



LEGISLATIVE APPROPRIATIONS

2025-2027 BIENNIUM

GOVERNOR KELLY ARMSTRONG

Joe Morrisette, Director
Office of Management and Budget

NORTH
Dakota

Be Legendary.

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EXECUTIVE SUMMARY

Governor Kelly Armstrong's budget recommendation for the 2025-27 biennium provided a conservative strategy for agency operational budgets, while also providing historic property tax relief and reform and strategic investments in infrastructure, affordable housing, recovery and reentry programs, and the construction of a new state hospital.

The executive budget recommendation totaled \$19.90 billion, of which \$6.60 billion was from the General Fund and \$13.30 billion was from state special funds and federal funds.

The legislatively approved budget closely aligned with the executive budget recommendation for most agencies. The legislative budget for the 2025-27 biennium totaled \$20.27 billion, of which \$6.25 billion was from the General Fund and \$14.02 billion was from state special and federal funds.

Approximately 80.0% of the state General Fund budget relates to the areas of K-12 education, higher education, and health and human services. Highlights from those budget areas are as follows:

- **K-12 Education** – Funding for the K-12 education formula increased by \$117.6 million, to a total of \$2.41 billion. Of this amount, \$1.57 billion is from the General Fund, \$233.0 million is from the Foundation Aid Stabilization Fund, and \$584.7 million is from the earnings of the Common Schools Trust Fund, and \$22.0 million from other special funds. Per student payment rates increased from \$11,072 in 2024-25 to \$11,349 and \$11,633 in 2025-26 and 2026-27, respectively.
- **Higher Education** – The total appropriation for higher education increased by \$89.5 million, to a total of \$3.38

billion. Of that amount, \$884.9 million is from the General Fund.

- **Health and Human Services** – The total appropriation for the Department of Health and Human Services increased by \$100.0 million, to a total of \$5.82 billion. Of that amount, \$2.23 billion is from the General Fund.

Significant budget and policy initiatives approved by the legislature and signed by the governor include:

- **Property Tax Relief and Reform** – HB 1176 provides a historic property tax relief and reform package for North Dakota residents. The bill provides a credit of up to \$1,600 for every North Dakota resident who owns a primary



residence in the state. The credit is funded from a dedicated stream of Legacy Fund earnings which will grow over time to increase the credit and put North Dakota homeowners on a path to zero property taxes. The bill also provides property tax reform with an annual 3.0% cap on growth of local political subdivision budgets funded with property taxes, excluding levies on new property.

- **Recovery and Reentry** – HB 1012, the appropriation bill for the Department of Health and Human Services, includes full funding for Community Connect and Free Through Recovery. Community Connect is a program to provide quality, community-based behavioral health services, including care coordination, peer support, and recovery services. Free Through Recovery is a community-based behavioral health program designed to increase recovery support services to individuals involved with the criminal justice system who have behavioral health concerns. The funding for these programs totals \$44.2 million, an increase of \$13.2 million from the 2023-25 biennium.
- **New State Hospital** – HB 1015, the appropriation bill for the Office of Management and Budget (OMB), includes \$300.0 million for construction of a new state hospital. The project will be managed by OMB and overseen by a steering committee consisting of legislative and executive branch members. The funding is a combination of Strategic Investment and Improvements Fund (\$200.0 million) and a line of credit from the Bank of North Dakota (\$100.0 million).

- **Challenge Grants** – Although approved at less than the executive budget proposed amount of \$50.0 million, the legislature appropriated \$24.8 million in SB 2003 to continue the Challenge Grant Program. Through the Challenge Grant Program, institutions of higher education can enhance the impact of private donor support by providing a 50.0% state match.
- **Natural Gas Pipeline** – The development of pipeline capacity to accommodate the growing volume of natural gas produced by oil wells in the Bakken is of critical importance to the state and the oil industry to ensure continued oil production. To facilitate the development of necessary pipeline infrastructure, the legislature approved, in SB 2014, authority for the North Dakota Industrial Commission to borrow up to \$100.0 million from the Bank of North Dakota to enter into a capacity purchase agreement. The agreement must be entered into by December 31, 2026, and relate to a pipeline project to transport natural gas from the western area of the state to the eastern area of the state.
- **Value-added Agriculture** – HB 1332 provides a \$30.0 million line of credit from the Bank of North Dakota for value-added agriculture facility incentive funding under the jurisdiction of the agricultural diversification and development committee. To receive a grant under this funding, a value-added agricultural production facility must be new construction and have a capital investment of at least \$350.0 million. The grant funding is a reimbursement for capital investment, with up to 50.0% upon issuance of a

certificate of occupancy and the remaining amount upon achieving 50.0% of the production capacity of the facility.

- **Legacy Earnings Fund** – Significant changes were made to the allocation of Legacy Fund earnings. In 2023, the legislature adopted a percentage of market value (POMV) approach to calculating distributable earnings, based on 7.0% of the five-year average ending balance in the Legacy Fund. For the 2023-25 biennium, earnings were transferred to the Legacy Earnings Fund and distributed as follows:
 - First \$102.6 million to service outstanding bonds.
 - Next \$225.0 million to the General Fund to offset the impact of previously authorized tax relief measures.
 - Next \$100.0 million to the Legacy Earnings Highway Distribution Fund.
 - Remaining amount split evenly between the General Fund and the Strategic Investment and Improvements Fund (SIIF).

SB 2012, the appropriation bill for the Department of Transportation, included changes to the Legacy Earnings Fund. The POMV distribution methodology was changed from 7.0% to 8.0%, resulting in an increase of \$85.9 million in earnings available for allocation through the Legacy Earnings Fund for the 2025-27 biennium. The allocation was also changed as follows:

- First \$102.6 million to service outstanding bonds.
- Remaining amount split:
 - 30.0% to the Highway Fund (\$175.3 million), and

- 70.0% to the new Legacy Property Tax Relief Fund (\$409.0 million).

- **Military Museum and Gallery** – HB 1018, the appropriation bill for the State Historical Society, includes an appropriation of \$73.7 million for the construction of a major expansion to the Heritage Center to honor veterans through a new military gallery. The funding includes a \$20.0 million line of credit through the Bank of North Dakota, \$38.7 million to be raised from donations, and \$15.0 million from SIIF.
- **Affordable Housing and Homelessness** – The legislature approved a \$35.0 million transfer into the Housing Incentive Fund, \$10.0 million from the General Fund to support homeless programs and \$25.0 million from SIIF to support housing projects and programs. The governor vetoed a \$150,000 passthrough grant included in the \$10.0 million for homeless programs, reducing the amount to \$9.85 million.

Changes from Executive Recommendation

In comparison to the executive budget recommendation, the 2025 Legislative Assembly increased the total spending from all funding sources by \$376.4 million, or 1.9%. Due to funding source changes that shifted General Fund revenue to special funds, General Fund spending was decreased by \$343.7 million, or 5.2%.

Executive Budget Comparison to Total Legislative Appropriations for 2025-27			
	Executive Recommendation	Legislative Appropriations	Change
General Fund	\$ 6,600,116,572	\$ 6,256,414,825	\$ (343,701,747)
Other Funds	13,298,564,587	14,018,677,842	720,113,255
Total	\$ 19,898,681,159	\$ 20,275,092,667	\$ 376,411,508

STATE OF NORTH DAKOTA

APPROPRIATION COMPARISONS

2023-25 AND 2025-27 LEGISLATIVE APPROPRIATIONS AND 2025-27 EXECUTIVE RECOMMENDATION

Agency	2023-25 Legislative Appropriation ¹		2025-27 Executive Recommendation		2025-27 Legislative Appropriation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
General Government						
Executive Branch						
101 Office of the Governor	\$5,324,075	\$5,324,075	\$6,935,389	\$6,935,389	\$6,850,081	\$6,850,081
108 Office of the Secretary of State	7,042,124	24,874,199	9,013,324	21,790,028	10,040,819	24,117,888
110 Office of Management and Budget	137,670,538	283,674,562	46,862,257	127,861,171	47,868,951	486,986,911
112 Information Technology Department	43,360,845	556,298,224	53,397,223	218,326,656	48,041,136	200,508,732
117 Office of the State Auditor	10,033,672	16,377,824	12,120,447	19,934,036	12,426,959	18,435,299
120 Office of the State Treasurer	1,986,869	1,986,869	4,341,644	4,341,644	3,215,939	3,510,939
125 Office of the Attorney General	55,406,910	103,003,017	63,838,594	114,644,373	63,368,936	119,172,230
127 Office of the State Tax Commissioner	228,189,404	228,314,404	440,643,320	614,165,270	127,587,123	536,612,123
140 Office of Administrative Hearings	0	3,000,409	0	3,162,852	0	3,155,750
188 Comm on Legal Counsel for Indigents	20,608,898	22,620,120	25,231,316	27,283,173	25,568,310	27,617,526
190 Retirement and Investment Office	0	11,979,984	0	16,265,406	0	16,547,594
192 Public Employees Retirement System	0	10,903,218	0	13,738,061	0	14,054,162
195 Ethics Commission	1,138,242	1,138,242	1,492,840	1,492,840	1,368,016	1,368,016
Total Executive Branch	\$510,761,577	\$1,269,495,147	\$663,876,354	\$1,189,940,899	\$346,336,270	\$1,458,937,251
Legislative and Judicial Branches						
150 Legislative Assembly	\$23,971,396	\$23,971,396	\$29,090,682	\$29,090,682	\$25,298,682	\$25,298,682
160 Legislative Council	20,080,209	20,168,209	28,325,312	28,413,312	27,738,820	28,276,820
180 Judicial Branch	129,410,704	131,239,132	164,557,927	165,960,657	147,252,753	152,900,511
Total Legislative and Judicial Branches	\$173,462,309	\$175,378,737	\$221,973,921	\$223,464,651	\$200,290,255	\$206,476,013
Total General Government	\$684,223,886	\$1,444,873,884	\$885,850,275	\$1,413,405,550	\$546,626,525	\$1,665,413,264
Education						
Elementary, Secondary, and Other Education						
201 Department of Public Instruction	\$1,728,240,444	\$2,855,659,940	\$1,708,858,300	\$2,989,404,132	\$1,709,617,438	\$3,012,028,124
204 Center for Distance Education	6,797,980	11,347,980	8,520,952	15,120,202	8,259,116	14,883,116
226 Land Department	0	14,342,415	0	11,277,609	0	11,960,015
250 State Library	6,822,098	9,294,141	7,684,268	10,495,099	7,692,794	10,497,006
252 School for the Deaf	8,099,844	11,765,535	9,859,862	13,053,057	9,731,555	12,903,298
253 ND Vision Services/School for the Blind	5,059,580	6,720,291	5,841,916	7,584,399	5,844,645	7,585,589
270 Dept. of Career & Technical Education	53,200,708	163,945,556	59,783,805	77,215,558	62,077,324	80,755,333
Total Elementary, Secondary, and Other Educ.	\$1,808,220,654	\$3,073,075,858	\$1,800,549,103	\$3,124,150,056	\$1,803,222,872	\$3,150,612,481
Higher Education						
215 North Dakota University System Office	\$154,018,605	\$180,262,713	\$136,729,402	\$214,516,151	\$149,565,723	\$212,712,472
227 Bismarck State College	46,314,055	154,093,636	40,261,332	117,879,855	39,495,371	119,313,894
228 Lake Region State College	15,248,322	42,777,089	15,064,013	42,596,781	17,161,697	47,194,465
229 Williston State College	13,118,332	82,149,259	12,986,863	38,938,667	15,112,315	41,064,119
230 University of North Dakota	193,209,139	1,105,670,747	195,457,682	1,015,065,884	195,070,460	1,155,678,662
232 UND Medical Center	80,865,916	252,280,027	96,041,467	270,059,783	95,870,158	269,888,474
235 North Dakota State University	164,198,618	924,722,269	162,167,437	851,857,658	170,388,214	988,078,435
238 ND State College of Science	39,767,271	123,226,890	44,653,899	110,572,574	45,805,436	113,539,111
239 Dickinson State University	25,401,610	77,079,580	25,343,293	64,299,838	26,552,094	73,008,639
240 Mayville State University	23,448,810	75,110,916	23,058,602	94,194,908	23,242,591	94,378,897
241 Minot State University	49,277,097	123,913,516	50,516,396	125,868,034	59,194,211	150,177,849
242 Valley City State University	27,612,092	91,174,513	27,932,147	57,465,178	28,431,216	57,964,247

STATE OF NORTH DAKOTA

APPROPRIATION COMPARISONS

2023-25 AND 2025-27 LEGISLATIVE APPROPRIATIONS AND 2025-27 EXECUTIVE RECOMMENDATION

<u>Agency</u>	<u>2023-25 Legislative Appropriation¹</u>		<u>2025-27 Executive Recommendation</u>		<u>2025-27 Legislative Appropriation</u>	
	<u>General Fund</u>	<u>Total Funds</u>	<u>General Fund</u>	<u>Total Funds</u>	<u>General Fund</u>	<u>Total Funds</u>
243 Dakota College at Bottineau	11,130,278	31,281,225	12,177,297	27,633,331	12,636,811	28,092,845
244 North Dakota Forest Service	5,638,621	24,779,893	6,394,924	26,585,944	6,394,924	26,935,944
Total Higher Education	\$849,248,766	\$3,288,522,273	\$848,784,754	\$3,057,534,586	\$884,921,221	\$3,378,028,053
Total Education	\$2,657,469,420	\$6,361,598,131	\$2,649,333,857	\$6,181,684,642	\$2,688,144,093	\$6,528,640,534
Health and Human Services						
303 Department of Environmental Quality	\$15,822,024	\$117,758,910	\$19,132,340	\$132,175,430	\$18,975,236	\$141,814,873
313 Veterans Home	6,009,999	28,982,973	6,933,597	31,118,329	6,713,108	31,652,790
315 Office of Guardianship and Conservatorship	0	0	0	0	4,821,178	4,821,178
316 Indian Affairs Commission	1,200,967	1,200,967	1,292,834	1,292,834	1,288,351	1,288,351
321 Department of Veterans Affairs	1,842,420	4,173,867	2,554,438	4,565,437	3,499,804	8,507,966
325 Department of Human Services	2,043,404,916	5,748,016,969	2,299,581,593	6,266,363,277	2,227,783,063	5,818,036,970
360 Protection and Advocacy Project	3,323,370	7,589,911	3,865,368	8,657,379	3,822,953	8,570,241
380 Job Service North Dakota	6,578,847	120,172,899	10,738,212	79,758,433	10,650,393	79,119,917
Total Health and Human Services	\$2,078,182,543	\$6,027,896,496	\$2,344,098,382	\$6,523,931,119	\$2,277,554,086	\$6,093,812,286
Regulatory						
401 Office of the Insurance Commissioner	\$0	\$15,853,379	\$0	\$17,826,480	\$0	\$22,467,871
405 Industrial Commission	4,424,856	135,811,569	400,000	137,855,961	400,000	147,687,428
406 Office of the Labor Commissioner	2,654,148	3,157,546	3,136,363	3,687,922	3,110,514	3,658,937
408 Public Service Commission	7,537,710	21,261,831	8,997,041	23,277,516	9,221,704	23,456,172
412 Aeronautics Commission	475,000	38,644,667	475,000	156,111,832	475,000	126,103,048
413 Dept. of Financial Institutions	0	10,081,379	0	0	0	0 ^{/2}
414 Securities Department	0	3,258,732	0	3,413,261	0	0 ^{/3}
471 Bank of North Dakota	0	77,077,067	0	80,909,451	0	97,376,777
473 North Dakota Housing Finance Agency	16,250,000	84,692,198	0	69,826,813	9,850,000	80,036,943
474 Dept. of Mineral Resources	32,444,371	35,012,371	34,460,498	39,830,875	34,329,766	40,352,603
475 North Dakota Mill and Elevator	0	97,242,033	0	105,483,411	0	108,440,415
485 Workforce Safety and Insurance	0	72,023,722	0	81,800,856	0	80,434,139
Total Regulatory	\$63,786,085	\$594,116,494	\$47,468,902	\$720,024,378	\$57,386,984	\$730,014,333
Public Safety						
504 Highway Patrol	\$49,438,826	\$71,189,188	\$63,239,826	\$89,390,258	\$58,505,091	\$85,184,630
530 Department of Corrections & Rehab	255,467,963	445,785,087	343,815,391	505,710,711	344,370,374	493,082,098
540 Adjutant General	26,391,648	370,895,721	31,951,404	333,128,099	30,829,077	345,058,698
Total Public Safety	\$331,298,437	\$887,869,996	\$439,006,621	\$928,229,068	\$433,704,542	\$923,325,426
Agriculture and Economic Development						
601 Dept of Commerce	\$67,157,530	\$328,714,962	\$44,145,251	\$248,784,685	\$43,395,953	\$174,885,660
602 North Dakota Department of Agriculture	47,519,573	79,974,191	16,955,732	57,152,201	33,604,476	78,676,816
627 Upper Great Plains Transportation Institute	5,096,416	25,098,193	6,324,484	26,661,072	5,507,259	25,595,490
628 Branch Research Centers	19,165,340	40,116,205	21,925,130	43,879,182	21,970,567	43,820,750
630 NDSU Extension Service	30,908,214	59,894,357	34,992,002	67,036,539	34,595,328	66,484,460
638 Northern Crops Institute	2,110,256	9,550,701	2,661,790	7,269,875	2,982,119	7,376,163
640 NDSU Main Research Center	60,018,189	219,394,503	63,650,678	127,772,350	63,700,739	140,775,031
649 Agronomy Seed Farm	0	1,629,764	0	1,683,143	0	1,679,996
665 North Dakota State Fair	642,833	642,833	642,833	642,833	642,833	1,392,833
670 Racing Commission	475,006	647,104	523,835	701,165	521,818	699,042
Total Agriculture and Econ Dev	\$233,093,357	\$765,662,813	\$191,821,735	\$581,583,045	\$206,921,092	\$541,386,241

STATE OF NORTH DAKOTA

APPROPRIATION COMPARISONS

2023-25 AND 2025-27 LEGISLATIVE APPROPRIATIONS AND 2025-27 EXECUTIVE RECOMMENDATION

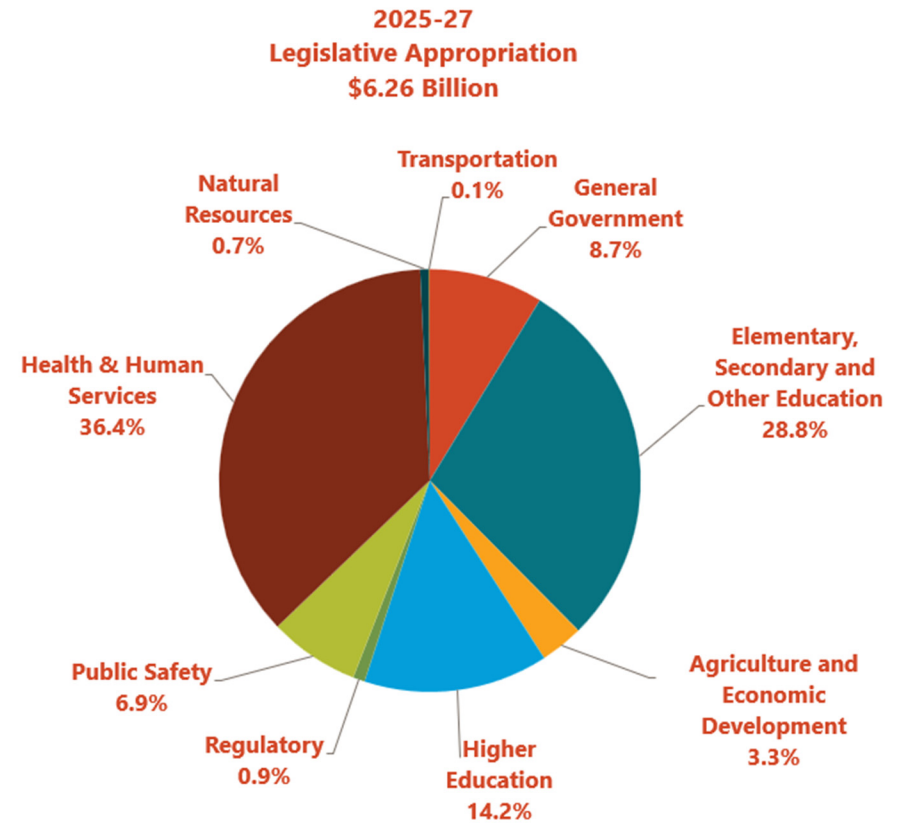
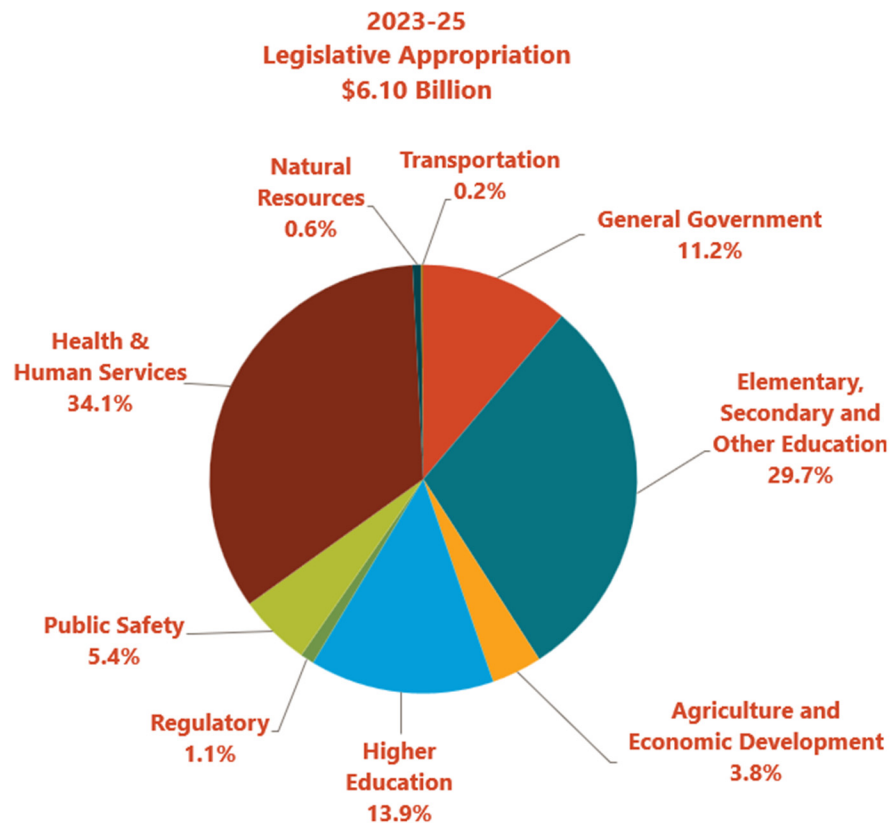
<u>Agency</u>	<u>2023-25 Legislative Appropriation^{\1}</u>		<u>2025-27 Executive Recommendation</u>		<u>2025-27 Legislative Appropriation</u>	
	<u>General Fund</u>	<u>Total Funds</u>	<u>General Fund</u>	<u>Total Funds</u>	<u>General Fund</u>	<u>Total Funds</u>
<u>Natural Resources</u>						
701 State Historical Society	\$22,038,910	\$49,378,093	\$23,838,209	\$124,073,610	\$23,911,227	\$114,726,907
709 Council on the Arts	2,597,019	4,547,019	2,744,437	4,624,437	2,637,535	4,667,535
720 Game and Fish Department	0	134,761,466	0	115,602,907	0	114,864,690
750 Department of Parks and Recreation	14,264,880	139,581,595	15,954,154	80,167,815	15,528,741	62,091,715
770 Department of Water Resources	0	894,357,267	0	747,095,200	0	769,257,471
Total Natural Resources	\$38,900,809	\$1,222,625,440	\$42,536,800	\$1,071,563,969	\$42,077,503	\$1,065,608,318
<u>Transportation</u>						
801 Department of Transportation	\$10,375,000	\$2,306,094,393	\$0	\$2,478,259,388	\$4,000,000	\$2,726,092,265
Total Transportation	\$10,375,000	\$2,306,094,393	\$0	\$2,478,259,388	\$4,000,000	\$2,726,092,265
TOTAL ALL BUDGETS	\$6,097,329,537	\$19,610,737,647	\$6,600,116,572	\$19,898,681,159	\$6,256,414,825	\$20,274,292,667

\1 Reflects May 2023 legislative appropriations adjusted for the 2023 special session.

\2 The Department of Financial Institutions was converted to a continuing appropriation by the 69th Legislative Assembly.

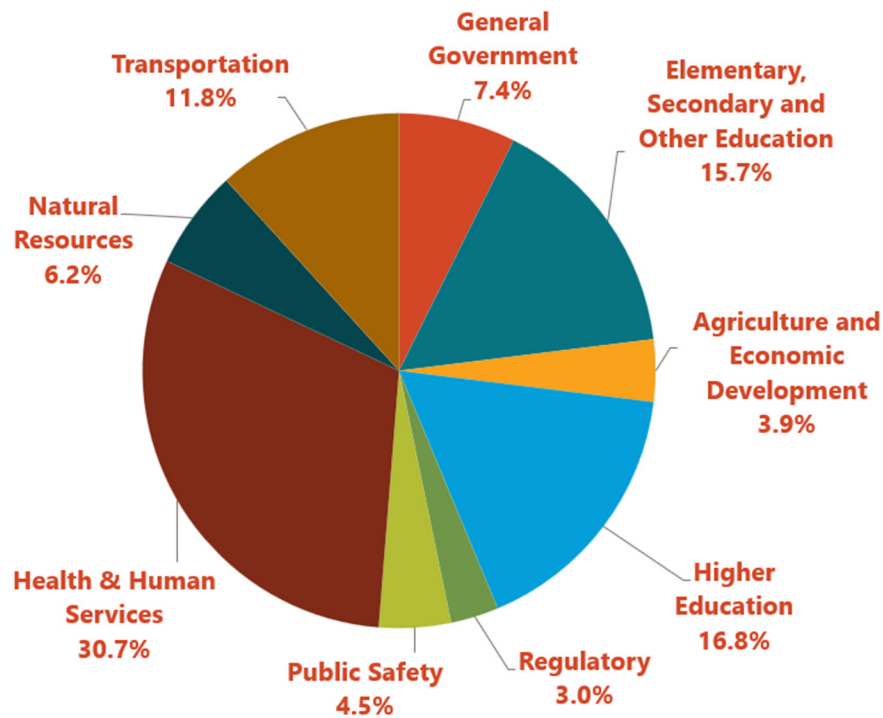
\3 The Securities Department including 10.00 FTE was combined into the Office of the Insurance Commissioner by the 69th Legislative Assembly.

General Fund Budget 2023-25 and 2025-27

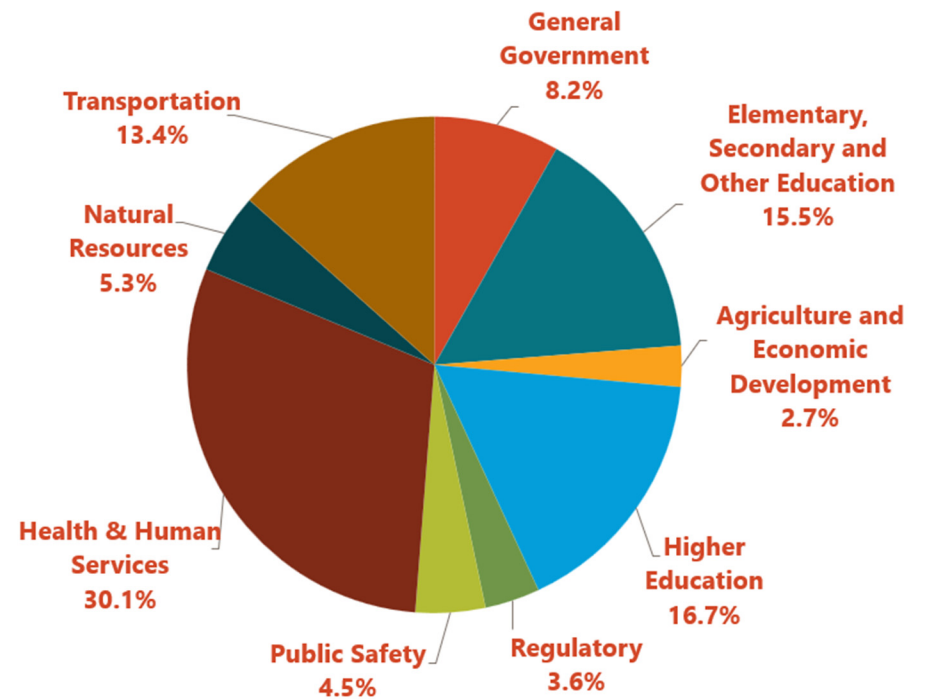


Total Funds Budget 2023-25 and 2025-27

2023-25
Legislative Appropriation
\$19.61 Billion



2025-27
Legislative Appropriation
\$20.27 Billion



STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
101 Governor's Office		
Children's Cabinet	\$ 65,000	\$ 30,000
Agency Total	\$ 65,000	\$ 30,000
108 Secretary of State		
Ballot Measure Educational Materials	\$ -	\$ 600,000
Agency Total	\$ -	\$ 600,000
110 Management and Budget		
Operating Increases	\$ 15,000	\$ -
Student Internship	500,000	500,000
Leave Payouts	99,305	99,305
ERMS System	250,000	250,000
Switch from Defined Benefit to Defined Contribution Incentive	-	1,000,000
Agency Total	\$ 864,305	\$ 1,849,305
117 Auditor		
Peer Review	\$ 25,000	\$ 25,000
Audit Software Migration	25,200	25,200
Development Fund Audit	-	250,000
Agency Total	\$ 50,200	\$ 300,200
120 Treasurer		
Information Technology Projects	\$ 110,000	\$ -
Agency Total	\$ 110,000	\$ -
125 Attorney General		
IT System Replacements, Maintenance, and Rate Increase	\$ 682,000	\$ 682,000
BCI Equipment	-	161,000
Crime Lab Supplies and Maintenance Agreements	400,000	400,000
Human Trafficking Victim Grants	-	650,000
Missing Indigenous People	-	250,000
Agency Total	\$ 1,082,000	\$ 2,143,000

STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
127 Tax Commissioner		
Property Tax Relief Administration	\$ -	\$ 1,000,000
Agency Total	\$ -	\$ 1,000,000
150 Legislative Assembly		
Legislative Chambers and System Upgrades	\$ 8,451,000	\$ 4,451,000
Agency Total	\$ 8,451,000	\$ 4,451,000
160 Legislative Council		
Costs Related to New Positions	\$ 375,000	\$ 375,000
Legislative Term Limit Study	-	225,000
Advanced Nuclear Energy Study	-	300,000
Delinquent Billing Reimbursement Study	-	20,000
Information Technology Equipment	280,000	280,000
Agency Total	\$ 655,000	\$ 1,200,000
180 Judicial Branch		
Blade and Disk Drive Lease Agreement	\$ 874,216	\$ 874,216
Supreme Court Cloud Based Hosting Subscription	866,100	866,100
Research and Secure Access to Court Records System	960,000	-
QSC Camera Replacements	459,000	-
Sound Rack Updates	892,500	-
Courtroom Speaker Replacements	30,000	-
Assited Listening Devices	90,000	-
Cass County Courtroom Equipment	75,000	-
Media Camera System in Cass County	25,000	-
Jury Selection Speaker and Microphone Units	115,200	-
AI Software for Clerk Filings	1,250,000	-
Camera and Projector in the Couteau Room	10,000	-
Judge Chamber Furniture	22,500	-
Workstations	360,000	-
Large Copy Machines	60,000	-

STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
Medium Copy Machines	15,000	-
Folding Machines	72,600	-
Odyssey Case Management System Cloud Hosting	758,000	-
Juvenile Court Officer, Clerk and Staff Attorney Workload Studies	466,500	-
Problem Solving Court Case Management System	780,000	-
Digital Evidence Management System	980,000	-
Agency Total	\$ 9,161,616	\$ 1,740,316
195 Ethics Commission		
Case Management System	\$ 135,000	\$ 50,000
Furniture	2,348	2,348
Agency Total	\$ 137,348	\$ 52,348
201 Public Instruction		
Mathematics Screening Tool Pilot Program	\$ -	\$ 300,000
Foreign Language Standards	-	49,500
Agency Total	\$ -	\$ 349,500
204 Center for Distance Education		
IT Equipment	\$ -	\$ 75,250
Agency Total	\$ -	\$ 75,250
215 University System		
Financial Aid System Enhancement	\$ -	\$ 25,000
Agency Total	\$ -	\$ 25,000
227 Bismarck State College		
23-25 Formula Adjustment	\$ 598,384	\$ -
Agency Total	\$ 598,384	\$ -
228 Lake Region State College		
23-25 Formula Adjustment	\$ 139,076	\$ -
Agency Total	\$ 139,076	\$ -

STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
229 Williston State College		
Health Care Program Startup Expenses	\$ -	\$ 1,490,000
Agency Total	\$ -	\$ 1,490,000
235 North Dakota State University		
23-25 Formula Adjustment	\$ 2,468,181	\$ -
Agency Total	\$ 2,468,181	\$ -
238 North Dakota State College of Science		
Lease Payments and Aviation Maintenance Program	\$ -	\$ 1,300,000
Agency Total	\$ -	\$ 1,300,000
239 Dickinson State University		
23-25 Formula Adjustment	\$ 143,359	\$ -
Agency Total	\$ 143,359	\$ -
240 Mayville State University		
Nursing Simulation Laboratory	\$ -	\$ 500,000
Agency Total	\$ -	\$ 500,000
241 Minot State University		
23-25 Formula Adjustment	\$ 268,554	\$ -
Dakota Hall Demolition	-	635,000
Regional Health Science Building	-	8,500,000
Advancing Students Toward Education and Employment	-	500,000
Agency Total	\$ 268,554	\$ 9,635,000
242 Valley City State University		
23-25 Formula Adjustment	\$ 4,024	\$ -
Agency Total	\$ 4,024	\$ -

STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
243 Dakota College at Bottineau		
Student Housing	\$ -	\$ 500,000
Agency Total	\$ -	\$ 500,000
270 Career and Technical Education		
Moving Expenses for New Office Space	\$ -	\$ 300,000
Agency Total	\$ -	\$ 300,000
303 Department of Environmental Quality		
Regulation of Onsite Wastewater Treatment Systems	\$ -	\$ 99,500
Agency Total	\$ -	\$ 99,500
321 Veterans' Affairs		
Retirement Payment of Annual and Sick Leave	\$ 19,148	\$ -
Homeless Veterans' Services	-	500,000
Veterans' Postwar Trust Fund Transfer	-	500,000
Agency Total	\$ 19,148	\$ 1,000,000
325 Health and Human Services		
Developmental Disability Eligibility Assessment Tool	\$ 200,000	\$ 200,000
Non-Fatal Toxicology Equipment	151,500	151,500
Child Care Programs	17,272,500	11,772,500
Infant And Toddler Care Support	-	11,000,000
Basic Care Daily Rate Increase	-	2,619,004
Guardianship Funding	-	3,266,177
Waterford Upstart Program	-	1,500,000
Fetal Alcohol Spectrum Disorder Clinic	-	350,000
Juvenile Evaluation Services	-	300,000
Family Paid Caregiver	-	7,300,000
Medical Housing for Extraordinary Medical Need	-	200,000
Northwest Behavioral Health Facility Grant	-	1,500,000
Agency Total	\$ 17,624,000	\$ 40,159,181

STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
360 Protection and Advocacy Project		
Accrued Leave Payments	\$ 19,288	\$ 19,288
Agency Total	\$ 19,288	\$ 19,288
380 Job Service North Dakota		
Salaries Funding Source Change	\$ 2,100,000	\$ 2,100,000
Agency Total	\$ 2,100,000	\$ 2,100,000
408 Public Service Commission		
LiDAR Technology	\$ 5,580	\$ 5,580
Federal Intervention Funding	-	250,000
Agency Total	\$ 5,580	\$ 255,580
473 Housing Finance Agency		
Transfer to Housing Incentive Fund	\$ -	\$ 9,850,000
Agency Total	\$ -	\$ 9,850,000
474 Department of Mineral Resources		
New Employee Expenses	\$ 41,600	\$ 24,435
Mineral Analysis	100,000	100,000
Drilling Project Phase II	100,000	-
Portable Mineral Detection Equipment	-	45,000
Agency Total	\$ 241,600	\$ 169,435
504 Highway Patrol		
Motor Pool Costs	\$ 4,275,000	\$ 3,705,000
Preliminary Alcohol Breath Screening Device Replacement	43,000	-
Ventilation for Outdoor Range	30,000	-
Agency Total	\$ 4,348,000	\$ 3,705,000

STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
530 Corrections and Rehabilitation		
Heart River Correctional Center	\$ 36,742	\$ 36,742
Missouri River Correctional Center Temporary Housing Unit	121,136	121,136
Payments to County Jails	17,500,000	28,430,210
New FTE Costs	38,355	40,000
Agency Total	\$ 17,696,233	\$ 28,628,088
601 Commerce		
Beyond Visual Line of Sight Uncrewed Aircraft System Program Test Site	\$ 1,000,000	\$ -
Technical Skills Training Grant	2,000,000	1,000,000
Entrepreneurship Grants and Vouchers	1,259,044	759,044
Operation Intern	2,000,000	2,000,000
Regional Planning Council Grants	-	1,400,000
Temporary Salaries	-	50,000
Rural Grocery Store Grant	-	1,000,000
Tribally Controlled College Grants	-	750,000
Global Talent Office	1,750,000	1,000,000
Tribal Tourism Grant	-	100,000
Agency Total	\$ 8,009,044	\$ 8,059,044
602 Agriculture		
ND Trade Office	\$ -	\$ 400,000
Irrigation Expansion Study	-	75,000
Transfer to Agriculture Diversification and Development Fund	-	15,000,000
Agency Total	\$ -	\$ 15,475,000
627 Upper Great Plains Transportation Institute		
CO2 Transportation Network Study	\$ 408,100	\$ -
Agency Total	\$ 408,100	\$ -
640 Main Research Center		
Equipment Storage Sheds	\$ -	\$ 1,567,500
Agency Total	\$ -	\$ 1,567,500

STATE OF NORTH DAKOTA

ONE-TIME GENERAL FUND EXPENDITURES 2025-27

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
670 Racing Commission		
Internships	\$ -	\$ 20,000
Replace Obsolete Printer/Copier	13,000	13,000
Agency Total	\$ 13,000	\$ 33,000
701 Historical Society		
Temporary Staff Salaries and Operating	\$ 10,225	\$ 10,225
Repatriation Compliance Costs	100,000	100,000
State Archive Storage Updates	207,500	207,500
Agency Total	\$ 317,725	\$ 317,725
709 Council on the Arts		
Arts Across the Prairie Education	\$ 5,000	\$ 5,000
Agency Total	\$ 5,000	\$ 5,000
750 Parks & Recreation		
Equipment Replacement	\$ 250,000	\$ 250,000
Agency Total	\$ 250,000	\$ 250,000
801 Transportation		
Fixed Route City Paratransit Transportation Grants	\$ -	\$ 2,000,000
Nonfixed Route Public Transit Grants	-	2,000,000
Agency Total	\$ -	\$ 4,000,000
Total	\$ 75,254,765	\$ 143,234,260

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
108 Secretary of State		
Election Pollpads and Cradlepoints (SIIF)	\$ 2,800,000	\$ 2,800,000
Technology Upgrades (SIIF)	700,000	700,000
Election Security Grant (Federal)	-	100,359
Help America Vote Act (Federal)	-	1,000,000
Agency Total	\$ 3,500,000	\$ 4,600,359
110 Management and Budget		
Deferred Maintenance Pool (SIIF)	\$ 40,000,000	\$ 34,000,000
Pool for Incentive for Switch from Defined Benefit to Defined Contribution (SIIF)	10,000,000	-
Procurement Automation (SIIF)	515,052	515,052
Security and Private Drive at Governor's Residence (Capitol Building Trust)	2,350,000	2,350,000
Prairie Public Broadcasting Transmitter Replacement (SIIF)	1,700,000	400,000
Rent and Moving Costs Pool (SIIF)	3,500,000	-
Space Reconfiguration (SIIF)	2,500,000	-
Rent, Moving, Space Reconfiguration (SIIF)	-	5,700,000
Improvements and Enhancements at the Capitol (Capitol Building Trust)	3,000,000	3,000,000
Leave Payouts (Agency Fund)	50,695	50,695
Equipment (SIIF)	192,000	192,000
State Hospital (SIIF, BND Line of Credit)	-	300,000,000
Grant to UND for an Immigration Law Clinic (SIIF)	-	400,000
Construction of Facility in Minot (BND Line of Credit)	-	5,600,000
Agency Total	\$ 63,807,747	\$ 352,207,747
112 Information Technology		
State Data Center Migration Project (SIIF)	\$ 1,719,061	\$ 1,719,061
Information Technology Services Automation (SIIF)	-	1,793,609
Vulnerability Remediation (IT Service Fund)	150,000	-
EduTech Program Funding (Edutech Fund)	20,000	-
Continuing Appropriation (IT Service Fund)	(3,312,875)	-
Health Information Technology Program Funding (SIIF)	1,793,609	-
Agency Total	\$ 369,795	\$ 3,512,670

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
117 Auditor		
Cost Related to New Federal Fund FTE (Federal)	\$ 3,000	\$ 3,000
Audit Software Migration (State Auditors Operating Fund)	10,800	10,800
Agency Total	\$ 13,800	\$ 13,800
120 Treasurer		
Information Technology Projects (SIIF)	\$ -	\$ 295,000
Agency Total	\$ -	\$ 295,000
125 Attorney General		
Crime Lab Equipment (SIIF)	\$ 321,000	\$ 321,000
Crime Lab Equipment (Federal)	233,000	233,000
Litigation Pool Funding (SIIF)	5,000,000	5,000,000
SAVIN System Replacement (SIIF)	1,500,000	1,500,000
Portable Handheld Dual Band Radios (SIIF)	105,000	105,000
Intoxilyzers (Federal)	-	188,000
BCI Undercover Vehicle Replacement (SIIF)	660,000	540,000
Peace Officer and Correctional Officer Grant Program (SIIF)	-	3,500,000
Autonomous Technology Grants (SIIF)	-	250,000
Agency Total	\$ 7,819,000	\$ 11,637,000
160 Legislative Council		
Advanced Nuclear Energy Study(Grants & Donated Funds)	\$ -	\$ 300,000
Disability Services Study (Community Health Trust)	-	150,000
Agency Total	\$ -	\$ 450,000
180 Judicial Branch		
Research and Secure Access to Court Records System (SIIF)	\$ -	\$ 960,000
Audio/Visual Equipment (SIIF)	-	1,200,000
Cass County Courtroom Equipment (SIIF)	-	75,000
Media Camera System in Cass County (SIIF)	-	25,000
AI Software for Clerk Filings (SIIF)	-	1,250,000
Odyssey Case Management System Cloud Hosting (SIIF)	-	758,000
Agency Total	\$ -	\$ 4,268,000

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
190 Retirement and Investment Office		
Pension Administration System (Agency Fund)	\$ 250,000	\$ 250,000
Agency Total	\$ 250,000	\$ 250,000
192 Public Employees Retirement System		
Sagitec Developers-PERSLink (Agency Fund)	\$ 539,595	\$ 539,595
Agency Total	\$ 539,595	\$ 539,595
201 Public Instruction		
Be Legendary School Board Training (SIIF)	\$ 1,500,000	\$ 1,500,000
Native American Essential Understanding (SIIF)	300,000	300,000
Dyslexia Identification Training (SIIF)	300,000	300,000
Teacher Retention Program (SIIF)	2,000,000	2,000,000
Statewide Reading Tool (SIIF)	-	500,000
ND History and Tribal Textbook Printing (SIIF)	650,000	650,000
Innovation Intermediary (FASF)	1,500,000	-
Centers of Excellence (SIIF)	-	1,000,000
Upstart Waterford Early Learning Program (Agency Fund)	-	1,500,000
Agency Total	\$ 6,250,000	\$ 7,750,000
204 Center for Distance Education		
IT Equipment (Agency Fund)	\$ 100,250	\$ 25,000
Agency Total	\$ 100,250	\$ 25,000
215 University System		
Challenge Grant (SIIF)	\$ 50,000,000	\$ 24,760,000
Nursing Education Consotrium (SIIF)	1,100,000	1,100,000
Financial Aid Enhancement/Title IV Course Auditor (SIIF)	900,000	-
Dual Credit Scholarship (BND Profits)	-	1,500,000
Workforce Education Innovation Grants (SIIF)	-	10,000,000
Agency Total	\$ 52,000,000	\$ 37,360,000

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
227 Bismarck State College		
Student Housing Project (Other Funds)	\$ -	\$ 2,200,000
Agency Total	\$ -	\$ 2,200,000
228 Lake Region State College		
Roof Repairs (SIIF)	\$ -	\$ 2,500,000
Agency Total	\$ -	\$ 2,500,000
230 University of North Dakota		
National Security Initiative (SIIF)	\$ -	\$ 16,000,000
STEM Building Phase II (SIIF/Other Funds)	-	79,500,000
Allied Health Facility (Community Health Trust Fund/Other Funds)	-	45,000,000
Agency Total	\$ -	\$ 140,500,000
235 North Dakota State University		
Practice Wrestling Facility (Donations/Other Funds)	\$ 13,000,000	\$ 13,000,000
University Village Project (Bonds/Other Funds)	-	54,000,000
Memorial Union Renovation (Bonds/Other Funds)	-	50,000,000
Van Es Biosafety Lab (Grants)	-	8,000,000
New Horizons Initiative (SIIF)	-	16,000,000
Agency Total	\$ 13,000,000	\$ 141,000,000
238 North Dakota State College of Science		
Land Purchase (Other Funds)	\$ -	\$ 65,000
Agency Total	\$ -	\$ 65,000
239 Dickinson State University		
Woods Hall and Ag and Tech Building Renovation (Bonds/Other Funds)	\$ 5,000,000	\$ 12,500,000
Agency Total	\$ 5,000,000	\$ 12,500,000
240 Mayville State University		
Old Main Renovation (SIIF)	\$ 34,924,814	\$ 34,924,814
Agency Total	\$ 34,924,814	\$ 34,924,814

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
241 Minot State University		
Academic Facilities Projects (SIIF)	\$ -	\$ 8,132,000
Track Project (SIIF)	-	3,000,000
Regional Health Science Building (Other Funds)	-	4,500,000
Student Center Renovation (Revenue Bonds)	3,100,000	3,100,000
Agency Total	\$ 3,100,000	\$ 18,732,000
244 Forest Service		
Emerald Ash Borer (SIIF)	\$ 950,000	\$ 950,000
Agency Total	\$ 950,000	\$ 950,000
252 ND School for the Deaf		
Campus Security Equipment (Agency Fund)	\$ 238,800	\$ 238,800
Equipment Replacement (Agency Fund)	45,000	45,000
Agency Total	\$ 283,800	\$ 283,800
253 Vision Services - School for the Blind		
Equipment Under \$5,000 (Agency Fund)	\$ 28,000	\$ 28,000
New South Parking Lot (Agency Fund)	150,000	150,000
New Cabinets/Furniture for Student Rooms (Agency Fund)	55,000	-
Miscellaenous Repairs (Agency Fund)	10,000	10,000
Remodel Break Rooms (Agency Fund)	55,000	55,000
Replace Tractor (Agency Fund)	-	55,000
Agency Total	\$ 298,000	\$ 298,000
270 Career and Technical Education		
Virtual Reality Career Exploration (SIIF)	\$ -	\$ 1,000,000
Autonomous Technology Grants (SIIF)	-	250,000
Agency Total	\$ -	\$ 1,000,000
303 Environmental Quality		
Chemistry Lab Move (SIIF)	\$ 1,500,000	\$ 1,500,000

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
Chemistry Lab Equipment (SIIF)	2,075,186	2,075,186
Water Operator Certification Testing (Agency Fund)	5,000	5,000
Lab Polyfluoroalkyl (PFAS) Testing (Agency Fund)	943,200	943,200
PTRCF Database Upgrade (Agency Fund)	700,000	700,000
State Fuel Inspection Equipment (Agency Fund)	-	215,000
Wastewater Infrastructure Grants (BND Line of Credit)	-	9,700,000
Agency Total	\$ 5,223,386	\$ 15,138,386
313 Veterans' Home		
Door Openers (Soldiers' Home Fund)	\$ 80,000	\$ 80,000
Equipment < \$5,000 (Soldiers' Home Fund)	16,450	16,450
Resident Garages/Storage Units (Melvin Norgard Memorial Fund)	175,000	175,000
Painting (Soldiers' Home Fund)	50,000	50,000
Carpet Replacement (Soldiers' Home Fund)	260,000	260,000
I-mop Floor Scrubber (Soldiers' Home Fund)	5,600	5,600
Agency Total	\$ 587,050	\$ 587,050
321 Veterans' Affairs		
Veterans' Home Cemetery (Federal/Melvin Norgard Memorial Fund)	\$ 291,500	\$ 291,500
Veterans' National Cemetery Grant (BND Line of Credit)	-	3,000,000
Agency Total	\$ 291,500	\$ 3,291,500
325 Health and Human Services		
IT Projects Off The Mainframe (SIIF)	\$ 16,000,000	\$ 16,000,000
Intensive Day Treatment Children's Behavior Health (CHTF)	2,000,000	2,000,000
Developmental Disability Eligibility Assessment Tool (Federal)	200,000	200,000
Public Health Lab Move (SIIF)	2,962,304	2,962,304
Non-Fatal Toxicology Equipment (Agency Funds)	100,000	100,000
Forensic Examiner Electronic Records System (CHTF)	278,000	278,000
Food And Lodging MIS System (CHTF)	335,000	335,000
EMS Licensure IT System (CHTF)	650,000	-
Vocational Rehabilitation System (CHTF And Federal)	8,000,000	1,000,000
Public Health Data Modernization (Agency Funds)	-	2,213,930

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
Bathroom Remodel (SIIF)	972,000	972,000
Cedar Grove Roof Replacement (SIIF)	712,480	712,480
Housing Initiatives (SIIF)	14,500,000	1,000,000
State Hospital (Bonding)	300,000,000	-
Behavior Health Facility Grant (SIIF)	-	12,960,000
Cultural Community Center Grant (CHTF)	-	300,000
Intermediate Care Facility Grant (CHTF)	-	4,400,000
Juvenile Justice Diversion Services (Social Services Fund)	-	750,000
Critical Access Hospital Network Grant (CHTF)	-	2,000,000
Basic Care Daily Rate Increase (Federal)	-	2,922,236
Child Welfare Technology Program (BND Line of Credit)	-	8,411,218
Agency Total	\$ 346,709,784	\$ 59,517,168
401 Insurance		
Radios and X-Ray Machine (Insurance Regulatory Trust)	\$ 90,000	\$ 90,000
Accrued Leave Payout (Insurance Regulatory Trust)	-	30,000
Fire Marshall Compensatory Time and Overtime (Insurance Regulatory Trust)	-	20,000
North Dakota Firefighter's Association Grant (SIIF)	-	500,000
Additional FTE's (Insurance Regulatory Trust)	2,000	-
Agency Total	\$ 92,000	\$ 640,000
405 Industrial Commission		
IIJA Grid Resiliency Grant (Federal)	\$ 11,885,295	\$ 11,885,295
IIJA Grid Resiliency Grant - State Match (SIIF)	1,782,794	1,782,794
Litigation Fees (SIIF)	3,000,000	3,000,000
Inflationary Increases (Agency Funds)	50,000	-
Agency Total	\$ 16,718,089	\$ 16,668,089
408 Public Service Commission		
LiDAR Technology (Federal)	\$ 149,420	\$ 149,420
Agency Total	\$ 149,420	\$ 149,420

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
412 Aeronautics Commission		
Generational Airport Projects (Bonding/SIIF)	\$ 120,000,000	\$ 90,000,000
Agency Total	\$ 120,000,000	\$ 90,000,000
471 Bank of North Dakota		
Cash Management Temp Salaries (Agency Funds)	\$ 600,000	\$ -
Capital Improvement Projects (Agency Funds)	-	2,633,299
Agency Total	\$ 600,000	\$ 2,633,299
474 Department of Mineral Resources		
Paleontology Excavation Project (SIIF)	\$ 300,000	150,000
Litigation Fees (SIIF)	3,000,000	3,000,000
IJA Formula Grant Admin Contract (Federal Funds)	1,444,377	1,444,377
Ordinary High Water Mark (Agency Funds)	342,000	-
New FTE Position Operating Expenses (Agency Funds)	-	51,495
Rare Earth Elements Study (SIIF)	-	400,000
Agency Total	\$ 5,086,377	\$ 5,045,872
485 Workforce Safety and Insurance		
Claims and Policy System Replacement (WSI Fund)	\$ 5,208,325	\$ 5,208,325
MyWSI Extranet Enhancement Project (WSI Fund)	1,366,050	1,366,050
Building Improvements (WSI Fund)	2,000,000	2,000,000
Agency Total	\$ 8,574,375	\$ 8,574,375
504 Highway Patrol		
Motor Pool Costs (Highway Tax Distribution)	\$ 208,000	\$ 278,000
Conductive Electronic Weapon Replacement (Motor Carrier Electronic Permit Fund)	870,000	870,000
Emergency Operations Course Resurface (Motor Carrier Electronic Permit Fund)	260,000	260,000
Preliminary Breath Test Device (Motor Carrier Electronic Permit Fund)	7,000	50,000
Gun Replacement (Motor Carrier Electronic Permit Fund)	-	200,000
Federal Grant Authority (Federal Fund)	-	480,000
Crash Assistance Position (Motor Carrier Electronic Permit Fund)	194,000	194,000
Ventilation for Outdoor Range (Highway Tax Distribution Fund)	5,000	-
Agency Total	\$ 1,544,000	\$ 2,332,000

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
530 Corrections and Rehabilitation		
Heart River Correctional Center (SIIF)	\$ 35,635,000	\$ 35,635,000
Missouri River Correctional Center Temporary Housing Unit (SIIF)	8,032,757	8,032,757
Deferred Maintenance and Extraordinary Repairs (SIIF)	16,056,609	13,006,609
James River Correctional Center Study (SIIF)	750,000	750,000
Missouri River Correctional Center Planning and Design (SIIF)	23,000,000	20,000,000
Software Systems and Technology Upgrades (SIIF)	10,423,631	9,750,000
Equipment (SIIF)	2,934,700	2,079,700
Victims of Crime Grants (SIIF)	7,000,000	7,000,000
Mental Health Assessments and Services (Federal)	550,000	550,000
Rough Rider Industries Equipment and Supplies (RRI Fund)	13,722,181	13,722,181
Workforce Training and Education (Federal)	1,027,500	1,027,500
James River Correctional Center Maintenance Building Demolisiton (SIIF)	570,000	570,000
Prosecution-led Diversion Supervision Pilot Program (SIIF)	-	1,000,000
90 Bed Treatment Facility (SIIF)	6,478,100	-
Agency Total	\$ 126,180,478	\$ 113,123,747
540 Adjutant General		
SIRN Radios (SIIF)	\$ 495,000	\$ 495,000
RTI Billeting Addition (Federal)	34,000,000	34,000,000
State Radio Law Enforcement Redundant Switch (SIIF)	525,000	525,000
Critical Infrastructure State Match (SIIF)	4,500,000	4,500,000
Civil Air Patrol SIRN Upgrade (SIIF)	250,000	206,426
Disaster Response Equipment (Federal)	660,000	660,000
Williston Readiness Center Design (SIIF)	2,500,000	2,500,000
STORM Act (Federal)	35,500,000	35,500,000
STORM Act (Disaster Relief Fund)	3,550,000	3,550,000
Flood Mitigation Grants-Marion (Disaster Relief Fund)	-	200,000
Wildland Fires (Federal)	-	2,250,000
Wildland Fires (Disaster Relief Fund)	-	300,000
Agency Total	\$ 81,980,000	\$ 84,686,426

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
601 Commerce		
FAA Data (SIIF)	\$ 11,000,000	\$ 11,000,000
Drone Replacement (SIIF)	15,000,000	9,000,000
Regional Workforce Grant (SIIF)	10,000,000	5,000,000
Find the Good Life (SIIF)	5,000,000	-
Slum and Blight Remediation (SIIF)	5,000,000	-
Tourism Marketing Awareness (SIIF)	5,000,000	5,000,000
Housing Package (SIIF)	50,000,000	-
Destination Development Grant (SIIF)	15,000,000	15,000,000
Beyond Visual Line of Sight Uncrewed Aircraft System Program (SIIF)	20,000,000	15,000,000
Enhanced Use Lease (SIIF)	5,000,000	2,500,000
Autonomous Agriculture Grant (SIIF)	10,000,000	7,500,000
Rural Catalyst Grant (SIIF)	-	2,500,000
Temporary Salaries (Agency Funds)	-	103,590
Base Enhancement Grants (SIIF)	-	1,000,000
Native American Small Business Grant (SIIF)	-	600,000
Historic Theater Restoration Grant (SIIF)	-	500,000
Historic Opera House Restoration Grant (SIIF)	-	250,000
Historic Theater Improvement Grant (SIIF)	-	250,000
Medora Transportation Improvement Grant (SIIF)	-	1,000,000
Community Hall Grant (SIIF)	-	175,000
Agency Total	\$ 151,000,000	\$ 76,378,590
602 Agriculture		
Agriculture Products Utilization Commission (BND Profits)	\$ -	\$ 3,000,000
Grasslands Grazing Grants (SIIF)	-	3,000,000
Food Distribution Grants (SIIF)	-	1,500,000
Autonomous Technology Grants (SIIF)	-	300,000
Livestock Planning Program (Environment and Rangeland Protection Fund)	660,000	-
Bioscience Innovation Grant Program (SIIF)	5,500,000	-
County Fair Resiliency Grant Program (SIIF)	-	1,500,000
Food Distribution Facility Grant Program (SIIF)	-	5,000,000
Agency Total	\$ 6,160,000	\$ 14,300,000

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
638 Northern Crops Institute		
Protein Extraction and Air Classification System (Local Funds)	\$ 350,000	\$ 350,000
Agency Total	\$ 350,000	\$ 350,000
640 Main Research Center		
Deferred Maintenance (SIIF)	\$ 1,500,000	\$ 500,000
Oaks Irrigation Research Site Building Completion (SIIF)	620,000	620,000
Langdon Seed Conditioning Plant (SIIF/Local Funds)	-	2,600,000
Nesson Valley Irrigation Research Site (SIIF/Local Funds)	-	2,300,000
Williston Research Center Storage Shed (Local Funds)	-	200,000
Swine Facility Renovation (Local Funds)	-	6,000,000
Main Research Center Greenhouse Addition (Local Funds)	-	3,250,000
Agency Total	\$ 2,120,000	\$ 15,470,000
665 State Fair		
Campground Rest Facility (SIIF)	\$ -	\$ 750,000
Safety and Security Infrastructure (SIIF)	-	800,000
Agency Total	\$ -	\$ 1,550,000
701 Historical Society		
Temporary Staff Salaries and Operating (Federal)	\$ 52,011	\$ 52,011
Pembina State Museum Exhibits (SIIF)	638,000	638,000
Underrepresented Community Program (Federal)	75,000	75,000
Military Gallery Expansion Project (SIIF/Donations/BND Line of Credit)	82,944,524	77,944,524
Inspiration Gallery Updates (SIIF)	700,000	700,000
Medora Area Planning (SIIF)	6,470,000	2,000,000
Historical Structures and Building Improvements (SIIF)	3,000,000	3,000,000
Paul Bruhn Historical Revitalization Grants (Federal)	750,000	750,000
Historic Museum Repairs Grant (SIIF)	-	200,000
Historic Armory Restoration Grant (SIIF)	-	100,000
America 250th Celebration (SIIF)	2,000,000	2,000,000
Enhance Digital Services (SIIF)	4,090	-
Agency Total	\$ 96,633,625	\$ 87,459,535

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
720 Game and Fish		
Wildlife Habitat and Access on Private Lands (Federal/Special Funds)	\$ 5,000,000	\$ 5,000,000
Fisheries Pondliners and Pumps (Federal/Special Funds)	1,800,000	1,800,000
IT Increase (Special Funds)	380,000	380,000
Baukol-Noonan Dam Repair (Special Funds)	150,000	150,000
Equipment (Federal/Special Funds)	160,200	220,200
Agency Total	\$ 7,490,200	\$ 7,550,200
750 Parks & Recreation		
Comfort Stations (SIIF)	\$ 924,000	\$ 924,000
Parks Matching Grant Program (SIIF/Agency Fund)	2,500,000	2,500,000
Deferred Maintenance and Capital Projects (SIIF)	15,000,000	12,500,000
City, County and Tribal Park System Grants (SIIF)	2,500,000	-
State Parks WiFi Extensions (SIIF)	3,500,000	-
Automation Transformation (SIIF)	1,000,000	-
State Parks Technology Advancements (SIIF)	-	2,500,000
Equipment Replacement (Agency Fund)	250,000	250,000
ND State Parks Outdoor Initiative (Agency Funds)	750,000	-
International Peace Garden Conservatory Project (SIIF)	-	317,500
International Music Camp Revitalization (SIIF)	1,500,000	1,400,000
International Peace Garden Sewer System (SIIF)	1,000,000	-
International Peace Garden Sewer, Water Plan (SIIF)	-	250,000
Lake Metigoshe State Park Sewer Project (SIIF)	-	800,000
Agency Total	\$ 28,924,000	\$ 21,441,500
770 Water Resources		
New FTE Costs (Resources Trust Fund/NAWS Operation & Maintenance Fund)	\$ 49,000	\$ 36,000
Board of Water Well Contractors (Resources Trust Fund)	-	30,000
Emergency Pumps Replacement (Resources Trust Fund)	480,000	480,000
Excavator Replacement (Resources Trust Fund)	400,000	400,000
Data Logger Replacement (Resources Trust Fund)	60,000	60,000
Missouri River Intake Sites Field Investigation (Resources Trust Fund)	600,000	-

STATE OF NORTH DAKOTA

ONE-TIME OTHER FUND EXPENDITURES 2025-27

	Executive Budget Other Funds	Legislative Budget Other Funds
Water Project Funding (BND Line of Credit)	50,000,000	260,000,000
SWPP Proposed Projects (BND Line of Credit/Resources Trust Fund)	58,650,000	-
NAWS Project Funding (Federal/Resources Trust Fund)	40,211,963	-
Agency Total	\$ 150,450,963	\$ 261,006,000
801 Transportation		
Federal Aid Formula Funds Match (SIIF)	\$ 171,300,000	\$ -
Federal Aid Discretionary Program Funds Match (SIIF)	85,000,000	-
Highway Projects (SIIF)	-	287,100,000
Facility/Building Improvements (Highway Fund)	5,970,000	5,970,000
Motor Vehicle/Drivers License Appointment System Upgrade (Motor Vehicle Fund)	3,000,000	3,000,000
Inventory Tracking System (Highway Fund)	350,000	350,000
Pavement Management Van (SIIF)	1,100,000	-
Undesignated Equipment (Highway Fund)	-	5,872,000
Increased Roadway Maintenance Costs (Highway Fund)	-	9,842,212
Passenger Rail Authority Grant (SIIF)	-	150,000
Walking Trail Grant (Highway Fund)	-	100,000
Agency Total	\$ 266,720,000	\$ 312,384,212
Total	\$ 1,615,792,048	\$ 1,978,140,154

