution No. 3033 (2023) to amend Section 26 of Article X of the Constitution of North Dakota. The constitutional amendment was approved by the voters in November 2024 and provides for a distribution from the legacy fund to the legacy earnings fund at the beginning of each biennium.

House Bill No. 1176 (2025) and Senate Bill No. 2012 (2025) repealed Sections 21-10-12 and 21-10-13 and created a new section to Chapter 54-11 for the legacy earnings fund. The allocations from the fund are designated for the legacy sinking and interest fund (\$102.6 million) with any remaining amounts allocated to 30 percent to the highway fund and 70 percent to the legacy property tax relief fund.

ANALYSIS OF THE LEGACY FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$8,999,738,920		\$12,320,378,152
Add estimated revenues				
Oil and gas gross production and extraction tax collections (30 percent of collections) ¹	\$1,554,030,000		\$1,168,690,000	
Coal conversion tax collections ²			2,135,000	
Investment earnings (losses) (2023 SB 2330) ^{3,4}	1,766,609,232		1,536,500,000	
Total estimated revenues		3,320,639,232		2,707,325,000
Total available		\$12,320,378,152		\$15,027,703,152
Less estimated expenditures and transfers				
Transfer of earnings to the legacy earnings fund (2023 SB 2330; 2025 HB 1176, 2025 SB 2012) ⁵	\$0		\$686,881,086	
Expenditure of principal ⁶	0		0	
Total estimated expenditures and transfers		0		686,881,086
Estimated ending balance		\$12,320,378,152		\$14,340,822,066

¹The oil and gas tax revenues reflect allocations for July through June (24 months) and are based on the estimates in the 2025 legislative revenue forecast.

²Senate Bill No. 1279 extends a partial coal conversion tax exemption for coal conversion facilities and allocates the state share of the coal conversion tax revenues to the legacy fund rather than the general fund.

³The amounts shown for investment earnings reflect the investment performance of the legacy fund, which differs from the determination of the amounts distributed from the fund. The estimated investment earnings are based on the earnings through February 28, 2025, for the 2023-25 biennium and are based on a 6 percent annual rate of return for the 2025-27 biennium.

The investment earnings for the legacy fund for the 2023-25 biennium through February 28, 2025, were \$1,766.6 million, including realized earnings of \$871.8 million and unrealized earnings of \$894.8 million.

NOTE: The actual earnings may differ significantly from these estimates based on actual investment performance.

⁴A portion of the legacy fund investments are designated to in-state fixed income investments and in-state equity investments. Senate Bill No. 2330 (2023) changed the amount designated for in-state investments from 20 percent of the fund allocation balance to \$1.3 billion. The performance of these investments may affect the earnings of the legacy fund.

⁵As approved by the voters in November 2024, a constitutional amendment to Section 26 of Article X of the Constitution of North Dakota provides for a distribution from the legacy fund to the legacy earnings fund at the beginning of each biennium. North Dakota Century Code Section 21-10-12, as amended by Senate Bill No. 2330 (2023), identifies a percent of market value calculation for the distribution using 7 percent of the 5-year average value of the legacy fund assets based on the June 30th fund balances for the 5-year period ending with the most recently completed even-numbered fiscal year.

Prior to the amendments, legacy fund earnings were transferred to the general fund at the end of each biennium, and House Bill No. 1380 (2021), as codified in Section 21-10-13, provided a process to immediately transfer the legacy fund earnings from the general fund to the legacy earnings fund. Since the earnings were transferred at the end of the biennium, Section 21-10-13 clarified the earnings were available for spending in the subsequent biennium.

House Bill No. 1176 (2025) and Senate Bill No. 2012 (2025) increase the distribution from the legacy fund by 1 percent, from 7 to 8 percent. Using a distribution of 8 percent, the transfer at the beginning of the 2025-27 biennium is \$686,881,086 based on June 30th legacy fund balances of \$6,995,309,070 (2020), \$8,115,202,181 (2021), \$7,946,079,492 (2022), \$8,999,738,920 (2023), and \$10,873,738,190 (2024). Changing the distribution to 8 percent increased the transfer by \$85,860,136, from \$601,020,950 to \$686,881,086.

⁶As approved by the voters in November 2024, a constitutional amendment to Section 26 of Article X of the Constitution of North Dakota, allows up to 5 percent of the principal of the legacy fund to be spent during a biennium subject to approval by at least two-thirds of the members elected to each house of the Legislative Assembly. Prior to the amendment, up to 15 percent of the principal of the legacy fund could be spent during a biennium. Principal and earnings of the legacy fund were not available for spending until after June 30, 2017.

FUND HISTORY

The legacy fund was created in 2010 when the voters of North Dakota approved a constitutional amendment--now Section 26 of Article X of the Constitution of North Dakota--to provide 30 percent of oil and gas gross production and oil extraction taxes on oil and gas produced after June 30, 2011, be transferred to the legacy fund. The principal and earnings of the legacy fund could not be spent until after June 30, 2017, and any expenditure of principal after that date requires a vote of at least two-thirds of the members elected to each house of the Legislative Assembly. As created, up to 15 percent of the principal of the legacy fund could be spent during a biennium, and the investment earnings accruing after June 30, 2017, were transferred to the general fund at the end of each biennium. The Legislative Assembly may transfer funds from any source to the legacy fund, and the transfers become part of the principal of the fund. The State Investment Board is responsible for investment of the principal of the legacy fund.

Originally, Section 21-10-12 defined the investment earnings as the realized earnings of the fund allowing the unrealized earnings to remain in the fund. Senate Bill No. 2330 (2023) changed the definition of investment earnings to reflect a percent of market value calculation using 7 percent of the 5-year average value of the legacy fund assets based on the June 30th fund balances for the 5-year period ending with the most recently completed even-numbered fiscal year. The Legislative Assembly approved House Concurrent Resolution No. 3033 (2023) to amend Section 26 of Article X of the Constitution of North Dakota, and the constitutional amendment was approved by the voters in November 2024. The constitutional amendment provides for a distribution from the legacy fund to the legacy earnings fund at the beginning of each biennium and decreased the amount of principal that may be spent during a biennium from 15 to 5 percent.

House Bill No. 1176 (2025) and Senate Bill No. 2012 (2025) repealed Sections 21-10-12 and 21-10-13 and created a new section to Chapter 54-11 for the legacy earnings fund to identify the distribution using 8 percent of the 5-year average value of the legacy fund assets based on the June 30th fund balances for the 5-year period ending with the most recently completed even-numbered fiscal year.

Prior to July 1, 2015, if the unobligated balance of the strategic investment and improvements fund exceeded \$300 million at the end of any month, 25 percent of any revenues received for deposit in the strategic investment and improvements fund were deposited instead into the legacy fund in the subsequent month. In House Bill Nos. 1176 and 1377 (2015), the Legislative Assembly amended Section 15-08.1-08 to remove the provision related to the additional deposits of revenue in the legacy fund from the strategic investment and improvements fund.

Senate Bill No. 2312 (2019) amended the oil and gas tax revenue sharing agreement between the state and the Three Affiliated Tribes of the Fort Berthold Reservation increasing the revenue allocated to the Three Affiliated Tribes and decreasing the revenue allocated to the state. As a result, less revenue is available for allocations to the legacy fund.

House Bill No. 1425 (2021) designated a portion of the legacy fund investments to in-state fixed income investments and in-state equity investments. Senate Bill No. 2330 (2023) changed the amount designated for in-state investments from 20 percent of the fund allocation balance to \$1.3 billion. The performance of these investments may affect the earnings of the legacy fund.

ANALYSIS OF THE LIGNITE RESEARCH FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$29,488,701		\$30,347,054
Add estimated revenues				
Separate two-cent coal severance tax	\$783,511		\$783,511	
50 percent of coal severance taxes deposited in the coal development trust fund ¹	715,105		715,105	
20 percent of coal severance taxes deposited in the coal development trust fund for clean coal projects ¹	286,042		286,042	
15 percent of coal severance taxes ¹	1,675,494		1,675,494	
Lignite research tax (2021 HB 1412; 2025 HB 1279) ¹	1,986,103		1,986,103	
Oil and gas tax allocation	10,000,000		10,000,000	
Investment income on Dakota Gasification Company ammonia plant and Spiritwood plant	0		0	
Revenue bonds/short-term loan ²	0		0	
Interest income, return of funds, and litigation contributions	317,606		317,606	
Total estimated revenues		15,763,861		15,763,861
Total available		\$45,252,562		\$46,110,915
Less estimated expenditures and transfers ^{3,4}				
Administration	\$580,020		\$580,020	
Lignite feasibility studies (nonmatching grants) ⁵	2,091,084		2,091,084	
Small research grants	5,401,604		5,401,604	
Lignite marketing	1,323,000		1,323,000	
Lignite litigation ⁶	0		0	
Advanced energy technology development	5,509,800		5,509,800	
Total estimated expenditures and transfers ⁷		14,905,508		14,905,508
Estimated ending balance		\$30,347,054		\$31,205,407

¹House Bill No. 1412 (2021) exempted 100 percent of the generation tax and 60 percent of the capacity tax from the coal conversion tax and creates a new lignite research tax to maintain the current level of allocations to the lignite research fund. House Bill No. 1279 (2025) extends a partial coal conversion tax exemption and lignite research tax through 2031.

²Pursuant to North Dakota Century Code Section 54-17.5-04, the Industrial Commission may issue revenue bonds or borrow short-term funds from the Bank of North Dakota.

³The Industrial Commission has a policy stating that 18 percent of lignite research fund income will be used for small research projects, 56 percent for large demonstration research projects, 21 percent for marketing projects, and 5 percent for administration. The commission has further directed that no single large demonstration research project can receive more than 37.5 percent of available funds. However, the Industrial Commission has waived the fund allocation policy.

⁴The commission committed \$22,000,000 through the 2011-13 biennium to three projects. In January 2015 the commission learned one of the projects was not proceeding and released the project's commitment of \$8,732,503. Expenditures have been \$1,360,750 during the 2003-05 biennium, \$2,243,391 during the 2005-07 biennium, \$2,200,000 during the 2007-09 biennium, \$3,972,090 during the 2009-11 biennium, \$678,851 during the 2011-13 biennium, \$110,000 during the 2013-15 biennium, \$914,663 during the 2015-17 biennium, \$1,290,525 during the 2017-19 biennium, \$0 in the 2019-21 biennium, \$0 in the 2021-23 biennium, and \$0 in the 2023-25 biennium. (These amounts are net funds that were distributed but later returned when projects did not proceed.)

⁵House Bill No. 1014 (2023) designated up to \$500,000 from the lignite research fund for contracting with the Energy and Environmental Research Center for a nonmatching study of future lignite electrical generation facilities.

⁶Lignite litigation - House Bill No. 1093 (2007) provided that \$500,000 of the amount appropriated to the lignite research fund for the 2007-09 biennium is to be used to pay for fees associated with lignite litigation that may be brought by the state to protect and promote the continued development of lignite resources. Activities associated with the litigation have been initiated with \$83,379 spent during the 2007-09 biennium, \$153,907 spent during the 2009-11 biennium, \$652,519 spent during the 2011-13 biennium, \$983,288 during the 2013-15 biennium with \$451,555 of that amount paid by industry, \$259,159 during the 2015-17 biennium with \$122,866 of that amount paid by industry, \$44,962 spent during the 2017-19 biennium with \$14,760 of that amount paid by industry, \$0 spent during the 2019-21 biennium, and \$0 spent during the 2021-23 biennium.

The State of North Dakota was successful in its litigation against the State of Minnesota during the 2017-19 biennium and received a total of \$1.41 million. Of the \$1.41 million, \$670,000 was paid to industry partners, and the remaining \$740,000 was deposited in the lignite research fund during the 2017-19 and 2019-21 bienniums. The original \$500,000 was spent by the end of the 2011-13 biennium with additional funding being provided from nonmatching program funds in subsequent bienniums.

From nonmatching funds within the lignite research fund, \$500,000 was designated for litigation expenses in the 2019-21 biennium. Of the nonmatching funds, \$313,483 was spent during the 2019-21 biennium.

House Bill No. 1014 (2019) provided legislative intent that at least \$500,000 from the lignite research fund, including proceeds from successful litigation, is available for fees associated with lignite litigation brought by the state to protect and promote the continued development of lignite resources.

⁷The Industrial Commission has continuing appropriation authority for all money deposited in the lignite research fund pursuant to Section 57-61-01.6. The amount shown for the 2023-25 biennium includes \$250,000 of one-time funding for grant administration software pursuant to House Bill No. 1014 (2023).

FUND HISTORY

Section 57-61-01.5(2) and Section 21 of Article X of the Constitution of North Dakota provide for up to 70 percent of the taxes collected and deposited in the coal development trust fund to be deposited in the lignite research fund. Of the 70 percent, 50 percent is designated for research, development, and marketing pursuant to the passage of Initiated Measure No. 3 in June 1990, and 20 percent is designated for clean coal demonstration projects pursuant to voter approval of a constitutional amendment in June 1994. The remaining 30 percent of the funds deposited in the coal development trust fund are to be held in trust and administered by the Board of University and School Lands, which has the authority to invest the funds, and may, as provided by law, lend money from the fund to political subdivisions. Senate Bill No. 2014 (2017) reduced the allocation of coal severance tax allocations to the coal development trust fund from 30 to 15 percent and provides an allocation of 15 percent to the lignite research fund.

From the state general fund share of coal conversion tax collections, the Legislative Assembly designated 3 percent for transfer to the lignite research fund during the 2007-09 biennium and 5 percent after the 2007-09 biennium in House Bill No. 1093 (2007).

House Bill No. 1412 (2021) exempted 100 percent of the generation tax and 60 percent of the capacity tax from the coal conversion tax and creates a new lignite research tax to maintain the current level of allocations to the lignite research fund. House Bill No. 1279 (2025) extends a partial coal conversion tax exemption and lignite research tax through 2031.

House Bill No. 1152 (2017) changed the allocation of the state's share of oil and gas tax revenue to provide up to \$3 million of allocations to the lignite research fund. House Bill No. 1066 (2019) increased the allocation of oil and gas tax revenue to the lignite research fund by \$7 million, from \$3 million to \$10 million.

ANALYSIS OF THE MEDICAL MARIJUANA FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$1,739,396		\$1,218,395
Add estimated revenues				
Program fees:				
Dispensary and manufacturer registration fees	\$750,000		\$720,000	
Application fees, including patient and compassion center agent fees	749,410		656,800	
Total estimated revenues		1,499,410		1,376,800 ¹
Total available		\$3,238,806		\$2,595,195
Less Department of Health and Human Services estimated expenditures (pursuant to a continuing appropriation in North Dakota Century Code Section 19-24.1-40)				
Salaries and wages	\$1,341,162		\$1,220,242	
Indirect costs	241,409		219,644	
Operating expenditures	437,840		563,734	
Total estimated expenditures and adjustments		2,020,411 ¹		2,003,620 ¹
Estimated ending balance		\$1,218,395		\$591,575

¹Estimated revenues and expenditures are based on 5 FTE positions. Estimates include the fiscal impacts of House Bill No. 1203 (2025), which adds a cannabinoid edible product for qualifying patients, and Senate Bill No. 2294 (2025), which eliminates an in-person medical evaluation requirement, adds a cannabinoid edible product with purchase and possession limits, increases the expiration date for a patient card with a new fee, and allows nonresidents to obtain a card. House Bill No. 1203 is anticipated to increase expenditures by \$8,200 during the 2023-25 biennium. Senate Bill No. 2294 is anticipated to decrease revenue by \$85,200 and increase expenditures by \$22,200 during the 2025-27 biennium.

FUND HISTORY

In November 2016, voters approved Initiated Statutory Measure No. 5 (North Dakota Compassionate Care Act) relating to medical marijuana and created Chapter 19-24. In Senate Bill No. 2344 (2017), the Legislative Assembly repealed Chapter 19-24 and created and enacted Chapter 19-24.1 to provide for the legalization of medical marijuana. Senate Bill No. 2344 required the State Department of Health to establish and implement a medical marijuana program to allow for the production, processing, and sale of marijuana for medical use. In Section 19-24.1-40, the Legislative Assembly established a medical marijuana fund. The State Department of Health must deposit all fees related to medical marijuana into the fund and must administer the fund. Money in the fund is appropriated to the department on a continuing basis for use in administering the medical marijuana program. Therefore, the Legislative Assembly removed funding for the Medical Marijuana Division from the State Department of Health's base budget in 2019. The Legislative Assembly, in House Bill No. 1247 (2021), provided for the merger of the State Department of Health and the Department of Human Services to create the Department of Health and Human Services. In House Bill No. 1247, the Legislative Assembly provided legislative intent that, effective September 1, 2022, the State Department of Health merge into the Department of Human Services and both agencies be called the Department of Health and Human Services and that, effective September 1, 2022, the State Department of Health, including the State Health Officer, be under the authority of the Executive Director of the Department of Human Services, known as the Executive Director of the Department of Health and Human Services. The medical marijuana program is now under the authority of the Department of Health and Human Services.

ANALYSIS OF THE NORTH DAKOTA OUTDOOR HERITAGE FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance ¹		\$40,495,372		\$40,945,372
Add estimated revenues				
Oil and gas gross production tax collections ²	\$15,000,000		\$15,000,000	
Interest income	400,000		400,000	
Total estimated revenues		15,400,000		15,400,000
Total available		\$55,895,372		\$56,345,372
Less estimated expenditures and transfers				
Grants	\$14,500,000		\$15,000,000	
Transfer for grant management software expenses (2023 HB 1014) ³	250,000		0	
Administrative expenses	200,000		260,000	
Total estimated expenditures and transfers		14,950,000		15,260,000
Estimated ending balance		\$40,945,372		\$41,085,372
Grant award commitments ⁴	\$37,000,000		\$35,000,000	
Estimated balance - Unobligated		\$3,945,372		\$6,085,372

¹This analysis of the North Dakota outdoor heritage fund differs from previous analyses because the previous analyses reflected the estimated amount available for grants but not the amount expended. The current report includes actual and estimated amounts expended and the amount of grant award commitments for each biennium.

²North Dakota Century Code Section 57-51-15 established a maximum allocation of \$40 million (\$20 million per year) to the fund. House Bill No. 1014 (2023) limited oil and gas gross production tax revenue allocations to the fund to \$7.5 million annually for the 2023-25 biennium. In Section 3 of Senate Bill No. 2323 (2025), the Legislative Assembly limited oil and gas production tax revenue allocation to the fund to \$7.5 million annually for the 2025-27 biennium.

³In House Bill No. 1014 (2023), the Legislative Assembly provided for a transfer up to \$250,000 from the North Dakota outdoor heritage fund to the Industrial Commission for grant management software expenses.

⁴All money in the fund is appropriated on a continuing basis, pursuant to Section 54-17.8-02. Grant commitments include projects that will draw down funds over a 10-year period.

FUND HISTORY

The North Dakota outdoor heritage fund was established in House Bill No. 1278 (2013) (Chapter 54-17.8) to provide, pursuant to a continuing appropriation, grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhancing conservation practices in this state by:

- Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
- Developing, enhancing, conserving, and restoring wildlife and fish habitat on private and public lands; and
- Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

The Industrial Commission has oversight of the North Dakota outdoor heritage fund. The North Dakota Outdoor Heritage Advisory Board (consisting of 12 voting and 5 ex officio members) makes recommendations to the commission on the funding of grants. Historical funding of the North Dakota outdoor heritage fund is as follows:

- For the 2013-15 biennium, pursuant to Section 57-51-15, 4 percent of the first 1 percent of oil and gas gross production tax collections was deposited in the North Dakota outdoor heritage fund, up to \$15 million per year.
- House Bill No. 1176 (2015) amended Section 57-51-15 to increase the amount deposited in the North Dakota outdoor heritage fund from 4 percent of the first 1 percent of oil and gas gross production tax collections to 8 percent, and to increase the maximum oil and gas gross production tax collection deposits from \$15 million to \$20 million per year and from \$30 million to \$40 million per biennium.
- For the period of September 1, 2017, through August 31, 2019, Senate Bill No. 2013 (2017), provided a maximum of \$10 million of oil and gas gross production tax collections may be deposited in the fund. For the period September 1, 2019, through August 31, 2021, House Bill No. 1014 (2019), provided a maximum of \$15 million of oil and gas gross production tax collections may be deposited in the fund.
- For the period of September 1, 2021, through August 31, 2023, Senate Bill No. 2014 (2021), provided a maximum of \$7.5 million per year of oil and gas gross production tax collections may be deposited in the fund.
- For the period of September 1, 2023, through August 31, 2025, House Bill No. 1014 (2023), provided a maximum of \$7.5 million per year of oil and gas gross production tax collections may be deposited in the fund.
- For the period of September 1, 2025, through August 31, 2027, Senate Bill No. 2323 (2025), provides for a maximum of \$7.5 million per year of oil and gas gross production tax collections may be deposited in the fund.

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$428,790,986		\$496,702,326
Add estimated revenues and transfers				
Oil extraction tax collections ¹	\$474,590,000		\$354,510,000	
Repayments and reimbursements	12,700,000		13,000,000	
Investment earnings/miscellaneous income	19,500,000		16,000,000	
Total estimated revenues		506,790,000		383,510,000
Total available		\$935,580,986		\$880,212,326
Less estimated expenditures and transfers				
House Bill No. 1431 (2021) - Appropriation to the State Water Commission to provide funding for the Mouse River flood control project ^{2,6}	\$50,300,000		\$14,054,626	
Department of Water Resources - Grants, projects, and project administration, pursuant to Senate Bill No. 2020 (2023) for the 2023-25 biennium and House Bill No. 1020 (2025) for the 2025-27 biennium ^{3,6}	346,179,851		820,132,431	
House Bill No. 1024 (2025) - Deficiency appropriation to repay the balance on a line of credit from the Bank of North Dakota for the water infrastructure revolving loan fund ⁴	10,000,000			
Senate Bill No. 2393 (2023) - Estimated sum for the targeted market equity pool, new and vacant FTE funding pool, and employer retirement contribution pool ⁵	2,471,972			
Total estimated Department of Water Resources expenditures and loans		408,951,823		834,187,057
Transfer to renewable energy development fund (North Dakota Century Code Section 57-51.1-07)	\$3,000,000		\$3,000,000	
Transfer to energy conservation grant fund (Section 57-51.1-07)	1,200,000		1,200,000	
House Bill No. 1020 (2025) - Transfer to the water infrastructure revolving loan fund			40,000,000	
Senate Bill No. 2020 (2023) - Transfer to water projects stabilization fund ⁷	25,726,837			
Total estimated transfers		29,926,837		44,200,000
Estimated ending balance		\$496,702,326		\$1,825,269

¹Estimated oil extraction tax revenues - These amounts are based on the March 2025 legislative revenue forecast.

²House Bill No. 1431 (2021) provided an appropriation of \$74.5 million from the resources trust fund to the State Water Commission for the Mouse River flood control project. Of the \$74.5 million, \$64.4 million was continued into the 2023-25 biennium and \$14.1 million is estimated to be continued into the 2025-27 biennium.

³Senate Bill No. 2020 (2023) included \$876,700,000 from the resources trust fund for the purpose of defraying the expenses of the Department of Water Resources for the 2023-25 biennium. This amount includes \$524,800,000 of new appropriations for the 2023-25 biennium and \$351,900,000 of water project funding continued from the 2021-23 biennium (carryover). The Department of Water Resources estimates it will expend \$408,951,823 during the 2023-25 biennium.

⁴House Bill No. 1024 (2025) includes a 2023-25 biennium appropriation of \$10 million from the resources trust fund to the Department of Water Resources to repay a Bank of North Dakota line of credit relating to the water infrastructure revolving loan fund.

⁵Senate Bill No. 2393 (2023) included funding for a targeted market equity pool, new and vacant FTE funding pool, and employer retirement contribution pool. Allocations from these pools to the Department of Water Resources will be paid primarily from the resources trust fund.

⁶House Bill No. 1020 (2025) includes \$834.2 million from the resources trust fund for the purpose of defraying the expenses of the Department of Water Resources for the 2025-27 biennium. This amount includes \$356.3 million of new appropriations for the 2025-27 biennium and \$477.9 million of water project funding continued from the 2023-25 biennium (carryover).

⁷Senate Bill No. 2020 (2023) provided for the transfer of any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2023 legislative revenue forecast from July 1, 2023, through June 30, 2025, from the resources trust fund to the water projects stabilization fund, on a quarterly basis. The amount shown reflects the oil and gas tax revenue deposited in the resources trust fund in excess of the revenue forecast for the period July 1, 2023, through March 31, 2025, and the estimated allocations through June 30, 2025, based on the March 2025 legislative revenue forecast. Senate Bill No. 2345 (2021 special legislative session) created the water projects stabilization fund for the purpose of defraying planning and construction expenses of water-related projects.

INFRASTRUCTURE REVOLVING LOAN FUND HISTORY

The infrastructure revolving loan fund was created by the Legislative Assembly in Senate Bill No. 2233 (2013), which became effective on January 1, 2015. The bill established an infrastructure revolving loan fund within the resources trust fund. The bill provided 10 percent of oil extraction tax revenue deposited in the resources trust fund is to be made available on a continuing basis to provide loans for water supply, flood protection, or other water development and water management projects. Loans are approved by the State Water Commission with a fixed interest rate of 1.5 percent and administered by the Bank of North Dakota. Annually, the Bank receives .5 percent of the balance of issued loans to cover costs associated with administering the loans. The fund beginning balance and revenue earned in a biennium are carried over from biennium to biennium within the resources trust fund. House Bill No. 1020 (2017) provided the maximum to be allocated to the infrastructure revolving loan fund is \$26 million. House Bill No. 1431 (2021) eliminated the infrastructure revolving loan fund within the resources trust fund, combined it with the community water development fund to establish a newly created water infrastructure revolving loan fund, and provided a continuing appropriation to the Bank for the purpose of providing loans for water projects in a similar manner as the prior infrastructure revolving loan fund.

