



# NDACo BUDGET MEMO

## For CY2026 Budgets

To help counties in their budgeting efforts, we at NDACo have compiled county-specific analyses of projected State Aid, State Highway Funding, and a variety of other revenues along with some anticipated expenditures. We have sent this one-page, county-specific analysis to each county; however, it is most effective if it is used in conjunction with the narrative below.

This Budget Memo includes brief notes about the assumptions and qualifications of various budget items. We have also identified other budget issues that we think may warrant consideration.

**As always, please remember that these are estimates and relative changes in valuation, taxable sales, population, staffing levels, gas prices, motor vehicles, etc., may affect some of the actual revenues and costs in the next year. While we use the latest and best data available, everything must be tempered with your own judgement.**

NDACo has provided this service since 1991. We hope you find it useful. As always, we welcome your input if we can make this annual communication more useful.

## REVENUES

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### STATE AID DISTRIBUTION FUND

North Dakota Century Code Section 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. The amount deposited into the State Aid Distribution Fund is equal to 43.5 percent of an amount determined by multiplying 1.0 percent, divided by the general sales tax rate, times the net sales, use, and motor vehicle excise tax collections. The calculation results in 8.7 percent of all sales and motor vehicle excise taxes being distributed through the State Aid Distribution Fund to cities and counties. Revenues deposited in the State Aid Distribution Fund are allocated to political subdivisions pursuant to the formula provided in Section 57-39.2-26.1.

This year, we are using OMB forecasting and actual year-to-date collections as the foundation for this projection. The results, therefore, are only as accurate as those assumptions used by OMB and the state's economic advisor. (Note that State Aid funds are distributed monthly) In the 2025-2027 Executive Budget Summary, OMB anticipates a 4.6% increase over the entire biennium in sales and use tax collections, reflecting inflationary pressures and the potential for economic slowdown at some point during the biennium.

## HIGHWAY TAX DISTRIBUTION FUND

The Highway Tax Distribution Fund is a statutory fund established by NDCC Section 54-27-19. The fund receives money 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.

The 69<sup>th</sup> Legislature revised the political subdivision allocation formula in SB2012, reducing the share going to DOT's highway fund and increasing the share that goes to political subdivisions. The city and county allocation was increased from 34.5% to 35% (see updated formula below). SB2012 also provided for a transfer of 25% of the motor vehicle excise tax to the Highway Tax Distribution Fund, estimated at \$87.5 million. Appropriations for the Highway Patrol, ethanol production incentives, motorboat safety, and state snowmobile fund are deducted before remaining moneys are allocated pursuant to the following formula:

- 60% to the highway fund for use by the state DOT.
- 3.4% to the township highway fund for allocation to townships pursuant to Section 54-27-19.1.
- 1.6% to the public transportation fund to be allocated pursuant to Section 39-04.2-04.
- 35% to cities and counties, allocated pursuant to the distribution formula provided in Section 54-27-19.

With the change in formula and the addition of motor vehicle excise tax into the Highway Tax Distribution Fund, our projections on the individual county-specific data sheets reflect a **6% increase in Highway Tax Distribution revenue from 2025 to 2026**. This is very much an estimate, so please use your own best judgment as well. Questions on these projections can also be directed to Linda Svihovec.

## FLEXIBLE TRANSPORTATION FUND (FTF)

The 2025 Legislature created a NEW monthly distribution fund for counties, cities and townships from the Flexible Transportation Fund in SB2012. Non-oil counties and cities will receive 19.5% (\$44.85 million/biennium) of the revenues that flow into FTF (\$230 million total) to be direct distributions that will mirror the Highway Tax Distribution Fund allocation formula. The first distribution of the biennium will be a large distribution in August 2025 because of a one-time July 2025 transfer of \$142 million from the Strategic Investment and Improvement Fund (SIIF) to the Flexible Transportation Fund. Smaller monthly distributions will follow throughout the biennium. The definition of non-oil producing county for FTF means a county that had annual oil production of fewer than ten million barrels on average over the last three years.

An additional \$165 million in FTF grants will be available for political subdivisions, including \$40.25 designated specifically for political subdivision bridge projects for all counties.

**PLEASE REFER TO COUNTY SPECIFIC DATA SHEETS FOR SEPARATE ESTIMATES FOR THE LARGER ONE-TIME AUGUST 2025 COUNTY FTF DISTRIBUTION AND MONTHLY DISTRIBUTIONS.**

## LEGACY EARNINGS HIGHWAY DISTRIBUTION FUND - **REPEALED**

**There WILL NOT be a distribution of Legacy Earnings Highway Tax Distribution funds in August 2025** as was indicated in last year's Budget Memo. **This funding was repealed** and replaced with direct distribution to cities, counties and townships from the Flexible Transportation Fund.

## COUNTY INFRASTRUCTURE FUNDING (PRAIRIE DOG)

The 69<sup>th</sup> Legislature amended several items related to the County Infrastructure Fund (aka Prairie Dog).

- Reduced the amount of funds to be distributed from \$115 million for non-oil counties and townships to \$80 million. (87% to counties, 13% to townships)
  - \$40 million will be directly distributed to non-oil counties and townships.
    - \$34.8 million counties; \$5.2 million townships
  - \$40 million will be available for grants through NDDOT.
- Removed SIIF bucket that was ahead of Prairie Dog bucket so nearly 100% certainty that the bucket will fill this biennium. (Anticipated to fill in fall 2026).
- Organized townships must levy at least 18 mills in their general fund and have a general fund balance of less than \$100,000.
- Unorganized Townships **must** levy 18 mills for the Unorganized Township levy.
- County distributions will be based on the Upper Great Plains Transportation Needs Study.
- Township distributions will be based on certified miles reported to the State Treasurer.