STATE OF NORTH DAKOTA

FTE COMPARISON

LEGISLATIVELY AUTHORIZED AND EXECUTIVE RECOMMENDATION

Department	2021-23 Legislatively Authorized FTE	2023-25 Legislatively Authorized FTE	2025-27 Executive Recommendation	2025-27 Legislatively Authorized FTE	Change from 2023-25 to 2025-27
General Government					
<i>Executive Branch</i>					
101 Office of the Governor	17.00	19.00	19.00	19.00	0.00
108 Office of the Secretary of State	33.00	35.00	33.00	33.00	(2.00)
110 Office of Management and Budget	108.00	110.00	111.00	111.00	1.00
112 Information Technology Department	479.00	507.00	513.00	509.00	2.00
117 Office of the State Auditor	61.00	65.00	66.00	59.00	(6.00)
120 Office of the State Treasurer	7.00	7.00	7.00	7.00	0.00
125 Office of the Attorney General	253.00	266.00 \2	271.00	270.00	4.00
127 Office of the State Tax Commissioner	118.00	117.00	117.00	117.00	0.00
140 Office of Administrative Hearings	5.00	5.00	5.00	5.00	0.00
188 Commission on Legal Counsel of Indigents	40.00	41.00	43.00	43.00	2.00
190 Retirement and Investment Office	19.00 \1	34.00	34.00	35.00	1.00
192 Public Employees Retirement System	35.50	40.50	40.50	42.50	2.00
195 Ethics Commission	1.00	3.00	3.00	3.00	0.00
Total Executive Branch	1,176.50	1,249.50	1,262.50	1,253.50	4.00
<i>Legislative and Judicial Branches</i>					
150 Legislative Assembly	0.00	0.00	0.00	0.00	0.00
160 Legislative Council	44.00	45.00	70.00	70.00	25.00
180 Judicial Branch	362.00	384.00	406.00	394.00	10.00
Total Legislative and Judicial Branches	406.00	429.00	476.00	464.00	35.00
Education					
<i>Elementary, Secondary, and Other Education</i>					
201 Department of Public Instruction	86.25	86.25	86.25	86.25	0.00
204 Center for Distance Education	0.00	30.80 \3	32.00	31.00	0.20
226 Department of Trust Lands	30.00	33.00	33.00	34.00	1.00
250 State Library	26.75	26.75	26.75	26.75	0.00
252 School for the Deaf	44.61	45.36	46.86	46.86	1.50
253 ND Vision Services/School for the Blind	27.75	27.75	27.75	28.75	1.00
270 Dept. of Career and Technical Education	50.30	23.50 \3	23.50	23.50	0.00
Total Elementary, Secondary and Other Education	265.66	273.41	276.11	277.11	3.70
<i>Higher Education</i>					
215 North Dakota University System Office	158.83	162.83	168.83	168.83	6.00
227 Bismarck State College	332.90	335.33	338.25	338.25	2.92
228 Lake Region State College	115.76	120.59	115.15	115.15	(5.44)
229 Williston State College	101.29	102.83	99.74	99.74	(3.09)
230 University of North Dakota	2,059.98	2,060.56	2,191.95	2,191.95	131.39
232 UND Medical School	492.67	488.83	529.06	529.06	40.23
235 ND State University	1,829.43	1,867.50	1,805.96	1,805.96	(61.54)

STATE OF NORTH DAKOTA

FTE COMPARISON

LEGISLATIVELY AUTHORIZED AND EXECUTIVE RECOMMENDATION

Department	2021-23 Legislatively Authorized FTE	2023-25 Legislatively Authorized FTE	2025-27 Executive Recommendation	2025-27 Legislatively Authorized FTE	Change from 2023-25 to 2025-27
238 ND State College of Science	311.61	313.95	326.54	326.54	12.59
239 Dickinson State University	175.50	178.00	170.80	170.80	(7.20)
240 Mayville State University	230.35	226.92	226.92	226.92	0.00
241 Minot State University	403.04	423.63	421.16	421.16	(2.47)
242 Valley City State University	202.77	211.94	217.44	217.44	5.50
243 Dakota College at Bottineau	91.86	84.00	87.85	87.85	3.85
244 ND Forest Service	28.00	29.00	34.00	36.00	7.00
Total Higher Education	6,533.99	6,605.91	6,733.65	6,735.65	129.74
Health and Human Services					
301 ND Department of Health	210.50	0.00 \4	0.00	0.00	0.00
303 Department of Environmental Quality	166.00	173.00	174.00	175.00	2.00
313 Veterans Home	114.79	114.79	114.79	114.79	0.00
315 Office of Guardianship	0.00	0.00	0.00	4.00 \5	4.00
316 Indian Affairs Commission	4.00	4.00	4.00	4.00	0.00
321 Department of Veterans Affairs	8.00	9.00	10.00	10.00	1.00
325 Department of Human Services	2,249.33	2,483.83 \4	2,687.35	2,688.35	204.52
360 Protection and Advocacy Project	28.50	28.50	29.50	29.50	1.00
380 Job Service North Dakota	156.61	158.61	159.61	159.61	1.00
Total Health and Human Services	2,937.73	2,971.73	3,179.25	3,185.25	213.52
Regulatory					
401 Office of the Insurance Commissioner	38.00	47.00 \2	49.00	60.00 \6	13.00
405 Industrial Commission	108.25	9.75	9.75	9.75	0.00
406 Office of the Labor Commissioner	13.00	13.00	13.00	13.00	0.00
408 Public Service Commission	43.00	45.00	45.00	45.00	0.00
412 Aeronautics Commission	7.00	7.00	7.00	7.00	0.00
413 Dept. of Banking and Financial Institutions	31.00	35.00	36.00	0.00 \7	(35.00)
414 Securities Department	10.00	10.00	10.00	0.00 \6	(10.00)
471 Bank of North Dakota	173.00	187.00	187.00	187.00	0.00
473 North Dakota Housing Finance Agency	49.00	54.00	56.00	59.00	5.00
474 Department of Mineral Resources	0.00	108.00	111.00	113.00	5.00
475 North Dakota Mill and Elevator Association	156.00	170.00	172.00	172.00	2.00
485 Workforce Safety and Insurance	260.14	260.14	260.14	260.14	0.00
Total Regulatory	888.39	945.89	955.89	925.89	(20.00)

LEGISLATIVELY AUTHORIZED AND EXECUTIVE RECOMMENDATION

Department	2021-23 Legislatively Authorized FTE	2023-25 Legislatively Authorized FTE	2025-27 Executive Recommendation	2025-27 Legislatively Authorized FTE	Change from 2023-25 to 2025-27
<u>Public Safety</u>					
504 Highway Patrol	193.00	205.00	205.00	205.00	0.00
530 Department of Corrections and Rehabilitation	907.79	929.79	1,004.29	965.29	35.50
540 Office of the Adjutant General	222.00	233.00	240.00	235.00	2.00
Total Public Safety	1,322.79	1,367.79	1,449.29	1,405.29	37.50
<u>Agriculture and Economic Development</u>					
601 Department of Commerce	58.80	65.80	64.80	65.80	0.00
602 North Dakota Department of Agriculture	79.00	80.00	81.00	81.00	1.00
627 Upper Great Plains Transportation Institute	43.88	43.88	43.88	42.88	(1.00)
628 Branch Research Centers	108.21	111.81	107.16	107.16	(4.65)
630 NDSU Extension Service	241.77	252.70	255.44	256.44	3.74
638 Northern Crops Institute	13.55	18.15	18.35	18.35	0.20
640 NDSU Main Research Station	334.56	358.47	368.53	364.55	6.08
649 Agronomy Seed Farm	3.00	3.00	3.00	3.00	0.00
665 ND State Fair	0.00	0.00	0.00	0.00	0.00
670 ND Racing Commission	2.00	2.00	2.00	2.00	0.00
Total Agriculture and Economic Development	884.77	935.81	944.16	941.18	5.37
<u>Natural Resources</u>					
701 State Historical Society	78.75	83.50	85.50	85.50	2.00
709 Council on the Arts	5.00	6.00	7.00	6.00	0.00
720 Game and Fish Department	164.00	174.00	170.00	170.00	(4.00)
750 Department of Parks and Recreation	57.75	65.00	76.00	76.00	11.00
770 State Water Commission	90.00	93.00	100.00	98.00	5.00
Total Natural Resources	395.50	421.50	438.50	435.50	14.00
<u>Transportation</u>					
801 Department of Transportation	982.00	1,001.00	1,005.00	1,005.00	4.00
Grand Total FTE	15,793.33	16,201.54	16,720.35	16,628.37	426.83

\1 The Retirement and Investment Office received 6.00 FTE during the November 2021 special session, these positions are not included in this total.

\2 The Fire Marshal division (8.00 FTE) was removed from the Attorney General's Office and put under the Insurance Commissioner during the 2023 Legislative Session

\3 The Center for Distance Education was included under Career and Technical Education (CTE) but was moved under the umbrella of DPI, as a separate business unit, during the 2023 session, the number for CTE reflects this change.

\4 The Department of Health has been included in the Department of Human Services total as they were required to submit a combined budget for the 23-25 beinnium.

\5 The Office of Guardianship was created by the 69th Legislative Assembly.

\6 The Securities Department including 10 FTE was combined into the Office of the Insurance Commissioner by the 69th Legislative Assemby.

\7 The Department of Financial Institutions was converted to a continuing appropriation so the FTE are non-appropriated.

EMPLOYEE COMPENSATION

The Governor's recommended compensation package included:

- Funding for team member salary increases of 3.0% the first year of the biennium and 3.0% in the second year of the biennium.
- Continuation of the fully state-funded health insurance premium.
- A \$100.0 million transfer to the Public Employees Retirement System (PERS) Fund and a \$35.0 million transfer to the Highway Patrol Retirement Fund from SIIF. The governor also supported the continuation of the \$65.0 million ongoing transfer from oil tax revenue to the PERS fund to lower the state unfunded liability under the defined benefit pension plan.
- A \$10.0 million appropriation for the Office of Management and Budget (OMB) for one-time incentive payments for qualifying state team members who choose to transition from the defined benefit to the defined contribution plan.

Salaries

To ensure the state can continue to recruit and retain top talent in a competitive labor market, the legislature followed the executive recommendation and increased agency budgets to provide salary increases that average 3.0% the first year of the biennium and an additional 3.0% the second year.

Health Insurance

The legislative appropriation continues the current state health insurance plan with no changes. The fully state-paid monthly premium for the 2025-27 biennium is \$1,893.30, an increase of \$250.22 from the 2023-25 rate of \$1,643.08.

Retirement Plan

- The main retirement plan is projected to receive \$65.0 million in deposits from the state share of oil and gas taxes under NDCC 57-51.1-07.5 to reduce the unfunded liability.
- The 2025 legislative assembly in HB 1234 approved a \$25.0 million one-time transfer to PERS from SIIF to reduce the unfunded liability of the PERS main system plan.
- The 2025 legislative assembly in SB 2120 approved a \$15.0 million one-time transfer to the Highway Patrol Troopers' Retirement System Fund from SIIF for the purpose of reducing the unfunded liability of the retirement plan.
- The 2025 legislative assembly provided a one-time \$1.0 million appropriation from the General Fund to OMB for eligible employees to switch from the defined benefit plan to the defined contribution plan.

2025-27 SUPPLEMENTAL APPROPRIATIONS

Supplemental appropriations for the 2025-27 biennium were approved for agencies in HB 1024 as follows:

- Office of Management and Budget – An appropriation of \$195,000 from special funds to cover operating, insurance and utilities expenses.
- Office of the Governor – An appropriation of \$70,000 from the General Fund, \$50,000 related to significant leave payouts from the change in administration, and \$20,000 for additional operating expenses.
- Attorney General – An appropriation of \$3.1 million from the General Fund for expenses related to the litigation pool and to reimburse counties for prosecution witness fees.
- Department of Public Instruction – An appropriation of \$30.0 million from federal funds for increases in Title I, special education and the School Food Program.
- Department of Corrections and Rehabilitation – An appropriation of \$11.5 million from the General Fund related to population overcrowding as the daily inmate population has exceeded operational capacity.
- Adjutant General – An appropriation of \$6.1 million from the State Disaster Relief Fund to cover disaster costs and interest on the outstanding loans for Dakota Access Pipeline protest cost.
- Department of Water Resources – An appropriation of \$10.0 million from Resources Trust Fund to repay a line of credit from the Bank of North Dakota for the water infrastructure revolving loan fund.

The legislature also approved additional supplemental appropriations of \$3.7 million in other bills:

- Office of Management and Budget (HB 1015) – An appropriation of \$3.0 million from the General Fund for the new and vacant FTE pool. An appropriation of \$45,000 from the General Fund to cover legislative travel expenses for the Uniform Law Commission conference.
- Industrial Commission (SB 2014) – An appropriation of \$627,587 from the General Fund for an outstanding invoice related to a hydrogen energy research project.

BASIS OF BUDGET AND ACCOUNTING

North Dakota's budget for general government operations is primarily prepared on a cash basis. Most General Fund revenues are reflected in the budget for the period in which they will be received. However, in the case of some revenues, such as oil and gas taxes, they are included in the budget when they are both available and measurable, but not yet received. Primarily, expenditures are reflected in the budget for the period in which the funding will be spent. However, some expenditures, such as payroll, are reflected in the budget for the period in which the services are received and the related liabilities incurred.

The state's annual comprehensive financial report (ACFR) is prepared using the modified accrual basis of accounting for governmental funds. Governmental funds comprise the majority of funds included in the state budget and legislative appropriation. Under modified accrual accounting, revenues are recognized when they become available and measurable. Expenditures are recognized when liabilities are incurred.

Proprietary funds use full accrual accounting. Under full accrual accounting, revenues are recognized when earned and expenditures when liabilities are incurred. For the most part, proprietary funds are non-appropriated and therefore not part of the budget document. However, certain proprietary funds, such as the Bank of North Dakota, Housing Finance Agency, and Workforce Safety and Insurance, include agency administrative costs that are part of the state budget and

consequently part of the legislative appropriation. The portion of these funds that is non-appropriated is not part of the state budget.

Regardless of the basis of accounting, the accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present the financial statements in accordance with generally accepted accounting principles (GAAP).

The ACFR includes a detailed reconciliation of the differences between budgetary revenues and expenses and actual revenues and expenses included in the ACFR in accordance with GAAP.

The most significant difference between budgetary statements and GAAP financial statements is the categorization of General Fund revenues and expenses. In compliance with GAAP, certain revenues and expenses that are reflected as "other funds" for budgetary purposes and legislative appropriations are reflected as part of the state General Fund for financial reporting purposes.

Another difference between budgetary statements and GAAP is the recording of non-appropriated expenditures in GAAP financial reports, but the exclusion of those expenditures from budgetary documents due to their non-appropriated status.

BUDGET AND REVENUE HIGHLIGHTS***General Fund*****2023-25**

The 2023-25 biennium began with a general fund balance of \$1.49 billion, significantly higher than the original legislative budget estimate of \$1.20 billion, due primarily to the turnback of additional agency unused spending authority and higher than anticipated revenues during the final months of the previous biennium. Due to robust economic activity and a conservative legislative revenue forecast, general fund collections are on pace to exceed the original forecast by over \$550.0 million and 11.0%. Total general fund revenues are estimated to be \$5.52 billion, resulting in total available resources of \$7.01 billion.

Total general fund expenditures are estimated to be \$5.83 billion, including an additional \$71.1 million supplemental appropriations authorized by the 2025 legislature and the offsetting \$334.2 million estimated unspent appropriation authority to be returned to the general fund at the end of the biennium. Based on current estimates for revenues and expenditures, the June 30, 2025 ending general fund balance before transfers to the Budget Stabilization Fund, is projected to be \$1.18 billion. Any amount in the general fund in excess of \$65.0 million is required to be transferred to the Budget Stabilization Fund until the fund reaches its statutory cap of 15.0% of the most recently approved legislative budget. The statutory cap for the Budget Stabilization Fund is \$938.5

million, based on 2025-27 authorized appropriations of \$6.26 billion. Transfers to bring the Budget Stabilization Fund to the statutory cap are estimated to be \$23.9 million. After allowing for the required transfer to the Budget Stabilization Fund, the remaining balance in the general fund is estimated to be \$1.15 billion on June 30, 2025.

2025-27

Stable economic growth, agricultural and energy related economic diversification and continued energy sector exploration and production activity are expected to result in continued state revenue growth for the 2025-27 biennium. However, several legislative changes will impact general fund revenues:

- **SB 2323** increases the biennial allocation to the General Fund from oil and gas taxes from \$460.0 million to \$500.0 million. Resulting increase in General Fund revenues = \$40.0 million.
- **HB 1279** continues an existing coal conversion tax exemption that was set to expire June 30, 2026. This bill provides for the continuation of a partial exemption but allocates the remaining tax to the Legacy Fund, rather than the General Fund. Resulting decrease in General Fund revenues = \$21.4 million.
- **HB 1176** changes the allocation of Legacy Earnings Fund moneys, removing the General Fund allocation and creating an allocation to the new Legacy Property Tax Relief Fund. Resulting decrease in General Fund revenues = \$311.7 million.

Comparing the 2023-25 biennium revised forecast to the 2025-27 legislative forecast:

- **Sales tax** collections, the state's largest General Fund revenue source, are expected to grow by \$97.7 million, or 4.0%.
- **Motor vehicle excise tax** collections are expected to grow by \$4.0 million, or 2.3%.
- **Individual income tax** collections are expected to increase by \$117.8 million or 15.2%.
- **Corporate income tax** collections are anticipated to decline by \$22.6 million or 4.2%.

- **Insurance premium taxes** are anticipated to decrease by \$7.3 million, or 6.1%.
- **Oil and gas taxes** deposited in the General Fund increased by \$40.0 million to \$500.0 million due to a statutory change in the allocation formula adopted in SB 2323.
- **Interest income** is anticipated to decrease by \$82.6 million, primarily due to lower balances in the General Fund to start the 2025-27 biennium.

The adopted budget assumes a June 30, 2027 ending balance of \$226.5 million.

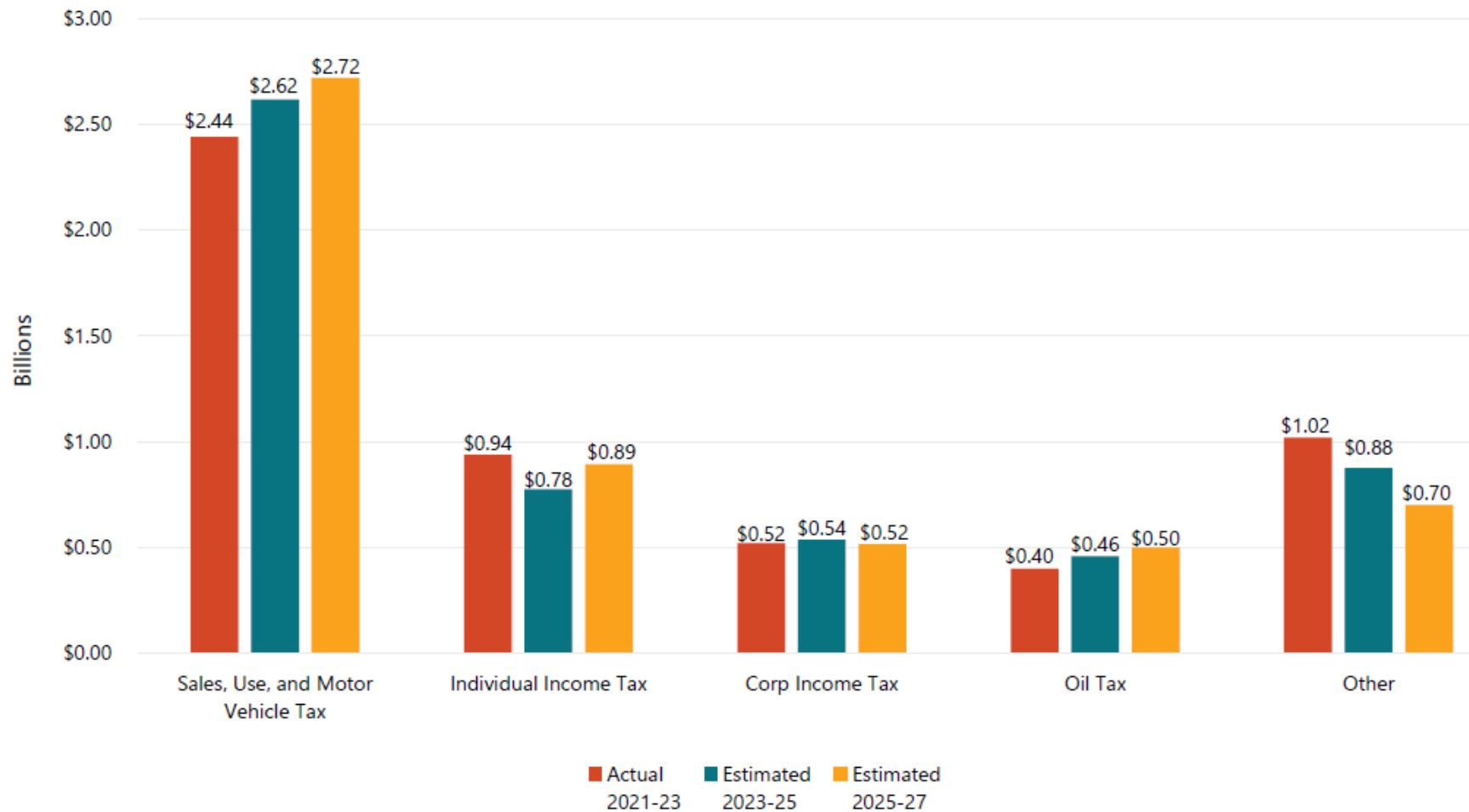
STATE OF NORTH DAKOTA

COMPARISON OF GENERAL FUND REVENUE BY MAJOR SOURCE

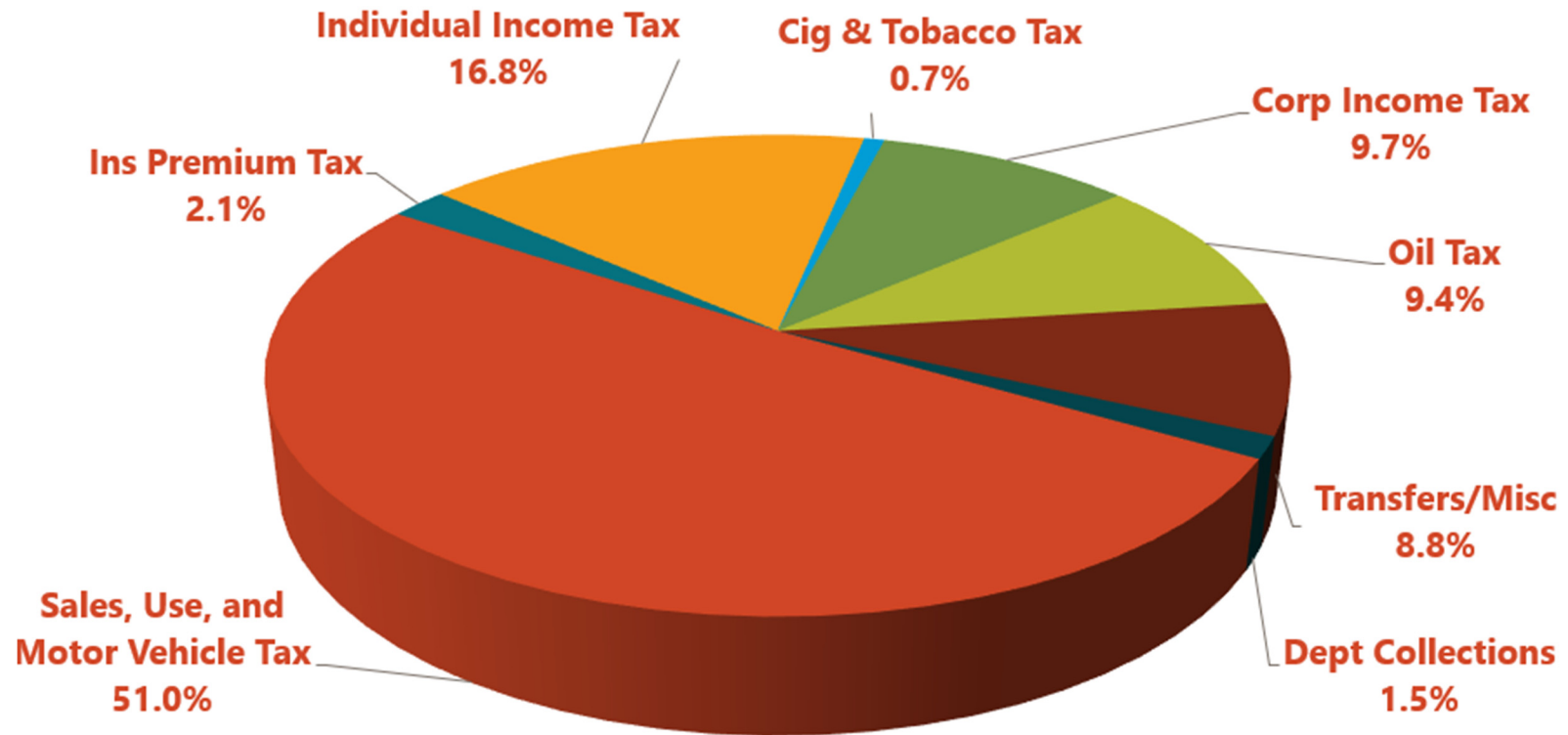
2017-19 THROUGH 2025-27

REVENUE SOURCE	Actual 2017-19	Actual 2019-21	Actual 2021-23	Revised Forecast 2023-25	Legislative Forecast 2025-27
Tax Revenue:					
Sales and Use Taxes	\$1,786,479,717	\$1,823,991,775	\$2,130,643,946	\$2,446,300,000	\$2,544,000,000
Motor Vehicle Excise Tax	239,039,038	259,690,121	308,681,831	171,000,000	174,983,501
Individual Income Tax	778,054,900	817,553,868	938,772,561	776,200,000	894,000,000
Corporate Income Tax	240,106,623	238,409,986	521,695,566	537,600,000	515,000,000
Insurance Premium Tax	115,544,049	102,357,095	132,862,127	120,759,909	113,425,000
Oil and Gas Production Tax	212,147,128	238,369,403	266,112,633	290,957,514	325,000,000
Oil Extraction Tax	187,852,872	161,630,597	133,887,368	169,042,486	175,000,000
Gaming Tax	9,156,498	30,860,614	36,019,391	45,094,225	43,180,000
Cigarette and Tobacco Tax	52,381,863	49,907,878	45,100,319	40,370,681	40,676,670
Wholesale Liquor Tax	17,768,453	18,727,698	20,342,213	21,420,491	21,172,640
Coal Conversion Tax	44,572,708	42,665,908	0	0	0
Mineral Leasing Fees	42,197,590	41,163,048	87,773,041	79,785,613	70,000,000
Departmental Collections	81,466,893	89,199,565	79,090,950	85,909,138	78,308,597
Interest Income	11,319,365	22,170,598	22,715,104	144,648,180	62,000,000
Total Tax Revenue	\$3,818,087,697	\$3,936,698,154	\$4,723,697,050	\$4,929,088,237	\$5,056,746,408
Transfers:					
Bank of North Dakota Profits	\$140,000,000	\$140,000,000	\$140,000,000	\$140,000,000	\$140,000,000
Legacy Fund	455,263,216	871,687,384	0	0	0
Legacy Earnings Fund	0	0	0	254,474,088	0
State Mill Profits	17,677,472	11,817,493	15,160,126	18,377,705	20,000,000
Lottery	15,900,000	10,400,000	13,000,000	13,959,572	14,039,806
Gas Tax Administration	2,016,120	1,991,418	1,873,744	1,844,424	1,761,168
Other Transfers*	464,504,157	779,309,873	426,111,017	164,142,579	96,614,000
Total Transfers	\$1,095,360,965	\$1,815,206,168	\$596,144,887	\$592,798,368	\$272,414,974
TOTAL REVENUE	\$4,913,448,662	\$5,751,904,322	\$5,319,841,937	\$5,521,886,605	\$5,329,161,382
* Other Transfers Include:	2017-19	2019-21	2021-23	2023-25	2025-27
Strategic Investment and Improvements Fund	\$248,000,000	\$764,400,000	\$410,000,000	\$50,000,000	\$0
Tax Relief Fund	183,000,000	8,600,000	0	0	0
Budget Stabilization Fund	0	0	0	103,143,877	96,614,000
Miscellaneous Transfers	33,504,157	6,309,873	16,111,017	10,998,702	0
	\$464,504,157	\$779,309,873	\$426,111,017	\$164,142,579	\$96,614,000

Comparison of General Fund Revenue by Major Source
2021-23 Through 2025-27



2025-27 General Fund Revenue by Major Source
\$5.33 Billion



Other Funds

Unlike agency budget requests and the executive budget, the legislative appropriation does not distinguish between state special funds and federal funds – both are included in the category of “other” funds appropriated to agencies. However, OMB requires agencies to identify anticipated special and federal fund components of their other funds appropriations. Although these amounts are subject to change as the biennium progresses, as of the date of this publication, agencies have indicated that the \$14.02 billion other funds appropriation includes the following:

Federal funds	\$ 5.67 billion
Special funds	<u>8.35</u> billion
Total other funds	\$ 14.02 billion

Federal funds represent 28.0% of the legislative budget. Agencies receiving significant federal funds include the Adjutant General, Commerce, Department of Health and Human Services, Department of Public Instruction, Department of Environmental Quality, Department of Transportation, and Job Service North Dakota.

Congress sets the amount of federal funds received by states in annual appropriation sessions. The amount indicated above is the total of agencies’ estimates of what they may receive during the biennium. If anticipated federal funds are not forthcoming, the agencies cannot use all their appropriation

authority. If actual federal funds received exceed budget estimates, the agency can request from the Emergency Commission authority to accept and expend additional funds. The authority of the Emergency Commission to approve such requests is limited to \$50.0 million for the biennium.

Special funds represent 41.2% of the legislative budget. Special funds are dedicated funds usually earmarked for specific purposes. One example is the state gas tax, earmarked for Department of Transportation functions. The authority of the Emergency Commission to approve such requests is limited to \$20.0 million for the biennium.

Agencies with significant amounts of dedicated funds include the Retirement and Investment Office, Public Employees Retirement System, and the Department of Trust Lands, which operate on interest from investments. The Bank of North Dakota and the North Dakota Mill and Elevator Association operate on their own profits. Agencies like the Information Technology Department and the Shared Services division of the Office of Management and Budget charge agencies for services provided. The Game and Fish Department has other funds from hunting and fishing licenses.

These special, dedicated funds are estimates provided by state agencies and are included as part of the legislatively authorized “other funds” appropriation.

OIL AND GAS TAXES

2023-25 Biennium

North Dakota oil prices slightly exceeded the original legislative forecast, averaging approximately \$70 per barrel compared to the March 2023 legislative average forecast price of \$66 per barrel. The 2025 legislature revised the oil tax forecast to \$62 per barrel for the remaining months of the 2023-25 biennium. Production has averaged nearly 1.2 million barrels per day during the 2023-25 biennium. The 2025 legislature revised forecast assumed 1.15 million barrels per day of production through the remainder of the biennium.

