

2025 HOUSE APPROPRIATIONS

HB 1024

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1024
1/30/2025

A BILL for an Act to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

9:05 a.m. Chairman Viegasaa opened the meeting.

Members Present: Chairman Viegasaa, Vice Chair Kempenich, Representatives: Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner.

Discussion Topics:

- Dakota Access Pipeline
- Transition out costs for State Employment
- Special Fund revenues
- Office of Attorney General
- Department of Corrections COVID fund
- Department of Public Instruction
- Department of Veteran Affairs

9:06 a.m. Joe Morrisette, Director, Office of Management and Budget, testified and submitted testimony in favor #32866.

9:24 a.m. Becky Keller, Financial Director, Office of Attorney General, testified in favor.

9:34 a.m. Jamie Mertz, Chief Department Officer, Department of Public Instruction, testified in favor.

9:39 a.m. Lance Anderson, Warden of Transitional Facilities, North Dakota Department of Corrections, testified in favor and provided testimony #32917.

9:46 a.m. Michelle Zander, Assistant Chief Financial Officer, North Dakota Department of Corrections, testified in favor.

9:48 a.m. Chairman Viegasaa closed the meeting.

Madaline Cooper, Committee Clerk



Management
and Budget

Testimony in Support of
House Bill No. 1024
House Appropriations
January 30, 2025

TESTIMONY OF

Joe Morrisette, Director, Office of Management and Budget

Good morning, Chairman Vigesaa and members of the House Appropriations committee. I am Joe Morrisette, the Director of the Office of Management and Budget (OMB) and I am here to ask your support for the deficiency appropriation bill, HB 1024.

The information contained in the attached amendment reflects the deficiency appropriation requests known to OMB at this time. The amounts on this amendment are slightly different than reflected in the Armstrong executive budget, finalized earlier this month, and different than the amounts reflected in the Burgum budget recommendation, finalized in November 2024.

I will provide a brief overview of each request as reflected on the attached amendment. Representatives from each agency are here to provide additional detail or answer specific questions.

Office of the Adjutant General

The requested deficiency appropriation for the Office of the Adjutant General is \$19,420,541. This request includes \$15,125,752 to cover the cost of loans from the Bank of North Dakota for the state response to the Dakota Access Pipeline (DAPL) protest. Of this amount, \$13,362,262 for principal repayment and \$1,763,490 for accumulated interest. The remaining \$4,294,789 request relates to response costs for state disasters. The entire \$19,420,541 is proposed as a deficiency appropriation from the general fund.

Office of the Governor

The current biennium budget for the Office of the Governor includes a \$50,000 appropriation for Transition Out costs related to the change in administration. This funding is a place holder because actual transition costs, if there is a transition, were unknown at the time of the 2023 legislative session. This funding is primarily for the payout of accrued leave balances, required when a team member leaves state service. Actual leave payouts were nearly \$90,000. Since the current budget already includes \$50,000, the ask is for an additional \$40,000 from the general fund to cover these costs.

Office of Management and Budget

Several divisions of the Office of Management and Budget (OMB) operate on special fund authority, including Risk Management, Shared Services, and a large portion of Facility Management. Actual special fund authority included in our current appropriation is expected to be insufficient as we close out the biennium. This funding relates to spending in various areas, including operating, data processing, insurance and utilities. No general fund dollars are

requested, only \$195,000 special funds spending authority. Special fund revenues are adequate to cover this deficiency request.

Office of the Attorney General

The requested deficiency appropriation for the Office of the Attorney General is \$3,050,000. This request includes \$3,000,000 to supplement the litigation pool appropriation. For the 2023-25 biennium, the appropriation for the Attorney General includes \$8,000,000 for the litigation pool. As of Dec. 31, 2024, \$4,389,483 has been spent from the pool. The requested \$50,000 appropriation is to cover costs to reimburse counties for prosecution witness fees. The original appropriation for this purpose is \$95,056, and \$84,748 has been spent through Dec. 31. The entire \$3,050,000 is proposed as a deficiency appropriation from the general fund.

Department of Public Instruction

The requested deficiency appropriation for the Department of Public Instruction is \$30,000,000 for additional federal funds authority related to increases in Title I, Special Education and the school food program.

Department of Veterans Affairs

The requested deficiency appropriation for Veterans Affairs is \$80,000 to cover an estimated deficiency in their salary budget. This amount is proposed as a deficiency appropriation from the general fund.

Department of Corrections and Rehabilitation

The deficiency request for the Department of Corrections and Rehabilitation (DOCR) is related to population overcrowding. The daily inmate population has exceeded operational capacity for the men since July 2023. Factors outside of agency control will continue to be the main determinate of DOCR prison population levels. As of Jan. 28, the male population was 240 over capacity and the women population was four over capacity. Through the legislatively authorized transfer of federal American Rescue Plan Act (ARPA) funding to cover eligible salary expenditures, the DOCR is expected to have general fund turnback of approximately \$45,000,000. Although that turnback could be offset by the amount of this deficiency request. In order to keep the two issues separate and transparent, the department is requesting a general fund deficiency appropriation of \$11,500,000 to cover these excess costs through the remainder of the biennium.

Department of Water Resources

The requested deficiency appropriation for the Department of Water Resources is \$10,000,000 special fund spending authority for repayment of the line of credit for the Water Infrastructure Revolving Loan Fund, pursuant to 2023 Senate Bill 2397. The bill requires Water Resources to request a deficiency appropriation. It does not specify the funding source for the repayment.

Mr. Chairman and committee members, this concludes my testimony. I ask your support for the proposed amendments to HB 1024. I would be happy to answer any questions or turn it over to agency representatives who can provide more detail on these requests.

PROPOSED AMENDMENTS TO**HOUSE BILL NO. 1024**

A BILL for an Act to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

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, to the state departments and institutions of the state of North Dakota for the purpose of defraying their expenses for the period beginning with the effective date of this Act, and ending June 30, 2025, as follows.