The definition of non-oil producing county for County Infrastructure Fund (Prairie Dog) means a county that received less than \$5 million in gross production tax revenue in the most recently completed even-numbered year. The estimates on the county-specific data sheets are based off of the latest report from the [ND Upper Great Plains Transportation Institute](#) released in October 2024. Note that amounts may vary depending on when bucket fills and whether a new study has been released.

## GROSS PRODUCTION TAX

*From OMB 2025-27 Biennium Executive Budget Summary:*

The first year of the 2023-25 biennium saw North Dakota oil prices fluctuate from a high of \$84.36 to a low of \$64.99. North Dakota oil prices are expected to decline slightly from the current level to around \$61 per barrel by June 30, 2025. Oil production is expected to remain flat at around 1.1 million barrels per day. North Dakota oil prices are anticipated to be at \$62 for the first year of the 2025-27 biennium and decline to \$60 for the second year of the biennium. Production is anticipated to remain flat at 1.1 million barrels per day for both years.

## TOWNSHIP ROAD FUNDING

**Flexible Transportation Fund:** Non-oil townships are eligible for both direct distributions and discretionary grants through the Flexible Transportation Fund.

Non-oil townships will receive 9.5% in direct distributions from FTF (\$20.7m/biennium) in quarterly distributions beginning in 2026 with the first distribution in April 2026. Another \$31 million will be available through NDDOT grants.

For townships to be eligible for FTF funding:

- Organized Townships **must** levy at least 18 mills in their general fund and have a general fund balance of less than \$100,000.
- Unorganized Townships **must** levy 18 mills for the Unorganized Township levy.

**The Legacy Earnings Township Highway Aid Fund was repealed by the 69<sup>th</sup> Legislature. Funding was replaced with direct distributions from the FTF (see paragraph above).**

### SENIOR MILL LEVY MATCH

The 2015 Legislature readjusted the formula for this program, increasing the amount of state funding distributed from 85% of a mill to 87.5%. They also amended the language of this statute, providing a match equal to the amount appropriated by the county for this purpose, up to the value of one mill. Therefore, a county is no longer required to levy the mill if they have other revenues available to demonstrate the match. This may make projections a bit more difficult going forward but certainly adds flexibility to the county budgeting process. For each county-specific data sheet, we have included the CY2025 actual distribution, contrasted with our calculation of the **maximum CY2026 distribution**. This calculation is based on 87.5% of your Tax Year 2023 mill value and the assumption that each county budgets sufficient funds to trigger the maximum match obviously some counties may budget less.

### CLERK OF COURT FUNDING

For those counties that contract with the Supreme Court to provide clerk of court services, the new contract amounts take effect July 1, 2025, for the 2025-2027 biennium. Therefore, the monthly reimbursements for 2025 are calculated using the old contract amounts for the first six months of 2025 and the new contract amounts for the last six months of 2025. The amounts are based on the updated time-study and salary information finalized and reported to the clerks. The figures in the county-specific data sheet compare the blended amounts for the current year and new rates for CY2026.

### INDIRECT COST PLANS (REIMBURSEMENTS & FEES)

Pursuant to Social Services redesign, all direct costs for social services will be funded by the state, while indirect costs will remain the responsibility of the counties. Each Zone Human Service Plan governs how that reimbursement is shared among counties in the Zone.

The 68th Legislature passed HB1046, clarifying the definition of “Direct costs” to include those approved by the department and “Indirect costs” to include remodeling, construction, and improvement costs. The bill further clarifies that Indirect costs may not include non-space and non-facility expenses that are exclusively attributable to the human service zone.

**The bill also requires counties to provide the requested cost allocation plan information by September 15 each year. If counties fail to provide the information by the September 15 deadline, counties will be responsible for 100% of all indirect costs for that year and will not receive their indirect cost allocation.**

### COURT FACILITIES GRANTS

State law governing court fees and costs associated with criminal convictions includes a provision dedicating a significant share of those revenues to the county grant program for court facilities improvement and maintenance. Grant applications will be due no later than December 31, 2025, with awards in January or February 2026. The rules adopted for this grant program require that the funds be for an “improvement or maintenance project that is a necessary improvement to court

*facilities or essential to remodel or maintain existing court facilities.”* The grant program requires a 25% local match and must be used for a future project. An exception may be considered for complex or extended projects that are to be completed in phases or installments.

## 9-1-1 FEE REVENUE & EXPENDITURES

The Next Generation 9-1-1 network transition is being implemented as planned, and the NG9-1-1 Joint Powers Agreement costs will remain at 10% of the first \$1 of the fee through 2026.

NDACo has completed work through an NG9-1-1 project that eliminates 9-1-1 circuit fees as a county expense. The costs for these circuits have transitioned to an expenditure paid for through the NG9-1-1 program and there is a net cost savings because of this shift. If there are any counties still paying local telephone companies for “911 trunks,” please let the NG9-1-1 Program Manager know.

On August 1st of 2025, there will be a reduction in the amount of 9-1-1 fees that originating service providers are allowed to retain for administration of the 9-1-1 fee. This retention had been 5%, but this retention was reduced to 2.5% during the last legislative session. Counties will start seeing this additional 2.5% in their deposits starting in September of 2025.

