

GOVERNMENT FINANCE COMMITTEE

The Government Finance Committee was assigned the following responsibilities for the 2023-24 interim:

- Section 3 of House Bill No. 1008 (2023) directed a study of the appropriation procedures for the Department of Financial Institutions (DFI).
- Section 8 of House Bill No. 1541 (2023 special session) directed a study of the administration of the state bonding fund and the state fire and tornado fund.
- Section 10 of House Bill No. 1541 (2023 special session) directed a study of the state's guardianship programs.
- North Dakota Century Code Section 54-35-27 directs a study of state agency fees, including reports from the Office of Management and Budget (OMB).
- A study of state revenues and state revenue forecasts, pursuant to Legislative Management directive.
- A study of the need to modernize the fleet of state-owned aircraft, pursuant to Legislative Management directive.
- A review and monitoring of the state budget, pursuant to Legislative Management directive.

The Legislative Management assigned to the committee the responsibility to receive the following reports:

- A report from the Department of Transportation (DOT) regarding the department's plan to complete the US Highway 85 four-lane project (House Bill No. 1012 (2023) § 17).
- A report from the Department of Commerce regarding the status of each grant program identified in Section 2 of House Bill No. 1018 (2023) (House Bill No. 1018 (2023) § 30).
- A report from the Department of Career and Technical Education (CTE) regarding the amount of funding to defray inflationary costs for projects under the statewide area career center initiative grant program (House Bill No. 1021 (2023) § 10 and House Bill No. 1543 (2023 special session) § 1).
- Reports from CTE and the Agriculture Commissioner regarding grants awarded for uncrewed aircraft systems, autonomous vehicles, or other autonomous technology (House Bill No. 1519 (2023) § 1 and 2).
- A biennial report from the Retirement and Investment Office regarding the amount of legacy fund earnings above the percent of market value that would have been transferred to the legacy earnings fund had Senate Bill No. 2330 (2023) not been passed by the 68th Legislative Assembly (House Bill No. 1541 (2023 special session) § 7).
- A report from the Department of Health and Human Services (DHHS) regarding the use of funding for the full-time equivalent (FTE) position block grant program (Senate Bill No. 2012 (2023) § 7).
- A report from the Department of Emergency Services regarding grants for emergency snow removal (Senate Bill No. 2183 (2023) § 1 and Senate Bill No. 2394 (2023) § 2).
- A report from OMB regarding the results from its cash management study (Senate Bill No. 2393 (2023 special session) § 11).
- A report from OMB regarding executive branch employees who received a cumulative salary increase of 15 percent or more between March 31, 2021, and June 30, 2023, (Section 54-44-04).
- Semiannual reports from the Department of Commerce regarding the uncrewed aircraft systems test site program and the beyond visual line of sight uncrewed aircraft system program (Sections 54-60-28 and 54-60-29.1).
- A report from each county or city that receives a distribution from the large facility development fund (Section 57-39.2-26.4).

Committee members were Senators Dean Rummel (Chairman), Jeff Barta, Todd Beard, Kristin Roers, Donald Schaible, Ronald Sorvaag, and Michael A. Wobbema and Representatives Bert Anderson, Craig Headland, Jeff A. Hoverson, Keith Kempenich, Lisa Meier, Mike Nathe, Emily O'Brien, Brandy Pyle, Paul J. Thomas, Steve Vetter, and Don Vigessaa.

Representative Larry Bellew was a member of the Government Finance Committee until he resigned from the Legislative Assembly on December 31, 2023.

DEPARTMENT OF FINANCIAL INSTITUTIONS APPROPRIATION STUDY

Overview

The committee studied the appropriation procedures for DFI during the 2023-24 interim. The study included an analysis of the feasibility and desirability of alternative appropriation methods, management structures employed, oversight and reporting to the executive and legislative branches, staff classification structures with indexing to federal or market compensation, and staffing structures that allow for adjustments to market conditions.

The Department of Financial Institutions is a self-funded regulatory agency responsible for the oversight of state banks, trust companies, building and loan associations, mutual investment corporations, mutual savings corporations, banking institutions, credit unions, and other financial corporations doing business under the laws of North Dakota. The department conducts examinations to determine the soundness of financial institutions and monitor compliance with applicable rules and regulations. The department is authorized to charge fees and assessments to the entities it regulates. These fee and assessment collections are deposited in a special fund and appropriated by the Legislative Assembly each session to pay for the department's operations costs.

