



Department of Corrections and Rehabilitation
Department No. 530
2025 Senate Bill No. 2015

EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	971.79	\$344,641,308	\$250,559,681	\$595,200,989
Base level	929.79	247,106,915	45,744,746	292,851,661
Increase (decrease)	42.00	\$97,534,393	\$204,814,935	\$302,349,328
Percentage increase (decrease)	4.5%	39.5%	447.7%	103.2%

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 \$250.22 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$6.5 million of ongoing funding from the general fund for competitive market salary equity
- Adds \$3.7 million of ongoing funding from the general fund for 42 new FTE positions
- Adds \$35.6 million of one-time funding from the strategic investment and improvements fund (SIIF) to complete the new facility for female inmates at the Heart River Correctional Center
- Adds \$17.5 million of one-time funding from the general fund for payments to county jails for overflow inmate housing
- Adds \$127.3 million of one-time funding from SIIF for phase I of a new minimum security facility for male inmates at the Missouri River Correctional Center

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 13 fees. The agency recommended removing offender supervision fees due to the impact of the fee on offenders and the low collection rate of 22 percent in the 2021-23 biennium. The agency reported of the \$1.3 million estimated to be collected during the 2023-25 biennium, approximately \$900,000 will be expended administering the collection of the supervision fee.

Major Related Legislation

House Bill No. 1060 - Workforce safety - Provides a presumption of compensability for cardiac events and certain other conditions or impairments of health for correctional officers.

Senate Bill No. 2013 - Permanent funds distributions - 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. 2066 - Rough Rider Industries - Allows for the sale of Rough Rider Industries products to state employees for personal use.

Senate Bill No. 2115 - Children of inmates - Allows for children of female inmates to reside at the Heart River Correction Center under the care and general control of the female inmate.

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.



Department of Corrections and Rehabilitation - Budget No. 530
Agency Worksheet - Senate Bill No. 2015

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	929.79	\$247,106,915	\$45,744,746	\$292,851,661
2025-27 Ongoing Funding Changes				
Salary increase		\$8,120,320	\$334,876	\$8,455,196
Health insurance increase		5,185,397	229,614	5,415,011
Adds funding to replace the 2023-25 new FTE pool		2,604,277		2,604,277
Adds funding to replace the 2023-25 vacant FTE pool		10,831,794	569,031	11,400,825
Adds funding for competitive market salary equity		6,528,187		6,528,187
Adds funding for educator salaries to comply with the teachers composite schedule		358,463		358,463
Adds funding for correctional officers participation in the public safety retirement plan		645,000		645,000
Adds funding for new positions and related operating costs for the Heart River Correctional Center (HRCC)	26.00	1,755,593		1,755,593
Adds funding for new positions and related operating costs for a Missouri River Correctional Center (MRCC) temporary housing unit	7.00	1,150,364		1,150,364
Adds funding for new positions and related operating costs for pretrial services	2.00	461,850		461,850
Converts community corrections temporary positions to FTE positions	2.00	69,598		69,598
Adds funding for a new Youth Correctional Center security officer position and related operating costs	1.00	182,358		182,358
Converts education services temporary positions to FTE positions	3.00	61,732		61,732
Converts HRCC maintenance supervisor temporary position to FTE position	1.00	61,019		61,019
Increases funding for resident wages		404,472		404,472
Adds funding for inflationary costs, including utilities, food, clothing, medications, and medical costs		4,727,232		4,727,232
Adds funding for increased transitional facility costs		8,427,182		8,427,182
Adds funding for a women's treatment unit		2,087,800		2,087,800
Adds funding for payments to county jails for overflow housing		1,046,438		1,046,438
Adds funding for information technology data processing costs		2,834,884		2,834,884
Adjusts funding to eliminate supervision fees		1,500,000	(1,500,000)	0
Adds funding for a 25 bed re-entry center in the northwest region		1,600,000		1,600,000
Adjusts base budget funding		9,554,751	(9,602,305)	(47,554)
Total ongoing funding changes	42.00	\$70,198,711	(\$9,968,784)	\$60,229,927
One-Time Funding Items				
Adds funding to complete the HRCC, including \$35.6 million from the strategic investment and improvements fund (SIIF)		\$36,742	\$35,635,000	\$35,671,742
Adds funding for MRCC temporary housing unit, including \$8 million from SIIF		121,136	8,032,757	8,153,893
Adds funding for payments to county jails for overflow housing, including programming needs		17,500,000		17,500,000