### **Accounting Recommendation**

We are again suggesting counties simply have a “9-1-1 Account” and receive their revenues directly into that single account. Anything paid out of that account should follow the Emergency Services Communication Coordinating Committee’s “Expenditure Guidelines” on the allowable use of 9-1-1 fee revenue.

## JUVENILE JUSTICE FUNDING

- **Attendant Care Reimbursement:** Federal funds will continue to be allocated for the statewide Attendant Care Program, which provides short-term supervision to delinquent youth in lieu of a detention placement. Reimbursement is provided for the direct costs of operation (wages, meals). In some jurisdictions, funding for attendant care is part of a regional contract that also includes shelter services for ungovernable or runaway youth. For counties that are part of the regional contract, it is anticipated that there will be an increase in that budget and notifications will be sent in the next several weeks to the individual counties that are part of those contracts. Lisa Jahner is the contact for additional information.
- **Juvenile Transportation:** County sheriff’s departments are able to apply for reimbursement of costs related to the transport of juveniles in state custody (NDCC 27-20.2-19(2)). This funding can be applied for through the ND Dept. of Corrections and Rehabilitation. The current reimbursement is 29 cents per mile for staff time plus the state mileage rate. The state mileage rate is equal to the mileage rate established by the U.S. General Services Administration (i.e. Federal GSA rates) so it can vary throughout the year. OMB posts the mileage rate on their website as it changes, and NDACo will continue to coordinate a notice to all counties when changes are made. Call Lisa Jahner with any questions.

# STATE PROGRAM COSTS

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## PROBATIONER RECOVERY FUND

This statutory, state-maintained fund was created (NDCC 12-65-08) to reduce and normalize county costs of recovering probationers from out-of-state locations. When this fund was created, the “county of jurisdiction” and the offender each paid \$150 into the Fund for each out-of-state placement. The 2007 Legislature approved language in the Dept. of Corrections Budget Bill permitting the agency to stop billing counties when the special fund reaches a level of \$75,000 at the end of a state fiscal year. The fund balance is at \$82,500 currently so counties will not be billed July 2025 through June 2026.

## PUBLIC ADMINISTRATOR/GUARDIANSHIP FUNDING

In 2013 the Legislature took a large step towards eliminating the ambiguous responsibility of counties for funding public administrators/guardians for indigent persons. Public Guardianship was completely restructured in the 2025 Legislative Session. The legislature created a state agency to fund and oversee public guardianships. This new state agency will eventually take over counties and NDACo’s role in guardianship services. The net result is NDACo will NOT be requesting county contributions for this program for this budget cycle or the long-term foreseeable future.

## STATE RADIO 9-1-1 DISPATCH/TELETYPE FEES

For Teletype access and for counties that contract with State Radio for 9-1-1 dispatch, the agency analyzes their actual costs and addresses rates as part of their biennial budget-setting process in the Legislature.

911 Dispatch Service Rate:

Effective July 1, 2025 – June 30, 2027: **\$1.59/line/month**

NDCC 37-17.3-08 establishes a cost sharing fee for the ND teletype system (LETS) on a per terminal basis based on county population as follows:

- Less than 5,000 \$40/month
- 5,000 – 9,999 \$80/month
- 10,000 – 14,999 \$120/month
- 15,000 – 24,999 \$160/month
- Over 25,000 \$200/month

# PERSONNEL COST ISSUES

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## DRUG & ALCOHOL TESTING

This section is for counties participating as part of the NDACo “testing pool” for the random drug and alcohol testing - required of Commercial Driver’s License (CDL) holders employed in “safety sensitive” positions.

Adjustments may be made if the county has changes in staffing levels. The “no show” fee, initiated for situations where the sampler is not informed ahead of time that an individual selected for a random drug or alcohol test will be absent or otherwise unavailable for testing, is still in effect.

Contract testers can no longer draw an "alternate name" for an individual who is unavailable to test. The individual must be tested when they return to work; they may be tested by the contractor or the county's local clinic. Also, it is very important for counties that have a "no-show" to document why the situation occurred (i.e. vacation, illness, work location, etc.). Otherwise, it may become an exception if the federal DOT should audit your testing program. In addition to "no-show" fees, if the collector has a wait time (for shy bladder), or a county requests to be tested outside regular business hours (contractor travels before 8:00am - after 5:00pm), additional fees may apply. Drive time and mileage costs charged by the collectors will be a direct pass-through expense to the counties, which is the same billing format as this year.

Remember, if new full-time, part-time, or temporary employees that meet the testing requirement are added to the county payroll, a "pre-employment" drug test is required by federal regulation. Our testing contractor will complete pre-employment testing, as well as post-accident and reasonable suspicion/cause at the same per-test rate; however, that is in addition to the annual fee for the random testing. Testing fees will remain the same for 2026, so budget numbers should be similar to this year's amount, if there are no anticipated staffing level changes.

If any counties with CDL holders are not currently involved in a random testing program, we strongly encourage participation. An employer found to be out of compliance could face stiff fines and penalties. Contact Genny Dienstmann with questions.

