

# NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Minutes of the

### BUDGET SECTION

Tuesday, September 15, 2009  
Senate Chamber, State Capitol  
Bismarck, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Senators Ray Holmberg, Bill Bowman, Tom Fischer, Tony S. Grindberg, Ralph L. Kilzer, Karen K. Krebsbach, Elroy N. Lindaas, Tim Mathern, Carolyn Nelson, David O'Connell, Larry J. Robinson, Rich Wardner; Representatives Larry Bellow, Rick Berg, Merle Boucher, Al Carlson, Mark A. Dosch, Eliot Glassheim, Kathy Hawken, Lee Kaldor, Matthew M. Klein, Gary Kreidt, Joe Kroeber, Bob Martinson, Ralph Metcalf, Shirley Meyer, David Monson, Kenton Onstad, Chet Pollert, Bob Skarphol, Blair Thoreson, Francis J. Wald, Alon C. Wieland, Clark Williams

**Members absent:** Senators Randel Christmann, Aaron Krauter, Tom Seymour, Bob Stenehjem, John Warner; Representatives Jeff Delzer, Mary Ekstrom, Keith Kempenich, James Kerzman, Jon Nelson, Ken Svedjan, Don Vigesaa

**Others present:** Jim W. Smith, Legislative Council, Bismarck

See attached [appendix](#) for additional persons present.

**It was moved by Senator O'Connell, seconded by Senator Robinson, and carried on a voice vote that the minutes of the June 23, 2009, meeting be approved as distributed.**

#### STATUS OF THE STATE GENERAL FUND

Chairman Holmberg called on Ms. Pam Sharp, Director, Office of Management and Budget (OMB), to present a report on the status of the general fund, including turnback and use of deficiency appropriations, and the state's economy, including information on economic sectors showing growth. A copy of the information presented is on file in the Legislative Council office.

Ms. Sharp said the consumer price index (CPI) is expected to decline an average of .7 percent during 2009 and then increase by 1.6 percent during 2010 and 2 percent during 2011. She said the CPI for July 2009 was a negative 2.1 percent, down from a negative 1.4 percent in June 2009 and significantly lower than the 5.6 percent of one year ago. She said the average yield on a three-month Treasury bill during the second quarter of 2009 was .18 percent, four basis points lower than the previous quarter and substantially lower than the 1.39 percent average for 2008. She said North Dakota's unemployment rate for July 2009 was 3.9 percent, considerably lower than the national rate of 9.7 percent, but up slightly from

the July 2008 rate of 3.1 percent. She said North Dakota oil production increased to nearly 215,000 barrels per day in June 2009 and continues to increase. She said the average price for North Dakota crude oil was \$43 per barrel in April 2009, \$51 per barrel in May 2009, and \$61 per barrel in June 2009. She said the current oil price is \$62 per barrel and the rig count is 50.

#### FINAL 2007-09 BIENNIUM GENERAL FUND REVENUES AND EXPENDITURES

Ms. Sharp presented the following information on the final status of the general fund for the 2007-09 biennium:

Unobligated general fund balance - July 1, 2007		\$295,541,176
Add		
General fund collections through June 30, 2009	\$2,715,263,379	
Cash certifications and adjustments	42,793	
General fund balance obligated for authorized carryover from 2005-07	17,108,049	
Total general fund revenue for the 2007-09 biennium		2,732,414,221
General fund turnback for the 2007-09 biennium		70,949,621
Total available		3,098,905,018
Less		
2007-09 biennium general fund ongoing appropriations	(2,317,447,307)	
2007-09 biennium general fund one-time appropriations	(139,526,649)	
Contingent appropriation (Section 50 of SB 2200)	(5,000,000)	
Authorized carryover expenditures from 2005-07	(17,108,049)	
Emergency and supplemental appropriations	(127,156,319)	
Adjustments	80,750	
Total appropriations		(2,606,157,574)
Transfers and adjustments		
Adjustments	119,034	
Nonappropriated transfers	(6,086,416)	
Transfer to the budget stabilization fund	(124,936,548)	
Total transfers and adjustments		(130,903,930)
Ending general fund balance - June 30, 2009		\$361,843,514

Ms. Sharp said after the transfer of \$124,936,548 from the general fund to the budget stabilization fund in July 2009, the balance in the budget stabilization fund is \$324,936,548. She said the balance in the budget stabilization fund is limited to 10 percent of the total 2009-11 biennium appropriations. She said the transfer made from the general fund to the budget stabilization fund was the maximum allowed.

Ms. Sharp presented the following information on the final status of the permanent oil tax trust fund for the 2007-09 biennium:

Permanent oil tax trust fund balance - July 1, 2007	\$143,270,662
Add	
Revenue collections through June 30, 2009	484,256,596
Total available for the 2007-09 biennium	627,527,258
Less expenditures and transfers	
Authorized by the 2007 Legislative Assembly	(137,550,241)
Authorized by the 2009 Legislative Assembly	(250,000)
Permanent oil tax trust fund balance - June 30, 2009	\$489,727,017

### 2007-09 Biennium General Fund Turnback

Ms. Sharp presented information on the 2007-09 biennium unspent general fund appropriations by agency. She said 2007-09 unspent general fund appropriation authority totaled \$70.9 million. She said the Department of Human Services had the largest unspent amount of \$54.4 million, of which \$33.2 million was the result of additional funding received due to the increase in the federal medical assistance percentage (FMAP) and child support pursuant to the American Recovery and Reinvestment Act of 2009.

Representative Carlson expressed concern that 2009-11 biennium general fund appropriations are less due to the receipt of federal stimulus funds. He asked OMB to provide information at the next Budget Section meeting on the estimated effects that the anticipated reduction in federal fiscal stimulus funds will have on general fund appropriation requirements for the 2011-13 biennium. Representative Skarphol requested the information be updated periodically and reported to the Budget Section throughout the interim. Chairman Holmberg asked OMB to provide this information to the Budget Section at future meetings.

### 2007-09 Biennium Emergency and Supplemental Appropriations

Ms. Sharp presented information on the 2007-09 emergency and supplemental appropriation amounts by agency. She said 2007-09 emergency and supplemental appropriations totaled \$127.2 million, of which \$81.9 million was spent by June 30, 2009, including \$59.9 million provided for weather-related grants pursuant to Senate Bill No. 2012. She said \$45.2 million of the 2007-09 emergency and supplemental appropriations will be continued in the 2009-11 biennium.

