



BUDGET SECTION

Wednesday, December 15, 2021
 Senate Chamber, State Capitol
 Bismarck, North Dakota

Representative Don Vigesaa, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Don Vigesaa, Bert Anderson, Larry Bellew, Joshua A. Boschee, Mike Brandenburg, Jeff Delzer, Michael Howe, Keith Kempenich, Kim Koppelman, Gary Kreidt, Scott Louser, Bob Martinson*, Lisa Meier, Alisa Mitskog, Corey Mock, David Monson*, Mike Nathe, Jon O. Nelson*, Chet Pollert, Mark Sanford, Mike Schatz, Jim Schmidt, Randy A. Schobinger, Michelle Strinden*; Senators Brad Bekkedahl, Dick Dever, Robert Erbele, Joan Heckaman, David Hogue, Ray Holmberg, Karen K. Krebsbach*, Tim Mathern, Erin Oban*, Dave Oehlke, Nicole Poolman, David S. Rust, Ronald Sorvaag, Terry M. Wanzek, Rich Wardner

Members absent: Representative Tracy Boe; Senators Kyle Davison, Jerry Klein

Others present: See [Appendix A](#) for additional persons present.
**Attended remotely*

It was moved by Senator Mathern, seconded by Representative Mock, and carried on a voice vote that the minutes of the September 30, 2021, meeting be approved as distributed.

STATE BUDGET INFORMATION

Mr. Joe Morrissette, Director, Office of Management and Budget, presented a report ([Appendix B](#)) on the status of the general fund, balances of selected special funds, general fund revenue collections, and oil prices and production.

STATE AGENCY APPLICATIONS FOR FEDERAL GRANTS

Mr. Morrissette presented information ([Appendix C](#)) on state agencies that applied for federal grants estimated to be \$25,000 or more pursuant to North Dakota Century Code Section 54-27-27. He reported the following agencies have applied for a federal grant estimated to be \$25,000 or more:

Agency	Time Period of Grant	Amount
State Historical Society	March 2021 - August 2022	\$75,000

Mr. Morrissette presented the following schedule of federal grants of \$25,000 or more awarded to state agencies:

Agency	Time Period of Grant	Amount
Housing Finance Agency	September 2021 - July 2024	\$59,895
Department of Corrections and Rehabilitation	October 2021 - September 2026	\$1,542,174
State Historical Society	March 2021 - August 2022	\$75,000

IRREGULARITIES IN THE FISCAL PRACTICES OF THE STATE

Pursuant to Section 54-14-03.1, Mr. Morrissette presented information ([Appendix D](#)) on irregularities in the fiscal practices of the state. He presented the following fiscal irregularities for the period September 2021 through November 2021:

Agency	Fiscal Irregularity	Amount
Legal Counsel for Indigents	Retention pay	\$2,100
Retirement and Investment Office	Workload adjustments	\$2,847
Department of Human Services	Promotional increases	\$2,047
Department of Human Services	Equity increase	\$672
Department of Human Services	Temporary workload increases	\$1,079
Bank of North Dakota	Reduction in force	\$29,305

Mr. Morrissette noted the Office of Management and Budget submitted its application for the federal Coronavirus Capital Projects Fund on November 18, 2021, and was notified on December 10, 2021, that the application was approved. He indicated the agency is preparing the state's plan for spending the fund in accordance with legislative appropriations for career centers and broadband grants, which also must be submitted to the federal Treasury Department for approval.

AGENCY REQUESTS APPROVED BY THE EMERGENCY COMMISSION

Chairman Vigesaa directed the Budget Section to consider agency requests ([Appendix E](#)) which have been authorized by the Emergency Commission and forwarded to the Budget Section pursuant to Chapter 54-16.

Mr. Morrissette provided information regarding the following requests that were authorized by the Emergency Commission and require consideration by the Budget Section:

- **Highway Patrol (Request #2049)** - The request is to increase spending authority from the motor carrier electronic permit transaction fund by \$66,431 for costs to construct an addition to the agency's shooting range that were incurred but not paid in the 2019-21 biennium.
- **State Historical Society (Request #2050)** - The request is to increase federal funds spending authority by \$75,000 to accept and expend federal American Rescue Plan Act grant funds received through Humanities North Dakota to support general operating costs at historic sites, which includes the cost to fabricate and install interpretive signs at multiple historic sites.
- **Office of Management and Budget (Request #2051)** - The request is to reauthorize federal funds spending authority for \$1,167,468 of federal governor's emergency education relief funds, for which spending authority expired on June 30, 2021.
- **Department of Environmental Quality (Request #2052)** - The request is to increase federal funds spending authority by \$1.2 million in the operating expenses line item to accept and expend passthrough grant funds from the State Department of Health for wastewater testing.
- **Department of Environmental Quality (Request #2053)** - The request is to increase special funds spending authority by \$2,056,000 from Volkswagen settlement funds in the grants line item to pay for grants awarded during the 2019-21 biennium but for which costs were not incurred until the 2021-23 biennium.

