



May 19, 2025

The Honorable Michelle Strinden
President of the Senate
North Dakota Senate Chambers
State Capitol
Bismarck, ND

Re: Senate Bill 2014

Dear President Strinden:

Pursuant to Article V, Section 9 of the North Dakota Constitution, I have signed Senate Bill 2014 and filed it with the Secretary of State. I also have vetoed items in Section 7 and Section 31 of Senate Bill 2014.

Section 7

Section 7 of Senate Bill 2014 directs a \$150,000 passthrough grant from the Housing Incentive Fund to a Native American-focused organization for the purpose of funding a homelessness liaison position. While it is important to make culturally informed efforts to address homelessness, especially in our Native American communities, I cannot support this provision within Section 7.

Addressing homelessness and housing insecurity requires a comprehensive, sustainable, and statewide strategy, not isolated, one-time allocations to individual entities. A piecemeal approach risks fragmentation, inefficiency, and duplication of effort. Instead, we should invest in solutions that are coordinated across agencies, regions, and communities, ensuring all vulnerable populations are reached through a unified system.

In addition, using one-time funding to establish or support a permanent position sets up both the recipient and the state for long-term uncertainty. Staffing needs, particularly for roles as critical as homelessness liaisons, should be supported through stable, recurring funding with clear performance expectations and oversight, not one-time passthroughs. Without a sustainable funding mechanism, the impact of this grant will be short-lived, and the continuity of service will be jeopardized.

Section 31

Section 31 mandates the Bank of North Dakota to allocate up to \$250,000 from its appropriation to conduct a study focused on sustaining the economies of communities in western North Dakota as oil and gas development activities decrease.

While I support proactive economic planning and diversification, Section 31 is premature, duplicative, and misaligned with our most effective and current strategies. North Dakota remains a global leader in energy production. The Bakken formation continues to be a robust and vital engine of economic activity, and current projections indicate it will remain so for the foreseeable future. Prematurely investing resources into planning for a post-oil regional economy risks sending the wrong signal about the strength and longevity of our energy industry.

Moreover, the Department of Commerce already possesses the statutory authority and expertise to conduct studies of this nature. Should a regional economic transition become necessary, Commerce is well-positioned to initiate and lead such planning efforts using existing resources, without the need to divert \$250,000 from the Bank of North Dakota's mission-focused funds.

Finally, our most effective strategy for long-term economic diversification lies in strengthening our workforce, not in isolated studies. Investments in Career and Technical Education (CTE) centers across the state are actively expanding our capacity to prepare students and workers for high-skill, high-demand jobs across industries. These CTE programs offer an immediate and scalable impact in rural and urban communities alike and represent the best path forward for building a resilient and adaptive economy.

For the reasons said above, items within Section 7 and Section 31 of Senate Bill 2014 are vetoed.

Sincerely,

Kelly Armstrong
Governor