## STATUS OF THE 2009-11 BIENNIUM GENERAL FUND

Ms. Sharp presented the following information on the status of the state general fund for the 2009-11 biennium based on revenue collections through August 2009:

Unobligated general fund balance - July 1, 2009		\$361,843,514
Add		
General fund collections through August 2009	\$505,208,957	
Forecasted general fund revenue for the remainder of the 2009-11 biennium	2,468,679,065	
Total estimated general fund revenue for the 2009-11 biennium		2,973,888,022
Balance obligated for authorized carryover from the 2007-09 biennium		76,383,528
Estimated total available		3,412,115,064
Less		
2009-11 biennium general fund ongoing appropriations	(2,970,380,754)	
2009-11 biennium general fund one-time appropriations	(278,984,727)	
Balance obligated for authorized carryover from the 2007-09 biennium	(76,383,528)	
Estimated deficiency requests	(3,823,000)	
Total appropriations and estimated deficiency requests		(3,329,572,009)
Estimated general fund balance - June 30, 2011		\$82,543,055

Ms. Sharp said the Tax Department anticipates 2009 Senate Bill No. 2402 relating to the homestead tax credit program will result in a 2009-11 deficiency request of approximately \$3.8 million.

Ms. Sharp presented the following information on the status of the permanent oil tax trust fund for the 2009-11 biennium:

Beginning permanent oil tax trust fund balance - July 1, 2009	\$489,727,017
Add	
Forecasted revenues for the 2009-11 biennium (based on 2009 legislative forecast assumptions for oil price and production)	323,092,000
Total estimated funds available for the 2009-11 biennium	812,819,017
Less expenditures and transfers	
Transfer to the general fund pursuant to 2009 HB 1015	(140,000,000)
Transfer to the general fund for mill levy reduction program pursuant to 2009 HB 2199	(295,000,000)
Transfer to the property tax relief sustainability fund pursuant to 2009 HB 2199	(295,000,000)
Appropriations pursuant to 2009 HB 1015, 1305, and 1394 and SB 2003 and 2020	(16,175,100)
Estimated permanent oil tax trust fund balance - June 30, 2011	\$66,643,917

In response to a question from Representative Wald, Ms. Sharp said the 2009 Legislative Assembly provided for a transfer of \$295 million from the permanent oil tax trust fund to the property tax relief sustainability fund. She said the transfer will be made in July 2010, but the funds will not be spent until appropriated by the 2011 Legislative Assembly.

Ms. Sharp presented information on general fund revenue collections for August 2009 and the 2009-11 biennium to date. She said revenues collected for the biennium to date are 3.3 percent more than the legislative forecast. She said the increase is primarily due to increases in oil and gas production tax and oil extraction tax collections, which exceeded the biennium-to-date legislative forecast by \$9.5 million and \$9.1 million, respectively. She said biennium-to-date motor vehicle excise tax collections also exceeded estimates by \$3.1 million, or 51.3 percent. She said sales tax collections were \$8.5 million, or 15.6 percent less than the legislative forecast for the month of August. She said biennium-to-date sales tax collections were \$7.9 million, or 7.4 percent less than the legislative forecast.

In response to a question from Representative Carlson, Ms. Sharp said the Attorney General's office deposits lottery revenue in the general fund in June of each fiscal year.

### ECONOMIC SECTORS SHOWING GROWTH

Ms. Sharp presented information on the state's economy, including information on economic sectors showing growth. She said the state's gross domestic product is the value added in production by the labor and capital located in the state. She said all of the state's industry sectors grew as the state gross domestic product increased from \$17.8 billion in 2000 to \$31.2 billion in 2008.

In response to a question from Representative Skarphol, Ms. Sharp said three industry sectors--agriculture/forestry/fishing/hunting, manufacturing, and mining--increased as a percentage of the total state gross domestic product while other industry sectors either stayed the same or decreased slightly.

### IRREGULARITIES IN THE FISCAL PRACTICES OF THE STATE

Pursuant to North Dakota Century Code (NDCC) Section 54-14-03.1, Ms. Sharp presented information on irregularities in the fiscal practices of the state. A copy of the information presented is on file in the Legislative Council office. She said the state agencies with fiscal irregularities include:

Agency	Amount	Reason
Office of Management and Budget	\$500	Additional workload to run extra payrolls for activated National Guard members during spring flooding
Department of Commerce	\$625	Temporary additional workload

North Dakota Vision Services - School for the Blind	\$3,450	Additional work performed in June by two teachers at the School for the Blind outside of their nine-month teaching contracts
Council on the Arts	\$5,400	Additional work performed by two employees related to a book on North Dakota folklore to be used as a textbook for various anthropology classes
State Department of Health	\$13,782	Severance package

### EMPLOYEE BONUSES

Ms. Sharp presented information on the number of employees receiving bonuses above the 25 percent limitation pursuant to NDCC Section 54-06-30 and Section 1 of 2009 House Bill No. 1030. She said agencies may not give bonuses to more than 25 percent of their employees except in special circumstances approved by Human Resource Management Services (HRMS). She said HRMS is required to report any exceptions to the Budget Section. She said the law became effective August 1, 2009, and since then no agency has exceeded the 25 percent limitation on the number of employees receiving bonuses.

### MAJOR TRUST FUNDS

Ms. Sharp presented information on the status of the state's major trust funds, including information on each fund's current balance compared to two years ago and the effect of any investment gains or losses on each fund during the past two years. She presented a schedule providing the beginning balance, revenues, expenditures, transfers, and ending balance of the permanent oil tax trust fund, foundation aid stabilization fund, budget stabilization fund, common schools trust fund, and the lands and minerals trust fund. A copy of the information presented is on file in the Legislative Council office.

Ms. Sharp said the principal of the permanent oil tax trust fund (\$489.7 million) and the foundation aid stabilization fund (\$65.8 million) on June 30, 2009, are invested by the State Treasurer's office in certificates of deposit and the earnings are credited to the general fund. She said these funds have not experienced investment gains or losses.

Ms. Sharp said the budget stabilization fund principal (\$324.9 million) on June 30, 2009, is invested by the State Investment Board in a low-risk portfolio consisting of certificates of deposit, cash equivalents, bonds, and bank loans. She said investment earnings of \$1.7 million were credited to the general fund during the 2007-09 biennium, and the fund experienced a \$9.9 million market decline in the last 18 months of the 2007-09 biennium. She said most of the losses were unrealized and would not affect the principal balance of the fund if the assets are held until maturity.