Committee Considerations

The Department of Financial Institutions provided information on the agency's operations and budget and the budget process used by similar regulatory agencies in other states. The budget for DFI during the 2023-25 biennium includes an appropriation of \$10,081,379 from special funds and 35 FTE positions. Representatives of the department highlighted the advantage of providing budgetary flexibility to adjust the management structure and modify staff compensation using indexes or market levels. Representatives of the department also suggested an alternative appropriation process may provide a quicker response to industry needs using continuing appropriation authority rather than waiting to receive authorization for budgetary changes in the next legislative session. Although many states appropriate funding for their regulatory agencies, Oklahoma and Texas do not require legislative authorization to spend funds, but require the agencies to provide reports on their operations and expenditures. Oklahoma's State Banking Department is similar in size to DFI and has used an alternative appropriation process using a continuing appropriation since 2003.

A representative of the North Dakota Bankers Association testified in support of changing the appropriation procedures for DFI to allow the department to adjust staffing levels as industry needs change without legislative authorization.

The committee received information from OMB indicating the agency has no accounting or administrative concerns related to changing the appropriation procedures for DFI because DFI is funded through fee collections set by regulatory boards. The committee considered a bill draft to provide a continuing appropriation to DFI. The bill draft provides the department's biennial budget would no longer be considered or approved by the Legislative Assembly. However, the bill draft continues the process in which the director's salary is set by the Governor and the staff salaries are determined by the director as a part of the budget.

Recommendation

The committee recommends a bill draft [\[25.0060.02000\]](#) which provides a continuing appropriation to DFI, requires the State Banking Board and State Credit Union Board to approve the budget for the department, and requires DFI to report to the Appropriations Committees during each legislative session.

STATE BONDING FUND AND STATE FIRE AND TORNADO FUND ADMINISTRATION STUDY

Overview

The committee studied the feasibility and desirability of changing the administration of the state bonding fund and the state fire and tornado fund from the Insurance Commissioner to OMB. The state bonding fund, as codified in Chapter 26.1-21, was created in 1915 to provide bond coverage of public employees. The state fire and tornado fund, as codified in Chapter 26.1-22, was created in 1919 to insure political subdivisions and state agencies against losses to public buildings and permanent fixtures. Both funds are invested by the State Investment Board, and the Insurance Commissioner contracts with the North Dakota Insurance Reserve Fund (NDRIF) for the administration of the funds pursuant to continuing appropriation authority. The Insurance Commissioner administered the funds until 2019 when the Legislative Assembly provided continuing appropriations for the funds and authorized the Insurance Commissioner to contract for administration of the funds.

Committee Considerations

Representatives of the Insurance Department provided information regarding the administration of the funds and similar self-insurance programs in other states. Florida, Kentucky, and North Carolina administer similar funds under their risk management offices. The Legislative Assembly removed 3 FTE positions from the Insurance Department during the 2019 legislative session when the department started contracting for the administration of the funds. The testimony

indicated the department supports changing the administration of the funds from the department to OMB due to a conflict of interest with regulating NDIRF and contracting for administrative services from NDIRF.

The committee received information from OMB opposing the change due to concerns about administering the funds if the contracted services from NDIRF were discontinued. The committee also received information from NDIRF regarding the identification of undervalued properties after taking over administration of the fund and an alternative scenario in which NDIRF would issue insurance policies to political subdivisions apart from the funds.

Recommendation

The committee recommends bill drafts [\[25.0245.02000\]](#) and [\[25.0246.02000\]](#) relating to changing the administration of the state bonding fund and the state fire and tornado fund from the Insurance Commissioner to OMB. The bill drafts change the administration of the funds, remove obsolete references, provide updates for consistency and clarity, and require a 2-year contract for administrative services with NDIRF or another entity.

STATE GUARDIANSHIP PROGRAMS STUDY

Overview

The committee studied the state's guardianship programs, including consideration of the existing structure of the programs under OMB, the judicial branch, and DHHS and the feasibility of consolidating the programs under one agency. Guardianships may be appointed by testamentary or a court order to make specific decisions for individuals who lack the capacity to make or communicate decisions necessary to manage personal affairs. Guardianships include general guardians who are responsible for decisions in all aspects of the individual's life, limited guardians who have authority to make decisions only in specific areas of the individual's life, such as financial or residential decisions, and testamentary guardians who are identified in a written will, commonly to care for a minor upon the death of both parents. Guardians may be individuals or private agencies that provide guardianship services.

