

**2025 SENATE APPROPRIATIONS**

**SB 2017**

## DEPARTMENT 140 - OFFICE OF ADMINISTRATIVE HEARINGS 2025-27 BASE-LEVEL BUDGET

### Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$1,446,690
Operating expenses	<u>1,582,392</u>
Total other funds	\$3,029,082
Full-time equivalent (FTE) positions	5.00

### Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for salaries and wages, including \$21,538 for targeted market equity	\$0	\$1,446,690	\$1,446,690
2. Includes funding for operating expenses including \$1,256,472 for professional fees and services and \$89,632 for building rental	\$0	\$1,582,392	\$1,582,392

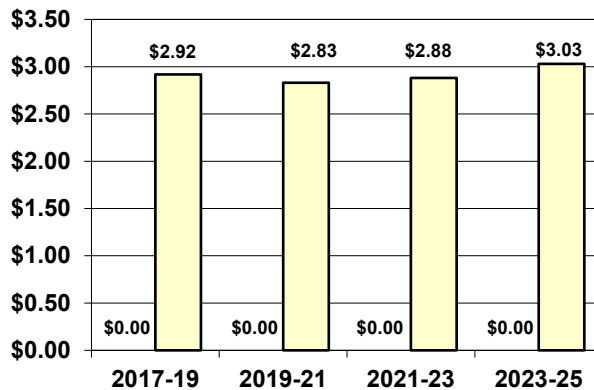
### Continuing Appropriations

**Administrative hearings fund** - North Dakota Century Code Section 54-57-07 - Appropriates funding received by the Office of Administrative Hearings for salaries, wages, benefits, operating expenses, and equipment for the purpose of providing requested administrative law judges to agencies, to any unit of local government in North Dakota, to any tribal government in North Dakota, or to the judicial branch. For the 2021-23 biennium, the fund had \$2,021,017 of revenue, \$2,031,046 of expenditures, and a fund balance of \$191,149 on June 30, 2023.

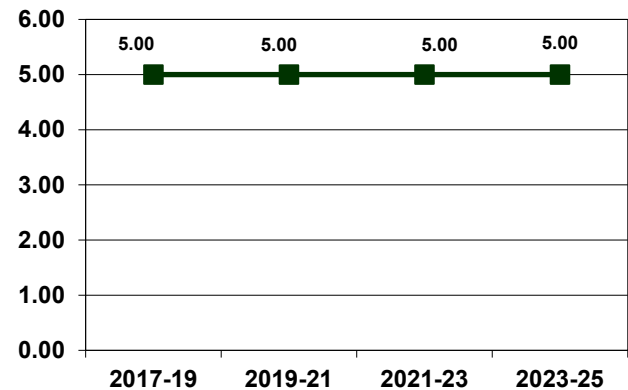
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

## Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	\$2,965,651	\$2,918,634	\$2,830,664	\$2,881,529	\$3,029,082
Increase (decrease) from previous biennium	N/A	(\$47,017)	(\$87,970)	\$50,865	\$147,553
Percentage increase (decrease) from previous biennium	N/A	(1.6%)	(3.0%)	1.8%	5.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(1.6%)	(4.6%)	(2.8%)	2.1%

## Major Increases (Decreases) in Ongoing Other Funds Appropriations

### 2017-19 Biennium

1. No major changes \$0

### 2019-21 Biennium

1. Reduced funding for operating expenses (\$144,450)

### 2021-23 Biennium

1. No major changes \$0

### 2023-25 Biennium

1. Increased funding for office rent \$6,640
2. Increased funding for information technology expenses \$2,962

## One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	\$0	\$0	\$0	\$20,000	\$0

## Major One-Time Other Funds Appropriations

### 2017-19 Biennium

- None \$0

### 2019-21 Biennium

- None \$0

### 2021-23 Biennium

1. Added federal State Fiscal Recovery funds for a web-based document management system \$20,000

### 2023-25 Biennium

- None \$0



**Office of Administrative Hearings  
Department No. 140  
2025 Senate Bill No. 2017**

**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	5.00	\$0	\$3,175,955	\$3,175,955
Base level	5.00	0	3,029,082	3,029,082
Increase (decrease)	<b>0.00</b>	<b>\$0</b>	<b>\$146,873</b>	<b>\$146,873</b>
Percentage increase (decrease)	0.0%	N/A	4.8%	4.8%

**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 2023-25 vacant FTE funding pool amounts
- Increases funding for information technology expenses by \$19,521
- Adds \$5,500 for temporary and overtime salary funding

**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 1 fee. The agency did not recommend any changes to the fee.

**Major Related Legislation**

As of the date of this report, there is no major related legislation for this agency.

**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.



**Office of Administrative Hearings - Budget No. 140**  
**Agency Worksheet - Senate Bill No. 2017**

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	5.00	\$0	\$3,029,082	\$3,029,082
<b>2025-27 Ongoing Funding Changes</b>				
Salary increase			\$71,768	\$71,768
Health insurance increase			30,026	30,026
Funding to replace 2023-25 vacant FTE pool			20,058	20,058
Temporary and overtime salary funding			5,500	5,500
Transfer \$22,662 from operating to salaries line item				0
Information technology increases			19,521	19,521
Total ongoing funding changes	<b>0.00</b>	<b>\$0</b>	<b>\$146,873</b>	<b>\$146,873</b>
<b>One-Time Funding Items</b>				
No one-time funding items				\$0
Total one-time funding changes	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$0</b>	<b>\$146,873</b>	<b>\$146,873</b>
<b>2025-27 Total Funding</b>	<b>5.00</b>	<b>\$0</b>	<b>\$3,175,955</b>	<b>\$3,175,955</b>

*Federal funds included in other funds*

\$0

*Total ongoing changes - Percentage of base level*

0.0%

N/A

4.8%

4.8%

*Total changes - Percentage of base level*

0.0%

N/A

4.8%

4.8%

**Other Sections in Office of Administrative Hearings - Budget No. 140**

Section Description	Executive Budget
FTE position adjustments	Section 2 would allow the Office of Administrative Hearings to increase or decrease the authorized level of FTE positions subject to the availability of funds.

## SENATE BILL NO. 2017

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 office of administrative hearings; and to provide an exemption.

### 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 from special funds derived from income to the office of administrative hearings for the purpose of defraying the expenses of the office of administrative hearings, 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	\$1,446,690	\$ 150,014	\$1,596,704
Operating Expenses	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
Total Special Funds	\$3,029,082	\$146,873	\$3,175,955
Full-Time Equivalent Positions	5.00	0.00	5.00

### **SECTION 2. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

Notwithstanding any other provisions of law, the office of administrative hearings 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 office of administrative hearings shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.



**Office of Administrative Hearings  
Department No. 140  
2025 Senate Bill No. 2017**

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

**Budget Summary**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Burgum budget recommendation	5.00	\$0	\$3,175,955	\$3,175,955
Revisions - Increase (decrease)	0.00	0	(13,103)	(13,103)
<b>Armstrong budget recommendation</b>	<b>5.00</b>	<b>\$0</b>	<b>\$3,162,852</b>	<b>\$3,162,852</b>
Base level	5.00	0	3,029,082	3,029,082
Increase (decrease)	0.00	\$0	\$133,770	\$133,770
Percentage increase (decrease)	0.0%	N/A	4.4%	4.4%

**NOTE:**

More detailed information on the revised executive budget recommendation is attached as an appendix.

**Selected Highlights**

- **Salary increases of up to 3 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 2023-25 vacant FTE funding pool amounts
- Increases funding for information technology expenses by \$19,521
- Adds \$5,500 for temporary and overtime salary funding

**Deficiency Appropriations**

There are no deficiency appropriations for this agency.

**Significant Audit Findings**

There are no significant audit findings for this agency.

**Major Related Legislation**

As of the date of this report, there is no major related legislation for this agency.

**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.



**Office of Administrative Hearings - Budget No. 140**  
**Agency Worksheet - Senate Bill No. 2017**

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	5.00	\$0	\$3,029,082	\$3,029,082
<b>2025-27 Ongoing Funding Changes</b>				
Salary increase			\$58,665	\$58,665
Health insurance increase			30,026	30,026
Funding to replace 2023-25 vacant FTE pool			20,058	20,058
Temporary and overtime salary funding			5,500	5,500
Transfer \$22,662 from operating to salaries line item				0
Information technology increases			19,521	19,521
Total ongoing funding changes	<b>0.00</b>	<b>\$0</b>	<b>\$133,770</b>	<b>\$133,770</b>
<b>One-Time Funding Items</b>				
No one-time funding items				\$0
Total one-time funding changes	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$0</b>	<b>\$133,770</b>	<b>\$133,770</b>
<b>2025-27 Total Funding</b>	<b>5.00</b>	<b>\$0</b>	<b>\$3,162,852</b>	<b>\$3,162,852</b>
<i>Federal funds included in other funds</i>			\$0	
<i>Total ongoing changes - Percentage of base level</i>	0.0%	N/A	4.4%	4.4%
<i>Total changes - Percentage of base level</i>	0.0%	N/A	4.4%	4.4%



# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2017 AM  
1/13/2025

A Bill for an Act to provide an appropriation for defraying the expenses of the administrative hearings.

8:30 a.m. Chairman Dever called the hearing to order.

8:30 a.m. Roll Call

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum, and Mathern

### Discussion Topics:

- Mission Statement
- Staffing
- Caseload
- Budget
- Accomplishments & Challenges
- WSI Case Processing
- OAH Hearing Management
- Billable Hours
- OAH Usage
- Workload Statistics
- Westlaw/Logical Software
- Billing Out Procedures
- Ending Fund Balance
- Staffing
- Offsite Technology
- OAH Decision Breakdown
- Agency Management
- Transportation/Remote-billing Out Costs

8:30 a.m. Chairman Dever introduced the bill.

8:31 a.m. Ms. Hope Hogan, Director, OAH, testified in favor and submitted testimony # 28440.

8:56 a.m. Larry Martin, OMB, Fiscal Analyst, testified neutral.

9:23 a.m. Chairman Dever closed the meeting.


*Joan Bares, Committee Clerk*



NORTH  
**Dakota** | Administrative Hearings  
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**MEMORANDUM**

TO: Sixty-ninth Legislative Assembly  
State of North Dakota  
Senate Appropriations Committee  
Human Resources Division

FROM: Hope L Hogan, Director   
Office of Administrative Hearings

RE: OAH 2025-2027 Operating Budget Request  
Senate Bill No. 2017

DATE: January 13, 2025

The mission of the Office of Administrative Hearings (OAH) is to conduct orderly, fair, and impartial hearings and to issue prompt, reasoned recommended or final decisions. If a person receives a benefit or license from the state, the person is entitled to a hearing under the Due Process Clause of the Constitution. OAH provides substantive due process by deciding justly with well-reasoned decisions in accordance with the law. OAH also provides procedural due process by providing a neutral and unbiased tribunal that is independent from the governmental entity that provides the benefit or license. OAH listens to both sides of a dispute and allows each party the right to present evidence and cross-examine the other party's evidence. If the governmental entity that provides the benefit or license were to

Hope L. Hogan DIRECTOR

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make the determination, there is the perception of bias. OAH provides experienced, professional, and neutral judges.

**STAFF:**

The prior director, Tim Dawson, retired on January 3, 2025. OAH currently has two full-time administrative law judges (ALJs) - Jessica Binder, who started with our office in July 2021; and myself, who started in November 2018. OAH has two additional FTEs – our office manager Frances Zuther and administrative assistant Louise Wetzel. OAH also contracts with four part-time, as-needed ALJs. The contracted ALJs primarily handle Workforce Safety and Insurance (WSI) hearings. Three of these ALJs work, or are located, in Fargo, and one is in Bismarck.

The full-time, permanent ALJs conduct a mixture of different agency hearings but, primarily, Department of Health and Human Services (DHHS), Public Service Commission (PSC), Workforce Safety and Insurance (WSI), Human Resource Management Services - state employee grievance hearings, and occupational licensing hearings. For 2024, I, Judge Hogan, had primarily a full workload of WSI hearings. The other two full-time ALJs conducted mainly DHHS hearings and other agency hearings. OAH will go forward into the 2025-2027 biennium with the same structure. Workload considerations and the need for the replacement of contract ALJs may require new contract ALJs at some time in the future as caseloads increase. Another option to handle additional caseload would be for OAH to employ more full-time, permanent ALJs. Currently, OAH does not have that authority.

**CASELOAD:**

OAH conducts hearings for:

- State and local agencies and entities that are required to use OAH (*see* N.D.C.C. §§ 54-57-03(1), 40-51.2-12, 40-47-01.1, and 15.1-15-08);
- State agencies that voluntarily use OAH, such as the PSC, the Insurance Department, the Industrial Commission, the Department of Water Resources, colleges and universities for personnel hearings, UND Title IX hearings, and occasionally Job Service North Dakota for conflict unemployment compensation hearings; and
- Local entities such as cities or counties that voluntarily use OAH to conduct such hearings as employee discipline.

Over the years, OAH has conducted hearings for over 100 different state and local government agencies or entities. Some agencies make many requests for hearing each year, while others have made only a few requests for hearing since OAH was established. The table below shows the number of requests by year:

<u>Year</u>	<u>Hearing Requests</u>
2016	717
2017	663
2018	646
2019	482
2020	432
2021	364
2022	404
2023	446
2024	449

For calendar year 2023, 27 different agencies or entities made 446 requests for hearing. For calendar year 2024, 22 different agencies or entities made 499 requests for hearing. Combined, OAH had 945 requested hearings from 34 different agencies or entities. *See Attachment “A.”* This is an increase from the prior two years (2021 and 2022) where OAH had 768 requested hearings from 39 different agencies or entities.

For the first 18 months of this biennium (July 1, 2023, through December 31, 2024), 26 different agencies or entities have made 720 requests for hearing. *See Attachment “B.”* As you can see from the attachments, the bulk of requests for hearing have come from two agencies, DHHS and WSI, which is typical for most biennia. Another increasingly frequent OAH user in the last few years is the PSC. OAH has also started conducting Title IX hearings for the University of North Dakota.

OAH does not hold a hearing for every request made. Some cases settle prior to hearing; some requests are withdrawn or abandoned; and on occasion, matters are disposed of by prehearing motion. Attachment “C” shows the number of hearings held for calendar years 2023 and 2024. Approximately 65 percent of hearing requests went to hearing. In the previous two years (2021 and 2022), 66 percent of the hearing requests went to hearing. Historically, between 45 percent and 55 percent of hearing requests go to hearing.

While not for all cases, OAH routinely holds prehearing conferences. This is an opportunity to confer with the parties prior to the hearing; answer questions or address concerns; and pick a hearing date, location, and prehearing deadlines. Prehearing conferences are usually held for the more complex cases. Attachment “D” shows 341 prehearing conferences held for calendar years 2023 and 2024, down slightly from 387 for

calendar years 2021 and 2022. As a percentage of hearings requested, the percentage of prehearing conferences is downward somewhat at about 36 percent.

As our caseload evolves, another way to gauge our activity is to look at billable hours:

<u>Year</u>	<u>Billable Hours</u>
2021	5373.2
2022	4957.8
2023	4538.4
2024	4206.2

See Attachment “E.” As you can see, our billable hours for DHHS have remained steady and have rebounded since COVID, but our billable hours attributed to WSI cases are significantly down.

**BUDGET:**

- The OAH budget is funded completely through special funds and with no federal funds.
- OAH has a continuing appropriation under North Dakota Century Code Section 54-57-07.
- The OAH budget has little to no change from last biennium.
- The OAH budget is two lines; one for salaries and benefits for the 5 FTEs and one for operating. Of the operating line, 78 percent is to pay contract ALJs for work completed, 7 percent for IT, and 5.7 percent for office space.
- OAH charges an hourly fee for its service to the entities requesting hearings. The rate of \$215 per hour has been in place since July 1, 2023. As of January 2025, the rate

was increased to \$265 to account for decreased billable hours. OAH contracts with WSI, so the rate for WSI will not increase until the start of the next biennium.