Ms. Sharp said the common schools trust fund balance on June 30, 2009, was \$856.5 million. She said the fund is invested by the Land Department in

stocks, bonds, farm loans, and other investment assets managed to preserve purchasing power and maintain stable distributions to fund beneficiaries. During the 2007-09 biennium, she said, the fund experienced net realized capital losses of \$42.5 million and net unrealized capital losses of approximately \$184.8 million. She said the fund provided schools with \$66.8 million during the 2007-09 biennium and anticipates providing the estimated \$77.2 million for the 2009-11 biennium.

Ms. Sharp said the lands and minerals trust fund balance on June 30, 2009, was \$32.1 million. She said the fund is invested by the Land Department in short-term, low-risk, fixed income investments, such as money market accounts, Bank of North Dakota certificates of deposit, and an operating loan to the Mill and Elevator. The fund did not experience any investment losses during the 2007-09 biennium.

### **FEDERAL FISCAL STIMULUS FUNDING FOR ADMINISTRATION**

Ms. Sharp presented information regarding federal fiscal stimulus funds retained by agencies for administration purposes. She provided a schedule of American Recovery and Reinvestment Act of 2009 funds appropriated by agency for the 2009-11 biennium and an estimate of the portion of the funds appropriated retained for administration. A copy of the information presented is on file in the Legislative Council office. Of the \$571.3 million in federal fiscal stimulus funds appropriated for the 2009-11 biennium, she said, approximately \$6.1 million, or 1 percent will be retained for administration by the various agencies. She said administrative costs for some agencies are allowed based on a percentage of the funds awarded. She said \$289,494 of federal fiscal stimulus funding was appropriated to OMB for general administration of federal fiscal stimulus funds.

Chairman Holmberg asked OMB to provide the Budget Section with details of how the \$1.2 million provided to the Department of Commerce for the administration of the state energy program is being used.

In response to a question from Representative Skarphol, Ms. Sharp said Job Service North Dakota may still accept certain stimulus funding previously unclaimed by the agency. She said she would provide information to the Budget Section regarding stimulus funding available to the state that was not accepted.

In response to a question from Representative Boucher, Chairman Holmberg said the Employee Benefits Programs Committee receives reports on the retirement funds of the Teachers' Fund for Retirement and the Public Employees Retirement System. Chairman Holmberg asked the Legislative Council staff to provide the most recent minutes of the Employee Benefits Programs Committee to the members of the Budget Section.

In response to a question from Representative Wald, Ms. Sheila Peterson, Director, Fiscal Management Division, Office of Management and

Budget, said the state receives stimulus funding on a reimbursement basis. She said expenditures for federal fiscal year 2009 are exceeding estimates. She said the majority of the stimulus funds were anticipated to be spent in 2010 and 2011.

Chairman Holmberg requested OMB and the Legislative Council staff to compile information regarding federal fiscal stimulus funding provided directly to political subdivisions for the next Budget Section meeting.

### **VETERANS' HOME SPECIAL FUND BALANCE**

Ms. Sharp presented information regarding the Veterans' Home July 1, 2009, special fund balance compared to the amount anticipated in the Veterans' Home 2009-11 budget. A copy of the information presented is on file in the Legislative Council office. She said the Veterans' Home special fund balance of \$3.6 million exceeded the amount anticipated in the Veterans' Home 2009-11 budget by \$322,774. She said the additional funds were due to the timing of revenues and expenditures and an increase of \$4 per day in the Veterans' Administration per diem.

### **2007-09 CAPITAL CONSTRUCTION AND INFORMATION TECHNOLOGY CARRYOVER**

Ms. Sharp presented information on 2007-09 capital construction and information technology project funding authorized by the Capital Construction Carryover Committee to continue to the 2009-11 biennium. A copy of the information presented is on file in the Legislative Council office. She said authorization to continue funding for projects totaling \$63.7 million has been approved by the Capital Construction Carryover Committee. Of this amount, she said, \$6.8 million is from the general fund, \$36.9 million is from federal funds, and \$20 million is from special funds. She said the Department of Human Services' Medicaid management information system project carryover totaling \$31.7 million, of which \$2.4 million is from the general fund, represents nearly one-half of the capital construction carryover.

### **DISTRIBUTION OF GENERAL SALARY INCREASES**

Ms. Sharp presented information regarding a summary of general salary increase methods used by agencies to distribute salary increases among employees and the effect these distribution methods have had on salary compression issues of agencies. She provided a summary by agency of the number of employees receiving a general salary increase, including the minimum, maximum, and average percentage increase received per employee. A copy of the information presented is on file in the Legislative Council office. She said 6,848 of the 7,266 employees at state agencies receiving the general salary increase received increases ranging from .10 percent to 13.7 percent.

## EMPLOYEE PAY AND MARKET EQUITY CONCERNS

Ms. Sharp presented information on selected agencies that have had pay and market equity concerns, including specific information on how salary equity increases have affected the salaries of the affected employees and how the general salary increase funds were distributed to these and other employees within the agency, including the range of percentage increases provided. She provided a summary by agency of the number of employees receiving equity pool increases. A copy of the information presented is on file in the Legislative Council office. She said 34 agencies received salary equity funding, and of the 6,681 employees in the agencies receiving the funding, 4,474 employees received salary equity increases ranging from .02 percent to 24.28 percent.

In response to a question from Representative Carlson, Ms. Sharp said agencies applied the 5 percent general salary increases before awarding salary equity increases.

In response to a question from Representative Skarphol, Ms. Sharp said because agencies with market equity concerns were targeted, OMB determined the salary equity increases were not subject to the administrative rule limiting salary increases to 20 percent. She said certain employees in targeted agencies, such as the Parks and Recreation Department and the Department of Mineral Resources of the Industrial Commission, received the highest average percentage salary equity increases of 9.91 percent and 9.30 percent, respectively.

Ms. Sharp provided a summary of classified employees by quartile for selected agencies for 2008 and 2009. She said the chart demonstrates the effectiveness of the equity increases since the percentage of employees in the middle and upper quartile of their pay range increased subsequent to the general salary and salary equity increases.