Subdivision 1.

OFFICE OF THE ADJUTANT GENERAL

<u>Protest response loan - principal</u>	<u>\$13,362,262</u>
<u>Protest response loan - interest</u>	<u>1,763,490</u>
Loan repayment - disaster costs	\$2,188,735 <u>4,294,789</u>
Total general fund	\$2,188,735 <u>19,420,541</u>

Subdivision 2.OFFICE OF THE GOVERNOR

<u>Salary expenses</u>	<u>\$40,000</u>
<u>Total general fund</u>	<u>\$40,000</u>

Subdivision 3.OFFICE OF MANAGEMENT AND BUDGET

<u>Operating expenses</u>	<u>\$195,000</u>
<u>Total other funds</u>	<u>\$195,000</u>

Sixty-ninth
Legislative Assembly

Subdivision 4.

OFFICE OF THE ATTORNEY GENERAL

<u>Litigation pool</u>	<u>\$3,000,000</u>
<u>Prosecution witness fees</u>	<u>50,000</u>
<u>Total general fund</u>	<u>\$3,050,000</u>

Subdivision 5.

DEPARTMENT OF PUBLIC INSTRUCTION

<u>Other grants</u>	<u>\$30,000,000</u>
<u>Total other funds</u>	<u>\$30,000,000</u>

Subdivision 6.

DEPARTMENT OF VETERAN'S AFFAIRS

<u>Salary expenses</u>	<u>\$80,000</u>
<u>Total general fund</u>	<u>\$80,000</u>

Subdivision 7.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

<u>Adult Services – Excess population costs</u>	<u>\$11,500,000</u>
<u>Total general fund</u>	<u>\$11,500,000</u>

Subdivision 8.

DEPARTMENT OF WATER RESOURCES

<u>Water infrastructure revolving loan fund</u>	<u>\$10,000,000</u>
<u>Total other funds</u>	<u>\$10,000,000</u>

TOTAL - SECTION 1

Grand total general fund	\$2,188,735 <u>34,090,541</u>
<u>Grand total other funds</u>	<u>40,195,000</u>
<u>Grand total all funds</u>	<u>\$74,285,541</u>

SECTION 2. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN

REPAYMENTS. It is the intent of the sixty-ninth legislative assembly that the attorney general

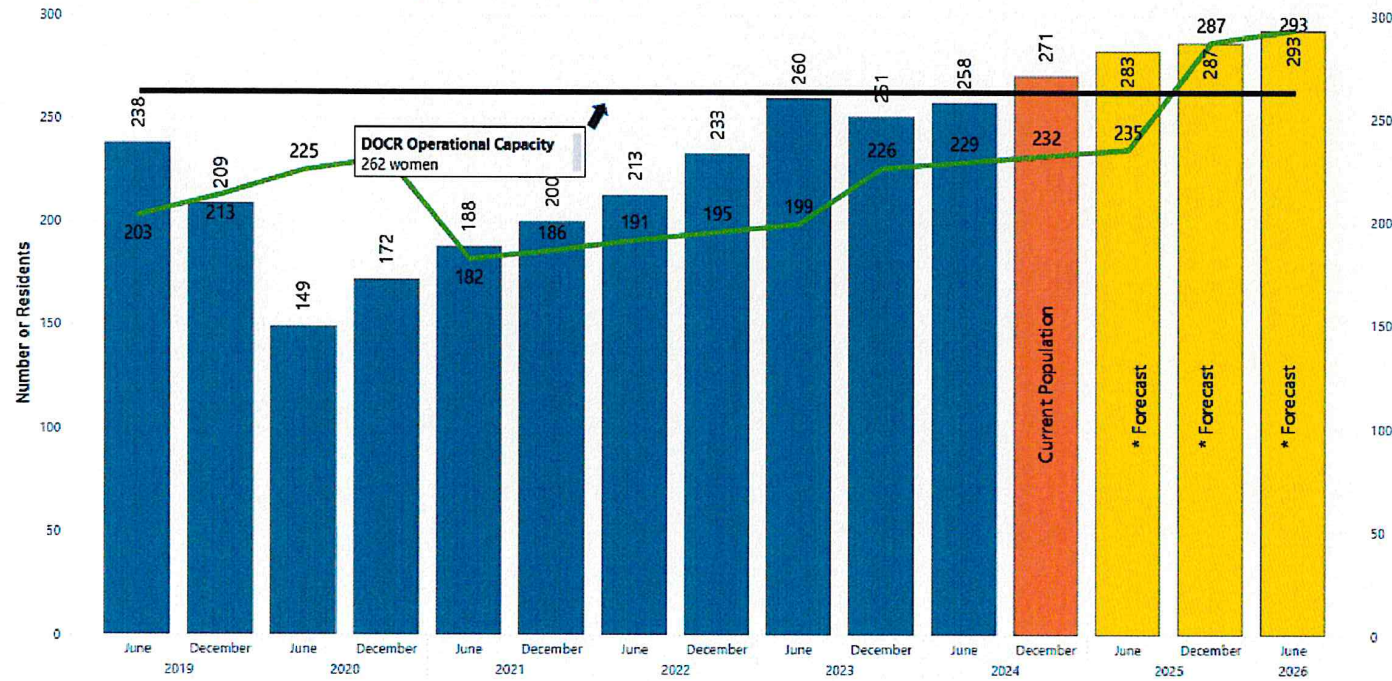
1 seek reimbursement from the federal government for the costs of responding to unlawful activity
2 associated with the construction of the Dakota access pipeline. It is further the intent of the
3 sixty-ninth legislative assembly that these reimbursements be used to repay the Bank of North
4 Dakota loans authorized by the emergency commission and the legislative assembly which
5 were obtained to provide the funding necessary to respond to the unlawful activity associated with
6 the construction of the Dakota access pipeline. It is further the intent of the sixty-ninth legislative
7 assembly that the provisions of section 54-16-13 apply to the loans, except that emergency
8 commission approval does not apply.