## **ACCOMPLISHMENTS AND CHALLENGES**

- **WSI Case Processing.** Under N.D.C.C. § 54-57-09, OAH is required to track processing time of WSI cases. The goal is to average 215 days or less from the date the case is received by OAH to the date the decision issued. OAH must track this on a monthly, rolling six-month average. OAH has adopted case processing standards to meet this goal. OAH reports to the state advisory council each quarter.

Attachment “F” shows the rolling average for the current biennium. OAH has reduced the average number of days to process a case from 290 to around 150 days. This is a reduction of at least 135 days or about 53 percent and is below the goal of under 215 days.

- **Conducting Hearings.** With CARES Act money, OAH equipped its hearing rooms with equipment to conduct video conferences for hearings and improved audio recording equipment to help facilitate these hearings. OAH conducts remote hearings when requested using this technology.

OAH also conducts in-person hearings both in OAH hearing rooms and in remote locations across the state. In-person hearings are common for WSI hearings and cases concerning professional licensure matters and parental rights. Sometimes a hearing involves credibility issues. It is advantageous to judge demeanor and credibility when hearing testimony face-to-face. In addition to credibility issues, OAH continues to conduct in-person hearings for complex cases or when requested by the parties. Being able to talk

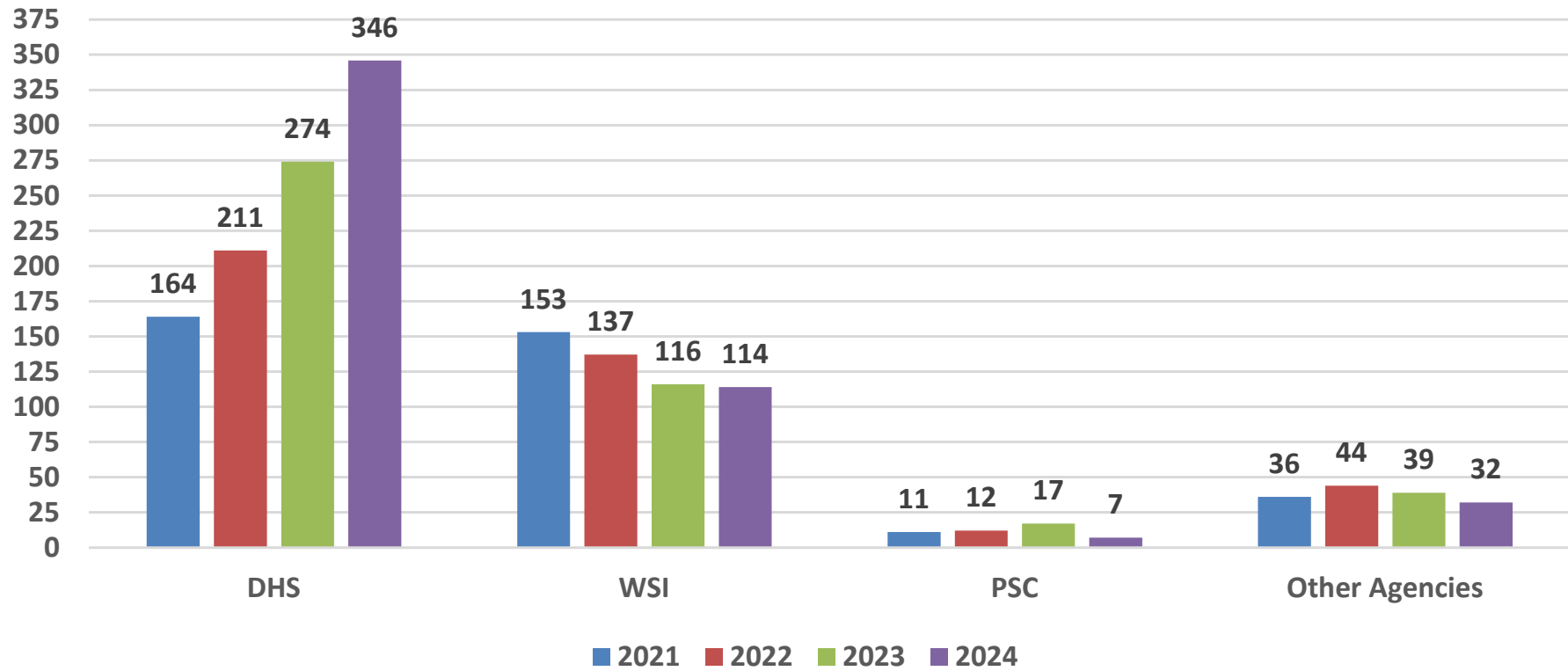
directly to the ALJ reflects well on the accessibility of government, and this value exceeds the increased cost and inconvenience to the ALJ and agency involved.

- OAH continues to explore other ways to incorporate technology and make our office more accessible. One priority is to adopt procedures for submitting documents electronically.

- **Funding.** Our biggest current challenge is funding. While our hearing requests increased this past year by 53, our billable time has decreased by 327.5 hours. There are many reasons for the decrease in billable hours, such as an increase in the number of cases that settle, many DHHS cases do not generate many billable hours per case, more hearings being held by video conference versus traveling for the hearing, and more efficient ALJs. OAH has eliminated as many expenses as possible to address the decrease in billable hours. At the end of the year, OAH eliminated Westlaw, research software, and a program called Logikcull, which transcribes hearings. OAH does not intend to fill the FTE vacated by Director Dawson's retirement and will handle as many hearings as possible with our permanent, full-time ALJs to cut down on the cost of the contract ALJs. Because OAH is funded by special funds, it is dependent on a sufficient caseload to cover our expenses. In a span of eight years, our caseload had decreased by over 200 cases, causing funding to be an ongoing concern.



### Requests Received 2021 through 2024



# Hearing Requests Received by Agency

Requests Received Between 01/01/2021 and 12/31/2024

Office of Administrative Hearings

Agency	2021		2022		2023		2024		Total	
1 Alexander Public School District	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
2 Attorney General, Office of	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
3 Beach Public School District No. 3	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
4 Belcourt Public School District	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
5 Chiropractic Examiners, State Board of	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
6 Cosmetology, Board of	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
7 DHS, Human Services, Department of	164	45.1%	211	52.2%	274	61.4%	346	69.3%	995	58.1%
8 Dickinson State University	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
9 Dunseith Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
10 Education Standards & Practices Board	0	0.0%	1	0.2%	0	0.0%	1	0.2%	2	0.1%
11 Electrical Board, N.D. State	0	0.0%	0	0.0%	1	0.2%	1	0.2%	2	0.1%
12 Fargo Public Schools	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
13 FI, Banking Board	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
14 Game and Fish Department	1	0.3%	1	0.2%	1	0.2%	2	0.4%	5	0.3%
15 Grand Forks Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
16 Health, Department of	2	0.5%	1	0.2%	1	0.2%	2	0.4%	6	0.4%
17 Health, Health Facilities	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
18 Horace, City of	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
19 Human Resource Management Services	0	0.0%	5	1.2%	3	0.7%	5	1.0%	13	0.8%
20 IC, Insurance Commissioner	1	0.3%	1	0.2%	1	0.2%	2	0.4%	5	0.3%
21 Industrial Commission	4	1.1%	5	1.2%	1	0.2%	1	0.2%	11	0.6%
22 Job Service North Dakota	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
23 Labor and Human Rights, Department of	1	0.3%	4	1.0%	0	0.0%	1	0.2%	6	0.4%
24 Lake Region State College	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
25 Maddock School District	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
26 Mandaree Public School District #36	1	0.3%	0	0.0%	0	0.0%	1	0.2%	2	0.1%
27 Massage Therapy, ND Board of	0	0.0%	1	0.2%	0	0.0%	1	0.2%	2	0.1%
28 Medicine, Board of	0	0.0%	0	0.0%	2	0.4%	0	0.0%	2	0.1%
29 Milnor Public School District	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
30 Minot Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
31 Minot State University	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
32 Munich Public School District No. 19	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
33 New Rockford-Sheyenne School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
34 New Town Public School District	0	0.0%	1	0.2%	1	0.2%	0	0.0%	2	0.1%
35 Nursing, State Board of	1	0.3%	0	0.0%	1	0.2%	0	0.0%	2	0.1%
36 Parshall Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
37 Pingree-Buchanan Public School	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
38 Professional Engineers & Land Surveyors Board	1	0.3%	0	0.0%	2	0.4%	1	0.2%	4	0.2%
39 PSC, Public Service Commission	11	3.0%	12	3.0%	17	3.8%	7	1.4%	47	2.7%
40 Public Employees Retirement Board	1	0.3%	0	0.0%	1	0.2%	0	0.0%	2	0.1%

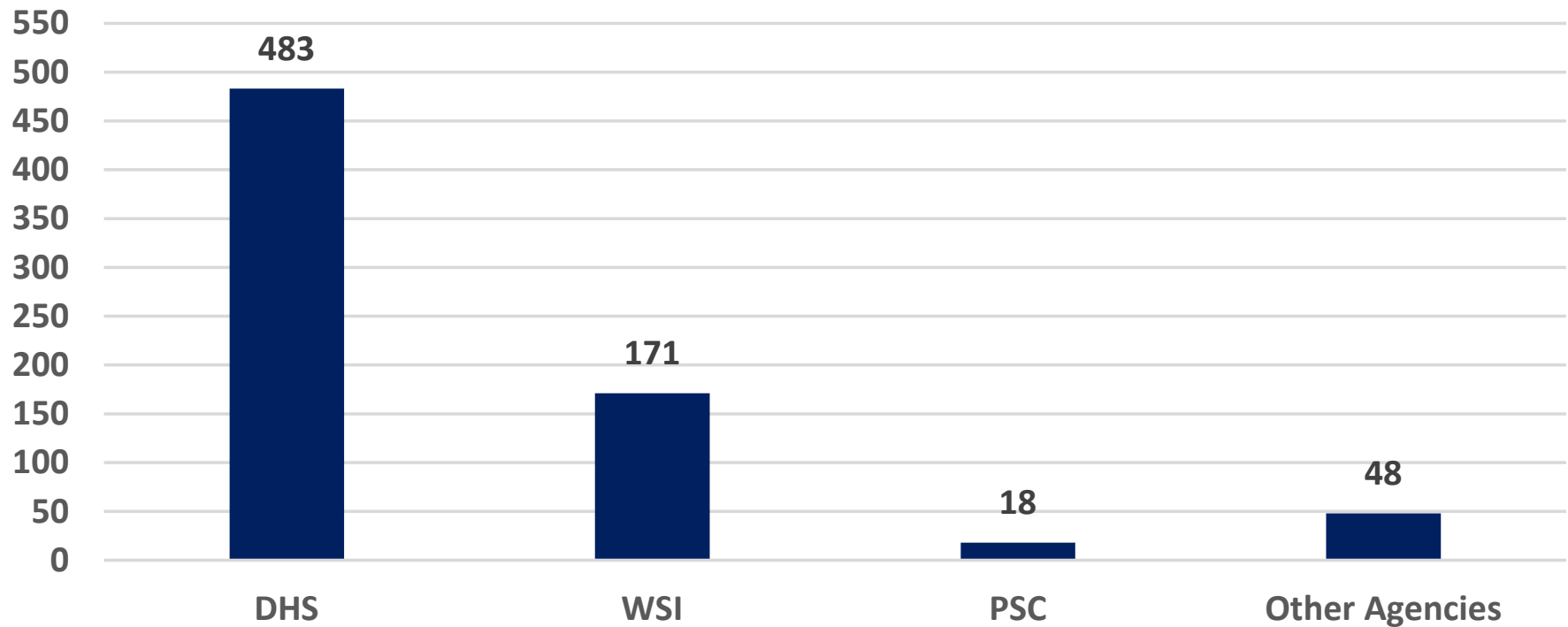
# Hearing Requests Received by Agency

Requests Received Between 01/01/2021 and 12/31/2024

Office of Administrative Hearings

Agency	2021		2022		2023		2024		Total	
41 Public Instruction, Department of	4	1.1%	6	1.5%	6	1.3%	4	0.8%	20	1.2%
42 Real Estate Appraiser Qualifications and Ethics Boar	2	0.5%	0	0.0%	0	0.0%	0	0.0%	2	0.1%
43 Real Estate Commission	0	0.0%	0	0.0%	2	0.4%	0	0.0%	2	0.1%
44 Securities Department	0	0.0%	1	0.2%	2	0.4%	1	0.2%	4	0.2%
45 UND, University of North Dakota	9	2.5%	5	1.2%	4	0.9%	3	0.6%	21	1.2%
46 Valley City State University	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
47 Veterans Affairs, Department of	2	0.5%	0	0.0%	1	0.2%	1	0.2%	4	0.2%
48 Wahpeton Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
49 Washburn Public School District #4	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
50 Water Resources, Department of	1	0.3%	1	0.2%	1	0.2%	2	0.4%	5	0.3%
51 Williston Basin School District #1	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
52 Workforce Safety & Insurance	153	42.0%	137	33.9%	116	26.0%	114	22.8%	520	30.4%
Grand Total:	364		404		446		499		1713	

## Requests Received July 2023 - December 2024



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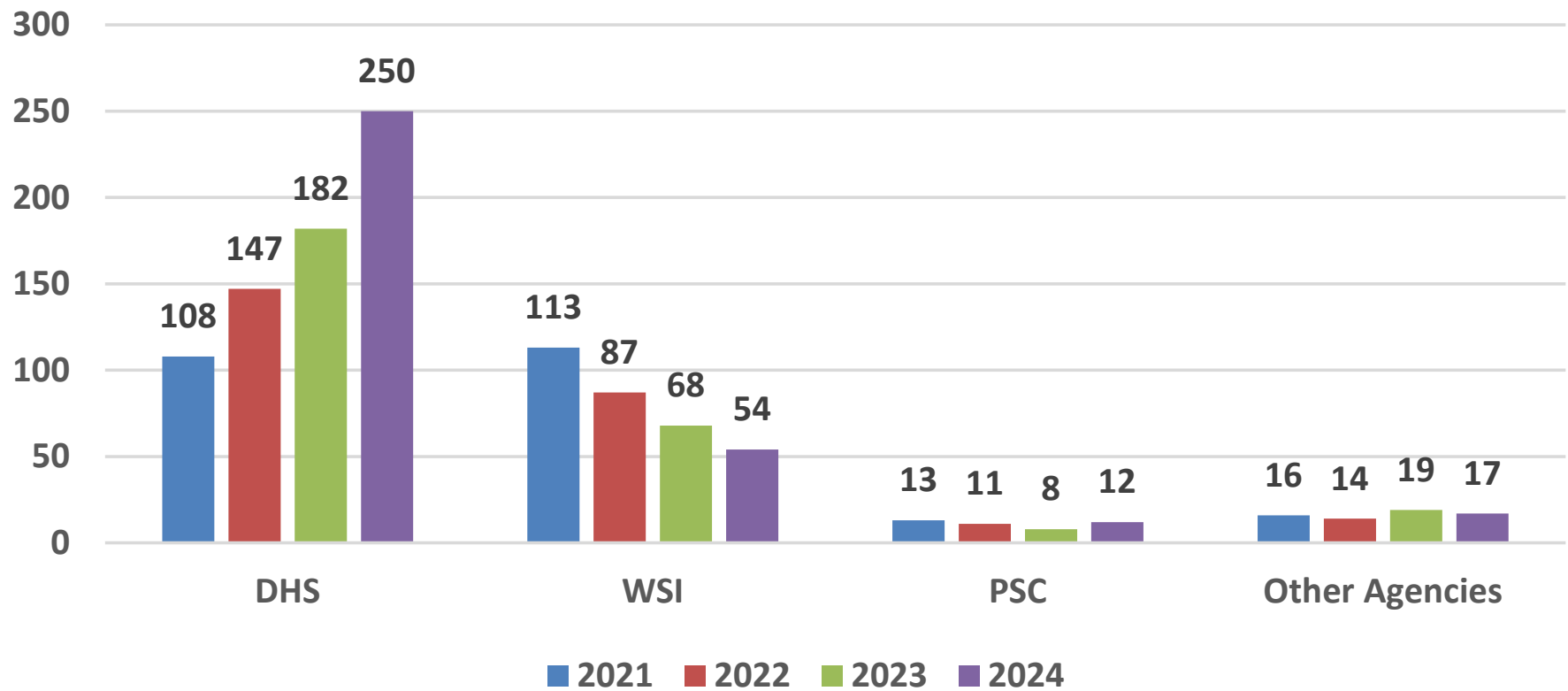
## ***Total Requests Received by Agency***