Adds funding from SIIF for deferred maintenance and extraordinary repairs			16,056,609	16,056,609
Adds funding for new FTE one-time costs		26,145		26,145
Adds funding from SIIF for a James River Correctional Center (JRCC) facility study			750,000	750,000
Adds funding from SIIF for a new MRCC minimum security male facility			127,300,000	127,300,000
Adds funding for software systems and technology upgrades, including \$10.1 million from SIIF		1,561,850	10,149,781	11,711,631
Adds funding for equipment, including a body scanner, medical equipment, dental equipment, body cameras, tasers, ballistic vests, kitchen equipment, and laundry equipment		1,089,809	989,891	2,079,700
Adds funding to replace federal funds for victims of crime grants		7,000,000		7,000,000
Adds federal funds for mental health assessments and services			550,000	550,000
Adds funding for Rough Rider Industries equipment and supplies			13,722,181	13,722,181
Adds federal funds for workforce training and education			1,027,500	1,027,500
Adds funding from SIIF to demolish the JRCC maintenance building			570,000	570,000
Total one-time funding changes	0.00	\$27,335,682	\$214,783,719	\$242,119,401
Total Changes to Base Level Funding	42.00	\$97,534,393	\$204,814,935	\$302,349,328
2025-27 Total Funding	971.79	\$344,641,308	\$250,559,681	\$595,200,989

Federal funds included in other funds

\$15,360,203

Total ongoing changes - Percentage of base level

4.5%

28.4%

(21.8%)

20.6%

Total changes - Percentage of base level

4.5%

39.5%

447.7%

103.2%

Other Sections in Department of Corrections and Rehabilitation - Budget No. 530

Section Description	Executive Budget
Operating fund authority	Section 3 would provide authority to the Department of Corrections and Rehabilitation (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 the DOCR commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the common schools trust fund.
Exemptions	Sections 4, 5, and 9 would provide exemptions for DOCR to continue funding appropriated from SIIF to DOCR for the HRCC facility and from SIIF and the federal State Fiscal Recovery Fund to the Office of Management and Budget for deferred maintenance and extraordinary repairs and then transferred to DOCR into the 2025-27 biennium to complete the HRCC project and for deferred maintenance and extraordinary repairs.
Estimated income - SIIF	Section 6 would identify \$198.5 million from SIIF for various one-time projects and items.
MRCC facility - Legislative intent	Section 7 would provide legislative intent for the 2027 Legislative Assembly to appropriate an additional \$371.5 million, or so much as may be necessary, to complete construction of a new minimum security male facility at MRCC.
FTE positions	Section 8 would authorize the agency to increase or decrease FTE positions as needed, subject to the availability of funds.

**SENATE BILL NO. 2015
(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 department of corrections and rehabilitation; to provide an exemption; to provide a statement of legislative intent; and to provide for a report to the legislative assembly.

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 department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, 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>
Adult Services	\$266,009,840	\$289,666,579	\$555,676,419
Youth Services	<u>26,841,821</u>	<u>12,682,749</u>	<u>39,524,570</u>
Total All Funds	\$292,851,661	\$302,349,328	\$595,200,989
Less Estimated Income	<u>45,744,746</u>	<u>204,814,935</u>	<u>250,559,681</u>
Total General Fund	\$247,106,915	\$ 97,534,393	\$344,641,308
Full-time Equivalent Positions	929.79	42.00	971.79

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH 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>
Equipment	\$1,220,800	\$0
Kitchen equipment	0	90,926
Rough rider industries equipment	2,019,000	2,613,500
Heart River correctional center facility	131,200,000	35,671,742
Inflationary costs	3,478,998	0
Transitional facility contract inflation	2,759,222	0
Dakota women's correctional and rehabilitation center contract	2,450,000	0
Dickinson adult detention center contract	1,003,434	0
Staff and resident development and training	100,000	0
Offender management system review	500,000	0
New cameras	275,000	0
Maintenance and extraordinary repairs	2,000,000	9,500,000
James River correctional center remodel	255,500	0
DOCSTARS maintenance	307,000	0
James River correctional center maintenance shop	1,550,000	0
Information technology needs	2,000,000	0
Rough rider industries supplies	4,083,681	8,108,681
Rough rider industries information technology costs	642,080	0
Rough rider industries cold storage	200,000	0
Rough rider industries paint line replacement	2,300,000	3,000,000