## RISK MANAGEMENT WORKERS' COMPENSATION PROGRAM

Mr. Tag Anderson, Risk Management Director, Office of Management and Budget, presented information regarding the status of the risk management workers' compensation program pursuant to NDCC Section 65-04-03.1(5). He said the 2001 Legislative Assembly established a single workers' compensation account for all state entities. He said the Risk Management Division administers the program. He said for coverage periods beginning July 1, 2001, the Risk Management Division entered deductible contracts with Workforce Safety and Insurance for 143 consolidated accounts. He said the deductible amount selected was \$100,000 per claim. He provided the following results for the eight coverage years beginning July 1, 2001, through June 30, 2009:

Nonconsolidated guaranteed cost program premium and assessments		\$35,565,156
Risk Management Division deductible premium paid to Workforce Safety and Insurance	\$12,853,988	
Risk Management Division paid losses through June 30, 2009	11,437,436	
Risk Management Division pending losses (reserves)	2,556,909	
Risk Management Division combined deductible premium and losses		\$26,848,333
Estimated savings for an eight-year period		\$8,716,823

Mr. Anderson said the Risk Management Division has implemented programs to reduce premium rates to agencies with effective risk management strategies. A copy of the report is on file in the Legislative Council office.

## AGENCY REQUESTS AUTHORIZED BY THE EMERGENCY COMMISSION

Chairman Holmberg directed the committee to consider agency requests which have been authorized by the Emergency Commission and forwarded to the Budget Section pursuant to NDCC Section 54-16-04.1. The information relating to the requests was provided to Budget Section members prior to the meeting and is on file in the Legislative Council office.

**It was moved by Senator Wardner, seconded by Senator Lindaas, and carried on a roll call vote that pursuant to NDCC Section 54-16-04.1, the Budget Section approve the following requests which have been approved by the Emergency Commission:**

- **Department of Commerce (Request #1703) - To increase special funds spending authority by \$258,858 to accept federal funds from the federal American Recovery and Reinvestment Act of 2009 enhanced government energy assurance and resiliency grant for the creation and testing of standardized energy assurance and resiliency plans to use during energy emergencies and supply disruptions.**
- **Department of Commerce (Request #1704) - To increase special funds spending authority by \$615,000 to accept federal funds from the United States Department of Energy under the federal American Recovery and Reinvestment Act of 2009 to provide rebates for consumers purchasing Energy Star appliances.**
- **Department of Human Services (Request #1705) - To increase special funds spending authority by \$11,062,000 to accept federal funds from the federal American Recovery and Reinvestment Act of 2009 for grant funds for the temporary assistance for needy families (TANF) program increased**

caseload from 2007 to 2008 (\$510,000), one-time funds for subsidized employment costs to assist individuals exiting the TANF program or to avoid entering the program (\$10,345,000), and administrative funds for the supplemental nutrition assistance program (\$207,000).

- **State Department of Health (Request #1708) - To increase special funds spending authority by \$4,920,000 to accept federal funds from the Centers for Disease Control and Prevention for the salaries and wages line item (\$480,000), the operating expenses line item (\$640,000), the capital assets line item (\$200,000), and the grants line item (\$3,600,000) for pandemic influenza preparedness and a vaccination campaign.**

Senators Holmberg, Bowman, Krebsbach, Lindaas, Mathern, Nelson, O'Connell, Robinson, and Wardner and Representatives Berg, Hawken, Kaldor, Klein, Kreidt, Kroeber, Martinson, Metcalf, Meyer, Onstad, Pollert, Wald, and Williams voted "aye." Senators Fischer, Grindberg, and Kilzer and Representatives Bellew, Carlson, Dosch, Monson, Skarphol, Thoreson, and Wieland voted "nay."

### **WILLISTON STATE COLLEGE - CHANGE IN SCOPE OF PROJECT AND INCREASE IN AUTHORIZATION**

Dr. Ray Nadolny, President, Williston State College, presented information regarding a request for Budget Section approval to expand the scope and increase the authorization for the science laboratory project from \$1.61 million to \$2.2 million pursuant to NDCC Section 48-01.2-25. A copy of the information presented is on file in the Legislative Council office. He said the Legislative Assembly authorized \$1.61 million from the general fund to renovate the science laboratory at Williston State College. He said Williston State College is seeking Budget Section approval to change the scope of the project from a renovation to an addition and increase the authorization from \$1.61 million to \$2.2 million. He said the renovation proposal has presented serious challenges and would cost more per square foot than a newly constructed science center addition. He said providing for the addition instead of renovating the existing laboratory will not only expand current science offerings but will maximize funds provided by the state through additional community financial support. He said the Williston State College Foundation has committed its resources to the project and with the city of Williston will conduct a capital campaign for the additional \$590,000 necessary for the addition.

**It was moved by Representative Wald, seconded by Senator Robinson, and carried on a roll call vote that pursuant to NDCC Section 48-01.2-25, the Budget Section approve the Williston State College request to expand the scope and increase the authorization of the**

**science laboratory project to spend \$2.2 million on the project.** Senators Holmberg, Bowman, Fischer, Grindberg, Kilzer, Krebsbach, Lindaas, Mathern, Nelson, O'Connell, Robinson, and Wardner and Representatives Bellew, Berg, Carlson, Dosch, Hawken, Kaldor, Klein, Kreidt, Kroeber, Martinson, Metcalf, Meyer, Monson, Onstad, Pollert, Skarphol, Thoreson, Wald, Wieland, and Williams voted "aye." No negative votes were cast.

### **LOCAL FUNDS - HIGHER EDUCATION CONSTRUCTION PROJECTS**

Chairman Holmberg called on Ms. Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System, to present information regarding the sources of local funds received for construction projects of entities under the State Board of Higher Education pursuant to NDCC Section 15-10-12.3. A copy of the information presented is on file in the Legislative Council office. She said four state-funded projects--Bismarck State College, University of North Dakota, North Dakota State University, and Minot State University--authorized for the 2007-09 biennium and two projects--North Dakota State University Main and North Central Research Centers--continued from the 2005-07 biennium required local matching funds. She said two projects--the 2007-09 Schafer Hall renovation project at Bismarck State College and the 2005-07 agronomy laboratory and greenhouse carryover project at the North Central Research Center--were completed during the 2007-09 biennium within the overall appropriation authority and within the local match requirements. She said the Schafer Hall renovation project totaled \$799,560, of which \$310,860 was provided through tuition revenues and the agronomy laboratory and greenhouse project totaled \$1,953,752, of which \$1,113,752 was from fundraising and \$440,000 from state bonding proceeds. She said the projects at the University of North Dakota, North Dakota State University, Minot State University, and North Dakota State University Main Research Center were not completed in the 2007-09 biennium and will be continued to the 2009-11 biennium.

