



LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Tuesday, July 7, 2020

Senator Jerry Klein, Chairman, called the meeting to order at 10:00 a.m.

Members present: Senators Jerry Klein, David A. Clemens, John Grabinger, Jordan Kannianen, Gary A. Lee, Judy Lee, Jim P. Roers; Representatives Mary Adams, Patrick Hatlestad, Keith Kempenich, Gary Kreidt, Vernon Laning, Scott Louser, Mike Nathe, Marvin E. Nelson, Jim Schmidt, Wayne A. Trottier

Members absent: Representatives Mary Johnson and Luke Simons

Others present: Representative Karen M. Rohr, Mandan, member of the Legislative Management
See [Appendix A](#) for additional persons present.

It was moved by Representative Hatlestad, seconded by Senator J. Lee, and carried on a voice vote that the minutes of the November 6, 2019, meeting be approved as distributed.

At the request of Chairman Klein, Mr. Chris Kadrmaz, Fiscal Analyst, Legislative Council, presented a memorandum entitled [Summary of Major Items in Audit Reports to be Presented at the July 7, 2020, Meeting](#).

NORTH DAKOTA UNIVERSITY SYSTEM NONRESIDENT TUITION PERFORMANCE AUDIT

At the request of Chairman Klein, Mr. Joshua C. Gallion, State Auditor, presented a performance audit report entitled [North Dakota University System Nonresident Tuition](#). Mr. Gallion said Lake Region State College (beginning in 2003), Minot State University (beginning in 2009), and Williston State College (beginning in 2010) charge nonresident students the resident tuition rate. However, he said, Minnesota residents, because of the reciprocity agreement, and international students may be charged an increased tuition rate by those campuses. He said the State Auditor's office (SAO) was unable to isolate the effect on enrollment of offering resident tuition rates to nonresident students due to other events occurring at the same time. He said the SAO estimates a North Dakota University System potential reduction in tuition revenue of nearly \$10 million for the fall 2019 semester compared to if all nonresident students had been charged the resident tuition rate, and over 2,600 additional full-time students would be needed to replace the revenue reduction.

In response to a question from Representative Kempenich, Mr. Gallion said the University of North Dakota would require an 11.3 percent enrollment increase to replace the revenue reduction due to changing nonresident tuition rates, making it the most impacted by this change. He said North Dakota State University and the North Dakota State College of Science were second and third respectively.

In response to a question from Senator J. Lee, Mr. Gallion said the performance audit does not address all effects on tuition and enrollment, but recognizes the current economic environment, a school's proximity to the state border, and other factors also affect the impact.

At the request of Chairman Klein, Ms. Tammy Dolan, Vice Chancellor for Administrative Affairs and Chief Financial Officer, North Dakota University System, commented on the performance audit. She said tuition rates are set by the State Board of Higher Education. She said the board reviews analyses specific to each institution. She said the University System has a policy meant to streamline the tuition rates and attempts to provide consistency. She said the University System also conducted an analysis of other rates and fees charged by the institutions to eliminate some fees and make them more consistent and transparent across each institution. She said the reciprocity agreement between Minnesota and North Dakota allows Minnesota residents to pay a maximum of

1.12 times the North Dakota resident tuition rate to attend school at a North Dakota institution. She said the international student tuition rate is a maximum of 1.75 times the North Dakota resident tuition rate.

In response to a question from Representative Nathe, Ms. Dolan said the cost of nonresident tuition is a competitive factor when trying to attract out-of-state students to North Dakota institutions.

Representative Nathe suggested the board review and provide information on the cost to the state of tuition waivers provided to nonresident students.

In response to a question from Representative Nelson, Ms. Dolan said any analysis regarding a tuition rate change would be attached to the board minutes and can be viewed by the public. She said the University System's Budget Finance Committee reviews the analyses in detail when considering tuition rate changes.

In response to a question from Senator J. Lee, Ms. Dolan said workforce needs also are considered when considering tuition rates and changes to those rates.

MINOT STATE UNIVERSITY EMERGENCY PREPAREDNESS PERFORMANCE AUDIT FOLLOWUP

At the request of Chairman Klein, Mr. Gallion presented the performance audit followup report entitled [Minot State University Emergency Preparedness \(March 17, 2020\)](#). He said all six recommendations had been fully implemented.