88 bed Missouri River correctional center temporary housing unit	0	8,153,893
Increased county jail population stipends and services	0	17,500,000
Youth correction center heating plant replacement	0	6,556,609
Pretrial officer- new FTE operating	0	24,420
James River correctional center facility study	0	750,000
Missouri River correctional center 600 bed facility	0	127,300,000
New client management software project	0	5,663,200
Millimeter wave body scanner	0	324,000
Medical equipment replacement	0	39,375
Dental equipment replacement	0	77,000
Victims of crime act subrecipient grants	0	7,000,000
IT public safety technology upgrades	0	1,845,481
IT data management and enhancements	0	2,641,100
Justice and mental health collaboration grants	0	550,000
Youth correctional center new FTE operating	0	1,725
Medical software module updates	0	273,850
Vocational education training	0	400,000
College technology solution	0	627,500
Body cameras and tasers	0	1,147,956
Public safety IT equipment	0	855,000
Ballistic vests	0	385,943
James River maintenance building demolition	0	570,000
Laundry building compressor	0	14,500
Total All Funds	\$158,344,715	\$241,686,401
Less Estimated Income	144,632,261	214,783,719
Total General Fund	\$13,712,454	\$ 26,902,682

The 2025-27 one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The department of corrections and rehabilitation shall report to the appropriations 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. DEPARTMENT OF CORRECTIONS AND REHABILITATION OPERATING FUND. Any moneys received from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from department of corrections and rehabilitation commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical co-payments; and from the common school trust fund; may be deposited in the department of corrections and rehabilitation operating fund and expended pursuant to legislative appropriation for the biennium beginning July 1, 2025 and ending June 30, 2027.

SECTION 4. EXEMPTION – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. Section 54-44.1-11 does not apply to the appropriation authority transferred from the office of management and budget to the department of corrections and rehabilitation from special funds derived from the strategic investment and improvements fund in subsection 9 of section 1 of chapter 640 of the 2023 Special Session Session Laws, and any unexpended funds from this transferred appropriation authority may be used for the purpose of deferred maintenance and extraordinary repairs projects during the biennium beginning July 1 2025, and ending June 30, 2027.

SECTION 5. EXEMPTION – FEDERAL STATE FISCAL RECOVERY FUND. Section 54-44.1-11 does not apply to the appropriation authority transferred from the office of management and budget to the department of corrections and rehabilitation from federal funds derived from the state fiscal recovery fund in subsection 10 of section 1 of chapter 550 of the 2021 Special Session Session Laws, and any unexpended funds from this transferred appropriation authority may be used for the purpose of deferred maintenance and extraordinary repairs projects during the biennium beginning July 1 2025, and ending June 30, 2027.

SECTION 6. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – ONE TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$198,494,147 from the strategic investment and improvements fund, of which \$10,149,781 is for various IT projects, \$127,300,000 is for the design and initial construction of a new Missouri River correctional center, \$35,635,000 for the final construction costs of the new Heart River correctional center, \$8,032,757 to construct a temporary

housing unit on the Missouri River correctional center campus, \$750,000 to conduct a James River correctional center facility study, \$9,500,000 for maintenance and extraordinary repairs and \$570,000 to demolish the prior maintenance building at James River correctional center. This funding is considered a one-time funding item.

SECTION 7. MISSOURI RIVER CORRECTIONAL CENTER FACILITY – LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the seventieth legislative assembly appropriate \$371,500,000 or as much as needed to complete the construction of a new Missouri River correctional center facility for the biennium ended 2027-29.

SECTION 8. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the department of corrections and rehabilitation 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 department of corrections and rehabilitations shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

SECTION 9. EXEMPTION – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. Section 54-44.1-11 does not apply to the appropriation in subsection 4 of section 1 of chapter 15 of the 2023 Session Laws, and any unexpended funds from this appropriation may be continued and used for the purpose of a new Heart River correctional center facility during the biennium beginning July 1, 2025, ending June 30,2027.