9 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

DOCR Women's Population

Count of Female Residents and Physical Contraints

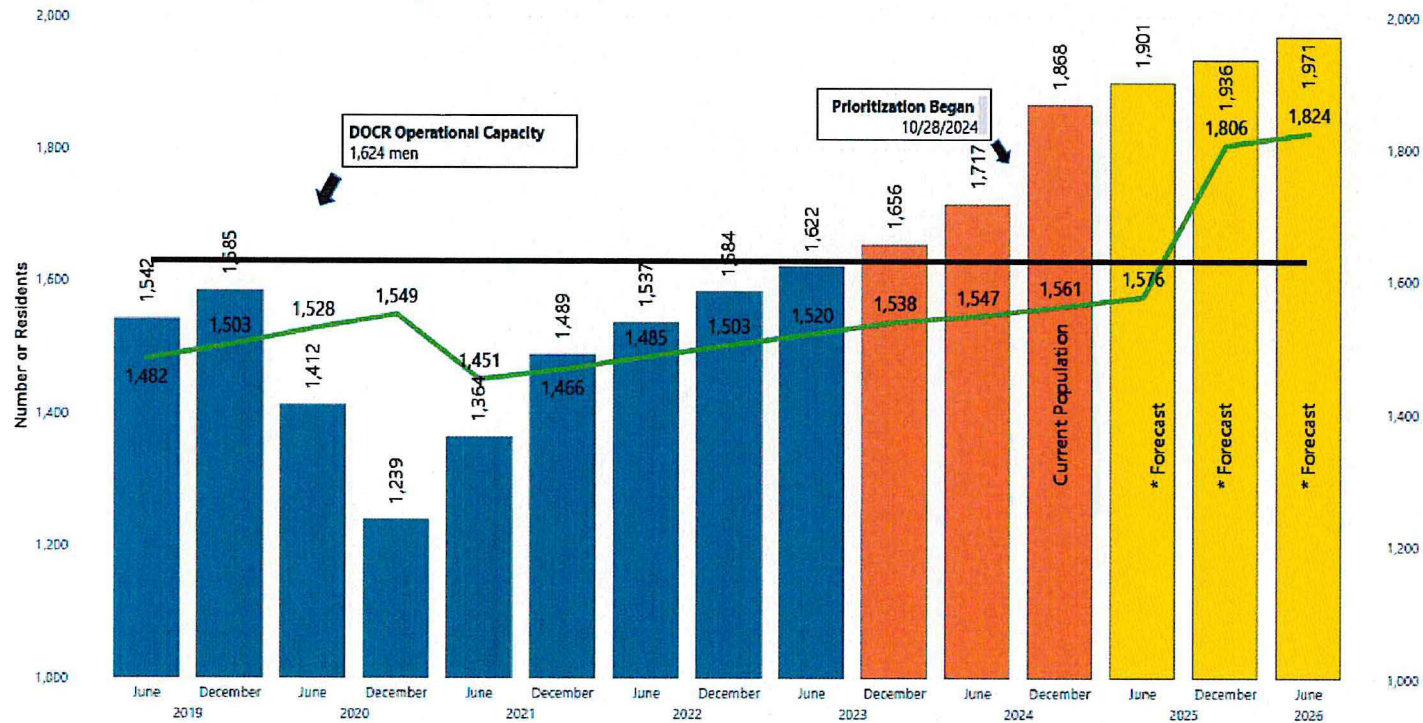
Month End Count, Budgeted Count & Operational Capacity



DOCR Men's Population

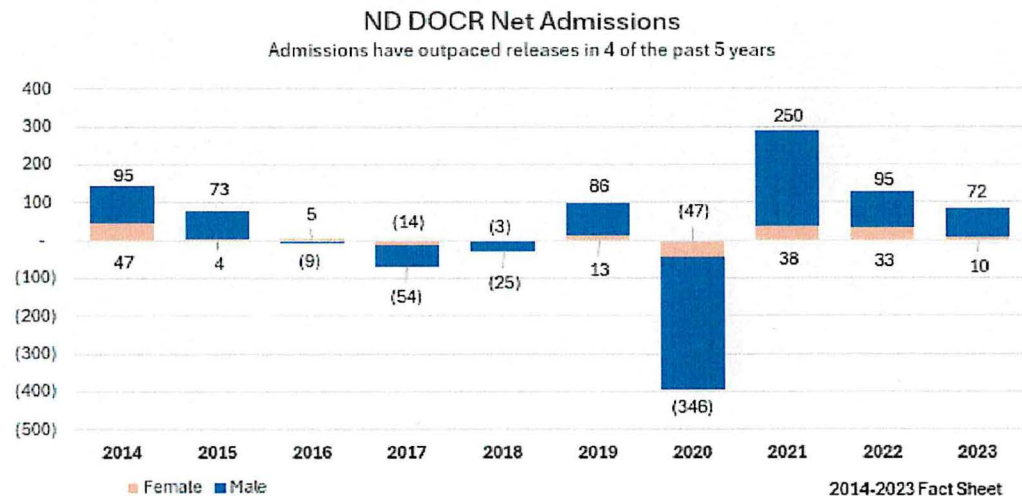
Count of Male Residents and Physical Constraints

Month End Count, Budgeted Count & Operational Capacity



Prison Population Admissions

Admissions have outpaced releases four of the past five years except for 2020 when we were responding to COVID. This was not the case in the previous five years where releases outpaced admissions.