UNIVERSITY OF NORTH DAKOTA CONTINUITY OF OPERATIONS PLANNING PERFORMANCE AUDIT FOLLOWUP

At the request of Chairman Klein, Mr. Gallion presented the performance audit followup report entitled [University of North Dakota Continuity of Operations Planning \(March 17, 2020\)](#). He said all four recommendations had been fully implemented.

UNIVERSITY SYSTEM INTERNAL CONTROL AND COMPLIANCE REPORT

At the request of Chairman Klein, Mr. Gallion presented the internal control and compliance [report](#) on the audit of the general purpose financial statements included in the June 30, 2019, annual financial report for the University System. He said the audit provides a clean audit opinion on the University System's financial statements and a qualified opinion over the aggregate discretely reported component units of the University System. He said one finding for inadequate internal controls over affiliated organizations was found. He said the finding has been included in the 2013 audit and subsequent audits. The recommendation is for the University System to direct institution foundations to improve operations and reporting to obtain generally accepted accounting principles (GAAP) compliant financial statements. He said this audit identified 5 of 20 organizations affiliated with the University System where an audit was required, did not complete an audit on time.

UNIVERSITY SYSTEM ANNUAL FINANCIAL REPORT

At the request of Chairman Klein, Ms. Robin Putnam, Director of Financial Reporting, North Dakota University System, presented the annual financial report for the University System for the fiscal year ended June 30, 2019. She said the University System's fiscal year 2019 total assets increased \$133.5 million from \$2 billion to \$2.13 billion from fiscal year 2018. She said fiscal year 2019 total liabilities increased \$112.7 million from \$629.5 million to \$742.2 million from fiscal year 2018 due primarily to an increase in certificates of participation, which is a type of long-term financing, at the University of North Dakota for the construction of its new steam plant. She said salary and wages are the largest expense category at 64 percent of total operating costs in fiscal year 2019. She said \$119.9 million in new debt was issued and \$29 million of debt was retired during fiscal year 2019.

In response to a question from Representative Nathe, Ms. Putnam said campuses are reviewing the revenue impacts of the Coronavirus (COVID-19).

In response to a question from Chairman Klein, Ms. Dolan said institutions have provided refunds to students for housing and dining due to students leaving campus and finishing the school year through distance learning, due to COVID-19.

In response to a question from Representative Kempenich, Ms. Dolan said institutions will consider the effect of any reduction in enrollment on the institution's ability to meet fixed-cost requirements.

In response to a question from Senator J. Lee, Ms. Dolan said before the impacts of COVID-19, students had been preferring suite-style dorm rooms, which provide more privacy.

AUDITS OF STATE AGENCIES, BOARDS, AND COMMISSIONS

Mr. Gallion presented a report entitled [Mayville State University Audit Report for the Biennium Ended June 30, 2019](#). He said the audit included the following findings:

- Finding 2019-01 - Not reviewing allowance for doubtful accounts;
- Finding 2019-02 - Noncompliance with procurement rules;
- Finding 2019-03 - Improper accounting for loans receivable and allowance for loans receivable;
- Finding 2019-04 - Inadequate monthly bank reconciliations; and
- Finding 2019-05 - Noncompliance and lack of approval over student scholarships and waivers.

He said the SAO made the following recommendations to Mayville State University:

- Finding 2019-01 - Evaluate the allowance for doubtful accounts to determine if the estimate is relevant, sufficient, and reliable.
- Finding 2019-02 - Properly procure commodities in compliance with North Dakota Century Code and University System procurement requirements.
- Finding 2019-03 - Properly record current and long-term loans receivable and the corresponding allowance amounts.
- Finding 2019-04 - Approve reconciliations in a timely manner, support reconciling items, and reconcile the bank statements and general ledger balances to a zero-dollar difference on a monthly basis.
- Finding 2019-05 - Properly approve, develop documented policies, and retain adequate support for awarding students' scholarships and waivers to ensure compliance with Century Code and the State Board of Higher Education policy.

In response to a question from Chairman Klein, Mr. Gallion said the SAO found \$76,000 of reconciling items that were not supported.

