



## BUDGET SECTION

Wednesday, December 13, 2023  
Senate Chamber, State Capitol  
Bismarck, North Dakota

Senator Brad Bekkedahl, Chairman, called the meeting to order at 10:10 a.m.

**Members present:** Senators Brad Bekkedahl, Randy A. Burckhard, Kyle Davison, Dick Dever, Robert Erbele, Kathy Hogan, David Hogue, Jerry Klein, Karen K. Krebsbach\*, Curt Kreun\*, Tim Mathern, Scott Meyer\*, Merrill Piepkorn, David S. Rust, Donald Schaible, Ronald Sorvaag, Terry M. Wanzek; Representatives Bert Anderson, Glenn Bosch, Karla Rose Hanson, Zachary Ista\*, Dennis Johnson\*, Keith Kempenich, Gary Kreidt, Mike Lefor, Bob Martinson, Lisa Meier, Alisa Mitskog, Corey Mock, David Monson, Mike Nathe, Jon O. Nelson\*, Emily O'Brien, Brandy Pyle, David Richter, Mark Sanford, Mike Schatz, Randy A. Schobinger\*, Greg Stemen, Michelle Strinden, Steve Swiontek, Don Vigesaa

**Members absent:** Senators Michael Dwyer, Jim P. Roers, Shawn Vedaa; Representatives Larry Bellew, Josh Boschee, Mike Brandenburg

**Others present:** See [Appendix A](#)  
*\*Attended remotely*

It was moved by Senator Mathern, seconded by Senator Rust, and carried on a voice vote that the minutes of the September 21, 2023, meeting be approved as distributed.

## STATE BUDGET INFORMATION

Mr. Larry Martin, Fiscal Management Analyst, Office of Management and Budget, presented a report ([Appendix B](#)) on the status of the general fund, balances of selected special funds, general fund revenue collections, and oil prices and production.

## STATE AGENCY APPLICATIONS FOR FEDERAL GRANTS

Mr. Martin presented information ([Appendix C](#)) on state agencies that applied for federal grants estimated to be \$25,000 or more pursuant to North Dakota Century Code Section 54-27-27. He reported the following agencies have applied for a federal grant estimated to be \$25,000 or more:

Agency	Time Period of Grant	Amount
Department of Transportation	October 2024 - December 2027	\$360,000
Department of Transportation	December 2024 - December 2026	\$1,000,000

Mr. Martin presented the following schedule of federal grants of \$25,000 or more awarded to state agencies:

Agency	Time Period of Grant	Amount
Secretary of State	September 2023 - March 2025	\$145,425
State Historical Society	September 2023 - September 2028	\$50,000

## IRREGULARITIES IN THE FISCAL PRACTICES OF THE STATE

Pursuant to Section 54-14-03.1, Mr. Martin presented information ([Appendix D](#)) on irregularities in the fiscal practices of the state. He presented the following fiscal irregularities for the period September 2023 through November 2023:

Agency	Fiscal Irregularity	Amount
Public Employees Retirement System	Donated leave hours	\$819
Center for Distance Education	Temporary workload adjustment	\$558
Department of Health and Human Services	Workload adjustments	\$12,714
Department of Health and Human Services	Overpayment deduction	\$2,500
Department of Health and Human Services	Donated leave hours	\$1,383
Department of Environmental Quality	Reclassification and equity increases	\$1,281
Department of Corrections and Rehabilitation	Donated leave hours	\$10,123
Department of Corrections and Rehabilitation	Unpaid leave adjustment	\$739

### AGENCY REQUESTS APPROVED BY THE EMERGENCY COMMISSION

Chairman Bekkedahl directed the Budget Section to consider agency requests ([Appendix E](#)) which have been authorized by the Emergency Commission and forwarded to the Budget Section pursuant to Chapter 54-16.

Mr. Martin provided information regarding the following requests that were authorized by the Emergency Commission and require consideration by the Budget Section:

- **Secretary of State (Request #2111)** - The request is to increase federal funds spending authority by \$145,425 in the election reform line item for the 2023-25 biennium to receive funding from the federal Department of Emergency Services for online harassment and targeting prevention services and public awareness campaigns regarding election security and integrity measures.
- **Secretary of State (Request #2112)** - The request is to transfer \$200,000 from the general fund to the election fund from funds appropriated to the Secretary of State in Senate Bill No. 2002 (2023) to match federal Help America Vote Act funds.
- **Highway Patrol (Request #2113)** - The request is to accept and expend \$500,000 of federal funds from a federal Department of Justice grant to enhance storage and upload capabilities for body cameras and provide additional camera training.

**It was moved by Senator Mathern, seconded by Senator Krebsbach, and carried on a roll call vote that the Budget Section approve Emergency Commission requests #2111, #2112, and #2113.** Senators Bekkedahl, Burkhard, Davison, Dever, Erbele, Hogan, Hogue, Klein, Krebsbach, Kreun, Mathern, Meyer, Piepkorn, Rust, Schaible, Sorvaag, and Wanzek and Representatives Anderson, Bosch, Hanson, Ista, Johnson, Kempenich, Kreidt, Lefor, Martinson, Meier, Mitskog, Mock, Monson, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Schatz, Schobinger, Stemen, Strinden, Swiontek, and Vigesaa voted "aye." No negative votes were cast.

### STATE BUDGET ACTIONS SUPPLEMENT REPORT

At the request of Chairman Bekkedahl, Mr. Brady A. Larson, Assistant Legislative Budget Analyst and Auditor, Legislative Council, presented a report entitled [68<sup>th</sup> Legislative Assembly State Budget Actions Supplement for the 2023-25 Biennium](#) that provides an overview of fiscal changes enacted during the October 2023 special legislative session.