RESOURCES TRUST FUND HISTORY

The resources trust fund was created pursuant to the passage of Initiated Measure No. 6 in the November 1980 general election. The measure created a 6.5 percent oil extraction tax, 10 percent of which was to be allocated to the resources trust fund. In June 1990 the Constitution of North Dakota was amended to establish the resources trust fund as a constitutional trust fund and provide that the principal and income of the fund could be spent only upon legislative appropriations for:

- Constructing water-related projects, including rural water systems; and
- Energy conservation programs.

In November 1994 the voters of North Dakota approved a constitutional amendment, which is now Section 24 of Article X of the Constitution of North Dakota, to provide that 20 percent of oil extraction taxes be allocated as follows:

- 50 percent (of the 20 percent) to the common schools trust fund; and
- 50 percent (of the 20 percent) to the foundation aid stabilization fund.

The 1995 Legislative Assembly amended Section 57-51.1-07 to increase the percentage of oil extraction tax deposited into the resources trust fund from 10 to 20 percent. The general fund received 60 percent of oil extraction tax revenues, and the remaining 20 percent was allocated pursuant to Section 24 of Article X of the Constitution of North Dakota.

Section 57-51.1-07, as amended by Senate Bill No. 2129 (2011), provided that oil extraction tax revenues be distributed as follows:

- 20 percent to the resources trust fund;
- 20 percent allocated as provided in Section 24 of Article X of the Constitution of North Dakota;
- 30 percent to the legacy fund; and
- 30 percent to be allocated to the state's general fund with certain funds designated for deposit in the property tax relief sustainability fund, the strategic investment and improvements fund, and the state disaster relief fund as provided in House Bill No. 1451 (2011).

The Legislative Assembly in Senate Bill No. 2014 (2013) authorized quarterly transfers of 5 percent of the amount credited to the resources trust fund to the renewable energy development fund--up to \$3 million per biennium and of .5 percent of the amount credited to the resources trust fund to the energy conservation grant fund--up to \$1.2 million per biennium. Funds in the newly created energy conservation grant fund are appropriated on a continuing basis to the Department of Commerce for grants to political subdivisions for energy conservation projects in nonfederal public buildings. In addition, effective January 1, 2015, the Legislative Assembly, in Senate Bill No. 2233 (2013), established an infrastructure revolving loan fund within the resources trust fund. The bill provides 10 percent of oil extraction tax revenue deposited in the resources trust fund is to be made available on a continuing basis to provide loans for water supply, flood protection, or other water development and water management projects. Loans are approved by the State Water Commission and administered by the Bank of North Dakota. House Bill No. 1020 (2017) reduced the allocation to the renewable energy development fund from 5 to 3 percent and the maximum allocation to the energy conservation grant fund from \$1.2 million to \$200,000 for the 2017-19 biennium, restored the maximum allocation to the energy conservation grant fund to \$1.2 million after July 31, 2019, and provided for a \$26 million maximum allocation of resources trust fund revenues to the infrastructure revolving loan fund.

The Legislative Assembly in Senate Bill No. 2020 (2015) directed the State Water Commission to refinance all remaining bonds through the Bank and to continue annual loan payments on the newly refinanced bonds. The State Water Commission refinanced the bonds with the Bank on July 29, 2015, in the amount of \$45,840,221 at a variable interest rate of 1.75 percent. The Bank loan will mature on June 30, 2030.

The Legislative Assembly in Senate Bill No. 2020 (2019) provided \$37.2 million to pay off the Bank loan. The bill contains an emergency clause, added in Senate Bill No. 2015 (2019); therefore, the State Water Commission paid off the Bank loan from the water development trust fund during the 2017-19 biennium.

The Legislative Assembly in Senate Bill No. 2345 (2021 special legislative session) created the water projects stabilization fund for the purpose of defraying planning and construction expenses of water-related projects, provided for a transfer of \$1 million from the resources trust fund to the water projects stabilization fund, and provided for the transfer of all oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the 2021 legislative forecast from August 1, 2021, through February 28, 2023, on a quarterly basis. Senate Bill No. 2020 (2023) provided for the transfer of any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2023 legislative revenue forecast from July 1, 2023, through June 30, 2025, from the resources trust fund to the water projects stabilization fund, on a quarterly basis. The 2025 Legislative Assembly did not provide for the continued transfer of any oil extraction tax revenues to the water projects stabilization fund.

ANALYSIS OF THE SENIOR CITIZEN SERVICES AND PROGRAMS FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$0		\$0
Add estimated revenues				
Allocation from sales, use, and motor vehicle excise tax collections ¹	\$10,011,466		\$11,000,000	
Total estimated revenues		10,011,466		11,000,000
Total available		\$10,011,466		\$11,000,000
Less estimated expenditures and transfers				
State Treasurer - County senior citizen matching grants ²	\$9,249,181		\$11,000,000	
Transfer to the general fund ³	762,285			
Total estimated expenditures and transfers		10,011,466		11,000,000
Estimated ending balance		\$0		\$0

¹The allocation from sales, use, and motor vehicle excise tax collections is shown below.

Fiscal Year	Allocation From Sales, Use, and Motor Vehicle Excise Tax Collections	Percentage Increase (Decrease) From Previous Year
2016	\$3,169,878 (actual)	19.4%
2017	\$3,627,787 (actual)	14.4%
2018	\$3,886,950 (actual)	7.1%
2019	\$4,060,513 (actual)	4.5%
2020	\$4,163,710 (actual)	2.5%
2021	\$4,342,001 (actual)	4.3%
2022	\$4,529,472 (actual)	4.3%
2023	\$4,634,112 (actual)	2.3%
2024	\$4,835,930 (actual)	4.4%
2025	\$5,175,536 (actual)	7.0%
2026	\$5,500,000 (estimate)	6.3%
2027	\$5,500,000 (estimate)	0%

²The county senior citizen matching grants are shown below.

Fiscal Year	County Senior Citizen Matching Grants	Percentage Increase (Decrease) From Previous Year
2016	\$3,143,803 (actual)	18.6%
2017	\$3,504,725 (actual)	11.5%
2018	\$3,723,317 (actual)	6.2%
2019	\$3,823,071 (actual)	2.7%
2020	\$3,892,217 (actual)	1.8%
2021	\$4,067,236 (actual)	4.5%
2022	\$4,207,302 (actual)	3.4%
2023	\$4,257,431 (actual)	1.2%
2024	\$4,464,390 (actual)	4.9%

2025	\$4,784,791 (actual)	7.2%
2026	\$5,500,000 (estimate)	14.9%
2027	\$5,500,000 (estimate)	0%

³Any funds remaining at the end of each biennium are transferred to the general fund.

FUND HISTORY

Senate Bill No. 2267 (2005) created the senior citizen services and programs fund. Statutory provisions are contained in North Dakota Century Code Sections 57-15-56(5) and 57-39.2-26.2. Current statutory provisions provide that each year during July through December, the State Treasurer is to transfer to the fund the portion of sales, use, and motor vehicle excise tax collections that are equivalent to the amount generated from 87.5 percent of one mill levied statewide as reported by the Tax Commissioner. The State Treasurer, by March 1 of the following year, pursuant to a continuing appropriation, distributes money in the fund as grants to eligible counties for senior citizen programs. The grants are provided to counties that have approved a mill levy for senior citizen services and programs. Current statutory provisions provide that the amount of each county's annual grant is equal to 87.5 percent of the amount appropriated in dollars in the county for senior citizen programs, limited to one mill. The Legislative Assembly provided intent that counties match 50 percent of the state grant with funding from the county general fund or state aid distribution fund receipts. Any money remaining in the fund at the end of each biennium is transferred to the general fund, except in the 2005-07 biennium any remaining money in the fund at the end of the biennium was allocated to those counties that were levying the statutory maximum for senior citizen programs in proportion to the amounts generated by those levies in those counties. Senate Bill No. 2242 (2011) amended statutory provisions to increase the amount of collections to be allocated to the fund and the amount of grants provided to counties from two-thirds of the amount levied for senior citizen programs to three-fourths of the amount levied for senior citizen programs, limited to one mill. Senate Bill No. 2162 (2013) increased these amounts to 85 percent of the amounts levied for senior citizen programs, limited to one mill. Senate Bill No. 2143 (2015) increased these amounts to 87.5 percent of the amounts appropriated for senior citizen programs, limited to one mill.

ANALYSIS OF THE SOCIAL SERVICE FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$202,799,245		\$252,799,245
Add estimated revenues				
Allocation of oil and gas tax revenues	\$250,000,000 ¹		\$250,000,000 ¹	
Total estimated revenues		250,000,000		250,000,000
Total available		\$452,799,245		\$502,799,245
Less estimated expenditures and transfers				
Transfer to human service finance fund (2023 SB 2393; 2025 HB 1015)	\$200,000,000 ²		\$235,800,000 ³	
Total estimated expenditures and transfers		200,000,000		235,800,000
Estimated ending balance		<u>\$252,799,245</u>		<u>\$266,999,245</u>

¹Estimated revenues - These amounts reflect the March 2025 legislative revenue forecast. Senate Bill No. 2367 (2023) increased the allocation from the state share of oil and gas taxes to the social service fund from \$200 million to \$250 million.

²Section 5 of Senate Bill No. 2393 (2023) provides for a transfer of \$200 million from the social service fund to the human service finance fund.

³Section 9 of House Bill No. 1015 (2025) provides for a transfer of \$235.8 million from the social service fund to the human service finance fund.

FUND HISTORY

North Dakota Century Code Section 57-64-05, as created by Senate Bill No. 2199 (2009), created the property tax relief sustainability fund for property tax relief programs, pursuant to legislative appropriation. Senate Bill No. 2199 provided an initial transfer of \$295 million from the permanent oil tax trust fund to the property tax relief sustainability fund. Chapter 57-51.1 provided for an allocation of the state's share of oil and gas tax revenues of \$341.79 million each biennium to the property tax relief sustainability fund.

Section 15.1-27-45, as created by Section 40 of House Bill No. 1013 (2013), changed the name of the property tax relief sustainability fund to the property tax relief fund, but only for the 2013-15 biennium. House Bill No. 1377 (2015) repealed Sections 15.1-27-45 and 57-64-05 relating to the property tax relief sustainability fund and amended Section 57-51.1-07.5 to change the name of the property tax relief sustainability fund to the tax relief fund and decreased the amount of the state's share of oil and gas tax revenue deposited in the fund from \$341.79 million per biennium to \$300 million per biennium.

House Bill No. 1152 (2017) amended Section 57-51.1-07.5 to change the allocation of the state's share of oil and gas tax revenue to reduce the allocation to the tax relief fund to \$200 million.

House Bill No. 1066 (2019) amended Section 57-51.1-07.5 but did not change the allocation of \$200 million to the tax relief fund.

Senate Bill No. 2367 (2023) amended Section 57-51.1-07.5 to change the name of the tax relief fund to the social service fund and to increase the amount of the state's share of oil and gas tax revenue deposited in the fund from \$200 million to \$250 million.

ANALYSIS OF THE STATE AID DISTRIBUTION FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$0		\$0
Add estimated revenues				
Sales, use, and motor vehicle excise taxes (based on 43.5 percent of an equivalent one-cent sales tax effective July 1, 2014) ¹	\$250,973,973		\$260,724,445	
Total estimated revenues		250,973,973		260,724,445
Total available		\$250,973,973		\$260,724,445
Less estimated expenditures and transfers				
Payments to political subdivisions				
County share (53.7 percent)	\$134,773,024		\$140,009,027	
City share (46.3 percent)	116,200,949		120,715,418	
Total estimated expenditures and transfers		250,973,973		260,724,445
Estimated ending balance		\$0		\$0

¹The amounts shown for the 2023-25 biennium and the 2025-27 biennium are based on the March 2025 legislative revenue forecast and legislative action affecting sales and use tax and motor vehicle tax, including the effects of House Bill No. 1578 (2025) and Senate Bill No. 2177 (2025). This analysis does not reflect the effect of House Bill No. 1139 (2025) and Senate Bill Nos. 2207 and 2369 (2025), because based on the fiscal notes, the effect of these bills cannot be determined.

FUND HISTORY

North Dakota Century Code Section 57-39.2-26.1 provided, prior to January 1999, for a portion of sales, use, and motor vehicle excise tax collections equal to 60 percent of an equivalent one-cent sales tax to be deposited by the State Treasurer in the state aid distribution fund. The Tax Commissioner certified to the State Treasurer the portion of sales, use, and motor vehicle excise tax net revenues that were deposited in the state aid distribution fund. The state aid distribution fund had historically been allocated, subject to legislative appropriation, with 50 percent of revenues for state revenue sharing and 50 percent for personal property tax replacement.

The 1997 Legislative Assembly amended Section 57-39.2-26.1 to provide that, effective January 1, 1999, deposits into the state aid distribution fund are based on an amount equal to 40 percent of an equivalent one-cent sales tax instead of an amount equal to 60 percent of an equivalent one-cent sales tax. In addition, a continuing appropriation was added which appropriates all revenues deposited in the state aid distribution fund for payments to political subdivisions. Senate Bill No. 2325 (2013) provides that effective July 1, 2014, deposits into the state aid distribution fund be based on an amount equal to 43.5 percent of an equivalent one-cent sales tax instead of an amount equal to 40 percent of an equivalent one-cent sales tax.

The 1997 Legislative Assembly also changed the allocation of the state aid distribution fund from 50 percent for personal property tax replacement and 50 percent for revenue sharing to 53.7 percent for counties and 46.3 percent for cities. The allocation for each county includes townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison Diversion Conservancy District, the Southwest Water Authority, and other taxing districts within the county, excluding school districts, cities, and taxing districts within the cities. The allocation for each city includes park districts and other taxing districts within the city, excluding school districts. The county allocation to townships must be based on the same percentage allocation that a township received in calendar year 1996.

House Bill No. 1025 (2003), which became effective on August 1, 2003, revised the state aid distribution formula for cities and counties to account for population changes resulting from the 2000 federal census. The bill provides for total distribution percentages to cities and counties to remain at 53.7 percent to counties and 46.3 percent to cities; however, the allocation formula to specific counties and cities is:

Population Category Through June 30, 2011			
Counties	Percentage	Cities (Based on Population)	Percentage
17 counties with the largest population (allocated equally)	20.48%	80,000 or more	19.4%
17 counties with the largest population (allocated based on population)	43.52%	20,000 or more but less than 80,000	34.5%
Remaining counties (allocated equally)	14.40%	10,000 or more but less than 20,000	16.0%
Remaining counties (allocated based on population)	21.60%	5,000 or more but less than 10,000	4.9%
		1,000 or more but less than 5,000	13.1%
		500 or more but less than 1,000	6.1%
		200 or more but less than 500	3.4%
		Less than 200	2.6%
Total	100.00%		100.0%

Senate Bill No. 2253 (2011), which became effective July 1, 2011, revised the state aid distribution formula for cities to provide that distributions be based upon the proportion each city's population bears to the total population of all cities. The bill did not change the total distribution percentages to cities and counties, which remains at 53.7 percent to counties and 46.3 percent to cities. The allocation formula for specific counties and cities is:

Population Category Effective July 1, 2011		
Counties	Percentage	Cities
17 counties with the largest population (allocated equally)	20.48%	Based upon the proportion each city's population bears to total population
17 counties with the largest population (allocated based on population)	43.52%	
Remaining counties (allocated equally)	14.40%	
Remaining counties (allocated based on population)	21.60%	
Total	100.00%	

Senate Bill No. 2325 (2013), which became effective July 1, 2014, increased the portion of the sales and use, gross receipts, and motor vehicle excise tax collections that is deposited in the state aid distribution fund from an amount equal to 40 percent of the equivalent one-cent sales tax to an amount equal to 43.5 percent of an equivalent one-cent sales tax.

House Bill No. 1067 (2015), which became effective July 1, 2015, and expired on June 30, 2021, changes the state aid distribution formula from allocations based on the decennial census to allocations based on most recent actual or estimated census data. House Bill No. 1379 (2021) clarified the timing of the allocations from the state aid distribution fund and continued the method of allocating revenues based on the most recent actual or estimated census data.

ANALYSIS OF THE STRATEGIC INVESTMENT AND IMPROVEMENTS FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$1,676,500,295		\$1,817,757,343
Add estimated revenues				
Production royalties ¹	\$570,271,399		\$324,500,000	
Mineral leases ¹	575,229		0	
Investment earnings ¹	56,762,793		85,500,000	
Oil and gas tax collections (2025 SB 2012 and SB 2323) ²	761,420,000		295,530,000	
Transfer from the legacy earnings fund	29,474,088		0	
Total estimated revenues		1,418,503,509		705,530,000
Total available		\$3,095,003,804		\$2,523,287,343
Less estimated expenditures and transfers				
Secretary of State				
Information technology projects (2023 SB 2002; 2025 HB 1002)	\$1,500,000		\$700,000	
Election pollpads and equipment (2025 HB 1002)			2,800,000	
Office of Management and Budget				
Deferred maintenance funding pool (2023 special session SB 2393)	20,000,000			
State facility maintenance fund (2025 HB 1015)			34,000,000	
Procurement automation (2025 HB 1015)			515,052	
Snow removal equipment (2025 HB 1015)			172,000	
Floor scrubber (2025 HB 1015)			20,000	
Rent, moving, and space reconfiguration pool (2025 HB 1015)			5,700,000	
Prairie Public Broadcasting infrastructure (2025 HB 1015)			400,000	
State Hospital project (2025 HB 1015)			200,000,000	
University of North Dakota School of Law immigration law clinic grant (2025 HB 1600)			400,000	
Information Technology Department				
Information technology projects (2023 HB 1021)	15,000,000			
State data center migration project (2025 SB 2021)			1,719,061	
Automating information technology services and software licenses (2025 SB 2021)			1,793,609	
Attorney General				
State Crime Laboratory equipment and supplies (2025 HB 1003)			321,000	
Bureau of Criminal Investigation undercover vehicles (2025 HB 1003)			540,000	
Portable hand-held dual-band radios (2025 HB 1003)			105,000	
Litigation funding pool (2025 HB 1003)			5,000,000	
Statewide automated victim identification notification system (2025 HB 1003)			1,500,000	
Peace officer and correctional officer appreciation grants (2025 HB 1193)			3,500,000	
Autonomous technology grants (2025 SB 2018)			250,000	
State Treasurer				
Information technology projects (2025 HB 1005)			295,000	
Judicial Branch				
Transfer to court facilities improvement and maintenance fund (2025 SB 2002)			200,000	
Case management software cloud migration (2025 SB 2002)			758,000	

Clerk filing software (2025 SB 2002)		1,250,000	
Court records access system (2025 SB 2002)		960,000	
Courtroom audio and video equipment (2025 SB 2002)		1,200,000	
Cass County courtroom equipment (2025 SB 2002)		100,000	
Public Employees Retirement System			
Transfer to the main system retirement plan (2023 HB 1040; 2025 HB 1234)	135,000,000	25,000,000	
Transfer to the Highway Patrol Troopers' retirement system fund (2025 SB 2120)		15,000,000	
Department of Public Instruction			
Integrated formula payments - School district weighting factors (2023 SB 2013)	8,973,086		
Integrated formula payments - Exemption for high-cost student tuition (2023 SB 2013)	5,020,000		
Passthrough grant - Grand Forks science center (2023 SB 2013)	5,000,000		
Passthrough grant - Fargo science center (2023 SB 2013)	500,000		
Program grants (2025 HB 1013)		6,250,000	
North Dakota University System			
Capital building fund program (2023 HB 1003; 2025 SB 2003)	24,000,000	26,500,000	
Challenge grants (2025 SB 2003)		24,760,000	
Nursing education consortium (2025 SB 2003)		1,100,000	
Workforce education innovation grants (2025 SB 2003)		10,000,000	
Lake Region State College			
Roof project (2025 SB 2003)		2,500,000	
Williston State College			
Medical health care building project (2023 HB 1003)	27,962,053		
University of North Dakota			
Science, engineering, and national security corridor project (2023 HB 1003)	57,400,000		
Science, technology, engineering, and mathematics building (2025 SB 2003)		55,640,000	
National security crossroads (2025 SB 2003)		16,000,000	
North Dakota State University			
Center for engineering and computational sciences project (2023 HB 1003)	59,000,000		
New horizon programming (2025 SB 2003)		16,000,000	
North Dakota State College of Science			
Agriculture, automation, and autonomous systems project (2023 HB 1003)	18,975,000		
Dickinson State University			
Agriculture and technology education building project (2023 HB 1003)	17,100,000		
Mayville State University			
Old Main renovation project (2023 HB 1003; 2025 SB 2003)	15,000,000	34,924,814	
Minot State University			
Dakota Hall demolition project (2023 HB 1003)	765,000		
Academic facilities projects (2025 SB 2003)		8,132,000	
Valley City State University			
McCarthy Hall renovation project (2023 HB 1003)	10,474,918		
Dakota College at Bottineau			
Old Main renovation project (2023 HB 1003)	3,300,000		
Forest Service			
Emerald ash borer mitigation (2025 SB S003)		950,000	
Department of Career and Technical Education			
New and expanding secondary career and technical education programs (2023 HB 1019)	500,000		

Autonomous technology grant administration (2023 HB 1519)	12,500		
Statewide area career center grant program - Inflationary costs (2023 SB 2015)	26,500,000		
Virtual reality hardware and software (2025 SB 2019)		1,000,000	
Autonomous technology grants (2025 SB 2018)		250,000	
Department of Environmental Quality			
New laboratory moving costs and equipment (2025 SB 2024)		3,575,186	
Department of Health and Human Services - Human Services Division			
Information technology projects and capital projects (2019 SB 2012)	1,776,000		
Transfer to a newly created pay for success fund (2023 HB 1480)	2,500,000		
Transfer to human service finance fund (2023 SB 2012)	26,950,000		
Information technology projects (2023 SB 2012)	11,000,000		
Pregnant and parenting women residential facility projects (2023 SB 2012)	1,000,000		
Southeast Human Service Center project (2023 SB 2012)	735,154		
State Hospital project planning and design (2023 SB 2012)	12,500,000		
Behavioral health facility grant (2023 special session HB 1543; 2025 HB 1012)	8,250,000	12,960,000	
Retiring technology equipment from the mainframe (2025 HB 1012)		2,500,000	
New State Laboratory moving expenses and security equipment (2025 HB 1012)		2,962,304	
Certified community behavioral health clinics projects (2025 HB 1012)		1,684,480	
Housing initiative programs (2025 HB 1012)		1,000,000	
State Hospital technology projects (2025 HB 1012)		1,000,000	
Prosecution-led diversion treatment services (2025 HB 1425)		750,000	
Behavioral health facility grant (2025 HB 1468)		16,000,000	
Insurance Commissioner			
Grant to the North Dakota Firefighter's Association (2025 SB 2218)		500,000	
Industrial Commission			
Transfer to the oil and gas research fund - Pipeline leak detection and prevention program (2023 HB 1014)	3,000,000		
Transfer to the state energy research center fund - Rare earth minerals study (2023 HB 1014)	1,500,000		
Transfer to the state energy research center fund - Underground energy storage research project (2023 HB 1014)	6,000,000		
Transfer to the clean sustainable energy fund - Line of credit repayment and grants (2023 HB 1014)	60,000,000		
Transfer to oil and gas research center fund - Enhanced oil recovery grant program (2025 SB 2014)		21,000,000	
Matching funds for electricity grid resiliency federal grant (2025 SB 2014)		1,782,794	
Lignite litigation (2025 SB 2014)		3,000,000	
Transfer to a newly created research technology park fund (2025 SB 2256)		10,000,000	
Aeronautics Commission			
Generational airport projects (2025 SB 2006)		90,000,000	
Bank of North Dakota			
Transfer to the legacy investment for technology fund (2023 HB 1018)	10,000,000		
Transfer to a newly created bulk propane storage tank revolving loan fund (2023 SB 2242)	5,000,000		
Transfer to the economic diversification research fund (2023 HB 1003)	5,500,000		
Transfer to a newly created long-term care facility infrastructure loan fund (2025 HB 1619)		15,000,000	

Department of Mineral Resources

Oil and gas litigation (2025 SB 2014)

3,000,000

Rare earth elements study (2025 SB 2014)

400,000

Paleontology excavation project (2025 SB 2014)

150,000

Department of Corrections and Rehabilitation

James River Correctional Center maintenance shop project (2023 HB 1015)

1,550,000

Information technology projects (2023 HB 1015)

2,307,000

Heart River Correctional Center project (2023 HB 1015; 2025 SB 2015)

131,200,000

35,635,000

Missouri River Correctional Center temporary housing (2025 SB 2015)

8,032,757

Missouri River Correctional Center planning and design (2025 SB 2015)

20,000,000

James River Correctional Center study (2025 SB 2015)

750,000

James River Correctional Center maintenance building demolition (2025 SB 2015)

570,000

Deferred maintenance and extraordinary repairs (2025 SB 2015)

13,006,609

Software and technology upgrades (2025 SB 2015)

9,750,000

Equipment (2025 SB 2015)

1,089,809

Victims of crime grants (2025 SB 2015)

7,000,000

Prosecution-led diversion supervised pilot program (2025 HB 1425)

1,000,000

Pretrial service programs cost-savings study (2025 HB 1425)

55,000

Adjutant General

Critical infrastructure state matching funds (2025 HB 1016)

4,500,000

Williston Readiness Center design (2025 HB 1016)

2,500,000

Civil Air Patrol statewide interoperable radio network upgrade (2025 HB 1016)

206,426

State Radio law enforcement redundancy equipment (2025 HB 1016)