The Office of Management and Budget distributes grants to private agencies and individuals for public guardianships of individuals who are not served by the developmental disabilities program under DHHS. The judicial branch administers a guardianship monitoring program to train and monitor all guardians and provides funding for guardian ad litem who serve minors. The Department of Health and Human Services administers a guardianship establishment program to assist qualified adults, provides adult protective services to investigate reports of neglect and abuse, and distributes grant funding for public guardianships of individuals with developmental disabilities.

Committee Considerations

The committee received information from OMB, the judicial branch, and DHHS regarding the guardianship programs administered by state agencies. The Legislative Assembly appropriated \$7.1 million from the general fund to OMB for the 2023-25 biennium for distribution to the North Dakota Association of Counties for payments to private agencies and individuals. The judicial branch received an appropriation of \$624,000 from the general fund for the 2023-25 biennium related to guardianship monitoring services. The 2023-25 biennium budget for DHHS includes \$6.7 million from the general fund (\$6.4 million) and federal funds (\$0.3 million) for guardianship programs, including payments for corporate guardianships for individuals with developmental disabilities and guardians serving children. Funding appropriated by the Legislative Assembly for guardianship programs for the 2023-25 biennium totaled \$14.4 million.

Representatives of the judicial branch, Taskforce on Guardianship Monitoring, and guardianship service providers testified in support of consolidation of guardianship programs. The committee also received information from guardianship service providers regarding challenges due to a shortage of guardians and an increased need for guardianship services.

Guardians receiving distributions from the North Dakota Association of Counties are paid \$17 per day for each individual served while guardians serving individuals with developmental disabilities are paid approximately \$12 per day for each individual served. Funding for additional services to support individuals with developmental disabilities is available from other programs administered by DHHS.

The committee considered a bill draft to consolidate guardianship programs under an office in the judicial branch. The various stakeholders testified in support of consolidating guardianship services under a single office.

Recommendation

The committee recommends a bill draft [\[25.0224.02000\]](#) to create an office of guardianship and conservatorship under the judicial branch to consolidate the state's guardianship programs. The bill draft authorizes the office to develop policies and procedures for guardians and conservators and repeals the Task Force on Guardianship Monitoring. The bill draft provides an appropriation of \$18.3 million from the general fund to the judicial branch to consolidate the funding for guardianship and conservatorship services under the office of guardianship and conservatorship, including

\$1.6 million for establishment costs for indigents, \$1.3 million for establishment costs for individuals who are developmentally disabled, \$8.6 million for public guardian and conservator fees for indigents, and \$6.8 million for guardianship contracts for individuals who are developmentally disabled.

STATE AGENCY FEES STUDY

Overview

Section 54-35-27 provides for the study of state agency fees. During the 2021-22 interim, state agencies with 40 or fewer fees were required to submit a report to OMB regarding details on each of the agency's fees, and OMB was required to consolidate the reports for submission to the Legislative Management. State agencies with more than 40 fees were required to submit a report to OMB during the 2023-24 interim, and OMB was required to submit a consolidated report to the Legislative Management. The report from each state agency must provide an analysis of each fee, including a comparison of the revenue generated by the fee, costs associated with the fee, and the appropriateness of the fee. After submission of the initial reports, all state agencies are required to submit updates by July 1st of every even-numbered year regarding any new fees, changes to existing fees, or the removal of any fees.

Committee Considerations

Based on the fee reports submitted by state agencies with 40 or fewer fees during the 2021-23 biennium, the committee received information from the State Treasurer, Tax Department, judicial branch, Department of Trust Lands, Department of Environmental Quality, Department of Mineral Resources, Securities Department, Housing Finance Agency, Department of Corrections and Rehabilitation, and Department of Agriculture. Some agencies were hesitant to suggest changes to fees established by the Legislative Assembly, but some agencies recommended consolidating fees, repealing obsolete fees, or increasing fee amounts to address inflationary increases related to the administration of collecting the fees or providing services.

In September 2024, the Office of Management and Budget presented a report on state agencies with more than 40 fees, which included 8 state agencies with a combined total of more than 1,100 fees. Due to the timing of the report, the committee deferred the review of the fees until the next interim.

Recommendation

The committee makes no recommendation regarding the study of state agency fees but suggested the Legislative Council provide the fee reports to the Appropriations Committees during the legislative session to allow the committees to review the fees for potential changes.