## WORKER'S COMPENSATION (CEG) PREMIUM ESTIMATES

NDACo's County Employer Group (CEG) continues to work to provide efficient risk and claims management services that have maintained the group's excellent loss history and relatively low premiums. To assist with the budgeting process, WSI and NDACo have accelerated their calculation of the 2026 estimated premium to provide each county with its 2026 estimated premium early. **The calculated 2026 estimated premiums should be available and emailed in early August.** Your county-specific data sheet, at this time, includes the CY2025 estimated premiums so that you can begin the process. You should consider budgeting an increase due to an increase in WSI's payroll cap each year and potential changes to your experience rate until you receive your actual 2026 estimated premium calculation. Although we have always indicated that CEG dividend credits should not be used for budgeting, we wanted to make sure that you were also aware that depending upon incurred claim costs, we are never certain if CEG dividend credits will be provided each year.

## NDPERS HEALTH INSURANCE PREMIUMS

For counties that purchase employee health insurance through the ND Public Employees Retirement System (NDPERS), the premiums negotiated by the state for the 2025-2027 biennium are important to your next year's budget. Please note that employers who participate in the Wellness Program will be assessed the "A" Rate and those who do not participate in the Wellness Program will be assessed the "B" Rate. The below monthly health insurance rates in effect through 6/30/27 are as follows:

**NOTE that the premiums below are effective beginning July 1, 2025 – June 30, 2027**

#### Grandfathered Plan 7/1/2025-6/30/2027

Pro/Basic Option			COBRA Pro Basic		
	"A" Rate	"B" Rate		"A" Rate	"B" Rate
Single	\$ 973.64	\$ 983.36	Single	\$ 993.06	\$ 993.06
Family	\$ 2,353.58	\$ 2,377.10	Family	\$ 2,400.62	\$ 2,400.62

#### Non-Grandfathered Plan 7/1/2025-6/30/2027

Pro/Basic Option			COBRA Pro Basic		
	"A" Rate	"B" Rate		"A" Rate	"B" Rate
Single	\$ 985.46	\$ 995.28	Single	\$ 1,005.16	\$ 1,005.16
Family	\$ 2,382.24	\$ 2,406.04	Family	\$ 2,429.88	\$ 2,429.88

For more information on these rates, refer to the NDPERS website here: [Memorandum](#)

### NDPHIT EMPLOYEE HEALTH INSURANCE OPTION

The North Dakota Insurance Reserve Fund, in partnership with the Southeast Education Cooperative (SEEC), began offering an employee health insurance option to ND political subdivisions in 2021 – the North Dakota Public Health Insurance Trust (NDPHIT). NDPHIT, which includes 97 local government groups, provides the opportunity to join together to create stable group health insurance and employee wellness benefits and efficiency while also providing local governments with more control over their health insurance and other employee benefit programs. A number of counties have chosen to participate in the NDPHIT insurance program, and it is available to any county if they find it advantageous. NDPHIT recently determined rates for the 2026 plan year, and the rate increases range between 5.51% to 10.76%, depending on loss ratios. Detailed information on individual member group rates will be provided to members in mid-July.

### NDPERS RETIREMENT

The 69<sup>th</sup> Legislature expanded the eligibility for participation in the Public Safety Defined Benefit Plan to include correctional officers, including state dispatchers as well as political subdivision dispatchers and Emergency Medical Services (EMS) personnel. Public Safety Plan employer contributions will increase starting with the January 2026 reporting month, per the rate chart on Page 10. For more detailed information on these changes to the Public Safety Plan see [NDPERS MEMO 2025-9](#).

HB1040 was passed by the 68<sup>th</sup> Legislature and as a result beginning January 1, 2025, counties have two PERS retirement plans to administer for employees: 1) Defined Benefit Plan (DB) for existing employees and 2) New Defined Contribution Plan (DC) for all new hires beginning 1/1/2025. **Rates for both plans can be found on Pages 10-11.**

### Differences in Types of Plans - NDPERS

#### 1) Defined Benefit (DB) Plan:



- Provides a guaranteed lifetime income for vested members upon retirement in the form of monthly payments
- Monthly benefit payment calculated based upon formula in NDCC 54-52
- Final Average Salary x Benefit Multiplier x Years of Service
- State pools the investment risk for all members; therefore, members are not responsible for selecting investments
- NDPERS offers PEP with the 457 plan to vest in additional employer contributions

## 2) **Defined Contribution (DC) Plan:**

- Member has access to plan account balance upon termination/retirement
- Member selects investment options
- Account balance subject to gains and losses
- Terminated members have more flexibility in withdrawing account, changing benefit payment amounts and frequency
- Funds are managed by a Trust Company, retained by NDPERS
- No PEP is necessary as the employee gets the full employer contribution (subject to vesting)

### **Defined Contribution Plan**

The Defined Contribution plan has a **mandatory 4% employee/5.26% employer** contribution.