525,000

Statewide interoperable radio network costs (2025 HB 1016)

495,000

Department of Commerce

Rural workforce housing grants (2023 HB 1018)

2,000,000

Transfer to the North Dakota Development Fund (2023 SB 2015; 2025 SB 2018)

30,000,000

25,000,000

Transfer to North Dakota Development Fund (2023 HB 1018)

65,000,000

Beyond visual line of sight uncrewed aircraft systems (2023 HB 1018; 2025 SB 2018)

26,000,000

15,000,000

Tourism destination development initiative (2023 HB 1018; 2025 SB 2018)

25,000,000

15,000,000

Enhanced use lease grants (2023 HB 1018; 2025 SB 2018)

10,000,000

2,500,000

Tourism marketing awareness initiative (2023 HB 1018; 2025 SB 2018)

5,000,000

5,000,000

Contingent children's education science center grants (2025 SB 2018)

2,000,000

Transfer to the legacy investment for technology fund (2025 SB 2018)

10,000,000

Uncrewed aerial vehicle replacement program (2025 SB 2018)

9,000,000

Autonomous agriculture grants (2025 SB 2018)

7,500,000

Base enhancement grants (2025 SB 2018)

1,000,000

Native American small business grant (2025 SB 2018)

600,000

Historic theater restoration grant (2025 SB 2018)

500,000

Historic opera house restoration grant (2025 SB 2018)

250,000

Historic theater improvement grant (2025 SB 2018)

250,000

Medora transportation improvement grant (2025 SB 2018)

1,000,000

Community hall grant (2025 SB 2018)

175,000

Regional workforce impact program grants (2025 SB 2018)

5,000,000

Federal Aviation Administration radar data (2025 HB 1038)

11,000,000

Transfer to a newly created rural catalyst fund (2025 SB 2390)

2,500,000

Agriculture Commissioner			
Grasslands grazing grant program (2023 SB 2009; 2025 HB 1009)	1,000,000		3,000,000
Autonomous technology grant administration (2023 HB 1519)	12,500		
Transfer to the bioscience innovation fund (2023 SB 2009)	5,500,000		
Food pantry grants for meat and protein-related purchases (2025 HB 1009)			1,500,000
Autonomous technology grants (2025 HB 1009)			300,000
Food distribution facility grant program (2025 HB 1143)			5,000,000
County fair resiliency grant program (HB 1591)			1,500,000
Upper Great Plains Transportation Institute			
Remote sensing infrastructure (2021 SB 2020)			
Transportation data intelligence center (2023 HB 1020)	432,600		
Branch Research Centers			
Langdon seed conditioning plant (2025 SB 2020)			950,000
Oakes irrigation research site (2025 SB 2020)			620,000
Nesson Valley irrigation research site (2025 SB 2020)			400,000
North Dakota State University Main Research Center			
Waldron Hall replacement, storage sheds, and deferred maintenance (2023 HB 1020)	89,400,000		
Deferred maintenance (2025 SB 2020)			500,000
Northern Crops Institute			
Feed center project (2023 HB 1020)	3,900,000		
State Fair			
Campground rest facility (2025 SB 2009)			750,000
Safety and security infrastructure (2025 SB 2009)			800,000
State Historical Society			
Exhibit projects (2023 SB 2018)	300,000		
Historic site projects (2023 SB 2018; 2025 HB 1018)	3,250,000		3,000,000
Pembina State Museum exhibit designs and objects (2025 HB 1018)			638,000
Military gallery expansion project (2025 HB 1018)			19,200,000
North Dakota Heritage Center Inspiration Gallery update (2025 HB 1018)			350,000
Medora area planning (2025 HB 1018)			2,000,000
Historic museum repair grant (2025 HB 1018)			200,000
Historic armory restoration grant (2025 HB 1018)			100,000
America's 250 th anniversary activities (2025 HB 1018)			2,000,000
Parks and Recreation Department			
Various capital projects at parks and deferred maintenance (2023 SB 2019)	10,000,000		
Lake Metigoshe reimagined project (2023 SB 2019)	250,000		
International Peace Garden - Pavilion construction project (2023 SB 2019)	800,000		
Pembina Gorge campground project (2023 SB 2019)	6,000,000		
Local park district grants (2023 SB 2019)	6,000,000		
State park matching grants (2023 SB 2019)	1,500,000		
Cabin construction projects (2023 SB 2019)	2,400,000		
Deferred maintenance and other projects (2025 HB 1019)			12,500,000
Matching federal funds for comfort stations at state parks (2025 HB 1019)			924,000
State park technology enhancements projects (2025 HB 1019)			2,500,000
Lake Metigoshe state park sewer infrastructure project (2025 HB 1019)			800,000
State park matching funds (2025 HB 1019)			1,250,000

International Peace Garden music camp project (2025 HB 1019)			1,400,000	
International Peace Garden sewer system study (2025 HB 1019)			250,000	
International Peace Garden cactus conservatory project (2025 HB 1019)			317,500	
Department of Transportation				
Transfer to the flexible transportation fund (2023 HB 1012)	51,000,000		142,500,000	
Short line railroad loan program enhancement (2023 HB 1012)	6,500,000			
Matching funds for studies of Red River Valley infrastructure projects (2023 HB 1012)	2,500,000			
Environmental study along a portion of US Highway 52 (2023 HB 1012)	5,000,000			
Matching for federal highway construction funds (2023 HB 1012)	114,000,000			
Highway projects (2025 SB 2012)			287,100,000	
Rail passenger authority grant (2025 SB 2012)			150,000	
Transfer to the general fund (2023 special session SB 2393)	50,000,000			
Administrative costs/other fees	11,750,650		4,600,000	
Total estimated expenditures and transfers		1,277,246,461		1,410,960,401
Estimated ending balance		\$1,817,757,343		\$1,112,326,942
Restricted fund income				
Reserve relating to potential title disputes ³		43,066,403		43,066,403
Loan guarantees (2023 HB 1014; 2025 SB 2014) ⁴		80,000,000		140,000,000
Estimated ending balance - Unobligated ⁵		\$1,694,690,940		\$929,260,539

¹The amounts shown reflect projections by the Department of Trust Lands for the 2023-25 and 2025-27 bienniums.

²The oil and gas tax revenues reflect allocations for July through June (24 months) and are based on the 2025 legislative revenue forecast.

For the 2025-27 biennium, Senate Bill No. 2323 (2025) limits the allocations to the North Dakota outdoor heritage fund to \$7.5 million per fiscal year and increases the allocation to the oil and gas research fund by \$7.5 million per biennium. Senate Bill No. 2323 (2025) increases the allocations to the general fund by \$40 million, from \$460 million to \$500 million, and provides an additional allocation of \$21 million per biennium to hub cities for debt relief, a portion of which decreases the allocations to the strategic investment and improvements fund (SIIF). Senate Bill No. 2012 (2025) removes the initial allocation of \$400 million to SIIF and decreases the allocations to the municipal infrastructure fund and the county and township infrastructure fund by \$35 million each, from \$115 million to \$80 million. The combined effect of these changes decreases the allocations to SIIF.

³These amounts represent mineral revenues received from areas of the Yellowstone and Missouri Rivers and Lake Sakakawea where mineral rights are in dispute. Pursuant to action of the Board of University and School Lands, this portion of the fund balance is designated to be held in reserve. The assigned fund balance is adjusted only when approved by the board, which is usually done in August of each year.

⁴Senate Bill No. 2287 (2013) increased the guarantee reserve fund balance from 25 to 100 percent, not to exceed a total of \$25 million, through July 31, 2015. After July 31, 2015, the amount of reserves for all guaranteed loans must be determined by a formula that will provide an adequate amount of reserves as determined by the Bank of North Dakota. Money may be transferred from SIIF to reimburse lenders for guaranteed loans in default.

Senate Bill No. 2296 (2019) increased the limit for loan guarantees to \$50 million. Senate Bill No. 2230 (2021) increases the loan guarantee limit to \$80 million. House Bill No. 1014 (2023) increased the limit for loan guarantees to \$140 million related to a guarantee for a line of credit to provide pipeline capacity positions beginning July 1, 2025. Senate Bill No. 2014 (2025) increases the limit on loan guarantees by \$20 million, from \$140 million to \$160 million, beginning July 1, 2027.

⁵The unobligated ending balance for the 2025-27 biennium does not reflect \$125 million of future commitments for a fertilizer development incentive program created in House Bill No. 1546 (2023 special session) because funding for the incentives is not anticipated to be needed.

FUND HISTORY

House Bill No. 1451 (2011) provided the lands and minerals trust fund be renamed the strategic investment and improvements fund, and as soon as feasible after June 30, 2011, the State Treasurer close out the lands and minerals trust fund and transfer any remaining unobligated balance to SIIF. The lands and minerals trust fund originated in 1977 when the Legislative Assembly transferred to the Board of University and School Lands possessory interest in properties obtained by the Bank of North Dakota, including tracts of real property and reserved mineral interests.

All income from the sale, lease, and management of the mineral interests relating to these properties is deposited in SIIF, pursuant to North Dakota Century Code Section 15-08.1-08. The principal and interest of the fund may be used for one-time expenditures relating to improving state infrastructure or for initiatives to improve the efficiency and effectiveness of state government. Money in the fund may be included in draft appropriation acts under Section 54-44.1-06 and may be appropriated by the Legislative Assembly, but only to the extent the money is estimated to be available at the beginning of the biennium in which the appropriations are authorized.

Prior to July 1, 2015, if the unobligated balance of SIIF exceeded \$300 million at the end of any month, 25 percent of any revenues received for deposit in SIIF were deposited instead into the legacy fund in the subsequent month. In House Bill Nos. 1176 and 1377 (2015), the Legislative Assembly amended Section 15-08.1-08 to remove the provision related to the additional deposits of revenue in the legacy fund from SIIF. The unobligated balance in the fund is defined as the balance in the fund reduced by appropriations or transfers from the fund authorized by the Legislative Assembly, guarantee reserve fund requirements under Section 6-09.7-05, and any fund balance designated by the Board of University and School Lands relating to potential title disputes related to certain riverbed leases.

ANALYSIS OF THE STATE TUITION FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance		\$1,678,752 ¹		\$1,549,757 ¹
Add estimated revenues				
Fines for violation of state laws	\$11,937,552 ²		\$11,000,000 ²	
Transfers from the common schools trust fund	499,860,000		584,677,350	
Total estimated revenues		511,797,552		595,677,350
Total available		\$513,476,304		\$597,227,107
Less estimated expenditures and transfers				
State aid to schools (2023 SB 2013; 2025 HB 1013)	\$511,926,547		\$595,677,350	
Total estimated expenditures and transfers		511,926,547		595,677,350
Estimated ending balance		<u>\$1,549,757¹</u>		<u>\$1,549,757¹</u>

¹Beginning/ending balance - North Dakota Century Code Section 15.1-28-03 provides for the distribution of money in the state tuition fund in August, September, October, November, December, January, February, March, and April of each fiscal year. Fine proceeds deposited in the state tuition fund during May and June of each fiscal year are carried forward for distribution in August of the subsequent year.

²Fines for violation of state laws - Fine proceeds estimated to be deposited in the state tuition fund are based on actual fines deposited into the fund through March 2025 and estimated fine proceeds for the remainder of the 2023-25 biennium and for the 2025-27 biennium based on the 2025 legislative revenue forecast. The amount of state tuition fund distributions from fine proceeds is shown below.

Fiscal Year	Revenue From Fines	Percentage Increase (Decrease) From Previous Year
2005	\$4,507,137 (actual)	(4.5%)
2006	\$4,506,316 (actual)	(0.01%)
2007	\$4,590,395 (actual)	1.9%
2008	\$4,692,048 (actual)	2.2%
2009	\$4,452,118 (actual)	(5.1%)
2010	\$4,593,325 (actual)	3.2%
2011	\$4,963,691 (actual)	8.1%
2012	\$5,769,861 (actual)	16.2%
2013	\$6,158,750 (actual)	6.7%
2014	\$6,844,632 (actual)	11.1%
2015	\$7,655,890 (actual)	11.9%
2016	\$6,945,206 (actual)	(9.3%)
2017	\$5,511,247 (actual)	(20.6%)
2018	\$6,055,397 (actual)	9.9%
2019	\$5,885,838 (actual)	(2.8%)
2020	\$5,093,885 (actual)	(13.5%)
2021	\$6,144,964 (actual)	20.6%
2022	\$5,791,042 (actual)	(5.8%)
2023	\$5,612,063 (actual)	(3.1%)
2024	\$5,982,743 (actual)	6.6%
2025	\$5,954,809 (estimate)	(0.5%)
2026	\$5,500,000 (estimate)	(7.6%)
2027	\$5,500,000 (estimate)	0%

FUND HISTORY

The state tuition fund originated in 1889 with the enactment of the Constitution of North Dakota. The original constitutional provisions have not changed significantly since enactment and are currently contained in Section 2 of Article IX of the Constitution of North Dakota, which provides that payments to the common schools trust fund of the state include:

- Distributions from the common schools trust fund;
- All fines for violation of state laws; and
- All other amounts provided by law.

Section 15.1-28-01 provides the state tuition fund consists of the net proceeds from all fines for violation of state laws and distributions from the common schools trust fund. Section 15.1-28-03 directs the Office of Management and Budget, on or before the third Monday in January, February, March, April, August, September, October, November, and December of each year, to certify to the Superintendent of Public Instruction the amount of the state tuition fund. Prior to the 2007-09 biennium, the Superintendent apportioned the money in the state tuition fund among the school districts in the state based on the number of school-age children in the district. Senate Bill No. 2200 (2007) consolidated funding for the state school aid program, including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula with a new distribution methodology; therefore, beginning with the 2007-09 biennium, the Superintendent includes the money in the state tuition fund in state school aid payments to school districts as determined by Chapter 15.1-27.

ANALYSIS OF THE VETERANS' POSTWAR TRUST FUND FOR THE 2023-25 AND 2025-27 BIENNIUMS

	2023-25 Biennium		2025-27 Biennium	
Beginning balance ¹		\$8,250,083		\$8,823,390
Add estimated revenues				
Investment and interest income ^{2,3}	\$1,300,000		\$1,000,000	
Short-term interest on certificates of deposit	66,000		66,000	
Patriotic license plates	45,000		45,000	
Income tax return donations	41,000		41,000	
Commemorative memorial coin program sales	11,000		11,000	
Commemorative memorial coin program donations	3,400		3,400	
Impact Foundation donations	110,000		110,000	
Fisher House donations ⁴	8,403		0	
Transfer from general fund (2025 SB 2025) ⁵	0		500,000	
Other donations and income ¹	29,000		29,000	
Total estimated revenues		1,613,803		1,805,400
Total available ⁶		\$9,863,886		\$10,628,790
Less estimated expenditures and transfers				
Investment management and consulting services	\$125,000		\$125,000	
Grants and related expenditures	220,000		0	
Veterans' transportation programs	500		0	
Commemorative memorial coin program expenditures	60,000		0	
Impact Foundation expenditures	130,000		130,000	
Fisher House expenditures ⁴	504,996		0	
Other programs that benefit veterans ⁷	0		390,000	
Total estimated expenditures and transfers		1,040,496		645,000
Estimated ending balance		\$8,823,390		\$9,983,790

¹North Dakota Century Code Section 57-38-34.7 allows the Department of Veterans' Affairs to apply for, accept, and expend private donations, gifts, grants, or bequests that are offered or tendered with a specifically identified purpose or a restrictive condition which is related to a benefit or service for resident North Dakota veterans and appropriates those funds to the department on a continuing basis in accordance with the donor's instructions. During the 2021-23 biennium, the department received \$20,343 of donations for veterans' programs, excluding donations from the Impact Foundation, donations for the Fisher House, and commemorative memorial coin donations. Of the total, \$3,800 was for hardship assistance grants, \$16,043 was for a hyperbaric oxygen therapy program for veterans with posttraumatic stress disorder, and \$500 was for a commemorative book provided free to Vietnam War veterans. The department also received a \$2,172 refund of prior biennium expenses during the 2021-23 biennium.

²Prior to July 2011, Section 37-14-14 appropriated on a continuing basis all income of the veterans' postwar trust fund to the Administrative Committee on Veterans' Affairs for programs that benefit veterans or their dependents. The Legislative Assembly in House Bill No. 1468 (2011) amended Section 37-14-14 to provide that all income earned in a biennium is appropriated to the Administrative Committee on Veterans' Affairs for authorized programs on a continuing basis in the following biennium, and not in the biennium in which it is earned. Therefore, the investment income earned by the fund during the 2021-23 biennium was not available for programs until the 2023-25 biennium and income earned by the fund during the 2023-25 biennium will not be available for programs until the 2025-27 biennium.

³The State Treasurer has not provided investment income estimates for the 2023-25 biennium or the 2025-27 biennium. Actual investment income through March 2025 was \$1,165,875 for the 2023-25 biennium. Investment income estimates for the 2023-25 biennium are based on actual investment income through

March 2025 and estimated investment earnings for April 2025 through June 2025. Estimated investment earnings for the 2025-27 biennium are based on investment returns from the 2019-21 biennium, 2021-23 biennium, and the 2023-25 biennium through March 2025.

⁴Funds available for the Fisher House during the 2023-25 biennium total \$504,996, of which \$11,300 is from donations received during the 2019-21 biennium, \$485,293 is from donations received during the 2021-23 biennium, and \$8,403 is from donations received during the 2023-25 biennium. The funds are for a Fisher House program to partner with a private organization to build comfort homes for military and veteran families when a family member is hospitalized. Of the \$504,996 in funds available for the Fisher House, \$475,546 was from 10 percent of proceeds from the sale of land, which was designated to the department in the landowner's will. Of the funds donated from the land sale, \$474,293 was received in the 2021-23 biennium and \$1,253 was received in the 2023-25 biennium.

⁵In Senate Bill No. 2025 (2025), the Legislative Assembly provides for a transfer of \$500,000 from the general fund to the veterans' postwar trust fund to increase the principal balance of the fund.

⁶Estimated funds available for veteran benefits during the 2023-25 biennium total approximately \$1,230,954, as follows:

Funding Description	Funding Available
2019-21 biennium investment income earned and available beginning in the 2021-23 biennium not yet spent	\$121,045
2021-23 biennium investment income earned and available beginning in the 2023-25 biennium	248,607
2019-21 biennium commemorative memorial coin program donations and sales not yet spent	5,396
2021-23 biennium commemorative memorial coin program donations and sales not yet spent	22,220
2023-25 biennium estimated commemorative memorial coin program donations and sales	14,400
2023-25 biennium estimated short-term interest	66,000
2021-23 biennium donations from the Impact Foundation not yet spent	14,248
2023-25 biennium estimated donations from the Impact Foundation	110,000
2019-21 biennium donations for the Fisher House not yet spent	11,300
2021-23 biennium donations for the Fisher House not yet spent	485,293
2023-25 biennium estimated donations for the Fisher House	8,403
2021-23 biennium other donations and income not yet spent	9,042
2023-25 biennium estimated other donations and income	115,000
Total	\$1,230,954

⁷Estimated funds available for benefits during the 2025-27 biennium, based on the average investment income earned on the fund during the 2023-25 biennium through March 2025, is approximately \$390,000, excluding any funding continued from prior bienniums and funding collected during the 2023-25 biennium for the commemorative memorial coin program, donations, and short-term interest.

FUND HISTORY Established

The fund was created by Section 6 of Senate Bill No. 2271 (1981):

SECTION 6. TRANSFER OF VIETNAM BONUS FUNDS TO VETERANS' POSTWAR TRUST FUND. All unobligated moneys in the Vietnam veterans' adjusted compensation funds in the state treasury after July 1, 1981, shall be transferred by the state treasurer to the veterans' postwar trust fund. Any obligations of such funds as a result of any amendment of section 37-25-10 by the forty-seventh legislative assembly shall be paid out of the veterans' postwar trust fund and the moneys necessary to meet those obligations are hereby appropriated.

1988 Initiated Measure No. 4

Initiated Measure No. 4, approved by the voters in the November 1988 general election, provided the following:

- Established the veterans' postwar trust fund as a permanent fund.
- Required the State Treasurer to transfer \$740,000 per year for 5 years commencing July 1, 1989, from the state general fund or other sources as appropriated by the Legislative Assembly to the veterans' postwar trust fund to total \$3.7 million.

- Appropriated the income from the veterans' postwar trust fund on a continuing basis to the Administrative Committee on Veterans' Affairs to be spent for veterans' programs as authorized by law.
- Required the State Treasurer to invest the fund in legal investments as provided by Section 21-10-07.

The principal balance in the fund on December 8, 1988, was \$401,849.

Senate Bill No. 2009 (1989) transferred \$1,480,000--\$740,000 on July 1, 1989, and \$740,000 on July 1, 1990--from the state general fund to the veterans' postwar trust fund. The bill also appropriated up to \$274,000 of investment income earned on the veterans' postwar trust fund balance to the Veterans' Home for its operating costs. Because of net budget reductions during the 1989-91 biennium, the transfer from the general fund to the veterans' postwar trust fund for the 2nd year of the 1989-91 biennium was reduced by \$95,005, from \$740,000 to \$644,995.

Senate Bill No. 2001 (1991) transferred \$1,575,005 from the general fund to the veterans' postwar trust fund during the 1991-93 biennium. This amount restored the \$95,005 which was not transferred during the 1989-91 biennium because of net budget reductions. Because of budget allotments ordered by the Governor during the 1991-93 biennium, the transfer from the general fund to the veterans' postwar trust fund for the 2nd year of the 1991-93 biennium was reduced by \$5,670, from \$740,000 to \$734,330.

House Bill No. 1001 (1993) transferred \$745,670 from the general fund to the veterans' postwar trust fund during the 1993-95 biennium. This was the final transfer required by the initiated measure and included \$5,670 to restore the reduction made during the 1991-93 biennium because of budget reductions.

1996 Initiated Constitutional Measure No. 4

Initiated Constitutional Measure No. 4, approved by the voters in the November 1996 general election, created the following new section to Article X of the Constitution of North Dakota:

The veterans' postwar trust fund shall be a permanent trust fund of the state of North Dakota and shall consist of moneys transferred or credited to the fund as authorized by legislative enactment. Investment of the fund shall be the responsibility of the state treasurer who shall have full authority to invest the fund only in the same manner as the state investment board is authorized to make investments. All income received from investments is to be utilized for programs which must be of benefit and service to veterans, who are defined by legislative enactment, or their dependents, and such income is hereby appropriated to the administrative committee on veterans' affairs on a continuing basis for expenditure upon those programs selected at the discretion of the administrative committee on veterans' affairs.

House Bill No. 1468 (2011)

The Legislative Assembly in House Bill No. 1468 (2011) amended Section 37-14-14 to provide that all income earned in a biennium is appropriated to the Administrative Committee on Veterans' Affairs on a continuing basis in the following biennium, and not in the biennium in which it is earned, for authorized programs.

House Bill No. 1439 (2013)

The Legislative Assembly in House Bill No. 1439 (2013) provided \$250,000 from the general fund to increase the principal balance of the veterans' postwar trust fund.

House Bill No. 1360 (2015)

The Legislative Assembly in House Bill No. 1360 (2015) created Section 39-04-10.15 to require an initial fee of \$25 for patriotic license plates, of which \$20 is deposited in the highway tax distribution fund and \$5 is deposited in the veterans' postwar trust fund. The revenue deposited in the veterans' postwar trust fund must be added to the principal of the fund.

Senate Bill No. 2183 (2017)

The Legislative Assembly in Senate Bill No. 2183 (2017) created Section 37-18-15 to establish a commemorative memorial coin program to provide commemorative memorial coins to a family member of a deceased North Dakota veteran during military funeral honors and to allow for the purchase of commemorative memorial coins from the Department of Veterans' Affairs. The bill provided legislative intent that the Administrative Committee on Veterans' Affairs considering providing funding from the veterans' postwar trust fund to the department for the purpose of funding at least 4,000 commemorative memorial coins during the 2017-19 biennium.

House Bill No. 1131 (2019)

The North Dakota Veterans Emergency Needs Charitable Fund (also known as the North Dakota Support Our Veterans Fund) was established in April 2010 by the Impact Foundation to support emergency needs of North Dakota veterans and their eligible dependents. As noted in the March 28, 2018, *Performance Audit Report of the Department of Veterans' Affairs* prepared by the State Auditor, the department has received and expended funds from the Impact Foundation by combining these funds with those of the veterans' postwar trust fund without legislative or Emergency Commission approval. The State Auditor's report identified that these actions were in conflict with Section 18 of Article X of the Constitution of North Dakota and Section 37-18-12.

The Legislative Assembly in House Bill No. 1131 (2019) amended Section 37-18-12 to allow the Department of Veterans' Affairs to accept private donations, gifts, grants, or bequests that benefit or service North Dakota veterans, such as the funding received from the Impact Foundation, which are available to the department pursuant to continuing appropriation authority.

House Bill No. 1248 (2019)

The Legislative Assembly in House Bill No. 1248 (2019) created Section 57-38-34.7 to allow an individual to make a contribution to the veterans' postwar trust fund on the individual's income tax return for taxable years beginning after December 31, 2018. The Tax Commissioner is required to transfer the contributions to the State Treasurer for deposit in the veterans' postwar trust fund.

House Bill No. 1211 (2021)

The Legislative Assembly in House Bill No. 1211 (2021) expanded the State Treasurer's ability to invest funds of the veterans' aid fund and the income from the veterans' postwar trust fund by allowing investment in assets not held by the Bank of North Dakota.

House Bill No. 1504 (2025)

The Legislative Assembly in House Bill No. 1504 (2025) amended Section 37-14-14 to allow veterans organizations to donate funds to the veterans' postwar trust fund for homeless veterans services.

