

# DEPARTMENT 405 - INDUSTRIAL COMMISSION 2027-29 BASE-LEVEL BUDGET

## Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$2,586,501
New and vacant FTE pool	20,376
Operating expenses	1,294,262
Grants - Bond payments	<u>117,118,200</u>
Total all funds	\$121,019,339
Less other funds	<u>120,619,339</u>
Total General Fund	\$400,000
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	\$2,586,501	\$2,586,501
2. Includes a portion of the funding removed from the salaries and wages line item for estimated savings from new and vacant FTE positions. This line item includes \$20,376 related to vacant positions and \$0 for new positions. Funding may be transferred from this line if needed for filling new positions or if savings from vacant positions is less than estimated.	\$0	\$20,376	\$20,376
3. Includes funding for operating expenses, primarily related to information technology costs (\$409,789), a contract with the Transmission Authority for the director position (\$400,000), professional services (\$303,392), travel and professional development (\$81,881), rent (\$64,000), supplies and equipment (\$22,000), postage and printing (\$12,200), and repairs and insurance (\$1,000)	\$400,000	\$894,262	\$1,294,262
4. Includes funding for bond payments	\$0	\$117,118,200	\$117,118,200

## Bond Payments

	<u>2025-27 Biennium</u>
Infrastructure project and program bonds - Legacy Sinking and Interest Fund	\$102,622,743
Higher education institutions	14,083,250
Veterans' Home	412,207
<b>Total</b>	<b>\$117,118,200</b>

## Continuing Appropriations

**Lignite Research Fund** - North Dakota Century Code Section 57-61-01.5 - Research, development, and marketing for the lignite industry. For the 2023-25 biennium, the fund had revenues of \$10,000,000 from oil and gas tax revenue allocations, \$7,868,507 from coal tax revenue allocations, and \$730,429 from investment and other income; expenses of \$22,252,292 for grant payments, \$726,257 for study and marketing expenditures, and \$453,803 for administrative expenditures; and a June 30, 2025, fund balance of \$24,655,285.

**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 2023-25 biennium, the fund had revenues of \$15,000,000 from oil and gas tax revenue allocations and \$796,886 from interest and other income, expenses of \$17,337,693 for grant payments and \$488,231 for administrative expenditures, and a June 30, 2025, fund balance of \$38,466,334.

**North Dakota Pipeline Authority Administrative Fund** - Section 54-17.7-11 - For operations of the North Dakota Pipeline Authority. For the 2023-25 biennium, the fund had revenues of \$4,053 from interest income, expenses of \$355,484 for the director position and other expenses, and a June 30, 2025, fund balance of \$88,682.

**Oil and Gas Research Fund** - Section 57-51.1-07.3 - Oil and gas research and education. For the 2023-25 biennium, the fund had revenues of \$17,500,000 from oil and gas tax revenue allocations, \$3,000,000 transferred from the Strategic Investment and Improvements Fund (SIIF), and \$498,539 from interest and other income; expenses of \$20,705,197 for grant payments and \$547,264 for administrative expenditures, and a June 30, 2025, fund balance of \$22,124,413.

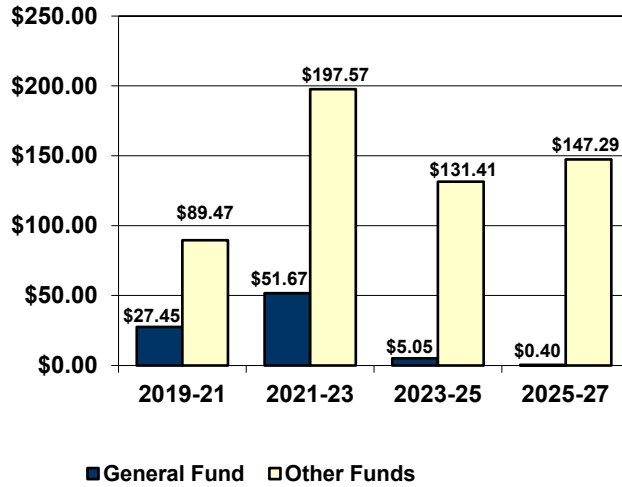
**Renewable Energy Development Fund** - Section 54-63-04 - Renewable energy research, development, and education. For the 2023-25 biennium, the fund had revenues of \$3,000,000 from transfers from the Resources Trust Fund and \$125,686 of other revenues, expenses of \$2,814,589 for grant payments and \$532,745 for administrative expenditures, and a June 30, 2025, fund balance of \$5,863,139.