***Files Received Between 07-01-2023 and 12-31-2024***

***Office of Administrative Hearings***

<b>Agency</b>		<b># of Files Received</b>	
1	Alexander Public School District	1	0.14%
2	Attorney General, Office of	1	0.14%
3	Department of Water Resources	3	0.42%
4	DHS, Human Services, Department of	483	67.08%
5	Education Standards & Practices Board	1	0.14%
6	Electrical Board, N.D. State	2	0.28%
7	FI, Banking Board	1	0.14%
8	Game and Fish Department	3	0.42%
9	Grand Forks Public School District	1	0.14%
10	Health, Department of	3	0.42%
11	Human Resource Management Services	7	0.97%
12	IC, Insurance Commissioner	3	0.42%
13	Industrial Commission	1	0.14%
14	Labor, Dept. of	1	0.14%
15	Mandaree Public School District #36	1	0.14%
16	Massage, North Dakota Board of	1	0.14%
17	Medicine, Board of	1	0.14%
18	Parshall Public School District	1	0.14%
19	Professional Engineers & Land Surveyors Board	2	0.28%
20	PSC, Public Service Commission	18	2.50%
21	Public Employees Retirement Board	1	0.14%
22	Public Instruction, Department of	7	0.97%
23	Securities Department	1	0.14%
24	UND, University of North Dakota	4	0.56%
25	Veterans Affairs, Department of	1	0.14%
26	Workforce Safety & Insurance	171	23.75%
Grand Total:		720	

## Hearings Held 2021 through 2024



# Hearings Held

Hearings Held Between 01/01/2021 and 12/31/2024

Office of Administrative Hearings

Agency	2021		2022		2023		2024		Total	
1 Addiction Counseling Examiners Board	1	0.4%	0	0.0%	0	0.0%	0	0.0%	2	0.2%
2 Belcourt Public School District	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
3 DHS, Human Services, Department of	108	43.2%	147	56.8%	182	65.7%	250	75.1%	545	48.7%
4 Dickinson State University	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
5 Education Standards & Practices Board	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
6 Electrical Board, N.D. State	0	0.0%	0	0.0%	0	0.0%	1	0.3%	0	0.0%
7 Fargo Public Schools	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
8 Game and Fish Department	1	0.4%	1	0.4%	0	0.0%	2	0.6%	3	0.3%
9 Grand Forks Public School District	0	0.0%	0	0.0%	0	0.0%	1	0.3%	0	0.0%
10 Health, Department of	1	0.4%	0	0.0%	1	0.4%	0	0.0%	3	0.3%
11 Health, Health Facilities	0	0.0%	0	0.0%	1	0.4%	0	0.0%	1	0.1%
12 Human Resource Management Services	0	0.0%	0	0.0%	1	0.4%	1	0.3%	1	0.1%
13 IC, Insurance Commissioner	1	0.4%	0	0.0%	0	0.0%	1	0.3%	2	0.2%
14 Industrial Commission	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
15 Labor and Human Rights, Department of	1	0.4%	0	0.0%	1	0.4%	0	0.0%	3	0.3%
16 New Rockford-Sheyenne School District	0	0.0%	0	0.0%	1	0.4%	0	0.0%	1	0.1%
17 Nursing, State Board of	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
18 Physical Therapy, North Dakota Board of	2	0.8%	0	0.0%	0	0.0%	0	0.0%	4	0.4%
19 Pingree-Buchanan Public School	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
20 Professional Engineers & Land Surveyors Board	0	0.0%	0	0.0%	2	0.7%	1	0.3%	2	0.2%
21 PSC, Public Service Commission	13	5.2%	11	4.2%	8	2.9%	12	3.6%	45	4.0%
22 Public Employees Retirement Board	0	0.0%	0	0.0%	0	0.0%	1	0.3%	0	0.0%
23 Public Instruction, Department of	4	1.6%	1	0.4%	7	2.5%	4	1.2%	16	1.4%
24 Real Estate Appraiser Qualifications and Ethics Boar	0	0.0%	2	0.8%	0	0.0%	0	0.0%	2	0.2%
25 Real Estate Commission	0	0.0%	0	0.0%	2	0.7%	0	0.0%	2	0.2%
26 Securities Department	0	0.0%	1	0.4%	1	0.4%	0	0.0%	2	0.2%
27 UND, University of North Dakota	3	1.2%	2	0.8%	2	0.7%	2	0.6%	10	0.9%
28 Veterans Affairs, Department of	2	0.8%	0	0.0%	0	0.0%	0	0.0%	4	0.4%
29 Water Resources, Department of	0	0.0%	0	0.0%	0	0.0%	3	0.9%	0	0.0%
30 Workforce Safety & Insurance	113	45.2%	87	33.6%	68	24.5%	54	16.2%	381	34.0%
Grand Total:	250		259		277		333		1119	

***Prehearing Conferences Held******Prehearing Conferences Held Between 01-01-2023 and 12-31-2024****Office of Administrative Hearings*

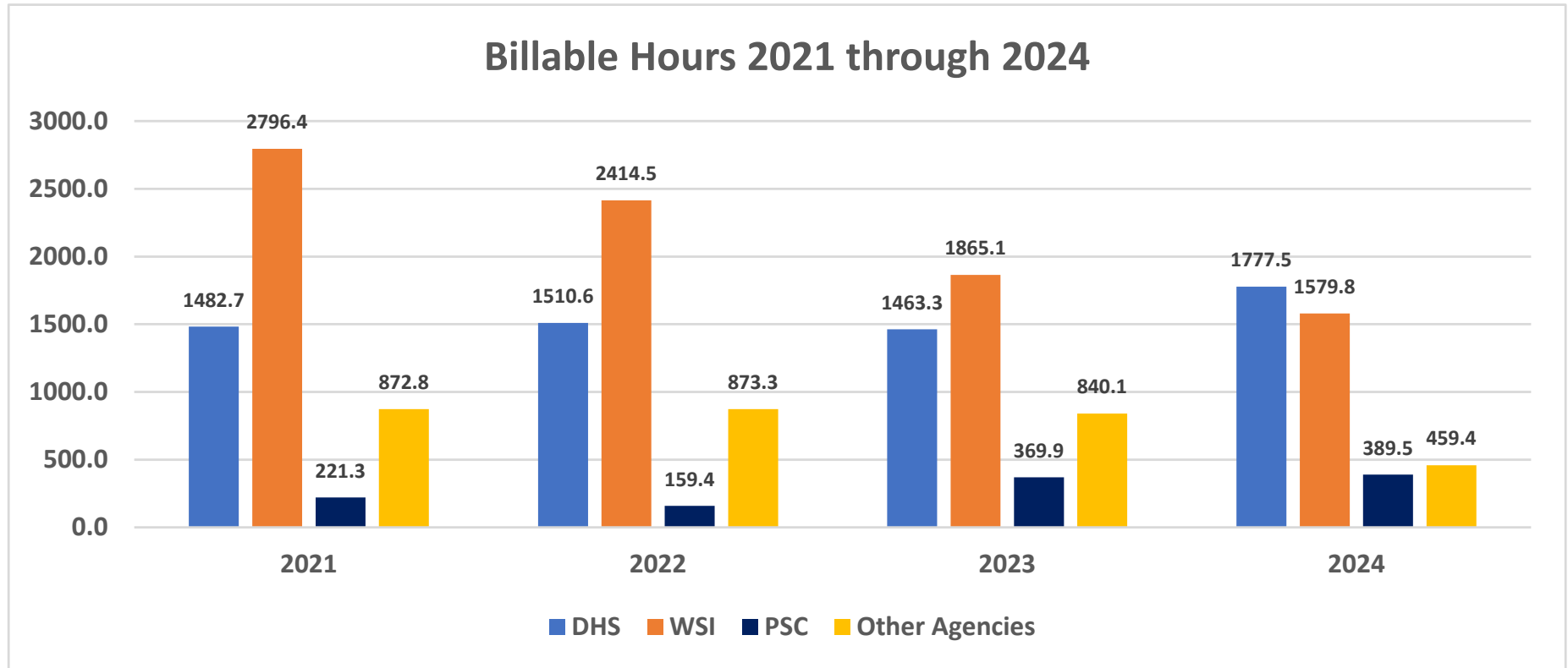
<b>Agency</b>	<b>2023</b>		<b>2024</b>		<b>Total</b>	
1 Alexander Public School District	0	0.0%	1	0.6%	1	0.3%
2 Attorney General, Office of	0	0.0%	1	0.6%	1	0.3%
3 Beach Public School District No. 3	1	0.6%	0	0.0%	1	0.3%
4 Chiropractic Examiners, State Board of	1	0.6%	0	0.0%	1	0.3%
5 Department of Water Resources	1	0.6%	3	1.7%	4	1.2%
6 DHS, Human Services, Department of	24	14.2%	32	18.6%	56	16.4%
7 Dunseith Public School District	1	0.6%	0	0.0%	1	0.3%
8 Electrical Board, N.D. State	1	0.6%	1	0.6%	2	0.6%
9 FI, Banking Board	0	0.0%	1	0.6%	1	0.3%
10 FI, Financial Institutions, Department of	0	0.0%	2	1.2%	2	0.6%
11 Game and Fish Department	0	0.0%	1	0.6%	1	0.3%
12 Grand Forks Public School District	1	0.6%	0	0.0%	1	0.3%
13 Health, Department of	2	1.2%	1	0.6%	3	0.9%
14 Human Resource Management Services	4	2.4%	6	3.5%	10	2.9%
15 IC, Insurance Commissioner	0	0.0%	3	1.7%	3	0.9%
16 Industrial Commission	1	0.6%	0	0.0%	1	0.3%
17 Labor, Dept. of	1	0.6%	3	1.7%	4	1.2%
18 Mandaree Public School District #36	0	0.0%	1	0.6%	1	0.3%
19 Massage, North Dakota Board of	0	0.0%	1	0.6%	1	0.3%
20 Medicine, Board of	1	0.6%	0	0.0%	1	0.3%
21 Minot Public School District	2	1.2%	0	0.0%	2	0.6%
22 New Rockford-Sheyenne School District	1	0.6%	0	0.0%	1	0.3%
23 New Town Public School District	3	1.8%	0	0.0%	3	0.9%
24 Nursing Home Administrators, Board of Examiners for	2	1.2%	0	0.0%	2	0.6%
25 Parshall Public School District	1	0.6%	0	0.0%	1	0.3%
26 PSC, Public Service Commission	4	2.4%	1	0.6%	5	1.5%
27 Public Employees Retirement Board	1	0.6%	0	0.0%	1	0.3%
28 Public Instruction, Department of	3	1.8%	0	0.0%	3	0.9%
29 Real Estate Commission	2	1.2%	0	0.0%	2	0.6%
30 Securities Department	5	3.0%	4	2.3%	9	2.6%
31 UND, University of North Dakota	4	2.4%	4	2.3%	8	2.3%
32 Veterans Affairs, Department of	1	0.6%	1	0.6%	2	0.6%
33 Wahpeton Public School District	1	0.6%	0	0.0%	1	0.3%



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***Prehearing Conferences Held***  
***Prehearing Conferences Held Between 01-01-2023 and 12-31-2024***  
*Office of Administrative Hearings*

<i>Agency</i>		<i>2023</i>		<i>2024</i>		<i>Total</i>	
34	Workforce Safety & Insurance	100	59.2%	105	61.0%	205	60.1%
		169		172		341	



**OFFICE OF ADMINISTRATIVE HEARINGS**

Average Days to ALJ Decision

Decisions Issued from 08/01/2023 through 12/31/2024

	Number of Matters	Request for ALJ to ALJ Decision Issued			Hearing Held to ALJ Decision Issued		
		Average	Median	Range	Average	Median	Range
August 1, 2023 - January 31, 2024	34	156	151	30 - 281	21	22	2 - 40
September 1, 2023 - February 29, 2024	37	160	153	30 - 281	22	23	1 - 45
October 1, 2023 - March 31, 2024	38	158	151	30 - 281	22	23	1 - 45
November 1, 2023 - April 30, 2024	41	154	149	30 - 270	23	23	1 - 45
December 1, 2023 - May 31, 2024	35	156	145	30 - 270	23	23	1 - 45
January 1, 2024 - June 30, 2024	31	157	147	30 - 270	24	24	1 - 45
February 1, 2024 - July 31, 2024	26	147	140	85 - 269	26	26	1 - 45
March 1, 2024 - August 31, 2024	25	141	140	85 - 193	23	23	6 - 34
April 1, 2024 - September 30, 2024	26	142	138	101 - 193	21	22	6 - 34
May 1, 2024 - October 31, 2024	30	149	140	93 - 219	21	22	6 - 34
June 1, 2024 - November 30, 2024	30	155	140	93 - 329	21	22	5 - 34
July 1, 2024 - December 31, 2024	29	152	140	86 - 329	20	20	5 - 34

*Includes initial decisions for workers benefits only; does not include reconsiderations, settlements, dismissals, stipulations.*

*Consolidated files are counted as one unit, not separate units.*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2017 p.m.  
1/13/2025

A Bill for an Act to provide an appropriation for defraying the expenses of the administrative hearings.

2:00 p.m. Chairman Dever called the meeting to order.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum, and Mathern

### Discussion Topics:

- Revenue procedure
- Expenses procedure
- Billing hours
- Organization cash flow
- Ending fund balance
- Administrative hearings
- Base budget

2:13 p.m. Seila Sandness, LC, Senior Fiscal Analyst, testified neutral.

2:15 p.m. Larry Martin, OMB, Fiscal Management Analyst, testified neutral.

2:17 p.m. Senator Dever closed the meeting.

*Joan Bares, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2017  
1/21/2025

A Bill for an ACT to provide an appropriation for defraying the expenses of the office of administrative hearings.

8:45 a.m. Chairman Dever called the meeting to order.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum and Mathern.

### Discussion Topics:

- Staffing Flexibility

8:55 a.m. Senator Davison moved to adopt an amendment LC 25.0184.01001 and submitted testimony #36153.

8:56 a.m. Senator Mathern seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Dick Dever	Y
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y

Motion Passed 5-0-0.

9:11 a.m. Senator Davison moved a Do Pass as Amended.

9:11 a.m. Senator Cleary seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Dick Dever	Y
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y

Motion Passed 5-0-0.

Senator Cleary will carry the bill.

**Additional written testimony:**

Senate Appropriations Human Resources Division  
SB 2017  
1/21/2025  
Page 2

Hope Hogan, Director, Office of Administrative Hearings (OAH), submitted testimony #34691.

9:13 a.m. Chairman Dever closed the hearing.

