

# Federal funding cuts to ND agencies total \$100M so far

Lawmakers also watching state impact of Big Beautiful Bill

By Michael Achterling and Amy Dalrymple  
North Dakota Monitor

At least \$100 million in federal grants have been canceled for North Dakota state agencies under the Trump administration so far, according to an analysis presented June 26 to state legislative leaders.

The analysis may not be a complete picture of the state impact, but it's the first time such a list has been compiled since the Department of Government Efficiency began cutting costs.

"It is constantly changing and no guarantee that it is comprehensive," Grant Gader, fiscal analyst for Legislative Council, said during a meeting of the Legislative Management Committee.

The state Department of Health and Human Services has seen the bulk of the federal funding cuts with 12 grants that were canceled in March.

The agency lost about \$69.5 million from the Centers for Disease Control and Prevention that was awarded for the prevention and control of emerging infectious diseases, vaccines for children and grants to address COVID-19 health disparities for underserved populations.



Grant Gader, fiscal analyst for North Dakota Legislative Council, speaks during a committee meeting on June 26 in Bismarck.

Another \$6.3 million in grants to address mental health and substance abuse also was canceled.

Those funding cuts have affected public health agencies and other organizations statewide.

The next largest cut was the loss of about \$20 million in Federal Emergency Management Agency grants that were designated for various North Dakota infrastructure projects. Lawmakers during the session approved a Bank of North Dakota loan of about \$9.7 million to fund wastewater projects in two communities after the grants were canceled.

The analysis, which Gader said comes from federal sources, shows about \$8 million has been canceled for various

state agencies as of this month, including:

■\$4.5 million to the state for digital equity planning and capacity.

■\$2 million for the University of North Dakota for a school safety grant.

■\$990,000 for the Department of Environmental Quality for radon awareness, testing and mitigation to reduce radon impacts to low-income homes.

■\$580,000 to the Department of Agriculture for local food purchase agreements.

■\$105,000 National Institute of Health grant to UND for an undergraduate training initiative.

Gader said his analysis does not include federal grants awarded directly to local agencies.

Also in June, the Budget

Section of the Legislature approved spending nearly \$190,000 in contingency funds to cover an education-related grant that was no longer available after the funds had been spent.

The dollars were part of Governor's Emergency Education Relief funding authorized by Congress through the COVID-19 stimulus package. It supported initiatives such as the North Dakota Commission on Juvenile Justice and the Teacher Retention and Recruitment Task Force.

The deadline to spend the funds was extended through March, but the state was notified in March that the funds were not available, said Joe Morrisette, director of the Office of Management and Budget.

"We're somewhat of a victim here of the federal Department of Government Efficiency efforts," he said.

Morrisette told lawmakers June 26 that staff tried repeatedly to get in touch with the U.S. Department of Education to inquire about the grant, but they usually received responses that the employee no longer worked at the department.

"So, we have not gotten any resolution from the feds on this and as we get close to the end of the biennium now, we're a little bit stuck in how we handle this," Morrisette said.

Lawmakers on June 26 asked the Office of Management and Budget to also start

tracking federal funding cuts. There's a possibility lawmakers could reconvene in a special session to consider state funding to replace lost federal dollars.

"We're going to need a big picture," said Senate Minority Leader Kathy Hogan, D-Fargo.

Hogan also asked legislative staff to research more details about the impact of the funding cuts.

"If you cut \$75 million, somebody's going to be impacted by that," Hogan said. "And I don't think we know exactly who that is yet."

Lawmakers also are preparing for a state impact from the One Big Beautiful Bill Act in Congress.

North Dakota could lose about \$1.4 billion in federal Medicaid funding over 10 years from the U.S. House version of the legislation, according to a Legislative Council memo presented June 26. Medicaid enrollment in North Dakota would be reduced by an estimated 18% by 2034, with some of the reduction attributed to mandatory work requirements.