**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 2023-25 biennium, the fund had revenues of \$30,000,000 from transfers from SIIF and \$540,975 from interest and other income, expenditures of \$19,748,451 for grant payments and \$462,205 for administrative expenditures, and a June 30, 2025, fund balance of \$24,422,536.

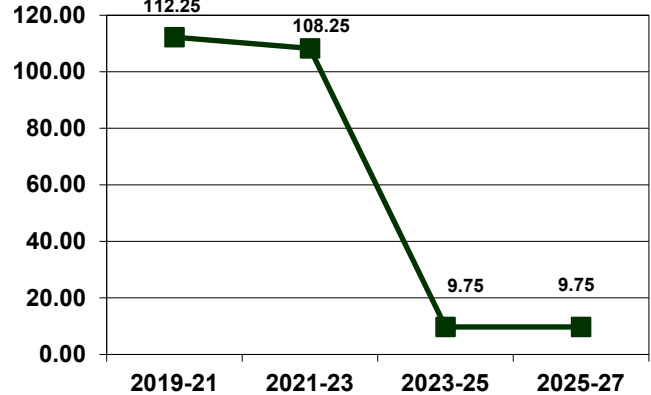
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)<sup>1</sup>



FTE Positions<sup>1</sup>



<sup>1</sup>The 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 General Fund Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Ongoing General Fund appropriations	\$25,408,987	\$27,254,198	\$26,489,613	\$0	\$400,000
Increase (decrease) from previous biennium	N/A	\$1,845,211	(\$764,585)	(\$26,489,613)	\$400,000
Percentage increase (decrease) from previous biennium	N/A	7.3%	(2.8%)	(100.0%)	N/A
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	7.3%	4.3%	(100.0%)	(98.4%)

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2019-21 Biennium

- Added funding for 2 FTE contingent positions \$229,544
- Added funding for operating expenses primarily related to travel, building leases, Microsoft Office 365 licensing, and operating expenses associated with 2 FTE contingent positions \$556,254

#### 2021-23 Biennium

- Removed 4 FTE positions, including 1 FTE computer network specialist position (\$222,366), 1 FTE engineering technician position (\$180,511), and 2 FTE contingent positions (\$229,544) (\$632,461)
- Decreased funding for salaries and wages for anticipated savings from vacant positions and employee turnover (\$214,360)
- Decreased funding for temporary salaries (\$60,000)
- Adjusted funding for operating expenses, primarily related to a decrease in travel (\$730,400)

#### 2023-25 Biennium

- Removed funding for the Department of Mineral Resources to separate the budget from the Industrial Commission (\$26,489,613)

#### 2025-27 Biennium

- Added funding for operating expenses related to a contract with the North Dakota Transmission Authority for the director position \$400,000

### One-Time General Fund Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
One-time General Fund appropriations	\$269,408	\$195,000	\$25,183,720	\$5,052,443	\$0