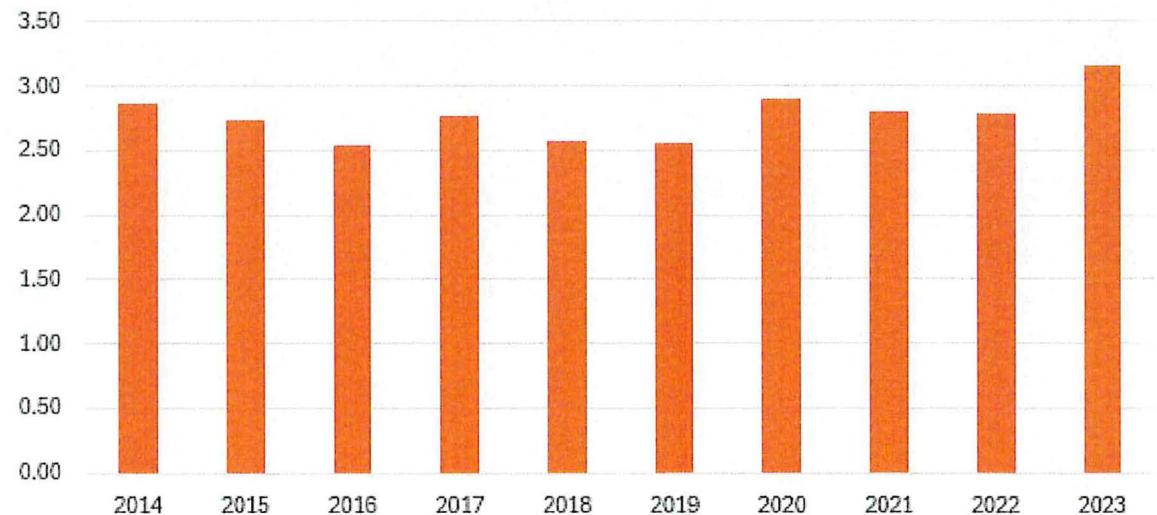
Prison Population Average Length of Stay

The average length of stay for controlling sentences has increased to over three years for the first time in a decade.

Average Court Imposed Sentence Length Fiscal Year Admissions

Average length is over 3 years for first time in a decade.

**Excludes life sentences*

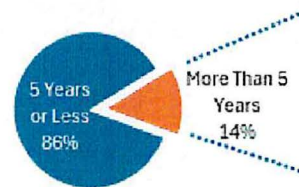


Prison Population 5 Years or More

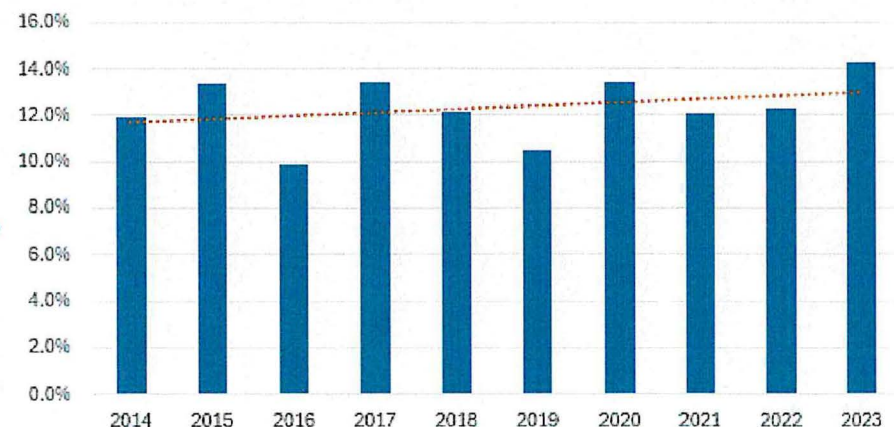
While over 85% of new admissions over the past decade have court-imposed sentences of 5 years or less, that percentage is declining. New Admissions with court-imposed sentences of 5 years or more has increased 20%, from nearly 12% to 14.2% over the decade.

Most new admissions have sentences less than 5 years, but the percentage with 5 years or more has increased by 20% over the last decade from 11.9% to 14.2%.

Court Imposed Sentences
New Admissions



ND DOCR Percentage of New Admissions
with Court Ordered Sentences of 5 Years or More



Prison Population Truth-in-Sentencing

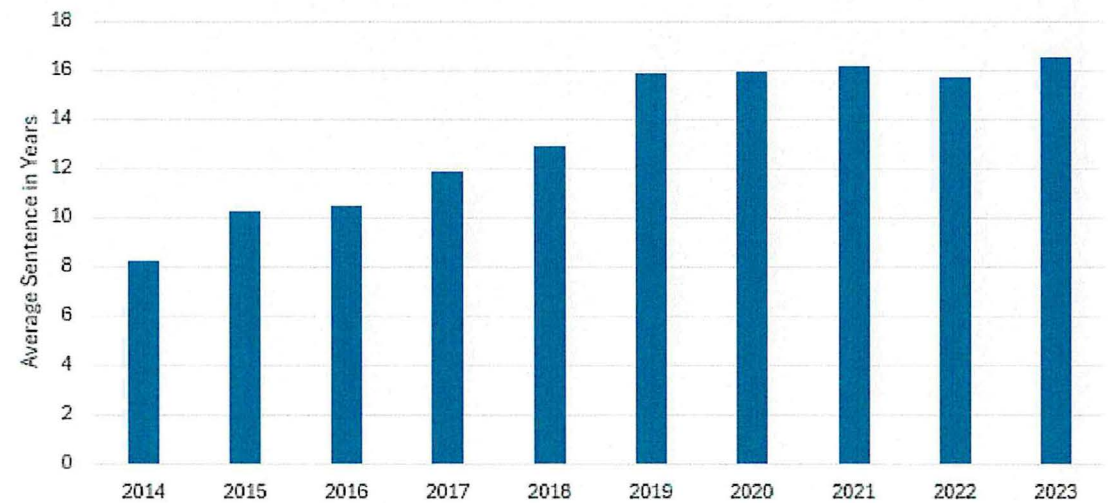
The average sentence length for Truth-In-Sentencing (TIS) has doubled from 8 years in 2014 to 16.56 years in 2023. The number of inmates having 85% TIS is about the same hovering around 300 which is 6% lower than the high of 318 in 2014.