### **MAJOR HIGHER EDUCATION CAPITAL CONSTRUCTION PROJECTS**

Ms. Glatt presented information regarding an update on the status of major higher education capital construction projects currently in progress. She provided a schedule of major state-funded higher education capital construction projects during the 2007-09 biennium and the 2009-11 biennium, including the original appropriation, authorization adjustments, expenditures to date, and remaining authority for each of the projects. A copy of the information presented is on file in the Legislative Council office. She said all but two of the projects listed are within their approved authorization limits. She said Minot State College spent \$1,195 more than authorized on its dome floor project and Dakota

College at Bottineau spent \$12,921 more than authorized on its steamline replacement project. She said in both cases the additional costs were financed by nonstate funds. She said Minot State College used indirect cost-recovery funds from federal grants and Dakota College at Bottineau used housing reserves for the additional cost.

Chairman Holmberg asked the North Dakota University System continue to update the Budget Section regarding the status of major higher education capital construction projects and that the North Dakota University System provide the updated information at the March 2010 Budget Section meeting.

In response to a question from Senator Mathern, Ms. Glatt said the State Board of Higher Education policy requires a campus that anticipates exceeding its funding authorization on a capital project to request additional authority from the board. In addition to board approval, she said, NDCC Section 48-01.2-25 precludes a state agency or institution from significantly changing or expanding a public improvement beyond what has been approved by the Legislative Assembly unless the Legislative Assembly or the Budget Section approves the change or expansion of the project or any additional expenditures for the project. She said when the total project cost exceeds \$250,000, the campus is also required to return to the board after receiving Budget Section approval to provide the board with funding details of the change. She said the approval process for a change in the scope of a project or increased authorization of a project is the same whether a project is funded by state funds or private funds.

Ms. Glatt said the University System office anticipates the presidents' houses currently under construction on the campuses of North Dakota State University and the University of North Dakota will exceed their respective authorizations. She said the projects are currently under review by the State Board of Higher Education. She said if the board approves increases to the authorizations for the presidents' houses, it is likely the campuses will be requesting approval of the increases at the next Budget Section meeting.

Chairman Holmberg requested information regarding the presidents' houses at North Dakota State University and the University of North Dakota be provided to the members of the Budget Section prior to the next Budget Section meeting.

In response to a question from Representative Boucher, Ms. Glatt said the ongoing repair, maintenance, and eventual replacement of facilities gifted to University System campuses is addressed on a case-by-case basis. She said generally when a facility is gifted to the state, it becomes state property and maintenance costs are the state's responsibility.

### **GAME AND FISH DEPARTMENT LAND ACQUISITION REQUESTS**

Mr. Roger Rostvet, Deputy Director, Game and Fish Department, presented information regarding land acquisitions in Morton and Grand Forks Counties

that require Budget Section approval pursuant to NDCC Section 20.1-02-05.1. He said the request to purchase property in Pembina County included on the agenda is being withdrawn because the property will be purchased by Central Power Cooperative for Department of Transportation mitigation. He said the Morton and Grand Forks Counties land acquisitions rank high on the department's list of potential land purchases and were identified in information provided to the Appropriations Committees of the 2009 Legislative Assembly. He said the department pays in lieu of property tax on land and manages property for hunting and wildlife. He said the Governor has approved the purchase of both properties.

Mr. Rostvet provided background information and a map of the proposed land acquisition in Morton County. He said the property consists of 65.35 acres of land adjacent to and intermingled with the Oahe Wildlife Management Area. He said the \$105,000 purchase price (\$1,600 per acre) is based on an appraisal done by ALied Appraisals, Inc., of Bismarck. A copy of the information and map is on file in the Legislative Council office.

In response to a question from Senator Robinson, Mr. Rostvet said the property is zoned as recreational and potential other uses include single-family homes and an all-terrain vehicle or motocross track. He said either of these uses would conflict with the department's rifle and pistol range and the wildlife management area.

In response to a question from Senator Bowman, Mr. Rostvet said some mining of gravel occurred on the property prior to reclamation laws and spoil banks exist on the property. He said areas mined subsequent to the reclamation laws have been reclaimed. He said the department has determined that no additional reclamation requirements exist.

Mr. Rostvet provided background information and a map of the proposed land acquisition in Grand Forks County. He said the property consists of 160 acres of land and is adjoined on three sides by Prairie Chicken Wildlife Management Area. He said the land, in an area locally known as the Alkali Flats, is owned by Paul and Lula Bry and is one of only two areas in the state that have viable populations of prairie chickens. He said 129 acres of the property is currently under a conservation reserve program (CRP) contract until 2018. He said the owners have offered to sell the property to the Game and Fish department for \$80,000 (\$500 per acre) based on an appraisal done by Alerus Appraisals of Grand Forks. A copy of the information and map is on file in the Legislative Council office.

In response to a question from Senator Mathern, Mr. Rostvet said the department chooses a local or regional appraiser and in this case the seller and the department mutually agreed upon a local appraiser with experience in land appraisals.

In response to a question from Representative Boucher, Mr. Rostvet said the state will retain the CRP contract; however, because the state already

owns in excess of 50,000 acres under contract, the department is not allowed to accept the payments. He said the CRP contract is compatible with the department's plan for the future use of the land, so the department would remain in compliance with the contract.

**It was moved by Senator Robinson, seconded by Representative Wald, and carried on a roll call vote that pursuant to NDCC Section 20.1-02-05.1, the Budget Section approve the Game and Fish Department purchase of 65.35 acres in Morton County and 160 acres in Grand Forks County.** Senators Holmberg, Fischer, Grindberg, Kilzer, Krebsbach, Lindaas, Mathern, Nelson, Robinson, and Wardner and Representatives Bellew, Berg, Boucher, Carlson, Dosch, Glassheim, Hawken, Kaldor, Kreidt, Martinson, Metcalf, Monson, Onstad, Skarphol, Thoreson, Wald, Wieland, and Williams voted "aye." Senator Bowman and Representatives Klein, Meyer, and Pollert voted "nay."

**DEPARTMENT OF HUMAN SERVICES  
Status of Medicaid Management  
Information System**

Ms. Carol K. Olson, Executive Director, Department of Human Services, presented information regarding the status of the Medicaid management information system project. She said the go-live date for the new system has been delayed to April 2011.