*Joan Bares, Committee Clerk*

B 2017  
1-17-25

**FOLLOW-UP MEMORANDUM**

TO: Sixty-ninth Legislative Assembly  
State of North Dakota  
Senate Appropriations Committee  
Human Resources Division

FROM: Hope L Hogan, Director  
Office of Administrative Hearings

RE: OAH 2025-2027 Operating Budget Additional Information  
Senate Bill No. 2017

DATE: January 16, 2025

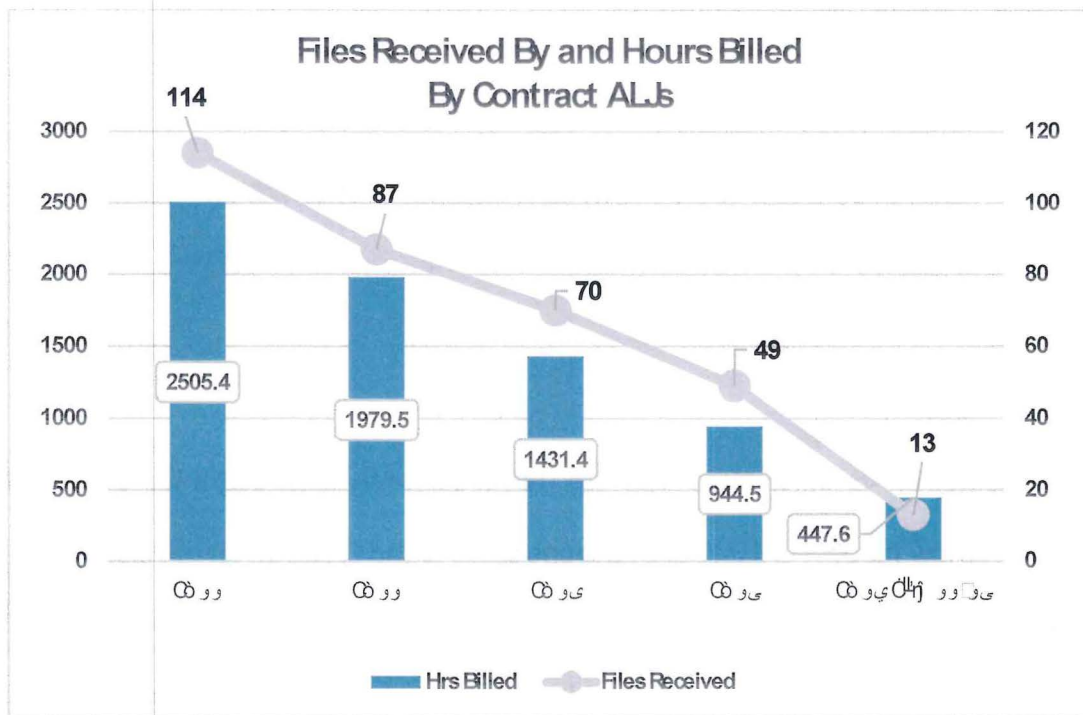
**CONTRACT ALJs:**

The Office of Administrative Hearings (OAH) currently contracts with four part-time administrative law judges (CALJs). OAH assigns cases to the CALJs on an as-needed basis, so they are not guaranteed cases or work. The CALJs primarily handle Workforce Safety and Insurance (WSI) hearings but have been utilized for other hearings when needed.

OAH bills the requesting agency or entity for the CALJs' time at the same rate as the full-time, permanent ALJs. OAH then pays the CALJs according to an hourly rate which is contracted biennially. Below is a history of OAH's rate, OAH's contracted CALJ rate, and the difference, which OAH deems an overhead rate:

Effective	Agencies other than WSI	WSI	CALJRate	CALJ Overhead
7/ 1/ 2019	\$ 175.00	\$ 175.00	\$ 150.00	\$ 25.00
7/ 1/ 2021	\$ 195.00	\$ 195.00	\$ 150.00	\$ 45.00
7/ 1/ 2023	\$ 215.00	\$ 215.00	\$ 160.00	\$ 55.00
1/ 1/ 2025	\$ 265.00	\$ 215.00	\$ 160.00	\$ 55.00

Below is a history of the number of cases handled by and billable hours generated by the CALJs:



The number of hours billed in a given fiscal year may include hours for files received in a previous fiscal period.



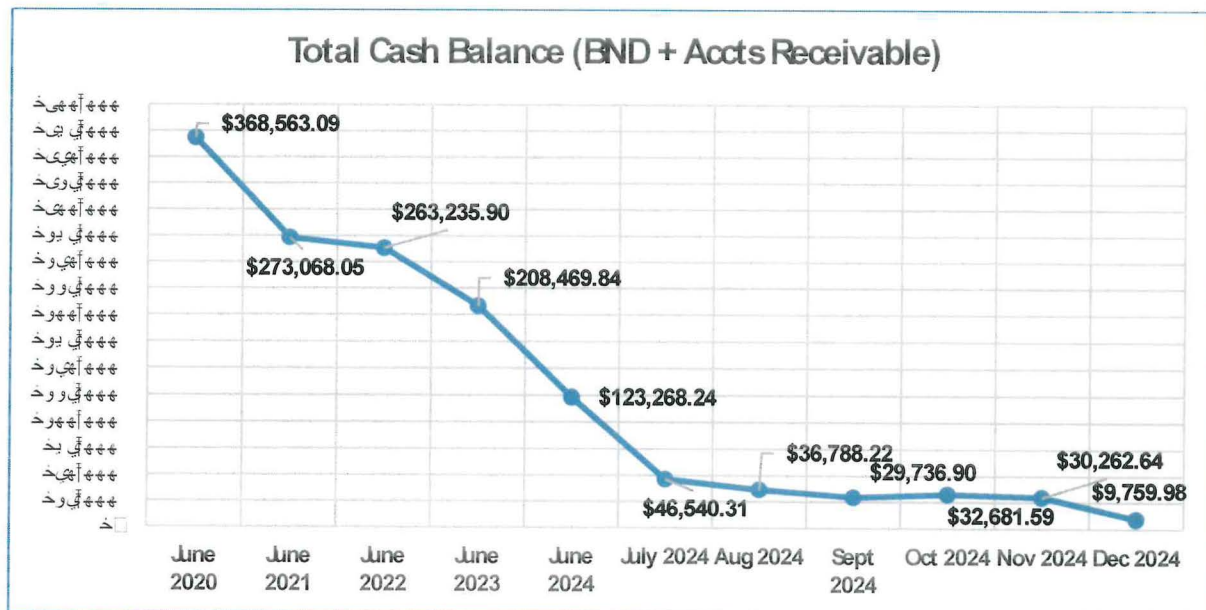
The total amount spent on professional fees and services is as follows:

Acct Code	Description	FY 21	FY 22	FY 23	FY 24	FY 25 thru 01/25	Totals
623005	Accountants	\$ 3,250.00	\$ -	\$ 3,250.00	\$ 3,250.00	\$ -	\$ 9,750.00
623020	Audit	\$ -	\$ 7,223.56	\$ -	\$ -	\$ -	\$ 7,223.56
623105	Legal - Adm Hrgs	\$ 375,415.00	\$ 296,625.00	\$ 214,410.00	\$ 151,120.00	\$ 71,616.00	\$ 1,109,186.00
623110	Legal - Atty General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
623140	Medical	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ 100.00
<b>Professional Fees &amp; Services</b>		<b>\$ 378,665.00</b>	<b>\$ 303,848.56</b>	<b>\$ 217,660.00</b>	<b>\$ 154,470.00</b>	<b>\$ 71,616.00</b>	<b>\$ 1,126,259.56</b>

For the current biennium, OAH budgeted \$1,243,122 for CALJs' expenses and has used \$222,736 to date, for a remaining balance of \$1,020,386.

### CASH BALANCE:

OAH is funded entirely through special funds which are generated by billing requesting agencies or entities for OAH services. OAH can carry forward any balance at the end of the biennium. Historically, OAH has maintained a comfortable cash balance. More recently, the cash balance has been used to meet our operating expenses caused by a decrease in billable hours. Below is the history of OAH's cash balance from June 2020 to present:



Month	Cash Balance per Report	Outstanding Accounts	Total Cash Balance
June 2020	\$ 244,484.59	\$ 124,078.50	\$368,563.09
June 2021	\$ 175,628.05	\$ 97,440.00	\$273,068.05
June 2022	\$ 210,936.90	\$ 52,299.00	\$263,235.90
June 2023	\$ 131,035.34	\$ 77,434.50	\$208,469.84
June 2024	\$ 73,173.24	\$ 50,095.00	\$123,268.24
July 2024	\$ 46,755.31	\$ (215.00)	\$ 46,540.31
Aug 2024	\$ 36,272.22	\$ 516.00	\$ 36,788.22
Sept 2024	\$ 27,242.90	\$ 2,494.00	\$ 29,736.90
Oct 2024	\$ 31,047.59	\$ 1,634.00	\$ 32,681.59
Nov 2024	\$ 25,790.64	\$ 4,472.00	\$ 30,262.64
Dec 2024	\$ (20,232.52)	\$ 29,992.50	\$ 9,759.98

As a follow-up to one of the questions at the January 13, 2025, hearing, for the years 1991 through 1997, OAH was funded by both special funds and general funds. In 1997, OAH was modified to special funds only, but OAH was authorized for a general fund loan up to \$100,000. For the 1999-2001 biennium, the authorized general fund loan was increased to \$150,000.

OAH plans to handle as much of its caseload with the permanent, full-time ALJs as possible. Since OAH does not currently plan to fill the open permanent ALJ FTE, the CALJs will be necessary to meet demand should OAH see a drastic increase in case requests.

#### **SALARY BREAKDOWN:**

Of the \$3,029,082 appropriation, \$1,446,690 is budgeted for salaries and wages for 5 FTEs, including 3 ALJs. Salaries and wages include the following:

	Salaries	Benefits	Total
FY 2024 (Actual)	\$ 513,215.40	\$ 204,108.17	\$ 717,323.57
FY 2025 (Actual 7/ 24 thru 12/ 24)	\$ 266,872.02	\$ 106,134.23	\$ 373,006.25
FY 2025 (Estimated 1/ 25 thru 6/ 25)	\$ 199,367.08	\$ 80,361.41	\$ 279,728.49
Estimated leave payout (2/ 25)	\$ 11,342.57	\$ 867.71	\$ 12,210.28
<b>' ≤ AS 40P ≥ '</b>	<b>\$ 990,797.07</b>	<b>\$ 391,471.52</b>	<b>\$1,382,268.59</b>

25.0184.01001

Title.

Fiscal No. 1

Sixty-ninth  
Legislative Assembly  
of North Dakota

Prepared by the Legislative Council  
staff for Senate Appropriations - Human  
Resources Division Committee  
January 21, 2025

**PROPOSED AMENDMENTS TO****SENATE BILL NO. 2017**

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of  
2 administrative hearings.

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 from special funds, to the office of administrative  
6 hearings for the purpose of defraying the expenses of the office of administrative hearings, for  
7 the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10 <del>Salaries and wages</del>	<del>\$1,446,690</del>	<del>\$0</del>	<del>\$1,446,690</del>
11 <del>Operating expenses</del>	<del>1,582,392</del>	<del>0</del>	<del>1,582,392</del>
12 <del>Total special funds</del>	<del>\$3,029,082</del>	<del>\$0</del>	<del>\$3,029,082</del>
13 <del>Full-time equivalent positions</del>	<del>5.00</del>	<del>0.00</del>	<del>5.00</del>
14 <u>Salaries and wages</u>	<u>\$1,446,690</u>	<u>\$136,911</u>	<u>\$1,583,601</u>
15 <u>Operating expenses</u>	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
16 <u>Total special funds</u>	<u>\$3,029,082</u>	<u>\$133,770</u>	<u>\$3,162,852</u>
17 <u>Full-time equivalent positions</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2017 - Office of Administrative Hearings - Senate Action**

	<b>Base Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$1,446,690	\$136,911	\$1,583,601
Operating expenses	1,582,392	(3,141)	1,579,251
Total all funds	\$3,029,082	\$133,770	\$3,162,852
Less estimated income	3,029,082	133,770	3,162,852
General fund	\$0	\$0	\$0
FTE	5.00	0.00	5.00

**Department 140 - Office of Administrative Hearings - Detail of Senate Changes**

	<b>Adds Funding for Salary and Benefit Increases<sup>1</sup></b>	<b>Adds Funding to Replace 2023-25 Vacant FTE Pool<sup>2</sup></b>	<b>Adds Temporary and Overtime Salaries Funding<sup>3</sup></b>	<b>Transfers Funding From Operating to Salaries<sup>4</sup></b>	<b>Increases Funding for Information Technology Costs<sup>5</sup></b>	<b>Total Senate Changes</b>
Salaries and wages	\$88,691	\$20,058	\$5,500	\$22,662		\$136,911
Operating expenses				(22,662)	\$19,521	(3,141)
Total all funds	\$88,691	\$20,058	\$5,500	\$0	\$19,521	\$133,770
Less estimated income	88,691	20,058	5,500	0	19,521	133,770
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

<u>Other Funds</u>	
Salary increase	\$58,665
Health insurance increase	30,026
Total	\$88,691

<sup>2</sup> Funding is added to replace 2023-25 biennium vacant FTE pool funding.

<sup>3</sup> Funding is added to provide for temporary salary funding (\$2,750) and overtime salary funding (\$2,750).

<sup>4</sup> Funding is transferred from the operating expenses line item to the salaries and wages line item.

<sup>5</sup> Funding is added to provide a total of \$89,942 for data processing costs.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2017  
1/23/2025

A Bill for an ACT to provide an appropriation for defraying the expenses of the office of administrative hearings.

10:29 a.m. Chairman Dever opened the hearing.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum, and Mathern

### Discussion Topics:

- Construction Projects
- Maintenance Projects
- Full-Time Employee

10:30 a.m. Sheila Sandness, Senior Fiscal Analyst, LC, submitted testimony (long sheets) #33911.

10:30 a.m. Senator Cleary moved to reconsider SB 2017.

10:31 a.m. Senator Davison seconded.

Roll Call Vote:

Senators	Vote
Senator Dick Dever	Y
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y

10:34 a.m. Motion passed 5-0-0.

10:34 a.m. Senator Davison moved to reconsider amendment - LC 25.0184.01001 #32698.

10:34 a.m. Senator Cleary seconded.

10:35 a.m. Voice Vote - Motion passed.

10:36 a.m. Senator Davison moved to adopt an amendment LC 25.0184.01002 #32871.

10:41 a.m. Senator Magrum seconded.



Roll Call Vote:

<b>Senators</b>	<b>Vote</b>
Senator Dick Dever	y
Senator Sean Cleary	y
Senator Kyle Davison	y
Senator Jeffery J. Magrum	y
Senator Tim Mathern	y

Motion passed. 5-0-0.

10:42 a.m. Senator Davison Motioned to Do Pass as Amended.

10:42 a.m. Senator Mathern seconded.

Roll Call Vote:

<b>Senators</b>	<b>Vote</b>
Senator Dick Dever	Y
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y

Motion passed 5-0-0 and referred to full appropriations.

Bill Carrier: Senator Cleary.

11:06 a.m. Chairman Dever closed the hearing.

*Joan Bares, Committee Clerk*

25.0184.01001

Title.

Fiscal No. 1

Sixty-ninth  
Legislative Assembly  
of North DakotaPrepared by the Legislative Council  
staff for Senate Appropriations - Human  
Resources Division Committee  
January 21, 2025**PROPOSED AMENDMENTS TO****SENATE BILL NO. 2017**

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of  
2 administrative hearings.