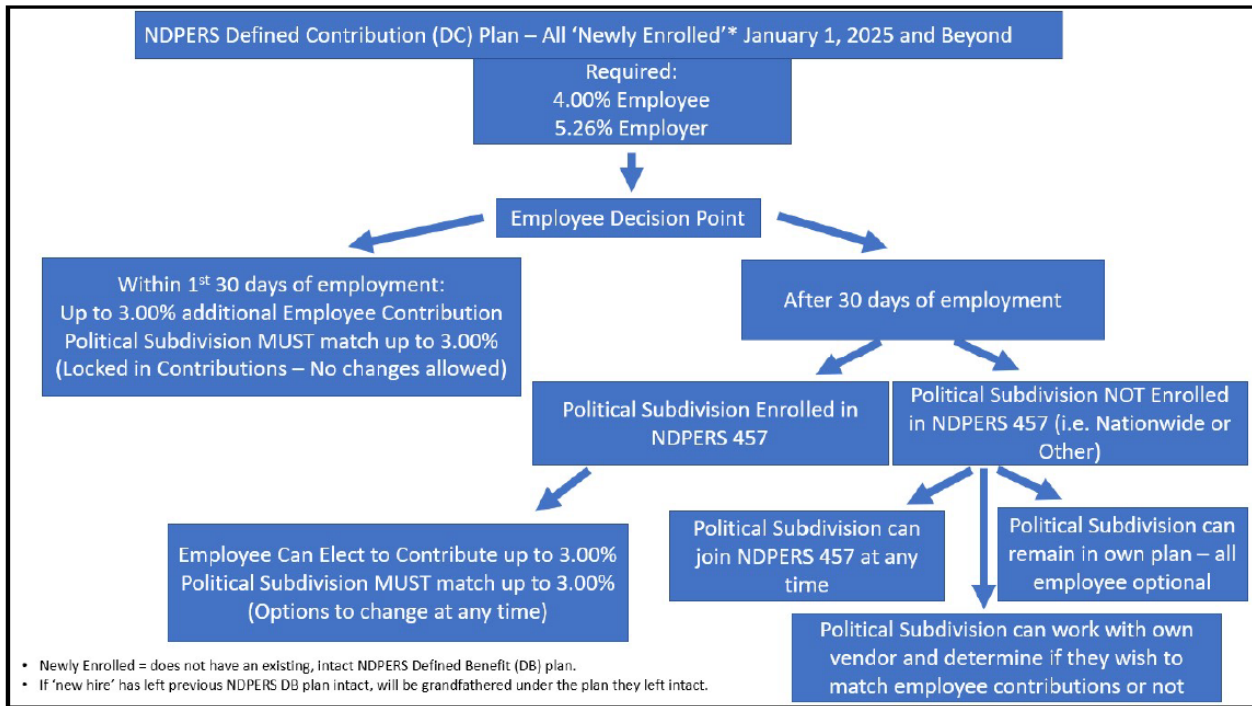
Employees can **elect up to an additional 3%** contribution with a corresponding employer increase.

- Initial opportunity to designate additional contribution into the Defined Contribution plan.
- Due to IRS regulations, employees **will only have 30 days from the date of hire** to make election under this plan.
- After an initial 30-day election, additional contribution goes into the NDPERS 457 Deferred Compensation plan if elected by employee.
- Only applies if a political subdivision participates in NDPERS 457 Deferred Compensation plan.
- Political subdivisions not offering the NDPERS 457 Deferred Compensation plan can contact NDPERS if they are interested in joining and offering the plan to their employees. **(See DC Plan contribution rate options on Page 11).**

<b>NDPERS Retirement Contribution Levels</b>	<b><u>Current</u></b>	<b><u>Effective 1/1/2026</u></b>
Employer Share (Employer MUST Pay)	8.12%	<b>NO CHANGES</b>
Employee Share (Employer MAY Pay)	7.00%	
Post Retirement Health-Employee (Employer MUST Pay)	1.14%	
<b>TOTAL</b>	<b>16.26%</b>	

<b>NDPERS Public Safety Plan (with prior service):</b>	<b><u>Current</u></b>	<b><u>Effective 1/1/2026</u></b>
Employer Share (Employer MUST Pay)	11.40%	12.63%
Employee Share (Employer MAY Pay)	5.50%	5.50%
Post Retirement Health-Employee (Employer MUST Pay)	1.14%	1.14%
<b>TOTAL</b>	<b>18.04%</b>	<b>19.27%</b>

<b>NDPERS Public Safety Plan (without prior service):</b>	<b><u>Current</u></b>	<b><u>Effective 1/1/2026</u></b>
Employer Share (Employer MUST Pay)	9.16%	8.81%
Employee Share (Employer MAY Pay)	5.50%	5.50%
Post Retirement Health-Employee (Employer MUST Pay)	1.14%	1.14%
<b>TOTAL</b>	<b>15.80%</b>	<b>15.45%</b>



DEFINED CONTRIBUTION PLAN ELECTION OPTIONS - effective 1/1/2025				
Employee		Employer		Total
4% Mandatory	+	5.26% Mandatory	=	9.26% Mandatory
OR				
4% Mandatory + 1% Elective	+	5.26% Mandatory + 1% Match	=	11.26%
OR				
4% Mandatory + 2% Elective	+	5.26% Mandatory + 2% Match	=	13.26%
OR				
4% Mandatory + 3% Elective	+	5.26% Mandatory + 3% Match	=	15.26%

## NDIRF INSURANCE & LIABILITY

NDIRF continues to actively manage risk and has been very successful in keeping insurance rates in check and is **not anticipating any general rate increases for 2026**. Individual county rates, however, are ultimately dependent upon your loss history, so that is key to the future.

A gradual increase in the “tort caps” or liability limits for all of government was enacted in 2021. This is expected to increase premiums overall by 5% for renewals over a five-year period.

Year	Per Person	Per Occurrence
1977	\$250,000	\$500,000
2015	\$250,000	\$1,000,000
2022	\$375,000	\$1,000,000
2023	\$406,050	\$1,625,000
2024	\$437,500	\$1,750,000
2025	\$467,050	\$1,875,000
2026	\$500,000	\$2,000,000

## STATE FIRE & TORNADO (F&T) INSURANCE

As you know, the Insurance Commissioner has transitioned the management of the F&T Fund for public property insurance to NDIRF. **The ND State Fire and Tornado Fund (NDFT) coverage rates will not increase for the July 1, 2025 renewal.** NDIRF will continue to closely monitor the fund’s activity and work diligently with industry experts to determine the best course of action to ensure the fund’s health and viability in the future. The 2026 rates will not be determined until the end of Q1 2026.