STATE REVENUES AND STATE REVENUE FORECASTS STUDY

Overview

The Legislative Assembly is responsible for approving the state budget, including the revenue forecast. To assist with revenue forecasting, the Legislative Management contracted with S&P Global for economic advisory services and directed the Government Finance Committee to study state revenues. The committee's duties include monitoring state revenues and state economic activity, reviewing economic forecasting data and models, and reviewing and analyzing executive revenue forecasts and alternative revenue forecasts.

The Office of Management and Budget also prepares revenue forecasts for consideration in developing the executive budget recommendation and state budget and contracts with Moody's Analytics for economic advisory services. The Office of Management and Budget coordinates the development of its revenue forecast with the Tax Department.

Committee Considerations

S&P Global provided information to the committee regarding the national economy and the energy and agriculture industries in North Dakota. S&P Global also provided information regarding forecasting results for general fund revenues, West Texas Intermediate oil prices, and production levels, including a revised forecast for the 2023-25 biennium and a preliminary forecast for the 2025-27 biennium, as shown in the schedules below.

General Fund - Deposits	2023-25 Biennium Revised Forecast			2025-27 Biennium Preliminary Forecast		
	Baseline Forecast	Pessimistic Forecast	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast	Optimistic Forecast
Sales and use tax	\$2,309,659,149	\$2,160,558,457	\$2,408,924,242	\$2,362,313,884	\$1,948,773,479	\$2,683,358,173
Motor vehicle excise tax	175,464,322	158,813,986	194,491,179	183,457,294	151,265,440	226,898,160
Individual income tax	905,968,067	841,918,266	945,834,403	975,306,703	826,982,492	1,044,128,025
Corporate income tax	534,040,968	437,220,993	515,795,484	479,566,866	384,699,221	522,012,978
Total major tax types	\$3,925,132,506	\$3,598,511,702	\$4,065,045,308	\$4,000,644,747	\$3,311,720,632	\$4,476,397,336

Oil Statistics	2023-25 Biennium Revised Forecast			2025-27 Biennium Preliminary Forecast		
	Baseline Forecast	Pessimistic Forecast	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast	Optimistic Forecast
Average West Texas Intermediate price (per barrel)	Decreasing: \$80-75	Decreasing: \$80-60	Increasing: \$80-85	Increasing: \$75-80	Increasing: \$60-70	Increasing: \$85-95
Average daily production (barrels)	Averaging: 1.2 million	Decreasing: 1.2-1.1 million	Increasing: 1.2-1.3 million	Averaging: 1.3 million	Decreasing: 1.1-0.9 million	Increasing: 1.3-1.5 million

Based on the October 2023 special legislative session revenue forecast, the major sources of general fund tax and fee revenues for the 2023-25 biennium total \$3,635 million, including \$2,207 million from sales and use tax collections, \$172 million from motor vehicle excise tax collections, \$871 million from individual income tax collections, and \$385 million from corporate income tax collections. Compared to the October 2023 special legislative session forecast, S&P Global's baseline 2023-25 biennium revised forecast reflects an increase of \$290 million, or 8 percent. Compared to the baseline 2023-25 biennium revised forecast, S&P Global's baseline 2025-27 biennium preliminary forecast reflects an increase of \$76 million, or 2 percent.

Recommendation

The committee makes no recommendation regarding the study of state revenues and state revenue forecasts. However, S&P Global will provide additional revenue forecasting updates during the 2025 legislative session.

STATE-OWNED AIRCRAFT MODERNIZATION STUDY

Overview

The Chairman of the Legislative Management directed the committee to study state-owned aircraft, including the need to modernize the current fleet of aircraft, the adequacy of the aircraft to provide official government travel, and the feasibility and desirability of establishing an aircraft pool. The current fleet of state-owned aircraft includes two Beechcraft King Air B200s for passenger transport and one Cessna 208 for engineering photography operated by DOT, an American Champion Scout for wildlife surveys and a Cessna 182 for enforcement operated by the Game and Fish Department, a Cessna 206 for airport inspections used by the Aeronautics Commission, and a Cessna 206 for law enforcement and search and rescue operations conducted by the Highway Patrol. In addition, the University of North Dakota maintains a fleet of 71 aircraft for flight training purposes.

Committee Considerations

The committee received information from OMB regarding state contracts for air transportation services which indicated the state contract was used only by the Public Service Commission to conduct mine flyovers while the contract was effective from 2017 to 2022. A representative of the Attorney General's office provided information regarding the aircraft under the control of that office, a Beechcraft Baron, which was sold due to high maintenance costs and a significant mechanical failure during a flight in January 2023. A representative of DOT provided information regarding the air transportation services provided by the department and reported on options to replace the department's two Beechcraft King Air B200s. Replacement options include the Beechcraft King Air B350 and jet aircraft such as the Cessna Citation CJ4, Cessna Citation XLS+, or Pilatus PC-24.