Based on the revised forecast, oil extraction and gross production tax collection are projected to total \$5.66 billion during the 2023-25 biennium, allocated as shown on the table at the end of this section.

2025-27 Biennium

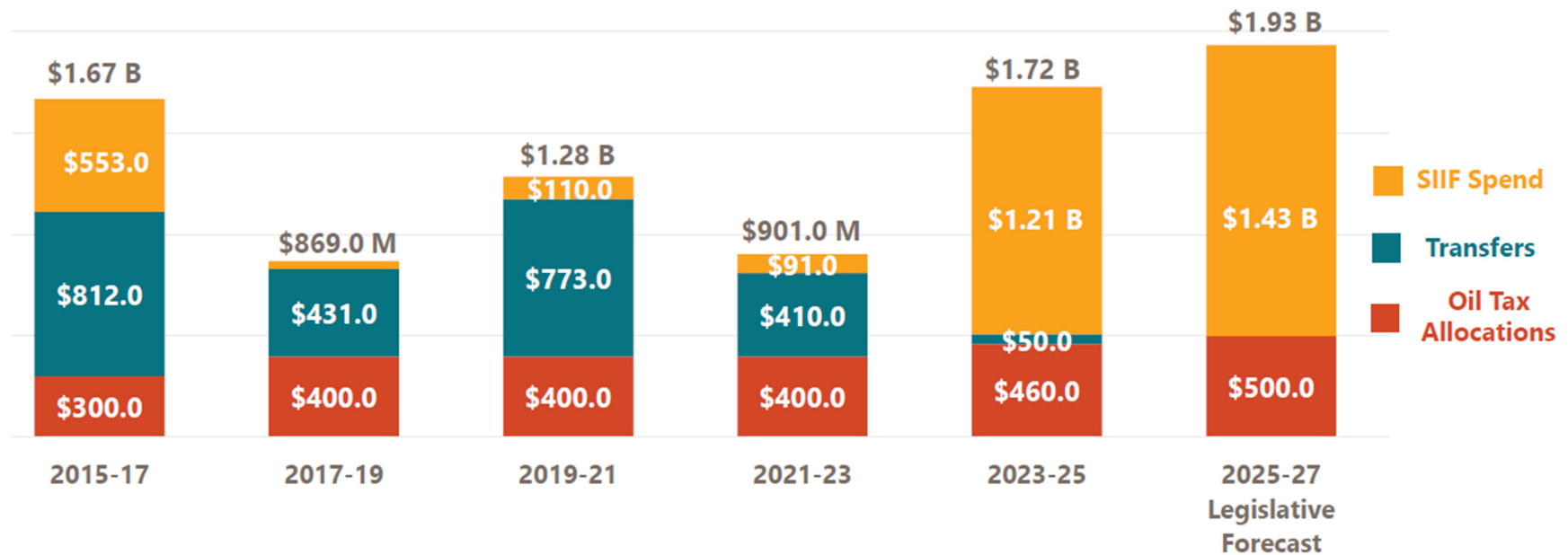
North Dakota oil prices are anticipated to decrease to \$59 per barrel during the first year of the 2025-27 biennium and then drop slightly to \$57 per barrel in the second year. Production is assumed to remain relatively constant at 1.15 million barrels per day for the first year of the biennium and 1.1 million barrels per day for the second year of the biennium. Based on the legislative forecast, oil and gas extraction and gross production tax collections are projected to total \$4.27 billion during the 2025-27 biennium, allocated as shown on the table at the end of this section.

The 2025 legislature enacted several changes affecting the allocation of oil and gas taxes, including:

- **HB 1483** expands the reduction in the oil extraction tax rate for wells drilled and completed outside the Bakken and Three Forks formations. Previous law provided for a reduced rate of 2.0% on the first 75,000 barrels produced during the first 18 months. HB 1483 provides for a 2.0% rate on the first 300,000 barrels produced during the first 36 months.
- **SB 2012** amends the state's share of oil and gas tax revenues to allocate funding to the municipal and county and township infrastructure funds before the Public Employees Retirement System fund and decreases the allocation from \$115.0 million to \$80.0 million for each of the infrastructure funds. Additionally, the bill removes the \$400.0 million allocation to the Strategic Investment and Improvements Fund.
- **SB 2323** provides for a new allocation for hub city debt relief of \$21.0 million per biennium. Additionally, the bill limits the allocation of the oil and gas gross production tax revenues to the North Dakota Outdoor Heritage Fund to \$7.5 million per fiscal year for the 2025-27 biennium and increases the allocation of oil and gas tax revenues to the Oil and Gas Research Fund by \$7.5 million, to provide a total of \$17.5 million, for the 2025-27 biennium. Finally, the bill increases the allocations to the General Fund by \$40.0 million per biennium, from \$460.0 million to \$500.0 million

- **SB 2397** expands the exemption for gas used at the well site and creates an exemption for gas produced from an enhanced oil recovery project. The bill also provides an oil extraction tax exemption on the first 250,000 barrels of oil during the first 36 months after completion of a development incentive well.

**Oil Tax Allocations and Transfers to the General Fund
and Strategic Investment and Improvements Fund (SIIF) Spending**



2023-25 and 2025-27 Estimated Oil Tax Allocations

	Revised ^{\1} 2023-25	Legislative ^{\2} 2025-27
Counties and Cities	\$ 815,963,000	\$ 657,280,000
Tribal Allocations	516,765,000	380,600,000
Legacy Fund	1,546,096,000	1,168,690,000
Foundation Aid Stabilization Fund	230,531,000	172,930,000
Common Schools Trust Fund	230,531,000	172,930,000
Resources Trust Fund	468,388,000	350,310,000
Renewable Energy Development Fund	3,000,000	3,000,000
Energy Conservation Fund	1,200,000	1,200,000
Oil and Gas Research Fund	17,500,000	17,500,000
State Energy Research Fund	7,500,000	7,500,000
ND Outdoor Heritage Fund	15,000,000	15,000,000
Well Plugging and Site Reclamation Fund	15,000,000	14,480,000
General Fund	460,000,000	500,000,000
Social Services Fund	250,000,000	250,000,000
Budget Stabilization Fund	-	-
State Disaster Fund	8,450,480	7,560,000
Public Employees Retirement Fund	65,000,000	65,000,000
Municipal Infrastructure Fund	115,000,000	80,000,000
County/Township Infrastructure Fund	115,000,000	80,000,000
Airport Infrastructure Fund	20,000,000	20,000,000
Lignite Research Fund	10,000,000	10,000,000
Strategic Investment & Improvements Fund	750,500,000	295,530,000
Total Oil and Gas Taxes	\$ 5,661,424,480	\$ 4,269,510,000

\1 Preliminary revenue estimates through June 30, 2025, based on the March 2025 legislative revenue forecast.

\2 The March 2025 legislative forecast assumes an average North Dakota price of \$59.00 for the first year of the biennium and \$57.00 for the second year of the biennium. Production is estimated at 1.15 million barrels per day for the first year and 1.10 million barrels per day for the second year.

OIL EXTRACTION AND PRODUCTION TAX ALLOCATIONS

2025-27 Biennium
March 2025 Legislative Forecast

Tax Assessed on Gross Value of Oil Produced*

■ Extraction Tax
■ Production Tax
■ Combined Tax Sources

* Excludes tax allocations to tribes; includes gross production tax assessed on units of natural gas produced

5% Extraction Tax

Common Schools Trust Fund 10%

Foundation Aid Stabilization Fund 10%

Resources Trust Fund (RTF) 20.5%

3.5%

Renewable Energy Development Fund
(up to \$3 million)

Energy Conservation Fund
(up to \$1.2 Million)

Legacy Fund
(30% of total oil tax collections)

Oil and Gas Research Fund
(up to \$17.5 million)

State Energy Research Center Fund
(Up to \$7.5 million)

General Fund
(Up to \$250 million)

Social Services Fund
(up to \$250 million)

Budget Stabilization Fund
(up to \$75 million)

General Fund
(up to \$250 million)

Lignite Research Fund
(up to \$10 million)

State Disaster Relief Fund
(up to \$20 million)

Non-oil Producing Political Subs -
Municipal and County/Township
Infrastructure Funds (up to \$160 million)

Public Employees Retirement Fund
(up to \$65 million)

Airport Infrastructure Fund)
(up to \$20 million)

Strategic Investment and
Improvements Fund (SIIF)

5% Gross Production Tax

20%

ND Outdoor Heritage Fund
(up to \$15 million)

Site Reclamation Fund
(up to \$15 million)

Hub City, Hub School,
Supplemental School
Funding, Hub City
Debt Relief 80%

\$0 to \$5 million
per county

100% to cities,
counties, schools,
townships

70%

> \$5 million per
county

30% to cities,
counties, schools,
townships

STATE OF NORTH DAKOTA

Economic Outlook

Moody's Analytics, the state's economic forecasting consultant, projects continued stable growth in the North Dakota economy and in state tax revenue collections.

Recent economic performance in North Dakota is mostly positive, with payroll growth that is stronger than the rest of the Midwest and US average, and widespread strength across most industry sectors. Although labor force constraints have typically hampered economic growth, the North Dakota labor force has been expanding at an encouraging rate above the national average.

Energy is a key driver of the North Dakota economy. Although global economic uncertainty may stifle demand and keep prices low in the near term, North Dakota is likely in a better position than other energy producing states. Tariffs on Canadian crude will likely push ND crude prices higher relative to West Texas Intermediate and narrow the traditional "discount" on ND crude. The agriculture sector in ND, another key driver of the state's economy, has struggled in recent years with low commodity prices, with the bright spot being record high cattle prices. Wheat prices have declined since 2022, and trade uncertainty and Canadian tariffs could make matters worse in the near term for this important agricultural commodity.

The current federal administration goal of increasing domestic oil production may benefit North Dakota in terms of federal regulatory structure but will likely lead to a lower oil price. Moody's predicts ND crude to remain in the upper \$50's to

FINANCIAL SUMMARY

low \$60's per barrel through fiscal year 2029, a price that will likely limit future capital investment and keep drilling at a level that will maintain, but not grow, oil production.

Long-term Forecast

The long-term forecast through fiscal year 2029, is not part of the state's official budget, but is developed by Moody's Analytics for long-term planning purposes. This forecast includes the state's four major tax types: sales and use tax, individual income tax, corporate income tax, and motor vehicle excise tax. The outlook is for continued moderate growth through the long-term forecast horizon for all four major tax types.

Sales and use tax has a strong correlation to energy activity. As fewer drilling rigs continue to operate and drilling efficiency improves, there will be a diminishing positive impact on sales and use tax collections. However, tariffs and inflation will likely increase prices overall and lead to moderate growth in sales and use tax collections.

Motor vehicle excise tax collections will be limited by lackluster demand. Relatively high interest rates and upward pressure on prices will limit demand and lead to a fairly flat forecast for motor vehicle excise tax revenues through 2029.

Individual income tax collections in the 2023-25 biennium were impacted by 2023 legislative changes that reduced rates retroactively to the beginning of calendar year 2023. This led to over withholding and larger refunds in 2024. Now that

STATE OF NORTH DAKOTA

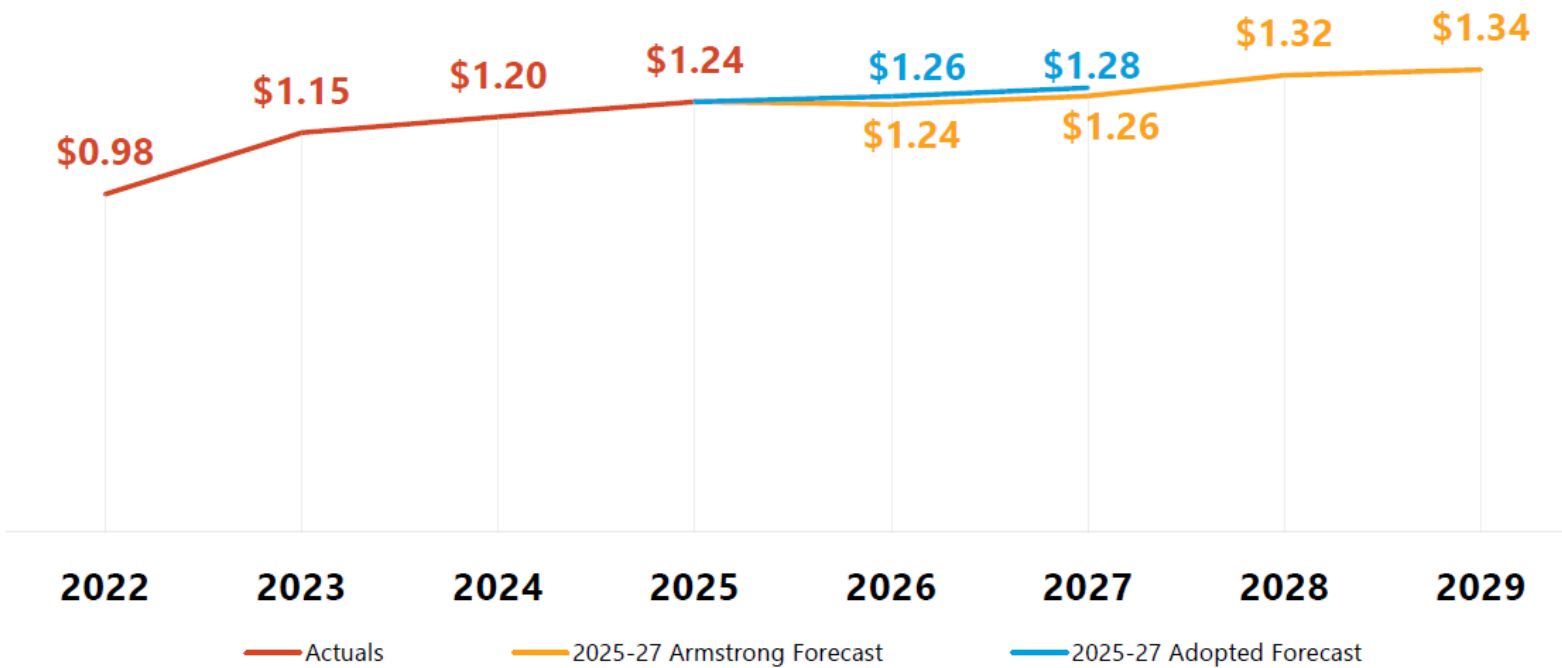
withholding schedules have been adjusted and the new rate structure has been in place, 2025 will serve as a more reliable benchmark for future growth. Personal income will continue to rise, but at a rate lower than in recent years. Growth after 2025 is expected to average 3.5% to 4.0% per year through 2029.

Corporate income tax, and underlying corporate profits, are expected to decline in 2026, giving up some of the gains

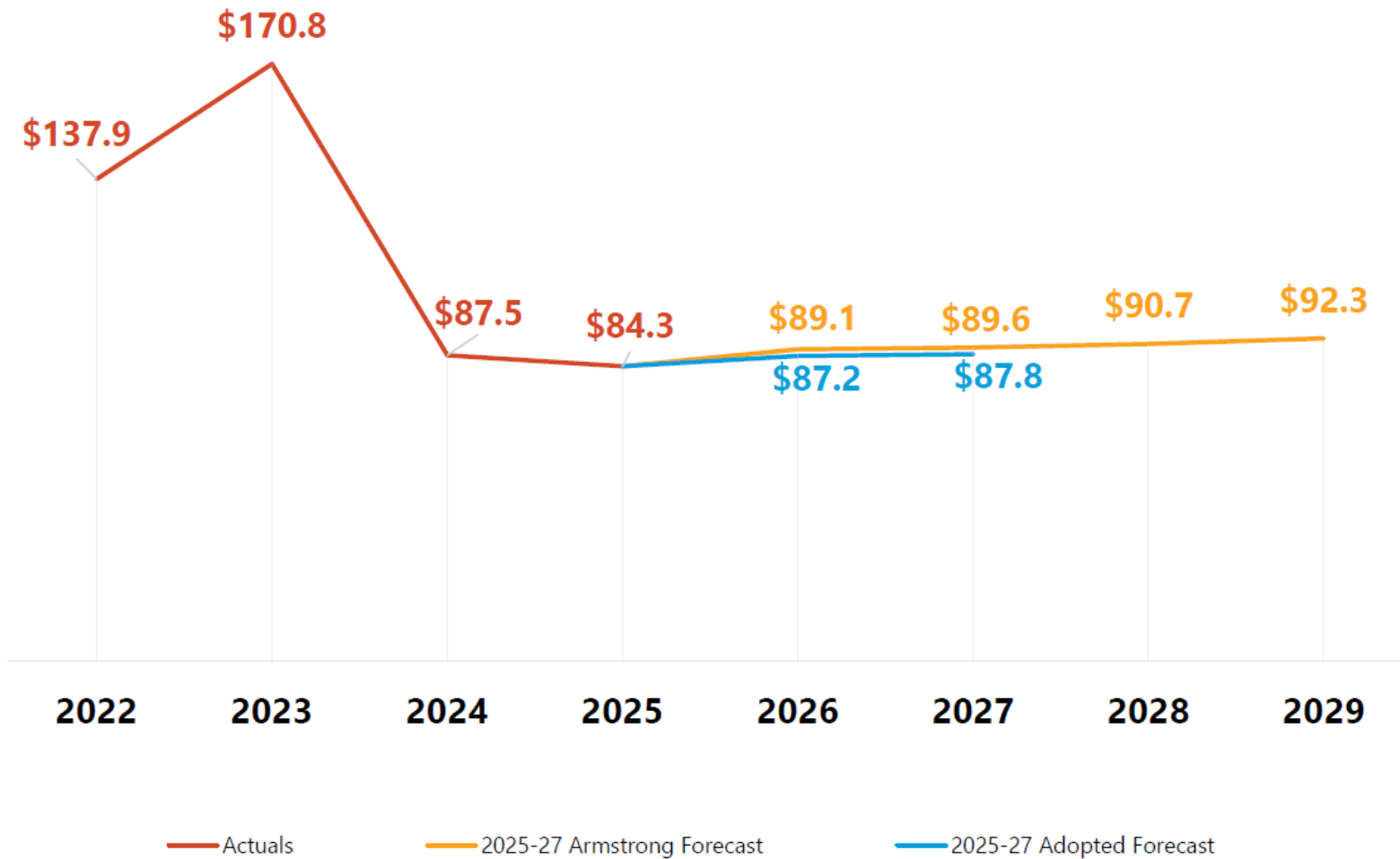
FINANCIAL SUMMARY

realized in 2025, with a return to moderate growth in the subsequent years. Slowing economic growth, continued high interest rates, and a tight labor market will limit growth nationally. Those factors, along with North Dakota's heavy weighting of the industrial mix towards energy and agriculture, will further limit growth in North Dakota during the long-term forecast period.

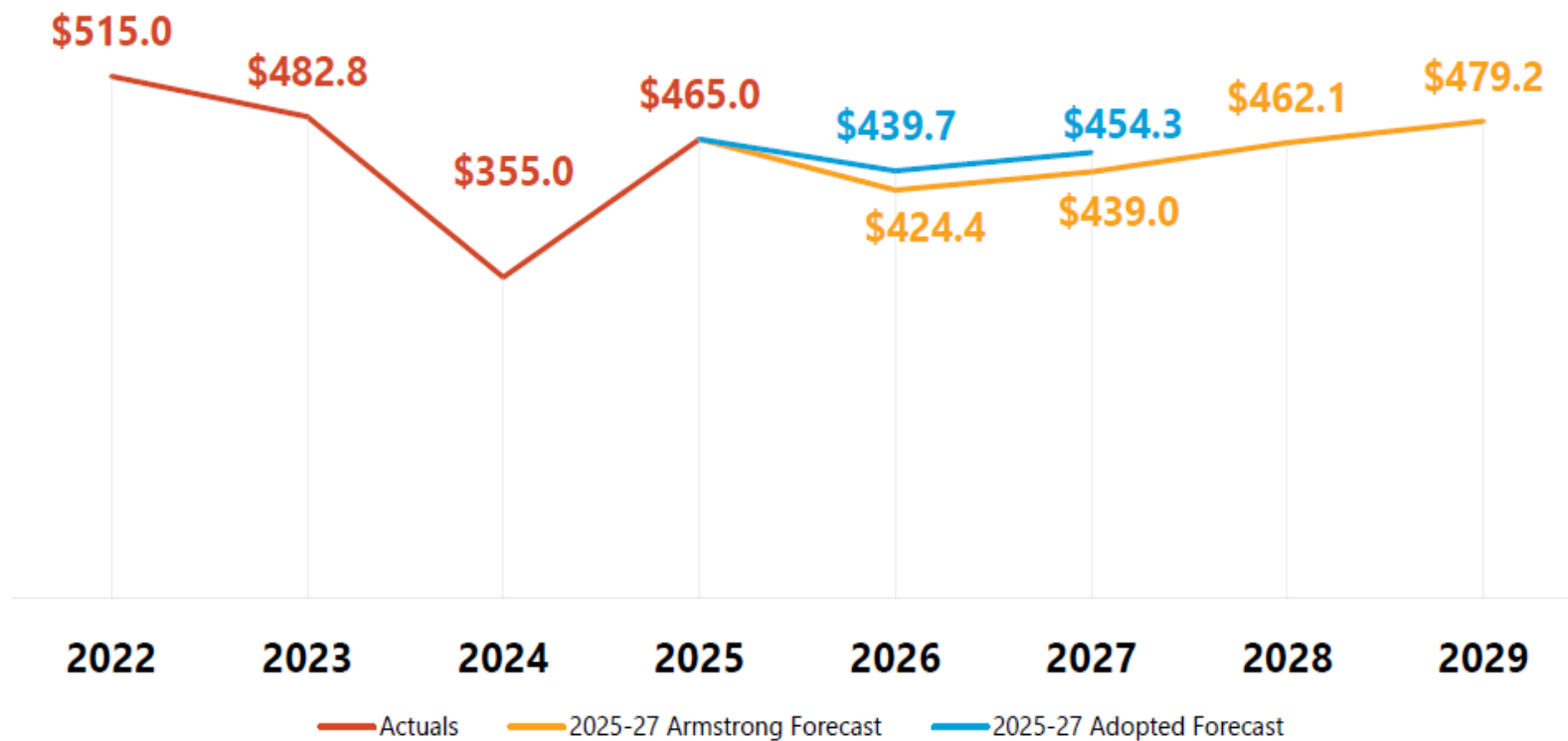
Sales and Use Taxes (in billions)



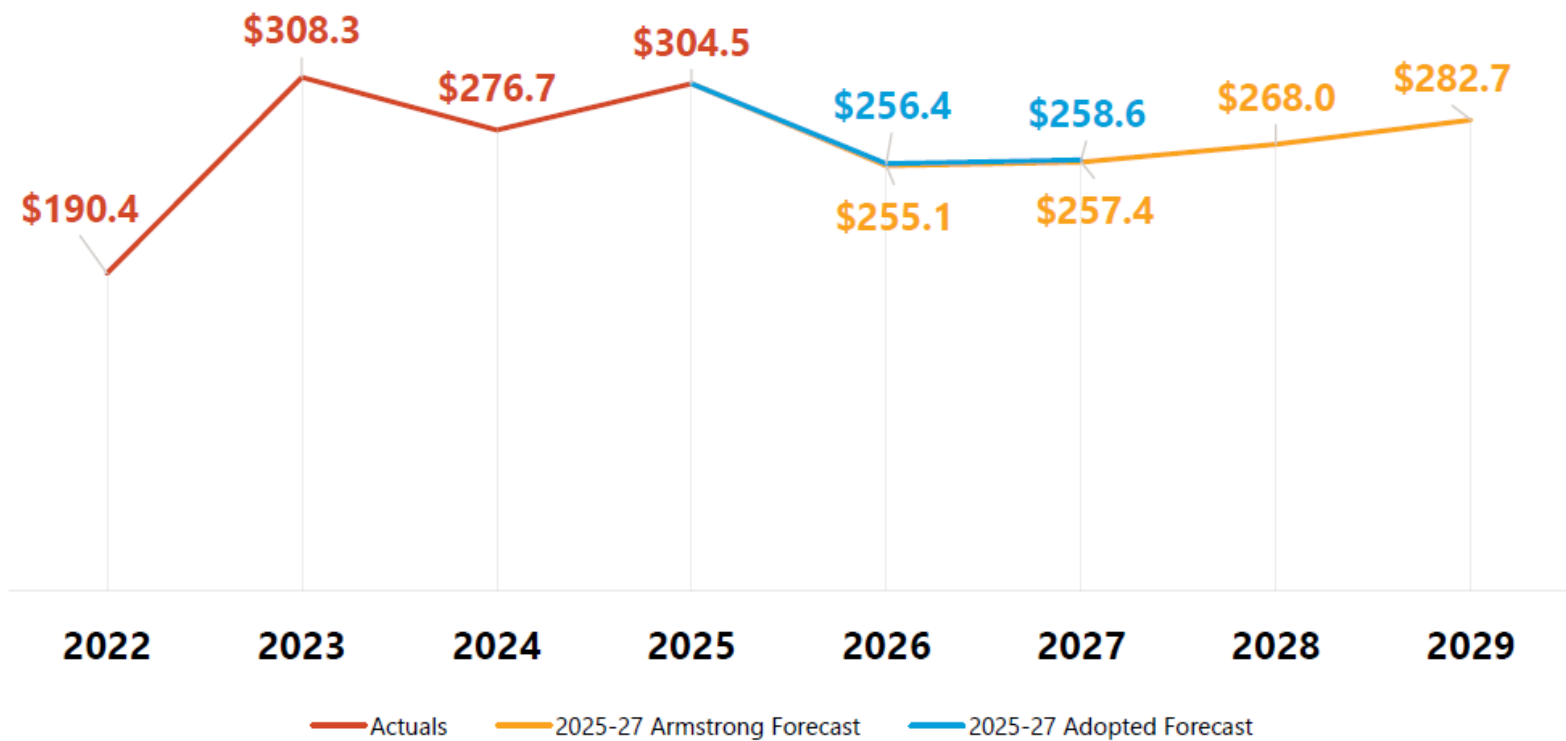
Motor Vehicle Excise Tax (in millions)



Individual Income Tax (in millions)



Corporate Income Tax (in millions)



STATE OF NORTH DAKOTA

FINANCIAL SUMMARY

2025-27 Agency Fund Matrix

Agency	General Fund	Major Special Funds ¹¹									Other Special Funds ¹²			Non-Major Special Funds	Federal Funds
		ITD	Tuition Apprtn- mnt	Foundation Aid Stabil	DHHS	Water Comm	Highway	Higher Ed Funds \3	Legacy Earnings Fund	Strategic Invest & Improve	Community Health Trust	Disaster Relief			
General Government															
Executive Branch															
101 Office of the Governor	X														
108 Office of the Secretary of State	X									X			X	X	
110 Office of Management and Budget	X									X			X	X	
112 Information Technology Department (ITD)	X	X								X			X	X	
117 Office of the State Auditor	X												X	X	
120 Office of the State Treasurer	X									X					
125 Office of the Attorney General	X									X	X		X	X	
127 Office of the State Tax Commissioner	X								X					X	
140 Office of Administrative Hearings													X		
188 Comm on Legal Counsel for Indigents	X												X		
190 Retirement and Investment Office													X		
192 Public Employees Retirement System													X		
195 Ethics Commission	X														
Legislative and Judicial Branches															
150 Legislative Assembly	X														
160 Legislative Council	X												X		
180 Judicial Branch	X									X			X	X	
Education															
Elementary, Secondary, and Other Education															
201 Department of Public Instruction (DPI)	X		X	X						X			X	X	
204 Center for Distance Education															
226 Trust Lands										X			X		
250 State Library	X												X	X	
252 School for the Deaf	X												X	X	
253 ND Vision Services/School for the Blind	X												X		
270 Dept. of Career & Technical Education	X									X			X	X	
Higher Education															
215 North Dakota University System Office	X									X			X		
227 Bismarck State College	X							X					X		
228 Lake Region State College	X							X		X			X		
229 Williston State College	X							X					X		
230 University of North Dakota	X							X		X	X		X		
232 UND Medical Center	X							X					X		
235 North Dakota State University	X							X		X			X		
238 ND State College of Science	X							X					X		
239 Dickinson State University	X							X					X		
240 Mayville State University	X							X		X			X		
241 Minot State University	X							X		X			X		
242 Valley City State University	X							X					X		
243 Dakota College at Bottineau	X							X					X		
244 North Dakota Forest Service	X									X			X	X	
Health and Human Services															
303 Department of Environmental Quality	X									X			X	X	
313 Veterans Home	X												X		
315 Office of Guardianship & Conservatorship	X														
316 Indian Affairs Commission	X												X		
321 Department of Veterans Affairs	X														X
325 Department of Health and Human Services	X				X					X	X		X	X	
360 Protection and Advocacy Project	X													X	
380 Job Service North Dakota	X												X	X	

2025-27 Agency Fund Matrix

Agency	General Fund	Major Special Funds ¹¹									Other Special Funds ¹³		Non-Major Special Funds	Federal Funds
		ITD	Tuition Apprtn- mnt	Foundation Aid Stabil	DHHS	Water Comm	Highway	Higher Ed Funds ¹³	Legacy Earnings Fund	Strategic Invest & Improve	Community Health Trust	Disaster Relief		
Regulatory														
401 Office of the Insurance Commissioner													X	X
405 Industrial Commission	X									X			X	X
406 Office of the Labor Commissioner	X												X	X
408 Public Service Commission	X												X	X
412 Aeronautics Commission	X									X			X	X
413 Dept. of Financial Institutions													X	
471 Bank of North Dakota													X	
473 North Dakota Housing Finance Agency										X			X	X
474 Dept. of Mineral Resources	X									X			X	X
475 North Dakota Mill and Elevator													X	
485 Workforce Safety and Insurance													X	
Public Safety														
504 Highway Patrol	X												X	X
530 Department of Corrections & Rehab	X									X			X	X
540 Adjutant General	X									X		X	X	X
Agriculture, Economic Development, and Agriculture and Economic Development														
601 Dept. of Commerce	X									X			X	X
602 North Dakota Department of Agriculture	X									X			X	X
627 Upper Great Plains Transportation Institute	X												X	X
628 Branch Research Centers	X												X	
630 NDSU Extension Service	X												X	X
638 Northern Crops Institute	X												X	
640 NDSU Main Research Center	X									X			X	X
649 Agronomy Seed Farm													X	
665 North Dakota State Fair	X									X				
670 Racing Commission	X												X	
Natural Resources														
701 State Historical Society	X									X			X	X
709 Council on the Arts	X												X	X
720 Game and Fish Department													X	X
750 Department of Parks and Recreation	X									X			X	X
770 Department of Water Resources						X							X	X
Transportation														
801 Department of Transportation	X						X		X	X			X	X

\1 Major Special Funds are those state special funds which include appropriated expenditures of \$100.0 million or more per biennium.

\2 Other Special Funds do not meet the definition of Major Special Funds but are of particular interest to policymakers and other constituents.

\3 Higher Education funds are comprised of Tuition Revenue, Auxiliary Funds, and Grants and Contracts.