## STATE TRAVEL REIMBURSEMENT RATES

**Mileage:** NDCC 54-06-09 regarding use of an employee’s vehicle states: *“The director of the Office of Management and Budget shall adopt rules...to set reimbursement at the same rate as established by the United States general services administration for privately owned vehicles.”*

While a county board can establish a higher mileage reimbursement rate (pursuant to 11-10-15), the state rate is the minimum that counties may reimburse. The OMB personnel reimbursement website can be found here: [In-State Travel Reimbursement Rates](#) and can be monitored for this “state rate;” however, NDACo will also work with OMB to track any changes and will continue to inform counties of changes as they occur. **The current federal GSA rate (effective January 1, 2025 is \$.70 per mile;** however, changes have been implemented each January 1<sup>st</sup> for the last several years. Because this rate is driven largely by the price of gasoline, it would not be surprising if the rate changed in 2026.

**Lodging:** NDCC 44-08-04 states that the director of the state Office of Management and Budget *“establish a policy to set the lodging reimbursement amount equal to ninety percent of the rate established by the United States general services administration reimbursement in this state.”*

While a county board [pursuant to 44-08-04(2)(d)] can establish a higher lodging reimbursement rate (not to exceed actual costs), the state rate is the minimum that counties may reimburse for official government travel and meals. Therefore, the OMB website, <https://www.cte.nd.gov/state-travel-reimbursement-rates>, will need to be monitored; however, NDACo will continue to work with OMB to inform counties as changes are made.

The current GSA rate of \$110 results in a **state rate of \$99.00/night**. (There is no longer an exception rate for oil cities and counties.) These rates are subject to periodic change due to GSA regional cost studies - the last several years, the changes have become effective in October - so it is likely these rates may change before you are into your next budget.

**Meals:** NDCC 44-08-04 which governs meal reimbursement rates as follows have been in effect since August 1, 2023:

<u>Meal Allowance</u>	<u>Effective 8/1/2023</u>	<u>Out of State</u>
1. First quarter, 6 a.m. to 12 noon	\$ 9.00	20% of GSA M&IE rate
2. Second quarter, 12 noon to 6 p.m.	\$14.00	30% of GSA M&IE rate
3. Third quarter, 6 p.m. to 12 midnight	\$22.00	50% of GSA M&IE rate
4. Fourth quarter, 12 midnight to 6 a.m.		

## APPOINTED BOARD COMPENSATION

In 2013, the Legislature amended 15 sections of law to make the compensation for members of virtually all appointed boards the same (with the exception of water boards). The statutes addressing compensation of the boards listed below now all state the following: *“The appointing authority shall establish the rate of compensation for the board members and actual expenses incurred by the members may be reimbursed at the official reimbursement rates of the appointing authority.”*

Airport Authority  
County Weed Board  
County Home Rule Charter Commission  
County Jobs Development Authority  
County Park Board  
County Planning Commission  
County Port Authority  
County Commerce Authority

Housing Authority  
County Vector Control Board  
Boards of Health  
Special Assessment Commission  
Library Board  
Multicounty Social Service Board  
County Social Service Board  
County Weather Modification Board

Water boards, by statute, establish their own compensation between \$75 and the current rate set for a member of the legislative assembly under NDCC 54-03-20, which is \$219 per day.

## TECHNOLOGY COSTS

### STAGEnet WIDE AREA NETWORK ACCESS COSTS

Endpoint network rates for fiber and non-fiber locations will increase 16% for the 2025-27 biennium. Base connectivity for state agencies with non-fiber endpoints on STAGEnet will be 250 Mbps. There are additional bandwidth options available for additional cost. Agencies that have any broadband connectivity (DSL, cable, wireless, satellite, cellular) are reminded that all connectivity should be purchased through NDIT and there is an associated broadband add-on charge in addition

to vendor cost of the broadband connection. The add-on rates will increase to \$210 per circuit for the 2025-2027 biennium.

## ND.GOV EMAIL

All non-State users (users with nd.gov email addresses) are required to purchase the Office 365 Basic package, at a minimum, for **continued access to email services at \$26.65 per month.**

## SYSTEM SECURITY

Cortex XDR - NDIT will continue to provide Cortex XDR, antivirus, at no cost to counties. Counties who are not using Cortex XDR for antivirus should contact their IT provider or NDIT. We have noticed a significant decrease in Malware and virus activity since implementation.

Security Awareness Training is available through NDIT utilizing the KnowBe4 product. This is a free service providing end users with security awareness training in the hopes of reducing the human component affecting security breaches. Licenses are limited. Counties who are not using KnowBe4 for security awareness training should contact their IT provider or NDIT.

**Tenable's Cyber Exposure Management through NDIT is also provided to counties at no cost.**

This platform gives you all the insight, research, and data you need to uncover weaknesses across your entire attack surface, including in the cloud and "on-prem." Contact your IT provider or NDIT for more information.