### NEW AND VACANT FULL-TIME EQUIVALENT FUNDING POOLS

Mr. Allen H. Knudson, Legislative Budget Analyst and Auditor, Legislative Council, provided a report ([Appendix F](#)) regarding the use of the legislative branch new and vacant full-time equivalent (FTE) funding pool. He noted:

- No new FTE positions have been hired.
- A total of \$183,911 of funds have been saved from vacant FTE positions, of which \$21,653 was used for accrued leave payments and temporary salaries.

Mr. Don Wolf, Director of Finance, Supreme Court, provided a report ([Appendix G](#)) regarding the use of the judicial branch new and vacant FTE funding pool. He noted:

- A total of 12 new FTE positions have been hired but no funding has been used from the pool for the positions.
- A total of \$446,842 of funds have been saved from vacant FTE positions, of which \$132,163 has been used for other salary purposes, including accrued leave payments, overtime, and position reclassifications.

Mr. Martin provided a report ([Appendix H](#)) regarding the use of the executive branch new and vacant FTE funding pool. He noted:

- A total of 162 new and vacant FTE positions have been hired and \$27.5 million of funding from the pool has been utilized.

- A total of \$25.6 million has been saved from vacant FTE positions. Of this amount, \$15.1 million of vacant positions savings have been used for other salary purposes, including bonuses, overtime pay, accrued leave payouts, and additional salary increases.

### **LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD REPORT**

Representative Bosch, Chairman, Legacy and Budget Stabilization Fund Advisory Board, presented a memorandum entitled [Legacy and Budget Stabilization Fund Advisory Board - Status Report to the Budget Section December 13, 2023](#) regarding the investment of funds in the legacy fund and budget stabilization fund pursuant to Section 21-10-11. He noted:

- The market value of the budget stabilization fund as of September 30, 2023, was \$927 million and the asset allocation of the budget stabilization fund is 99.7 percent short-term fixed income and cash and 0.3 percent cash and equivalents.
- The 1-year average earnings of the fund is approximately 1.42 percent.
- The market value of the legacy fund as of September 30, 2023, was \$8.9 billion and the legacy fund's 1-year net return was (2.69) percent compared to a benchmark return of (2.90) percent.

### **NATIONAL GUARD SERVICE MEMBER, VETERAN, FAMILY, AND SURVIVOR SUPPORT PROGRAM**

Brigadier General Jackie Huber, Adjutant General's office, presented an update ([Appendix I](#)) on the National Guard service member, veteran, family, and survivor support program. She noted the program has provided over \$120,000 to support an ND Cares event, a survivor outreach event, and military youth camps.

### **OPIOID SETTLEMENT FUND**

Ms. Pam Sagness, Executive Director, Behavioral Health, Department of Health and Human Services, provided an update ([Appendix J](#)) regarding the opioid settlement fund. She noted:

- A total of \$8 million is available through the opioid settlement agreement for the 2023-25 biennium.
- Allocations to date include \$635,380 for nasal naloxone and \$310,833 for tribal efforts to address opioid misuse.
- Organizations may apply for grants for opioid use prevention and overdose prevention efforts in the state.

### **MILITARY MUSEUM UPDATE**

Mr. Bill Peterson, Director, Historical Society, provided an update ([Appendix K](#)) regarding the development of a military museum. He noted:

- The new museum is proposed to be constructed on the south side of the Heritage Center.
- The total project cost is estimated to be \$54.8 million.
- The project is estimated to be complete in the 3<sup>rd</sup> quarter of 2027.

### **ANNUAL FULL-TIME EQUIVALENT POSITION REPORT**

At the request of Chairman Bekkedahl, Mr. Larson distributed reports ([Appendix L](#)) detailing changes in FTE positions pursuant to Sections 11-38-12 and 15-12.1-05 and Section 10 of House Bill No. 1020 (2023).

#### **North Dakota State University Extension Service**

The report states the agency added 5.09 FTE positions between December 1, 2022, and November 30, 2023, resulting in a total of 255.79 FTE positions as of November 30, 2023.

#### **Northern Crops Institute**

The report states the agency added 2 FTE positions between December 1, 2022, and November 30, 2023, resulting in a total of 23.15 FTE positions as of November 30, 2023.

#### **Upper Great Plains Transportation Institute**

The report states the agency did not adjust any positions between December 1, 2022, and November 30, 2023, resulting in a total of 43.88 FTE positions as of November 30, 2023.

**North Dakota State University Main Research Center**

The report states the agency added 8.06 FTE positions between December 1, 2022, and November 30, 2023, resulting in a total of 365.53 FTE positions as of November 30, 2023.

**Branch Research Centers and Agronomy Seed Farm**

The branch research centers reported removing 3.50 FTE positions between December 1, 2022, and November 30, 2023, resulting in 108.30 FTE positions as of November 30, 2023. The Agronomy Seed Farm reported no changes in FTE positions were made between December 1, 2022, and November 30, 2023, maintaining a total of 3 FTE positions as of November 30, 2023.

**OTHER BUSINESS**

Chairman Bekkedahl announced the next Budget Section meeting is tentatively scheduled for Wednesday, March 20, 2023.

No further business appearing, Chairman Bekkedahl adjourned the meeting at 11:30 a.m.

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Brady A. Larson  
Assistant Legislative Budget Analyst and Auditor

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

ATTACH:12