SECTION L - HISTORICAL DATA

HISTORY OF GENERAL FUND BUDGETS	L-1
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GENERAL FUND STATEMENTS - HISTORY

The schedule below provides a summary of actual and estimated general fund balances, revenues, expenditures, and transfers.

	Actual			Estimated	
	2017-19	2019-21	2021-23	2023-25	2025-27
Beginning balance	\$65,000,000	\$65,000,000	\$1,122,353,345	\$1,490,156,765	\$1,155,450,960
Tax and fee revenues	3,818,087,697	3,931,123,045	4,723,697,050	4,929,088,237	5,056,746,408
Transfers and other sources of revenue to general fund	1,095,360,965	1,820,781,277	596,144,886	592,798,368	272,414,974
Total available	\$4,978,448,662	\$5,816,904,322	\$6,442,195,281	\$7,012,043,370	\$6,484,612,342
Expenditures	(\$4,365,437,808)	(\$4,694,550,977)	(\$4,775,436,609)	(\$5,834,207,117)	(\$6,246,564,825)
Transfers to budget stabilization fund	(548,010,854)	0	(176,601,907)	(22,385,293)	0
Total expenditures and transfers	(\$4,913,448,662)	(\$4,694,550,977)	(\$4,952,038,516)	(\$5,856,592,410)	(\$6,246,564,825)
Ending balance	\$65,000,000	\$1,122,353,345	\$1,490,156,765	\$1,155,450,960	\$238,047,517

MEMORANDUM ON TOTAL GENERAL FUND AND SPECIAL FUNDS APPROPRIATIONS FOR THE 1969-71 THROUGH 2025-27 BIENNIUMS AND THE RELATIONSHIP TO TOTAL PERSONAL INCOME

The following schedule presents the general fund and special funds appropriations for the 1969-71 through 2025-27 bienniums. It includes an analysis of the relationship between appropriations and the total personal income in the state. This analysis indicates that the percentage of general fund appropriations to personal income has varied with the highest percentage occurring in the 2013-15 biennium and the lowest percentage occurring in the 2005-07 biennium. Regarding all funds appropriations, the highest percentage occurred in the 1981-83 biennium and the lowest percentage in the 1975-77 biennium.

The biennial appropriation totals include major deficiency appropriations for the various bienniums made by subsequent Legislative Assemblies. The special funds appropriation totals do not necessarily reflect total expenditures of special funds since in some instances federal funds and certain fees are not specifically appropriated, but authorized to be spent by Emergency Commission action or continuing appropriations.

TOTAL RESTATED GENERAL FUND AND SPECIAL FUNDS APPROPRIATIONS FOR THE 1969-71 THROUGH 2025-27 BIENNIUMS AND THE RELATIONSHIP TO TOTAL PERSONAL INCOME

Biennium	Total General Fund Appropriations ¹	Total Special Funds Appropriations ¹	Grand Total All Funds Appropriations	Total Personal Income	Percentage of Appropriations to Personal Income	
					General Fund	All Funds
1969-71	\$183,686,131	\$261,745,459	\$445,431,590	\$3,459,000,000 ⁹	5.31%	12.88%
1971-73	\$226,255,732	\$267,845,499	\$494,101,231	\$4,137,000,000 ⁹	5.47%	11.94%
1973-75	\$297,820,935	\$356,127,664	\$653,948,599	\$5,770,000,000 ⁹	5.16%	11.33%
1975-77	\$442,529,561	\$436,181,752	\$878,711,313	\$7,987,000,000 ⁹	5.54%	11.00%
1977-79	\$575,067,852	\$565,096,709	\$1,140,164,561	\$8,051,000,000 ⁹	7.14%	14.16%
1979-81	\$680,417,154	\$772,341,770	\$1,452,758,924	\$10,102,000,000 ⁹	6.74%	14.38%
1981-83	\$910,249,232	\$1,205,292,293	\$2,115,541,525	\$11,206,000,000 ⁹	8.12%	18.88%
1983-85	\$1,017,861,170	\$1,148,055,629	\$2,165,916,799	\$14,757,000,000 ⁹	6.90%	14.68%
1985-87	\$1,134,183,661 ²	\$1,339,411,840	\$2,473,595,501	\$16,544,000,000 ⁹	6.86%	14.95%
1987-89	\$1,058,708,224 ³	\$1,440,445,277	\$2,499,153,501	\$17,508,000,000 ⁹	6.05%	14.27%
1989-91	\$1,061,507,822 ⁴	\$1,760,553,694 ⁵	\$2,822,061,516	\$17,419,000,000 ⁹	6.09%	16.20%
1991-93	\$1,202,891,103 ⁶	\$2,028,208,088	\$3,231,099,191	\$19,905,000,000 ⁹	6.04%	16.23%
1993-95	\$1,251,925,967	\$2,162,505,820	\$3,414,431,787	\$24,188,000,000 ⁹	5.18%	14.12%
1995-97	\$1,352,467,281	\$2,242,848,894	\$3,595,316,175	\$27,187,000,000 ⁹	4.97%	13.22%
1997-99	\$1,510,747,421	\$2,485,617,317	\$3,996,364,738	\$29,578,000,000 ⁹	5.11%	13.51%
1999-2001	\$1,614,882,210	\$3,265,271,344	\$4,880,153,554	\$32,867,000,000 ⁹	4.91%	14.85%
2001-03	\$1,728,640,384 ⁷	\$3,049,996,983	\$4,778,637,367	\$35,158,000,000 ⁹	4.92%	13.59%
2003-05	\$1,816,885,505	\$3,289,715,994	\$5,106,601,499	\$39,270,000,000 ⁹	4.63%	13.00%
2005-07	\$2,000,537,074	\$3,785,221,167	\$5,785,758,241	\$43,850,000,000 ⁹	4.56%	13.19%
2007-09	\$2,574,313,275	\$4,049,667,487	\$6,623,980,762	\$52,466,000,000 ⁹	4.91%	12.63%
2009-11	\$3,296,595,649	\$5,642,342,384	\$8,938,938,033	\$59,724,000,000 ⁹	5.52%	14.97%
2011-13	\$4,297,001,161	\$6,387,287,420	\$10,684,288,581	\$76,861,000,000 ⁹	5.59%	13.90%
2013-15	\$6,879,671,380	\$7,275,054,956	\$14,154,726,336	\$83,790,000,000 ⁹	8.21%	16.89%
2015-17	\$5,687,291,911 ⁸	\$8,319,007,773 ⁸	\$14,006,299,684	\$79,077,000,000 ⁹	7.19%	17.71%
2017-19	\$4,425,822,822	\$9,253,832,882	\$13,679,655,704	\$84,271,000,000 ⁹	5.25%	16.23%
2019-21	\$4,965,103,166	\$11,930,214,610	\$16,895,317,776	\$95,158,000,000 ⁹	5.22%	17.76%
2021-23	\$5,058,789,985	\$13,126,971,890	\$18,185,761,875	\$109,148,000,000 ⁹	4.63%	16.66%
2023-25	\$6,121,680,403	\$13,535,153,110	\$19,656,833,513	\$113,865,000,000 ¹⁰	5.38%	17.26%
2025-27	\$6,246,564,825	\$14,018,677,842	\$20,265,242,667	\$120,981,000,000 ¹⁰	5.16%	16.75%

¹Appropriation amounts are restated to reflect, where appropriate, deficiency appropriations provided by a subsequent Legislative Assembly.

²In addition, changes made to general fund appropriations were:

- Reductions of \$12,965,250 as a result of 1987 Legislative Assembly action;
- A \$44,125,917 reduction as of May 1987 as a result of a 4 percent allotment reduction made by the Governor; and
- An increase of \$4,388,862 for Emergency Commission action and 1983-85 carryover.

³In addition, changes made to general fund appropriations were:

- Reductions of \$3,175,000 required because of the cable television sales tax referral; and
- A \$21 million budget allotment mandated by the Governor in September 1988.

⁴This amount is adjusted for revisions made to general fund appropriations, including reductions of \$95,763,770 resulting from the December 1989 sales and individual income tax referrals, increases of \$5,967,192 relating to the use of the budget stabilization fund, and increases of \$22,395,712 resulting from an August 1990, 2 percent unallotment.

⁵This amount is adjusted for revisions made to special funds appropriations, including reductions of \$14,876,540 resulting from the December 1989 gas tax referral and a net reduction of \$1,003,977 resulting from higher education tuition increases and Department of Human Services estimated income adjustments.

⁶In addition, the Legislative Assembly in House Bill No. 1046 (1991) appropriated up to \$9,500,000 from the general fund for rural development if 1991-93 biennium revenues were more than 1991-93 biennium revenue estimates made by the Legislative Assembly in 1991, excluding the effect of Sunday opening, by at least \$11,000,000. This did not become effective. This amount does not reflect budget allotments ordered by the Governor during the 1991-93 biennium of \$4,305,000.

⁷The general fund appropriation amount for the 2001-03 biennium has been restated to reflect the 1.05 percent budget allotment ordered by the Governor in July 2002.

⁸The general fund appropriation amount for the 2015-17 biennium has been restated to reflect the 6.55 percent general fund budget reductions made by the Legislative Assembly in the August 2016 special legislative session. The special fund appropriation amount has also been restated to reflect the \$116,053,293 transfer from the foundation aid stabilization fund to the Department of Public Instruction for state school aid payments, as a result of general fund budget allotments ordered by the Governor of 4.05 percent in February 2016 and 2.50 percent in August 2016.

⁹Source: United States Bureau of Economic Analysis.

¹⁰Source: IHS Markit.

COMPARISON OF EXECUTIVE BUDGET RECOMMENDATIONS TO FINAL BUDGETS APPROVED BY THE LEGISLATIVE ASSEMBLY FOR THE 1967-69 THROUGH 2025-27 BIENNIUMS¹

	General Fund Appropriations	Special Funds Appropriations	Total All Appropriations	General Fund Revenues ²
1967-69				
Executive budget	\$132,496,141	\$204,346,811	\$336,842,952	\$148,269,822
Legislative increase (decrease)	<u>13,142,530</u>	<u>1,004,394</u>	<u>14,146,924</u>	<u>16,980,000</u>
Legislative budget	\$145,638,671	\$205,351,205	\$350,989,876	\$165,249,822
1969-71				
Executive budget	\$166,602,105	\$216,086,092	\$382,688,197	\$181,000,000
Legislative increase (decrease)	<u>17,084,026</u>	<u>45,659,367</u>	<u>62,743,393</u>	<u>22,092,623</u>
Legislative budget	\$183,686,131	\$261,745,459	\$445,431,590	\$203,092,623
1971-73				
Executive budget	\$226,640,383	\$257,317,128	\$483,957,511	\$241,840,000
Legislative increase (decrease)	<u>(384,651)</u>	<u>10,528,371</u>	<u>10,143,720</u>	<u>1,769,348</u>
Legislative budget	\$226,255,732	\$267,845,499	\$494,101,231	\$243,609,348
1973-75				
Executive budget	\$267,951,706	\$314,124,492	\$582,076,198	\$307,075,000
Legislative increase (decrease)	<u>6,733,531</u>	<u>38,835,098</u>	<u>45,568,629</u>	<u>(5,705,492)</u>
Legislative budget	\$274,685,237	\$352,959,590	\$627,644,827	\$301,369,508
Add				
Deficiency appropriations provided by the 1975 Legislative Assembly	<u>23,135,698</u>	<u>3,168,074</u>	<u>26,303,772</u>	
Legislative budget as restated	\$297,820,935	\$356,127,664	\$653,948,599	\$301,369,508
1975-77				
Executive budget	\$438,882,752	\$394,903,834	\$833,786,586	\$530,645,000
Legislative increase (decrease)	<u>3,646,809</u>	<u>41,277,918</u>	<u>44,924,727</u>	<u>5,461,978</u>
Reduction to June 30, 1975, general fund balance for deficiency appropriations for 1973-75				<u>(23,135,698)</u>
Legislative budget	\$442,529,561	\$436,181,752	\$878,711,313	\$512,971,280
1977-79				
Executive budget	\$538,440,978	\$477,421,009	\$1,015,861,987	\$647,900,000
Legislative increase (decrease)	<u>35,376,433</u>	<u>87,268,156</u>	<u>122,644,589</u>	<u>371,650</u>
Legislative budget	\$573,817,411	\$564,689,165	\$1,138,506,576	\$648,271,650

Add				
Deficiency appropriations provided by the 1979 Legislative Assembly	1,250,441	407,544	1,657,985	
Legislative budget as restated	\$575,067,852	\$565,096,709	\$1,140,164,561	\$648,271,650
1979-81				
Executive budget	\$646,401,970	\$710,607,537	\$1,357,009,507	\$694,467,657
Legislative increase (decrease)	8,317,480	57,780,260	66,097,740	10,028,475
Reduction to June 30, 1979, general fund balance for deficiency appropriations for 1977-79				(1,250,441)
Legislative budget	\$654,719,450	\$768,387,797	\$1,423,107,247	\$703,245,691
Add				
Deficiency appropriations provided by the 1981 Legislative Assembly	25,697,704	3,953,973	29,651,677	
Legislative budget as restated	\$680,417,154	\$772,341,770	\$1,452,758,924	\$703,245,691
1981-83				
Executive budget	\$1,030,540,733	\$1,043,972,705	\$2,074,513,438	\$1,129,692,934
Legislative increase (decrease)	(126,944,501)	133,544,456	6,599,955	(102,960,239)
Legislative budget	\$903,596,232	\$1,177,517,161	\$2,081,113,393	\$1,026,732,695
Add				
Deficiency appropriations provided by the 1983 Legislative Assembly	6,653,000	27,775,132	34,428,132	
Legislative budget as restated	\$910,249,232	\$1,205,292,293	\$2,115,541,525	\$1,026,732,695
1983-85				
Executive budget	\$924,455,265 ³	\$1,114,112,221	\$2,038,567,486	\$974,408,000
Legislative increase (decrease)	80,655,781	25,386,761	106,042,542	68,097,250
Legislative budget	\$1,005,111,046	\$1,139,498,982	\$2,144,610,028	\$1,042,505,250
Add				
Deficiency appropriations provided by the 1985 Legislative Assembly	12,750,124	8,556,647	21,306,771	
Legislative budget as restated	\$1,017,861,170	\$1,148,055,629	\$2,165,916,799	\$1,042,505,250
1985-87				
Executive budget	\$1,188,601,469 ⁴	\$1,292,110,406	\$2,480,711,875	\$1,219,290,080
Legislative increase (decrease)	(63,055,462)	42,502,011	(20,553,451)	(62,146,218)
Legislative budget	\$1,125,546,007	\$1,334,612,417	\$2,460,158,424	\$1,157,413,862

Add				
Deficiency appropriations provided by the 1987 Legislative Assembly	130,000	4,799,423	4,929,423	
49 th Legislative Assembly personal property tax replacement deficiency appropriation not spent until the 1985-87 biennium	8,507,654		8,507,654	
Impact of revised revenue estimate				(75,126,740)
Legislative budget as restated	<u>\$1,134,183,661</u> ⁵	<u>\$1,339,411,840</u>	<u>\$2,473,595,501</u>	<u>\$1,082,017,122</u>
1987-89				
Executive budget	\$1,114,031,918	\$1,406,353,403	\$2,520,385,321	\$1,119,465,000
Legislative increase (decrease)	<u>(56,862,745)</u>	<u>32,891,874</u>	<u>(23,970,871)</u>	<u>(56,462,787)</u>
Legislative budget	<u>\$1,057,169,173</u>	<u>\$1,439,245,277</u>	<u>\$2,496,414,450</u>	<u>\$1,063,002,213</u>
Add				
Deficiency appropriations provided by the 1989 Legislative Assembly	1,539,051	1,200,000	2,739,051	
Legislative budget as restated	<u>\$1,058,708,224</u> ⁶	<u>\$1,440,445,277</u>	<u>\$2,499,153,501</u>	<u>\$1,063,002,213</u>
1989-91				
Executive budget	\$1,115,265,227	\$1,690,091,064	\$2,805,356,291	\$1,126,110,000
Legislative increase (decrease)	<u>4,520,393</u>	<u>86,034,147</u>	<u>90,554,540</u>	<u>(2,152,095)</u>
Legislative budget	<u>\$1,119,785,620</u>	<u>\$1,776,125,211</u>	<u>\$2,895,910,831</u>	<u>\$1,123,957,905</u>
Add				
Deficiency appropriations provided by the 1991 Legislative Assembly	9,123,068	309,000	9,432,068	
Reductions due to sales, individual income, and gas tax referrals	(95,763,770)	(14,876,540)	(110,640,310)	(103,240,108)
Increase in June 30, 1989, balance				7,361,495
Adjustments for higher education tuition increases and Department of Human Services estimated income adjustments		(1,003,977)	(1,003,977)	
Use of budget stabilization fund	5,967,192		5,967,192	
2 percent unallotment (August 1990)	<u>22,395,712</u>		<u>22,395,712</u>	
Legislative budget as restated	<u>\$1,061,507,822</u>	<u>\$1,760,553,694</u>	<u>\$2,822,061,516</u>	<u>\$1,028,079,292</u>
1991-93				
Executive budget	\$1,166,588,941	\$1,901,143,193	\$3,067,732,134	\$1,185,456,000
Legislative increase (decrease)	<u>32,041,733</u>	<u>125,939,720</u>	<u>157,981,453</u>	<u>36,936,959</u>
Legislative budget	<u>\$1,198,630,674</u> ⁷	<u>\$2,027,082,913</u>	<u>\$3,225,713,587</u> ⁷	<u>\$1,222,392,959</u>

Add				
Deficiency appropriations provided by the 1993 Legislative Assembly	4,260,429	1,125,175	5,385,604	
Legislative budget as restated	\$1,202,891,103	\$2,028,208,088	\$3,231,099,191	\$1,222,392,959
1993-95				
Executive budget	\$1,228,289,194	\$2,248,975,882	\$3,477,265,076	\$1,253,054,000
Legislative increase (decrease)	22,940,773	(88,551,589)	(65,610,816)	7,099,865
Legislative budget	\$1,251,229,967	\$2,160,424,293	\$3,411,654,260	\$1,260,153,865
Add				
Deficiency appropriations provided by the 1995 Legislative Assembly	696,000	2,081,527	2,777,527	
Legislative budget as restated	\$1,251,925,967	\$2,162,505,820	\$3,414,431,787	\$1,260,153,865
1995-97				
Executive budget	\$1,345,660,131	\$2,207,522,902	\$3,553,183,033	\$1,355,491,421
Legislative increase (decrease)	1,284,129	34,396,992	35,681,121	2,668,581
Legislative budget	\$1,346,944,260	\$2,241,919,894	\$3,588,864,154	\$1,358,160,002
Add				
Deficiency appropriations provided by the 1997 Legislative Assembly	5,523,021	929,000	6,452,021	
Legislative budget as restated	\$1,352,467,281	\$2,242,848,894	\$3,595,316,175	\$1,358,160,002
1997-99				
Executive budget	\$1,494,395,064	\$2,507,943,925	\$4,002,338,989	\$1,504,489,758
Legislative increase (decrease)	(5,154,977)	(22,576,608)	(27,731,585)	(4,393,735)
Legislative budget	\$1,489,240,087	\$2,485,367,317	\$3,974,607,404	\$1,500,096,023
Add				
Deficiency appropriations provided by the 1999 Legislative Assembly	21,507,334	250,000	21,757,334	
Legislative budget as restated	\$1,510,747,421	\$2,485,617,317	\$3,996,364,738	\$1,500,096,023
1999-2001				
Executive budget	\$1,615,319,416	\$2,711,061,796	\$4,326,381,212	\$1,625,566,507
Legislative increase (decrease)	(21,280,878)	504,237,505 ⁸	482,956,627	(20,209,113)
Legislative budget	\$1,594,038,538	\$3,215,299,301	\$4,809,337,839	\$1,605,357,394

Add				
Deficiency appropriations provided by the 2001 Legislative Assembly	20,843,672	49,972,043	70,815,715	
Legislative budget as restated	<u>\$1,614,882,210</u>	<u>\$3,265,271,344</u>	<u>\$4,880,153,554</u>	<u>\$1,605,357,394</u>
2001-03				
Executive budget	\$1,706,299,108	\$2,970,092,352	\$4,676,391,460	\$1,720,969,291
Legislative increase (decrease)	<u>40,684,605</u>	<u>52,604,631</u>	<u>93,289,236</u>	<u>38,009,116</u>
Legislative budget	\$1,746,983,713	\$3,022,696,983 ⁹	\$4,769,680,696	\$1,758,978,407
Add				
Deficiency appropriations provided by the 2003 Legislative Assembly		27,300,000	27,300,000	
Less				
1.05 percent budget allotment	<u>(18,343,329)</u>		<u>(18,343,329)</u>	
Legislative budget as restated	<u>\$1,728,640,384</u> ¹⁰	<u>\$3,049,996,983</u>	<u>\$4,778,637,367</u> ¹⁰	<u>\$1,758,978,407</u>
2003-05				
Executive budget	\$1,762,103,934	\$3,231,267,168	\$4,993,371,102	\$1,772,149,343
Legislative increase (decrease)	<u>41,557,227</u>	<u>24,511,067</u>	<u>66,068,294</u>	<u>41,764,727</u>
Legislative budget	\$1,803,661,161	\$3,255,778,235	\$5,059,439,396	\$1,813,914,070
Add				
Deficiency appropriations provided by the 2005 Legislative Assembly	13,224,344	34,000,000	47,224,344	
Less				
Special funds reductions required by 2003 HB 1505		<u>(62,241)</u>	<u>(62,241)</u>	
Legislative budget as restated	<u>\$1,816,885,505</u>	<u>\$3,289,715,994</u>	<u>\$5,106,601,499</u>	<u>\$1,813,914,070</u>
2005-07				
Executive budget	\$2,007,001,269	\$3,538,353,475	\$5,545,354,744	\$2,017,154,996
Legislative increase (decrease)	<u>(17,548,646)</u>	<u>224,867,692</u>	<u>207,319,046</u>	<u>(17,406,842)</u>
Legislative budget	\$1,989,452,623	\$3,763,221,167	\$5,752,673,790	\$1,999,748,154
Add				
Deficiency appropriations provided by the 2007 Legislative Assembly	11,084,451	22,000,000	33,084,451	
Legislative budget as restated	<u>\$2,000,537,074</u>	<u>\$3,785,221,167</u>	<u>\$5,785,758,241</u>	<u>\$1,999,748,154</u>

2007-09

Executive budget	\$2,468,326,339	\$3,864,876,095	\$6,333,202,434	\$2,502,682,419
Legislative increase (decrease)	<u>(6,352,383)</u>	<u>155,638,989</u>	<u>149,286,606</u>	<u>(27,052,284)</u>
Legislative budget	\$2,461,973,956	\$4,020,515,084	\$6,482,489,040	\$2,475,630,135
Add				
Deficiency appropriations provided by the 2009 Legislative Assembly	<u>112,339,319</u>	<u>29,152,403</u>	<u>141,491,722</u>	
Legislative budget as restated	\$2,574,313,275	\$4,049,667,487	\$6,623,980,762	\$2,475,630,135

2009-11

Executive budget	\$3,110,921,665	\$4,598,634,482	\$7,709,556,147	\$3,175,713,942
Legislative increase (decrease)	<u>148,443,816</u>	<u>1,000,274,902</u>	<u>1,148,718,718</u>	<u>103,180,918</u>
Legislative budget	\$3,259,365,481	\$5,598,909,384	\$8,858,274,865	\$3,278,894,860
Add				
Deficiency appropriations provided by the 2011 Legislative Assembly	<u>37,230,168</u>	<u>43,433,000</u>	<u>80,663,168</u>	
Legislative budget as restated	\$3,296,595,649	\$5,642,342,384	\$8,938,938,033	\$3,278,894,860

2011-13

Executive budget	\$3,295,569,541	\$5,998,005,832	\$9,293,575,373	\$3,351,306,217
Legislative increase (decrease)	<u>941,116,919</u>	<u>364,281,588</u>	<u>1,305,398,507</u>	<u>1,092,272,719</u>
Legislative budget	\$4,236,686,460	\$6,362,287,420	\$10,598,973,880	\$4,443,578,936
Add				
Deficiency appropriations provided by the 2013 Legislative Assembly	<u>60,314,701</u>	<u>25,000,000</u>	<u>85,314,701</u>	
Legislative budget as restated	\$4,297,001,161	\$6,387,287,420	\$10,684,288,581	\$4,443,578,936

2013-15

Executive budget	\$4,786,171,981	\$7,998,462,773	\$12,784,634,754	\$4,866,676,875
Legislative increase (decrease)	<u>2,087,415,373</u>	<u>(1,116,787,817)</u>	<u>970,627,556</u>	<u>2,082,954,407</u>
Legislative budget	\$6,873,587,354	\$6,881,674,956	\$13,755,262,310	\$6,949,631,282
Add				
Deficiency appropriations provided by the 2015 Legislative Assembly	<u>6,084,026</u>	<u>393,380,000</u>	<u>399,464,026</u>	
Legislative budget as restated	<u>\$6,879,671,380</u>	<u>\$7,275,054,956</u>	<u>\$14,154,726,336</u>	<u>\$6,949,631,282</u>

2015-17

Executive budget	\$7,232,580,330	\$8,494,450,631	\$15,727,030,961	\$7,329,943,668
Legislative increase (decrease)	<u>(1,186,417,652)</u>	<u>(320,216,515)</u>	<u>(1,506,634,167)</u>	<u>(1,092,771,398)</u>
Legislative budget	\$6,046,162,678	\$8,174,234,116	\$14,220,396,794	\$6,237,172,270
Add				
Deficiency appropriations provided by the 2017 Legislative Assembly	617,010	28,720,364	29,337,374	
Less				
August 2016 special session adjustments	<u>(359,487,777)</u>	<u>116,053,293</u>	<u>(243,434,484)</u>	<u>(579,572,842)</u>
Legislative budget as restated	\$5,687,291,911 ¹¹	\$8,319,007,773	\$14,006,299,684 ¹¹	\$5,657,599,428

2017-19

Revised executive budget ¹²	\$4,621,320,412	\$8,656,595,503	\$13,277,915,915	\$4,713,426,208
Legislative increase (decrease)	<u>(311,057,771)</u>	<u>586,228,308</u>	<u>275,170,537</u>	<u>(352,719,938)</u>
Legislative budget	\$4,310,262,641	\$9,242,823,811 ¹³	\$13,553,086,452	\$4,360,706,270
Add				
Deficiency and supplemental appropriations provided by the 2019 Legislative Assembly	115,560,181	11,009,071	126,569,252	
Legislative budget as restated	\$4,425,822,822	\$9,253,832,882	\$13,679,655,704	\$4,360,706,270

2019-21

Executive budget	\$4,936,726,893	\$9,357,096,100	\$14,293,822,993	\$4,935,448,310
Legislative increase (decrease)	<u>(93,163,727)</u>	<u>489,938,471</u>	<u>396,774,744</u>	<u>(47,488,670)</u>
Legislative budget	\$4,843,563,166	\$9,847,034,571	\$14,690,597,737	\$4,887,959,640
Add				
Deficiency and supplemental appropriations provided by the 2021 Legislative Assembly	121,540,000	2,083,180,039	2,204,720,039	
Legislative budget as restated	\$4,965,103,166	\$11,930,214,610	\$16,895,317,776	\$4,822,959,640

2021-23

Executive budget	\$4,835,670,367	\$10,183,865,389	\$15,019,535,756	\$4,893,085,742
Legislative increase (decrease)	<u>174,786,963</u>	<u>2,652,372,778</u>	<u>2,827,159,741</u>	<u>163,456,226</u>
Legislative budget	\$5,010,457,330	\$12,836,238,167	\$17,846,695,497	\$5,056,541,968
Add				
Deficiency and supplemental appropriations provided by the 2023 Legislative Assembly	48,332,655	290,733,723	339,066,378	
Legislative budget as restated	\$5,058,789,985	\$13,126,971,890	\$18,185,761,875	\$5,056,541,968

2023-25

Executive budget	\$5,864,252,193	\$12,583,011,592	\$18,447,263,785	\$6,274,013,339
Legislative increase (decrease)	<u>233,077,344</u>	<u>911,746,518</u>	<u>1,144,823,862</u>	<u>(106,289,322)</u>
Legislative budget	\$6,097,329,537	\$13,494,758,110	\$19,592,087,647	\$6,167,724,017
Add				
Deficiency and supplemental appropriations provided by the 2025 Legislative Assembly	<u>24,350,866</u>	<u>40,395,000</u>	<u>64,745,866</u>	
Legislative budget as restated	\$6,121,680,403	\$13,535,153,110	\$19,656,833,513	\$6,167,724,017

2025-27

Revised executive budget ¹⁴	\$6,600,116,572	\$13,298,564,587	\$19,898,681,159	\$6,830,460,144
Legislative increase (decrease)	<u>(353,551,747)</u>	<u>720,113,255</u>	<u>366,561,508</u>	<u>(345,847,802)</u>
Legislative budget	\$6,246,564,825	\$14,018,677,842	\$20,265,242,667	\$6,484,612,342

¹This schedule presents totals of appropriations and revenues recommended in the executive budget compared to the appropriations and revenues approved by the Legislative Assembly. Appropriation totals are adjusted to reflect deficiency appropriations made by succeeding Legislative Assemblies which are reflected in the previous biennium appropriation amounts.