It was moved by Senator Holmberg, seconded by Senator Bekkedahl, and carried on a roll call vote that the Budget Section approve Emergency Commission requests #2049, #2050, #2051, and #2053. Representatives Vigesaa, Anderson, Bellew, Boschee, Brandenburg, Delzer, Howe, Koppelman, Kreidt, Louser, Martinson, Meier, Mitskog, Mock, Monson, Nathe, Nelson, Pollert, Sanford, Schatz, Schmidt, Schobinger, and Strinden and Senators Bekkedahl, Dever, Erbele, Heckaman, Hogue, Holmberg, Krebsbach, Mathern, Oban, Oehlke, Poolman, Rust, Sorvaag, Wanzek, and Wardner voted "aye." No negative votes were cast.

It was moved by Senator Holmberg, seconded by Senator Poolman, and carried on a roll call vote that the Budget Section approve Emergency Commission request #2052. Representatives Anderson, Boschee, Brandenburg, Howe, Martinson, Meier, Mitskog, Mock, Monson, Nelson, Pollert, Sanford, Schobinger, and Strinden and Senators Bekkedahl, Dever, Erbele, Heckaman, Hogue, Holmberg, Krebsbach, Mathern, Oban, Oehlke, Poolman, Sorvaag, Wanzek, and Wardner voted "aye." Representatives Vigesaa, Bellew, Delzer, Koppelman, Kreidt, Louser, Nathe, Schatz, and Schmidt and Senator Rust voted "nay."

STATE BUDGET ACTIONS SUPPLEMENT REPORT

At the request of Chairman Vigesaa, Mr. Brady A. Larson, Assistant Legislative Budget Analyst and Auditor, Legislative Council, presented a report entitled [67th Legislative Assembly State Budget Actions Supplement for the 2021-23 Biennium](#) that provides an overview of fiscal changes enacted during the November 2021 special legislative session.

LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD REPORT

Representative Kempenich, Vice Chairman, Legacy and Budget Stabilization Fund Advisory Board, presented a memorandum entitled [Legacy and Budget Stabilization Fund Advisory Board - Status Report to the Budget Section December 15, 2021](#) regarding the investment of funds in the legacy fund and budget stabilization fund pursuant to Section 21-10-11. He reported the market value of the budget stabilization fund as of June 30, 2021, was \$749.4 million and the asset allocation of the budget stabilization fund is 99 percent short-term fixed income and cash and 1 percent cash and equivalents. He reported the 1-year average earnings of the fund is approximately 2.6 percent. He reported the market value of the legacy fund as of June 30, 2021, was \$8.1 billion and the legacy fund's 1-year net return was 21.7 percent compared to a benchmark return of 20.9 percent.

NATIONAL GUARD SERVICE MEMBER, VETERAN, FAMILY, AND SURVIVOR SUPPORT PROGRAM

Brigadier General Jackie Huber, Adjutant General's office, presented an update ([Appendix F](#)) on the National Guard service member, veteran, family, and survivor support program. She noted the program has provided over \$21,000 to support an ND Cares event, a survivor outreach event, and military youth camps.

ANNUAL FULL-TIME EQUIVALENT POSITION REPORT

At the request of Chairman Vigesaa, Mr. Larson distributed the following reports ([Appendix G](#)) detailing changes in full-time equivalent (FTE) positions pursuant to Sections 11-38-12 and 15-12.1-05 and Section 8 of Senate Bill No. 2020 (2021).

North Dakota State University Extension Service

The report states the agency added 5.80 FTE positions between December 1, 2020, and November 30, 2021, resulting in a total of 244.55 FTE positions as of November 30, 2021.

Northern Crops Institute

The report states the agency added 1.30 FTE positions between December 1, 2020, and November 30, 2021, resulting in a total of 15.15 FTE positions as of November 30, 2021.

Upper Great Plains Transportation Institute

The report states the agency did not adjust any positions between December 1, 2020, and November 30, 2021, resulting in a total of 43.88 FTE positions as of November 30, 2021.

North Dakota State University Main Research Center

The report states the agency added 3.11 FTE positions between December 1, 2020, and November 30, 2021, resulting in a total of 334.63 FTE positions as of November 30, 2021.

Branch Research Centers and Agronomy Seed Farm

The branch research centers reported adding 2.60 FTE positions between December 1, 2020, and November 30, 2021, resulting in 110.80 FTE positions as of November 30, 2021. The Agronomy Seed Farm reported no changes in FTE positions were made between December 1, 2020, and November 30, 2021, maintaining a total of 3 FTE positions as of November 30, 2021.

THEODORE ROOSEVELT PRESIDENTIAL LIBRARY

At the request of Chairman Vigesaa, Mr. Larson distributed a letter ([Appendix H](#)) from the Theodore Roosevelt Presidential Library Foundation that responds to questions asked at the last committee meeting. Mr. Larson noted the letter indicates the library foundation has raised \$100 million for the library project and the foundation has distributed funds to the City of Dickinson and Dickinson State University Heritage Foundation as required by Section 54-07-12.

OTHER BUSINESS

Chairman Vigesaa announced the next Budget Section meeting is tentatively scheduled for Wednesday, March 30, 2022.

No further business appearing, Chairman Vigesaa adjourned the meeting at 10:50 a.m.

Brady A. Larson
Assistant Legislative Budget Analyst and Auditor

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:8