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 from special funds, to the office of administrative  
6 hearings for the purpose of defraying the expenses of the office of administrative hearings, for  
7 the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10 <del>Salaries and wages</del>	<del>\$1,446,690</del>	<del>\$0</del>	<del>\$1,446,690</del>
11 <del>Operating expenses</del>	<del>1,582,392</del>	<del>0</del>	<del>1,582,392</del>
12 <del>Total special funds</del>	<del>\$3,029,082</del>	<del>\$0</del>	<del>\$3,029,082</del>
13 <del>Full-time equivalent positions</del>	<del>5.00</del>	<del>0.00</del>	<del>5.00</del>
14 <u>Salaries and wages</u>	<u>\$1,446,690</u>	<u>\$136,911</u>	<u>\$1,583,601</u>
15 <u>Operating expenses</u>	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
16 <u>Total special funds</u>	<u>\$3,029,082</u>	<u>\$133,770</u>	<u>\$3,162,852</u>
17 <u>Full-time equivalent positions</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2017 - Office of Administrative Hearings - Senate Action**

	<b>Base Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$1,446,690	\$136,911	\$1,583,601
Operating expenses	1,582,392	(3,141)	1,579,251
Total all funds	\$3,029,082	\$133,770	\$3,162,852
Less estimated income	3,029,082	133,770	3,162,852
General fund	\$0	\$0	\$0
FTE	5.00	0.00	5.00

**Department 140 - Office of Administrative Hearings - Detail of Senate Changes**

	<b>Adds Funding for Salary and Benefit Increases<sup>1</sup></b>	<b>Adds Funding to Replace 2023-25 Vacant FTE Pool<sup>2</sup></b>	<b>Adds Temporary and Overtime Salaries Funding<sup>3</sup></b>	<b>Transfers Funding From Operating to Salaries<sup>4</sup></b>	<b>Increases Funding for Information Technology Costs<sup>5</sup></b>	<b>Total Senate Changes</b>
Salaries and wages	\$88,691	\$20,058	\$5,500	\$22,662		\$136,911
Operating expenses				(22,662)	\$19,521	(3,141)
Total all funds	\$88,691	\$20,058	\$5,500	\$0	\$19,521	\$133,770
Less estimated income	88,691	20,058	5,500	0	19,521	133,770
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

<u>Other Funds</u>	
Salary increase	\$58,665
Health insurance increase	30,026
Total	\$88,691

<sup>2</sup> Funding is added to replace 2023-25 biennium vacant FTE pool funding.

<sup>3</sup> Funding is added to provide for temporary salary funding (\$2,750) and overtime salary funding (\$2,750).

<sup>4</sup> Funding is transferred from the operating expenses line item to the salaries and wages line item.

<sup>5</sup> Funding is added to provide a total of \$89,942 for data processing costs.



25.0184.01002

Title.

Fiscal No. 2

Sixty-ninth  
Legislative Assembly  
of North Dakota

Prepared by the Legislative Council  
staff for Senate Appropriations - Human  
Resources Division Committee  
January 23, 2025

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2017

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of  
2 administrative hearings.

### 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 from special funds, to the office of administrative  
6 hearings for the purpose of defraying the expenses of the office of administrative hearings, for  
7 the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10 <del>Salaries and wages</del>	<del>\$1,446,690</del>	<del>\$0</del>	<del>\$1,446,690</del>
11 <del>Operating expenses</del>	<del>1,582,392</del>	<del>0</del>	<del>1,582,392</del>
12 <del>Total special funds</del>	<del>\$3,029,082</del>	<del>\$0</del>	<del>\$3,029,082</del>
13 <del>Full-time equivalent positions</del>	<del>5.00</del>	<del>0.00</del>	<del>5.00</del>
14 <u>Salaries and wages</u>	<u>\$1,446,690</u>	<u>\$113,239</u>	<u>\$1,559,929</u>
15 <u>New and vacant FTE pool</u>	<u>0</u>	<u>16,570</u>	<u>16,570</u>
16 <u>Operating expenses</u>	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
17 <u>Total special funds</u>	<u>\$3,029,082</u>	<u>\$126,668</u>	<u>\$3,155,750</u>
18 <u>Full-time equivalent positions</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>

- 19 **SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
20 office of administrative hearings may not spend funds appropriated in the new and vacant FTE

Sixty-ninth  
Legislative Assembly

- 1 pool line item in section 1 of this Act, but may request the office of management and budget to
- 2 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
- 3 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
- 4 approved by the sixty-ninth legislative assembly.

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2017 - Office of Administrative Hearings - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$1,446,690	\$113,239	\$1,559,929
New and vacant FTE pool		16,570	16,570
Operating expenses	1,582,392	(3,141)	1,579,251
Total all funds	\$3,029,082	\$126,668	\$3,155,750
Less estimated income	3,029,082	126,668	3,155,750
General fund	\$0	\$0	\$0
FTE	5.00	0.00	5.00

**Department 140 - Office of Administrative Hearings - Detail of Senate Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding to Replace 2023-25 Vacant FTE Pool <sup>2</sup>	Transfers Funding for 2025-27 New and Vacant FTE Pool <sup>3</sup>	Adds Temporary and Overtime Salaries Funding <sup>4</sup>	Transfers Funding From Operating to Salaries <sup>5</sup>	Increases Funding for Information Technology Costs <sup>6</sup>
Salaries and wages	\$88,691	\$20,058	(\$23,672)	\$5,500	\$22,662	
New and vacant FTE pool			16,570			
Operating expenses					(22,662)	\$19,521
Total all funds	\$88,691	\$20,058	(\$7,102)	\$5,500	\$0	\$19,521
Less estimated income	88,691	20,058	(7,102)	5,500	0	19,521
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$113,239
New and vacant FTE pool	16,570
Operating expenses	(3,141)
Total all funds	\$126,668
Less estimated income	126,668
General fund	\$0
FTE	0.00

<sup>1</sup> The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

<u>Other Funds</u>	
Salary increase	\$58,665
Health insurance increase	30,026
Total	\$88,691

<sup>2</sup> Funding is added to replace 2023-25 biennium vacant FTE pool funding.

<sup>3</sup> Funding of \$23,672 is removed for estimated savings from vacant 2025-27 FTE positions and \$16,570 is added for a new and vacant FTE pool line item resulting in net savings of \$7,102.

<sup>4</sup> Funding is added to provide for temporary salary funding (\$2,750) and overtime salary funding (\$2,750).

<sup>5</sup> Funding is transferred from the operating expenses line item to the salaries and wages line item.

<sup>6</sup> Funding is added to provide a total of \$89,942 for data processing costs.

**Senate Bill No. 2017 - Other Changes - Senate Action**

A section is also added regarding the use of funding in the new and vacant FTE pool line item.



Office of Administrative Hearings - Budget No. 140  
Agency Worksheet - Senate Bill No. 2017

	Armstrong Executive Budget				Senate Version				Senate Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	5.00	\$0	\$3,029,082	\$3,029,082	5.00	\$0	\$3,029,082	\$3,029,082	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase			\$58,665	\$58,665			\$58,665	\$58,665				\$0
Health insurance increase			30,026	30,026			30,026	30,026				0
Funding to replace 2023-25 vacant FTE pool			20,058	20,058			20,058	20,058				0
2025-27 new and vacant FTE pool				0			(7,102)	(7,102)			(\$7,102)	(7,102)
Temporary and overtime salary funding			5,500	5,500			5,500	5,500				0
Transfer \$22,662 from operating to salaries line item				0				0				0
Information technology increases			19,521	19,521			19,521	19,521				0
Total ongoing funding changes	0.00	\$0	\$133,770	\$133,770	0.00	\$0	\$126,668	\$126,668	0.00	\$0	(\$7,102)	(\$7,102)
One-Time Funding Items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$0	\$133,770	\$133,770	0.00	\$0	\$126,668	\$126,668	0.00	\$0	(\$7,102)	(\$7,102)
2025-27 Total Funding	5.00	\$0	\$3,162,852	\$3,162,852	5.00	\$0	\$3,155,750	\$3,155,750	0.00	\$0	(\$7,102)	(\$7,102)
Federal funds included in other funds			\$0				\$0				\$0	
Total ongoing changes - Percentage of base level	0.0%	N/A	4.4%	4.4%	0.0%	N/A	4.2%	4.2%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	N/A	4.4%	4.4%	0.0%	N/A	4.2%	4.2%	N/A	N/A	N/A	N/A

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2017  
1/30/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

8:36 a.m. Chairman Bekkedahl opened the hearing.

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

Members Absent: Senator Meyer.

### Discussion Topics:

- Special Funds
- Committee Action

8:36 a.m. Senator Cleary introduced the bill, the amendment LC 25.0184.01002 and submitted testimony #32899.

8:39 a.m. Senator Cleary moved to adopt the amendment LC 25.0184.01002.

8:39 a.m. Senator Davison 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	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	A
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-0-1.

8:40 a.m. Senator Cleary moved a Do Pass as Amended.

8:40 a.m. Senator Davison seconded the motion.

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

Motion Passed 15-0-1.

Senator Cleary will carry the bill.

8:44 a.m. Chairman Bekkedahl closed the hearing.

*Elizabeth Reiten, Committee Clerk*



25.0184.01002  
Title.02000  
Fiscal No. 2

Sixty-ninth  
Legislative Assembly  
of North Dakota

Prepared by the Legislative Council  
staff for Senate Appropriations - Human  
Resources Division Committee  
January 23, 2025

RS 1/30/25  
1 of 4

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2017

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of  
2 administrative hearings.

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 from special funds, to the office of administrative  
6 hearings for the purpose of defraying the expenses of the office of administrative hearings, for  
7 the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10 <del>Salaries and wages</del>	<del>\$1,446,690</del>	<del>\$0</del>	<del>\$1,446,690</del>
11 <del>Operating expenses</del>	<del>1,582,392</del>	<del>0</del>	<del>1,582,392</del>
12 <del>Total special funds</del>	<del>\$3,029,082</del>	<del>\$0</del>	<del>\$3,029,082</del>
13 <del>Full time equivalent positions</del>	<del>5.00</del>	<del>0.00</del>	<del>5.00</del>
14 <u>Salaries and wages</u>	<u>\$1,446,690</u>	<u>\$113,239</u>	<u>\$1,559,929</u>
15 <u>New and vacant FTE pool</u>	<u>0</u>	<u>16,570</u>	<u>16,570</u>
16 <u>Operating expenses</u>	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
17 <u>Total special funds</u>	<u>\$3,029,082</u>	<u>\$126,668</u>	<u>\$3,155,750</u>
18 <u>Full-time equivalent positions</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>

19 **SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
20 office of administrative hearings may not spend funds appropriated in the new and vacant FTE

- 1 pool line item in section 1 of this Act, but may request the office of management and budget to
- 2 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
- 3 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
- 4 approved by the sixty-ninth legislative assembly.



95 3 of 4

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2017 - Office of Administrative Hearings - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$1,446,690	\$113,239	\$1,559,929
New and vacant FTE pool		16,570	16,570
Operating expenses	1,582,392	(3,141)	1,579,251
Total all funds	\$3,029,082	\$126,668	\$3,155,750
Less estimated income	3,029,082	126,668	3,155,750
General fund	\$0	\$0	\$0
FTE	5.00	0.00	5.00

**Department 140 - Office of Administrative Hearings - Detail of Senate Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding to Replace 2023-25 Vacant FTE Pool <sup>2</sup>	Transfers Funding for 2025-27 New and Vacant FTE Pool <sup>3</sup>	Adds Temporary and Overtime Salaries Funding <sup>4</sup>	Transfers Funding From Operating to Salaries <sup>5</sup>	Increases Funding for Information Technology Costs <sup>6</sup>
Salaries and wages	\$88,691	\$20,058	(\$23,672)	\$5,500	\$22,662	
New and vacant FTE pool			16,570			
Operating expenses					(22,662)	\$19,521
Total all funds	\$88,691	\$20,058	(\$7,102)	\$5,500	\$0	\$19,521
Less estimated income	88,691	20,058	(7,102)	5,500	0	19,521
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$113,239
New and vacant FTE pool	16,570
Operating expenses	(3,141)
Total all funds	\$126,668
Less estimated income	126,668
General fund	\$0
FTE	0.00

<sup>1</sup> The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	Other Funds
Salary increase	\$58,665
Health insurance increase	30,026
Total	\$88,691

<sup>2</sup> Funding is added to replace 2023-25 biennium vacant FTE pool funding.

<sup>3</sup> Funding of \$23,672 is removed for estimated savings from vacant 2025-27 FTE positions and \$16,570 is added for a new and vacant FTE pool line item resulting in net savings of \$7,102.

<sup>4</sup> Funding is added to provide for temporary salary funding (\$2,750) and overtime salary funding (\$2,750).

<sup>5</sup> Funding is transferred from the operating expenses line item to the salaries and wages line item.

<sup>6</sup> Funding is added to provide a total of \$89,942 for data processing costs.

for  
not 4

**Senate Bill No. 2017 - Other Changes - Senate Action**

A section is also added regarding the use of funding in the new and vacant FTE pool line item.

**REPORT OF STANDING COMMITTEE  
SB 2017**

**Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS** ([25.0184.01002](#)) and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2017 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0184.01002

Title.

Fiscal No. 2

Prepared by the Legislative Council  
staff for Senate Appropriations - Human  
Resources Division Committee  
January 23, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO****SENATE BILL NO. 2017**

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of  
2 administrative hearings.

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 from special funds, to the office of administrative  
6 hearings for the purpose of defraying the expenses of the office of administrative hearings, for  
7 the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10 <del>Salaries and wages</del>	<del>\$1,446,690</del>	<del>\$0</del>	<del>\$1,446,690</del>
11 <del>Operating expenses</del>	<del>1,582,392</del>	<del>0</del>	<del>1,582,392</del>
12 <del>Total special funds</del>	<del>\$3,029,082</del>	<del>\$0</del>	<del>\$3,029,082</del>
13 <del>Full-time equivalent positions</del>	<del>5.00</del>	<del>0.00</del>	<del>5.00</del>
14 <u>Salaries and wages</u>	<u>\$1,446,690</u>	<u>\$113,239</u>	<u>\$1,559,929</u>
15 <u>New and vacant FTE pool</u>	<u>0</u>	<u>16,570</u>	<u>16,570</u>
16 <u>Operating expenses</u>	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
17 <u>Total special funds</u>	<u>\$3,029,082</u>	<u>\$126,668</u>	<u>\$3,155,750</u>
18 <u>Full-time equivalent positions</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>

- 19 **SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
20 office of administrative hearings may not spend funds appropriated in the new and vacant FTE

Sixty-ninth  
Legislative Assembly

- 1 pool line item in section 1 of this Act, but may request the office of management and budget to
- 2 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
- 3 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
- 4 approved by the sixty-ninth legislative assembly.

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2017 - Office of Administrative Hearings - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$1,446,690	\$113,239	\$1,559,929
New and vacant FTE pool		16,570	16,570
Operating expenses	1,582,392	(3,141)	1,579,251
Total all funds	\$3,029,082	\$126,668	\$3,155,750
Less estimated income	3,029,082	126,668	3,155,750
General fund	\$0	\$0	\$0
FTE	5.00	0.00	5.00

**Department 140 - Office of Administrative Hearings - Detail of Senate Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding to Replace 2023-25 Vacant FTE Pool <sup>2</sup>	Transfers Funding for 2025-27 New and Vacant FTE Pool <sup>3</sup>	Adds Temporary and Overtime Salaries Funding <sup>4</sup>	Transfers Funding From Operating to Salaries <sup>5</sup>	Increases Funding for Information Technology Costs <sup>6</sup>
Salaries and wages	\$88,691	\$20,058	(\$23,672)	\$5,500	\$22,662	
New and vacant FTE pool			16,570			
Operating expenses					(22,662)	\$19,521
Total all funds	\$88,691	\$20,058	(\$7,102)	\$5,500	\$0	\$19,521
Less estimated income	88,691	20,058	(7,102)	5,500	0	19,521
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$113,239
New and vacant FTE pool	16,570
Operating expenses	(3,141)
Total all funds	\$126,668
Less estimated income	126,668
General fund	\$0
FTE	0.00

<sup>1</sup> The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

Other Funds	
Salary increase	\$58,665
Health insurance increase	<u>30,026</u>
Total	\$88,691

<sup>2</sup> Funding is added to replace 2023-25 biennium vacant FTE pool funding.

<sup>3</sup> Funding of \$23,672 is removed for estimated savings from vacant 2025-27 FTE positions and \$16,570 is added for a new and vacant FTE pool line item resulting in net savings of \$7,102.

<sup>4</sup> Funding is added to provide for temporary salary funding (\$2,750) and overtime salary funding (\$2,750).

<sup>5</sup> Funding is transferred from the operating expenses line item to the salaries and wages line item.

<sup>6</sup> Funding is added to provide a total of \$89,942 for data processing costs.

**Senate Bill No. 2017 - Other Changes - Senate Action**

A section is also added regarding the use of funding in the new and vacant FTE pool line item.