²The general fund revenues include estimated general fund balances at the beginning of a biennium which are in several instances adjusted to reflect deficiency appropriations.

The following is a summary of major action by the Legislative Assembly affecting general fund revenues:

- The 1967 Legislative Assembly increased the sales tax from 2.25 to 3 percent.
- The 1969 Legislative Assembly repealed the personal property tax, increased the sales tax from 3 to 4 percent, and enacted the business privilege tax. Also, the Legislative Assembly reduced the executive budget general fund revenue estimates (primarily income tax estimates) by \$4.7 million.
- The 1973 Legislative Assembly increased the estimated July 1, 1973, general fund balance from the executive estimate by \$3 million and increased executive budget 1973-75 revenue estimates for sales and income tax collections by \$3.3 million. In addition revenue estimates were reduced by exempting food purchases from the sales tax, revising the income tax rates, and repealing the tax on oleomargarine.
- The 1975 Legislative Assembly increased the July 1, 1975, estimated general fund balance from the executive estimate by \$14 million because of increased sales and income tax collections and increased the executive budget 1975-77 revenue estimates for sales and income tax collections by \$10 million. In addition a coal conversion tax and a coal severance tax were enacted. Also, revenue estimates were reduced by enacting the income tax inflation credit, reducing the business privilege tax, requiring driver's license fees to be deposited in the highway fund rather than the general fund, and amending the estate tax laws so no portion of estate tax collections are deposited in the general fund.
- The executive budget and legislative revenue estimates for the 1977-79 biennium reflect the reduction of the sales tax from 4 to 3 percent.
- The 1979 Legislative Assembly increased the June 30, 1979, estimated general fund balance from the executive budget estimate by \$4 million because of increased income tax collections for the 1977-79 biennium and increased estimated income tax collections for the 1979-81 biennium by \$7 million.
- The 1981 Legislative Assembly reduced estimated income tax collections by \$51.7 million as a result of an updating of the definition of federal taxable income and reducing income tax rates, changed the percentage of oil extraction tax going to the general fund from 45 to 30 percent resulting in a reduction of \$39,766,667, transferred a portion of the oil and gas gross production tax to the highway tax distribution fund and townships resulting in a reduction of \$32 million to general fund revenues, and added \$21.5 million due to a March 19, 1981, executive budget office revision of revenue estimates.

- The 1983 Legislative Assembly reduced revenues by \$58,406,000 due to revised revenue estimates of the executive budget office; increased revenues by \$86.03 million to change the percentage of oil extraction tax going to the general fund from 30 to 90 percent; and provided major tax increases of \$102.75 million for personal and corporate income taxes, \$41.59 million in accelerated tax collections, \$8.2 million in coal conversion taxes, \$9.5 million in cigarette taxes, and \$4.2 million in liquor taxes. Also, the executive budget and legislative revenue estimates for the 1983-85 biennium reflect an increase in the sales tax from 3 to 4 percent.
- The 1985 Legislative Assembly reduced general fund revenues by \$56,057,658 due to revised revenue estimates of the executive budget office and increased revenues by \$9,415,651 relating to a transfer from the coal development impact fund to the general fund, by \$5.32 million to remove the sales tax exemption from candy and selected carbonated beverages, and by \$7,832,450 related to keeping the percentage of the oil extraction tax allocated to the general fund at 90 percent rather than 85 percent in the original executive budget.
- Revenues for the 1985-87 biennium were reduced by \$75,126,740 after the 1985 legislative session consisting of a reduction of \$110,386,758 due to revised revenue estimates of the executive budget office, primarily a result of significant oil tax revenue shortfalls; an increase of \$18,984,018 due to a higher than estimated July 1, 1985, general fund balance; increases totaling \$16,276,000 as a result of the 1986 special session action, of which \$13,276,000 relates to a one-cent sales and use tax increase for the last 6 months of the 1985-87 biennium; and a \$3 million increase relating to increasing the individual income tax from 10.5 to 14 percent and implementing mandatory withholding effective January 1, 1987 (this is the fiscal impact after the referral measure relating to the income tax increase, which was defeated in March 1987).
- The 1987 Legislative Assembly increased general fund revenues by \$9.22 million due to revised revenue estimates of the executive budget office by \$46.14 million due to a temporary .5 percent sales, use, and aircraft excise tax increase from 5 to 5.5 percent and to include cable television; by \$8.3 million due to a 1-year 10 percent individual income tax surtax; by \$9,724,000 due to a nine-cent per package cigarette tax increase; and by \$4,255,000 due to removing the royalty owners exemption from the oil extraction tax. Revenues were reduced by \$4,625,000 to provide a 15-month oil extraction tax exemption and to reduce the oil extraction tax rate from 6.5 to 4 percent for new wells.
- The 1989 Legislative Assembly increased general fund revenues by \$32,236,000 due to revised revenue estimates of the executive budget office by \$87,241,000 due to a one-cent sales and use tax increase from 5 to 6 percent (the actual increase was from 5.5 to 6 percent; however, .5 percent was a temporary tax and the rate would have reverted to 5 percent); by \$4,714,200 for a 6 percent sales tax on bingo; by \$42.6 million to increase the individual income tax from 14 to 17 percent of federal tax liability and the equivalent increases in the long-form rates; and by \$4.6 million to increase the insurance premium tax rates on accident, health, and other lines, except life insurance, from 1.25 to 1.75 percent.
- The 1991 Legislative Assembly increased general fund revenues by \$16.3 million due to allowing Sunday opening and by \$23.2 million due to a transfer from Bank of North Dakota earnings.
- The 1993 Legislative Assembly increased general fund revenues by \$11.8 million due to repealing the capital construction fund, which received a portion of the sales, use, and motor vehicle excise tax; by \$15.5 million due to increasing the cigarette tax by 15 cents (from 29 cents to 44 cents) and other tobacco products from 22 to 28 percent of the wholesale price; and by \$8.2 million due to increasing the tax on charitable gaming tickets (pull tabs) from 2 to 4.5 percent.
- The 1995 Legislative Assembly increased general fund revenues by \$2.7 million due to increasing court fees and providing that the fees be deposited in the general fund rather than with the counties, additional revenues being projected in the March revenue forecast, and requiring a sales certificate on used vehicle sales. Revenues were reduced as a result of increasing the oil extraction tax allocation to the resources trust fund and decreasing transfers from the Mill and Elevator and state agency 1993-95 estimated turnback.
- The 1997 Legislative Assembly reduced general fund revenues by \$4.4 million due to decreasing Bank of North Dakota transfers to the general fund, decreasing state aid distribution fund transfers to the general fund, expanding the exemptions from the coal conversion tax, and a reduction resulting from the March revenue forecast. Revenues were increased as a result of estimating additional agency turnback for the 1995-97 biennium and additional oil and gas gross production tax revenues and increasing the percentage of sales and use tax collections that are deposited in the general fund.
- The 1999 Legislative Assembly reduced general fund revenues by \$20.2 million due to a reduction resulting from the March revenue revision, decreasing Bank of North Dakota transfers to the general fund, and a sales tax rate reduction for used farm machinery and repair parts and used irrigation equipment.

Revenues were increased as a result of increased departmental collections from governmental nursing facility payment reimbursements, the contingent sale of developmentally disabled facility loans to the Bank of North Dakota, increased special funds transfers, and additional court filing fee revenue.

- The 2001 Legislative Assembly increased general fund revenues by \$38 million due to an increase resulting from the March revenue revision, increasing Bank of North Dakota transfers to the general fund, the providing of a transfer from the student loan trust fund, and increased departmental collections from governmental nursing facility payment reimbursements.
- The 2003 Legislative Assembly increased general fund revenues by \$41.7 million due to an increase resulting from the March revenue revision, a 1 percent lodging tax increase, increasing the transfer from the student loan trust fund, and providing transfers from the water development trust fund and the health care trust fund.
- The 2005 Legislative Assembly decreased general fund revenues by \$17.4 million due to defeating the executive budget proposal to repeal North Dakota Century Code Section 54-27.2-02 providing for the end of the biennium general fund balance in excess of \$65 million to be transferred to the budget stabilization fund resulting in a reduction in revenue of \$65 million, defeating the executive budget proposal to increase the limit for oil revenues to be deposited in the general fund rather than the permanent oil tax trust fund resulting in a reduction in revenue of \$13.3 million, increasing the transfer from the lands and minerals trust fund, and providing transfers from the permanent oil tax trust fund.
- The 2007 Legislative Assembly decreased general fund revenues by \$120.85 million due to reducing the income tax "marriage penalty" and providing property tax relief by an income tax credit, decreased general fund revenues by \$12.62 million to deposit motor vehicle excise tax collections in the highway fund rather than the general fund, decreased general fund revenues by \$4.6 million to provide tax reductions and exemptions for heating fuels, and increased general fund revenues by \$115 million by providing a transfer from the permanent oil tax trust fund.
- The 2009 Legislative Assembly increased general fund revenues by \$103.18 million due to providing a \$435 million transfer from the permanent oil tax trust fund to the general fund, providing individual and corporate income tax rate reductions of \$100 million, removing a \$60 million transfer from the Bank of North Dakota to the general fund, defeating the executive recommendation to increase the limit of oil revenues deposited in the general fund rather than the permanent oil tax trust fund by \$39 million, and depositing \$30.46 million of motor vehicle excise tax collections in the highway fund rather than the general fund.
- The 2011 Legislative Assembly increased general fund revenues by \$1,092,270,000 due to providing a \$295 million transfer from the property tax relief sustainability fund, providing a \$305 million transfer from the strategic investment and improvements fund, increasing the amount of oil and gas tax revenues deposited in the general fund by \$229 million, transferring the permanent oil tax trust fund balance of \$615 million at the end of the 2009-11 biennium, removing a transfer of \$60 million from the Bank of North Dakota, removing a transfer of \$239 million from the lands and minerals trust fund, removing a transfer of \$232 million from the permanent oil tax trust fund, defeating the executive recommendation to deposit \$45.7 million of motor vehicle excise taxes in the highway tax distribution fund rather than the general fund, and providing individual and corporate income tax rate reductions of \$145 million. The amount shown also reflects adjustments made during the November 2011 special session to reflect an additional \$336.6 million for the actual general fund balance on July 1, 2011, and a decrease in general fund revenue of \$11 million due to an increase in available tax credits for contributions to the housing incentive fund from \$4 million to \$15 million.
- The 2013 Legislative Assembly increased general fund revenues by \$2,082,950,000 due to providing a \$520 million transfer from the strategic investment and improvements fund; providing a \$341.79 million transfer from the property tax relief fund; removing 2011-13 transfers of \$744.8 million to the property tax relief fund, \$720 million to the highway fund, and \$30 million to the housing incentive fund all of which affected the estimated beginning balance; and approving individual and corporate income tax rate reductions of \$250 million.
- The 2015 Legislative Assembly decreased general fund revenues by \$1.1 billion primarily due to removing a \$700 million transfer from the strategic investment and improvements fund and reducing the general fund revenue forecast by \$419 million.
- The 2017 Legislative Assembly decreased general fund revenues by \$352.7 million primarily due to changes to the oil and gas tax allocation formula and various transfers.
- The 2019 Legislative Assembly decreased general fund revenues by \$112.5 million primarily due to the establishment of an insurance premium tax credit for an invisible reinsurance pool and reducing the general fund revenue forecast.

- ³This is the amount of general fund appropriations recommended by the Governor in the original executive budget as submitted on December 13-14, 1982. On February 10, 1983, and March 21, 1983, the Governor made specific recommendations in regard to reductions in various general fund appropriations. The Governor also supported an additional general fund foundation aid appropriation due to depositing 90 percent of the oil extraction tax in the general fund. The Governor's revised general fund appropriation level, subsequent to the February 1983 adjustments discussed above, was \$897.8 million, which included an additional \$15.8 million for foundation aid due to a decline in oil revenue estimates. Subsequent to the March 1983 adjustments, the Governor's revised general fund appropriation level was \$973.4 million, which was \$871.5 million plus \$101.9 million due to funding foundation aid from the general fund rather than from oil extraction tax collections.
- ⁴This is the amount of general fund appropriations recommended by Governor Alan Olson in the original executive budget as submitted on December 6-7, 1984. On February 5, 1985, Governor George Sinner recommended reductions to general fund appropriations which totaled \$72,995,855. Governor Sinner's revised general fund appropriation level was \$1,115,605,614.
- ⁵In addition to adjustments for deficiency appropriations, Governor Sinner mandated a 4 percent general fund allotment reduction totaling \$44,125,917 as of May 1987, the 50th Legislative Assembly made general fund reductions totaling \$12,965,250, and \$4,388,862 was added for Emergency Commission action and 1983-85 carryover which resulted in a 1985-87 general fund spending level of \$1,081,481,356.
- ⁶Other adjustments to the 1987-89 legislative general fund appropriations were a \$3,174,998 reduction due to the cable television sales tax referral and a \$20,520,081 reduction from budget allotments ordered by Governor Sinner because of an anticipated reduction in general fund revenues.
- ⁷In addition the Legislative Assembly in House Bill No. 1046 (1991) appropriated up to \$9.5 million from the general fund for rural development if 1991-93 biennium revenues were more than the 1991-93 biennium revenue estimates made by the 1991 Legislative Assembly, excluding the effect of Sunday opening, by at least \$11 million. This amount does not reflect budget allotments ordered by Governor Sinner during the 1991-93 biennium of \$4,305,000.
- ⁸The special funds appropriation increase results primarily from the Legislative Assembly appropriating \$476.3 million of higher education local funds for the 1999-2001 biennium.
- ⁹The special funds appropriation decrease from the prior biennium results primarily from the Legislative Assembly removing \$755,859,048 of higher education tuition income and local funds by providing a continuing appropriation for higher education special funds, including tuition income and local funds. If higher education tuition income and local funds had been specifically appropriated, the 2001-03 legislative budget for special funds would have been approximately \$3,778,556,031, a \$513,284,687 increase from the 1999-2001 special funds legislative budget of \$3,265,271,344.
- ¹⁰In addition to an adjustment for deficiency appropriations, Governor John Hoeven mandated a 1.05 percent general fund allotment reduction totaling \$18,343,329 in July 2002.
- ¹¹In addition to an adjustment for deficiency appropriations, the Legislative Assembly made additional general fund reductions totaling \$359,487,777 in a special session in August 2016.
- ¹²The amounts shown reflect the revised executive budget recommended by Governor Doug Burgum for the 2017-19 biennium rather than the original executive budget recommended by Governor Jack Dalrymple. Governor Dalrymple's budget provided for total appropriations of \$12,475,345,672, of which \$4,780,662,854 is from the general fund, for the 2017-19 biennium.
- ¹³The special funds appropriation increase from the prior biennium results primarily from the Legislative Assembly adding \$1.85 billion of appropriation authority for higher education tuition income and local funds. If higher education tuition income and local funds had not been specifically appropriated, the 2017-19 biennium legislative budget would have been approximately \$7.40 billion, a \$920 million decrease from the 2015-17 biennium special funds legislative budget of \$8.32 billion.
- ¹⁴The amounts shown reflect the revised executive budget recommended by Governor Kelly Armstrong for the 2025-27 biennium rather than the original executive budget recommended by Governor Burgum. Governor Burgum's budget provided for total appropriations of \$19,597,894,094, of which \$6,519,873,386 is from the general fund, for the 2025-27 biennium.

**COMPARISON OF AGENCY REQUESTS, EXECUTIVE RECOMMENDATIONS, AND LEGISLATIVE APPROPRIATIONS FOR
STATE SCHOOL AID FOR THE 1967-69 THROUGH 2025-27 BIENNIUMS**

Biennium	Department of Public Instruction Request	Executive Recommendation	Legislative Appropriation	Appropriated Increase (Decrease) From Previous Biennium Appropriation and Previous Year Per Student Payment	Appropriated Percentage Increase (Decrease) From Previous Biennium Appropriation and Previous Year Per Student Payment
1967-69					
General fund state school aid appropriation	\$48,200,000	\$38,450,000	\$45,500,000	\$9,650,000	26.9%
1st-year per student payments	N/A	\$220	\$220	\$44	25.0%
2nd-year per student payments	N/A	\$220	\$220	\$0	0.0%
1969-71					
General fund state school aid appropriation	\$51,750,000	\$48,700,000	\$50,200,000	\$4,700,000	10.3%
1st-year per student payments	N/A	\$230	\$230	\$10	4.5%
2nd-year per student payments	N/A	\$230	\$240	\$10	4.3%
1971-73					
General fund state school aid appropriation	\$67,200,000	\$51,135,000	\$54,385,000	\$4,185,000	8.3%
1st-year per student payments	N/A	Not specified	\$250	\$10	4.2%
2nd-year per student payments	N/A	Not specified	\$260	\$10	4.0%
1973-75					
Total state school aid appropriation	\$77,025,000	\$67,000,000	\$118,200,000	\$63,815,000	117.3%
Less federal revenue sharing			25,300,000	25,300,000	
General fund appropriation	<u>\$77,025,000</u>	<u>\$67,000,000</u>	<u>\$92,900,000</u>	<u>\$38,515,000</u>	70.8%
1st-year per student payments	N/A	Not specified	\$540	\$280	107.7%
2nd-year per student payments	N/A	Not specified	\$540	\$0	0.0%
1975-77					
Total state school aid appropriation	\$156,600,000	\$156,600,000	\$153,378,805	\$35,178,805	29.8%
Less federal revenue sharing	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>(13,300,000)</u>	
General fund appropriation	<u>\$144,600,000</u>	<u>\$144,600,000</u>	<u>\$141,378,805</u>	<u>\$48,478,805</u>	52.2%
1st-year per student payments	\$620	\$620	\$640	\$100	18.5%
2nd-year per student payments	\$680	\$680	\$690	\$50	7.8%

1977-79

Total state school aid appropriation	\$187,000,000	\$185,000,000	\$186,752,000	\$33,373,195	21.8%
Less federal revenue sharing	11,000,000	11,000,000	11,000,000	(1,000,000)	
General fund appropriation	<u>\$176,000,000</u>	<u>\$174,000,000</u>	<u>\$175,752,000</u>	<u>\$34,373,195</u>	24.3%
1st-year per student payments	\$765	\$765	\$775	\$85	12.3%
2nd-year per student payments	\$840	\$840	\$850	\$75	9.7%

1979-81

State school aid					
Per student payments	\$255,943,625	\$243,074,830	\$256,252,000	N/A	
Less: 20-mill district and 21-mill county deducts	<u>61,080,000</u>	<u>61,080,000</u>	<u>63,631,500</u>	<u>N/A</u>	
Net per student payments	\$194,863,625	\$181,994,830	\$192,620,500	N/A	
Tuition fund distributions			16,500,000 ¹	N/A	
Textbooks	6,000,000	5,000,000			
Transportation aid	<u>21,910,000</u>	<u>21,910,000</u>	<u>22,073,500</u>	<u>N/A</u>	
Total state school aid appropriation	\$222,773,625	\$208,904,830	\$231,194,000	\$44,442,000	23.8%
Less					
Federal revenue sharing		12,400,000	12,400,000	1,400,000	
Oil and gas bonuses			5,300,000	5,300,000	
Vietnam bonus sinking funds			4,400,000	4,400,000	
Tuition fund distributions			<u>16,500,000 ¹</u>	<u>16,500,000</u>	
General fund appropriation	<u>\$222,773,625</u>	<u>\$196,504,830</u>	<u>\$192,594,000 ²</u>	<u>\$16,842,000</u>	9.6%
1st-year per student payments	\$875	\$875	\$903	\$53	6.2%
1st-year tuition fund payments			Not specified	N/A	N/A
Total 1st-year payments	<u>\$875</u>	<u>\$875</u>	<u>\$903</u>	<u>\$53</u>	6.2%
2nd-year per student payments	\$970	\$922	\$970	\$67	7.4%
2nd-year tuition fund payments			<u>Not specified</u>	<u>N/A</u>	N/A
Total 2nd-year payments	\$970	\$922	\$970	\$67	7.4%

1981-83

State school aid					
Per student payments	\$429,250,044	\$429,250,044	\$385,961,408	\$129,709,408	
Less: 20-mill district and 21-mill county deducts	<u>69,300,000</u>	<u>71,972,000</u>	<u>34,972,000 ³</u>	<u>(28,659,500)</u>	
Net per student payments	\$359,950,044	\$357,278,044	\$350,989,408	\$158,368,908	
Appropriation for 21-mill levy replacement		\$34,000,000			
Tuition fund distributions			29,877,400	13,377,400	
Transportation aid	<u>40,053,500</u>	<u>40,053,500</u>	<u>37,715,468</u>	<u>15,641,968</u>	
Total state school aid appropriation	\$400,003,544	\$431,331,544	\$418,582,276	\$187,388,276	81.1%

Less					
Oil extraction tax		128,000,000	169,266,667 ⁴	169,266,667	
Oil and gas bonuses			16,000,000	10,700,000	
Federal revenue sharing			700,000	(11,700,000)	
Vietnam bonus sinking funds				(4,400,000)	
Tuition fund distributions			29,877,400	13,377,400	
General fund appropriation	<u>\$400,003,544</u>	<u>\$303,331,544</u>	<u>\$202,738,209</u>	<u>\$10,144,209</u>	5.3%
1st-year per student payments	\$1,569	\$1,569	\$1,425	\$455	46.9%
1st-year tuition fund payments			Not specified	N/A	N/A
Total 1st-year payments	\$1,569	\$1,569	\$1,425	\$455	46.9%
2nd-year per student payments	\$1,777	\$1,777	\$1,591	\$166	11.6%
2nd-year tuition fund payments			Not specified	N/A	N/A
Total 2nd-year payments	\$1,777	\$1,777	\$1,591	\$166	11.6%
1983-85					
State school aid					
Per student payments	\$372,716,564	\$321,223,600	\$351,139,250	(\$34,822,158)	
Less: 20-mill deduct		38,000,000	38,000,000	3,028,000	
Net per student payments	\$372,716,564	\$283,223,600	\$313,139,250	(\$37,850,158)	
Tuition fund distributions	32,000,000	36,300,000	37,100,000 ⁵	7,222,600	
Transportation aid	39,635,052	39,635,052	39,527,552	1,812,084	
Total state school aid appropriation	\$444,351,616	\$359,158,652	\$389,766,802	(\$28,815,474)	(6.9%)
Less					
Oil extraction tax	103,000,000	101,877,000	⁶	(169,266,667)	
Oil and gas bonuses				(16,000,000)	
Federal revenue sharing				(700,000)	
Tuition fund distributions	32,000,000	36,300,000	37,100,000 ⁵	7,222,600	
General fund appropriation	<u>\$309,351,616</u>	<u>\$220,981,652</u>	<u>\$352,666,802</u> ⁷	<u>\$149,928,593</u>	74.0%
1st-year per student payments	\$1,526	\$1,400	\$1,400	(\$191)	(12.0%)
1st-year tuition fund payments	N/A ⁸	N/A ⁸	120 ⁵	120	N/A
Total 1st-year payments	\$1,526 ⁸	\$1,400 ⁸	\$1,520	(\$71)	(4.5%)
2nd-year per student payments	\$1,648	\$1,400	\$1,350	(\$50)	(3.6%)
2nd-year tuition fund payments	N/A ⁸	N/A ⁸	170 ⁵	50	41.7%
Total 2nd-year payments	\$1,648 ⁸	\$1,400 ⁸	\$1,520	\$0	0.0%