STATE OF NORTH DAKOTA

FINANCIAL SUMMARY

Consolidated Funds Statement – All Appropriated Funds 2023-25 Biennium

		Major Special Funds\ ¹							Non-Major		
	General Fund\2	ITD Service\3	Tuition Apportionment\3	Foundation Aid Stabilization \3	Human Services\3	Water Commission\3	Highway\3	Higher Ed Funds \3	Special Funds\3	Federal Funds\4	Combined Total
Revenues											
Sales and excise taxes	\$2,207,194,250						\$171,500,000				\$2,378,694,250
Income taxes	1,428,110,296										1,428,110,296
Oil and gas taxes	460,000,000			\$157,000,000							617,000,000
Charges for services/permits/licenses	158,958,101	\$214,000,000			\$437,680,143		67,170,000	\$2,229,296,536			3,107,104,780
Insurance premium taxes	139,052,009										139,052,009
Investment and interest income	30,000,000		\$499,860,000								529,860,000
Fines and forfeitures							2,600,000				2,600,000
Transfers from general fund											0
Transfers from special funds	475,091,800		11,000,000			\$862,780,315	532,600,000	209,976,971			2,091,449,086
Reimbursement for political subdivisions							152,100,000				152,100,000
Sale of materials							4,000,000				4,000,000
Miscellaneous	71,158,844					116,450,500	200,000				187,809,344
Non-major special fund revenue									\$629,313,983		629,313,983
Federal funds										\$6,378,987,436	6,378,987,436
Total revenues	\$4,969,565,300	\$214,000,000	\$510,860,000	\$157,000,000	\$437,680,143	\$979,230,815	\$930,170,000	\$2,439,273,507	\$629,313,983	\$6,378,987,436	\$17,646,081,184
Expenditures											
General government	\$683,193,886	\$214,496,866							\$278,780,163	\$265,456,541	\$1,441,927,456
Elementary and secondary education	1,808,220,654		\$510,860,000	\$157,000,000					61,587,213	532,518,702	3,070,186,569
Higher education	849,248,766							\$2,439,273,507	0	0	3,288,522,273
Health and human services	2,078,182,543				\$325,271,417				175,551,438	3,448,891,098	6,027,896,496
Regulatory	63,786,085								455,797,720	74,532,689	594,116,494
Public safety	331,192,437								205,629,637	350,941,922	887,763,996
Agriculture and economic development	233,093,357								303,479,487	229,089,969	765,662,813
Natural resources	38,900,809					\$805,316,883			199,685,461	258,254,070	1,302,157,223
Transportation	10,375,000						\$843,927,556		232,489,392	1,219,302,445	2,306,094,393
Total expenditures	\$6,096,193,537	\$214,496,866	\$510,860,000	\$157,000,000	\$325,271,417	\$805,316,883	\$843,927,556	\$2,439,273,507	\$1,913,000,511	\$6,378,987,436	\$19,684,327,713

STATE OF NORTH DAKOTA

FINANCIAL SUMMARY

Consolidated Funds Statement – All Appropriated Funds 2025-27 Biennium

	General Fund\2	Major Special Funds\1							Non-Major Special Funds\3	Federal Funds\4	Combined Total
		ITD Service\3	Tuition Apportionment\3	Foundation Aid Stabilization \3	Human Services\3	Water Commission\3	Highway\3	Higher Ed Funds \3			
Revenues											
Sales and excise taxes	\$2,544,000,000						\$175,000,000				\$2,719,000,000
Income taxes	1,583,983,501										1,583,983,501
Oil and gas taxes	500,000,000			\$233,000,000							733,000,000
Charges for services/permits/licenses	175,029,310	\$217,965,926			\$460,761,584		60,700,000	\$2,322,850,018			3,237,306,838
Insurance premium taxes	113,425,000										113,425,000
Investment and interest income	62,000,000		\$584,677,350								646,677,350
Transfers from special funds	272,414,974		11,000,000			\$515,841,150	931,400,000	170,256,814			1,900,912,938
Reimbursement for political subdivisions							73,600,000				73,600,000
Sale of materials							2,000,000				2,000,000
Miscellaneous	78,308,597					313,258,335	4,600,000				396,166,932
Non-major special fund revenue									\$340,043,660		340,043,660
Federal funds										\$5,666,738,182	5,666,738,182
Total revenues	\$5,329,161,382	\$217,965,926	\$595,677,350	\$233,000,000	\$460,761,584	\$829,099,485	\$1,247,300,000	\$2,493,106,832	\$340,043,660	\$5,666,738,182	\$17,412,854,401
Expenditures											
General government	\$546,626,525	\$127,063,288							\$918,301,573	\$73,421,878	\$1,665,413,264
Elementary and secondary education	1,803,222,872		\$595,677,350	\$233,000,000					48,048,976	470,663,283	3,150,612,481
Higher education	884,921,221							\$2,493,106,832	0	0	3,378,028,053
Health and human services	2,277,554,086				\$449,564,221				147,682,236	3,219,011,743	6,093,812,286
Regulatory	57,386,984								598,567,594	74,059,755	730,014,333
Public safety	433,704,542								178,801,331	310,819,553	923,325,426
Agriculture and economic development	206,921,092								265,418,629	69,046,520	541,386,241
Natural resources	42,077,503					\$717,871,884			183,728,392	121,930,539	1,065,608,318
Transportation	4,000,000						\$811,232,181		583,075,173	1,327,784,911	2,726,092,265
Total expenditures	\$6,256,414,825	\$127,063,288	\$595,677,350	\$233,000,000	\$449,564,221	\$717,871,884	\$811,232,181	\$2,493,106,832	\$2,923,623,904	\$5,666,738,182	\$20,274,292,667

Notes:

\1 Major special funds are those state special funds which include appropriated expenditures of \$100.0 million or more per biennium.

\2 General Fund revenues are based on the 2025-27 legislative revenue forecast. General Fund expenditures are based on original legislative appropriations authorized by the 2025 legislature.

\3 Revenue and expenditure estimates are amounts included in each agency's budget request for the 2025-27 biennium, adjusted for legislative changes.

\4 Federal funds revenue is not included in budget documents but for the purposes of this schedule is assumed to be equal to estimated expenditures. Estimated expenditures are equal to appropriation authority.

**General Fund
Status Statement**

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$1,122,353,345	\$1,488,329,948 ^{\2}	\$1,153,803,060
Revenues:			
Total Revenue	\$5,319,841,937	\$5,521,886,605 ^{\3}	\$5,329,161,382 ^{\3}
Expenditures:			
One-time Appropriations	(\$114,598,493)	(\$240,590,721)	(\$143,234,260)
Ongoing Appropriations	(4,878,358,837)	(5,856,738,816)	(6,113,180,565)
Adjustment for Emergency Clauses	(17,634,093)	1,846,593	0
Supplemental Appropriations	(48,352,655)	(71,126,389)	0
Unspent Authority/Adjustments	282,538,937	334,229,033	0
Total Expenditures	(\$4,776,405,141)	(\$5,832,380,300)	(\$6,256,414,825)
Ending Balance before Transfers	\$1,665,790,141	\$1,177,836,253	\$226,549,617
Transfers and Adjustments:			
Transfer to Budget Stabilization Fund	(\$176,601,907) ^{\4}	(\$24,033,193) ^{\4}	\$0
Adjustments and Cash Certifications	(858,286)	0	0
Total Transfers and Adjustments	(\$177,460,193)	(\$24,033,193)	\$0
Ending Fund Balance	\$1,488,329,948	\$1,153,803,060	\$226,549,617

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2023.

\2 Actual July 1, 2023 balance.

\3 Based on actual collections through May 31, 2025, and the May 2025 revised forecast for the 2023-25 biennium and the May 2025 legislative revenue forecast for the 2025-27 biennium.

\4 NDCC 54-27.2-01 requires a transfer of the ending General Fund balance in excess of \$65.0 million to the Budget Stabilization Fund, sufficient to bring the balance of the Budget Stabilization Fund to 15.0% of appropriations.

Budget Stabilization Fund
Status Statement

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$748,943,600	\$914,429,031 ^{\2}	\$938,462,224
Revenues:			
Interest Earnings (Loss)	(\$20,762,725)	\$103,143,877	\$96,614,000
Oil and Gas Tax Allocations	9,646,249 ^{\3}	0 ^{\3}	0 ^{\3}
Transfer from General Fund	176,601,907	24,033,193 ^{\4}	0
Total Revenue	\$165,485,431	\$127,177,070	\$96,614,000
Transfers:			
Transfers to General Fund	\$0	(\$103,143,877)	(\$96,614,000)
Ending Fund Balance	\$914,429,031	\$938,462,224	\$938,462,224

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2023.

\2 Actual July 1, 2023 balance.

\3 2017 HB 1152 provides for an allocation of oil and gas tax revenues of up to \$75.0 million, to the Budget Stabilization Fund each biennium, but not in an amount that would bring the balance of the fund above the limit in NDCC 54-27.2-01.

\4 Estimated transfer from the General Fund based on actual General Fund revenue collections through May 31, 2025, final appropriation levels and provisions included in NDCC 54-27.2-01.

Notes:

The Budget Stabilization Fund is a statutory fund created in 1987. NDCC 54-27.2-02 provides that any end of biennium balance in the General Fund in excess of \$65.0 million be transferred to the Budget Stabilization Fund, subject to the provisions of NDCC 54-27.2-01.

Pursuant to NDCC 54-27.2-01, the fund is limited to no more than 15.0% of current biennial general fund appropriations, as finally approved by the most recently adjourned special or regular session of the legislative assembly. Any deposits or interest that would otherwise be deposited or retained in the fund must instead be deposited in the General Fund once the maximum balance is reached.

NDCC 54-27.2-03 provides requirements on transfers from the Budget Stabilization Fund to the General Fund with the first transfer allowable only after General Fund allotments totaling at least 3.0% have been made.

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Capitol Building Trust Fund
Status Statement

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$3,462,485	\$7,480,758 ^{\2}	\$6,973,402
Revenue:			
Rent, Royalties and Bonuses	\$6,655,602	\$4,303,796	\$1,915,894
Investment Income	402,752	1,371,173	689,024
Total Revenue	<u>\$7,058,354</u>	<u>\$5,674,969</u> ^{\3}	<u>\$2,604,918</u>
Expenditures/Transfers:			
Capitol Grounds Continuing Approp	(\$250,000) ^{\4}	(\$250,000) ^{\4}	(\$250,000) ^{\4}
Capitol Grounds Planning Meetings	(25,000)	(25,000)	(25,000)
Facilities Management Projects	(1,093,799)	(5,375,000)	(5,350,000) ^{\5}
Facilities Management Extraordinary Repairs	(500,000)	0	(500,000) ^{\5}
Facilities Management-Special Assessments	(198,066)	0	0
ADA Improvements	(775,000)	(150,000)	0
Administrative Expense	(190,615)	(373,680)	(400,000)
Income Payments to Counties	(7,601)	(8,645)	(11,000)
Total Expenditures	<u>(\$3,040,081)</u>	<u>(\$6,182,325)</u>	<u>(\$6,536,000)</u>
Ending Fund Balance	\$7,480,758	\$6,973,402	\$3,042,320

\1 Final revenue and expenditures per Department of Trust Lands report.

\2 Actual July 1, 2023 balance.

\3 Based on actual revenue through May 31, 2025 and estimated revenue for the remainder of the biennium.

\4 NDCC 48-10-02 provides a continuing appropriation to the Capitol Grounds Planning Commission to spend up to \$250,000 per biennium of income and interest of the Capitol Building Trust Fund. The amount that may be spent may not exceed 50.0% of the unencumbered balance of the fund on the first day of the biennium.

\5 Section 13 of 2025 HB1015 appropriates \$2.4 million for projects at the Governor's residence, \$3.0 million for capitol building improvements, and \$500,000 as an ongoing funding source to be used for miscellaneous repairs at the Capitol.

Community Health Trust Fund
Status Statement

	2021-23 Actual ¹¹	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$26,666,703	\$31,973,947 ¹²	\$20,925,706
Revenues:			
Transfers from the Tobacco Settlement Trust	\$48,100,931	\$43,151,312	\$40,000,000
Transfer Tobacco Prevention and Control Trust Fund	2,056,437	0 ¹⁵	0
Juul Settlement	89,884	1,390,271	928,457
Total Revenue	\$50,247,252	\$44,541,583	\$40,928,457
Expenditures:			
Dental Loan Repayment Program	(\$246,872)	(\$360,000) ¹³	(\$360,000)
Behavior Loan Repayment Program	(192,247)	(84,500)	(234,500)
Tobacco Prevention and Control	(10,276,902)	(10,643,000) ¹⁴	(4,549,698)
Tobacco Cessation and Youth Vaping Prevention	0	(800,000)	(800,000)
Women's Way Program	(323,611)	(329,500)	(329,500)
Cancer Programs	(575,355)	(580,324)	(580,324)
Behavioral Risk Factor State Survey (BRFSS)	(24)	(200,000)	(200,000)
Domestic Violence Treatment and Prevention	(299,997)	(2,000,000)	(4,250,000)
Local Public Health (LPH) State Aid	(525,000)	(3,275,000)	(3,275,000)
Tobacco Prevention Grants (LPH)	0	0 ¹⁴	(6,250,000)
Statewide Health Strategies	0	(1,500,000)	0
Forensic Examiner Contract	(1,000,000)	(1,000,000)	0
Child Support IT Project	0	(20,400,000)	0
988 Crisis Hotline	0	(1,867,500)	(1,867,500)
Cross-disability Advisory Council	0	(700,000)	0
Basic Care Funding Rate Study	0	(600,000)	0
Health Care Task Force	0	(750,000)	0
Rural EMS and Ambulance	0	(7,000,000)	(7,000,000)
Law Enforcement Rural Crisis Support	0	0	(1,000,000)
UND School of Medicine Clinically Integrated Network	0	(3,500,000)	0
Medical Services	(31,500,000)	0	0
Food and Lodging IT System	0	0	(335,000)
Vocational Rehabilitation IT System	0	0	(1,000,000)
Forensic Examiner E-Health Record System	0	0	(278,000)
Partial Hospitalization / Day Treatment	0	0	(2,000,000)
Critical Access Hospital Network Grant	0	0	(2,000,000)
Intermediate Care Facility Grant	0	0	(4,400,000)
Cultural Programming Grant	0	0	(300,000)
UND Allied Health Facility	0	0	(5,000,000)
AG Enforcement of Master Settlement Agreement	0	0	(239,716)
Total Expenditures	(\$44,940,008)	(\$55,589,824)	(\$46,249,238)
Ending Fund Balance	\$31,973,947	\$20,925,706	\$15,604,925

- \1 Final revenues and expenditures per state accounting system reports dated June 30, 2023.
- \2 Actual July 1, 2023 balance.
- \3 Estimated expenditures for the 2023-25 biennium projected by the Department of Health and Human Services (DHHS).
- \4 Approved by voters in 2008, Measure #3 provides that 80.0% of the tobacco settlement revenue allocated to the Community Health Trust Fund must be spent on tobacco related programs. 2017 SB 2004 eliminated the 80.0% requirement.
- \5 The 2021 session amended NDCC 54-27-25 which removed the Tobacco Prevention and Control Trust Fund and required transfer of the fund balance to Community Health Trust Fund on July 1, 2021.

Notes:

The Community Health Trust Fund originated in 1999. The purpose of the fund is to provide for public health programs, including those emphasizing prevention or reduction of tobacco usage in the state. The revenue source for the Community Health Trust Fund is the Tobacco Settlement Trust Fund (NDCC 54-27-25). Prior to the 2019 session, all tobacco settlement monies received by the state were transferred into the Tobacco Settlement Trust Fund. Monies in the fund were transferred within 30 days of deposit:

- 10.0% to Community Health Trust Fund
- 45.0% to Common Schools Trust Fund
- 45.0% to Water Development Trust Fund

In November 2008, voters approved Measure No. 3, which creates a Tobacco Prevention and Control Trust Fund that will receive all tobacco settlement strategic contribution payments to the state. After 2017, no additional strategic contribution payments are anticipated.

2015 SB 2003 amended NDCC 57-27-25 to allow expenses related to the enforcement of the Master Settlement Agreement to be paid from the fund. Revenue appropriated to the Attorney General is removed prior to the 10.0% distribution to the Community Health Trust Fund.

2017 SB 2004 eliminated the requirement that 80.0% of the revenue be spent on tobacco related programs. HB 1012 amended NDCC 54-27-25 to increase the distribution to the Community Health Trust Fund to 55.0% and to eliminate the distribution to the Common Schools Trust Fund for the 2017-19 biennium.

2019 SB 1212 eliminated the transfer to the Common Schools Trust Fund and the Water Development Trust Fund. Instead, all revenue from the Tobacco Settlement Trust Fund will be deposited into the Community Health Trust Fund and monies in the fund may be appropriated for community-based public health program and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in the state.

2021 HB 1004 created the 80.0% deposit of any funds received by the state from the Juul settlement.

The Community Health Trust Fund is administered by the DHHS, which may use monies in the fund subject to legislative appropriation.

Disaster Relief Fund
Status Statement

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$15,396,161	\$18,524,149 ^{\2}	\$21,069,372
Revenues:			
Transfers from Oil and Gas Taxes	\$15,511,903 ^{\3}	\$8,450,480 ^{\3}	\$7,562,403 ^{\3}
Interest Earnings	51,247	360,877	60,000
Miscellaneous Reimbursements	6,035	12,703	15,000
Total Revenue	\$15,569,185	\$8,824,060	\$7,637,403
Expenditures:			
Pre-disaster Mitigation	(\$109,479)	(\$405,477)	(\$156,973)
Other Projects	(32,797)	0	0
2017 Summer Flooding	(99,164)	(28)	0
2019 Flooding	(54,745)	(451,056)	(19,162)
Flood Mitigation Programs	0	(91,373)	(2,966)
2020 Flood	569,775	(187,911)	(20,369)
2020 COVID	(1,292)	(205,806)	(137,711)
2021 Severe Storms	0	(55,094)	(1,038)
2022 Severe Storms	0	(2,625,092)	(4,043,805)
Deficiency Appropriation	(4,513,495)	0	0
Non-oil Producing Counties (2021 HB1015, Section 4)	(8,200,000)	0	0
2022 Flood Mitigation Assistance	0	(33,222)	(275,509)
2023 Spring Flooding	0	0	(284,773)
2023 Ice Storm	0	0	(404,467)
2024 Wildland Fires	0	0	(48,607)
Natural Disaster Response and Recovery Grants	0	(561,470)	0
STORM Act	0	(1,662,308)	(2,000,000)
Flood Mitigation for City of Marion	0	0	(395,252)
Total Expenditures	(\$12,441,197)	(\$6,278,837) ^{\4}	(\$7,790,632)
Ending Fund Balance	\$18,524,149	\$21,069,372	\$20,916,143

\1 Final revenue and expenditures per state accounting system reports.

\2 Actual July 1, 2023 balance.

\3 Section 35 of 2021 HB 1015 amends NDCC 57-51.1-07.5 and states that \$20.0 million is to be transferred to the Disaster Relief Fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20.0 million.

\4 Based on actual expenditures through May 31, 2025.

Notes:

NDCC Section 37-17.1-27 establishes the Disaster Relief Fund. Money is available pursuant to legislative appropriation to defray expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential-declared disasters in the state. Expenditures from the fund also require approval by the Emergency Commission and Budget Section. Interest and other fund earnings must be deposited in the fund.

Fire and Tornado Fund
Status Statement

	2021-23 Actual	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$21,643,822	\$16,300,447 \1	\$15,025,447
Revenues:			
Premium Revenue	\$4,524,180	\$26,000,000	\$29,000,000
Investment Revenue	(1,424,216)	2,400,000	1,750,000
Total Revenue	\$3,099,964	\$28,400,000	\$30,750,000
Expenditures:			
Insurance Claims	(\$6,820,154)	(\$10,000,000)	(\$10,000,000)
Claims Related / Reinsurance Expense	(1,353,794)	(17,000,000)	(17,000,000)
Administration/Investment Expenses	(74,120)	(2,500,000)	(3,200,000) \2
Fire Marshal Inspection Fees	(195,271)	(175,000)	0 \3
Total Expenditures	(\$8,443,339)	(\$29,675,000)	(\$30,200,000)
Ending Fund Balance	\$16,300,447 \1	\$15,025,447	\$15,575,447

\1 From June 30, 2023, Annual Comprehensive Financial Report (ACFR).

\2 2019 SB 2010 allowed for the transfer of the administration of the Fire and Tornado Fund to the North Dakota Insurance Reserve fund and provided that all moneys in the fund are appropriated on a continuing basis.

\3 SB 2090 Section 2 removes the requirement of the Fire Marshal to charge a fee for inspections.

Notes:

The Fire and Tornado Fund originated in 1919. The fund is maintained to insure the state and its political subdivisions against loss to public buildings and fixtures. 2025 HB 1027 transfers the administration of the Fire and Tornado Fund to the Office of Management and Budget. NDCC 26.1-22-14 requires that if the Fire and Tornado Fund balance is less than \$12.0 million, the Office of Management and Budget shall levy assessments to increase the fund balance of the fund to \$12.0 million.

Foundation Aid Stabilization Fund
Status Statement

	2021-23 Actual^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$381,550,720	\$484,246,505 \2	\$482,777,505
Revenues:			
Oil Extraction Tax Allocations	\$246,450,128	\$230,531,000 \4	\$172,930,000 \7
Transfers:			
Transfer to State School Aid	(\$143,754,343)	(\$157,000,000) \5	(\$233,000,000) \8
Transfer to School Construction Assistance Revolving Loan Fund	0	(75,000,000) \6	0
Total Transfers	(\$143,754,343)	(\$232,000,000)	(\$233,000,000)
Ending Fund Balance	\$484,246,505	\$482,777,505	\$422,707,505
15% to be Retained in Fund Balance	\$257,328,931 \3	\$250,093,242 \3	\$261,218,932 \3
Ending Fund Balance Available	\$226,917,574	\$232,684,263	\$161,488,573

\1 Final revenue and expenditures per state accounting system reports, dated June 30, 2023.

\2 Actual July 1, 2023 balance.

\3 The 15.0% to be retained in the fund is calculated based on the General Fund appropriation for state school aid for the most recently completed biennium.

\4 Based on actual revenue through May 31, 2025, and estimated revenue for the remainder of the biennium.

\5 Section 4 of 2023 SB 2013 appropriates \$157.0 million for state school aid.

\6 Section 22 of 2023 SB 2284 provides for a transfer to the School Construction Assistance Revolving Loan Fund.

\7 Revenue estimates based on the May 2025 legislative revenue forecast, which assumes ND oil prices averaging \$59 per barrel and production at 1.15 million barrels per day for fiscal year 2026 and \$57 per barrel and production at 1.1 million barrels per day for fiscal year 2027.

\8 Section 6 of 2025 HB 1013 appropriates \$233.0 million for state school aid.

Notes:

The Foundation Aid Stabilization Fund was created in 1994 upon voter approval of Article X, Section 24 of the Constitution of North Dakota. This section was amended with the approval of Measure 2 (from 2015 SCR4003) in the 2016 general election so that oil extraction taxes are to be allocated as follows:

- 10.0% to the Common Schools Trust Fund
- 10.0% to the Foundation Aid Stabilization Fund

The measure also states that 15.0% of the General Fund appropriation for state aid to school districts for the most recently completed biennium must be retained in the fund. Any amount over the 15.0% may be appropriated for education-related purposes, as provided by law.

Section 24 also provides that interest from the Foundation Aid Stabilization Fund must be transferred to the General Fund; the principal can only be spent upon order of the Governor to offset foundation aid reductions made by executive action due to a revenue shortfall. NDCC 54-44.1-12 provides that in the case of an allotment, all agencies that receive monies from a fund must be allotted on a uniform basis. The exception is that appropriations for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the Foundation Aid Stabilization Fund. Section 6 of 2017 SB 2272 amends this section of code to include the General Fund portion of appropriation to Career and Technical Education for grants to school districts.

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Health Care Trust Fund
Status Statement

	2021-23 Actual	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$165,393	\$645,860 \1	\$848,052
Revenues:			
Investment Earnings	\$2,762	\$8,848	\$2,500
Principal and Interest Repayments	1,477,705	693,344	650,000
Total Revenue	\$1,480,467	\$702,192	\$652,500
Expenditures:			
Increased Nursing Home Operating Margin	(\$1,000,000)	\$0	\$0
Basic Care Facility Bad Debt	0	(500,000)	0
Basic Care Facility Daily Rate	0	0	(1,486,160)
Total Expenditures	(\$1,000,000)	(\$500,000)	(\$1,486,160)
Ending Fund Balance	\$645,860	\$848,052	\$14,392

\1 Actual July 1, 2023 balance.

Notes:

The Health Care Trust Fund was established by the 1999 Legislative Assembly to provide grants and loans to nursing facilities. Additional uses of moneys have been approved in subsequent bienniums. Revenue for the fund was originally generated through nursing facilities funding pool payments to government nursing facilities based on the difference between Medicare and Medicaid rates for nursing care. This funding stream was known as the Intergovernmental Transfer Program (IGT). The federal government passed regulations phasing out the IGT program and the final pool payment was made to the state in July 2004. Current revenues to the fund consist of loan repayments and investment earnings.

Highway Tax Distribution Fund
Status Statement

	2021-23 Actual^{\1}	2023-25 Projected^{\2}	2025-27 Appropriated
Beginning Fund Balance	\$0	\$0	\$0
Revenues:			
Motor Vehicle Fuel Tax	\$186,107,257	\$194,900,000	\$186,000,000
Special Fuel Taxes	171,868,067	179,500,000	172,500,000
Motor Vehicle Registration Fees	179,877,477	188,800,000	184,100,000
25% Motor Vehicle Excise Tax	0	0	87,500,000
Total Revenue	<u>\$537,852,801</u>	<u>\$563,200,000</u>	<u>\$630,100,000</u> ^{\3}
Transfers:			
State Highway Fund Allocation	(\$318,752,698)	(\$331,030,900)	(\$363,449,290)
Counties Allocation	(114,732,263)	(119,400,000)	(133,000,000)
Cities Allocation	(64,663,627)	(67,200,000)	(79,000,000)
Townships Allocation	(14,039,678)	(14,600,000)	(20,600,000)
Transit Allocation	(7,799,821)	(8,100,000)	(9,700,000)
Highway Patrol	(6,320,781)	(11,256,381)	(12,836,056)
Motorboat Safety Account	(323,520)	(300,000)	(300,000)
State Snowmobile Fund	(158,332)	(148,065)	(150,000)
Hwy-Rail Grade Crossing Safety Projects Fund	(594,724)	(664,654)	(664,654)
Administrative Assistance to Transferees	(5,500,000)	(5,500,000)	(5,500,000)
Ethanol Production Incentive	(4,967,357)	(5,000,000)	(4,900,000)
Total Transfers	<u>(\$537,852,801)</u>	<u>(\$563,200,000)</u>	<u>(\$630,100,000)</u>
Ending Fund Balance	\$0	\$0	\$0

\1 Final revenues and expenditures per Department of Transportation.

\2 Revenues and expenditures based on actual collections through April 30, 2025, and estimates for the remaining months of the 2023-25 biennium.

\3 Revenues notes:

- Motor fuel tax amounts are net of amounts withheld for the refund reserve and the Motor Fuels Operating Fund. Motor fuel tax amounts include amounts collected for penalties, interest, and license and permit fees (NDCC 57-43.1-28);
- Special fuel taxes include amounts collected for penalties, and interest, and license and permit fees (NDCC 57-43.2-19);
- Up to \$332,327/year from special fuels excise taxes collected on sales of diesel fuel to a railroad must be transferred by the State Treasurer to the Rail Safety Fund (NDCC 57-43.2-19);

- Motor vehicle registrations are net of amounts withheld to pay fuel tax refunds for the International Fuel Tax Agreement (IFTA) member states, and the Motor Vehicle Operating Fund. Motor vehicle registrations exclude the fees collected by the Motor Vehicle Division but paid to other funds, such as the Motor Vehicle Excise Tax Fund, the State Aid Distribution Fund, the Motorcycle Safety Education Fund (NDCC 39-28-05), Veterans Cemetery Maintenance Fund (NDCC 39-04-10.10), All-Terrain Vehicle Fund (NDCC 39-29-01.1), and the State Rehabilitation Council Fund (NDCC 39-01-15);
- The 69th Legislative Assembly amended NDCC 54-40.3-10 in 2025 SB 2012, changing the allocation of moneys received from motor vehicle excise tax so that 25% goes to the Highway Tax Distribution Fund and 25% goes to the Flexible Transportation Fund (previously, 50% went to the Flexible Transportation Fund);
- On July first of each year, the State Treasurer transfers from the Highway Tax Distribution Fund to the motorboat program and safety account an amount equal to \$2.50 multiplied by the number of motorboats licensed with the Game and Fish Department (NDCC 20.1-02-16.6);
- Annually, an amount equal to the tax collected on 40 gallons of motor vehicle fuel multiplied by the number of snowmobiles registered must be transferred from the Highway Distribution Fund to the State Snowmobile Fund (NDCC 39-24-05); and
- The State Treasurer transfers annually from the Highway Tax Distribution Fund to the Ethanol Incentive Fund an amount equal to 40.0% of all sums collected for the registration of farm vehicles. No transfer may be made in an amount that would result in the balance of the ethanol production incentive fund exceeding \$7.5 million (NDCC 39-04-39).

Notes:

The Highway Tax Distribution Fund is a statutory fund established by NDCC 54-27-19. The fund receives moneys from motor vehicle registrations and fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. The first \$5.5 million deposited in the fund is transferred to the Highway Fund to provide administrative assistance to transferees. Appropriations for the Highway Patrol, ethanol production incentives, Highway-Rail Grade Crossing Safety Projects Fund, Motorboat Safety, and State Snowmobile Fund are deducted before remaining moneys are allocated pursuant to the following formula (effective through June 2025):

- 61.3% to the Highway Fund for use by the state DOT;
- 2.7% to Township Highway Fund for allocation to townships pursuant to NDCC 54-27-19.1;
- 1.5% to the Public Transportation Fund to be allocated pursuant to NDCC 39-04.2-04; and
- 34.5% to cities and counties, allocated pursuant to the distribution formula provided in NDCC 54-27-19.

The 69th Legislative Assembly amended NDCC 54-27-19 in 2025 SB 2012, changing the allocation percentages to the following:

- 60.0% to the Highway Fund for use by the state DOT;
- 3.4% to Township Highway Aid Fund for allocation to townships pursuant to NDCC 54-27-19.1;
- 1.6% to the Public Transportation Fund to be allocated pursuant to NDCC 39-04.2-04; and
- 35.0% to cities and counties, allocated pursuant to the distribution formula provided in NDCC 54-27-19.

**Legacy Fund
Status Statement**

	2021-23 Actual	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$8,105,016,593	\$8,999,738,920	\$12,061,967,077
Revenues:			
Transfers from Oil and Gas Taxes	\$1,576,253,273	\$1,543,368,353 ^{\3}	\$1,168,690,000 ^{\3}
Investment Earnings (Loss)	(194,962,309)	1,518,859,804 ^{\4}	1,563,084,173 ^{\5}
Total Revenue	<u>\$1,381,290,964</u>	<u>\$3,062,228,157</u>	<u>\$2,731,774,173</u>
Expenditures:			
Transfer to Legacy Earnings Fund	(\$486,568,637) ^{\1}	\$0	(\$686,881,086) ^{\6}
Total Expenditures	<u>(\$486,568,637)</u>	<u>\$0</u>	<u>(\$686,881,086)</u>
Ending Fund Balance	\$8,999,738,920 ^{\2}	\$12,061,967,077	\$14,106,860,164

\1 Section 4 of 2021 HB 1380 establishes the Legacy Earnings Fund and requires the realized earnings that are to be transferred to the General Fund in accordance with Section 26 of Article X of the North Dakota Constitution are to be immediately transferred to the Legacy Earnings Fund.

\2 Per RIO's June 30, 2023 financial statements.

\3 Revenue estimate based on actuals through May 31, 2025, and the May 2025 revised oil tax revenue forecast for the 2023-25 biennium and the May 2025 legislative oil tax revenue forecast for the 2025-27 biennium.

\4 Projected earnings available, estimated by the Retirement and Investment Office as of April 30, 2025 statements.

\5 Total investment earnings for the 2023-25 biennium were estimated by using a 6.0% annual rate of return.