**2025 HOUSE APPROPRIATIONS**

**SB 2017**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2017  
3/6/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

8:33 a.m. Chairman J. Nelson called the meeting to order.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Mitskog, Murphy, O' Brien, Wagner. Absent: Representative Berg.

### **Discussion Topics:**

- Case load
- Budget
- Accomplishments and Challenges

8:35 a.m. Hope Hogan, Director, Office of Administrative Hearings, testified and presented testimony #38993.

8:55 a.m. Larry Martin, Fiscal Management Analyst, ND Office of Management and Budget, spoke to options for line of credit.

8:56 a.m. Hope Hogan, Director, Office of Administrative Hearings, continued with testimony #38993.

### **Additional written testimony:**

Keith Mantz, Fiscal Analyst, ND Legislative Council, submitted neutral, #39175.

9:07 a.m. Chairman J. Nelson adjourned the hearing.

*Jan Kamphuis, Committee Clerk*





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**MEMORANDUM**

TO: Sixty-ninth Legislative Assembly  
State of North Dakota  
House Appropriations – Human Resources Committee

FROM: Hope L Hogan, Director  
Office of Administrative Hearings

RE: OAH 2025-2027 Operating Budget Request  
Senate Bill No. 2017

DATE: March 6, 2025

The mission of the Office of Administrative Hearings (OAH) is to conduct orderly, fair, and impartial hearings and to issue prompt, reasoned recommended or final decisions. If a person receives a benefit or license from the state, the person is entitled to a hearing under the Due Process Clause of the Constitution. OAH provides substantive due process by deciding justly with well-reasoned decisions in accordance with the law. OAH also provides procedural due process by providing a neutral and unbiased tribunal that is independent from the governmental entity that provides the benefit or license. OAH listens to both sides of a dispute and allows each party the right to present evidence and cross-examine the other party's evidence. If the governmental entity that provides the benefit or license were to make the determination, there is the perception of bias. OAH provides experienced, professional, and neutral judges.

Hope L. Hogan DIRECTOR

2911 North 14th Street - Suite 303 | Bismarck, North Dakota 58503

PHONE 701-328-3200 | FAX 701-328-3254 | oah@nd.gov | oah.nd.gov

**STAFF:**

The prior director, Tim Dawson, retired on January 3, 2025. OAH currently has two fulltime administrative law judges (ALJs) - Jessica Binder, who started with our office in July 2021; and myself, who started in November 2018. OAH has two additional FTEs – our office manager Frances Zuther and administrative assistant Louise Wetzel. OAH also contracts with four part-time, as-needed ALJs. The contracted ALJs primarily handle Workforce Safety and Insurance (WSI) hearings. Three of these ALJs work out of Fargo and one works out of Bismarck.

The full-time, permanent ALJs conduct a mixture of agency hearings but, primarily, Department of Health and Human Services (DHHS), Public Service Commission (PSC), Workforce Safety and Insurance (WSI), Human Resource Management Services - state employee grievance hearings, and occupational licensing hearings. For 2024, I, Judge Hogan, had primarily a workload of WSI and PSC hearings. The other two fulltime ALJs conducted mainly DHHS hearings and other agency hearings. Since Director Dawson's retirement, we have not filled his vacated FTE. We will continue with two fulltime ALJs for the time being. Workload considerations and the need for the replacement of contract ALJs may require new contract ALJs at some time in the future if caseloads increase. Another option to handle additional caseload would be for OAH to employ more fulltime permanent ALJs. Currently, OAH is authorized for three permanent ALJs.

**CASELOAD:**

OAH conducts hearings for:

- State and local agencies and entities that are required to use OAH (*see* N.D.C.C. §§ 54-57-03(1), 40-51.2-12, 40-47-01.1, and 15.1-15-08);
- State agencies that voluntarily use OAH, such as the PSC, the Insurance Department, the Industrial Commission, the Department of Water Resources, colleges and universities for personnel hearings, UND Title IX hearings, and occasionally Job Service North Dakota for conflict unemployment compensation hearings; and
- Local entities such as cities or counties that voluntarily use OAH to conduct certain hearings such as employee discipline.

Over the years, OAH has conducted hearings for over 100 different state and local government agencies or entities. Some agencies make many requests each year, while others have made only a few requests since OAH was established. The table below shows the number of requests OAH has received per year for the last nine years:

<u>Year</u>	<u>Hearing Requests</u>
2016	717
2017	663
2018	646
2019	482
2020	432
2021	364
2022	404
2023	446
2024	449

For calendar year 2023, 27 different agencies or entities made 446 requests for hearing. For calendar year 2024, 22 different agencies or entities made 499 requests for hearing. Combined, OAH had 945 requested hearings from 34 different agencies or entities. *See Attachment “A.”* This was an increase from the prior two years (2021 and 2022) where OAH had 768 requested hearings from 39 different agencies or entities.

For the first 20 months of this biennium (July 1, 2023, through February 28, 2025), 27 different agencies or entities have made 782 requests for hearing. *See Attachment “B.”* As you can see from the attachments, the bulk of requests for hearing have come from two agencies, DHHS and WSI, which is typical for most biennia. Another increasingly frequent OAH user in the last few years is the PSC. OAH has also started conducting Title IX hearings for the University of North Dakota.

OAH does not hold a hearing for every request made. Some cases settle prior to hearing; some requests are withdrawn or abandoned; and on occasion, matters are disposed of by prehearing motion. Attachment “C” shows the number of hearings held for calendar years 2023 and 2024. Approximately 65 percent of hearing requests went to hearing. In the previous two years (2021 and 2022), 66 percent of the hearing requests went to hearing. Historically, between 45 percent and 55 percent of hearings requested go to hearing.

While not for all cases, OAH routinely holds prehearing conferences. This is an opportunity to confer with the parties prior to the hearing; answer questions or address concerns; and pick a hearing date, location, and prehearing deadlines. Prehearing conferences are usually held for more complex cases. For calendar years 2023 and 2024, 341 prehearing conferences were held which was down slightly from 387 for calendar years

2021 and 2022. *See* Attachment “D.” OAH holds prehearing conferences for approximately 36 percent of hearing requests.

As our caseload evolves, another way to gauge our activity is to review billable hours. The table below shows total billable hours for OAH for the past four years:

<u>Year</u>	<u>Billable Hours</u>
2021	5373.2
2022	4957.8
2023	4538.4
2024	4206.2

Attachment “E” shows a breakdown of billable hours by agency. As you can see, our billable hours for DHHS have remained steady and have rebounded since COVID, but our billable hours for WSI cases are down significantly.

**BUDGET:**

- The OAH budget is funded completely through special funds and with no federal funds.
- OAH has a continuing appropriation under North Dakota Century Code Section 54-57-07.
- The OAH budget has little to no change from last biennium.
- The OAH budget is two lines; one for salaries and benefits for 5 FTEs and one for operating. Of the operating line, 78 percent is to pay contract ALJs for work completed, 7 percent for IT, and 5.7 percent for office space.
- OAH charges an hourly fee for its service to the requesting entities. The rate of \$215 per hour has been in place since July 1, 2023. As of January 2025, the rate was

increased to account for the decrease in billable hours. OAH contract with WSI, so the rate for WSI will not increase until the state of the next biennium.

## **ACCOMPLISHMENTS AND CHALLENGES**

- **WSI Case Processing.** Under N.D.C.C. § 54-57-09, OAH is required to track processing time of WSI cases. The goal is to average 215 days or less from the date the case is received by OAH to the date the decision issued. OAH must track this on a monthly, rolling six-month average. OAH has adopted case processing standards to meet this goal. OAH reports to the state advisory council each quarter.

Attachment “F” shows the rolling average for the current biennium. OAH has reduced the average number of days to process a case from 290 to around 160 days. This is a reduction of at least 130 days or about 45 percent and is below the goal of under 215 days.

- **Conducting Hearings.** With CARES Act money, OAH equipped its hearing rooms with equipment to conduct hearings by video conferences and improved audio recording equipment to help facilitate these hearings. OAH conducts remote hearings when requested using this technology.

OAH also conducts in-person hearings both in OAH hearing rooms and in remote locations across the state. In-person hearings are common for WSI hearings and cases concerning professional licensure matters and parental rights. Sometimes a hearing involves credibility issues. It is advantageous to judge demeanor and credibility when hearing testimony is face-to-face. OAH also conducts in-person hearings for complex cases or when requested by the parties. Being able to talk directly to the ALJ reflects well on the accessibility of government, and this value exceeds the increased cost and inconvenience to the ALJ and agency involved.

- OAH continues to explore other ways to incorporate technology and make our office more accessible. One priority is to adopt procedures for electronic filing.

- **Funding.** Our biggest current challenge is funding. While our 2024 hearing requests increased by 53, our billable time decreased by 327.5 hours. There are many reasons for the decrease in billable hours such as:

- An increase in the number of cases that settle;
- Many DHHS cases generate only a few billable hours per case;
- More hearings being held by video conference versus traveling for the hearing; and
- More efficient ALJs.

OAH has eliminated as many expenses as possible to address the decrease in billable hours. At the end of the year, OAH eliminated our research software, Westlaw, and a program called Logikcull which transcribes hearings. For the time being, OAH will not fill the open FTE vacated by Director Dawson's retirement and will handle as many hearings as possible with our permanent, fulltime ALJs to cut down on the cost of the contract ALJs. Because OAH is funded by special funds, it is dependent on a sufficient caseload to cover our expenses. Our billable hours have decreased from 7,972.8 hours in 2018 to 4,208.3 hours in 2024, a change of 3,764.5 hours.

#### **CASH BALANCE:**

OAH can carry forward a cash balance at the end of the biennium. Historically, OAH has maintained a comfortable cash balance. More recently, the cash balance has been used to meet our operating expenses caused by the decrease in billable hours. The history of OAH's cash balance from June 2020 to present is found in Attachment "G." As of the end of February 2025, OAH has a negative cash balance.

For the years 1991 through 1997, OAH was funded by both special funds and general funds. In 1997, OAH's funding was modified to special funds only, but OAH was authorized for a general fund loan up to \$100,000. For the 1999-2001 biennium, the authorized general fund loan was increased to \$150,000. The language of that appropriation was as follows:

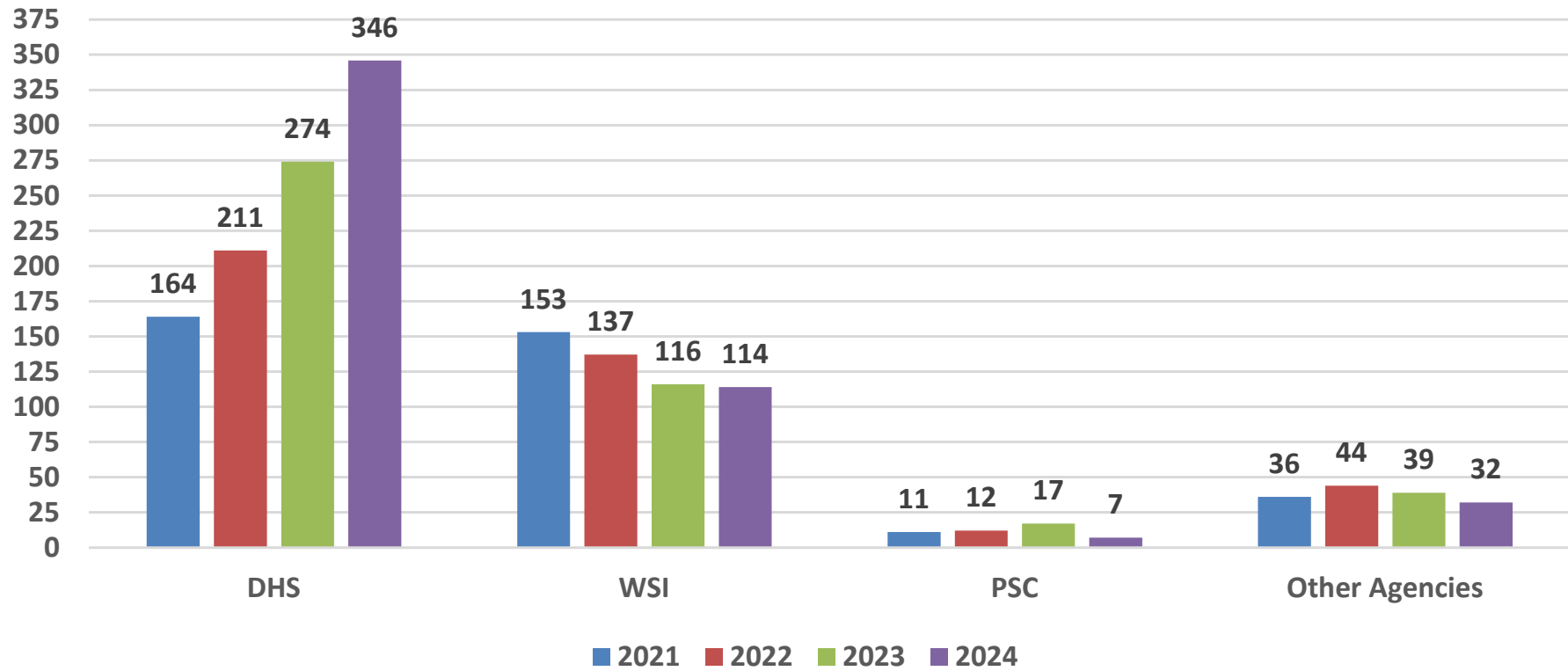
1997 SB 2018, Section 2 reads:

**SECTION 2. OFFICE OF ADMINISTRATIVE HEARINGS – LOAN FROM STATE GENERAL FUND – APPROPRIATION OF LOAN REPAYMENT.** Notwithstanding any other provision of law, the office of administrative hearings is authorized to borrow up to \$100,000, which amounts are hereby appropriated from the state general fund during the biennium, beginning July 1, 1997, and ending June 30, 1999. The office of administrative hearings shall inform the office of management and budget of any loan required pursuant to this section. Any loan made to the office of administrative hearings under this section must be repaid to the state general fund by June 30, 1999, and any loan repayments made by the office of administrative hearings are hereby appropriated for the biennium beginning July 1, 1997, and ending June 30, 1999.

It is estimated that by not filling the open ALJ FTE we will recover slowly. However, OAH is dependent on case requests. It's impossible to forecast case requests, thus we have ongoing funding concerns. Similar to 1997 SB 2018, OAH would propose an amendment to SB 2017 to authorize OAH to take a line-of-credit to cover any deficiency. OAH would propose a line-of-credit from the Bank of North Dakota rather than a general fund loan. OAH would also propose authority for the line-of-credit to continue into the next biennium to ensure OAH does not have a deficient balance at the end of the biennium.