## VIRTUAL PRIVATE NETWORK (Global Protect)

VPN is required to create that secure link to the State network from remote locations, this cost may be retired. For law enforcement using Netmotion/Global Protect, **the price will remain \$10.65.**

## ADOBE ACROBAT PRO

NDIT offers government agencies access to their Adobe Acrobat Pro subscription service. **The price will remain \$6.60.**

## TECHNOLOGY PLANNING & SUPPORT

While not a fixed cost for counties, we continue to encourage each county to carefully consider their technology planning and support needs for the coming year. NDIT, with some assistance from NDACo Resources Group (NRG), will continue to manage the network to the "courthouse door." Technology within the courthouse will continue to be a local responsibility. NRG encourages each county to budget funds necessary to ensure adequate technical support, whether it's through various offerings from NRG Technology Services, another vendor, a staff person, or a combination of these. Hardware may include wireless access equipment, hard-wired networking equipment, and printers or copiers. Software may include DocuPro, Tyler Technologies and other third-party vendors. Please include support agreements for software and hardware. The technology industry is moving to subscription-based usage. NRG recommends replacing desktops on a five-year or less rotation. Most counties replace their machines every three to five years, with an **average cost (labor, hardware, perpetual software) estimated between \$2,300 per PC and \$2,700 per machine.**

NRG recommends that laptops be replaced every three to four years. Effective July 1st, 2026, NDIT will be extending the replacement cycle to 48 months for laptops and 60 months for desktops, and monitors as failures occur. This change will allow the rate increase to remain below 15% for the standard desktop and laptop offering for the 2025-2027 biennium.

## **AS400**

NDIT will partner with the remaining two agencies with applications running on the AS400 platform in an effort to help guide the journey towards the platform's retirement. This effort is now aligning to the change in chargeback from individual CPU usage to a flat fee for the two remaining agencies. This fee will be split evenly between the two remaining agencies. NDIT will work with each agency to align chargeback with necessary programs or funding sources within the paying agency. If new hardware is needed before the retirement of this platform, current estimates are about \$200,000.

## **PHONES**

Something several entities with multiple county offices are considering is an IP phone system to communicate among offices more easily. With an IP phone system, counties can easily transfer calls from one county to another just like they are all in the same building. Many counties have chosen to upgrade their systems not only for the human service zone office but the rest of their county as well. NRG has partnered with BEK who has a proven quality system that works well in the counties. NRG and NDACo use their phones in their offices and could not be happier. BEK can provide this anywhere in the state. If you would like pricing, contact NRG at (701) 250-9400 and they will schedule a walkthrough for your county to get a price quote together for budgeting. Some Human Service Zones have been moving some of their staff to Teams Voice through NDIT.

# **ASSOCIATION SUPPORT/ILG TRAINING FEES**

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## **NDCCA DUES (County Commissioner)**

The County Commissioners Association Board of Directors operates on a two-year budget cycle recognizing the budget fluctuations that occur due to legislative sessions. As a result, the Board addresses their dues before even-numbered years. The NDCCA Board of Directors dues will be the same for two years, 2026 and 2027. The amounts are included in the county-specific data sheet. The total includes the county's dues to the Western Interstate Region (WIR) of the National Association of Counties.

## **NDACo COUNTY DUES/CORE SERVICE SUPPORT**

As detailed in previous years, the Association-support formula is based 50% on valuation and 50% on average county revenues. (Both use a 10-year running average with the highest and lowest years thrown out.) To provide greater equity among the various county sizes, a minimum of one-third of the average paid by all the counties and a maximum of five times the average were established.

However, the NDA Co Board of Directors decided to keep dues the same for 2026 as they were in 2025. The county specific data sheet includes the amounts.

## NACo (National Association) MEMBERSHIP

The NACo membership dues will remain the same in 2026. The NACo Board of Directors approved the framework of the 2020 census population adjustment at the WIR conference last year to be implemented in 2026. As you may know, North Dakota counties have maintained 100% NACo membership for several years giving our counties two seats on the NACo Board of Directors, which helps keep them aware of our state's needs. North Dakota also has several county members serving on national committees making an impact on national policy.

## OTHER COUNTY ASSOCIATION DUES

The following are the other County Official Associations that have members in the NDA Co governance structure and their CY2026 annual dues amounts.

ND County Recorders Association (includes annual mtg registration) .....	\$500/Member
ND Clerk of Courts Association .....	\$100/Member
Sheriffs & Deputies Association .....	Tiered by Population
>50,000 .....	\$950
15,000-50,000.....	\$650
7,500-15,000.....	\$500
<7,500 .....	\$400
ND County Auditor/Treasurer Assoc. (Auditors).....	Tiered by Population
>50,000 .....	\$750
15,000-50,000.....	\$500
7,500-15,000.....	\$250
<7,500 .....	\$200
ND County Auditor/Treasurer Assoc. (Treasurers) .....	Tiered by Population
>50,000 .....	\$750
15,000-50,000.....	\$500
7,500-15,000.....	\$250
<7,500 .....	\$200
ND Association of Assessing Officers .....	\$50/Member
North Dakota County Engineers Association State Dues .....	\$50/Member
National Engineers Association Dues (by County) .....	Tiered by Population
<50,000 .....	\$485
50,000-150,000.....	\$970
150,000-250,000.....	\$1,455
250,001-500,000.....	\$1,940
More than 500,00 .....	\$2,425
North Dakota State's Attorneys Association Dues .....	State's Attorney/Assistant
1. State's Attorney .....	\$400
2. Assistant State's Attorney (each).....	\$200

## PROFESSIONAL DEVELOPMENT FEES

In your budgeting efforts, we urge you to consider the benefits of continuing professional development for all county officials and employees, especially newly elected or appointed officials. Currently, ILG offers a variety of training webinars that provide all participants with a valuable



educational experience. These professional development sessions are tailored specifically for local government. Members enjoy the high-quality, interactive webinars that allow them to conveniently participate from the privacy of their office, in addition to saving travel time and cost. ILG offers training webinars throughout the year, as well as on-site training at various member conventions, the NDACo Annual Conference and by county request. In addition, ILG records the webinars, which are available upon request. Members are recognized at the NDACo Annual Conference with awards once they achieve various ILG training hour levels (Hour Levels: 30 hours, 100 hours, 150 hours, 200 hours, 300 hours and 400 hours).