1985-87

State school aid

Per student payments	\$392,518,482	\$378,745,728	\$369,727,725	\$18,588,475	
Less: 20-mill deduct	<u>42,432,000</u>	<u>42,432,000</u>	<u>39,709,423</u>	<u>1,709,423</u>	
Net per student payments	\$350,086,482	\$336,313,728	\$330,018,302	\$16,879,052	
Tuition fund distributions	47,895,000	47,895,000	47,895,000 ⁹	10,795,000	
Transportation aid	<u>41,511,724</u>	<u>41,511,724</u>	<u>40,068,810</u>	<u>541,258</u>	
Total state school aid appropriation	\$439,493,206	\$425,720,452	\$417,982,112	\$28,215,310	7.2%
Less					
Tuition fund distributions	47,895,000	47,895,000	47,895,000 ⁹	10,795,000	
Federal revenue sharing	<u>187,000</u>	<u>187,000</u>	<u>187,000</u>	<u>187,000</u>	
General fund appropriation	<u>\$391,598,206</u>	<u>\$377,638,452</u>	<u>\$369,900,112</u> ¹⁰	<u>\$17,233,310</u>	4.9%
1st-year per student payments	\$1,470	\$1,406	\$1,425 ¹⁰	\$75	5.6%
1st-year tuition fund payments	<u>190</u>	<u>190</u>	<u>195</u> ⁹	<u>25</u>	14.7%
Total 1st-year payments	\$1,660	\$1,596	\$1,620	\$100	6.6%
2nd-year per student payments	\$1,544	\$1,502	\$1,455 ¹⁰	\$30	2.1%
2nd-year tuition fund payments	<u>190</u>	<u>190</u>	<u>195</u> ⁹		0.0%
Total 2nd-year payments	\$1,734	\$1,692	\$1,650	\$30	1.9%

1987-89

State school aid

Per student payments	\$455,264,726	\$360,756,666	\$355,570,464	(\$14,157,261)	
Less: 20-mill deduct	<u>39,204,350</u>	<u>39,204,350</u>	<u>39,070,442</u>	<u>(638,981)</u>	
Net per student payments	\$416,060,376	\$321,552,316	\$316,500,022	(\$13,518,280)	
Tuition fund distributions	47,895,000	43,100,000	43,100,000 ¹¹	(4,795,000)	
Transportation aid	<u>40,068,810</u>	<u>40,068,810</u>	<u>38,109,386</u>	<u>(1,959,424)</u>	
Total state school aid appropriation	\$504,024,186	\$404,721,126	\$397,709,408	(\$20,272,704)	(4.9%)
Less					
Federal revenue sharing				(187,000)	
Tuition fund distributions	<u>47,895,000</u>	<u>43,100,000</u>	<u>43,100,000</u> ¹¹	<u>(4,795,000)</u>	
General fund appropriation	<u>\$456,129,186</u>	<u>\$361,621,126</u>	<u>\$354,609,408</u> ¹²	<u>(\$15,290,704)</u>	(4.1%)
1st-year per student payments	\$1,729	\$1,413	\$1,400 ¹²	(\$55)	(3.8%)
1st-year tuition fund payments	<u>195</u>	<u>177</u>	<u>177</u> ¹¹	<u>(18)</u>	(9.2%)
Total 1st-year payments	\$1,924	\$1,590	\$1,577	(\$73)	(4.4%)
2nd-year per student payments	\$1,806	\$1,440	\$1,412 ¹²	\$12	0.9%
2nd-year tuition fund payments	<u>195</u>	<u>177</u>	<u>177</u> ¹¹		0.0%
Total 2nd-year payments	\$2,001	\$1,617	\$1,589	\$12	0.8%

1989-91

State school aid					
Per student payments	\$458,214,936	\$402,575,604	\$378,769,140	\$23,198,676	
Less: Mill deduct					
40 mills	77,400,055	77,400,055			
21 mills 1st year, 22 mills 2nd year			41,207,625	2,137,183	
Net per student payments	\$380,814,881	\$325,175,549	\$337,561,515	\$21,061,493	
Tuition fund distributions	40,700,000	40,700,000	48,200,000	5,100,000	
Transportation aid	40,000,000	34,200,000	36,637,073	(1,472,313)	
Total state school aid appropriation	\$461,514,881	\$400,075,549	\$422,398,588	\$24,689,180	6.2%
Less					
Tuition fund distributions	40,700,000	40,700,000	48,200,000	5,100,000	
General fund appropriation	<u>\$420,814,881</u>	<u>\$359,375,549</u>	<u>\$374,198,588</u> ¹³	<u>\$19,589,180</u>	5.5%
1st-year per student payments	\$1,850	\$1,641	\$1,525	\$113	8.0%
1st-year tuition fund payments	169	169	200	23	13.0%
Total 1st-year payments	\$2,019	\$1,810	\$1,725	\$136	8.6%
2nd-year per student payments	\$1,942	\$1,690	\$1,545	\$20	1.3%
2nd-year tuition fund payments	169	169	200		0.0%
Total 2nd-year payments	\$2,111	\$1,859	\$1,745	\$20	1.2%

1991-93

State school aid					
Per student payments	\$435,561,700	\$381,730,789	\$386,784,025	\$8,014,885	
Less: Mill deduct					
40 mills	76,762,904				
22 mills		42,131,994	42,076,240	868,615	
Net per student payments	\$358,798,796	\$339,598,795	\$344,707,785	\$7,146,270	
Tuition fund distributions	47,400,000	47,225,456	47,225,456	(974,544)	
Transportation aid	36,274,714	36,274,714	36,306,549	(330,524)	
Total state school aid appropriation	\$442,473,510	\$423,098,965	\$428,239,790	\$5,841,202	1.4%
Less					
Tuition fund distributions	47,400,000	47,225,456	47,225,456	(974,544)	
General fund appropriation	<u>\$395,073,510</u>	<u>\$375,873,509</u>	<u>\$381,014,334</u> ¹⁴	<u>\$6,815,746</u>	1.8%
1st-year per student payments	\$1,750	\$1,531	\$1,552	\$7	0.5%
1st-year tuition fund payments	198	197	197	(3)	(1.5%)
Total 1st-year payments	\$1,948	\$1,728	\$1,749	\$4	0.2%
2nd-year per student payments	\$1,825	\$1,587	\$1,608	\$56	3.6%
2nd-year tuition fund payments	198	198	198	1	0.5%
Total 2nd-year payments	\$2,023	\$1,785	\$1,806	\$57	3.3%

1993-95

State school aid					
Per student payments	\$457,832,320	\$472,112,798	\$404,839,927	\$18,055,902	
Less: Mill deduct					
40 mills	74,254,832				
50 mills 1st year, 60 mills 2nd year		103,271,462			
23 mills 1st year, 24 mills 2nd year			43,920,035	1,843,795	
Net per student payments	\$383,577,488	\$368,841,336	\$360,919,892	\$16,212,107	
Tuition fund distributions	47,225,456	46,017,000	46,017,000	(1,208,456)	
Transportation aid	35,538,279	31,521,432	35,600,000	(706,549)	
Total state school aid appropriation	\$466,341,223	\$446,379,768	\$442,536,892	\$14,297,102	3.3%
Less					
Tuition fund distributions	47,225,456	46,017,000	46,017,000	(1,208,456)	
General fund appropriation	<u>\$419,115,767</u>	<u>\$400,362,768</u> ¹⁵	<u>\$396,519,892</u> ¹⁶	<u>\$15,505,558</u>	4.1%
1st-year per student payments	\$1,860	Not specified	\$1,570	(\$38)	(2.4%)
1st-year tuition fund payments	197	\$192	192	(6)	(3.0%)
Total 1st-year payments	\$2,057	\$192	\$1,762	(\$44)	(2.4%)
2nd-year per student payments	\$1,900	Not specified	\$1,636	\$66	4.2%
2nd-year tuition fund payments	197	\$192	192		0.0%
Total 2nd-year payments	\$2,097	\$192	\$1,828	\$66	3.7%

1995-97

State school aid					
Per student payments	\$426,533,854	\$417,050,148	\$456,215,232	\$51,375,305	
Less: Mill deduct					
24 mills	46,010,284	46,010,284			
28 mills 1st year, 32 mills 2nd year			59,709,197	15,789,162	
Net per student payments	\$380,523,570	\$371,039,864	\$396,506,035	\$35,586,143	
Tuition fund distributions	46,017,000	46,017,000	46,017,000		
Transportation aid	36,000,798	36,000,798	36,000,798	400,798	
Total state school aid appropriation	\$462,541,368	\$453,057,662	\$478,523,833	\$35,986,941	8.1%
Less					
Tuition fund distributions	46,017,000	46,017,000	46,017,000		
Transportation aid - Special funds			880,000	880,000	
General fund appropriation	<u>\$416,524,368</u>	<u>\$407,040,662</u>	<u>\$431,626,833</u> ¹⁸	<u>\$35,106,941</u>	8.9%
1st-year per student payments	\$1,662	\$1,652	\$1,757	\$121	7.4%
1st-year tuition fund payments	211 ¹⁹	190 ¹⁹	190 ¹⁹	(2)	(1.0%)
Total 1st-year payments	\$1,873	\$1,842	\$1,947	\$119	6.5%
2nd-year per student payments	\$1,734	\$1,668	\$1,862	\$105	6.0%
2nd-year tuition fund payments	211 ¹⁹	190 ¹⁹	190 ¹⁹		0.0%
Total 2nd-year payments	\$1,945	\$1,858	\$2,052	\$105	5.4%

1997-99

State school aid					
Per student payments	\$519,317,404	\$483,650,506	\$501,586,540	\$45,371,308	
Less: Mill deduct					
36.05 mills 1st year, 39.91 mills 2nd year	78,727,193				
32.42 mills 1st year, 33.34 mills 2nd year		73,281,153			
32 mills			72,298,601	12,589,404	
Net per student payments	\$440,590,211	\$410,369,353	\$429,287,939	\$32,781,904	
Tuition fund distributions	49,273,144	49,273,144	49,273,144	3,256,144	
Limited English proficient student payments			300,000	300,000	
Equity payments		20,000,000 ²⁰			
Transportation aid	37,671,610	37,128,220	36,768,320	767,522	
Total state school aid appropriation	\$527,534,965	\$516,770,717	\$515,629,403	\$37,105,570	7.8%
Less					
Transportation aid - Special funds				(880,000)	
Tuition fund distributions	49,273,144	49,273,144	49,273,144	3,256,144	
General fund appropriation	<u>\$478,261,821</u>	<u>\$467,497,573</u>	<u>\$466,356,259</u> ²¹	<u>\$34,729,426</u>	8.0%
1st-year per student payments	\$2,010	\$1,899	\$1,954	\$92	4.9%
1st-year tuition fund payments	225 ²²	204 ²²	204 ²²	14	7.4%
Total 1st-year payments	\$2,235	\$2,103	\$2,158	\$106	5.2%
2nd-year per student payments	\$2,121	\$1,935	\$2,032	\$78	4.0%
2nd-year tuition fund payments	225 ²²	204 ²²	204 ²²		0.0%
Total 2nd-year payments	\$2,346	\$2,139	\$2,236	\$78	3.6%

1999-2001

State school aid					
Per student payments	\$546,659,759	\$517,678,909	\$520,678,909	\$19,092,369	
Less: 32-mill deduct	78,072,650	78,072,650	78,072,650	5,774,049	
Net per student payments	\$468,587,109	\$439,606,259	\$442,606,259	\$13,318,320	
Tuition fund distributions	53,528,217	53,528,217	53,528,217	4,255,073	
Limited English proficient student payments	300,000	300,000	400,000	100,000	
Transportation aid	36,400,000	36,000,000	36,000,000	(768,320)	
Total state school aid appropriation	\$558,815,326	\$529,434,476	\$532,534,476	\$16,905,073	3.3%
Less					
Tuition fund distributions	53,528,217	53,528,217	53,528,217	4,255,073	
General fund appropriation	<u>\$505,287,109</u>	<u>\$475,906,259</u>	<u>\$479,006,259</u>	<u>\$12,650,000</u>	2.7%
1st-year per student payments	\$2,195	\$2,129	\$2,145	\$113	5.6%
1st-year tuition fund payments	234 ²³	220 ²³	220 ²³	16	7.8%
Total 1st-year payments	\$2,429	\$2,349	\$2,365	\$129	5.8%
2nd-year per student payments	\$2,371	\$2,221	\$2,230	\$85	4.0%
2nd-year tuition fund payments	234 ²³	220 ²³	220 ²³		0.0%
Total 2nd-year payments	\$2,605	\$2,441	\$2,450	\$85	3.6%

2001-03

State school aid					
Per student payments	\$555,110,467	\$532,704,091	\$522,264,541	\$1,585,632	
Less: 32-mill deduct	<u>83,611,330</u>	<u>83,611,330</u>	<u>84,942,893</u>	<u>6,870,243</u>	
Net per student payments	\$471,499,137	\$449,092,761	\$437,321,648	(\$5,284,611)	
Tuition fund distributions	61,346,025	67,239,025	67,239,025	13,710,808	
Limited English proficient student payments	450,000	450,000	650,000	250,000	
Teacher compensation payments			35,036,000 ²⁴	35,036,000	
Transportation aid	<u>36,600,000</u>	<u>36,000,000</u>	<u>36,000,000</u>		
Total state school aid appropriation	\$569,895,162	\$552,781,786	\$576,246,673	\$43,712,197	8.2%
Less					
Tuition fund distributions	<u>61,346,025</u>	<u>67,239,025</u>	<u>67,239,025</u>	<u>13,710,808</u>	
General fund appropriation	<u>\$508,549,137</u>	<u>\$485,542,761</u>	<u>\$509,007,648</u>	<u>\$30,001,389</u>	6.3%
1st-year per student payments	\$2,364	\$2,323	\$2,287	\$57	2.6%
1st-year tuition fund payments	<u>266</u>	<u>300</u>	<u>300</u>	<u>80</u>	36.4%
Total 1st-year payments	\$2,630	\$2,623	\$2,587	\$137	5.6%
2nd-year per student payments	\$2,506	\$2,420	\$2,347	\$60	2.6%
2nd-year tuition fund payments	<u>266</u>	<u>300</u>	<u>300</u>		
Total 2nd-year payments	\$2,772	\$2,720	\$2,647	\$60	2.3%

2003-05

State school aid					
Per student payments	\$605,477,848	\$534,667,340	\$555,800,961	\$33,536,420	
Less: Mill deduct ²⁵	<u>92,127,848</u>	<u>92,460,350</u>	<u>101,870,971</u>	<u>16,928,078</u>	
Net per student payments	\$513,350,000	\$442,206,990	\$453,929,990	\$16,608,342	
Tuition fund distributions	69,495,371	69,495,371	69,495,371	2,256,346	
Limited English proficient student payments	650,000	650,000	650,000		
Teacher compensation payments		66,277,000	51,854,000 ²⁶	16,818,000	
Transportation aid	<u>36,000,000</u>	<u>35,200,000</u>	<u>34,800,000</u>	<u>(1,200,000)</u>	
Total state school aid appropriation	\$619,495,371	\$613,829,361	\$610,729,361	\$34,482,688	6.0%
Less					
Tuition fund distributions	<u>69,495,371</u>	<u>69,495,371</u>	<u>69,495,371</u>	<u>2,256,346</u>	
General fund appropriation	<u>\$550,000,000</u>	<u>\$544,333,990</u>	<u>\$541,233,990</u>	<u>\$32,226,342</u>	6.3%
1st-year per student payments	\$2,766	\$2,430	\$2,509	\$162	6.9%
1st-year tuition fund payments	<u>335</u>	<u>335</u>	<u>335</u>	<u>35</u>	11.7%
Total 1st-year payments	\$3,101	\$2,765	\$2,844	\$197	7.4%
2nd-year per student payments	\$2,843	\$2,528	\$2,623	\$114	4.5%
2nd-year tuition fund payments	<u>335</u>	<u>335</u>	<u>335</u>		0.0%
Total 2nd-year payments	\$3,178	\$2,863	\$2,958	\$114	4.0%

2005-07

State school aid					
Per student payments	\$628,674,605	\$599,665,519	\$607,953,450	\$52,152,489	
Less: Mill deduct ²⁷	<u>122,961,760</u>	<u>122,961,760</u>	<u>124,549,691</u>	<u>22,678,720</u>	
Net per student payments	\$505,712,845	\$476,703,759	\$483,403,759	\$29,473,769	
Tuition fund distributions	71,600,000	71,600,000	71,600,000	2,104,629	
Limited English proficient student payments	650,000	650,000	650,000		
Teacher compensation payments	50,912,120	50,912,120	50,912,120 ²⁸	(941,880)	
Transportation aid	<u>34,800,000</u>	<u>34,800,000</u>	<u>33,500,000</u>	<u>(1,300,000)</u>	
Total state school aid appropriation	\$663,674,965	\$634,665,879	\$640,065,879	\$29,336,518	4.8%
Less					
Tuition fund distributions	<u>71,600,000</u>	<u>71,600,000</u>	<u>71,600,000</u>	<u>2,104,629</u>	
General fund appropriation	<u>\$592,074,965</u>	<u>\$563,065,879</u>	<u>\$568,465,879</u>	<u>\$27,231,889</u>	5.0%
1st-year per student payments	\$2,880	\$2,726	\$2,765	\$142	5.4%
1st-year tuition fund payments	<u>351</u>	<u>351</u>	<u>351</u>	<u>16</u>	4.8%
Total 1st-year payments	\$3,231	\$3,077	\$3,116	\$158	5.3%
2nd-year per student payments	\$3,073	\$2,826	\$2,879	\$114	4.1%
2nd-year tuition fund payments	<u>351</u>	<u>351</u>	<u>351</u>		0.0%
Total 2nd-year payments	\$3,424	\$3,177	\$3,230	\$114	3.7%

2007-09²⁹

State school aid					
Per student formula payments	\$703,565,879	\$724,165,879	\$726,165,879	N/A	
Transportation aid payments	<u>33,500,000</u>	<u>33,500,000</u>	<u>33,500,000</u>	N/A	
Total state school aid appropriation	\$737,065,879	\$757,665,879	\$759,665,879	N/A	
Less					
Tuition fund distributions	<u>71,600,000</u>	<u>76,200,000</u>	<u>76,200,000</u>	N/A ²⁹	N/A ²⁹
General fund appropriation	<u>\$665,465,879</u>	<u>\$681,465,879</u>	<u>\$683,465,879</u>	N/A ²⁹	N/A ²⁹
1st-year per student payments	Not specified	\$3,042	\$3,250	N/A ²⁹	N/A ²⁹
2nd-year per student payments	Not specified	\$3,142	\$3,325	N/A ²⁹	N/A ²⁹

2009-11

State school aid					
Per student formula payments	\$837,125,879	\$837,125,879	\$808,370,295	\$82,204,416	
Supplemental operations grants			16,795,584	16,795,584	
Supplemental one-time grants			85,644,337	85,644,337	
Mill levy reduction grants		³⁰	299,444,264 ³⁰	299,444,264	
Transportation aid payments	<u>38,500,000</u>	<u>38,500,000</u>	<u>48,500,000</u> ³¹	<u>15,000,000</u>	
Total state school aid appropriation	\$875,625,879	\$875,625,879	\$1,258,754,480	\$499,088,601	65.7%

Less					
Federal funds			85,644,337	85,644,337	N/A
Tuition fund distributions	85,500,000	85,500,000	86,300,000	10,100,000	13.3%
Property tax relief sustainability fund			4,233,000	4,233,000	N/A
General fund appropriation	<u>\$790,125,879</u>	<u>\$790,125,879</u>	<u>\$1,082,577,143</u>	<u>\$399,111,264</u>	58.4%
1st-year per student payments	Not specified	\$3,420	\$3,200	(\$125)	(3.8%)
2nd-year per student payments	Not specified	\$3,779	\$3,779	\$579	18.1%
2011-13					
State school aid					
Per student formula payments	\$919,459,478 ³²	\$919,459,478 ³²	\$918,459,478 ³²	\$110,089,183	
Supplemental operations grants				(16,795,584)	
Supplemental one-time grants				(85,644,337)	
Federal education jobs fund program payments	21,242,838	21,242,838	21,242,838	21,242,838	
Rapid enrollment grants			5,000,000	5,000,000	
Mill levy reduction grants	341,790,000	341,790,000	341,790,000	42,345,736	
Transportation aid payments	<u>48,500,000</u>	<u>48,500,000</u>	<u>48,500,000</u>		
Total state school aid appropriation	\$1,330,992,316	\$1,330,992,316	\$1,334,992,316	\$76,237,836	6.1%
Less					
Federal funds	21,242,838	21,242,838	21,242,838	(64,401,499)	(75.2%)
Tuition fund distributions	101,638,000	101,638,000	101,638,000	15,338,000	17.8%
Property tax relief sustainability fund	341,790,000	341,790,000		(4,233,000)	(100.0%)
Oil and gas impact grant fund			5,000,000	5,000,000	N/A
General fund appropriation	<u>\$866,321,478</u>	<u>\$866,321,478</u>	<u>\$1,207,111,478</u>	<u>\$124,534,335</u>	11.5%
1st-year per student payments	Not specified	\$3,879	\$3,910	\$131	3.5%
2nd-year per student payments	Not specified	\$3,979	\$3,980	\$70	1.8%
2013-15					
State school aid					
Integrated formula payments	\$1,787,400,000 ³³	\$1,787,400,000 ³³	\$1,752,100,000 ³³	\$833,640,522 ³³	
Federal education jobs fund program payments				(21,242,838)	
Rapid enrollment grants	17,000,000	17,000,000	13,600,000	8,600,000	
Mill levy reduction grants				(341,790,000) ³³	
Transportation aid payments	<u>53,500,000</u>	<u>53,500,000</u>	<u>53,500,000</u>	<u>5,000,000</u>	
Total state school aid appropriation	\$1,857,900,000	\$1,857,900,000	\$1,819,200,000	\$484,207,684	36.3%
Less					
Federal funds				(21,242,838)	N/A
Tuition fund distributions	140,326,000	140,326,000	140,326,000	38,688,000	38.1%
Property tax relief fund	714,173,838	714,173,838			N/A
Oil and gas impact grant fund				(5,000,000)	N/A
General fund appropriation	<u>\$1,003,400,162</u>	<u>\$1,003,400,162</u>	<u>\$1,678,874,000</u>	<u>\$471,762,522</u>	39.1%
1st-year integrated per student payment rate	Not specified	\$8,810 ³³	\$8,810 ³³	\$4,830	121.4%
2nd-year integrated per student payment rate	Not specified	\$9,092 ³³	\$9,092 ³³	\$282	3.2%

2015-17

State school aid					
Integrated formula payments	\$1,900,000,000	\$1,900,000,000	\$1,916,640,000	\$164,540,000	
Rapid enrollment grants	14,800,000	14,800,000	12,504,530 ³⁴	(1,095,470)	
Transportation aid payments	60,000,000	60,000,000	57,000,000	3,500,000	
Total state school aid appropriation	\$1,974,800,000	\$1,974,800,000	\$1,986,144,530	\$166,944,530	9.2%
Less					
Foundation aid stabilization fund			116,053,293 ³⁴	116,053,293 ³⁴	N/A
Tuition fund distributions	219,134,000	219,134,000	219,134,000	78,808,000	56.2%
General fund appropriation	\$1,755,666,000	\$1,755,666,000	\$1,650,957,237 ³⁴	(\$27,916,763) ³⁴	(1.7%)
1st-year integrated per student payment rate	Not specified	\$9,482	\$9,365	\$273	3.0%
2nd-year integrated per student payment rate	Not specified	\$9,766	\$9,646	\$281	3.0%

2017-19

State school aid					
Integrated formula payments	\$1,937,375,000	\$1,947,120,547 ³⁵	\$1,935,204,163	\$18,564,163	
Rapid enrollment grants			6,000,000	(6,504,530)	
Transportation aid payments	57,000,000	51,300,000 ³⁵	55,400,000	(1,600,000)	
Total state school aid appropriation	\$1,994,375,000	\$1,998,420,547	\$1,996,604,163	\$10,459,633	0.5%
Less					
Foundation aid stabilization fund		140,000,000 ³⁵	301,000,000	184,946,707	159.4%
Tuition fund distributions	288,264,000	301,264,000	305,546,905	86,412,905	39.4%
General fund appropriation	\$1,706,111,000	\$1,557,156,547	\$1,390,057,258	(\$260,899,979)	(15.8%)
1st-year integrated per student payment rate	Not specified	\$9,646	\$9,646	\$0	0.0%
2nd-year integrated per student payment rate	Not specified	\$9,742 ³⁵	\$9,646	\$0	0.0%