Ms. Jennifer Witham, Director, Information Technology Services, Department of Human Services, presented information regarding a request for Budget Section approval to spend \$2,172,584 of Medicaid management information system project contingency funds pursuant to Section 4 of 2007 Senate Bill No. 2024. She said the 2005 Legislative Assembly, in House Bill No. 1012, appropriated \$29,188,859, of which \$3,667,820 was state matching funds from the permanent oil tax trust fund, to the Department of Human Services to rewrite the Medicaid management information system. The 2007 Legislative Assembly, in Senate Bill No. 2024, provided additional funding of \$31,072,641, of which \$3,643,133 is state matching funds from the general fund, for the project. The department did not spend all of the state matching funds during the 2005-07 biennium and was authorized to continue the unspent funds into the 2007-09 biennium for the project. As a result, the department used these funds to obtain additional federal matching funds of \$2,267,871 for the project. Total funding available for the project is:

	State Match	Federal Funds	Total
2005-07 appropriation	\$3,667,820	\$25,521,039	\$29,188,859
2007-09 appropriation	3,643,133	27,429,508	31,072,641
Additional federal matching funds		2,267,871	2,267,871
<b>Total</b>	<b>\$7,310,953</b>	<b>\$55,218,418</b>	<b>\$62,529,371</b>

Ms. Witham said hardware and software for the project were purchased by the Information

Technology Department (ITD) with loan proceeds approved by the Budget Section in October 2007. She said the ITD loan will be repaid from collections of a hosting fee charged to the Department of Human Services. She said the hosting fee was initially budgeted as an operating expense; however, due to the delayed schedule, the fee must now be included in project costs. She said the department must also pay the annual software maintenance fee for the purchased software. She said the department will begin paying these fees in November 2009. She said of the \$2,172,584 requested, \$512,550 is from the general fund and the remainder from federal funds. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Monson regarding the payment of an annual software maintenance fee for software not yet placed in service, Ms. Witham said ITD requested, but was unable to negotiate, a waiver of the fee from IBM and Oracle.

In response to a question from Senator Kilzer, Ms. Witham said the project is reimbursed at 90 percent, but the hosting fee was budgeted as an operational cost and therefore is reimbursed at 75 percent. She said project software costs are also reimbursed at 75 percent.

In response to a question from Representative Skarphol, Ms. Witham said the original appropriation included a 10 percent contingency, or approximately \$5.6 million. Based on the project's 90 percent match, she said, the general fund portion of the 10 percent contingency is approximately \$560,000. She said the department is requesting \$512,550 of the general fund portion of the contingency funding. She said the \$512,550 is needed to match the federal portion of the contingency.

Ms. Witham provided the following project funding summary through June 2009:

Description	Budget	Spent Through June 2009	Remaining
General fund	\$3,643,133	\$2,647,098	\$996,035
Federal funds	55,218,418	28,584,567	26,633,851
Other funds	3,667,820	1,063,431	2,604,389
<b>Total</b>	<b>\$62,529,371</b>	<b>\$32,295,096</b>	<b>\$30,234,275</b>

Ms. Witham said the amount remaining has been continued into the 2009-11 biennium.

In response to a question from Representative Pollert, Ms. Witham said the department is negotiating with the vendor--Affiliated Computer Services (ACS)--regarding the additional costs associated with keeping the current system updated beyond the scheduled project completion date included in the contract. She said the contract does not include a penalty clause but includes sections that address remedies.

Ms. Witham provided information regarding other states' Medicaid management information system implementation projects. In July, she said, the state of Nebraska canceled a contract with its provider when it was determined the provider could not deliver on the product. She said both Oregon and Maine have new



systems in place but are experiencing problems with the accuracy of the payments. She said the state of Washington has been using a multiphased approach to implementing its new system and has experienced delays in each phase implemented.

In response to a question from Representative Skarphol, Ms. Witham said ACS was not the project vendor in the states experiencing difficulties. She said the Enterprise System, which is the new system brought to the market by ACS, is also being implemented in Alaska and New Hampshire.

In response to a question from Senator Mathern, Ms. Witham said federal changes known at the time of the bid were included in the request for proposal. However, she said, new federal changes would be implemented by change orders to the contract.

In response to a question from Representative Monson, Ms. Witham said improved edits on claims are expected to lead to savings with the new system.

Mr. Mark Boxer, Senior Vice President of Global Technology Services, Affiliated Computer Services, presented information regarding reasons for the delay in the implementation of the Medicaid management information system, improvements ACS has made in its management of the project, and its effort to better communicate with the Department of Human Services. A copy of the information presented is on file in the Legislative Council office.

Mr. Boxer said the delays were caused by a combination of circumstances. He said ACS augmented its own application development group with a partner that did not deliver code of an acceptable commercial quality. He said ACS had to redevelop modules not delivered by the subcontractor which required additional time. He said the Medicaid management information system effort also includes a significant number of parallel activities. He said to perform these activities, ACS has had to sequence the work across modules and interfaces. He said due to the complexity of the system, testing and making corrections is taking longer than expected.

Mr. Boxer said a project of this magnitude and complexity poses many risks. He said ACS cannot guarantee there will not be additional delays. He said ACS has taken steps to manage those risks that include improved development and testing, more rigorous program management, deliberate quality assurance measures, and improved talent deployment and staffing.

Mr. Boxer said ACS will work to improve communication with the Department of Human Services team and plans to meet with the team every two weeks. He said the meetings will review specific metrics and will provide the team an opportunity to review ACS's progress.

Mr. Boxer said ACS intends to honor its agreement. He said his appearance before the Budget Section is to convey ACS's commitment to completing the development and implementation of the new Medicaid management information system.

In response to a question from Senator Mathern, Mr. Boxer said the underlying causes for the delay in

implementation include the subcontractor's inability to deliver quality code, the complexity of the system, and inaccurate time estimation relating to the project.

In response to a question from Representative Pollert, Mr. Boxer said the North Dakota project will include additional functionality but is similar to the projects in New Hampshire and Alaska. He said similar factors are also causing delays in the development of systems in those states as well. He said there is a core set of code that is being developed to be used by all of the states. He said ACS will start with this core set of code and add the additional functionality required for each state. He said ACS is committed to meeting the April 2011 completion date. He said there continues to be risk, but ACS has implemented methods and mechanisms to mitigate the risk.