The Legislative Council staff reported the results of a survey regarding state agencies' anticipated need for air transportation services. The results included an estimated 180 trips per biennium for in-state air transportation services averaging three passengers per trip with over 85 percent of the anticipated trips related to air transportation services for the Governor's office and the Attorney General's office. State agencies anticipated out-of-state air transportation services would result in seven trips per biennium with an average of four passengers per trip. Some state agencies suggested the state consider modernizing the state aircraft fleet with different types of aircraft to access more airports in the state and to improve the efficiency of out-of-state travel.

The committee traveled to the Bismarck Municipal Airport to view state-owned aircraft.

Recommendation

The committee makes no recommendation regarding the study of modernizing the fleet of state-owned aircraft.

OTHER COMMITTEE DUTIES

Review and Monitor the State Budget

The Office of Management and Budget provided updates on the status of the general fund, balances of selected state special funds, and the status of federal funds. The June 30, 2023, ending fund balance of the general fund was \$1.49 billion, which was \$290 million more than the 2023 legislative forecast primarily due to additional tax and fee revenue collections and unspent 2021-23 biennium general fund appropriations (turnback). As of September 2024, the estimated June 30, 2025, general fund balance was \$712.9 million based on actual collections through August 31, 2024, and forecasted revenue collections for the remainder of the biennium. The May 31, 2024, unobligated balance of the

strategic investment and improvements fund was \$809.5 million. Of the \$1 billion of federal state fiscal recovery funds received in May 2021, approximately \$660 million was spent through August 2024 with \$340 million remaining to be spent before December 31, 2026.

The committee received information from the Department of Mineral Resources regarding the status of oil and gas development activities in the state. Oil wells outside the core area are being drilled with a 3-mile horizontal lateral segment providing increases in efficiencies and economics compared to oil wells with a 2-mile horizontal lateral segment.

The Tax Department provided information regarding the estimated and actual tax relief provided under House Bill No. 1158 (2023). Approximately 135,000 households applied for the primary residence credit providing property tax relief of up to \$67.5 million compared to an estimate of \$103 million. Under the expansion of the homestead tax credit, approximately 7,000 additional households applied for the credit resulting in \$12.6 million of additional property tax relief. Individual income tax collections for fiscal year 2024 were approximately \$132 million less than the collections for fiscal year 2023 primarily reflecting the income tax bracket and rate changes approved by the Legislative Assembly.

The Legislative Council provided budget updates to the committee, including the 68th Legislative Assembly State Budget Actions report and supplement report for the 2023-25 biennium, the Compliance with Legislative Intent report for the 2023-25 biennium, the Analysis of State Trust Funds report for the 2021-23 and 2023-25 bienniums, the North Dakota Finance Facts pocket brochures for 2023 and 2024, a budget and fiscal trends presentation, a state budget flowchart, an oil and gas tax revenue allocation flowchart, and property tax information.

United States Highway 85 Four-Lane Project Report

The committee received a report from DOT regarding the department's plan to complete the US Highway 85 four-lane project. The department recommended the Legislative Assembly consider issuing bonds to finance the \$560 million of project costs to complete the remaining 62 miles of the project by 2030. Other funding options identified by DOT include loans from the Bank of North Dakota, appropriations from available resources, federal discretionary grants, and federal formula awards. During the 2023-25 biennium, DOT received a federal discretionary grant to upgrade a 13-mile segment along US Highway 85 from two lanes to four lanes. As a result, DOT may access a contingent loan of up to \$50 million from the Bank of North Dakota pursuant to Section 4 of House Bill No. 1012 (2023) to provide state matching funds for the project.

Department of Commerce Grant Programs Report

The Department of Commerce reported \$31 million of the \$80 million appropriated for selected grant programs was spent through July 31, 2024, as shown in the schedule below.