2019-21

State school aid					
Integrated formula payments	\$1,930,921,258	\$2,050,702,323 ³⁶	\$2,098,202,429	\$162,998,266	
Rapid enrollment grants			3,000,000	(3,000,000)	
Transportation aid payments	55,400,000	55,400,000 ³⁶	56,500,000	1,100,000	
Total state school aid appropriation	\$1,986,321,258	\$2,106,102,323	\$2,157,702,429	\$161,098,266	8.1%
Less					
Foundation aid stabilization fund	295,000,000	232,781,065 ³⁶	113,000,000	(188,000,000)	(62.5%)
Tuition fund distributions	301,264,000	379,764,000	377,764,000	72,217,095	23.6%
General fund appropriation	\$1,390,057,258	\$1,493,557,258	\$1,666,938,429	\$276,881,171	19.9%
1st-year integrated per student payment rate	Not specified	\$9,839 ³⁶	\$9,839	\$193	2.0%
2nd-year integrated per student payment rate	Not specified	\$10,036 ³⁶	\$10,036	\$197	2.0%

2021-23

State school aid					
Integrated formula payments	\$2,098,202,429	\$2,112,224,733 ³⁷	\$2,131,825,000	\$33,622,571	
Rapid enrollment grants	0		0	(3,000,000)	
Transportation aid payments	<u>56,500,000</u>	<u>56,500,000</u> ³⁷	<u>58,100,000</u>	<u>1,600,000</u>	
Total state school aid appropriation	\$2,154,702,429	\$2,168,724,733	\$2,189,925,000	\$32,222,571	1.5%
Less					
Foundation aid stabilization fund	110,000,000	193,000,000 ³⁷	143,454,500	30,454,500	27.0%
Tuition fund distributions	<u>377,764,000</u>	<u>433,020,000</u>	<u>433,020,000</u>	<u>55,256,000</u>	14.6%
General fund appropriation	<u>\$1,666,938,429</u>	<u>\$1,542,704,733</u>	<u>\$1,613,450,500</u>	<u>(\$53,487,929)</u>	(3.2%)
1st-year integrated per student payment rate	Not specified	\$10,036 ³⁷	\$10,136	\$100	1.0%
2nd-year integrated per student payment rate	Not specified	\$10,036 ³⁷	\$10,237	\$101	1.0%

2023-25

State school aid					
Integrated formula payments	\$2,131,825,000	\$2,270,040,156 ³⁸	\$2,299,674,851	\$167,849,851	
Transportation aid payments	<u>58,100,000</u>	<u>58,100,000</u> ³⁸	<u>58,100,000</u>	<u>0</u>	
Total state school aid appropriation	\$2,189,925,000	\$2,328,140,156	\$2,357,774,851	\$167,849,851	7.7%
Less					
Foundation aid stabilization fund	143,454,500	281,669,656 ³⁸	157,000,000	13,545,500	9.4%
Strategic investment and improvements fund			13,993,086	13,993,086	N/A
Tuition fund distributions	<u>433,020,000</u>	<u>513,832,000</u>	<u>510,860,000</u>	<u>77,840,000</u>	18.0%
General fund appropriation	<u>\$1,613,450,500</u>	<u>\$1,532,638,500</u>	<u>\$1,675,921,765</u>	<u>\$62,471,265</u>	(3.9%)
1st-year integrated per student payment rate	Not specified	\$10,646 ³⁸	\$10,646	\$409	4.0%
2nd-year integrated per student payment rate	Not specified	\$10,965 ³⁸	\$11,072	\$426	4.0%

2025-27

State school aid

Integrated formula payments	\$2,299,674,851	\$2,359,674,851 ³⁹	\$2,414,277,703	\$114,602,852	
Transportation aid payments	<u>58,100,000</u>	<u>58,100,000³⁹</u>	<u>60,100,000</u>	<u>2,000,000</u>	
Total state school aid appropriation	\$2,357,774,851	\$2,417,774,851	\$2,474,377,703	\$116,602,852	4.9%
Less					
Foundation aid stabilization fund	157,000,000	225,000,000	233,000,000	76,000,000	48.4%
Strategic investment and improvements fund	13,993,086			(13,993,086)	(100.0%)
General fund carryover			11,000,000	11,000,000	N/A
Tuition fund distributions	<u>510,860,000</u>	<u>595,677,350</u>	<u>595,677,350</u>	<u>84,817,350</u>	16.6%
General fund appropriation	<u>\$1,675,921,765</u>	<u>\$1,597,097,501</u>	<u>\$1,634,700,353</u>	<u>(\$41,221,412)</u>	(2.5%)
1st-year integrated per student payment rate	Not specified	\$11,293 ³⁹	\$11,349	\$277	2.5%
2nd-year integrated per student payment rate	Not specified	\$11,519 ³⁹	\$11,633	\$284	2.5%

N/A - Not available or not applicable

¹ Tuition fund distributions - 1979-81 - Distributions from the state tuition fund were appropriated for the first time by the 1979 Legislative Assembly but were distributed in previous bienniums. The state tuition fund consists of the net proceeds from all fines for violation of state laws, leasing of school lands, and the interest income from the state common schools permanent trust fund pursuant to North Dakota Century Code Section 15-44-01.

² Adjusted 1979-81 appropriation - In addition to the amounts shown, the 1981 Legislative Assembly appropriated \$12 million from the general fund as a deficiency appropriation for the 1979-81 biennium.

³ Mill deduct - 1981-83 - The appropriation for the 1981-83 biennium was based on only the 20-mill district deduct not on the 21-mill county deduct.

⁴ Oil extraction tax - 1981-83 - Actual oil extraction tax collections in 1981-83 were less than originally estimated, and the 1983 Legislative Assembly subsequently appropriated \$25 million from the lands and minerals trust fund and \$6 million from the general fund for foundation aid to be distributed during the 1981-83 biennium.

⁵ Tuition fund distributions - 1983-85 - Actual tuition fund distributions for the 1983-85 biennium were \$45,792,952, which resulted in payments of \$176 per census unit in 1984 and \$202 per census unit in 1985.

⁶ Oil extraction tax - 1983-85 - The 1983 Legislative Assembly provided that 90 percent of oil extraction tax collections would be deposited in the general fund rather than the allocated 60 percent to the school aid program and 30 percent to the general fund. The remaining 10 percent was deposited in the resources trust fund.

⁷ State school aid - 1983-85 - The actual number of students was less than anticipated and, consequently, the statutory formula did not provide for the distribution of the entire appropriation. The actual amount distributed was \$347,425, 231.

⁸ Per student payments - 1983-85 - The per student payments requested by the Department of Public Instruction and recommended by the Governor for the 1983-85 biennium included the use of money in the state tuition fund. The 1983 Legislative Assembly provided per student foundation aid payments that were in addition to state tuition fund payments.

⁹ Tuition fund distributions - 1985-87 - Actual 1985-87 biennium tuition fund distributions were \$51,575,818, which resulted in payments of \$209 per census unit in 1986 and \$216 per census unit in 1987.

¹⁰ Adjusted 1985-87 appropriation - Due to executive budget allotments and Legislative Assembly general fund appropriation reductions, the total 1985-87 biennium general fund foundation aid distribution was reduced to \$348,731,488. The actual per student payments were \$1,425 and \$1,367 for 1986 and 1987, respectively.

¹¹ Tuition fund distributions - 1987-89 - Actual 1987-89 biennium tuition fund distributions were \$50,603,504, which resulted in payments of \$215 per census unit in 1988 and \$206 per census unit in 1989.

- 12 Adjusted 1987-89 appropriation - Due to reductions resulting from a cable television sales tax referral and executive budget allotments, the 1987-89 biennium general fund state school aid distribution was reduced to \$347,212,599. The actual per student payments were \$1,400 and \$1,385 for 1988 and 1989, respectively.
- 13 Adjusted 1989-91 appropriation - Due to the net effect of tax referrals, budget unallotments, and a \$7 million general fund deficiency appropriation provided by the 1991 Legislative Assembly, the actual 1989-91 biennium general fund foundation aid distribution was reduced to \$358,302,784. The actual per student payments were \$1,411 and \$1,537 in 1990 and 1991, respectively.
- 14 Adjusted 1991-93 appropriation - Due to executive budget allotments, the 1991-93 biennium general fund state school aid distribution was reduced to \$380,310,085. The actual per student payments were \$1,552 and \$1,542 in 1992 and 1993, respectively.
- 15 Executive recommendation - 1993-95 - The amounts shown were included in Governor George A. Sinner's budget recommendation. Governor Edward T. Schafer's budget recommendation included a general fund appropriation of \$381,014,334 for foundation aid.
- 16 State school aid - 1993-95 - The amount distributed for state school aid was increased to \$397,794,664 to reflect approximately \$600,000 available from the transportation aid appropriation and approximately \$1,300,000 available from the amount appropriated for school district restructuring, resulting in an additional payment of \$46 per student in the 2nd year of the biennium.
- 17 Transportation aid - 1995-97 - The 1995 Legislative Assembly appropriated \$880,000 of special funds for transportation aid. The special funds were from the abandoned motor vehicle fund (\$250,000) and the public transportation fund (\$630,000).
- 18 State school aid - 1995-97 - The actual number of students was less than anticipated, and, consequently, the statutory formula did not provide for the distribution of the entire appropriation. The actual amount distributed was \$429,307,277.
- 19 Tuition fund payments - 1995-97 - The Department of Public Instruction request for the 1995-97 biennium included the distribution of state tuition fund money on the basis of average daily membership rather than census units. The executive recommendation and the legislative appropriation continued the distribution on the basis of census units.
- 20 Equity payments - 1997-99 - The executive recommendation for the 1997-99 biennium included \$20 million for equity payments to school districts.
- 21 State school aid - 1997-99 - The actual number of students was less than anticipated, and, consequently, the statutory formula will not provide for the distribution of the entire appropriation.
- 22 Tuition fund payments - 1997-99 - The Department of Public Instruction request for the 1997-99 biennium included the distribution of state tuition fund money on the basis of average daily membership rather than census units. The executive recommendation and the legislative appropriation continued the distribution on the basis of census units.
- 23 Tuition fund payments - 1999-2001 - The Department of Public Instruction request for the 1999-2001 biennium included the distribution of state tuition fund money on the basis of average daily membership rather than census units. The executive recommendation and the legislative appropriation continued the distribution on the basis of census units.
- 24 Teacher compensation payments - 2001-03 - Governor Schafer's executive recommendation did not include an appropriation for teacher compensation payments; however, Governor John Hoeven's budget recommendation included \$50,009,575 for teacher compensation payments of \$2,000 the 1st year of the biennium and an additional \$1,500 the 2nd year for school district instructional and administrative personnel. The legislative appropriation excluded administrative personnel and provides for payments of \$1,000 the 1st year of the biennium and an additional \$2,000 the 2nd year.
- 25 Mill deduct - 2003-05 - The mill deduct used in the calculation of the 2003-05 state school aid for the Department of Public Instruction request and the executive budget recommendation was 32 mills. The Legislative Assembly increased the mill deduct from 32 mills to 34 mills for the 1st year of the 2003-05 biennium and to 36 mills for the 2nd year of the 2003-05 biennium.
- 26 Teacher compensation payments - 2003-05 - The Legislative Assembly provided a general fund appropriation of \$51,854,000 to continue the current level of teacher compensation payments of \$1,000 for 1st year teachers and \$3,000 per 2nd year returning teachers. The Legislative Assembly did not adopt the executive budget recommendation to provide an additional \$500 per 3rd year returning teachers in the 1st year of the 2003-05 biennium and an additional \$1,000 per 4th year returning teachers in the 2nd year of the biennium.

- 27 Mill deduct - 2005-07 - The mill deduct used in the calculation of the 2005-07 state school aid for the Department of Public Instruction request and the executive budget recommendation was 38 mills for the 1st year and 40 mills for the 2nd year of the biennium. The Legislative Assembly did not change the mill deduct of 38 mills for the 1st year of the biennium, but the Legislative Assembly increased the mill deduct from 40 mills to 41 mills for the 2nd year of the 2005-07 biennium.
- 28 Teacher compensation payments - 2005-07 - The Legislative Assembly provided a general fund appropriation of \$50,912,120 to continue the current level of teacher compensation payments of \$1,000 for 1st year teachers and \$3,000 for other teachers.
- 29 The 2007 Legislative Assembly did not change the executive budget recommendation to consolidate funding for the state school aid program, including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula with a new distribution methodology. Therefore, the legislative appropriations and per student payment amounts are not comparable between the 2005-07 and 2007-09 bienniums.
- 30 The executive budget recommendation included a continuing appropriation from the permanent oil tax trust fund for property tax relief by providing mill levy reduction grants totaling an estimated \$300 million for the 2009-11 biennium. The 2009 Legislative Assembly provided \$295 million from the general fund for mill levy reduction grants. The 2011 Legislative Assembly provided deficiency appropriations totaling \$4,444,264, of which \$211,264 is from the general fund and \$4,233,000 is from the property tax relief sustainability fund, for the 2009-11 biennium for mill levy reduction grants.
- 31 In addition to the \$43.5 million provided for transportation grants, the 2009 Legislative Assembly provided a \$5 million contingent appropriation from the general fund for supplemental transportation aid payments. If prior to April 30, 2011, the Office of Management and Budget determined the June 30, 2011, general fund balance would exceed \$30 million, the Department of Public Instruction was to provide the supplemental transportation aid payments according to the percentage of the total transportation formula amount each school district was entitled to receive. The February 2011 executive revenue forecast estimated the conditions would be met and the contingent supplemental funding was made available.
- 32 In addition to the funding provided in the Department of Public Instruction appropriation, the 2011-13 executive budget recommended and the Legislative Assembly approved amendments to the 2009 Session Laws to provide the Department of Public Instruction continue \$9 million of estimated excess funding for state school aid--\$8 million from state school aid and \$1 million from transportation aid--from the 2009-11 biennium to the 2011-13 biennium for state school aid per student payments. Any additional excess funds remaining at the end of the 2009-11 biennium were distributed according to 2009 House Bill No. 1400.
- 33 The 2013 Legislative Assembly approved a change in the K-12 state school aid funding formula. The formula change discontinued the mill levy reduction grant program and provided the state determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. This base level of support was funded through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement was set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources was provided by the state through the integrated formula payment.
- 34 Due to budget reductions approved by the Legislative Assembly in an August 2016 special legislative session, the Superintendent of Public Instruction reduced funding from the general fund for rapid enrollment grants by \$2,295,470. Reductions in funding from the general fund for state school aid - integrated payments, transportation aid payments, and special education - contracts were offset by transfers from the foundation aid stabilization fund totaling \$116,053,293.
- 35 The executive budget recommendation consisted of recommendations from Governor Jack Dalrymple's budget. In January 2017 Governor Doug Burgum released the revised executive budget recommendation, which did not include an increase in the integrated formula payment rate in the 2nd year of the 2017-19 biennium, a reduction of \$9,745,547 in integrated formula payments, and further reduced transportation aid payments by \$5.1 million to provide a total of \$46.2 million during the 2017-19 biennium. Governor Burgum also recommended an additional \$60 million in funding from the foundation aid stabilization fund to offset a reduction in funding from the general fund and to provide a total of \$200 million from the foundation aid stabilization fund for state school aid.

- 36 The executive budget recommendation consisted of recommendations from Governor Burgum's budget, which included funding to increase integrated per student payment rates by 2 percent each year of the 2019-21 biennium at a cost of \$62 million and adjust the state school aid formula to provide blended on-time funding at a cost of \$24.1 million. The executive budget recommendation also recognized savings by transitioning the state school aid formula from the dollar hold harmless and the per student hold harmless for school districts (\$14 million) and excluding new property from the 12 percent limitation in property tax increases resulting in an increased local share (\$8.9 million). The executive budget recommendation did not include an increase in transportation aid payments during the 2019-21 biennium. Governor Burgum also recommended an additional \$122.8 million in funding from the foundation aid stabilization fund, over the base budget of \$110 million, to provide a total of \$232.8 million from the foundation aid stabilization fund for state school aid.
- 37 The executive budget recommendation consisted of recommendations from Governor Burgum's budget, which did not include funding to increase integrated per student payment rates. The executive budget recommendation included an increase in funding for the cost-to-continue integrated formula payments and enrollment growth of \$14 million. The executive budget recommendation did not include an increase in transportation aid payments during the 2021-23 biennium. Governor Burgum also recommended \$83 million of one-time funding from the foundation aid stabilization fund for state school aid over the base budget of \$110 million, to provide a total of \$193 million from the foundation aid stabilization fund for state school aid.
- 38 The executive budget recommendation consisted of recommendations from Governor Burgum's budget, which would increase the integrated per student payment rate by 4 percent in the 1st year and 3 percent in the 2nd year of the 2023-25 biennium. The executive budget recommendation included cost-to-continue savings of \$35.3 million in integrated formula payments related to lower enrollment and transition minimum reductions. The executive budget recommendation did not include an increase in transportation aid payments during the 2023-25 biennium. Governor Burgum also recommended \$138.2 million of one-time funding from the foundation aid stabilization fund for state school aid over the base budget of \$143.5 million, to provide a total of \$281.7 million from the foundation aid stabilization fund for state school aid.
- 39 The executive budget recommendation consisted of recommendations from Governor Burgum and Governor Kelly Armstrong's budgets, which would increase the integrated per student payment rate by 2 percent each year of the 2025-27 biennium (\$91 million). The executive budget recommendation included cost-to-continue savings of \$20 million in integrated formula payments related to lower enrollment growth and savings related to eliminating transition minimum adjustments (\$6.7 million) and the weighted student unit provision for multiplant school districts (\$4.3 million). The executive budget recommendation did not include an increase in transportation aid payments during the 2025-27 biennium.

**MAJOR STATE APPROPRIATIONS AND REVENUE ALLOCATIONS FOR DIRECT
ASSISTANCE TO POLITICAL SUBDIVISIONS FROM THE 2017-19 THROUGH 2025-27 BIENNIUMS**

	2017-19	2019-21	2021-23	2023-25	2025-27
Assistance to political subdivisions (excluding school-related funding)					
General fund appropriations					
Grants to public libraries	\$1,737,528	\$1,737,528	\$1,737,582	\$1,737,582	\$1,737,582
Library vision grants	237,500	237,500	237,500	237,500	237,500
Library vision grants to tribal libraries				50,000	50,000
Homestead credit	16,012,000	17,110,000	18,000,000	72,400,000	60,600,000
Disabled veterans' property tax credits	8,808,200	11,140,200	16,300,000	18,745,000	29,400,000
Primary residence credit				103,225,000	
Aid to health districts	3,250,000	4,725,000	4,725,000	4,725,000	4,725,000
Children's special health services grants for multidisciplinary clinics	31,156				
Suicide prevention grants	179,655	945,000	1,102,613	1,102,613	1,313,026
Emergency medical services training	846,000	846,000	846,000	846,000	696,000
Emergency medical services operations	5,625,000	5,750,000	5,750,000	5,750,000	5,750,000
Public water system operator certification and training program	180,000	125,000	125,000	125,000	125,000
Funds to provide autopsies in the eastern part of the state at the University of North Dakota School of Medicine and Health Sciences	640,000	520,000	625,270	755,292	2,433,078
County and tribal veterans' service officers outreach and training		30,000			
Tobacco Synar program enforcement requirements to local public health		75,000	75,000	75,000	75,000
Matching funds to counties and cities for senior citizen services and programs	1,347,894	1,347,894	1,412,988	1,412,988	703,819
Indian welfare assistance to counties	1,629,964				
State administration of child support enforcement ¹					
Child welfare, service payments to the elderly and disabled, and technology costs - State paying county share	23,300,000	23,300,000	23,300,000	23,300,000	23,300,000
County social and human service program			1,240,391 ²	1,240,391 ²	
Economic assistance and social services pilot program	26,000,000 ²				
Boys' and girls' club work	53,000	53,000			
Soil conservation district grants	1,091,520	1,091,520	1,211,520	1,361,520	1,361,520
Clerk of court	23,936,056	24,957,631	25,212,502	26,125,566	31,186,860
Grants to airports	900,000	500,000	475,000	475,000	475,000
Snow removal grants			20,000,000	106,000	
Transit program grants				1,250,000	4,000,000
Coal-producing county reimbursements for coal severance payments to non-coal-producing counties	180,000	171,000	118,000	118,000	122,000
Carbon dioxide pipeline payments in lieu of taxes					1,000,000
Back the blue grants				3,500,000	
Law enforcement resiliency grants				400,000	
Law enforcement staffing grants				29,000	
Agriculture infrastructure grants				10,000,000	
Community service supervision grants	350,000	350,000	350,000	350,000	315,000
	2017-19	2019-21	2021-23	2023-25	2025-27

Guardianship grants	1,328,600	1,950,000	2,450,000	7,100,000	8,100,000
Total general fund (excluding school-related funding)	\$117,664,073	\$96,962,273	\$125,294,366	\$286,542,452	\$177,706,385
Percentage of total general fund appropriations	2.7%	2.0%	2.5%	4.7%	2.8%
Special funds appropriations and revenue allocations					
Noxious weed control (environment and rangeland protection fund)	\$1,375,274	\$1,375,274	\$1,425,274	\$1,453,969	\$1,820,869
Primary residence credit (legacy property tax relief fund)					408,900,000
State aid distribution funds to cities and counties ³	193,012,192	198,554,573	233,537,394	250,973,973	260,724,445
County aid distribution fund ³			1,286,533	1,310,000	1,360,000
Public transportation services (public transportation fund) ⁴	8,200,000	7,777,138	7,799,821	7,700,000	9,700,000
Insurance tax to fire departments (insurance tax distribution fund)	14,235,561	17,989,505	19,577,261	28,051,308 ⁵	29,317,488 ⁵
Aid to health districts (tobacco prevention and control trust fund)	2,000,000	525,000			
Aid to health districts (community health trust fund)			525,000	3,275,000	3,275,000
Local public health pandemic response (community health trust fund)			4,515,296		
Tobacco education and cessation program grants to local public health districts (tobacco prevention and control trust fund)	6,500,000				
Tobacco education program grants to local public health districts (community health trust fund)		6,500,000	6,250,000	6,250,000	6,250,000
Tobacco cessation program grants to local public health districts (community health trust fund)	50,000	85,000			
Emergency medical services training (Department of Health and Human Services operating fund)					150,000
Emergency medical services operations (insurance tax distribution fund)	1,250,000	1,125,000	1,125,000	1,125,000	1,125,000
Rural emergency medical services and rural ambulance service district operations (community health trust fund)				7,000,000	7,000,000
Community health trust fund cessation grants (community health trust fund)				500,000	500,000
Community health trust fund youth vaping grants (community health trust fund)				300,000	300,000
Funds to provide autopsies in the eastern part of the state at the University of North Dakota School of Medicine and Health Sciences (community health trust fund)			1,000,000	1,000,000	
Abandoned vehicle cleanup (abandoned vehicle fund)	215,000	215,000	215,000	250,000	250,000
Gaming enforcement grants	510,000	510,000	750,000	750,000	750,000
County social and human service program	134,700,000 ²	173,700,000 ²	187,223,092 ²	225,547,251 ²	242,862,030 ²
Matching funds to counties and cities for senior citizen services and programs ⁶	7,900,000	8,513,710	9,163,584	9,900,000	9,900,000
Energy development impact grants (oil and gas impact grant fund)	25,000,000 ⁷	2,000,000 ⁷			
Energy impact fund	15,000,000 ⁸				
Grants to airports (Aeronautics Commission special funds collections)	5,800,000	5,300,000	7,075,000	10,625,000	10,400,000
Grants to airports (airport infrastructure fund)		⁹	20,000,000 ⁹	20,000,000 ⁹	20,000,000 ⁹
Grants to airports (strategic investment and improvements fund)		20,000,000			90,000,000 ¹⁰
Snow removal grants (disaster relief fund)			0 ¹¹		
Municipal infrastructure fund distributions		29,875,000 ¹²	115,000,000 ¹²	115,000,000 ¹²	80,000,000 ¹²
County and township infrastructure fund distributions		¹²	115,000,000 ¹²	115,000,000 ¹²	80,000,000 ¹²
Motor vehicle fuel tax and registration fee allocations ¹³	202,800,000	192,873,316	193,435,960	189,600,000	232,600,000
Legacy earnings highway distribution fund				40,000,000 ¹⁴	¹⁴
	2017-19	2019-21	2021-23	2023-25	2025-27