### Requests Received 2021 through 2024



# Hearing Requests Received by Agency

Requests Received Between 01/01/2021 and 12/31/2024

Office of Administrative Hearings

Agency	2021		2022		2023		2024		Total	
1 Alexander Public School District	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
2 Attorney General, Office of	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
3 Beach Public School District No. 3	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
4 Belcourt Public School District	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
5 Chiropractic Examiners, State Board of	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
6 Cosmetology, Board of	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
7 DHS, Human Services, Department of	164	45.1%	211	52.2%	274	61.4%	346	69.3%	995	58.1%
8 Dickinson State University	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
9 Dunseith Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
10 Education Standards & Practices Board	0	0.0%	1	0.2%	0	0.0%	1	0.2%	2	0.1%
11 Electrical Board, N.D. State	0	0.0%	0	0.0%	1	0.2%	1	0.2%	2	0.1%
12 Fargo Public Schools	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
13 FI, Banking Board	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
14 Game and Fish Department	1	0.3%	1	0.2%	1	0.2%	2	0.4%	5	0.3%
15 Grand Forks Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
16 Health, Department of	2	0.5%	1	0.2%	1	0.2%	2	0.4%	6	0.4%
17 Health, Health Facilities	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
18 Horace, City of	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
19 Human Resource Management Services	0	0.0%	5	1.2%	3	0.7%	5	1.0%	13	0.8%
20 IC, Insurance Commissioner	1	0.3%	1	0.2%	1	0.2%	2	0.4%	5	0.3%
21 Industrial Commission	4	1.1%	5	1.2%	1	0.2%	1	0.2%	11	0.6%
22 Job Service North Dakota	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
23 Labor and Human Rights, Department of	1	0.3%	4	1.0%	0	0.0%	1	0.2%	6	0.4%
24 Lake Region State College	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
25 Maddock School District	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
26 Mandaree Public School District #36	1	0.3%	0	0.0%	0	0.0%	1	0.2%	2	0.1%
27 Massage Therapy, ND Board of	0	0.0%	1	0.2%	0	0.0%	1	0.2%	2	0.1%
28 Medicine, Board of	0	0.0%	0	0.0%	2	0.4%	0	0.0%	2	0.1%
29 Milnor Public School District	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
30 Minot Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
31 Minot State University	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
32 Munich Public School District No. 19	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
33 New Rockford-Sheyenne School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
34 New Town Public School District	0	0.0%	1	0.2%	1	0.2%	0	0.0%	2	0.1%
35 Nursing, State Board of	1	0.3%	0	0.0%	1	0.2%	0	0.0%	2	0.1%
36 Parshall Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
37 Pingree-Buchanan Public School	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
38 Professional Engineers & Land Surveyors Board	1	0.3%	0	0.0%	2	0.4%	1	0.2%	4	0.2%
39 PSC, Public Service Commission	11	3.0%	12	3.0%	17	3.8%	7	1.4%	47	2.7%
40 Public Employees Retirement Board	1	0.3%	0	0.0%	1	0.2%	0	0.0%	2	0.1%

# Hearing Requests Received by Agency

Requests Received Between 01/01/2021 and 12/31/2024

Office of Administrative Hearings

Agency	2021		2022		2023		2024		Total	
41 Public Instruction, Department of	4	1.1%	6	1.5%	6	1.3%	4	0.8%	20	1.2%
42 Real Estate Appraiser Qualifications and Ethics Boar	2	0.5%	0	0.0%	0	0.0%	0	0.0%	2	0.1%
43 Real Estate Commission	0	0.0%	0	0.0%	2	0.4%	0	0.0%	2	0.1%
44 Securities Department	0	0.0%	1	0.2%	2	0.4%	1	0.2%	4	0.2%
45 UND, University of North Dakota	9	2.5%	5	1.2%	4	0.9%	3	0.6%	21	1.2%
46 Valley City State University	1	0.3%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
47 Veterans Affairs, Department of	2	0.5%	0	0.0%	1	0.2%	1	0.2%	4	0.2%
48 Wahpeton Public School District	0	0.0%	0	0.0%	1	0.2%	0	0.0%	1	0.1%
49 Washburn Public School District #4	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
50 Water Resources, Department of	1	0.3%	1	0.2%	1	0.2%	2	0.4%	5	0.3%
51 Williston Basin School District #1	0	0.0%	1	0.2%	0	0.0%	0	0.0%	1	0.1%
52 Workforce Safety & Insurance	153	42.0%	137	33.9%	116	26.0%	114	22.8%	520	30.4%
Grand Total:	364		404		446		499		1713	

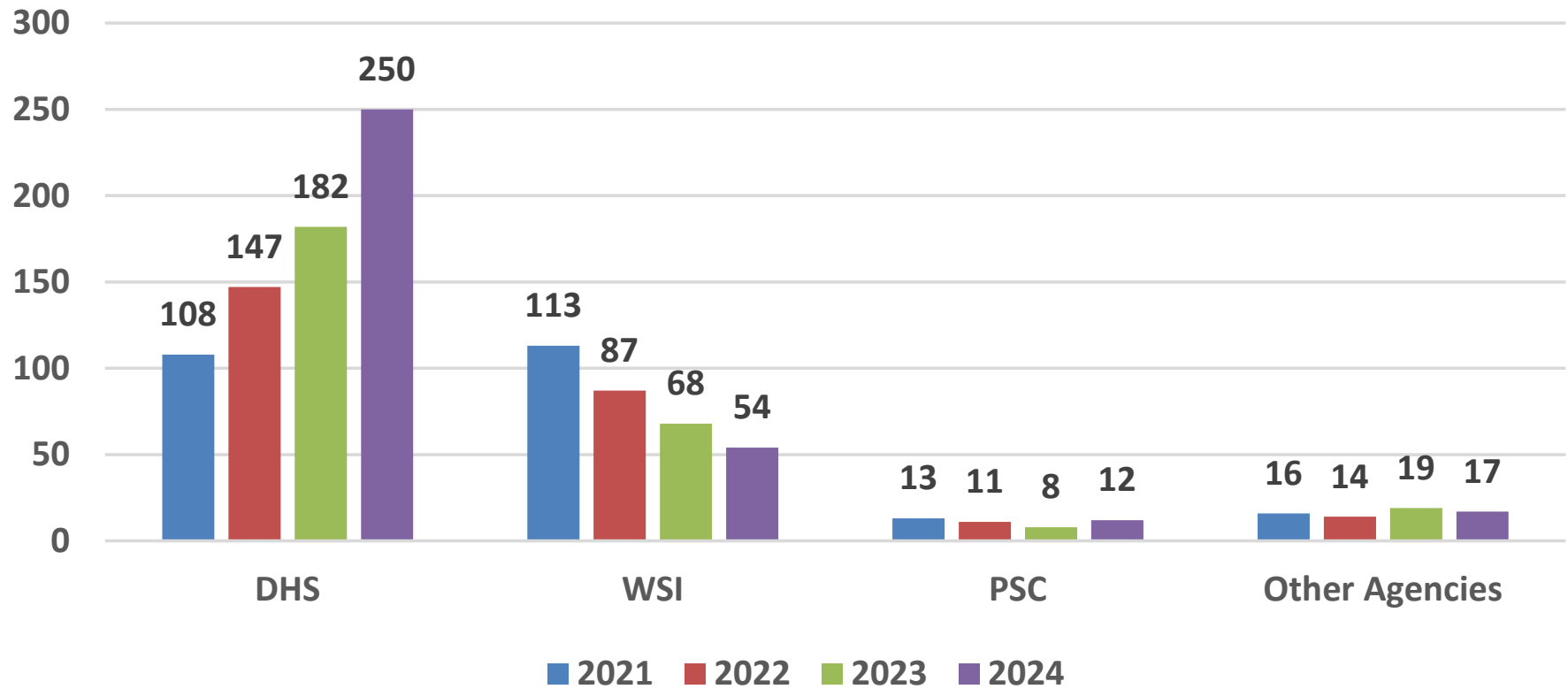
## ***Total Requests Received by Agency***

***Files Received Between 07-01-2023 and 02-28-2025***

***Office of Administrative Hearings***

<b>Agency</b>		<b># of Files Received</b>	
1	Alexander Public School District	1	0.13%
2	Attorney General, Office of	1	0.13%
3	Department of Water Resources	4	0.51%
4	DHS, Human Services, Department of	522	66.75%
5	Education Standards & Practices Board	1	0.13%
6	Electrical Board, N.D. State	2	0.26%
7	FI, Banking Board	1	0.13%
8	Game and Fish Department	4	0.51%
9	Grand Forks Public School District	1	0.13%
10	Health, Department of	4	0.51%
11	Human Resource Management Services	7	0.90%
12	IC, Insurance Commissioner	3	0.38%
13	Industrial Commission	1	0.13%
14	Labor, Dept. of	1	0.13%
15	Mandaree Public School District #36	1	0.13%
16	Massage, North Dakota Board of	1	0.13%
17	Medicine, Board of	1	0.13%
18	Minot, ND, City of - Tobacco Hearings	1	0.13%
19	Parshall Public School District	1	0.13%
20	Professional Engineers & Land Surveyors Board	3	0.38%
21	PSC, Public Service Commission	24	3.07%
22	Public Employees Retirement Board	1	0.13%
23	Public Instruction, Department of	7	0.90%
24	Securities Department	1	0.13%
25	UND, University of North Dakota	5	0.64%
26	Veterans Affairs, Department of	1	0.13%
27	Workforce Safety & Insurance	182	23.27%
Grand Total:		782	

## Hearings Held 2021 through 2024



# Hearings Held

Hearings Held Between 01/01/2021 and 12/31/2024

Office of Administrative Hearings

Agency	2021		2022		2023		2024		Total	
1 Addiction Counseling Examiners Board	1	0.4%	0	0.0%	0	0.0%	0	0.0%	2	0.2%
2 Belcourt Public School District	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
3 DHS, Human Services, Department of	108	43.2%	147	56.8%	182	65.7%	250	75.1%	545	48.7%
4 Dickinson State University	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
5 Education Standards & Practices Board	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
6 Electrical Board, N.D. State	0	0.0%	0	0.0%	0	0.0%	1	0.3%	0	0.0%
7 Fargo Public Schools	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
8 Game and Fish Department	1	0.4%	1	0.4%	0	0.0%	2	0.6%	3	0.3%
9 Grand Forks Public School District	0	0.0%	0	0.0%	0	0.0%	1	0.3%	0	0.0%
10 Health, Department of	1	0.4%	0	0.0%	1	0.4%	0	0.0%	3	0.3%
11 Health, Health Facilities	0	0.0%	0	0.0%	1	0.4%	0	0.0%	1	0.1%
12 Human Resource Management Services	0	0.0%	0	0.0%	1	0.4%	1	0.3%	1	0.1%
13 IC, Insurance Commissioner	1	0.4%	0	0.0%	0	0.0%	1	0.3%	2	0.2%
14 Industrial Commission	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
15 Labor and Human Rights, Department of	1	0.4%	0	0.0%	1	0.4%	0	0.0%	3	0.3%
16 New Rockford-Sheyenne School District	0	0.0%	0	0.0%	1	0.4%	0	0.0%	1	0.1%
17 Nursing, State Board of	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
18 Physical Therapy, North Dakota Board of	2	0.8%	0	0.0%	0	0.0%	0	0.0%	4	0.4%
19 Pingree-Buchanan Public School	0	0.0%	1	0.4%	0	0.0%	0	0.0%	1	0.1%
20 Professional Engineers & Land Surveyors Board	0	0.0%	0	0.0%	2	0.7%	1	0.3%	2	0.2%
21 PSC, Public Service Commission	13	5.2%	11	4.2%	8	2.9%	12	3.6%	45	4.0%
22 Public Employees Retirement Board	0	0.0%	0	0.0%	0	0.0%	1	0.3%	0	0.0%
23 Public Instruction, Department of	4	1.6%	1	0.4%	7	2.5%	4	1.2%	16	1.4%
24 Real Estate Appraiser Qualifications and Ethics Boar	0	0.0%	2	0.8%	0	0.0%	0	0.0%	2	0.2%
25 Real Estate Commission	0	0.0%	0	0.0%	2	0.7%	0	0.0%	2	0.2%
26 Securities Department	0	0.0%	1	0.4%	1	0.4%	0	0.0%	2	0.2%
27 UND, University of North Dakota	3	1.2%	2	0.8%	2	0.7%	2	0.6%	10	0.9%
28 Veterans Affairs, Department of	2	0.8%	0	0.0%	0	0.0%	0	0.0%	4	0.4%
29 Water Resources, Department of	0	0.0%	0	0.0%	0	0.0%	3	0.9%	0	0.0%
30 Workforce Safety & Insurance	113	45.2%	87	33.6%	68	24.5%	54	16.2%	381	34.0%
Grand Total:	250		259		277		333		1119	

***Prehearing Conferences Held******Prehearing Conferences Held Between 01-01-2023 and 12-31-2024****Office of Administrative Hearings*

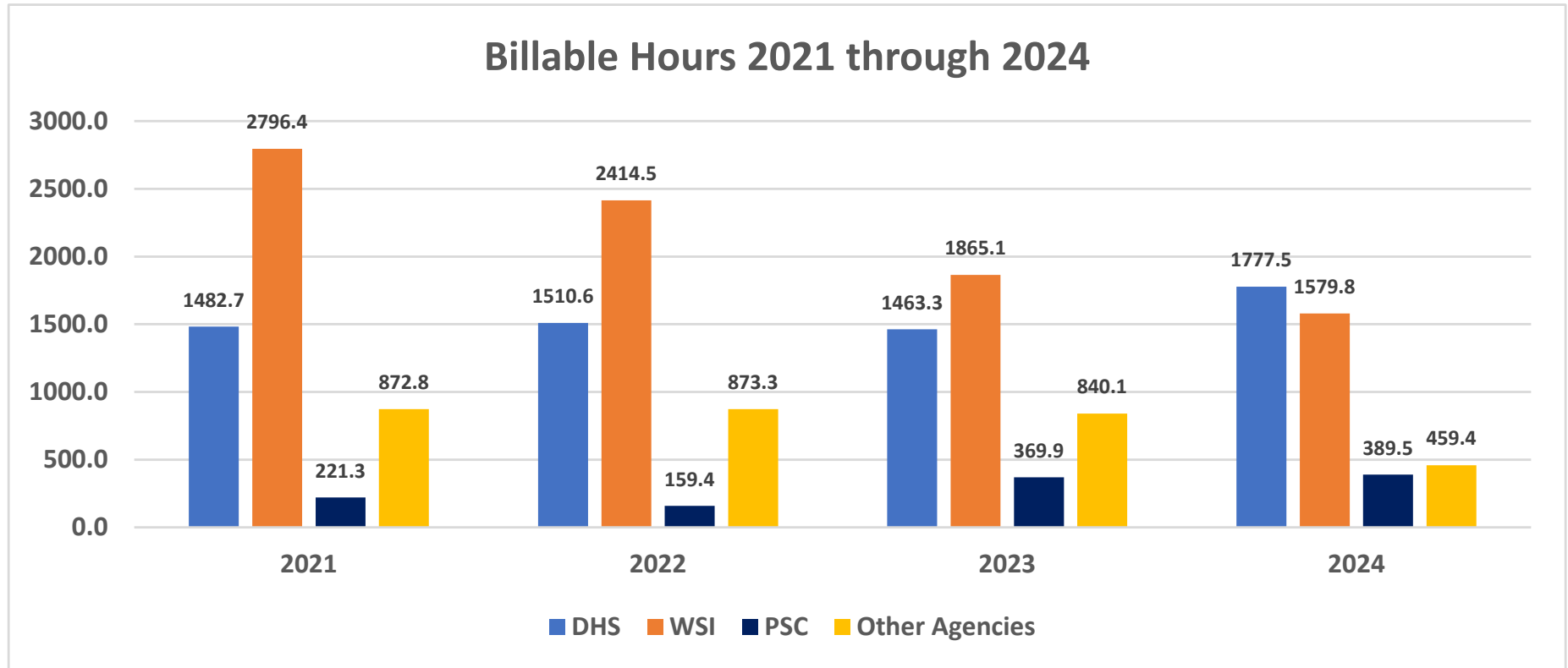
<b>Agency</b>	<b>2023</b>		<b>2024</b>		<b>Total</b>	
1 Alexander Public School District	0	0.0%	1	0.6%	1	0.3%
2 Attorney General, Office of	0	0.0%	1	0.6%	1	0.3%
3 Beach Public School District No. 3	1	0.6%	0	0.0%	1	0.3%
4 Chiropractic Examiners, State Board of	1	0.6%	0	0.0%	1	0.3%
5 Department of Water Resources	1	0.6%	3	1.7%	4	1.2%
6 DHS, Human Services, Department of	24	14.2%	32	18.6%	56	16.4%
7 Dunseith Public School District	1	0.6%	0	0.0%	1	0.3%
8 Electrical Board, N.D. State	1	0.6%	1	0.6%	2	0.6%
9 FI, Banking Board	0	0.0%	1	0.6%	1	0.3%
10 FI, Financial Institutions, Department of	0	0.0%	2	1.2%	2	0.6%
11 Game and Fish Department	0	0.0%	1	0.6%	1	0.3%
12 Grand Forks Public School District	1	0.6%	0	0.0%	1	0.3%
13 Health, Department of	2	1.2%	1	0.6%	3	0.9%
14 Human Resource Management Services	4	2.4%	6	3.5%	10	2.9%
15 IC, Insurance Commissioner	0	0.0%	3	1.7%	3	0.9%
16 Industrial Commission	1	0.6%	0	0.0%	1	0.3%
17 Labor, Dept. of	1	0.6%	3	1.7%	4	1.2%
18 Mandaree Public School District #36	0	0.0%	1	0.6%	1	0.3%
19 Massage, North Dakota Board of	0	0.0%	1	0.6%	1	0.3%
20 Medicine, Board of	1	0.6%	0	0.0%	1	0.3%
21 Minot Public School District	2	1.2%	0	0.0%	2	0.6%
22 New Rockford-Sheyenne School District	1	0.6%	0	0.0%	1	0.3%
23 New Town Public School District	3	1.8%	0	0.0%	3	0.9%
24 Nursing Home Administrators, Board of Examiners for	2	1.2%	0	0.0%	2	0.6%
25 Parshall Public School District	1	0.6%	0	0.0%	1	0.3%
26 PSC, Public Service Commission	4	2.4%	1	0.6%	5	1.5%
27 Public Employees Retirement Board	1	0.6%	0	0.0%	1	0.3%
28 Public Instruction, Department of	3	1.8%	0	0.0%	3	0.9%
29 Real Estate Commission	2	1.2%	0	0.0%	2	0.6%
30 Securities Department	5	3.0%	4	2.3%	9	2.6%
31 UND, University of North Dakota	4	2.4%	4	2.3%	8	2.3%
32 Veterans Affairs, Department of	1	0.6%	1	0.6%	2	0.6%
33 Wahpeton Public School District	1	0.6%	0	0.0%	1	0.3%

