

DEPARTMENT 405 - INDUSTRIAL COMMISSION 2025-27 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$1,884,918
Operating expenses	472,271
Grants - bond payments	<u>119,879,913</u>
Total other funds	\$122,237,102
Full-time equivalent (FTE) positions	9.75

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for state employee salary and benefits for 9.75 FTE positions	\$0	\$1,884,918	\$1,884,918
2. Includes funding for operating expenses, primarily related to information technology (IT) costs (\$134,789), travel and professional development (\$66,681), and rent (\$64,000)	\$0	\$472,271	\$472,271
3. Includes funding for bond payments	\$0	\$119,879,913	\$119,879,913

Bond Payments

	2023-25 Biennium
Infrastructure project and program bonds - Legacy sinking and interest fund	\$102,620,461
Higher education institutions	15,021,771
North Dakota University System energy conservation projects	207,649
Department of Corrections and Rehabilitation - State Penitentiary	143,375
Office of Management and Budget	283,875
Attorney General's office	330,000
State Historical Society	592,375
Parks and Recreation Department	30,950
Agriculture Research and Extension Service	242,205
Veterans' Home	407,252
Total	\$119,879,913

Continuing Appropriations

Lignite research fund - North Dakota Century Code Section 57-61-01.5 - Research, development, and marketing for the lignite industry. For the 2021-23 biennium, the fund had \$10,000,000 of oil and gas tax revenue allocations, \$8,734,914 of coal tax revenue allocations, \$1,423,156 of investment and other income, \$9,789,352 of grants payments, \$2,039,873 of study and marketing expenditures, \$647,610 of administrative expenditures, and a June 30, 2023, fund balance of \$29,488,701.

North Dakota outdoor heritage fund - Section 54-17.8-02 - For grants to conserve natural areas, restore wildlife and fish habitats, and provide access to sportsmen. For the 2021-23 biennium, the fund had \$15,000,000 of oil and gas tax revenue allocations, \$107,994 of interest income, \$10,570,193 of grant payments, \$98,917 of administrative expenditures, and a June 30, 2023, fund balance of \$40,495,372, including \$39,367,281 obligated for grants and \$1,128,091 unobligated.

North Dakota Pipeline Authority administrative fund - Section 54-17.7-11 - For operations of the North Dakota Pipeline Authority. For the 2021-23 biennium, the fund had \$601,014 of revenues, \$332,386 of expenditures, and a June 30, 2023, fund balance of \$440,113.

Oil and gas research fund - Section 57-51.1-07.3 - Oil and gas research and education. For the 2021-23 biennium, the fund had \$14,500,000 of oil and gas tax revenue allocations, \$9,500,000 of transfers from the strategic investment and improvements fund (SIIF), \$80,848 of other revenues, \$17,283,301 of grant payments, and \$702,356 of other expenditures, and a June 30, 2023, fund balance of \$22,378,336.

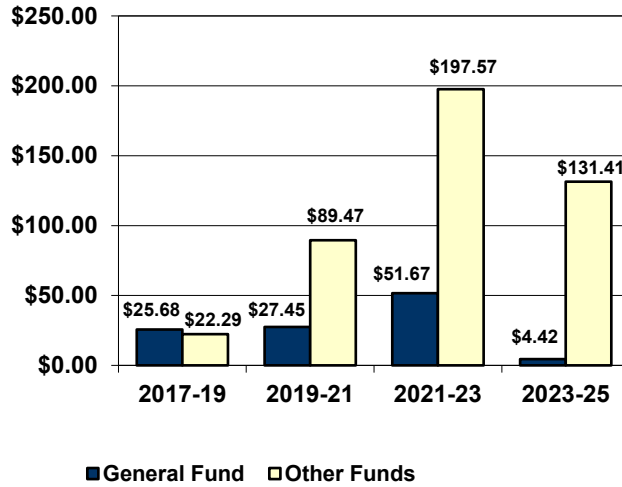
Renewable energy development fund - Section 54-63-04 - Renewable energy research, development, and education. For the 2021-23 biennium, the fund had \$3,000,000 of transfers from the resources trust fund, \$34,290 of other revenues, \$1,808,862 of grant payments, \$69,142 of other expenditures, and a June 30, 2023, fund balance of \$6,084,787.