85% Truth-in-Sentencing Residents as of 12/31

Average Sentence Length

The average sentence length has doubled in the last decade.

*excludes life sentences



Corrections and Rehabilitation
Actual Average Population by Facility / Program - Women
2023 - 2025

Month	DWCRC ¹¹	DADC ¹²	HRCC	Transition	CPP ¹⁶	Holds ¹³	Interstate Compact ¹⁴	WTRU ¹⁷	Total DOCR Population	Deferred Admission ¹⁵	(a) Total Population	(b) 23-25 Est. Population	(a) - (b)
Jul 2023 ADP	130	4	49	39	-	4	-	-	225	28	254	223	31
Aug 2023 ADP	123	5	52	36	-	8	-	-	225	21	246	223	23
Sep 2023 ADP	125	7	54	36	-	9	-	1	232	21	254	224	30
Oct 2023 ADP	123	5	48	35	-	13	-	13	237	19	256	224	32
Nov 2023 ADP	121	5	47	41	-	12	-	19	244	16	260	225	35
Dec 2023 ADP	121	10	55	34	-	10	-	19	248	7	256	226	30
Jan 2024 ADP	122	11	51	32	-	6	-	19	241	18	259	226	33
Feb 2024 ADP	124	11	50	37	-	9	-	20	251	4	256	227	29
Mar 2024 ADP	123	12	53	38	-	11	-	19	257	-	257	227	30
Apr 2024 ADP	126	13	52	31	-	17	-	20	259	-	259	228	31
May 2024 ADP	125	12	50	34	-	22	-	20	263	-	263	228	35
Jun 2024 ADP	124	11	51	37	-	21	-	19	263	-	263	229	34
Jul 2024 ADP	118	10	53	43	-	17	-	20	261	-	261	229	32
Aug 2024 ADP	120	10	50	42	-	15	-	20	258	-	258	230	28
Sep 2024 ADP	119	12	48	50	-	17	-	19	265	-	265	230	35
Oct 2024 ADP	119	10	52	46	-	16	-	20	263	-	263	231	32
Nov 2024 ADP	125	10	53	48	-	15	-	20	272	0	272	232	40
Dec 2024 ADP	116	8	50	56	-	20	-	20	271	-	271	232	39
Jan 2025 ADP	-	-	-	-	-	-	-	-	-	-	-	233	
Feb 2025 ADP	-	-	-	-	-	-	-	-	-	-	-	233	
Mar 2025 ADP	-	-	-	-	-	-	-	-	-	-	-	234	
Apr 2025 ADP	-	-	-	-	-	-	-	-	-	-	-	234	
May 2025 ADP	-	-	-	-	-	-	-	-	-	-	-	235	
Jun 2025 ADP	-	-	-	-	-	-	-	-	-	-	-	235	
23-25 Bien Ave.	122	9	51	40	-	13	-	16	252	8	259	227	32

- ¹¹ - Dakota Womens Correctional Rehabilitation Center
- ¹² - People at Dickinson Adult Detention Center
- ¹³ - People housed in county / regional jail facilities
- ¹⁴ - People housed out-of-state with either Bureau of Prison or other States
- ¹⁵ - People in county jail awaiting DOCR admission
- ¹⁶ - Community Placement Program
- ¹⁷ - Women's Treatment & Recovery Unit at Bismarck Transition Center

Corrections and Rehabilitation
Actual Average Population by Facility / Program - Men
2023 - 2025

Month	NDSP 11	JRCC 12	MRCC 13	Interstate Compact 14	Transition	County 16				Total DOCR Population	Deferred Admission 17	(a)	(b)	(a) - (b)
						Holds	Work Release	Rugby	McKenzie			Total Population	23-25 Est Population	
Jul 2023 ADP	798	476	188	17	99	12	22	-	13	1,625	-	1,625	1,531	94
Aug 2023 ADP	793	478	188	17	105	14	20	-	30	1,645	-	1,645	1,532	113
Sep 2023 ADP	793	473	188	17	101	17	16	-	37	1,641	-	1,641	1,534	107
Oct 2023 ADP	791	473	188	18	110	13	14	-	37	1,645	-	1,645	1,535	110
Nov 2023 ADP	813	476	189	18	103	15	12	-	35	1,659	-	1,659	1,537	122
Dec 2023 ADP	814	475	189	19	95	25	13	-	34	1,663	-	1,663	1,538	125
Jan 2024 ADP	801	472	188	19	100	28	18	-	35	1,661	-	1,661	1,540	121
Feb 2024 ADP	810	473	188	19	95	28	18	-	38	1,669	-	1,669	1,541	128
Mar 2024 ADP	814	474	188	19	91	26	17	-	39	1,669	-	1,669	1,543	126
Apr 2024 ADP	825	474	188	19	98	34	18	-	43	1,699	-	1,699	1,544	155
May 2024 ADP	827	477	190	19	103	37	17	-	49	1,719	-	1,719	1,545	174
Jun 2024 ADP	811	480	193	19	110	33	15	5	52	1,718	-	1,718	1,547	171
Jul 2024 ADP	803	480	194	19	115	29	20	21	53	1,734	-	1,734	1,549	185
Aug 2024 ADP	814	481	193	20	121	29	20	20	53	1,753	-	1,753	1,551	202
Sep 2024 ADP	821	483	193	20	128	34	20	20	55	1,774	-	1,774	1,554	220
Oct 2024 ADP	814	482	193	21	134	37	22	23	56	1,781	4	1,785	1,556	229
Nov 2024 ADP	801	480	193	22	135	50	22	24	62	1,789	58	1,848	1,559	289
Dec 2024 ADP	817	481	193	22	139	51	22	30	62	1,817	51	1,868	1,561	307
Jan 2025 ADP													1,564	-
Feb 2025 ADP													1,566	-
Mar 2025 ADP													1,568	-
Apr 2025 ADP													1,571	-
May 2025 ADP													1,573	-
Jun 2025 ADP													1,576	-
23-25 Bien Ave.	809	477	190	19	110	28	18	8	44	1,703	6	1,710	1,551	159