\6 Section 12 of SB 2012 changed the rate of return for realized earnings to 8.0% of the percent of market value using the five year average of the ending balance as of June 30, 2024.

Notes:

House Concurrent Resolution 3054 was adopted by the 2009 legislature and approved by the voters in November 2010. This measure establishes the North Dakota Legacy Fund as a constitutional trust fund. Thirty percent of all revenue collected by the state from oil and gas production and extraction taxes is transferred to the fund. Interest and investment earnings were retained in the fund until June 30, 2017, after which time they are transferred to the General Fund once each biennium. For the 2011-13 through 2015-17 bienniums, interest earnings were added to the fund principal.

Legacy Earnings Fund
Status Statement

	2021-23 Actual	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$0	\$486,568,637	\$0
Revenues:			
Transfer from Legacy Fund	\$486,568,637 ^{\1}	\$0	\$686,881,086 ^{\3}
Total Revenue	<u>\$486,568,637</u>	<u>\$0</u>	<u>\$686,881,086</u>
Expenditures: ^{\2}			
Transfer to legacy sinking and interest fund	\$0	(\$102,620,461)	(\$102,624,000)
Transfer for tax relief initiatives	0	(225,000,000)	0
Transfer to legacy earnings highway distribution	0	(100,000,000)	0
Transfer to General Fund	0	(29,474,088)	0
Transfer to SIIF	0	(29,474,088)	0
Transfer to Highway Fund	0	0	(175,277,126)
Transfer to Legacy Property Tax Relief Fund	0	0	(408,979,960)
Total Expenditures	<u>\$0</u>	<u>(\$486,568,637) ^{\2}</u>	<u>(\$686,881,086) ^{\4}</u>
Ending Fund Balance	\$486,568,637	\$0	\$0

^{\1} Amount calculated using 7.0% of the five-year average of the percent of market value as of 5/31/22.

^{\2} Based on distributions as outlined in Section 2 of 2023 HB 1379.

^{\3} Section 13 of SB 2012 changes the percentage used to 8.0% of market value based on the five-year average of the most recently completed even-numbered fiscal year.

^{\4} Section 13 of SB 2012 changes the distributions of the Legacy Earning Fund as follows: up to \$102.6 million for legacy sinking and interest, the next 30.0% goes to the Highway Fund and the remainder is to be deposited into the Legacy Property Tax Relief Fund.

Notes:

2021 HB 1380 created NDCC 21-10-13, which establishes the Legacy Earnings Fund and defines the portion of Legacy Fund assets that can be spent, using the Percent of Market Value (POMV) approach, at 7.0% of the five-year average value using the most recently completed even-numbered fiscal year. 2023 HB 1379 revised how the amount is to be distributed. 2025 SB 2012 changed the distribution of the earnings as follows: amount needed for the legacy sinking and interest fund, then 30.0% is distributed to the Highway Fund and the remainder to the Legacy Property Tax Relief Fund.

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**North Dakota Outdoor Heritage Fund
Status Statement**

	2021-23 Actual	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$36,056,488 \1	\$40,495,372 \1	\$38,397,922 \1
Revenues:			
Oil and Gas Gross Production Tax	\$15,000,000	\$15,000,000 \2	\$15,000,000 \2
Interest Income	107,993	701,500	400,000
Refunds	0	27,000	0
Total Revenue	\$15,107,993	\$15,728,500	\$15,400,000
Expenditures:			
Grants	(\$10,570,192)	(\$17,338,000)	(\$13,000,000)
Grant Management Software (HB 1014)	0	(250,000)	0
Administrative Expenses	(98,917)	(237,950)	(260,000)
Total Expenditures	(\$10,669,109)	(\$17,825,950)	(\$13,260,000)
Ending Fund Balance	\$40,495,372	\$38,397,922	\$40,537,922
Grant Award Commitments	40,495,372	29,792,756 \3	40,000,000 \3
Estimated Balance - Unobligated	\$0	\$8,605,166	\$537,922

\1 The amount shown includes grant payments to date, some grant awards are paid out over several years.

\2 NDCC 57-51-15 establishes a maximum allocation of \$20.0 million per year and \$40.0 million for the 2015-17 biennium. The 2017 SB 2013, limited the allocation to \$10.0 million per biennium for the 2017-19 biennium only. The 2019 HB 1014, limited the allocation to \$7.5 million per year for 2019-21. The subsequent legislative assemblies have continued the \$7.5 million per year allocation.

\3 All moneys in the fund are appropriated on a continuing basis, pursuant to NDCC 54-17.8-02. Grant commitments include some projects that will draw down funds over a 10-year period.

Notes:

The 2013 HB 1278, established the North Dakota Outdoor Heritage Fund. The bill creates NDCC 54-17.8, which establishes an advisory board to administer the fund, provides a continuing appropriation for the fund, and establishes allowable uses of the fund. Moneys in the fund can be used for grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to:

- Provide access to private and public lands for sportsmen;
- Improve and maintain water quality, soil conditions, and support stewardship practices to enhance farming and ranching;
- Develop wildlife and fish habitat; and
- Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Funds may not be used for:

- Litigation;
- Lobbying;
- Activities that would interfere with coal mining; sand, scoria and gravel extraction, oil and gas operations, or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside North Dakota or projects that are beyond the scope of defined activities that fulfill the purposes of this chapter.

**Resources Trust Fund
Status Statement**

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$287,678,550	\$428,790,986 ^{\2}	\$496,702,326
Revenues:			
Repayments and Reimbursements	\$12,322,033	\$12,700,000	\$13,000,000
Oil Extraction Tax Collections	505,222,762	474,590,000	354,510,000 ^{\5}
Bond Proceeds from Repayment of Loans	74,541,605 ^{\6}	0	0
Interest	2,584,054	19,500,000	16,000,000
Total Revenue	\$594,670,454	\$506,790,000 ^{\3}	\$383,510,000
Expenditures and Transfers:			
Department of Water Resources Expenditures	(\$295,700,000)	(\$348,651,823) ^{\4}	(\$820,132,431)
Mouse River Flood Control Project	0	(50,300,000) ^{\6}	(14,054,626) ^{\6}
Transfer to Renewable Energy Development Fund	(3,000,000) ^{\7}	(3,000,000) ^{\7}	(3,000,000) ^{\7}
Transfer to Energy Conservation Grant Fund	(1,200,000) ^{\7}	(1,200,000) ^{\7}	(1,200,000) ^{\7}
Transfer to Water Projects Stabilization Fund	(151,784,730) ^{\8}	(25,726,837) ^{\9}	0
Transfer to Infrastructure Loan Fund	(1,873,288)	(10,000,000) ^{\10}	(40,000,000) ^{\11}
Total Expenditures and Transfers	(\$453,558,018)	(\$438,878,660)	(\$878,387,057)
Ending Fund Balance	\$428,790,986	\$496,702,326	\$1,825,269

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2023.

^{\2} Actual July 1, 2023 balance.

^{\3} Preliminary revenue estimates through June 30, 2025, based on the March 2025 legislative revenue forecast.

^{\4} Estimated agency expenditures for the 2023-25 biennium.

^{\5} The March 2025 legislative forecast assumes an average price of \$59.00 per barrel for the first year of the biennium and \$57.00 for the second year. Production is expected to be 1.15 million barrels per day for the first year of the biennium and 1.1 million barrels per day during the second year of the biennium.

^{\6} 2021 HB 1431 allocated \$74.5 million of bond proceeds deposited into the Resources Trust Fund for the repayment of outstanding loans of the Western Area Water Supply Authority. This bill also provided an appropriation of \$74.5 million from the Resources Trust Fund to the State Water Commission for the Mouse River flood control project.

^{\7} 2013 SB 2014 provided that 5.0% of oil extraction taxes deposited in the Resources Trust Fund, up to \$3.0 million per biennium, must be transferred quarterly to the Renewable Energy Development Fund. This bill also provided that 0.5% of the amount deposited in the Resources Trust Fund, up to \$1.2 million per biennium, must be transferred quarterly to the Energy Conservation Grant Fund. 2017 HB 1020 reduced the percentage for deposit in the Renewable Energy Fund from 5.0% to 3.0% and for the 2017-19 biennium only reduced the deposit in the Energy Conservation Grant Fund from \$1.2 million to \$200,000. 2019 SB 2362 restored the maximum allocation to the Energy Conservation Grant Fund from \$200,000 to \$1.2 million.

^{\8} 2021 SB 2345 provided that any oil extraction tax revenue deposited in the Resources Trust Fund that exceeds the amount included in the 2021 legislative forecast during the period beginning August 1, 2021, and ending February 28, 2023, must be transferred at least quarterly by the Office of Management and Budget from the Resources Trust Fund to the Water Projects Stabilization Fund.

^{\9} 2023 SB 2020 provided that any oil extraction tax revenue deposited in the Resources Trust Fund that exceeds the amount included in the 2023 legislative forecast during the period beginning July 1, 2023, and ending June 30, 2025, must be transferred at least quarterly by the Office of Management and Budget from the Resources Trust Fund to the Water Projects Stabilization Fund.

\10 2025 HB 1024 provides for a deficiency appropriation to the Department of Water Resources of \$10.0 million from the Resources Trust Fund for repayment of the line of credit for the Water Infrastructure Revolving Loan Fund at the Bank of North Dakota for the 2023-25 biennium.

\11 2025 HB 1020 provides that the State Treasurer shall transfer \$40.0 million from the Resources Trust Fund to the Water Infrastructure Revolving Loan Fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the Department of Water Resources during the 2025-27 biennium.

Notes:

The Resources Trust Fund was created pursuant to passage of Measure No. 6 in the November 1980 general election. Measure No. 6 established a 6.5% oil extraction tax, 10.0% of which was distributed to the Resources Trust Fund. Measure No. 2, a constitutional amendment approved in the June 1990 primary election, establishes the Resources Trust Fund as a constitutional trust fund and provides that the principal and income of the fund may be spent pursuant to legislative appropriations for constructing water related projects, including rural water systems, and funding energy conservation programs. The Legislative Assembly, in 2015 HB 1476, reduced the oil extraction tax rate to 5.0%.

NDCC 57-51.1-07 provides that the Resources Trust Fund is available for legislative appropriation to the State Water Commission for planning and constructing water-related projects and to the Industrial Commission for energy conversion and waste products utilization programs and studies. The 1995 Legislative Assembly amended NDCC 57-51.1-07 to provide that 20.0% of oil extraction tax collections will be deposited in the Resources Trust Fund.

Social Services Fund (formerly Tax Relief Fund)
Status Statement

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$200,199,146	\$201,176,153 ^{\2}	\$251,176,153
Revenues:			
Allocation of Oil Tax Revenue	\$200,000,000	\$250,000,000	\$250,000,000
Total Revenue	\$200,000,000	\$250,000,000	\$250,000,000
Expenditures:			
Transfer to Non-Oil-Producing Counties	(\$11,799,901) ^{\3}	\$0	\$0
Transfer to Human Service Finance Fund	(187,223,092)	(200,000,000)	(235,800,000) ^{\4}
Total Expenditures	(\$199,022,993)	(\$200,000,000)	(\$235,800,000)
Ending Fund Balance	\$201,176,153	\$251,176,153	\$265,376,153

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2023.

\2 Actual July 1, 2023 balance.

\3 Section 4 of 2021 HB 1015 provides for a transfer from the Tax Relief Fund to non-oil producing counties for the maintenance and improvement of township paved and unpaved roads and bridges for the 2021-23 biennium.

\4 Section 9 of 2025 HB 1015 provides for a transfer from the Tax Relief Fund to the Social Services Fund for the state-paid economic assistance and social services for the 2025-27 biennium.

Notes:

The Property Tax Relief Sustainability Fund was created by the 2009 Legislative Assembly to set aside funding for the continuation of the property tax relief initiative enacted during the 2009 legislative session. As enacted in 2009, NDCC 57-51.1-07.5 provided that the first \$200.0 million of the state share of oil and gas taxes be allocated to the General Fund each biennium. The next \$341.8 million is allocated to the Property Tax Relief Fund.

The 2015 Legislative Assembly changed the name of the fund to the Tax Relief Fund and decreased the amount of the state share of oil and gas tax revenue deposited in the fund from \$341.8 million to \$300.0 million each biennium. The 2017 Legislative Assembly decreased the amount to \$200.0 million. The 2019 and 2021 Legislative Assembly continued the amount at \$200.0 million.

In 2023, SB 2367 amended NDCC 57-51.1-07.5 to change the name of the Tax Relief Fund to the Social Services Fund. In addition, it increased the amount of the state's share of oil and gas tax revenue deposited into the fund from \$200.0 million to \$250.0 million.

State Aid Distribution Fund
Status Statement

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$0	\$0	\$0
Revenues:			
Sales Tax Revenue	\$204,094,995	\$233,108,543	\$242,418,401
Motor Vehicle Excise Tax Revenue	29,442,399	32,589,266	33,348,444
Total Revenue	<u>\$233,537,394</u>	<u>\$265,697,809</u> ^{\2}	<u>\$275,766,845</u> ^{\2}
Expenditures:			
Distributions to Cities and Counties	<u>(\$233,537,394)</u>	<u>(\$265,697,809)</u>	<u>(\$275,766,845)</u>
Ending Fund Balance	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2023.

\2 Estimated revenue based on actual collections through May 31, 2025, and the March 2025 revised forecast for the 2023-25 biennium and the May 2025 legislative revenue forecast for the 2025-27 biennium.

Notes:

NDCC 57-39.2-26.1 provides for the deposit of a portion of sales, use, and motor vehicle excise tax collections into the State Aid Distribution Fund. 2013 SB 2325, changed the allocation of tax collections between the General Fund and the State Aid Distribution Fund. Through fiscal year 2018 the amount deposited into the State Aid Distribution Fund was equal to 40.0% of an amount determined by multiplying 1.0%, divided by the general sales tax rate, times the net sales, use, and motor vehicle excise tax collections. The calculation resulted in 8.0% of all sales and motor vehicle excise taxes being distributed through the State Aid Distribution Fund to cities and counties. For fiscal year 2015 and subsequent fiscal years, the State Aid Distribution Fund share is increased from 40.0% to 43.5%, multiplied by the quotient of 1.0% divided by the general sales tax rate of 5.0%. The result of the new formula is the allocation of 8.7% of all sales and motor vehicle excise tax collections to the State Aid Distribution Fund for distribution to cities and counties based on the formula provided in NDCC 57-39.2-26.1.

Strategic Investment and Improvements Fund

Status Statement

	2021-23 Actual	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$863,342,901	\$1,676,500,295	\$1,633,822,585
Revenues:			
Mineral Royalties	\$397,944,162	\$400,000,000	\$324,500,000
Mineral Leases	154,494	125,000	0
Mineral Refunds	(43,363,283)	0	0
Oil and Gas Bonuses	6,392,494	12,000,000	0
Oil and Gas Taxes	927,945,609	750,500,000	295,500,000
Transfer from Legacy Earnings - 2023 HB1379	0	29,474,088	0
Unspent Appropriations	376,935	0	0
Investment Income	28,212,947	52,469,663	85,500,000
Total Revenue	\$1,317,663,358 \1	\$1,244,568,751 \1	\$705,500,000 \1
Expenditures:			
Transfer to General Fund	(\$410,000,000)	(\$50,000,000)	\$0
Appropriations	(90,083,630)	(1,225,495,811)	(1,431,360,401) \2
Administrative Expenses	(4,422,334)	(11,750,650)	(4,600,000)
Total Expenditures and Transfers	(\$504,505,964)	(\$1,287,246,461)	(\$1,435,960,401)
Ending Fund Balance Before Commitments	\$1,676,500,295	\$1,633,822,585	\$903,362,184
Less Fund Balance Commitments			
Potential Title Disputes	(\$50,751,932)	(\$43,066,403)	(\$43,066,403)
Loan Guarantee Reserve	(80,000,000)	(80,000,000)	(160,000,000)
Total Assigned Fund Balance	(\$130,751,932)	(\$123,066,403)	(\$203,066,403)
Ending Unobligated Fund Balance	\$1,545,748,363	\$1,510,756,182	\$700,295,781

\1 Revenue amounts are based on actuals through June 30, 2023, and the March 2025 revised revenue forecast for the 2023-25 biennium. The amount shown for the 2025-27 biennium reflects the March 2025 legislative revenue forecast.

Notes:

The Strategic Investment and Improvements Fund was created by the 2011 legislature to replace the Lands and Minerals Trust Fund. In addition to income from the sale, lease, and management of certain state owned lands and mineral interests previously allocated to the Lands and Minerals Trust Fund, the Strategic Investment and Improvements Fund receives a portion of state oil and gas taxes.

√2 2025-27 appropriations and transfers include:

HB 1002	\$3,500,000 Election equipment and information technology system enhancements
HB 1003	\$7,466,000 Litigation funding pool, information technology project, equipment
HB 1005	\$295,000 Information technology projects
HB 1009	\$4,800,000 Grassland grazing, food pantry, and autonomous technology grants
HB 1012	\$22,106,784 IT projects, State Lab move and equipment, Capital projects, Housing Initiative, Behavior Health Facility grant
HB 1013	\$6,250,000 One-time program grants
HB 1015	\$240,807,052 State hospital, deferred maintenance, equipment, space reconfiguration
HB 1016	\$8,226,426 Critical infrastructure, readiness center design, and state radio projects
HB 1018	\$27,488,000 Museum and gallery projects, historic site repairs, and historic project grants
HB 1019	\$19,941,500 State park projects and deferred maintenance
HB 1038	\$11,000,000 State radar data pathfinder program - Commerce
HB 1143	\$5,000,000 Food distribution facility grant program - Commerce
HB 1193	\$3,500,000 Peace officer and correctional officer appreciation grants - Attorney General
HB 1234	\$25,000,000 Transfer to PERS main retirement plan
HB 1425	\$1,055,000 Supervision pilot program and pretrial services - DOCR
HB 1425	\$750,000 Prosecution-led diversion treatment services - DHHS
HB 1468	\$16,000,000 Behavioral health facility grant - DHHS
HB 1591	\$1,500,000 County fair resiliency grant program - Ag Commisioner
HB 1600	\$400,000 Grant to UND for an immigration law clinic - OMB
HB 1619	\$15,000,000 Long-term care facility infrastructure loan program - BND
SB 2002	\$4,468,000 Information technology equipment and software and courtroom equipment
SB 2003	\$196,506,814 Challenge grants, capital projects, transfer to the capital building fund, UND national security crossroads, NDSU new horizon programs, Innovation grants
SB 2006	\$90,000,000 Generational airport project grants
SB 2009	\$1,550,000 Safety and security infrastructure and a campground rest facility
SB 2012	\$429,750,000 Flexible Transportation Fund, Highway Projects and Rail Passenger Authority Grant
SB 2014	\$54,332,794 Transfer to the Housing Incentive Fund and Oil and Gas Research fund, litigation funding and federal matching funds
SB 2015	\$95,834,175 Correctional facility projects, repairs, study, and grants
SB 2018	\$99,775,000 Transfer to ND Development Fund and LIFT Fund, Tourism, Destination Development, drone replacement, BVLOS, Autonomous Ag Grants, and other grants
SB 2018	\$250,000 Autonomous technology grants for Career and Technical Education
SB 2018	\$250,000 Autonomous technology grants for Attorney General
SB 2019	\$1,000,000 Virtual reality hardware and software
SB 2020	\$2,470,000 Langdon Seed Conditioning Plant, and Oakes and Nesson Valley Irrigation Research Sites
SB 2021	\$3,512,670 Data center migration project and Health Information Network Program Upgrades
SB 2024	\$3,575,186 New chemistry lab expenses
SB 2120	\$15,000,000 Transfer to Highway Patrol Troopers' Retirement System Fund
SB 2218	\$500,000 Grants to the North Dakota Firefighter's Association - Insurance Commissioner
SB 2256	\$10,000,000 Research technology park grant program - NDIC
SB 2390	\$2,500,000 Transfer to a newly created rural catalyst fund - Commerce

Tuition Apportionment Fund
Status Statement

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$2,015,708	\$1,678,751 ^{\2}	\$959,724
Revenues:			
Fines for Violation of State Laws	\$11,403,105	\$11,500,597 ^{\3}	\$11,000,000
Transfers from Common Schools Trust Fund	421,020,000	499,860,000 ^{\4}	584,677,350 ^{\4}
Total Revenue	<u>\$432,423,105</u>	<u>\$511,360,597</u>	<u>\$595,677,350</u>
Expenditures:			
Tuition Fund Distributions to Schools	(\$432,760,062)	(\$512,079,624) ^{\5}	(\$595,677,350) ^{\6}
Ending Fund Balance	<u>\$1,678,751</u>	<u>\$959,724</u>	<u>\$959,724</u>

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2023.

\2 Actual July 1, 2023 balance.

\3 Preliminary June 30, 2025 fine proceeds based on actuals through May 31, 2025 and projected June revenue.

\4 Common Schools Trust Fund distribution estimates provided by Department of Trust Lands.

\5 Section 3 of 2023 SB 2013 appropriates State Tuition Fund moneys in excess of \$510.9 million, if they become available during the 2023-25 biennium. Tuition Fund moneys are budgeted through the DPI fund. Amount reported is what has been transferred through May 31, 2025.

\6 Section 5 of 2025 HB 1013 appropriates State Tuition Fund moneys in excess of \$595.7 million, if they become available during the 2025-27 biennium. Tuition Fund moneys are budgeted through the DPI fund.

Notes:

The Common Schools Trust Fund is a constitutional trust fund established in 1889. Article IX, Section 2, of the Constitution of North Dakota provides that state distributions to schools shall include the interest and income of the Common Schools Trust Fund, as well as all fines for violation of state laws. These amounts are deposited in the State Tuition Fund, pursuant to NDCC 15.1-28-01. Beginning with the 2007-09 biennium, tuition apportionment payments have been included in state school aid distributions to school districts.

Water Projects Stabilization Fund
Status Statement

	2021-23 Actual ^{\1}	2023-25 Projected	2025-27 Appropriated
Beginning Fund Balance	\$0	\$122,029,793 ^{\2}	\$154,787,894
Revenues:			
Transfers from Resources Trust Fund	\$151,784,730	\$25,726,837 ^{\3}	\$0 ^{\4}
Interest	245,063	7,031,264	9,670,210
Total Revenue	\$152,029,793	\$32,758,101	\$9,670,210
Expenditures:			
Department of Water Resources Expenditures	\$0	\$0	(\$164,429,793) ^{\5}
Transfer to BND for WAWS	(30,000,000)	0	0
Total Expenditures	(\$30,000,000)	\$0	(\$164,429,793)
Ending Fund Balance	\$122,029,793	\$154,787,894	\$28,311

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2023.

\2 Actual July 1, 2023 balance.

\3 Section 6 of 2023 SB 2020 provided that any oil extraction tax revenue deposited in the Resources Trust Fund that exceed the amount included in the March 2023 legislative revenue forecast during the 2023-25 biennium must be transferred at least quarterly by the Office of Management and Budget from the Resources Trust Fund to the Water Projects Stabilization Fund.

\4 The 69th Legislative Assembly did not include a section in 2025 HB 1020 to require that any oil extraction tax revenue deposited in the Resources Trust Fund that exceed the legislative forecast must be transferred to the Water Projects Stabilization Fund during the 2025-27 biennium.

\5 Section 5 of 2025 HB 1020 provides that \$42.5 million of the special funds appropriated to the Department of Water Resources for the 2025-27 biennium are from the Water Projects Stabilization Fund. In addition, HB 1020 provides that the department may carryover expenditures of \$121.9 million from the 2023-25 biennium into the 2025-27 biennium.

Notes:

The Legislative Assembly, in 2021 SB 2345, established the Water Projects Stabilization Fund. NDCC 61-01-26.3 provides that the Water Projects Stabilization Fund consists of all money transferred to the fund and all interest and earnings upon moneys in the fund, and that moneys in the fund may be used for defraying planning and construction expenses of water-related projects.

Office of Management and Budget

The Office of Management and Budget (OMB) is comprised of five distinct divisions: Shared Services, Facility Management, Fiscal Management, Risk Management and Human Resource Management Services. The mission of the agency is to provide innovative leadership and support to state government. The total 2025-27 biennium appropriation for OMB is \$487.0 million. Of this amount only \$64.4 million, or 13.0%, is related to the operations of the agency. The balance, or \$422.6 million of the total appropriation, is for grants, statewide pools, and construction projects managed by OMB.

The \$9.3 million for grants is broken out as follows:

- \$8.1 million for guardianship grants
- \$400,000 to Prairie Public Broadcasting
- \$350,000 for community service supervision grants
- \$50,000 in HB 1511 to contract with an organization to develop instructional courses related to NDCC 12.1-19.1, 14-02.1 and 14-02.6
- \$400,000 in HB 1600 to be granted to UND for an immigration law clinic

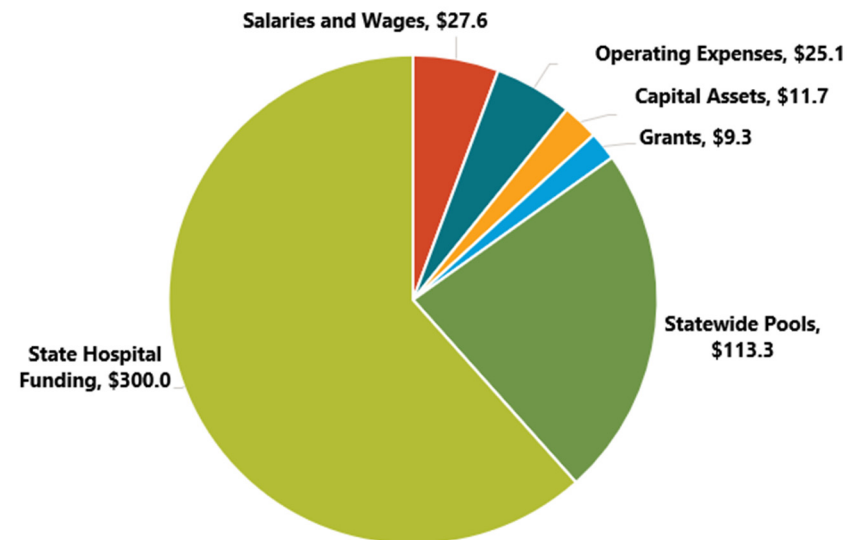
The \$113.3 million for statewide pools is broken out as follows:

- \$34.0 million to be used for deferred maintenance projects at state-owned buildings
- \$1.4 million for the Working Parent Childcare Program
- \$500,000 for student internships
- \$5.7 million for space reconfiguration, rent and moving costs

- \$1.0 million for a retirement incentive for qualified employees
- \$70.8 million in HB 1233 to be used for additional authority from the Emergency Commission throughout the biennium

Also included in the OMB appropriation is \$300.0 million for the construction of a new state hospital, of which \$200.0 million is from SIIF and \$100.0 million is from a BND line of credit. OMB will oversee the construction of this facility, in collaboration with a steering committee comprised of legislative and executive branch members.

2025-27 Appropriation (in millions)



Department of Public Instruction

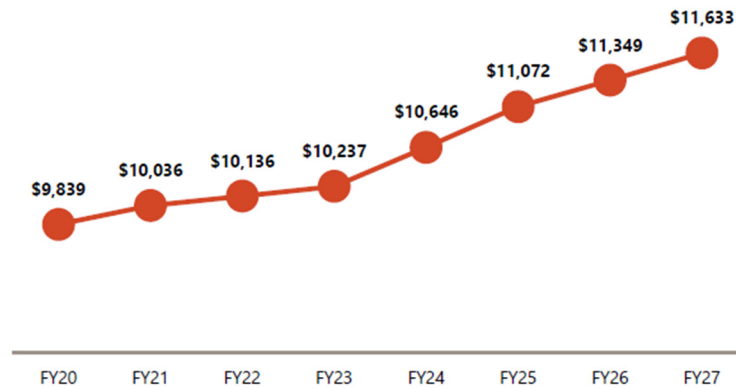
The Department of Public Instruction is a constitutionally created agency that is responsible for administering the per-pupil funded formula for K-12 education. The vision of the agency is that all students will graduate choice ready with the knowledge, skills and disposition to be successful.

The agency has a 2025-27 total budget of \$3.01 billion, of which \$1.71 billion is from the General Fund. The funding is broken out as follows:

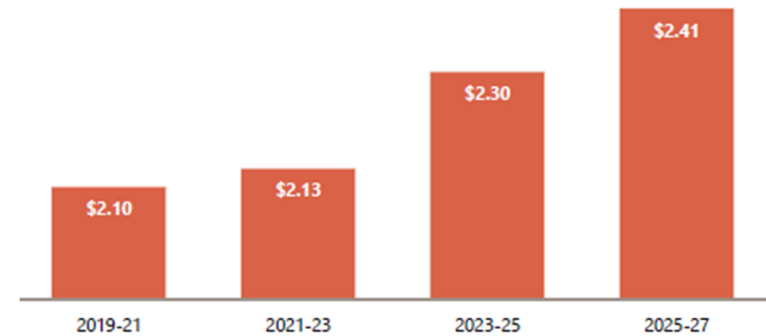
- \$2.41 billion for the integrated formula payments
- \$118.7 million for other grants
- \$412.4 million for federal grants
- \$65.2 million for agency operations

The 2025 legislature approved a 2.5% increase in the funding formula for the per-pupil payment for each year of the biennium.

**History of Per Student Payment
By Fiscal Year**



**Total State School Aid Formula
Funding By Biennium (In Billions)**



STATE OF NORTH DAKOTA

EXPENDITURE HIGHLIGHTS

Summary of major state funded grant programs administered by DPI

School Aid and Other Grants Appropriated to Department of Public Instruction

	2023-25 Appropriation	2025-27 Recommendation	2025-27 Appropriation	2025-27 Appropriation Change From 2023-25
School Aid				
Appropriation				
Integrated Formula Payment	\$2,296,674,851	\$2,359,674,851	\$2,414,277,703	\$117,602,852
Total Appropriation	\$2,296,674,851	\$2,359,674,851	\$2,414,277,703	\$117,602,852
Funding				
General Fund	\$1,614,821,765	\$1,549,997,501	\$1,574,600,353	(\$40,221,412)
Foundation Aid Stabilization Fund	157,000,000	214,000,000	233,000,000	76,000,000
Tuition Fund	510,860,000	595,677,350	595,677,350	84,817,350
Other Special Funds	13,993,086 /1	0	11,000,000 /4	(2,993,086)
Total Funding	\$2,296,674,851	\$2,359,674,851	\$2,414,277,703	\$117,602,852
Other Grants				
Appropriation - Ongoing				
Transportation	\$58,100,000	\$58,100,000	\$60,100,000	\$2,000,000
Special Education Contracts	24,000,000	24,000,000	22,000,000	(2,000,000)
Powerschool	5,775,000	5,775,000	5,775,000	0
Adult Basic Education	5,500,000 /2	5,500,000	5,500,000	0
Teacher Support Program	2,500,000 /2	4,500,000	3,700,000	1,200,000
School Food and Nutrition	1,380,000 /2	1,380,000	1,380,000	0
Free Meals	0	4,500,000	6,000,000	6,000,000
Paraprofessional	0	3,000,000	3,000,000	3,000,000
ND Museum of Art	425,000 /2	425,000	425,000	0
Displaced Homemaker Program	225,000	225,000	225,000	0
Writing Projects	40,000 /2	40,000	40,000	0
We the People	70,000 /2	70,000	70,000	0
Leveraging the Senior Year	0	1,536,027	1,536,027	1,536,027
Governor's School	0	500,000	500,000	500,000
ESPB National Board Certification	176,290	176,290	176,290	0

School Aid and Other Grants Appropriated to Department of Public Instruction

	2023-25 Appropriation	2025-27 Recommendation	2025-27 Appropriation	2025-27 Appropriation Change From 2023-25
Cultural Heritage Grants	\$34,000 /2	\$34,000	\$0	(\$34,000)
Indians Into Stem	0	0	300,000	300,000
Science of Reading and Literacy	0	0	1,000,000	1,000,000
Educational Savings Account	0	44,250,000	0	0
Other Program Grants	0	325,000	200,000	200,000
Grants - Pool	1,200,000 /2	0	0	(1,200,000)
Appropriation - One-time				
REA Merger Incentive	70,000	0	0	(70,000)
Amira Reading Tool	1,600,000 /2	0	500,000 /3	(1,100,000)
Teacher Retention	2,300,000 /2	2,000,000	2,000,000 /3	(300,000)
Be Legendary School Board Training	1,500,000 /2	1,500,000	1,500,000 /3	0
Dyslexia Identification Grants	0	300,000	300,000 /3	300,000
Innovation Intermediary	0	1,500,000	0	0
Centers of Excellence	0	0	1,000,000 /3	1,000,000
Waterford Early Learning Program	0	0	1,500,000	1,500,000
Science Centers	5,500,000 /3	0	0	(5,500,000)
Total Appropriation	\$110,395,290	\$159,636,317	\$118,727,317	\$8,332,027
Funding				
General Fund	\$88,121,290	\$142,962,317	\$111,702,317	\$23,581,027
Special Funds	22,274,000	16,674,000	7,025,000	(15,249,000)
Total Funding	\$110,395,290	\$159,636,317	\$118,727,317	\$8,332,027
Grand Total - State Grants				
General Fund	\$1,702,943,055	\$1,692,959,818	\$1,686,302,670	(\$16,640,385)
Special Funds	704,127,086	826,351,350	846,702,350	(18,242,086)
Total Funding	\$2,407,070,141	\$2,519,311,168	\$2,533,005,020	(\$34,882,471)

/1 Changes made to the school district weighting size factor and the amount for high-cost students is funded using SIIF.