Clean sustainable energy fund - Section 54-63.1-07 - Grants, loans, and other financial assistance for clean sustainable energy project research and development. For the 2021-23 biennium, the fund had \$25,000,000 of transfers from the general fund, \$20,000,000 of transfers from the federal State Fiscal Recovery Fund, \$562,612 of other revenues, \$10,898,844 of grant payments, \$1,751,000 of provisions for loan losses, \$1,509,000 of interest expense from a line of credit, \$138,551 of other expenditures, and a June 30, 2023, fund balance of \$47,796,217.

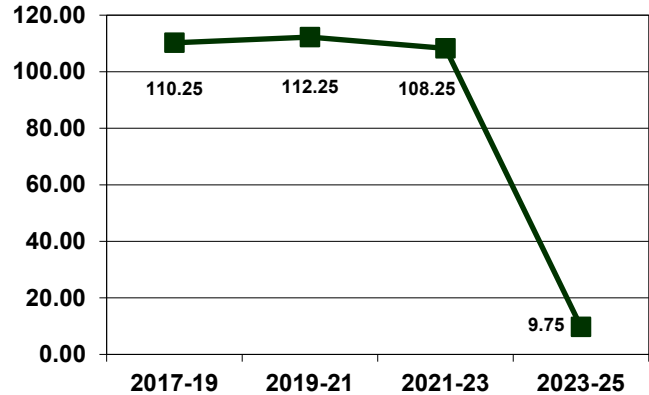
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)¹



FTE Positions¹



¹The 2023 Legislative Assembly separated funding for the Department of Mineral Resources from the Industrial Commission budget, which reduced the Industrial Commission's budget by \$26.49 million from the general fund, \$0.24 million of other funds and 101.5 FTE positions for the 2023-25 biennium.

Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	\$16,994,447	\$15,343,206	\$12,723,790	\$24,369,185	\$122,237,102
Increase (decrease) from previous biennium	N/A	(\$1,651,241)	(\$2,619,416)	\$11,645,395	\$97,867,917
Percentage increase (decrease) from previous biennium	N/A	(9.7%)	(17.1%)	91.5%	401.6%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(9.7%)	(25.1%)	43.4%	619.3%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

- Reduced funding for bond payments from \$15,040,829 to \$13,210,484 (\$1,830,345)

2019-21 Biennium

- Reduced funding for bond payments from \$13,210,484 to \$10,508,767 (\$2,701,717)

2021-23 Biennium

- Increased funding for bond payments from \$10,508,767 to \$22,040,721 \$11,531,954

2023-25 Biennium

- Increased funding for bond payments from \$22,040,721 to \$119,879,913 \$97,839,192

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	\$13,625,322	\$78,426,513	\$5,270,000	\$173,200,000	\$9,171,835

Major One-Time Other Funds Appropriations

2017-19 Biennium

- Added one-time funding from the SIIF for litigation (\$1 million) and a limited review of Army Corps of Engineers surveys \$1,800,000
- Added one-time funding from the abandoned oil and gas well plugging and site reclamation fund for brine pond and soil reclamation studies \$5,000,000

3. Added one-time funding from the resources trust fund for a Western Area Water Supply Authority study	\$150,000
4. Added one-time federal coronavirus relief funds for plugging and reclaiming abandoned oil wells and for grants to reimburse oil companies for water acquisition and disposal costs	\$71,476,513
2019-21 Biennium	
1. Added one-time funding from the SIIF for a rare earth elements study (\$160,000) and a fracturing sand study (\$110,000)	\$270,000
2. Added one-time funding from the abandoned oil and gas well plugging and site reclamation fund for an information technology project	\$5,000,000
2021-23 Biennium	
1. Added one-time funding from the State Fiscal Recovery Fund for pipeline infrastructure grants (\$150 million), an abandoned well conversion to water supply grant program (\$3.2 million), and hydrogen development grants (\$20 million)	\$173,200,000
2023-25 Biennium	
1. Added one-time funding from federal funds for an electric grid resilience grant	\$7,499,037
2. Added one-time funding for grant management software	\$1,250,000
3. Added one-time funding for carbon capture and utilization education and marketing	\$300,000
4. Added one-time funding for new FTE positions (\$12,110), a record digitization project (\$75,000), and inflationary costs (\$35,688)	\$122,798