¹¹ - North Dakota State Penitentiary (count includes inmates on temporary leave status and juveniles sentenced as adults being held at YCC)

¹² - James River Correctional Center (count includes people on temporary leave status)

¹³ - Missouri River Correctional Center

¹⁴ - People housed out-of-state with either Bureau of Prison or other States

¹⁶ - People housed in county / regional jail facilities (includes Parole Violators, Work Release, McKenzie County and Rugby Heart of America)

¹⁷ - People in county jail awaiting DOCR admission

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1024
2/19/2025

A BILL for an Act to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

6:20 p.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Committee Action

6:20 p.m. Chairman Vigesaa introduced the amendment LC #25.0741.01001, #38116.

6:23 p.m. Representative Kempenich moved to adopt amendment LC #25.0741.01001.

6:23 p.m. Representative Richter seconded the motion.

Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	AB
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	AB
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

6:24 p.m. Motion Passed 21-0-2.

6:25 p.m. Representative J. Olson moved to further amend to remove funding.

6:26 p.m. Representative Monson seconded the motion.

Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

6:26 p.m. Motion Passed 23-0-0.

6:27 p.m. Representative Kempenich moved a Do Pass as amended.

6:27 p.m. Representative Swiontek seconded the motion.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y

Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

6:27 p.m. Motion passed 23-0-0.

6:27 p.m. Representative Vigesaa will carry the bill.

6:28 p.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

February 20, 2025

RS 2/20/25
1 of 3

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1024

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of various state
2 departments and institutions; and to declare an emergency.

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, to the state departments and institutions of the state of
7 North Dakota for the purpose of defraying their expenses for the period beginning with the
8 effective date of this Act, and ending June 30, 2025, as follows.

9 Subdivision 1.

10 OFFICE OF THE GOVERNOR

11 Salaries and wages \$50,000

12 Total general fund \$50,000

13 Subdivision 2.

14 OFFICE OF MANAGEMENT AND BUDGET

15 Operating expenses \$195,000

16 Total special funds \$195,000

17 Subdivision 3.

18 ATTORNEY GENERAL

1	<u>Statewide litigation funding pool</u>	<u>\$3,000,000</u>
2	<u>Prosecution witness fees</u>	<u>50,000</u>
3	<u>Total general fund</u>	<u>\$3,050,000</u>

4 Subdivision 4.

5 DEPARTMENT OF PUBLIC INSTRUCTION

6	<u>Grants - other grants</u>	<u>\$30,000,000</u>
7	<u>Total federal funds</u>	<u>\$30,000,000</u>

8 Subdivision 5.

9

10 DEPARTMENT OF CORRECTIONS AND REHABILITATION

11	<u>Adult services - excess population costs</u>	<u>\$11,500,000</u>
12	<u>Total general fund</u>	<u>\$11,500,000</u>

13 Subdivision 6.

14 OFFICE OF THE ADJUTANT GENERAL

15	<u>Loan repayment - disaster costs</u>	<u>\$2,188,735</u>
16	<u>Total general fund</u>	<u>\$2,188,735</u>
17	<u>Loan interest repayment - law enforcement costs</u>	<u>\$1,763,490</u>
18	<u>Loan repayment - disaster costs</u>	<u>4,294,789</u>
19	<u>Total general fund</u>	<u>\$6,058,279</u>

20 Subdivision 7.

21 DEPARTMENT OF WATER RESOURCES

22	<u>Line of credit repayment - water infrastructure revolving loan fund</u>	<u>\$10,000,000</u>
23	<u>Total resources trust fund</u>	<u>\$10,000,000</u>

24 Subdivision 28.

25 TOTAL - SECTION 1

26	<u>Grand total general fund</u>	<u>\$2,188,735</u>
27	<u>Grand total all funds</u>	<u>\$60,853,279</u>
28	<u>Less grand total other funds</u>	<u>\$40,195,000</u>
29	<u>Grand total general fund</u>	<u>\$20,658,279</u>

30 **SECTION 2. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN**

31 **REPAYMENTS.** It is the intent of the sixty-ninth legislative assembly that the attorney general

1 seek reimbursement from the federal government for the costs of responding to unlawful activity
2 associated with the construction of the Dakota access pipeline. It is further the intent of the
3 sixty-ninth legislative assembly that these reimbursements be used to repay the Bank of North
4 Dakota loans authorized by the emergency commission and the legislative assembly which
5 were obtained to provide the funding necessary to respond to the unlawful activity associated
6 with the construction of the Dakota access pipeline. It is further the intent of the sixty-ninth
7 legislative assembly that the provisions of section 54-16-13 apply to the loans, except that
8 emergency commission approval does not apply.

9 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE
HB 1024**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0741.01002](#)) and when so amended, recommends **DO PASS** (23 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1024 was placed on the Sixth order on the calendar.

25.0741.01001
Title.

Prepared by the Legislative Council
staff for House Appropriations
Committee

February 19, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1024

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of various state
2 departments and institutions; and to declare an emergency.

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

- 4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, to the state departments and institutions of the state of
7 North Dakota for the purpose of defraying their expenses for the period beginning with the
8 effective date of this Act, and ending June 30, 2025, as follows.