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***Prehearing Conferences Held***  
***Prehearing Conferences Held Between 01-01-2023 and 12-31-2024***  
*Office of Administrative Hearings*

<i>Agency</i>		<i>2023</i>		<i>2024</i>		<i>Total</i>	
34	Workforce Safety & Insurance	100	59.2%	105	61.0%	205	60.1%
		169		172		341	





**OFFICE OF ADMINISTRATIVE HEARINGS**

Average Days to ALJ Decision

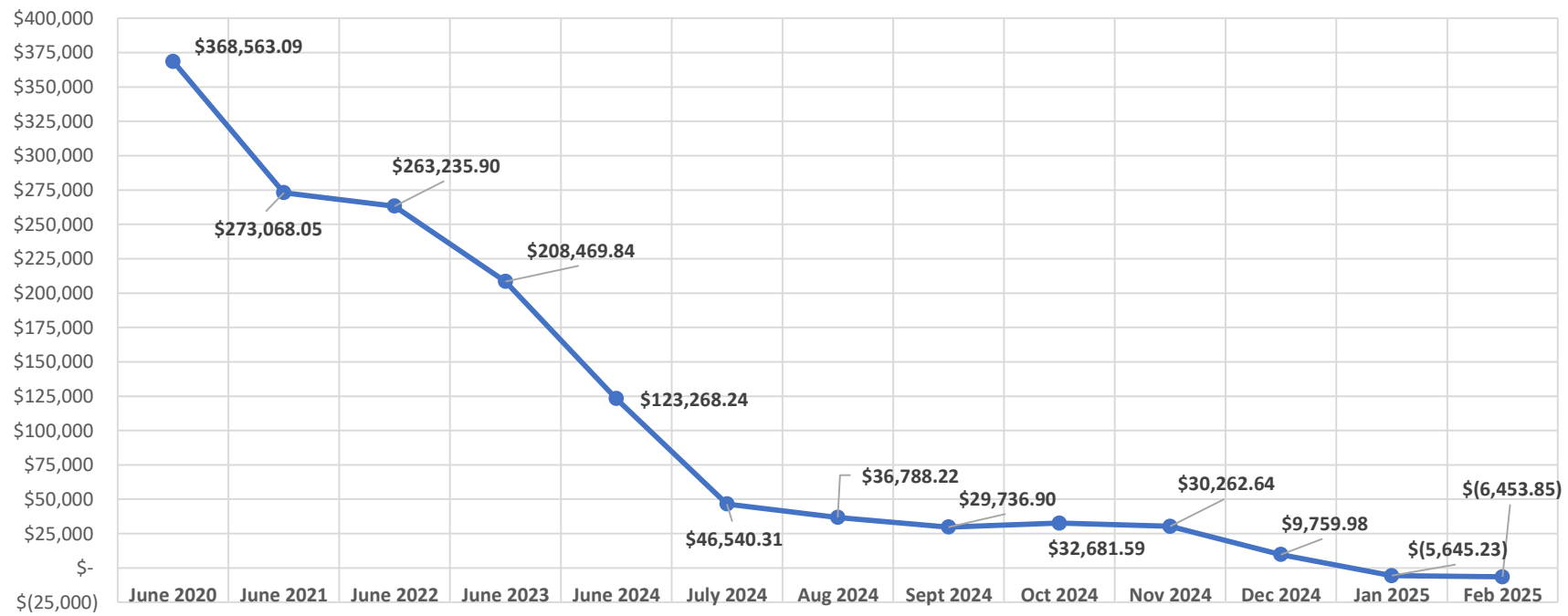
Decisions Issued from 10/01/2023 through 02/28/2025

	Number of Matters	Request for ALJ to ALJ Decision Issued			Hearing Held to ALJ Decision Issued		
		Average	Median	Range	Average	Median	Range
October 1, 2023 - March 31, 2024	38	158	151	30 - 281	22	23	1 - 45
November 1, 2023 - April 30, 2024	41	154	149	30 - 270	23	23	1 - 45
December 1, 2023 - May 31, 2024	35	156	145	30 - 270	23	23	1 - 45
January 1, 2024 - June 30, 2024	31	157	147	30 - 270	24	24	1 - 45
February 1, 2024 - July 31, 2024	26	147	140	85 - 269	26	26	1 - 45
March 1, 2024 - August 31, 2024	25	141	140	85 - 193	23	23	6 - 34
April 1, 2024 - September 30, 2024	26	142	138	101 - 193	21	22	6 - 34
May 1, 2024 - October 31, 2024	30	149	140	93 - 219	21	22	6 - 34
June 1, 2024 - November 30, 2024	30	155	140	93 - 329	21	22	5 - 34
July 1, 2024 - December 31, 2024	29	152	140	86 - 329	20	20	5 - 34
August 1, 2024 - January 31, 2025	26	158	150	86 - 329	20	22	5 - 33
September 1, 2024 - February 28, 2025	28	168	152	86 - 469	23	24	5 - 46

*Includes initial decisions for workers benefits only; does not include reconsiderations, settlements, dismissals, stipulations.*

*Consolidated files are counted as one unit, not separate units.*

Total Cash Balance (BND + Accts Receivable)



Month	Cash Balance per Report	Outstanding Accounts	Total Cash Balance
June 2020	\$ 244,484.59	\$ 124,078.50	\$ 368,563.09
June 2021	\$ 175,628.05	\$ 97,440.00	\$ 273,068.05
June 2022	\$ 210,936.90	\$ 52,299.00	\$ 263,235.90
June 2023	\$ 131,035.34	\$ 77,434.50	\$ 208,469.84
June 2024	\$ 73,173.24	\$ 50,095.00	\$ 123,268.24
July 2024	\$ 46,755.31	\$ (215.00)	\$ 46,540.31
Aug 2024	\$ 36,272.22	\$ 516.00	\$ 36,788.22
Sept 2024	\$ 27,242.90	\$ 2,494.00	\$ 29,736.90
Oct 2024	\$ 31,047.59	\$ 1,634.00	\$ 32,681.59
Nov 2024	\$ 25,790.64	\$ 4,472.00	\$ 30,262.64
Dec 2024	\$ (20,232.52)	\$ 29,992.50	\$ 9,759.98
Jan 2025	\$ (5,645.23)	\$ -	\$ (5,645.23) *includes leave payout of \$10,507.77
Feb 2025	\$ (11,700.35)	\$ 5,246.50	\$ (6,453.85)



Office of Administrative Hearings - Budget No. 140  
Agency Worksheet - Senate Bill No. 2017

	Armstrong Executive Budget				Senate Version				Senate Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	5.00	\$0	\$3,029,082	\$3,029,082	5.00	\$0	\$3,029,082	\$3,029,082	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase			\$58,665	\$58,665			\$58,665	\$58,665				\$0
Health insurance increase			30,026	30,026			30,026	30,026				0
Funding to replace 2023-25 vacant FTE pool			20,058	20,058			20,058	20,058				0
2025-27 new and vacant FTE pool				0			(7,102)	(7,102)			(\$7,102)	(7,102)
Temporary and overtime salary funding			5,500	5,500			5,500	5,500				0
Transfer \$22,662 from operating to salaries line item				0				0				0
Information technology increases			19,521	19,521			19,521	19,521				0
Total ongoing funding changes	0.00	\$0	\$133,770	\$133,770	0.00	\$0	\$126,668	\$126,668	0.00	\$0	(\$7,102)	(\$7,102)
One-Time Funding Items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$0	\$133,770	\$133,770	0.00	\$0	\$126,668	\$126,668	0.00	\$0	(\$7,102)	(\$7,102)
2025-27 Total Funding	5.00	\$0	\$3,162,852	\$3,162,852	5.00	\$0	\$3,155,750	\$3,155,750	0.00	\$0	(\$7,102)	(\$7,102)
Federal funds included in other funds			\$0				\$0				\$0	
Total ongoing changes - Percentage of base level	0.0%	N/A	4.4%	4.4%	0.0%	N/A	4.2%	4.2%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	N/A	4.4%	4.4%	0.0%	N/A	4.2%	4.2%	N/A	N/A	N/A	N/A

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2017  
3/13/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

11:01 a.m. Chairman J. Nelson called the meeting to order.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Berg, Mitskog, Murphy, O' Brien, Wagner

### Discussion Topics:

- Contract rates

11:03 a.m. Hope Hogan, Director, Office of Administrative Hearings, addressed the language that was used to create the funding source.

11:04 a.m. Representative Stemen moved to adopt the amendment SB 2017, 25.0184.02001, #44678.

11:04 a.m. Hope Hogan, Director, Office of Administrative Hearings, requested that they elevate future funding and consider increasing rates.

11:13 a.m. Representative O'Brien seconded the motion.

Roll Call Vote:

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	Y
Representative Mike Berg	A
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	Y

Motion passed 7-0-1.

11:14 a.m. Stephanie Johnson, Fiscal Analyst, ND Office of Management and Budget, stated that a motion could be made to accept all the Senate changes (previous submitted testimony on 030625, #39175).

11:14 a.m. Representative Mitskog moved to accept the Senate version of SB 2017, LC# 25.0184.02000.

11:14 a.m. Representative Stemen seconded the motion.

Roll Call Vote:

<b>Representatives</b>	<b>Vote</b>
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	Y
Representative Mike Berg	A
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	Y

Motion passed 7-0-1.

11:15 a.m. Representative Mitskog moved a DO PASS as amended SB 2017, LC# 25.0184.02001.

11:15 a.m. Representative O'Brien seconded the motion.

Roll Call Vote:

<b>Representatives</b>	<b>Vote</b>
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	Y
Representative Mike Berg	A
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	Y

Representative Mitskog to carry.

11:19 a.m. Chairman J. Nelson adjourned the hearing.

*Jan Kamphuis, Committee Clerk*

25.0184.02001  
Title.03000  
Fiscal No. 1

Prepared by the Legislative Council  
staff for House Appropriations - Human  
Resources Division Committee  
March 13, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED SENATE BILL NO. 2017

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of  
2 administrative hearings; and to authorize a line of credit.

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 from special funds, to the office of administrative  
6 hearings for the purpose of defraying the expenses of the office of administrative hearings, for  
7 the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10 Salaries and wages	\$1,446,690	\$113,239	\$1,559,929
11 New and vacant FTE pool	0	16,570	16,570
12 Operating expenses	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
13 Total special funds	\$3,029,082	\$126,668	\$3,155,750
14 Full-time equivalent positions	5.00	0.00	5.00

15 **SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
16 office of administrative hearings may not spend funds appropriated in the new and vacant FTE  
17 pool line item in section 1 of this Act, but may request the office of management and budget to  
18 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in  
19 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as  
20 approved by the sixty-ninth legislative assembly.

1        **SECTION 3. BANK OF NORTH DAKOTA LINE OF CREDIT - AGENCY CASH FLOW**  
2        **NEEDS.** The office of administrative hearings may borrow up to \$150,000 from the Bank of  
3        North Dakota through a line of credit to manage agency cash flow needs during the biennium  
4        beginning July 1, 2025, and ending June 30, 2027. The interest rate on the line of credit may  
5        not exceed the prevailing interest rate charged to North Dakota governmental entities. The  
6        office of administrative hearings shall repay the line of credit with available funding from the  
7        administrative hearings fund.



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2017  
3/27/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

11:17 a.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

11:17 a.m. Representative Mitskog explained amendment LC #25.0184.02001, #44316.

11:21 a.m. Representative Mitskog moved to adopt amendment LC #25.0184.02001.

11:21 a.m. Representative Meier seconded the motion.

11:26 a.m. 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	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

11:26 a.m. Motion passed 23-0-0.

11:27 a.m. Representative Mitskog moved Do Pass as Amended.

11:27 a.m. Representative Stemen seconded the motion.

11:27 a.m. Roll Call Vote

<b>Representatives</b>	<b>Vote</b>
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	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

11:27 a.m. Motion passed 23-0-0.

11:27 a.m. Representative Mitskog will carry.

11:27 a.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle, Committee Clerk*

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

CO  
3/27/25  
10f2

**ENGROSSED SENATE BILL NO. 2017**

Introduced by

Appropriations Committee

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13 Total special funds	\$3,029,082	\$126,668	\$3,155,750
14 Full-time equivalent positions	5.00	0.00	5.00

15 **SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
16 office of administrative hearings may not spend funds appropriated in the new and vacant FTE  
17 pool line item in section 1 of this Act, but may request the office of management and budget to  
18 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in  
19 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as  
20 approved by the sixty-ninth legislative assembly.

**SECTION 3. BANK OF NORTH DAKOTA LINE OF CREDIT - AGENCY CASH FLOW**

**NEEDS.** The office of administrative hearings may borrow up to \$150,000 from the Bank of North Dakota through a line of credit to manage agency cash flow needs during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The office of administrative hearings shall repay the line of credit with available funding from the administrative hearings fund.

**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2017**

**Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **AMENDMENTS** ([25.0184.02001](#)) and when so amended, recommends **DO PASS** (23 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2017 was placed on the Sixth order on the calendar.

25.0184.02001  
Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for House Appropriations - Human  
Resources Division Committee  
March 13, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

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5        credit may not exceed the prevailing interest rate charged to North Dakota governmental  
6        entities. The office of administrative hearings shall repay the line of credit with available funding  
7        from the administrative hearings fund.

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2017 - Office of Administrative Hearings - House Action**

	<b>Base Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$1,446,690	\$1,559,929		\$1,559,929
New and vacant FTE pool		16,570		16,570
Operating expenses	<u>1,582,392</u>	<u>1,579,251</u>		<u>1,579,251</u>
Total all funds	\$3,029,082	\$3,155,750	\$0	\$3,155,750
Less estimated income	<u>3,029,082</u>	<u>3,155,750</u>	0	<u>3,155,750</u>
General fund	\$0	\$0	\$0	\$0
FTE	5.00	5.00	0.00	5.00

**Senate Bill No. 2017 - Other Changes - House Action**

A section is added to authorize the Office of Administrative Hearings to access a line of credit of up to \$150,000 from the Bank of North Dakota to manage agency cash flow needs.