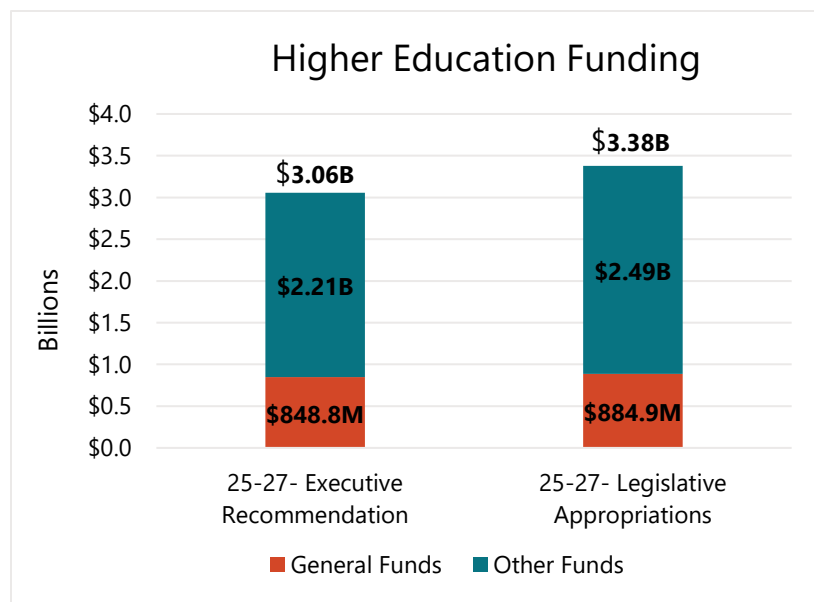
/2 Grants are funded using turnback from the prior bienniums Integrated Formula line.

/3 Grants are funded from SIIF.

/4 Carryover funding from the 2023-25 biennium is to be used in the 2025-27 biennium.

Higher Education

The North Dakota University System is comprised of the following: two research universities, including a medical school; two master's institutions; two baccalaureate institutions; five community colleges; the North Dakota Forest Service; and the University System Office. The 2025-27 NDUS total appropriation is \$3.38 billion, of which \$884.9 million is from the General Fund. The legislative assembly approved appropriation is \$320.5 million more than the executive recommendation.



The funding formula enacted during the 2013 legislative session provides a fixed rate per completed student credit hour to each institution for their operations. The legislature continued the higher education funding formula and incorporated changes to law enforcement, wind energy and pharmacy program credit weighting. In addition, the legislature continued the funding allocated for target market equity, employer retirement, restored funding due to averaging of the formula in 2023-25 and provided a 4.0% increase to the base rate multiplier.

The Legislative Assembly approved \$24.8 million to continue the North Dakota Higher Education Challenge Grant matching program, which is less than the \$50.0 million included in the executive recommendation. This program is designed to foster public and private partnerships and ignite a philanthropic spirit to support higher education. The State Board of Higher Education shall award \$1 in matching grants for every \$2 in eligible, private donations for the purpose of advancement of higher education academics.

The higher education funding formula for the 2025-27 biennium continues to include funding for extraordinary repairs (Tier I). The 69th Legislative Assembly continued the capital building funding pool that was established in the 66th legislative session. The pool consists of two different tiers: Tier II and Tier III. The total funds allocated to Tier II is \$15.0 million and the total funds allocated to Tier III is \$11.5 million, both from SIIF.

For the 2025-27 biennium, \$330.1 million is slated to be invested for capital projects across the higher education system.

The list of capital projects is as follows:

- MaSU Old Main Renovation - \$34.9M
- UND STEM Building - \$79.5M
- UND Med Allied Health Facility - \$45.0M
- NDSU Wrestling Facility - \$13.0M
- NDSU University Village - \$54.0M
- NDSU Memorial Union - \$50.0M
- NDSU Van Es Biosafety Lab - \$8.0M
- DSU Woods Hall & Ag Tech - \$12.5M
- MiSU Student Renovation - \$3.1M
- MiSU Academic Facilities - \$8.13M
- MiSU Track Project - \$3.0M
- MiSU Regional Health Science building - \$13.0M
- MiSU Dakota Hall Demolition - \$635k
- BSC Student Housing Remodel - \$2.2M
- LRSC Roof Repairs - \$2.5M
- DCB Student Housing - \$500k
- NDSCS Land Purchase - \$65k

Health and Human Services

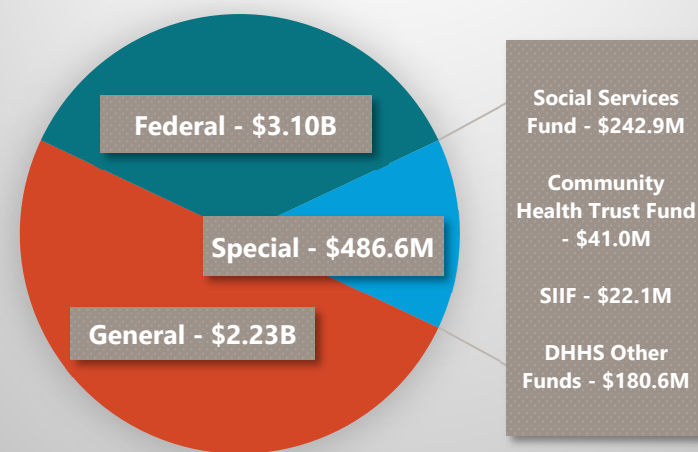
The Department of Health and Human Services (DHHS) is a cabinet agency with the Commissioner appointed by the Governor, who along with the executive team, oversees the operation of several organizational components; Administration & Support, Behavior Health & Field Services, Medical Services, Program and Policy, Public Health and County Social Services.

Direct delivery of services to individuals and families is provided through the eight regional human service centers. The centers provide an array of outpatient services including behavioral health services, emergency behavioral health services, outreach, developmental disabilities case management, other human services and vocational rehabilitation services. Regional representatives at the human service centers also provide supervision and direction to zones in the provision of social services. Inpatient treatment services for substance abuse disorders and mental illness, institutional secure services for sexual offenders, and contracted residential substance abuse disorder treatment are provided by the North Dakota State Hospital in Jamestown. The Life Skills and Transition Center (LSTC) in Grafton provides residential services, health and support services, including behavioral analyst services for persons with intellectual disabilities residing on site and in communities. The Public Health Division promotes healthy behaviors throughout the state, oversees medical emergency preparedness, regulates food and lodging,

healthcare facilities, medical marijuana and provides state forensic examination services.

The legislature appropriated \$5.82 billion for DHHS, with \$2.23 billion appropriated from the General Fund. The budget includes continued property tax relief of \$242.9 million by funding the human service zone costs from the pilot program established in the 2017-19 biennium.

Legislatively Approved Funding Sources



The budget approved by the legislature provides valuable services to North Dakotans, especially the state's most vulnerable populations including seniors and disabled individuals.

- Medicaid Grants – includes a funding increase to support cost and utilization changes for traditional Medicaid services, services for individuals with developmental disabilities, services for individuals living in nursing homes and home and community-based care.
- Medicaid Expansion – continues funding the expansion program which provides important health care coverage to about 25,000 qualifying citizens and remains a payment source for critical access hospitals and other providers. The funding included in the bill is \$662.1 million, of which \$66.2 million is from the General Fund.
- Investments in technology projects of \$15.0 million to retire older systems from the state mainframe. Includes \$2.2 million for continuation of the public health data modernization project, updates to the food and lodging management information system for \$335,000 and the forensic examiner electronic health records system for \$278,000.
- Infant and toddler care provider support includes \$11.0 million of one-time general funds for supporting the higher cost of childcare from birth through three years of age for working parents.
- Behavior health investments in the 2025-27 budget include a \$6.4 million General Fund increase for the Free Through Recovery Program and increased funding for Community Connect of \$6.9 million. In addition, there is a pilot program for youth stabilization for \$6.0 million.
- Additional investments in behavior health facility grants. A grant of \$12.9 million from SIIF for the northeast human service region. This requires a match of \$3.3 million and will create 24 new acute psychiatric inpatient beds. A second grant of \$1.5 million from general funds plus unexpended funds of \$1.9 million from chapter 44 of 2023 Session Laws for a total of \$3.4 million for northwest human service center regions to create 10 new beds. The third grant is in HB 1468 which appropriates \$16.0 million from SIIF to the department for the purpose of providing a behavior health facility grant to increase the number of available inpatient behavior health beds by 30 in the west central human service center region.
- Capital projects one-time funding of \$972,000 for projects at the Southeast Human Service Center and roof replacement for Cedar Grove at LSTC for \$712,480.
- Construction of a new state hospital in Jamestown for \$300.0 million. The appropriation for this capital project is in HB 1015, along with the establishment of a steering committee to oversee the design and construction of the new facility.

- Includes funding for provider increases at: 2.0% for each year of the biennium for all providers; in addition, basic care will continue to receive a \$5.00 per day increase.

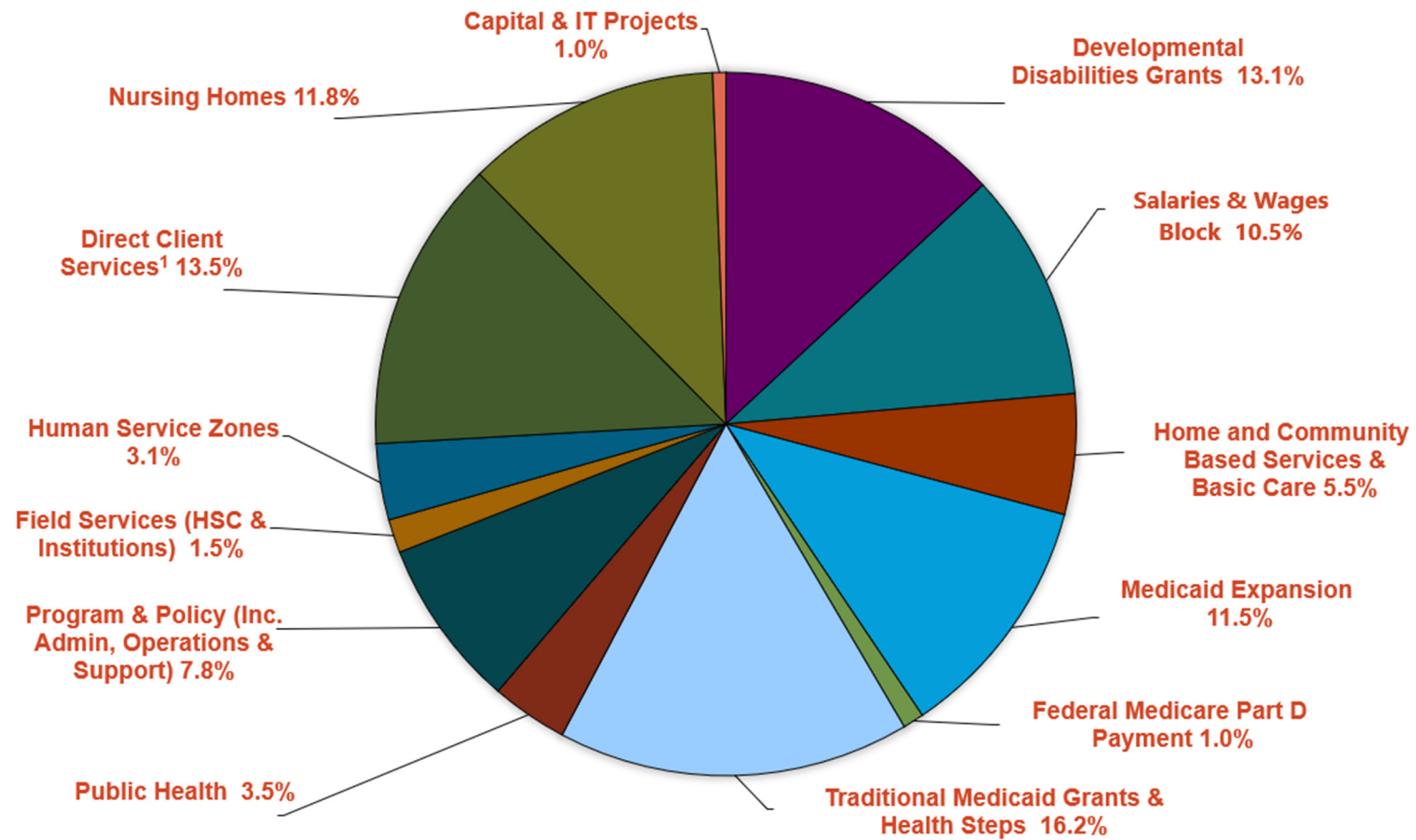
Additional items included in HB 1012:

- There is a one-time appropriation of \$200,000 for design consultation and project administration of developing housing for individuals with disabilities that have extraordinary medical needs. This is to be completed in collaboration with the ND Housing Finance Agency, individuals with disabilities, caregivers, and families.
- The DHHS will maintain the laboratory steering committee to oversee the design and construction of the public health lab until the work is completed.
- The department shall establish a task force with representation from divisions within the department, human service zones, NDDPI, elementary and secondary schools and members of the legislative assembly to

review juvenile justice diversion services and programs. The department shall report its findings and recommendations to legislative management and children's cabinet. There is a one-time \$750,000 appropriation for juvenile justice diversion services and programs and the department must use the funding for services to youth at risk of juvenile justice involvement but who have not committed delinquent acts.

- The legislature continued the full-time equivalent position block grant program for the department. The funding for all salaries and wages is available to fund full-time equivalent positions as determined by the department of health and human services. The department is authorized to increase authorized full-time equivalent positions subject to the availability of funds, except for the purpose of transferring human service zone employees to state employment. The department shall report to OMB and Legislative Council any adjustment to full-time equivalent positions.

**2025-27 Department of Health and Human Services
Legislatively Approved Budget, Total \$5.82 Billion**



¹ Direct Client Services includes Economic Assistance Programs, Regional Child Support Units, grants and service contracts for Child Welfare, Aging, Behavior Health, Vocational Rehabilitation, Medical Services and Developmental Disability.

Bank of North Dakota

The Bank of North Dakota (BND) is located in Bismarck, ND and is the only state-owned bank in the nation. Its mission, established by legislative action in 1919, is to serve as the development bank for agriculture, commerce and industry in North Dakota. In this role, BND acts as a funding resource in partnership with other financial institutions, economic development groups and guarantee agencies.

The 2025 Legislative Assembly authorized the transfer of \$240.4 million of the Bank of North Dakota profits. The Bank's estimated capital structure for the 2023-25 and 2025-27 bienniums is as follows:

	2023-25 Biennium	2025-27 Biennium
Beginning Capital	\$1,113,422,375	\$1,213,547,322
Estimated Profits	393,174,000	400,000,000
Estimated Transfers:		
Transfer to the General Fund	(140,000,000)	(140,000,000)
Transfer to Economic Development Programs	(60,000,000)	(60,000,000)
Small Business Development Center	(1,500,000)	(1,900,000)
Infrastructure Revolving Loan Fund	(52,000,000)	0
Transfer – Rebuilders Permanent Loan fund	0	(20,000,000)
Transfer to Parks and Recreation for interest rate buydown	0	(5,000,000)
Transfer to NDUS for Skilled Workforce Programs	(3,767,500)	(9,032,500)
Transfer to NDUS for Tuition Scholarship Program	(1,500,000)	(1,500,000)
Transfer to Statewide Interoperability Radio Network Fund	(20,000,000)	0
R-Wish Program	(10,000,000)	0
Federal Home Loan Bank Housing Grant	(1,281,553)	0
Transfer to Agriculture Commissioner for APUC	(3,000,000)	(3,000,000)
Estimated Ending Capital	\$1,213,547,322	\$1,373,114,822

The Legislative Assembly authorized the following lines of credit for the 2025-27 biennium:

	2025-27 Biennium
Public Service Commission – Rail Rate Compliance Case	\$900,000
Department of Health and Human Services – Childcare Welfare Technology Project	8,411,218
Office of Management and Budget – Construction Cost for State Hospital	100,000,000
Office of Management and Budget – Construction of State Building in Minot	5,600,000
Historical Society – Military Museum	20,000,000
Parks and Recreation - Theodore Roosevelt Library	70,000,000
Department of Water Resources – Water Projects and Revolving Loan Fund	360,000,000
Adjutant General – Dakota Access Pipeline Protest	13,362,262
Department of Agriculture – Value-Added Agriculture Production Facility Incentive Program	30,000,000
Department of Agriculture – Value-Added Milk Production Facility Incentive Program	5,000,000
Department of Environmental Quality – BRIC Grant Funding	9,700,000
ND Pipeline Authority – Pipeline Capacity	100,000,000
Department of Corrections and Rehabilitation – Equipment	989,891
Administrative Hearings – Agency Operations	150,000
Commerce – ND Development Fund	25,000,000
Veteran’s Affairs – Fargo National Veteran’s Cemetery	3,000,000
Industrial Commission- Clean Sustainable Energy Authority	390,000,000
Total	\$1,142,113,371

NATURAL RESOURCES / TRANSPORTATION

Department of Water Resources

The Department of Water Resources (DWR) is the state agency charged with regulating and developing the state's water resources. Regulatory functions include water rights, drainage, floodplain management, and dam safety. The DWR is also responsible for large state water development projects, such as flood control and water supply projects. In addition, the DWR provides cost-share assistance for many local projects including dams, dikes, drains, and water supplies.

The budget recommended by Governor Armstrong for the Department of Water Resources was \$747.1 million, with \$486.6 million from the Resources Trust Fund and \$42.5 million from the Water Projects Stabilization Fund. The Legislative Assembly appropriated \$769.3 million to the Department of

Water Resources, which includes the amounts for the water buckets as shown in the table below. Included in the legislative appropriation is a \$260.0 million one-time line of credit at the Bank of North Dakota that DWR may request to be used to provide up to \$50.0 million for the Southwest Pipeline Project (SWPP) and \$210.0 million for water projects during the 2025-27 biennium. In addition, the Legislative Assembly provided a \$100.0 million line of credit at the Bank of North Dakota for transfers to the water infrastructure revolving loan fund to provide local cost-share loans for projects approved by the State Water Commission. Historically, funding for the SWPP and Northwest Area Water Supply (NAWS) project was included in the capital assets line item. Beginning with the 2025-27 biennium, funding for each of these two large, state-owned projects is now on separate lines in the appropriation, resulting in more clarity regarding the amount of funding for each project.

Water Bucket:	Executive Recommendation:	Legislative Assembly:	Difference:
Southwest Pipeline Project (SWPP)	\$131,713,336	\$101,000,000	(\$30,713,336)
Northwest Area Water Supply (NAWS)	106,857,325	106,857,325	0
Water Supply	65,800,000	110,000,000	44,200,000
Regional Water Supply	218,732,801	245,000,000	26,267,199
General Water	26,972,500	18,000,000	(8,972,500)
Flood Control	119,100,000	117,600,000	(1,500,000)
Discretionary Funding	5,000,000	10,000,000	5,000,000
TOTAL	\$674,175,962	\$708,457,325	\$34,281,363

STATE OF NORTH DAKOTA

EXPENDITURE HIGHLIGHTS

The 2025 Legislative Assembly included legislative intent regarding the allocation of funding within each of the following water buckets included in the appropriation:

Water Supply:	
Municipal Water Supply	\$40,000,000
Rural Water Supply	<u>70,000,000</u>
Total Water Supply	<u>\$110,000,000</u>
Flood Control:	
Mouse River Flood Control	\$81,100,000
Valley City Flood Control	12,000,000
City of Bismarck Flood Control	17,000,000
Other Flood Control Projects	<u>7,500,000</u>
Total Flood Control	<u>\$117,600,000</u>

Regional Water Supply:	
Red River Valley Water Supply Project	\$205,000,000
Western Area Water Supply	<u>40,000,000</u>
Total Regional Water Supply	<u>\$245,000,000</u>
General Water:	
Water Conveyance	\$15,000,000
Other General Water Projects	<u>3,000,000</u>
Total General Water	<u>\$18,000,000</u>

Department of Transportation

The Department of Transportation (DOT) oversees the development of surface transportation in the state including highways, rail service, and transit services. To address the need to make repairs and improvements to infrastructure at the state and local level, the Armstrong executive budget recommended \$1.58 billion in federal and matching funds. The Legislative Assembly approved \$1.54 billion in federal and

matching funds for DOT, including \$164.5 million for the Flexible Transportation Fund to be granted out to political subdivisions by DOT, and \$80.0 million of oil and gas allocations for Municipal Infrastructure Funds (Prairie Dog Funds) which are also to be granted to cities, counties and townships by DOT. A breakdown of the \$1.54 billion is as follows:

Roadway and Bridge Construction Funding*	Federal Funds and Match (in millions)	Flexible Funding** (in millions)	Prairie Dog Distribution (in millions)	Total (in millions)
State	\$882.4	\$48.3	\$0.0	\$930.7
City	158.4	22.4	40.0	220.8
County	93.2	62.7	36.25	192.2
Township	0.0	31.1	3.75	34.9
Metropolitan Planning Organizations (MPO)	5.9	0.0	0.0	5.9
Recreational Trails	2.8	0.0	0.0	2.8
Strategic Investment and Improvements Fund (SIIF)	155.0	0.0	0.0	155.0
Total 2025-27 Biennium	\$1,297.7	\$164.5	\$80.0	\$1,542.2

* These totals do not include Missile Road, Rail Loan, Safety or Transit funding.

** The state portion of the Flexible Transportation Fund may be used on road and bridge projects off the state highway system.

Flexible Transportation Fund

NDCC 24-02-37.3 was created in the 2023-25 biennium to establish the Flexible Transportation Fund, which can be used by DOT to:

- Match federal funding;

- Fund road and bridge construction and maintenance activities on and off the state highway system; and
- Fund transportation support costs on the state highway system.

NDCC 24-02-37.3 was amended by the 69th Legislative Assembly to include the construction and maintenance of

other infrastructure as an eligible use of the Flexible Transportation Fund.

NDCC 24-02-37.3 also provides that Budget Section approval is required for projects that utilize more than \$10.0 million from the Flexible Transportation Fund, except for projects that match federal or private funds and the amount utilized from the Flexible Transportation Fund is 50.0% or less of the total project costs.

The total amount appropriated to the Flexible Transportation Fund for the 2025-27 biennium is \$230.0 million, consisting of \$87.5 million from motor vehicle excise tax collections and

\$142.5 million one-time appropriation from SIIF. NDCC 57-40.3-10 was amended to provide that 25.0% of the revenue collected from Motor Vehicle Excise Tax be deposited in the Flexible Transportation Fund, 25.0% to the Highway Tax Distribution Fund, and 50.0% to the General Fund. During the 2023-25 biennium, 50.0% of Motor Vehicle Excise Tax was deposited in the Flexible Transportation Fund and 50.0% was deposited in the General Fund. Of the total \$230.0 million in the 2025-27 biennium Flexible Transportation Fund, \$164.5 million is appropriated to DOT, as shown in the previous table, and the remaining \$65.5 million are formula distributions made directly from the Flexible Transportation Fund to non-oil producing counties, cities and townships.

NDCC 24-02-37.3 specifies the percentages of the Flexible Transportation Fund that go to DOT and political subdivisions, as shown below:

Flexible Transportation Fund Recipient	Flexible Transportation Fund Allocation Percentages	2025-27 Biennium Estimated Allocation Amounts (in millions)
DOT – Undesignated State and Local Projects	21.0%	\$48.3
Non-Oil County and City Grants	19.5%	44.9
Non-Oil County and City Formula Distributions	19.5%	44.9
Political Subdivision Bridge Grants	17.5%	40.2
Non-Oil Township Grants	13.5%	31.0
Non-Oil Township Formula Distributions	9.0%	20.7
Total	100.0%	\$230.0

Highway Tax Distribution Fund

The 2025 Legislative Assembly amended NDCC 54-27-19 to change the allocation amounts of the Highway Tax Distribution Fund. In addition, the Legislative Assembly also added another funding source to the Highway Tax Distribution Fund when they amended NDCC 57-40.3-10 to require that 25.0% of

moneys collected for Motor Vehicle Excise Tax be deposited in the Highway Tax Distribution Fund. A comparison of the changes made to the allocation of the fund are shown in the table below:

Highway Tax Distribution Fund Recipient	Previous Highway Tax Distribution Fund Allocation Percentages	2025-27 Highway Tax Distribution Fund Allocation Percentages	2025-27 Biennium Estimated Allocation Amounts (in millions)
DOT – State Highway Fund	61.3%	60.0%	\$363.5
Counties and Cities	34.5%	35.0%	212.0
Township Highway Aid Fund	2.7%	3.4%	20.6
Public Transportation Fund	1.5%	1.6%	9.7
Total	100.0%	100.0%	\$605.8

Legacy Earnings Fund

The 2025 Legislative Assembly created the Legacy Earnings Fund, which consists of all the moneys distributed by the state treasurer from the Legacy Fund pursuant to Section 26 of Article X of the Constitution of North Dakota. The amounts distributed from the Legacy Earnings Fund each biennium are allocated in the following order:

- First \$102.6 million or an amount equal to the amount appropriated from the Legacy Sinking and Interest Fund for debt service payments for a biennium, whichever is less, to the Legacy Sinking and Interest Fund;

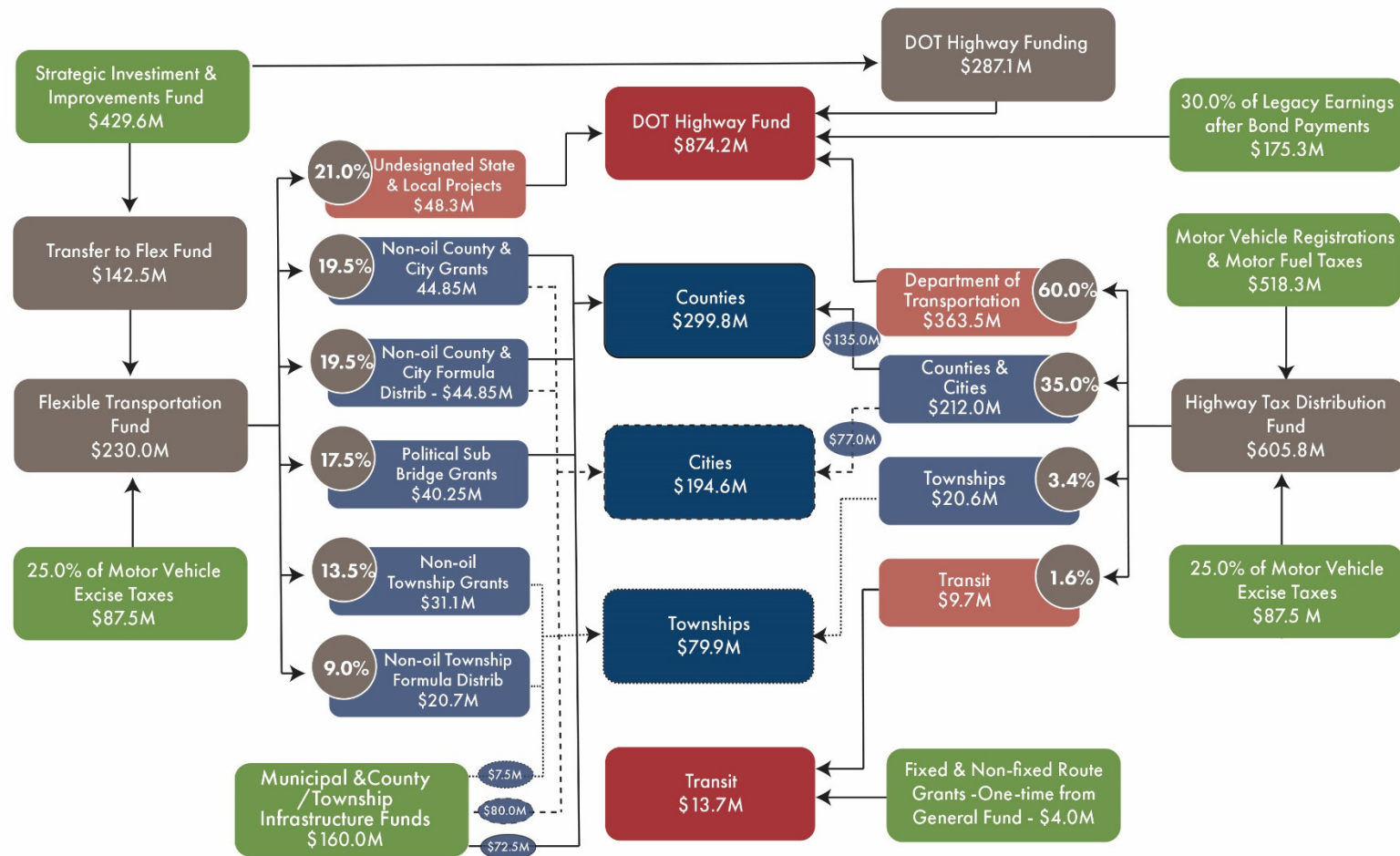
- The remaining amount is allocated:
 - 30.0% to the Highway Fund (\$175.3 million for the 2025-27 biennium), and
 - The remainder (\$409.0 million for the 2025-27 biennium) to the Legacy Property Tax Relief Fund.

The 2025 Legislative Assembly repealed NDCC 54-27-19.3 relating to the Legacy Earnings Highway Distribution Fund and NDCC 54-27-19.4 relating to the Legacy Earnings Township Highway Aid Fund.

TRANSPORTATION & INFRASTRUCTURE FUNDING

2025-27 Biennium

■ Funding Source
 ■ Distributions to Political Subdivisions
 ■ Distributions to DOT & Other
 ■ Other Funds & Transfers



CAPITAL ASSETS

The capital budget summarizes the 2025-27 biennium legislative appropriation for state investments in capital assets. The term "capital assets" refers to:

- Capital projects.
- Extraordinary repairs.
- Other capital payments, including payments on outstanding bonds.
- Equipment over \$5,000.
- Information technology (IT) equipment and software over \$5,000.

