



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

**Budget Summary**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Executive budget recommendation	45.00	\$9,255,954	\$14,321,949	\$23,577,903
Base level	45.00	7,489,352	13,779,645	21,268,997
Increase (decrease)	<b>0.00</b>	<b>\$1,766,602</b>	<b>\$542,304</b>	<b>\$2,308,906</b>
Percentage increase (decrease)	0.0%	23.6%	3.9%	10.9%

**NOTE:**

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

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

**Selected Highlights**

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace the 2023-25 biennium new and vacant FTE funding pool funding in the agency budget
- Provides \$300,000 from the general fund for the Public Service Commission to intervene on federal litigation that may affect the state
- Adds \$25,000 from the general fund for staff professional development
- Increases funding for operating expenses by \$217,167, of which \$212,542 is from the general fund and \$4,625 is from federal funds, for increased costs for information technology, fleet services, rent, and other expenses
- Includes \$50,000 from the general fund for capital assets purchases, including the purchase of a drone
- Adds \$155,000 of one-time funding from the general fund (\$5,580) and federal funds (\$149,420) for imaging technology for a drone

**Deficiency Appropriations**

There are no deficiency appropriations for this agency.

**Significant Audit Findings**

There are no significant audit findings for this agency.

**Agency Fees**

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 8 fees. The agency did not recommend any changes to the fees.

**Major Related Legislation**

**House Bill No. 1063 - Public Service Commission open meetings** - Provides an exemption to not require the Public Service Commission to post meeting notices when a quorum of commissioners are attending a legislative committee meeting.

**NOTE:**

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



**Public Service Commission - Budget No. 408**  
**Agency Worksheet - House Bill No. 1008**

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	45.00	\$7,489,352	\$13,779,645	\$21,268,997
<b>2025-27 Ongoing Funding Changes</b>				
Base budget reductions and adjustments			(\$282,673)	(\$282,673)
Cost to continue salary increases		\$142,505	18,945	161,450
Salary increase		336,293	227,136	563,429
Health insurance increase		159,891	110,347	270,238
Add funding to restore 2023-25 new FTE funding pool		365,030	138,602	503,632
Add funding to restore 2023-25 vacant FTE funding		181,788	125,902	307,690
Information technology costs		64,692		64,692
Federal intervention funding		300,000		300,000
Staff professional development		43,000		43,000
Increased rent and operating expenses		167,823	4,625	172,448
Capital assets purchases			50,000	50,000
<b>Total ongoing funding changes</b>	<b>0.00</b>	<b>\$1,761,022</b>	<b>\$392,884</b>	<b>\$2,153,906</b>
<b>One-Time Funding Items</b>				
LiDAR imaging system		\$5,580	\$149,420	\$155,000
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$5,580</b>	<b>\$149,420</b>	<b>\$155,000</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$1,766,602</b>	<b>\$542,304</b>	<b>\$2,308,906</b>
<b>2025-27 Total Funding</b>	<b>45.00</b>	<b>\$9,255,954</b>	<b>\$14,321,949</b>	<b>\$23,577,903</b>

Federal funds included in other funds

\$11,955,869

Total ongoing changes - Percentage of base level

0.0%

23.5%

2.9%

10.1%

Total changes - Percentage of base level

0.0%

23.6%

3.9%

10.9%

**Other Sections in Public Service Commission - Budget No. 408**

Section Description	Executive Budget
FTE positions	Section 3 would allow PSC to increase or decrease FTE positions subject to the availability of funds.
Rail rate complaint case loan	Section 4 would authorize PSC to obtain a loan from the Bank of North Dakota for costs associated with a rail complaint case.
Railroad safety project	Section 5 would amend Section 57-43.2-19 to increase the deposit from \$332,327 to \$358,040 per year from special fuel taxes into the rail safety fund.
Salary of commissioners	Section 6 would provide the statutory changes to increase the Public Service Commissioners' annual salaries from the current level of \$135,200 to \$140,608 on July 1, 2025, and to \$144,827 on July 1, 2026.

Sixty-ninth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1008**  
**(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 57-43.2-19, 49-01-05, of the North Dakota Century Code, relating to the salary of public service commissioners, and to authorize a transfer.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2025 and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$ 11,026,304	\$ 1,567,699	\$ 12,594,003
Operating Expenses	2,205,487	492,167	2,697,654
Capital Assets	25,000	205,000	230,000
Grants	20,000	0	20,000
Abandoned Mined Lands Contractual	6,000,000	0	6,000,000
Rail Rate Complaint Case	900,000	0	900,000
Railroad Safety Program	672,206	63,874	736,080
Specialized Legal Services	<u>420,000</u>	<u>(19,834)</u>	<u>400,166</u>
Total All Funds	\$21,268,997	\$2,308,906	\$23,577,903
Less Estimated Income	<u>13,779,645</u>	<u>542,304</u>	<u>14,321,949</u>
Total General Fund	\$ 7,489,352	\$ 1,766,602	\$ 9,255,954
Full-Time Equivalent Positions	45.00	0.00	45.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Indirect Cost Recovery Shortfall	\$101,700	\$0
Drone	20,000	0
Weights and measures equipment	70,000	0
Copier	10,000	0
LIDAR technology equipment	<u>0</u>	<u>\$155,000</u>
Total All Funds	\$201,700	\$155,000
Total Special Funds	<u>18,200</u>	<u>149,420</u>
Total General Fund	\$ 183,500	\$ 5,580

The 2025-27 biennium one-time funding amounts are not part of the entity's base budget for the 2027-29 biennium. The public service commission shall report to the appropriation's committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 3. EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding any other provisions of the law, the public service commission may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The public service commission shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

**SECTION 4. BANK OF NORTH DAKOTA – LINE OF CREDIT.** The Bank of North Dakota shall extend a line of credit to the public service commission to provide funding to pay costs associated with a rail rate complaint case. The line of credit may not exceed \$900,000, and the interest rate associated with the line of credit must be the prevailing interest rate charged to the North Dakota governmental entities. The public service commission shall repay the line of credit from amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case. If the moneys available on June 30, 2027, are not sufficient to repay the line of credit, the public service commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit.

**SECTION 5. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-19. Transfer, deposit, and distribution of funds.**

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to three hundred thirty-two thousand three hundred forty dollars per year must be transferred to the state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

**SECTION 6. AMENDMENT.** Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

**49-01-05. Salary of commissioners.** The annual salary of a commissioner is one hundred thirty five thousand two hundred dollars through June 30, 2025, one hundred forty thousand six hundred eight dollars through June 30, 2026 and one hundred forty four thousand eight hundred twenty seven dollars, thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.