In response to a question from Representative Skarphol, Mr. Greg Bryant, Regional Vice President for Government Health Care Services, Affiliated Computer Services, said core code attributable to federal statute is generally 75 to 80 percent of the project with the remainder of the project attributable to individual state policies. He said the portion attributable to the state depends on the specific policies the state chooses to implement in addition to the Medicaid requirements. He said federal mandates that were unknown at the time the project was bid would require a change order. He said ACS has delineated the cost of the change orders and whether the changes are attributable to federal law changes or state requests. Representative Skarphol asked the Department of Human Services to provide information regarding change orders and whether the changes are attributable to federal law changes or state requests.

In response to a question from Senator Fischer, Mr. Bryant said the contract includes a one-year warranty, which will begin on the completion date of the system in April 2011.

Representative Berg asked that ACS representatives continue to provide periodic updates to the Budget Section as the Medicaid management information system project continues.

**It was moved by Representative Berg, seconded by Senator Nelson, and carried on a roll call vote that the Budget Section approve the Department of Human Services' expenditure of \$2,172,584 of project contingency funds, of which \$512,500 is from the general fund, pursuant to Section 4 of 2007 Senate Bill No. 2024.** Senators Holmberg, Bowman, Grindberg, Kilzer, Krebsbach, Lindaas, Mathern, Nelson, O'Connell, and Wardner and Representatives Bellew, Berg, Boucher, Carlson, Dosch, Glassheim, Hawken, Klein, Kreidt, Martinson, Metcalf, Meyer, Monson, Onstad, Pollert, Skarphol, Thoreson, Wald, and Wieland voted "aye." Senator Fischer voted "nay."

## **INFORMATION TECHNOLOGY DEPARTMENT ANNUAL REPORT**

Mr. Mike Ressler, Deputy Chief Information Officer, Information Technology Department, presented information regarding a summary of the annual report of the Information Technology Department pursuant to NDCC Section 54-59-19. A copy of the report presented is on file in the Legislative Council office. He said ITD began as Central Data Processing in 1969 and over the last 40 years evolved into a separate department. He said ITD billings for fiscal year 2009 totaled \$46.5 million. He said the majority of revenue is generated from computer hosting and software development service fees. He said the 2009 Legislative Assembly provided funding to upgrade Ethernet bandwidth at kindergarten through grade 12 school districts throughout the state. He said a majority of school districts were connected and many invested in video equipment to take advantage of the increased bandwidth. He said the rates charged for fees and services by the department compare favorably to those charged by surrounding states.

## **HEALTH INFORMATION TECHNOLOGY OFFICE AND ADVISORY COMMITTEE**

Ms. Lisa Feldner, Chief Information Officer, Information Technology Department, presented information regarding the Health Information Technology Office, the Health Information Technology Advisory Committee, and the status of health information technology activities pursuant to 2009 Senate Bill No. 2332. She said the Health Information Technology Advisory Committee was formed in 2006 and reauthorized by the 2009 Legislative Assembly. She said the committee is comprised of six working groups, including security, privacy, and policy; health information exchange; communications; stakeholders; standards; and finance. She said the committee has filed a letter of intent to apply for federal fiscal stimulus funding through the federal Department of Health and Human Services. She said the grant would provide funding to create a health information exchange in the state. She said, if approved, the state could receive from \$4 million to \$40 million. She said the committee has contracted with a consulting group to assist with a health information exchange plan. She said the committee intends to complete the health information exchange plan in October. She said the federal grant is due by October 26, 2009.

## **STATUS OF THE GREAT PLAINS APPLIED ENERGY RESEARCH CENTER**

Mr. Paul Govig, Director, Division of Community Services, Department of Commerce, provided information regarding the status of the construction of the Great Plains Applied Energy Research Center, including the extent to which nonstate matching funds have been made available for the project pursuant to 2009 House Bill No. 1350. He said the project is

currently in the request for proposal phase which is being coordinated by the city of Bismarck.

Mr. Bill Wocken, City Administrator, City of Bismarck, said the Great Plains Applied Energy Research Center represents a link between energy research generated in the laboratory and the application of new energy concepts in the field. He said the center will test energy technology applications on a small scale so they may be more reliably implemented in the field. He said the city of Bismarck and project partners applied for and received a grant from the federal Economic Development Administration to complete a feasibility study. He said the study will address the feasibility and financial sustainability of the project concept and if the project is deemed feasible, prepare a long-term business plan. He said the grant will provide \$100,000 in federal funds to be matched by \$100,000 from the city of Bismarck and six North Dakota energy companies. He said responses to a request for proposal for the services of an energy consultant to complete the feasibility study are due September 18, 2009. He anticipates the feasibility study to be completed by January 2010. He said no state funds will be spent until the feasibility study and business plan are completed.

## **ANNUAL AUDITS OF RENAISSANCE FUND ORGANIZATIONS**

Mr. Gordon D. La France, Manager, Renaissance Zone Program, Division of Community Services, Department of Commerce, presented information regarding annual audits of renaissance fund organizations pursuant to NDCC Section 40-63-07(9). A copy of the information presented is on file in the Legislative Council office. He said there are 45 renaissance zone cities, of which 7 have at least one renaissance fund organization. He said the city of Fargo has three renaissance fund organizations having approved their second renaissance fund organization in 2008 and third in 2009. He said the original \$2.5 million in renaissance credits approved by the 1999 Legislative Assembly was allocated as of June 2008 which triggered the release of the credits authorized by the 2003 Legislative Assembly. He said the third set of credits, authorized by the 2009 Legislative Assembly, has been allocated to cities with populations over 30,000. He said \$682,500 of the \$2.5 million in renaissance credits approved by the 2003 Legislative Assembly remain available, \$250,000 in Category 1 (0-5,000 population) and \$432,500 in Category 2 (5,001-30,000 population). He said the entire \$2.5 million in renaissance credits approved by the 2009 Legislative Assembly remains available in Category 3 (over 30,000 in population). He said independent auditor's reports of all of the renaissance fund organizations have been submitted to the department.

In response to a question from Senator Mathern, Mr. La France said with regard to funding and policy, the program is working well and he has no recommendations for changes. He said some of the

smaller communities consider the program too much work, but the department may provide assistance with the administration of the program.

In response to a question from Representative Berg, Mr. La France said funds must remain invested in a renaissance fund for 10 years to be eligible for a 50 percent tax credit. He said funds withdrawn early are subject to taxation. Historically, he said, funding from renaissance fund organizations has gone to projects outside renaissance zones.