## Major One-Time General Fund Appropriations

<b>2019-21 Biennium</b>	
1. Temporary employees to record historical information to provide guidance to current and future employees	\$175,000
2. Transfer from the General Fund to the High-Level Radioactive Waste Fund	\$20,000
<b>2021-23 Biennium</b>	
1. Transfer from the General Fund to the Clean Sustainable Energy Fund	\$25,000,000
2. Paleontology and geological equipment	\$106,260
3. Supplemental appropriations approved during the 2023 legislative session to provide \$62,460 for 3 FTE carbon capture positions and \$15,000 for a transfer from the General Fund to the Fossil Excavation and Restoration Fund	\$77,460
<b>2023-25 Biennium</b>	
1. Lignite litigation expenses	\$3,000,000
2. Electric grid resiliency grant, including \$1,124,856 from the General Fund and \$7,499,037 from federal funds	\$1,124,856
3. North Dakota Transmission Authority consulting expenses	\$300,000
4. Deficiency appropriation approved during the 2025 legislative session for an outstanding invoice related to a hydrogen energy research project	\$627,587
<b>2025-27 Biennium</b>	
None	\$0

## Other Funds

### Major sources of special funds include:

- Legacy Sinking and Interest Fund - Revenue derived from the Legacy Fund biennial distribution to repay bonds issued to support legacy infrastructure projects and programs
- Bond repayments - Funding collected from other state agencies to repay bonds
- Administrative fees - Funding transferred from the other entities under the control of the Industrial Commission for administrative services provided to the other entities
- SIIF - Funding source for one-time projects

### Major sources of federal funds include:

- Electricity grid resiliency grant - Federal funding to modernize the electric grid against natural disasters
- Federal Coronavirus Relief Fund - One-time funding source for projects
- Federal State Fiscal Recovery Fund - One-time funding source for projects

## Other Funds Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Other funds appropriations	\$22,293,206	\$89,470,303	\$197,569,185	\$131,408,937	\$147,287,428
Increase (decrease) from previous biennium	N/A	\$67,177,097	\$108,098,882	(\$66,160,248)	\$15,878,491
Percentage increase (decrease) from previous biennium	N/A	301.3%	120.8%	(33.5%)	12.1%
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	301.3%	786.2%	489.5%	560.7%

## Major Increases (Decreases) in Other Funds Appropriations

### 2019-21 Biennium

#### Ongoing

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

#### One-time

1. One-time funding from the Coronavirus Relief Fund for plugging and reclaiming abandoned oil wells and for grants to reimburse oil companies for water acquisition and disposal costs associated with the hydraulic fracturing of new wells \$71,476,513
2. One-time funding from the Abandoned Oil and Gas Well Plugging and Site Reclamation Fund for an information technology project related to an oil database \$5,000,000

3. One-time funding from SIIF for a rare earth elements study (\$160,000) and a fracturing sand study (\$110,000)	\$270,000
<b>2021-23 Biennium</b>	
<b>Ongoing</b>	
Increased funding for bond payments from \$10,508,767 to \$22,040,721 primarily related to new bonds issued for higher education projects	\$11,531,954
<b>One-time</b>	
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
<b>2023-25 Biennium</b>	
<b>Ongoing</b>	
1. Increased funding for bond payments from \$22,040,721 to \$119,879,913 primarily related to new bonds issued to support infrastructure projects and programs	\$97,839,192
2. Added funding for 3 FTE positions and related operating expenses, including 1 FTE grant administration position (\$182,321), 1 FTE deputy director position for the Public Finance Authority (\$132,646), and 1 FTE administrative assistant position (\$182,321)	\$497,288
<b>One-time</b>	
1. One-time funding for an electricity grid resiliency grant, including \$1,124,856 from the General Fund and \$7,499,037 from federal funds	\$7,499,037
2. One-time funding for grant management software	\$1,250,000
3. One-time funding for carbon capture and utilization education and marketing	\$300,000
<b>2025-27 Biennium</b>	
<b>Ongoing</b>	
Reduced funding for bond payments from \$119,879,913 to \$117,118,200	(\$2,761,713)
<b>One-time</b>	
1. One-time funding for an electricity grid resiliency grant, including \$1,782,794 from SIIF and \$11,885,295 from federal funds	\$13,668,089
2. One-time funding from SIIF for lignite litigation expenses	\$3,000,000
3. One-time funding from SIIF for a Research Technology Park Grant Program in Senate Bill No. 2256 (2025)	\$10,000,000