9 Subdivision 1.

10 OFFICE OF THE GOVERNOR

11 Salaries and wages \$50,000

12 Total general fund \$50,000

13 Subdivision 2.

14 OFFICE OF MANAGEMENT AND BUDGET

15 Operating expenses \$195,000

16 Total special funds \$195,000

17 Subdivision 3.

18 ATTORNEY GENERAL

Sixty-ninth
Legislative Assembly

1	Statewide litigation funding pool	\$3,000,000
2	Prosecution witness fees	50,000
3	Total general fund	\$3,050,000
4	Subdivision 4.	
5	DEPARTMENT OF PUBLIC INSTRUCTION	
6	Grants - other grants	\$30,000,000
7	Total federal funds	\$30,000,000
8	Subdivision 5.	
9	DEPARTMENT OF VETERANS' AFFAIRS	
10	Veterans' affairs - salary funding	\$80,000
11	Total general fund	\$80,000
12	Subdivision 6.	
13	DEPARTMENT OF CORRECTIONS AND REHABILITATION	
14	Adult services - excess population costs	\$11,500,000
15	Total general fund	\$11,500,000
16	Subdivision 7.	
17	OFFICE OF THE ADJUTANT GENERAL	
18	Loan repayment - disaster costs	\$2,188,735
19	Total general fund	\$2,188,735
20	Loan interest repayment - law enforcement costs	\$1,763,490
21	Loan repayment - disaster costs	4,294,789
22	Total general fund	\$6,058,279
23	Subdivision 8.	
24	DEPARTMENT OF WATER RESOURCES	
25	Line of credit repayment - water infrastructure revolving loan fund	\$10,000,000
26	Total resources trust fund	\$10,000,000
27	Subdivision 29.	
28	TOTAL - SECTION 1	
29	Grand total general fund	\$2,188,735
30	Grand total all funds	\$60,933,279

1	<u>Less grand total other funds</u>	<u>\$40,195,000</u>
2	<u>Grand total general fund</u>	<u>\$20,738,279</u>

3 **SECTION 2. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN**

4 **REPAYMENTS.** It is the intent of the sixty-ninth legislative assembly that the attorney general
5 seek reimbursement from the federal government for the costs of responding to unlawful activity
6 associated with the construction of the Dakota access pipeline. It is further the intent of the
7 sixty-ninth legislative assembly that these reimbursements be used to repay the Bank of North
8 Dakota loans authorized by the emergency commission and the legislative assembly which
9 were obtained to provide the funding necessary to respond to the unlawful activity associated
10 with the construction of the Dakota access pipeline. It is further the intent of the sixty-ninth
11 legislative assembly that the provisions of section 54-16-13 apply to the loans, except that
12 emergency commission approval does not apply.

13 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

2025 SENATE APPROPRIATIONS

HB 1024

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1024
3/17/2025
3:44 p.m.

A BILL for an Act to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

3:44 p.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Deficiency Requests by Departments
- Leave Payouts and Additional Requests
- Unspent Funds and Turn Backs
- Water Infrastructure Revolving Loan Fund
- Water Resources Trust Fund

3:44 p.m. Joe Morrisette, OMB Director, testified in favor and submitted testimony #42819.

3:54 p.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk



Management
and Budget

Testimony in Support of
Engrossed House Bill No. 1024
Senate Appropriations
March 17, 2025

CORRECTED: TESTIMONY OF

Joe Morrisette, Director, Office of Management and Budget

Good afternoon, Chairman Bekkedahl and members of the Senate Appropriations committee. I am Joe Morrisette, the Director of the Office of Management and Budget (OMB) and I am here to ask your support for the deficiency appropriation bill, HB 1024.

I will provide a brief overview of each request as reflected on the attached amendment. Representatives from each agency are here to provide additional detail or answer specific questions.

Office of the Governor

The current biennium budget for the Office of the Governor includes a \$50,000 appropriation for Transition Out costs related to the change in administration. This funding is a place holder because actual transition costs, if there is a transition, were unknown at the time of the 2023 legislative session. This funding is primarily for the payout of accrued leave balances, required when a team member leaves state service. Actual leave payouts were nearly \$100,000. Since the current budget already includes \$50,000, the ask is for an additional \$50,000 from the general fund to cover these costs, as included in the House version.

A recent analysis indicates a potential shortfall in the operating line due primarily to costs incurred before the transition to the current administration. To cover this potential shortfall, I request your consideration of an additional \$20,000 from the general fund to cover operating costs. This need for this request was not clear at the time this bill was being considered by the House.

Office of Management and Budget

Several divisions of the Office of Management and Budget (OMB) operate on special fund authority, including Risk Management, Shared Services and a large portion of Facility Management. Actual special fund authority included in our current appropriation is expected to be insufficient as we close out the biennium. This funding relates to spending in various areas, including operating, data processing, insurance and utilities. No general fund dollars are requested, only \$195,000 special funds spending authority. Special fund revenues are adequate to cover this deficiency request.

Office of the Attorney General

The requested deficiency appropriation for the Office of the Attorney General is \$3,050,000. This request includes \$3,000,000 to supplement the litigation pool appropriation. For the 2023-25 biennium, the appropriation for the Attorney General includes \$8,000,000 for the litigation pool. As of Feb. 28, \$4,612,238 has been spent from the pool. The requested \$50,000 appropriation is to cover costs to reimburse counties for prosecution witness fees. The original

appropriation for this purpose is \$95,056, and \$98,870 has been spent as of Feb. 28. The entire \$3,050,000 is proposed as a deficiency appropriation from the general fund.

Department of Public Instruction

The requested deficiency appropriation for the Department of Public Instruction is \$30,000,000 for additional federal funds authority related to increases in Title I, Special Education and the school food program.