### **TOBACCO PREVENTION AND CONTROL COMMITTEE**

Chairman Holmberg called on Ms. Pat McGeary, Tobacco Prevention and Control Executive Committee member, to present information regarding the implementation of the comprehensive tobacco prevention and control plan pursuant to 2009 House Bill No. 1015. A copy of the information presented is on file in the Legislative Council office. She said through September 11, 2009, the Tobacco Prevention and Control Executive Committee has spent \$10,882 of its 2009-11 biennium appropriation for advisory committee expenses and rent. She said the committee released the state tobacco plan in July 2009. She said the advisory committee prioritized the components of the state plan that will be addressed during fiscal year 2010, reviewed applications for the tobacco prevention and control local grants program, and awarded nearly \$3 million to 28 local public agencies or cooperating public health agencies. She said the executive committee has:

- Signed a contract with the State Department of Health to serve as the fiscal agent for the committee;
- Leased office space at the North Dakota Agriculture Foundation Building;
- Awarded contracts totaling \$940,000 to 28 local public health units to support the implementation of Public Health Service guidelines;
- Issued contracts for the tobacco prevention and control local grants program;
- Worked with the State Department of Health and local agencies to develop tools for implementation of the Public Health Service guidelines and the comprehensive tobacco-free school policy; and
- Posted the job announcement for the executive director position.

Ms. McGeary said the executive committee is developing guidance for a special initiative grants program to provide funding for special projects to benefit groups with high tobacco use rates.

### **USE OF STATE, FEDERAL, EMERGENCY, AND OTHER HIGHWAY FUNDING**

Mr. Francis Ziegler, Director, Department of Transportation, presented information regarding the anticipated use of state, federal, emergency, and other highway funding during the 2009 construction

season pursuant to 2009 Senate Bill No. 2012. A copy of the information presented is on file in the Legislative Council office. He said 2009 transportation programs include regular construction projects, American Recovery and Reinvestment Act of 2009 projects, and emergency relief projects.

Mr. Ziegler said the 2009 regular construction program includes 199 projects at a cost of \$260 million, including \$69.4 million for urban road improvement and nearly \$18 million for county road improvements, including the replacement of 11 county bridges.

Mr. Ziegler said the department has received an allocation of approximately \$170.1 million for roads and bridges through the American Recovery and Reinvestment Act of 2009. He said the department has identified 99 projects totaling \$90 million for 2009, including \$60.6 million for state projects, \$15.7 million for urban projects, and \$13.7 million for county projects. He said the department anticipates the remaining \$80.1 million of federal fiscal stimulus funds will be spent for projects in 2010.

Mr. Ziegler said the department is continuing its review of emergency relief projects and estimates the total cost of statewide emergency relief projects, not including the Devils Lake Basin area, is approximately \$22 million.

### **EMERGENCY SNOW REMOVAL GRANTS**

Chairman Holmberg called on Major General David Sprynczynatyk, Adjutant General, to provide information regarding emergency snow removal grants distributed to counties, townships, and cities pursuant to 2009 Senate Bill No. 2012. He said grants were provided to those counties and cities that during the first quarter of 2009 incurred costs exceeding 200 percent of their average cost for snow removal for the same period over the past five years. He said the final payments have been made and a total of \$7.8 million has been distributed to 123 cities, 40 counties, and 2 tribal regions. He said 17 cities, 13 counties, and 2 tribal regions either did not request assistance or did not qualify. A copy of the report is on file in the Legislative Council office.

### **FLOOD DISASTER-RELATED EXPENDITURES**

Major General Sprynczynatyk presented information regarding 2009 flood disaster-related expenditures, transfers, reimbursements, and general fund deposits pursuant to 2009 Senate Bill No. 2444. A copy of the report is on file in the Legislative Council office. He said disaster costs include four components--emergency measures, public assistance, mitigation, and individual assistance. He said an original estimate of total disaster costs of \$166 million was provided during the 2009 legislative session. He said current estimates total approximately \$106 million, including \$33 million for emergency measures, \$50 million for public assistance, \$11 million for mitigation, and \$12 million for individual assistance. However, he said, the total

may increase based on more recent Federal Emergency Management Agency (FEMA) estimates of the public assistance component.

Major General Sprynczynatyk said actual costs to date total \$75.9 million, including \$32.3 million for emergency measures, \$29.1 million for public assistance, \$3 million for mitigation, and \$11.5 million for individual assistance. He said FEMA has established \$78.3 million as the federal cost requirement. He said when the federal cost requirement is exceeded, the federal match will increase from 75 percent to 90 percent. He said the federal portion of the actual costs to date totals \$67.1 million, or 85.6 percent of the \$78.3 million threshold for the increased federal cost-share. He said the department anticipates the federal match for most of the flood response and flood recovery costs will be 90 percent.

Major General Sprynczynatyk said other federally disbursed funds that do not qualify as part of the federal cost requirement for federal participation include \$13.2 million in Small Business Administration loans and \$13 million in national flood insurance program claims.

Major General Sprynczynatyk said there have not yet been any reimbursements to the general fund of funds spent for emergency response by the Department of Emergency Services, but there may be funds returned to the general fund when costs are finalized.

### **VETERANS' HOME REPORT**

Chairman Holmberg announced that the Legislative Council staff distributed to each member a written summary report from the Veterans' Home project manager regarding the status of the Veterans'

Home construction project pursuant to 2009 Senate Bill No. 2007. A copy of the report is on file in the Legislative Council office.

### **COMMITTEE DISCUSSION AND STAFF DIRECTIVES**

Chairman Holmberg announced future meetings of the Budget Section are tentatively scheduled for Tuesday, December 15, 2009, and Thursday, March 11, 2010.

Representative Kaldor asked that additional information be provided regarding the availability of federal Unemployment Insurance Modernization Act funds. Chairman Holmberg requested that Job Service North Dakota be asked to provide information regarding these funds at the next Budget Section meeting.

**It was moved by Representative Wald, seconded by Senator Fischer and carried on a voice vote that the Budget Section meeting be adjourned subject to the call of the chair.**

Chairman Holmberg adjourned the meeting at 2:09 p.m.

---

Sheila M. Sandness  
Fiscal Analyst

---

Allen H. Knudson  
Legislative Budget Analyst and Auditor

ATTACH:1