We encourage each county to set aside funds in its budget to allow county personnel to take part in ILG professional development. By doing so, constituents will benefit from the training their county officials receive. Fortunately, due to our successful partnerships, most trainings are free of charge. In the occasion there is a charge, ILG training will remain \$30 per hour in 2026.

## NDACo EVENT REGISTRATIONS

The 2026 Annual Conference is tentatively set for October 11-13.

### 2026 Conference Rates

- Full Registration \$270
- One Day Registration (Monday or Tuesday) \$195

### **Other major professional development opportunities to plan for in your 2026 budget:**

- NACo Conferences (Legislative, WIR or Annual): \$600 + travel and lodging
- The County Commissioners Association will provide a reimbursement of 50% of the travel costs (up to \$1500) for each region to send one commissioner representative to attend one of the NACo Annual Conferences. More information can be found at [www.ndcca.org/board/matching](http://www.ndcca.org/board/matching)
- The North Dakota Association of Counties will provide a reimbursement of 50% of the travel costs (up to \$1500) for each region to send one non-commissioner department head to attend one of the NACo Annual Conferences. More information can be found at [www.ndaco.org/matching](http://www.ndaco.org/matching)
- The NACo High Performance Leadership Academy is an innovative, completely online 12-week program created to equip frontline county government professionals with practical leadership skills to deliver results for counties and communities. As an incentive for paying their dues, each county will get one \$500 discount from the regular fee of \$1,995. Other incentives are frequently offered. An additional discount applies for any county that has not yet enrolled anyone in the academy. Contact NACo for more details: <https://www.naco.org/topics/leadership>

**\*\*Please budget according to the number that will be attending.**

## OTHER ISSUES

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### AMBULANCE/EMS LEVY

In 2013, the Legislature amended NDCC 23-27-04.7 (below) to “clarify” what they had intended with a 2009 statutory change. After the 2002 mandate that the nearest (quickest) ambulance be dispatched to an emergency, the taxing district boundaries became (in many cases) significantly different from the service district boundaries. This prompted the Legislature to require counties to distribute ambulance/EMS levy dollars in a manner that didn’t follow the taxing district boundary. Several attempts have now yielded the following language:

**23-27-04.7. County reporting - Use of property tax levies.** The board of county commissioners of every county in this state shall conduct an annual review of the emergency medical services coverage within that county and shall submit an annual report to the state health officer in a format approved by the state department of health. A taxing district that levies a special emergency medical services or ambulance service levy shall allocate all of the special tax levy revenue collected in a particular township to the ambulance service that serves the largest area within that township.

The 2023 Legislature passed HB1365 which requires the formation of rural ambulance districts and amended NDCC 11-28.3-09 to add language that rural area service districts within the ambulance district that do not receive emergency medical services from the district, are exempt from that levy. Counties levying the county emergency levy under NDCC 57-15-50 will continue to distribute the money as described in 23-27-04.7.

### ROAD & BRIDGE CONSTRUCTION – BID REQUIREMENTS

Road construction projects in excess of \$200,000 and Bridge projects in excess of \$200,000 must be formally bid and advertised once per week for two consecutive weeks at least 15 days before the bid opening.

**County Bid Requirement Quick Reference:** [Click Here](#)

### ROAD EQUIPMENT PURCHASES - STATE BID/AUCTION/STATE SURPLUS

Counties are required to formally bid (published in the official newspaper for two consecutive weeks) all new road machinery purchases over \$100,000. Road equipment between \$50,000 and \$100,000 can be informally bid on by seeking quotes from at least two contractors.

Counties are allowed to forgo the formal bidding process if they purchase off the State Fleet Services Division bids. Contact OMB for further information: <https://www.omb.nd.gov/doing-business-state/procurement/bidding-opportunities>.

Counties may also purchase used road machinery at public auction without concern for following a bidding process. Counties are specifically authorized to purchase off a purchasing agreement with any political subdivision or State pursuant to a joint powers agreement.

## ROAD MACHINERY LEASE-PURCHASE

There have been no changes to the restrictions on counties with respect to the lease-purchase of road machinery. There is still no dollar limit to the annual payments allowed; however, counties remain restricted to lease-purchase terms of a maximum of seven years.

## LEASE-PURCHASE LIMITATIONS ON COUNTY BUILDINGS

The 2021 Legislature amended state law to limit the use of lease-purchase agreements for county buildings. The Legislature required that a county seek voter approval if they wish to obligate the taxpayers in this type of financing arrangement if the total construction cost exceeds \$4 million. This is consistent with a similar limitation previously enacted for school boards. If a county is contemplating the use of such financing in the future, we urge the county's state's attorney to review NDCC 11-11-19.1.