For the 2025-27 biennium, the legislature approved a total of \$3.06 billion for capital asset expenditures, \$42.9 million from the General Fund and \$3.02 billion from special and federal funds.

The 2025-27 appropriation includes the following:

	Millions
Capital Projects	\$847.5
Extraordinary Repairs	70.7
Other Capital Payments	2,087.6
Equipment over \$5,000	44.2
IT Equipment and Software over \$5,000	9.7
Total Capital Assets	\$3,059.7

The 2025-27 biennium appropriations for capital assets are summarized on the following pages.

STATE OF NORTH DAKOTA

Capital Assets Appropriations by Category - 2025-27

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
110 Office of Management and Budget	\$305,600,000	\$39,350,000	\$0	\$192,000	\$765,052	\$345,907,052
General Fund					250,000	250,000
Federal Funds						
Special Funds	305,600,000	39,350,000		192,000	515,052	345,657,052
112 Information Technology	\$0	\$0	\$0	\$1,689,061	\$131,035	\$1,820,096
General Fund					131,035	131,035
Federal Funds						
Special Funds				1,689,061		1,689,061
125 Office of the Attorney General	\$0	\$0	\$0	\$1,948,000	\$2,150,000	\$4,098,000
General Fund				561,000	650,000	1,211,000
Federal Funds				421,000		421,000
Special Funds				966,000	1,500,000	2,466,000
127 Tax Commissioner	\$0	\$0	\$0	\$6,000	\$0	\$6,000
General Fund				6,000		6,000
Federal Funds						
Special Funds						
150 Legislative Assembly	\$0	\$0	\$0	\$226,000	\$0	\$226,000
General Fund				226,000		226,000
Federal Funds						
Special Funds						
160 Legislative Council	\$0	\$0	\$0	\$6,000	\$280,000	\$286,000
General Fund				6,000	280,000	286,000
Federal Funds						
Special Funds						
180 Judicial Branch	\$0	\$0	\$0	\$1,300,000	\$2,968,000	\$4,268,000
General Fund						
Federal Funds						
Special Funds				1,300,000	2,968,000	4,268,000
204 Center for Distance Education	\$0	\$0	\$0	\$0	\$100,250	\$100,250
General Fund					75,250	75,250
Federal Funds						
Special Funds					25,000	25,000

STATE OF NORTH DAKOTA

Capital Assets Appropriations by Category - 2025-27

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
215 ND University System	\$0	\$0	\$10,261,375	\$500,000	\$560,000	\$11,321,375
General Fund			10,261,375	500,000	450,000	11,211,375
Federal Funds						
Special Funds					110,000	110,000
227 Bismarck State College	\$2,200,000	\$417,673	\$0	\$1,504,888	\$0	\$4,122,561
General Fund		417,673				417,673
Federal Funds						
Special Funds	2,200,000			1,504,888		3,704,888
228 Lake Region State College	\$2,500,000	\$155,367	\$0	\$107,300	\$100,000	\$2,862,667
General Fund		155,367		107,300	100,000	362,667
Federal Funds						
Special Funds	2,500,000					2,500,000
229 Williston State College	\$0	\$197,801	\$935,268	\$60,674	\$68,225	\$1,261,968
General Fund		197,801	935,268	60,674	68,225	1,261,968
Federal Funds						
Special Funds						
230 University of North Dakota	\$124,500,000	\$4,411,566	\$0	\$0	\$0	\$128,911,566
General Fund		4,411,566				4,411,566
Federal Funds						
Special Funds	124,500,000					124,500,000
235 North Dakota State University	\$125,000,000	\$2,732,244	\$0	\$5,066,860	\$0	\$132,799,104
General Fund		2,732,244				2,732,244
Federal Funds						
Special Funds	125,000,000			5,066,860		130,066,860
238 ND State College of Science	\$65,000	\$1,012,379	\$0	\$0	\$0	\$1,077,379
General Fund		1,012,379				1,012,379
Federal Funds						
Special Funds	65,000					65,000
239 Dickinson State University	\$12,500,000	\$409,078	\$0	\$0	\$0	\$12,909,078
General Fund		409,078				409,078
Federal Funds						
Special Funds	12,500,000					12,500,000

STATE OF NORTH DAKOTA

Capital Assets Appropriations by Category - 2025-27

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
240 Mayville State University	\$34,924,814	\$358,992	\$0	\$0	\$0	\$35,283,806
General Fund		358,992				358,992
Federal Funds						
Special Funds	34,924,814					34,924,814
241 Minot State University	\$27,867,000	\$899,620	\$0	\$200,000	\$0	\$28,966,620
General Fund	9,135,000	899,620				10,034,620
Federal Funds						
Special Funds	18,732,000			200,000		18,932,000
242 Valley City State University	\$0	\$408,319	\$0	\$47,504	\$0	\$455,823
General Fund		408,319		47,504		455,823
Federal Funds						
Special Funds						
243 Dakota College at Bottineau	\$500,000	\$114,007	\$0	\$0	\$0	\$614,007
General Fund	500,000	114,007				614,007
Federal Funds						
Special Funds						
244 North Dakota Forest Service	\$0	\$62,480	\$0	\$56,248	\$0	\$118,728
General Fund		62,480		56,248		118,728
Federal Funds						
Special Funds						
252 School for the Deaf	\$0	\$238,800	\$0	\$45,000	\$0	\$283,800
General Fund						
Federal Funds						
Special Funds		238,800		45,000		283,800
253 ND Vision Services	\$0	\$215,000	\$0	\$55,000	\$0	\$270,000
General Fund						
Federal Funds						
Special Funds		215,000		55,000		270,000
303 Department of Environmental Quality	\$0	\$24,000	\$0	\$4,424,600	\$0	\$4,448,600
General Fund						
Federal Funds		24,000		1,668,600		1,692,600
Special Funds				2,756,000		2,756,000

STATE OF NORTH DAKOTA

Capital Assets Appropriations by Category - 2025-27

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
313 Veterans Home	\$175,000	\$415,000	\$412,207	\$130,100	\$0	\$1,132,307
General Fund						
Federal Funds						
Special Funds	175,000	415,000	412,207	130,100		1,132,307
321 Veterans' Affairs	\$0	\$0	\$0	\$23,000	\$0	\$23,000
General Fund				23,000		23,000
Federal Funds						
Special Funds						
325 Department of Health and Human Services	\$1,684,480	\$3,169,293	\$111,526	\$2,300,111	\$948,000	\$8,213,410
General Fund		2,097,293	50,878	399,637	20,000	2,567,808
Federal Funds			55,239	984,800		1,040,039
Special Funds	1,684,480	1,072,000	5,409	915,674	928,000	4,605,563
380 Job Service	\$0	\$0	\$20,000	\$0	\$0	\$20,000
General Fund						
Federal Funds			20,000			20,000
Special Funds						
401 Insurance Department	\$0	\$0	\$0	\$90,000	\$0	\$90,000
General Fund						
Federal Funds						
Special Funds				90,000		90,000
405 Industrial Commission	\$0	\$0	\$117,118,200	\$0	\$0	\$117,118,200
General Fund						
Federal Funds						
Special Funds			117,118,200			117,118,200
408 Public Service Commission	\$0	\$0	\$0	\$205,000	\$25,000	\$230,000
General Fund				5,580	25,000	30,580
Federal Funds				199,420		199,420
Special Funds						
471 Bank of North Dakota	\$3,633,299	\$0	\$0	\$250,000	\$260,000	\$4,143,299
General Fund						
Federal Funds						
Special Funds	3,633,299			250,000	260,000	4,143,299

STATE OF NORTH DAKOTA

Capital Assets Appropriations by Category - 2025-27

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
473 ND Housing Finance	\$0	\$0	\$0	\$20,000	\$0	\$20,000
General Fund						
Federal Funds						
Special Funds				20,000		20,000
474 Department of Mineral Resources	\$0	\$0	\$0	\$45,000	\$0	\$45,000
General Fund				45,000		45,000
Federal Funds						
Special Funds						
504 Highway Patrol	\$0	\$260,000	\$0	\$0	\$0	\$260,000
General Fund						
Federal Funds						
Special Funds		260,000				260,000
530 Dept of Corrections and Rehabilitation	\$50,794,366	\$6,450,000	\$128,460	\$7,693,200	\$0	\$65,066,026
General Fund			128,460			128,460
Federal Funds						
Special Funds	50,794,366	6,450,000		7,693,200		64,937,566
540 Adjutant General	\$34,000,000	\$0	\$100,000	\$660,000	\$1,226,426	\$35,986,426
General Fund			100,000			100,000
Federal Funds	34,000,000			660,000		34,660,000
Special Funds					1,226,426	1,226,426
602 Department of Agriculture	\$0	\$0	\$0	\$0	\$11,100	\$11,100
General Fund						
Federal Funds						
Special Funds					11,100	11,100
628 Branch Research Centers	\$0	\$0	\$0	\$5,258,000	\$0	\$5,258,000
General Fund				875,000		875,000
Federal Funds						
Special Funds				4,383,000		4,383,000
638 Northern Crops Institute	\$0	\$0	\$0	\$350,000	\$0	\$350,000
General Fund						
Federal Funds						
Special Funds				350,000		350,000

STATE OF NORTH DAKOTA

Capital Assets Appropriations by Category - 2025-27

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
640 NDSU Main Research Center	\$16,537,500	\$1,840,065	\$0	\$5,436,236	\$0	\$23,813,801
General Fund	1,567,500	1,340,065		600,000		3,507,565
Federal Funds						
Special Funds	14,970,000	500,000		4,836,236		20,306,236
670 Racing Commission	\$0	\$0	\$0	\$13,000	\$0	\$13,000
General Fund				13,000		13,000
Federal Funds						
Special Funds						
701 Historical Society	\$73,744,524	\$3,000,000	\$4,200,000	\$30,000	\$0	\$80,974,524
General Fund				30,000		30,000
Federal Funds						
Special Funds	73,744,524	3,000,000	4,200,000			80,944,524
720 Game and Fish Department	\$0	\$3,053,750	\$3,091,191	\$1,178,200	\$0	\$7,323,141
General Fund						
Federal Funds		1,727,812	1,530,893	668,950		3,927,655
Special Funds		1,325,938	1,560,298	509,250		3,395,486
750 Parks and Recreation Department	\$14,824,000	\$800,000	\$0	\$250,000	\$0	\$15,874,000
General Fund						
Federal Funds						
Special Funds	14,824,000	800,000		250,000		15,874,000
770 Water Resources	\$1,000,000	\$250,000	\$0	\$1,224,450	\$79,500	\$2,553,950
General Fund						
Federal Funds						
Special Funds	1,000,000	250,000		1,224,450	79,500	2,553,950
801 Transportation	\$15,500,000	\$501,800	\$1,951,184,553	\$1,603,264	\$0	\$1,968,789,617
General Fund						
Federal Funds			1,108,605,934	100,000		1,108,705,934
Special Funds	15,500,000	501,800	842,578,619	1,503,264		860,083,683
Total All Agencies	\$847,549,983	\$70,747,234	\$2,087,562,780	\$44,194,696	\$9,672,588	\$3,059,727,281
General Fund	11,202,500	14,616,884	11,475,981	3,561,943	2,049,510	42,906,818
Federal Funds	34,000,000	1,751,812	1,110,212,066	4,702,770	-	1,150,666,648
Special Funds	802,347,483	54,378,538	965,874,733	35,929,983	7,623,078	1,866,153,815

CAPITAL PROJECTS

Capital projects are expenditures for land, new construction, additions, renovations, restorations and demolitions of buildings and infrastructure. The 2025-27 appropriation for capital projects is \$847.5 million, including \$11.2 million from the General Fund and \$836.3 million from special and federal funds.

For each approved capital project, the appropriated amount, project description and anticipated operating and staffing costs for the upcoming biennium are provided on the following pages.

STATE OF NORTH DAKOTA

Capital Projects Appropriations - 2025-27

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds
110 Office of Management and Budget	State Hospital	300,000,000	0	0	300,000,000
	Facility in Minot	5,600,000	0	0	5,600,000
	Total	\$305,600,000	\$0	\$0	\$305,600,000
227 Bismarck State College	Student Housing Remodel	\$2,200,000	\$0	\$0	\$2,200,000
228 Lake Region State College	Roof Repairs	\$2,500,000	\$0	\$0	\$2,500,000
230 University of North Dakota	STEM Building Phase II	79,500,000	0	0	79,500,000
	Allied Health Facility	45,000,000	0	0	45,000,000
	Total	\$124,500,000	\$0	\$0	\$124,500,000
235 North Dakota State University	Practice Wrestling Facility	13,000,000	0	0	13,000,000
	University Village	54,000,000	0	0	54,000,000
	Memorial Union Remodel	50,000,000	0	0	50,000,000
	Van Es Biosafety Lab	8,000,000	0	0	8,000,000
	Total	\$125,000,000	\$0	\$0	\$125,000,000
238 ND State College of Science	Land Purchase	\$65,000	\$0	\$0	\$65,000
239 Dickinson State University	Woods Hall and Ag & Tech Educational Building	\$12,500,000	\$0	\$0	\$12,500,000
240 Mayville State University	Old Main Renovation	\$34,924,814	\$0	\$0	\$34,924,814
241 Minot State University	Dakota Hall Demo	635,000	635,000	0	0
	Regional Health Science Building	13,000,000	8,500,000	0	4,500,000
	Track Project	3,000,000	0	0	3,000,000
	Academic Facilities	8,132,000	0	0	8,132,000
	Student Center Renovation	3,100,000	0	0	3,100,000
	Total	\$27,867,000	\$9,135,000	\$0	\$18,732,000
243 Dakota College at Bottineau	Student Housing	\$500,000	\$500,000	\$0	\$0
313 Veterans' Home	Resident Garages/Storage Units	\$175,000	\$0	\$0	\$175,000
325 Dept of Health and Human Services	Cedar Grove Roof	712,480	0	0	712,480
	Bathroom SEHSC	972,000	0	0	972,000
	Total	\$1,684,480	\$0	\$0	\$1,684,480
471 Bank of North Dakota	Building Remodel Projects	\$3,633,299	\$0	\$0	\$3,633,299
530 Dept of Corrections and Rehabilitation	HRCC Correctional Facility	35,635,000	0	0	35,635,000
	JRCC Maintenance Shop Demolition	570,000	0	0	570,000
	MRCC Temporary Housing Unit	8,032,757	0	0	8,032,757
	YCC Heating Plant	6,556,609	0	0	6,556,609
	Total	\$50,794,366	\$0	\$0	\$50,794,366

STATE OF NORTH DAKOTA

Capital Projects Appropriations - 2025-27

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds
540 Adjutant General	Camp Grafton Training Facility	\$34,000,000	\$0	\$34,000,000	\$0
640 NDSU Main Research Center	AES Equipment Storage Sheds	1,567,500	1,567,500	0	0
	Williston REC Storage Shed (additional funding)	200,000	0	0	200,000
	Nesson Valley Irrigation Site Capital Project (additional funding)	2,300,000	0	0	2,300,000
	Langdon REC Seed Conditioning Plant	2,600,000	0	0	2,600,000
	Swine Facility Renovation	6,000,000	0	0	6,000,000
	Greenhouse Addition at Ag Research Complex	3,250,000	0	0	3,250,000
	Oakes Irrigations Research Site	620,000	0	0	620,000
	Total	\$16,537,500	\$1,567,500	\$0	\$14,970,000
701 Historical Society	Military Gallery Expansion	\$73,744,524	\$0	\$0	\$73,744,524
750 Parks and Recreation Department	Parks Capital Projects	12,500,000	0	0	12,500,000
	Parks Comfort Stations	924,000	0	0	924,000
	IPG Music Camp	1,400,000	0	0	1,400,000
	Total	\$14,824,000	\$0	\$0	\$14,824,000
770 Water Resources	Devils Lake Outlet	\$1,000,000	\$0	\$0	\$1,000,000
801 Transportation	DOT Facility Upgrades	\$15,500,000	\$0	\$0	\$15,500,000
		\$847,549,983	\$11,202,500	\$34,000,000	\$802,347,483

CAPITAL PROJECTS DESCRIPTIONS

110 – Office of Management and BudgetND State Hospital

The state hospital project is funded with \$200.0 million from SIIF and a \$100.0 million line of credit from the Bank of North Dakota. This project will construct a new state hospital in Jamestown.

2027-29 Estimated Expense: Unknown

Minot Facility

OMB was appropriated \$5.6 million through a BND line of credit to construct a facility in Minot that will be leased to other state agencies.

2027-29 Estimated Expense: Unknown

227 – Bismarck State CollegeStudent Housing

This project will cover the cost associated with remodel of student housing. The project includes authorization of \$2.2 million from other funds.

2027-29 Estimated Expense: Unknown

228 – Lake Region State CollegeRoof Replacement

This \$2.5 million from SIIF allows for roof replacement.

2027-29 Estimated Expense: Unknown

230 – University of North DakotaAllied Health Facility

This project is for the Allied Health Facility project. The project includes authorization of \$5.0 million from the Community Health Trust Fund and \$40.0 million from other funds.

2027-29 Estimated Expense: Unknown

Engineering Building

This is phase 2 of the science, engineering, and national security corridor project which will integrate science-technology-engineering-math (STEM) academic spaces with much needed research and training space. The project includes authorization of \$55.6 million from SIIF and \$23.9 million from other funds.

2027-29 Estimated Expense: Unknown

235 – North Dakota State UniversityWrestling Facility

This \$13.0 million request from other funds is for a stand-alone practice wrestling facility.

2027-29 Estimated Expense: Unknown

Van Es Biosafety Laboratory

This \$38.0 million request from other funds is for a Biosafety Level (BSL) 3 laboratory to support research, product development, diagnostic testing, surveillance and epidemiology for BSL-3 pathogens.

2027-29 Estimated Expense: Unknown

Memorial Union Renovation and Addition

This project is for the renovation of the Memorial Union to meet student needs and enhance educational opportunities, provide engaging activities and improve support services. The project includes authorization of \$50.0 million from other funds.

2027-29 Estimated Expense: Unknown

University Village – Phase II

This project will address housing facility improvements aimed at meeting modern student needs for privacy, amenities, space and storage. The project includes authorization of \$54.0 million from other funds.

2027-29 Estimated Expense: Unknown

238 – North Dakota State College of Science

Land Purchase

This \$65,000 request from other funds is for a land purchase.

2027-29 Estimated Expense: \$0

239 – Dickinson State University

Woods Hall and Ag & Tech Educational Building

This project would complete the Woods Hall renovation project and provide bridge funding to the Ag and Technical Education Building. The project includes authorization of \$12.5 million from other funds.

2027-29 Estimated Expense: Unknown

240 – Mayville State University

Old Main Renovation

This project would fund the remaining portion of the renovation of the existing Old Main building. The project includes authorization of \$34.9 million from SIFF.

2027-29 Estimated Expense: Unknown

241 – Minot State University

Dakota Hall Demolition

This project would fund the remaining cost of the demolition of Dakota Hall on campus. The project includes authorization of \$635,000 from the General Fund.

2027-29 Estimated Expense: Unknown

Regional Health Science Building

This project would fund the purchase of the existing Trinity Health Center West facility in downtown Minot. The project includes authorization of \$8.5 million from the General Fund and \$4.5 million from other funds.

2027-29 Estimated Expense: Unknown

Academic Facilities Renovation

This project would provide for renovations and upgrades to academic facilities. The project includes the authorization of \$8.1 million from SIIF.

2027-29 Estimated Expense: Unknown

Student Center Renovation

This \$3.1 million request from other funds is for the renovation of the 2nd floor of the student center.

2027-29 Estimated Expense: Unknown

Track Project

This \$3.0 million request from other funds is for a track project.

2027-29 Estimated Expense: Unknown

243 – Dakota College at Bottineau

Student Housing

This \$500,000 request from the General Fund would address student housing needs.

2027-29 Estimated Expense: Unknown

313 – Veterans' Home

Parking Garage and Storage Units

This \$175,000 is additional funding for the parking garage and storage units project that was authorized and started in the 2023-25 biennium. Including this additional funding, the project is now funded with a total of \$925,000 from the Melvin Norgaard Memorial Fund. All the indoor parking spaces and storage units would have a monthly rental fee to help recoup the expenditures and provide for ongoing maintenance of the building.

2027-29 Estimated Expense: Unknown

325 – Department of Health and Human Services

Bathroom Remodel in SEHSC

This project was appropriated \$972,000 from SIIF. The bathrooms are from the building that was originally built in 1993 and do not have ADA compliance. The fixtures are constantly being repaired, wall tiles are chipped and the toilets are pulling away from the walls. This project will remodel all twelve of the restrooms in the human service center.

2027-29 Estimated Expense: \$0

Roof Replacement for Cedar Grove

This project was appropriated \$712,480 from SIIF. The roof is continually patched and unable to continue to be repaired. The roof will continue to deteriorate, leak and the building will not be suitable for residential services or team members to work. The roof replacement will help reduce

the building maintenance.

2027-29 Estimated Expense: \$0

471 – Bank of North Dakota

Building Remodel

This project was appropriated \$3.6 million from other funds. The funding will be used for a drive-through window project and a lobby remodel.

2027-29 Estimated Expense: Unknown

530 – Department of Corrections and Rehabilitation

Heart River Correctional Center

Project is for the construction of 260 bed gender specific correctional facility for women on the Youth Correctional Center campus in Mandan. The facility will house all security levels and will provide areas for medical facilities, behavioral health treatment, and industry. The project is estimated at \$166.8 million, with \$131.2 million funded from SIIF in the 2023-25 biennium. The remaining \$35.6 million is provided for in the 2025-27 biennium from SIIF.

2027-29 Estimated Expense: \$807,500

James River Correctional Center Maintenance Shop Demolition

Funding was provided in the 2023-25 biennium to replace the maintenance shop on the James River Correctional

Center campus. The existing shop was in severe disrepair and unsafe for continued use. The original project was for the construction of the new facility and the demolition of the existing shop. Construction costs for the new maintenance shop exceeded the original estimates and there was not sufficient funding remaining for demolition. For the 2025-27 biennium, funding of \$570,000 from SIIF is provided to complete the demolition.

2027-29 Estimated Expense: \$0

Missouri River Correctional Center Temporary Housing Unit

This project will add two temporary housing units and three additional programming buildings on the Missouri River Correctional Center campus to house minimum security inmates. Funding of \$8.0 million from SIIF is provided for the capital portion of this project.

2027-29 Estimated Expense: Unknown

Youth Correctional Center Heating Plant Replacement

Funding of \$6.6 million from SIIF is provided to build a replacement heating plant on the Youth Correctional Center campus. The current building dates to around 1912 and is the oldest occupied building on campus and is currently structurally unsound. The building houses three firetube low pressure steam boilers that supply the facility with steam heat. The building also includes a system mechanic office, workshop, several storage areas, ¾ bathroom, plumber office, workshop, and storage areas.

2027-29 Estimated Expense: Unknown

540 – Adjutant GeneralMilitary Construction Addition

This \$34.0 million request from federal funding is to complete a billeting addition to the Regional Training Institute building at Camp Grafton.

2027-29 Estimated Expense: Unknown

640 – NDSU Main Research CenterOakes Irrigation Research Site Project

This \$620,000 authorization from SIIF is for the completion of the Oakes Irrigation Research Site headquarters building interior.

2027-29 Estimated Expense: Unknown

Langdon Research Center Seed Conditioning Plant Project

This \$2.6 million project is for a modern seed cleaning facility at the Langdon Research Center. This project is funded by \$950,000 from SIIF and \$1.7 million from local funds.

2027-29 Estimated Expense: Unknown

Storage Sheds

This \$1.6 million from the General Fund is for the construction of three equipment storage sheds at Dickinson, Central Grasslands and Carrington branch research

extension centers.

2027-29 Estimated Expense: Unknown

Nesson Valley Irrigation Site Capital Project

Funding of \$1.7 million from the General Fund was provided in the 2023-25 biennium for office and lab space, a heated shop, and a conference room at the Nesson Valley Irrigation site located 27 miles from Williston. For the 2025-27 biennium, additional funding of \$2.3 million (\$400,000 from SIIF and \$1.9 million from local funds) is provided to complete this project, due to a change in project scope.

2027-29 Estimated Expense: Unknown

Swine Facility Renovation Project

Funding of \$6.0 million from local funds is for a swine research and teaching center facility renovation project.

2027-29 Estimated Expense: Unknown

Greenhouse Addition Project

Funding of \$3.3 million from local funds is for a greenhouse addition to the Jack Dalrymple Agricultural Research Complex.

2027-29 Estimated Expense: Unknown

Williston Research Center Storage Shed Project

Funding of \$475,000 from SIIF was provided in the 2023-25

biennium for an equipment storage shed at the Williston Research Extension Center. For the 2025-27 biennium, additional funding of \$200,000 from local funds is provided to complete this project since the Williston Research Extension Center was unable to get a successful bid for the project in the 2023-25 biennium.

2027-29 Estimated Expense: Unknown

701 – Historical Society

Military Museum

This project is for the construction of a military gallery attached to the Heritage Center on the North Dakota Capitol grounds in Bismarck. The North Dakota military gallery expansion project is a joint effort between the State Historical Society of North Dakota (SHSND) and the North Dakota National Guard (NDNG). Written support from the SHSND Board and Foundation has been received, along with approval from the Capitol Grounds Planning Committee. The project is funded by \$15.0 million from SIIF, a \$20.0 million line of credit from the Bank of North Dakota and \$38.7 million from donations.

2027-29 Estimated Expense: \$259,200

750 – ND Parks and Recreation Department

Capital Projects: Roads, Utilities and Marinas

This project provides \$12.5 million from SIIF for capital projects related to the state park roads, utilities and

marinas. There is over \$60.0 million in backlog deferred maintenance and capital projects within the state park system. With over 130 miles of paved roads, 330 buildings and multiple underground utilities and camp sites and four marinas there is significant need for updates.

2027-29 Estimated Expense: Unknown

Comfort Stations

This project provides \$924,000 from SIIF which matches \$2.8 million in FEMA funding for a total of \$3.7 million. There will be four comfort stations built that will also serve as storm shelters for visitors in the state parks. The parks are located in rural and/or remote areas of the state with little to no storm shelter infrastructure. These comfort stations will be built to storm shelter standards to withstand tornados or high winds.

2027-29 Estimated Expense: Unknown

International Peace Garden Music Camp

This project provides \$1.4 million from SIIF to revitalize the International Peace Garden Music Camp. The current complex is still using the original HVAC system and water heaters from 1993-94. The dining hall and two of the dorms are older than that. As equipment breaks or required preventative maintenance is being done, they are finding that components are no longer being made. These upgrades will allow the camp to continue to offer instruction to ND students and expand educational

activities. In addition, the current dorms are not insulated, which prevents year-round opportunities. The project will consist of HVAC system upgrades, water heaters and other building infrastructure in the dining hall and dormitories.

2027-29 Estimated Expense: Unknown

770 – Water Resources

Devils Lake Outlet

This \$1.0 million from special funds is for Devils Lake outlet projects.

2027-29 Estimated Expense: Unknown

801 – Transportation

Facility Upgrades

This \$15.5 million from special funds is for facility improvements on aging buildings.

2027-29 Estimated Expense: Unknown

STATE OF NORTH DAKOTA
Other Capital Payments Appropriations - 2025-27

Agency	Project Description	Total	General Fund	Federal Funds	Special Funds
215 ND University System	Capital Bond Payments	\$10,261,375	\$10,261,375	\$0	\$0
229 Williston State College	Capital Bond Payments	\$935,268	\$935,268	\$0	\$0
313 Veterans Home	Capital Bond Payments	\$412,207	\$0	\$0	\$412,207
325 Health and Human Services	Special Assessments	\$111,526	\$50,878	\$55,239	\$5,409
380 Job Service North Dakota	Special Assessments	\$20,000	\$0	\$20,000	\$0
405 Industrial Commission	Bond Payments	\$117,118,200	\$0	\$0	\$117,118,200
530 Dept of Corrections and Rehabilitation	Energy Savings Loan	\$128,460	\$128,460	\$0	\$0
540 Adjutant General	Payment in Lieu	\$100,000	\$100,000	\$0	\$0
701 Historical Society	Line of Credit Payment	\$4,200,000	\$0	\$0	\$4,200,000
720 Game and Fish Department	Other Capital Payments	\$3,091,191	\$0	\$1,530,893	\$1,560,298
801 Department of Transportation	Other Capital Payments	\$1,951,184,553	\$0	\$1,108,605,934	\$842,578,619
		\$2,087,562,780	\$11,475,981	\$1,110,212,066	\$965,874,733

LARGE IT PROJECTS

The large information technology (IT) projects budget summarizes the 2025-27 biennium legislative appropriation for state investments in large IT projects. The definition of a "Large IT project" refers to any information technology project that meets the following criteria as determined by the Chief Information Officer stated in NDCC 54-35-15.2:

- a) An estimated total cost, as defined by the information technology department, of \$5.0 million dollars or more;
- b) Requires one year or longer to reach operational status; or
- c) Requires oversight due to its potential benefits, risks, public impact, visibility, or another significant reason.

Information Technology means the use of hardware, software, services, and supporting infrastructure to manage and deliver information using voice, data, and/or video. IT project

appropriations may include funding for items other than IT equipment or software. Examples of other costs may be:

- Salary and benefits for staff performing IT duties associated with the large IT project
- One-time costs associated with implementing the large IT project
- Services provided by vendors or contractors during the large IT project

For the 2025-27 biennium, the legislature approved a total of \$39.0 million for large IT projects funded by special funds.

The 2025-27 biennium appropriations for large IT projects are summarized on the following pages.

STATE OF NORTH DAKOTA

Large IT Projects Appropriations - 2025-27

Agency/Project	Total	General Fund	Federal Funds	Special Funds
108 Secretary of State				
Election Pollpads and Cradle Points	\$ 2,800,000	\$ -	\$ -	\$ 2,800,000
Total Secretary of State	\$ 2,800,000	\$ -	\$ -	\$ 2,800,000
125 Attorney General				
SAVIN Replacement	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Total Attorney General	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
180 Judicial Branch				
AI Software for Clerk Filings	\$ 1,250,000	\$ -	\$ -	\$ 1,250,000
Court Records Research and Secure Access	960,000	-	-	960,000
Total Judicial Branch	\$ 2,210,000	\$ -	\$ -	\$ 2,210,000
325 Health and Human Services				
Retire Systems off Mainframe	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000
Public Health Data Modernization	2,213,930	-	-	2,213,930
Total Health and Human Services	\$ 17,213,930	\$ -	\$ -	\$ 17,213,930
485 Workforce Safety and Insurance				
CAPS System Replacement	\$ 5,208,325	\$ -	\$ -	\$ 5,208,325
MyWSI Enhancement	1,366,050	-	-	1,366,050
Total Workforce Safety and Insurance	\$ 6,574,375	\$ -	\$ -	\$ 6,574,375
530 Corrections and Rehabilitation				
Offender Client Management System Replacement	\$ 5,663,200	\$ -	\$ -	\$ 5,663,200
Total Corrections and Rehabilitation	\$ 5,663,200	\$ -	\$ -	\$ 5,663,200

STATE OF NORTH DAKOTA

Large IT Projects Appropriations - 2025-27

Agency/Project	Total	General Fund	Federal Funds	Special Funds
801 Transportation				
Motor Vehicle/Drivers License Appointment System	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
Total Transportation	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
Total All Agencies	\$ 38,961,505	\$ -	\$ -	\$ 38,961,505



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of North Dakota

For the Biennium Beginning

July 01, 2023

Christopher P. Morill

Executive Director