Department of Corrections and Rehabilitation

The deficiency request for the Department of Corrections and Rehabilitation (DOCR) is related to population overcrowding. The daily inmate population has exceeded operational capacity for the men since July 2023. Factors outside of agency control will continue to be the main determinant of DOCR prison population levels. As of February 2025, the male population was 303 over the estimated population and the female population was 28 over the estimated population. Through the legislatively authorized transfer of federal American Rescue Plan Act (ARPA) funding to cover eligible salary expenditures, the DOCR is expected to have general fund turnback of approximately \$45,000,000. Although that turnback could be offset by the amount of this deficiency request, 2023 SB 2393 does not allow DOCR to use the DOCR to make use of these savings. Consequently, the department is requesting a general fund deficiency appropriation of \$11,500,000 to cover excess costs through the remainder of the biennium.

Office of the Adjutant General

The requested deficiency appropriation for the Office of the Adjutant General relates to the state response to the Dakota Access Pipeline (DAPL) protest. The amount included in this bill is \$1,763,490 for interest that will accumulate on the outstanding loan through the end of the biennium. An additional \$13,362,262 would be required to repay the outstanding principal. The remaining \$4,294,789 request relates to response costs for state disasters. The entire deficiency appropriation is from the general fund.

Department of Water Resources

The requested deficiency appropriation for the Department of Water Resources is \$10,000,000 special fund spending authority for repayment of the line of credit for the Water Infrastructure Revolving Loan Fund, pursuant to 2023 SB 2397. The bill requires Water Resources to request a deficiency appropriation. It does not specify the funding source for the repayment. Although the engrossed bill provides this appropriation from the Resources Trust Fund, HB 1020, the budget bill for the Department of Water Resources, provides this appropriation from the Strategic Investment and Improvements Fund (SIIF). Only one of these appropriations is necessary. My understanding is the House position is to have this funding come from SIIF.

Mr. Chairman and committee members, this concludes my testimony. I ask your support for Engrossed HB 1024. I would be happy to answer any questions or turn it over to agency representatives who can provide more detail on these requests.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1024
3/17/2025
4:38 p.m.

A BILL for an Act to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

4:38 p.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Thomas, Wanzek.

Members Absent: Senators Davison, Sorvaag.

Discussion Topics:

- Using General Fund for Deficiency Requests
- Federal/State Fiscal Recovery Dollars

4:39 p.m. Senator Dever moved to amend by adding \$20,000 to the office of the governor section for transition costs.

4:39 p.m. Senator Mathern seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	A
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-0-2.

4:44 p.m. Senator Wanzek moved a Do Pass as Amended.

4:44 p.m. Senator Mathern seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	A
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-0-2.

Senator Bekkedahl will carry the bill.

4:45 p.m. Chairman Bekkedahl adjourned the meeting.

Elizabeth Reiten, Committee Clerk

March 18, 2025

CO
3/18/25
10f3

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1024

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of various state
2 departments and institutions; to provide a statement of legislative intent; and to declare an
3 emergency.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, to the state departments and institutions of the state of
8 North Dakota for the purpose of defraying their expenses for the period beginning with the
9 effective date of this Act, and ending June 30, 2025, as follows.

10 Subdivision 1.

11 OFFICE OF THE GOVERNOR

12	Salaries and wages	\$50,000
13	Total general fund	\$50,000
14	<u>Salaries and wages</u>	<u>\$50,000</u>
15	<u>Operating expenses</u>	<u>20,000</u>
16	<u>Total general fund</u>	<u>\$70,000</u>

17 Subdivision 2.

18 OFFICE OF MANAGEMENT AND BUDGET

19	Operating expenses	<u>\$195,000</u>
20	Total special funds	<u>\$195,000</u>

Sixty-ninth
Legislative Assembly

1 Subdivision 3.

2 ATTORNEY GENERAL

3 Statewide litigation funding pool \$3,000,000

4 Prosecution witness fees 50,000

5 Total general fund \$3,050,000

6 Subdivision 4.

7 DEPARTMENT OF PUBLIC INSTRUCTION

8 Grants - other grants \$30,000,000

9 Total federal funds \$30,000,000

10 Subdivision 5.

11 DEPARTMENT OF CORRECTIONS AND REHABILITATION

12 Adult services - excess population costs \$11,500,000

13 Total general fund \$11,500,000

14 Subdivision 6.

15 OFFICE OF THE ADJUTANT GENERAL

16 Loan interest repayment - law enforcement costs \$1,763,490

17 Loan repayment - disaster costs 4,294,789

18 Total general fund \$6,058,279

19 Subdivision 7.

20 DEPARTMENT OF WATER RESOURCES

21 Line of credit repayment - water infrastructure revolving loan fund \$10,000,000

22 Total resources trust fund \$10,000,000

23 Subdivision 8.

24 TOTAL - SECTION 1

25 ~~Grand total all funds~~ \$60,853,279

26 ~~Less grand total other funds~~ \$40,195,000

27 ~~Grand total general fund~~ \$20,658,279

28 Grand total all funds \$60,873,279

29 Less grand total other funds 40,195,000

30 Grand total general fund \$20,678,279

3043

1 **SECTION 2. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN**

2 **REPAYMENTS.** It is the intent of the sixty-ninth legislative assembly that the attorney general
3 seek reimbursement from the federal government for the costs of responding to unlawful activity
4 associated with the construction of the Dakota access pipeline. It is further the intent of the
5 sixty-ninth legislative assembly that these reimbursements be used to repay the Bank of North
6 Dakota loans authorized by the emergency commission and the legislative assembly which
7 were obtained to provide the funding necessary to respond to the unlawful activity associated
8 with the construction of the Dakota access pipeline. It is further the intent of the sixty-ninth
9 legislative assembly that the provisions of section 54-16-13 apply to the loans, except that
10 emergency commission approval does not apply.

11 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1024**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0741.02001](#)) and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). HB 1024 was placed on the Sixth order on the calendar. This bill does not affect workforce development.