

**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.