Grant Program	Appropriations	Grant Awards	Expenditures
Beyond visual line of sight uncrewed aircraft system	\$26,000,000	\$26,000,000	\$26,000,000
Tourism destination development initiative	25,000,000	25,000,000	655,242
Workforce investment grant program	12,500,000	10,742,575	3,200,600
Enhanced use lease grant	10,000,000	10,000,000	0
Technical skills training grants	2,000,000	0	0
Rural workforce grant program	2,000,000	1,484,159	295,989
New Americans workforce training grant programs	2,000,000	201,332	0
Motion picture production and recruitment grant	600,000	600,000	600,000
Creamery assistance grant	250,000	250,000	250,000
Total	\$80,350,000	\$74,278,066	\$31,001,831

Department of Career and Technical Education Area Career Center Report

The Department of Career and Technical Education reported \$122.5 million was awarded to 13 area career center projects, including \$34.3 million for inflationary increases, as shown in the schedule below.

Area Career Center Project	Original Award	Increase	Total
North Valley Area Career and Technical Education Center	\$4,752,290	\$1,843,718	\$6,596,008
Grand Forks Career Impact Academy	10,000,000	3,879,642	13,879,642
Cass County Career and Technical Education Center	10,000,000	3,879,642	13,879,642
Southeast Region Career and Technical Education Center	2,979,975	1,156,124	4,136,099
Sheyenne Valley Area Career and Technical Education Center	3,131,986	1,215,098	4,347,084
James Valley Area Career and Technical Education Center	798,700	309,867	1,108,567
Lake Area Career and Technical Education Center	1,241,074	481,492	1,722,566
Bismarck Public Schools Career Academy	5,372,203	2,084,222	7,456,425
Heart River Career and Technical Education Center	10,000,000	3,879,642	13,879,642
Minot Area Workforce Academy	10,000,000	3,879,642	13,879,642
Southwest Area Career and Technical Education Academy	10,000,000	3,879,642	13,879,642
Williston Basin Career and Technical Education Center	10,000,000	3,879,642	13,879,642
Bakken Area Skills Center	10,000,000	3,879,642	13,879,642
Total	\$88,276,228	\$34,248,015	\$122,524,243

Autonomous Technology Grant Reports

The committee received reports from CTE and the Department of Agriculture regarding autonomous technology grants awarded. The Department of Career and Technical Education awarded \$475,000 to TrainND Northwest for the development of training courses. The Department of Agriculture awarded \$274,710 to the Northern Plains Uncrewed Aircraft Systems Test Site for a collaborative project to detect Palmer amaranth plants, a noxious weed.

Legacy Fund Earnings Report

The Retirement and Investment Office reported approximately \$487 million was transferred from the legacy fund to the legacy earnings fund on June 30, 2023, which was \$27 million more than the \$460 million that would have been transferred if the definition of legacy fund earnings had not been changed.

Department of Health and Human Services Salary Block Grant Report

The committee received a report from DHHS regarding the department's vacant positions, vacant position savings, and use of funding for the FTE position block grant. The department had 336 vacant FTE positions in June 2024 and converted 102.75 temporary positions to FTE positions under the block grant.

Emergency Snow Removal Grants Report

The Department of Emergency Services reported \$18.14 million was distributed for snow removal grants, including \$5.66 million for early season grants and \$12.48 million for full season grants.

Cash Management Study Report

The Office of Management and Budget contracted with RVK, Inc., to conduct a study to improve the cash management practices of the state. RVK, Inc., recommended developing a comprehensive cash management system, consolidating reserve funds, and investing through a custodian bank to improve investment returns and transparency.

The committee received comments from OMB, the Bank of North Dakota, North Dakota Bankers Association, Independent Community Banks of North Dakota, Security First Bank of North Dakota, and Peoples State Bank of Velva regarding suggestions to continue studying the state's cash management practices and the Bank's role in economic development and cash management.

Salary Increase Report

The committee received a report from OMB regarding executive branch employees who received a cumulative salary increase of 15 percent or more between March 31, 2021, and June 30, 2023, pursuant to Section 54-44-04, which identified 1,822 executive branch employees who received a cumulative salary increase of 15 percent or more.

Unmanned Aircraft Systems Status Reports

Pursuant to Sections 54-60-28 and 54-60-29.1, the Department of Commerce reported on the status of the unmanned aircraft systems test site and the beyond visual line of sight unmanned aircraft system program. The Northern Plains Unmanned Aircraft Test Site began operations in 2014, and the Legislative Assembly has provided \$113 million of funding since the 2013-15 biennium for the development of unmanned aircraft system programs and beyond visual line of sight uncrewed aircraft systems, including \$38 million for the 2023-25 biennium.

Large Facility Development Fund Report

Section 57-39.2-26.4 requires a report from each county or city that receives a distribution from the large facility development fund. However, no funding was distributed from the fund, and no entities were required to provide a report.