The memo analyzed reports issued on the bill by the Congressional Budget Office and the Kaiser Family Foundation. The analysis does not take into account changes to the bill as it was being debated in the Senate.

The bill as approved by the House also would force states to contribute to a cost-sharing formula for the Supplemental Nutrition Assistance Program

beginning in 2028. Under current law, the federal government pays the benefits for the program and states only cover the program's administrative costs.

The North Dakota impact of that legislation was unclear as the details were still being debated. Legislative Council projects that the state would have to pay an additional \$18 million every two years to administer the program. However, that doesn't take into account changes to the program that may require additional staff to implement.

Donna Aukland, chief financial officer for the state Department of Health and Human Services, told lawmakers the agency may have to hire additional people or delay other work to accommodate the new eligibility requirements for federal programs.

Lawmakers saved six legislative days of the 80-day limit in case they need to reconvene to address impacts of federal funding cuts.

"This is something we need to keep our eye on," Senate Majority Leader David Hogue, R-Minot, said. "I suspect when the final 'big, beautiful bill' project emerges, there will be more updates."

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## North Dakota launches unified insurance and securities office

By Journal Staff

North Dakota Insurance Commissioner Jon Godfread announced Monday the unification of the state's Insurance and Securities department -- a move designed to better safeguard residents from fraud and financial risk, with consumer protection at the forefront.

The merger resulted from the successful passage of Senate Bill 2214 during the 2025 legislative session, which allowed the insurance commissioner to assume the role of securities commissioner.

The combined department will provide more efficient and coordinated oversight of two of the most complex and critical sectors of the financial services industry -- insurance and securities -- according to a news release.

"This is a milestone moment for North Dakota," Godfread said. "Bringing these two regulatory functions together under one roof allows us to better protect consumers, strengthen our oversight capabilities, and modernize how we serve the people and businesses of our state."

Several leadership appointments have been made as part of the reorganization.

Deputy Commissioner John Arnold will oversee all regulatory operations for the agency; Matt Fischer will serve as chief director of insurance regulation; and Cody Schmidt has been appointed chief director of securities regulation.

The agency said it will share updates throughout the year regarding its new name and structure.

## Basin testifies on power plant plan

By Jeff Beach  
North Dakota Monitor

Basin Electric Power Cooperative officials testified June 30 that data centers are not behind the need for a natural gas-fired power plant in northwest North Dakota but it is getting requests from potential large-load customers.

Basin officials made comments June 30 at a Public Service Commission hearing in Williston on its proposed Bison Generation Station near Epping in eastern Williams County.

The project would generate electricity from natural gas that is abundant in North Dakota's oil-producing region. It also would generate power by using steam produced by the plant to turn turbines.

The nearly \$4 billion Bison

Generation Station would be the first combined-cycle power plant in North Dakota.

Basin Electric describes the project as one of the largest power generation projects in the cooperative's history.

Benjamin Hertz, manager of power supply planning for Basin Electric, said the company is forecasting higher levels of power use from traditional customers.

"Much of this is due to oil and gas related activity in this region," Hertz testified Monday.

Basin Electric, which provides power to smaller electric co-ops, announced it is developing a program to deal with large-load customers such as data centers.

Hertz said Basin Electric has

been approached with a great number of large load requests throughout its service territory that could require more power generation.

"Basin Electric has resolved to plan for new large loads and data centers separately from its traditional load growth," Hertz said. "This program has been designed to protect Basin Electric's existing member rate-payers."

The Bison Generation Station would have two roughly 745-megawatt units to produce about 1,490 megawatts of power.

The three-person Public Service Commission regulates for-profit electric utilities but not for member-owned cooperatives.

Construction on the project could begin this year with the

power plant being fully in service in 2030.

At peak construction in 2027, the project would employ about 1,000 people. It would employ about 50 people when complete.

The PSC took no action after the June 30 hearing. Basin Electric will provide commissioners with more information in the coming weeks.

In addition to PSC approval, the project will need a permit from the North Dakota Department of Environmental Quality.

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