Flexible transportation fund grants and allocations				42,800,000 ¹⁵	181,750,000 ¹⁵
Telecommunications tax allocations	16,800,000	16,800,000	16,800,000	16,800,000	16,800,000
Coal severance tax allocations ¹⁶	15,188,775	14,119,933	13,694,250	15,000,000	15,000,000
Coal conversion tax allocations ¹⁶	6,913,911	6,859,000	8,369,127	8,400,000	8,400,000
Oil and gas gross production tax allocations ¹⁷	678,731,741	542,393,665	806,776,494	820,140,000	657,280,000
City, county, and tribal park system grants			5,000,000	6,000,000	
Federal Emergency Management Agency repayment (state disaster relief fund)		200,000			
Safeguarding Tomorrow through Ongoing Risk Mitigation (state disaster relief fund)				1,000,000	3,550,000
Distributions to townships in non-oil-producing counties for road and bridge ^{18,19} maintenance and improvements (state disaster relief fund)	8,100,000		7,450,000	750,000	
Distributions to townships in non-oil-producing counties for road and bridge maintenance and improvements (tax relief fund)			11,800,000 ¹⁹		
Distributions to townships in non-oil-producing counties for road and bridge maintenance and improvements (highway fund)			10,000,000 ¹⁹		
Emergency township road repairs (state disaster relief fund)			750,000 ¹⁸	¹⁸	
Water projects ²⁰	305,375,000	385,200,000	912,394,712 ²⁰	782,683,950 ²⁰	708,457,325
Marion area flood mitigation (state disaster relief fund)				225,000	200,000
Cigarette tax allocations ²¹	2,814,385	2,645,999	2,313,931	1,530,000	1,600,000
Energy conservation grants to political subdivisions	460,000	1,200,000	1,200,000	1,200,000	1,200,000
Peace officer and correctional officer appreciation grant program (strategic investment and improvements fund)					3,500,000
Public Employees Retirement System (PERS) main system defined benefit retirement plan unfunded liability (oil tax revenues and strategic investment and improvements fund)				100,000,000 ²²	45,000,000 ²³
Total special funds (excluding school-related funding)	<u>\$1,652,931,839</u>	<u>\$1,636,337,113</u>	<u>\$2,721,452,729</u>	<u>\$2,832,140,451</u>	<u>\$3,139,922,157</u>
Total major direct assistance to political subdivisions (excluding school-related funding)	<u><u>\$1,770,595,912</u></u>	<u><u>\$1,733,299,386</u></u>	<u><u>\$2,846,747,095</u></u>	<u><u>\$3,118,682,903</u></u>	<u><u>\$3,317,628,542</u></u>

	2017-19	2019-21	2021-23	2023-25	2025-27
School-related assistance to political subdivisions					
General fund appropriations - School-related funding					
State school aid - Integrated formula payments	\$1,334,657,258 ²⁴	\$1,610,438,429 ²⁴	\$1,555,350,500 ²⁴	\$1,617,821,765 ²⁴	\$1,574,600,353 ²⁴
Transportation aid payments to school districts	55,400,000	56,500,000	58,100,000 ²⁵	58,100,000 ²⁵	60,100,000 ²⁵
Special education contracts	19,300,000	24,000,000	27,000,000	24,000,000	22,000,000
School food services	1,380,000	1,380,000			1,380,000
Adult education	3,100,000	4,400,000			5,500,000
Mentoring grants	2,050,000	2,125,764			3,700,000
Prekindergarten grants - Best in class program				12,000,000	16,000,000 ²⁶
Waterford Upstart project early learning program (General fund to DHHS to grant to DPI)	1,500,000	1,500,000	1,500,000	2,400,000	1,500,000 ²⁶
Program grant pool	1,530,000 ²⁷	1,500,000 ²⁷	²⁷	²⁷	²⁷
Free meal program				6,000,000	6,000,000
Leveraging the senior year					1,536,027 ²⁷
Building tomorrow's leaders					50,000 ²⁷
Family engagement					150,000 ²⁷
Para-to-teacher program				3,000,000	3,000,000
Administrative cost sharing reimbursement				125,000	
Indians into STEM					300,000
Science of reading and literacy instruction					1,000,000
Science of mathematics instruction					1,000,000
Mathematics screening tool					300,000
Foreign language grants for kindergarten through grade three					49,500
Regional education association merger grants				70,000	
EduTech services, including school district antivirus licenses and student information system funding	3,188,249	3,311,619	2,824,877	2,905,260	3,271,124
School district information technology network costs (statewide information technology network costs)	4,434,278	5,077,970	4,589,718	6,272,610	6,702,024
School district and area center grants for career and technical education	<u>20,389,580</u>	<u>24,887,780</u>	<u>26,837,780</u>	<u>41,537,780</u>	<u>52,037,780</u>
Total general fund - School-related funding	\$1,446,929,365	\$1,735,121,562	\$1,676,202,875	\$1,774,232,415	\$1,760,176,808
Percentage of total general fund appropriations	32.7%	34.9%	33.1%	29.0%	28.2%
Special funds appropriations and revenue allocations - School-related funding					
State school aid - Integrated formula payments (state tuition fund)	\$305,546,905	\$377,764,000	\$433,020,000 ²⁴	\$510,860,000 ²⁴	\$595,677,350 ²⁴
State school aid - Integrated formula payments (foundation aid stabilization fund)	295,000,000 ²⁴	110,000,000 ²⁴	143,454,500 ²⁴	157,000,000 ²⁴	233,000,000 ²⁴
State school aid - Integrated formula payments (strategic investment and improvements fund)				13,993,086 ²⁴	
State school aid - Integrated formula payments (carryover deposited in the DPI operating fund)					11,000,000 ²⁴
English language learner grants (foundation aid stabilization fund)	500,000 ²⁸				
Grants for adult education programs (displaced homemaker fund)	225,000	225,000	225,000	225,000	225,000
Rapid enrollment grants (foundation aid stabilization fund)	6,000,000 ²⁴	3,000,000 ²⁴			
Regional education association merger grants (foundation aid stabilization fund)	100,000 ²⁴				
School food services (special funds made available through carryover)			1,380,000	1,380,000	
Adult education (special funds made available through carryover)			5,000,000	5,500,000	
Mentoring program (special funds made available through carryover)			2,125,764	2,500,000	
	2017-19	2019-21	2021-23	2023-25	2025-27

Program grant pool (special funds made available through carryover)			900,000 ²⁷	1,200,000 ²⁷	
Amira reading tool (special funds made available through carryover/SIIF)				1,600,000	500,000
Teacher retention program (special funds made available through carryover/SIIF)				2,300,000	2,000,000
Centers of excellence program (SIIF)					1,000,000
Science of reading and literacy instruction (special funds made available through carryover)				1,000,000	
Dyslexia identification training (special funds made available through carryover/SIIF)				279,000	300,000
Reading learning platform training (special funds made available through carryover)				558,000	
Educational Technology Council grants	85,000				
EduTech services, including school district antivirus licenses and PowerSchool funding	6,564,518	6,334,154	6,367,062	6,759,048	4,245,262
School district information technology network costs (statewide information technology network costs)	100,000	90,000	90,000	90,000	
Statewide area career center initiative grants (career academies)			88,276,228 ²⁹	28,500,000 ²⁹	
School district and area center grants for career and technical education	2,477,000			500,000	
Total special funds - School-related funding	<u>\$616,598,423</u>	<u>\$497,413,154</u>	<u>\$680,838,554</u>	<u>\$734,244,134</u>	<u>\$847,947,612</u>
Total major school-related assistance to political subdivisions	<u>\$2,063,527,788</u>	<u>\$2,232,534,716</u>	<u>\$2,357,041,429</u>	<u>\$2,508,476,549</u>	<u>\$2,608,124,420</u>
Total general fund assistance to political subdivisions	\$1,564,593,438	\$1,832,083,835	\$1,801,497,241	\$2,060,774,867	\$1,937,883,193
Total special funds assistance	<u>\$2,269,530,262</u>	<u>\$2,133,750,267</u>	<u>\$3,402,291,283</u>	<u>\$3,566,384,585</u>	<u>\$3,987,869,769</u>
Total major direct assistance to political subdivisions	<u>\$3,834,123,700</u>	<u>\$3,965,834,102</u>	<u>\$5,203,788,524</u>	<u>\$5,627,159,452</u>	<u>\$5,925,752,962</u>

¹ The Department of Human Services is unable to determine the amount of general fund support in the department's legislative appropriation for state administration of child support and for paying the county costs of child welfare, service payments to the elderly and disabled, and technology costs.

² The 2017 Legislative Assembly approved, in Senate Bill No. 2206, funding of \$160,700,000, of which \$26,000,000 is from the general fund and \$134,700,000 is from the tax relief fund, for a state-paid economic assistance and social services pilot program during the 2017-19 biennium. The \$26,000,000 from the general fund was appropriated in House Bill No. 1012 (2017). Senate Bill No. 2015 (2019) transferred \$173,700,000 from the tax relief fund to the human service finance fund to continue the program. House Bill No. 1015 (2021) transferred \$187,223,092 from the tax relief fund to the human service finance fund for the program and House Bill No. 1012 (2021) appropriated an additional \$1,240,391 from the general fund for the program. Senate Bill No. 2012 (2023) provided \$200,000,000 from the social service fund and \$26,950,000 from the strategic investment and improvements fund (SIIF) for the program. House Bill No. 1012 (2025) provides \$242,862,030 from the human service finance fund for the program.

³ The 1987 Legislative Assembly, in House Bill No. 1590, provided that 0.6 of an equivalent of 1 percent of the sales, use, and motor vehicle excise tax shall be deposited into the state aid distribution fund to be used beginning July 1, 1989. The 1997 Legislative Assembly, in House Bill No. 1019, reduced the 0.6 to 0.4 of an equivalent of 1 percent of the sales, use, and motor vehicle excise tax to be deposited into the state aid distribution fund beginning January 1, 1999. The Legislative Assembly also added a continuing appropriation so all revenues deposited into the state aid distribution fund are appropriated for payments to political subdivisions. The change also eliminated the 50.0 percent for personal property tax replacement and 50.0 percent for revenue sharing and instead provided that 53.7 percent of the revenues in the fund be distributed to counties and 46.3 percent of the revenues be distributed to cities. The 2013 Legislative Assembly increased the 0.4 to 0.435 of an equivalent of 1 percent of the sales, use, and motor vehicle excise tax to be deposited into the state aid distribution fund beginning July 1, 2014. The 2021 Legislative Assembly approved House Bill No. 1449 creating the county aid distribution fund which receives an allocation equal to 0.05 percent of total collections from sales and motor vehicle excise taxes. The State Treasurer distributes the funds to eligible counties. The 2023 Legislative Assembly continued the county aid distribution fund through June 30, 2027, in House Bill No. 1359.

⁴ Prior to the 2009-11 biennium, \$3 of each motor vehicle registration fee was deposited in the public transportation fund. Beginning with the 2009-11 biennium, the \$3 fee is deposited in the highway tax distribution fund, and the public transportation fund receives 1.5 percent of distributions from the highway tax distribution fund.

⁵ Senate Bill No. 2211 (2023) amends North Dakota Century Code Section 18-04-05 to provide a continuing appropriation from the insurance tax distribution fund for payments to fire departments and districts.

- ⁶ The 2005 Legislative Assembly removed the senior citizen mill levy matching grant program from the Department of Human Services and provided in Senate Bill No. 2267 that the State Treasurer distribute senior citizen mill levy matching grants pursuant to a continuing appropriation from the senior citizen services and programs fund. The fund consists of sales, use, and motor vehicle excise tax collections equivalent to two thirds of one mill levied statewide each year. The 2011 Legislative Assembly, in Senate Bill No. 2242, increased the amount of collections allocated to the fund to three-fourths of one mill levied statewide each year. The 2013 Legislative Assembly, in Senate Bill No. 2162, increased the amount of collections allocated to the fund to 85 percent of one mill levied statewide each year. The 2015 Legislative Assembly, in Senate Bill No. 2143, increased the amount of collections allocated to the fund to 87.5 percent of the amount appropriated up to one mill.
- ⁷ House Bill No. 1176 (2015) provided \$139.3 million for energy infrastructure impact grants from money deposited in the oil and gas impact grant fund, of which \$132.5 million was designated for specific grant categories. Senate Bill No. 2013 (2017) provided \$25 million for airport grants from money deposited in the oil and gas impact grant fund. House Bill No. 1013 (2019) transferred \$2 million from SIIF to the oil and gas impact grant fund for grants to political subdivisions during the 2019-21 biennium.
- ⁸ The 2017 Legislative Assembly, in Senate Bill No. 2013, established the energy impact fund and appropriated \$15 million from the fund for a grant to the Williston airport. During the 2017-19 biennium only, the fund is to receive \$4 million of oil and gas tax allocations. The Legislative Assembly also provided for transfers to the fund during the 2017-19 biennium from the political subdivision allocation fund (\$8 million) and SIIF (\$3 million).
- ⁹ House Bill No. 1066 (2019), establishes the airport infrastructure fund for the purpose of providing grants to airports, and provides for an allocation of up to \$20 million of gross production tax revenue. During the 2019-21 biennium revenue was not sufficient to provide oil and gas tax revenue to be deposited into the fund for airport projects.
- ¹⁰ Senate Bill No. 2006 (2025) provides funding from SIIF for generational airport projects in Fargo (\$45 million), Grand Forks (\$20 million), and Dickinson (\$25 million).
- ¹¹ The Legislative Assembly, in the 2023 regular legislative session, in Senate Bill No. 2015 (2023) provided a 2021-23 biennium appropriation of \$5 million from the state disaster relief fund for snow removal grants. The bill was invalidated by the Supreme Court and the Legislative Assembly in its October 2023 special legislative session did not reappropriate the \$5 million because it was not needed in the 2021-23 biennium.
- ¹² House Bill No. 1066 (2019), established the municipal infrastructure fund and the county and township infrastructure fund for grants to non-oil-producing political subdivisions for eligible infrastructure projects. House Bill No. 1015 (2021) aligns the allocations to the municipal infrastructure fund and the county and township infrastructure fund to provide allocations to the two funds at the same time after the initial allocation to SIIF. Senate Bill No. 2012 (2025) amended the state's share of oil and gas tax revenues to allocate funding to the municipal infrastructure and county and township infrastructure funds before the allocation to the PERS fund and to decrease the allocations to each fund by \$35 million, from \$115 million to \$80 million. The amounts shown for the 2023-25 and 2025-27 bienniums reflect the 2025 legislative revenue forecast.
- ¹³ Prior to the 2009-11 biennium, 37 percent of the funds in the highway tax distribution fund were allocated to counties and cities, and one cent per gallon of motor fuels taxes was deposited in the township highway aid fund. Beginning with the 2009-11 biennium, counties and cities receive 34.5 percent of distributions from the highway tax distribution fund, the one cent per gallon of motor fuels taxes originally deposited in the township highway aid fund is deposited in the highway tax distribution fund, and townships receive 2.7 percent of distributions from the highway tax distribution fund. The amounts shown do not include highway tax distribution fund deposits in the public transportation fund which are shown separately in this schedule. The 2025 Legislative Assembly adjusted the distribution percentages to provide for 35.0 percent of highway tax distribution fund amounts be distributed to counties and cities and 3.4 percent to townships. The amount shown for the 2025-27 biennium also includes the deposit of 25.0 percent of motor vehicle excise taxes in the highway tax distribution fund.
- ¹⁴ House Bill No. 1012 (2023) created the legacy earnings highway distribution fund and provides that 28.5 percent of deposits in the fund be distributed for county and township road projects, 10.0 percent be distributed for township road projects through the legacy earnings township highway aid fund, and 1.5 percent be deposited in the public transportation fund. Section 21-10-13 provides for \$100 million of legacy fund earnings be deposited in the legacy earnings highway distribution fund each biennium. Senate Bill No. 2012 (2025) repealed the legacy earnings highway fund and legacy earnings highway distribution fund.
- ¹⁵ House Bill No. 1012 (2023) amended Section 24-02-37.3 to provide that 25.0 percent of motor vehicle excise tax collections deposited in the flexible transportation fund be allocated for township road and bridge projects in non-oil-producing counties. Senate Bill No. 2012 (2025) amended Section 24-02-37.3 to provide that of the state funds deposited in the flexible transportation fund, 19.5 percent be provided as non-oil-producing county and city grants, 19.5 percent be distributed to non-oil-producing cities and counties using the highway tax distribution fund formula, 17.5 percent be allocated for political subdivision bridge project grants, 13.5 percent be allocated for non-oil-producing township grants, and 9.0 percent be distributed to non-oil-producing townships using the township highway aid formula.
- ¹⁶ Beginning in the 2001-03 biennium, the coal severance tax allocation is based on the provision that 70 percent of the severance tax revenue is allocated among coal-producing counties. Previously, 35 percent had been allocated to coal-producing counties. Beginning in the 2001-03 biennium, the coal conversion tax allocation is based on the provision that 15 percent of the conversion tax revenue is allocated to the county in which the plant is located. Previously, 35 percent of the coal conversion tax had been allocated to the county in which the plant is located. House Bill No. 1412 (2021) provided a coal conversion tax exemption for the general fund portion of the tax, but maintained the current level of allocations to the political subdivisions created a new lignite research tax to maintain the current level of allocations to the lignite research fund through fiscal year 2026. House Bill No. 1279 (2025) provided a partial exemption for the state share of the coal conversion tax, but continued to maintain the allocations to political subdivisions and the lignite research fund.

- ¹⁷ The oil and gas gross production tax allocation is based on a formula which allocates a percentage of gross production tax revenue to the producing county with the remainder going to the state. Prior to the 2009-11 biennium, the amount allocated to a county was limited based on the population of the county. Beginning in the 2013-15 biennium, the allocations from the gross production tax revenue are distributed to counties, cities, school districts, townships, and hub cities based on a formula which provides one set of percentages for counties that received less than \$5 million in allocations during the previous state fiscal year and another set of percentages for counties that received \$5 million or more in allocations during the previous state fiscal year. Senate Bill No. 2323 (2025) provided an additional allocation for hub city debt relief. The amounts shown for the 2023-25 and 2025-27 bienniums reflect the 2025 legislative revenue forecast.
- ¹⁸ The 2021 Legislative Assembly, in Section 4 of Senate Bill No. 2012, appropriated \$750,000 from the state disaster relief fund to the Department of Transportation to provide grants to townships that do not have sufficient funds from any local source to complete emergency township road repairs.
- ¹⁹ The 2019 Legislative Assembly, in Section 4 of Senate Bill No. 2016 (2019), appropriated \$8.1 million from the state disaster relief fund for distributions to townships prior to July 1, 2019. The 2021 Legislative Assembly, in House Bill No. 1015 (2021), appropriated \$8.2 million from the state disaster relief fund and \$11.8 million from the tax relief fund for distributions to townships during the 2021–23 biennium. House Bill 1015 (2021) also appropriated \$10 million from the highway fund to the Department of Transportation to be used to match federal funds for township road and bridge projects. The 2023 Legislative Assembly approved carryover of \$750,000 from the \$8.2 million appropriated (2021) in from the state disaster relief fund to the 2023-25 biennium.
- ²⁰ Funding from a Bank of North Dakota line of credit is included for the 2015-17 biennium (\$200,000,000), 2017-19 biennium (\$75,000,000), 2019-21 biennium (\$75,000,000), 2021-23 biennium (\$50,000,000), 2023-25 biennium (\$100,000,000), and 2025-27 biennium (\$260,000,000). Of the \$912,394,712 provided for during the 2021-23 biennium, \$510,000,000 is from bond proceeds for the Fargo diversion projects (\$435,500,000) and to repay outstanding debt of the Western Area Water Supply which is deposited into the resources trust fund and appropriated for the Mouse River flood control project (\$74,500,000).
- ²¹ The cigarette tax allocation is based on the provision that 3.0 cents per regular package and 3.75 cents per larger package are distributed to cities based on population. Senate Bill No. 2156 (2021) raised the legal age to purchase and use tobacco products from 18 to 21 which may decrease cigarette tax collections.
- ²² In House Bill No. 1040 (2023), the Legislative Assembly closed the main system defined benefit retirement plan to new hires beginning January 1, 2025. The bill increases employer contributions by 1.0 percent beginning January 1, 2024, resulting in total employer contributions of 8.12 percent for employees hired on or before December 31, 2019. Beginning January 1, 2026, the employer contribution rate for state agencies will change to the actuarially determined employer contribution (ADEC) rate to address the unfunded liability of the main system defined benefit plan over a closed period of 31.5 years. The state will pay for the political subdivision portion of the unfunded liability. The estimated ADEC rate on January 1, 2026, is 30.5 percent. The employer contribution rate for political subdivisions will increase from 7.12 to 8.12 percent. Section 31 of House Bill No. 1040 amends Section 57-51.1-07.5 to provide \$65 million of the state share of oil and gas tax revenues be deposited in the PERS fund for the main system plan beginning in the 2023-25 biennium. Section 35 of the bill provides for a \$135 million transfer from SIIF to the PERS fund for the purpose of reducing the unfunded liability of the PERS main system plan during the 2023-25 biennium. **Approximately 50.0 percent of the main system defined benefit retirement plan unfunded liability is the responsibility of political subdivisions; therefore approximately \$100 million of the \$200 million provided by the Legislative Assembly to reduce the unfunded liability during the 2023-25 biennium is provided on behalf of political subdivisions.**
- ²³ In House Bill No. 1234 (2025), the Legislative Assembly transferred \$25 million from SIIF to the PERS fund for the purpose of reducing the unfunded liability of the PERS main system plan during the 2025-27 biennium. Including the \$65 million from the state's share of oil and gas tax revenues being deposited in the PERS fund pursuant to Section 57-51.1-07.5, the Legislative Assembly provided a total of \$90 million to reduce the unfunded liability of the PERS main system plan during the 2025-27 biennium. **Approximately 50 percent of the main system defined benefit retirement plan unfunded liability is the responsibility of political subdivisions; therefore approximately \$45 million of the \$90 million provided by the Legislative Assembly to reduce the unfunded liability during the 2025-27 biennium is provided on behalf of political subdivisions.**
- ²⁴ In 2017, the Legislative Assembly provided a total of \$295 million from the foundation aid stabilization fund for integrated formula payments during the 2017-19 biennium, of which \$185,000,000 is considered one-time funding. In addition the Legislative Assembly provided one-time funding from the foundation aid stabilization fund for rapid enrollment grants (\$6,000,000) and regional education association merger grants (\$100,000). In Senate Bill No. 2013 (2019) the Legislative Assembly provided an ongoing appropriation of \$110,000,000 from the foundation aid stabilization fund for integrated formula payments during the 2019-21 biennium. In addition, the Legislative Assembly, in Senate Bill No. 2265 (2019) provided a one-time appropriation of \$3,000,000 from the foundation aid stabilization fund for rapid enrollment grants only during the 1st year of the 2019-21 biennium. In House Bill No. 1013 (2021) the Legislative Assembly provided a total of \$2,131,825,000 for integrated formula payments. In Senate Bill No. 2013 (2023) the Legislative Assembly provided a total of \$2,299,674,851 for integrated formula payments. In House Bill No. 2013 (2025) the Legislative Assembly provided a total of \$2,414,277,703 for integrated formula payments.
- ²⁵ In 2017, the Legislative Assembly repealed Section 13 of Chapter 49 of the 2015 Session Laws related to the additional transportation grants. In 2021, the Legislative Assembly, in House Bill No. 1027, codified transportation reimbursements and allowed school districts to be reimbursed based on the latest available student enrollment; however, for the 2021-22 and 2022-23 school years, school districts may be reimbursed using the greater of the 2018-19 miles and rides or previous year miles and rides, resulting in an estimated \$1.6 million increase to transportation funding. In 2025, the Legislative Assembly approved House Bill No. 1214 (2025) which provides for the determination of transportation grants based on certain factors, including square miles and buildings in the district, bus size, and number of runs. The factors are applied to the per student payment rate to determine transportation aid grants.

- ²⁶ In 2023, the Legislative Assembly provided funding for the Waterford Upstart project and the best in class program. In 2025, the Legislative Assembly appropriated \$1.5 million from the general fund to the Department of Health and Human Services to provide a grant to Department of Public Instruction to administer the Waterford Upstart project.
- ²⁷ The 2017 Legislative Assembly provided funding from the general fund for a program grant pool, including leveraging the senior year, a leadership program, continuing education grants, preschool continuing education grants, curriculum alignment grants, and teacher and principal evaluation system grants. In addition the Legislative Assembly provided, in Section 9 of House Bill No. 1013 (2017), the unexpended amount remaining from the transfer of \$1,252,627 from the 2013-15 biennium, as permitted in Section 32 of Chapter 137 of the 2015 Session Laws to enhance the delivery and the participation of students and teachers in advanced placement courses during the 2015-17 biennium, is not subject to the provisions of Section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium, for the purpose of increasing the program grant pool. The department continued \$700,711 in the 2017-19 biennium to increase the program grant pool. In 2019, the Legislative Assembly, in Senate Bill No. 2013, reduced funding in the transportation efficiency line item by \$3,000 and transferred the remaining funding of \$27,000 from the transportation efficiency line item to the program grant pool. In addition, funding for the program grant pool is decreased by \$606,711, to provide a total of \$1,500,000 from the general fund for leveraging the senior year, a leadership program, continuing education grants, preschool continuing education grants, curriculum alignment grants, teacher and principal evaluation system grants, family engagement initiatives, and transportation efficiency. In 2021, the Legislative Assembly, in House Bill No. 1013, changed the funding source and reduced funding for the program grant pool to provide funding for leveraging the senior year, a leadership program, and family engagement. In 2023, the Legislative Assembly increased funding for the program grant pool \$300,000 from carryover for leveraging the senior year to provide a total of \$1,200,000 from 2021-23 carryover deposited in the department's operating fund for the program grant pool. In 2025, the Legislative Assembly did not provide for a program grant pool, but provided funding separately for the various programs supported by the program pool.
- ²⁸ In 2017 the Legislative Assembly removed funding from the general fund for English language learner grants and, in Senate Bill No. 2272, provided one-time funding from the foundation aid stabilization fund for English language learner grants.
- ²⁹ The 2021 Legislative Assembly appropriated \$88,276,228 to the Department of Career and Technical Education for the statewide area career center initiative grant program during the 2021-23 biennium, of which \$68,276,228 was from the federal Coronavirus Capital Projects Fund and \$20,000,000 was from the federal State Fiscal Recovery Fund. In House Bill No. 1199 (2023), the Legislative Assembly authorized the department to access a \$68,276,228 Bank of North Dakota line of credit to be repaid using funding appropriated from the Coronavirus Capital Projects Fund. House Bill No. 1199 also included a \$2 million general fund appropriation to the department for the purpose of paying accrued interest on the line of credit. In Senate Bill No. 2015 (2023), the Legislative Assembly appropriated \$26.5 million from SIIF to the department for the purpose of defraying inflationary costs of existing career academy projects under the statewide area career center initiative grant program during the 2023-25 biennium.