Mr. Gallion presented a report entitled [North Dakota State College of Science Audit Report for the Biennium Ended June 30, 2019](#). He said the audit included finding 2019-01 for lack of faculty evaluation criteria and official personnel file. He said the SAO recommended North Dakota State College of Science include in the faculty contract the criteria necessary to complete an annual evaluation and maintain an official personnel file.

In response to a question from Senator Clemens, Mr. Gallion said the audit reports are presented to the audit subcommittee of the State Board of Higher Education.

Mr. Gallion presented a report entitled [Department of Career and Technical Education Audit Report for the Biennium Ended June 30, 2019](#). He said the audit did not have any findings.

In response to a question from Chairman Klein, Mr. Gallion said the \$508,029 transfer out identified in the report was to return unspent funds to the foundation aid stabilization fund which were provided in Section 4 of Senate Bill No. 2019 (2017). He said the funds were provided during the 2017-19 biennium from the foundation aid stabilization fund for providing grants to school districts and area centers.

Mr. Gallion presented a report entitled [Department of Corrections and Rehabilitation Audit Report for the Biennium Ended June 30, 2019](#). He said the audit included the following findings:

- Finding 2019-01 - Information system data limitation;
- Finding 2019-02 - No segregated override approval; and
- Finding 2019-03 - Inconsistent approval of pharmacy adjustments.

He said the SAO made the following recommendations to the Department of Corrections and Rehabilitation (DOCR):

- Finding 2019-01 - Update the DOCSTARS information system to retain the historical supervision level overrides.
- Finding 2019-02 - Ensure supervision-level overrides are approved by a program manager or a lead officer and documented by the individual approving instead of the individual seeking approval.

- Finding 2019-03 - Implement procedures to ensure all pharmacy adjustments are accounted for and all adjustments are reviewed and approved by an individual who did not prepare the adjustment.

In response to a question from Representative Kempenich, Mr. Gallion said DOCR could improve the billing process for parole and probation supervision fees to lower costs, and the SAO provided some suggestions but no analysis was conducted to determine the impact of implementing any of those suggestions.

In response to a question from Representative Kreidt, Mr. Dave Krabbenhoft, Interim Director, Department of Corrections and Rehabilitation, said a policy has been implemented to monitor all pharmacy adjustments. He said those adjustments are reviewed by the pharmacist and by him. He said if a medication is being adjusted regularly, it is reviewed in further detail to determine the cause.

In response to a question from Chairman Klein, Mr. Krabbenhoft said no theft had been found or suspected, and the changes are being made to improve the inventory system and the department's procedures.

In response to a question from Chairman Klein, Mr. Gallion said the SAO charges DOCR in accordance with Section 54-10-02, which requires the SAO to charge for the full cost of an audit, but also allows the SAO to reduce those charges based on the expenditure of both general fund and nongeneral fund dollars. He said the audit billing was based on the actual expenditures of the 2015-17 biennium.

Mr. Gallion presented a report entitled [State Department of Health Audit Report for the Biennium Ended June 30, 2019](#). He said the audit included the following findings:

- Finding 2019-01 - Improper distribution of rural emergency medical services grant; and
- Finding 2019-02 - Appropriation exceeded.

He said the SAO made the following recommendations to the State Department of Health:

- Finding 2019-01 - Ensure the calculation of the rural emergency medical services grant distribution is correct and that all supporting documentation is retained.
- Finding 2019-02 - Ensure compliance with appropriation limits set by the Legislative Assembly.

In response to a question from Chairman Klein, Ms. Brenda Weisz, Chief Financial Officer, State Department of Health, said the department was unable make a retroactive distribution of the emergency medical services grants because the biennium had ended. She said the department has implemented internal measures to ensure proper distributions.

Mr. Gallion presented a report entitled [Governor's Office Audit Report for the Biennium Ended June 30, 2019](#). He said the audit did not have any findings.

Mr. Gallion presented a report entitled [Forest Service Audit Report for the Biennium Ended June 30, 2019](#). He said the audit did not have any findings.

Mr. Gallion presented a report entitled [Office of Management and Budget Audit Report for the Biennium Ended June 30, 2019](#). He said the audit included finding 2019-01 for inadequate control activities related to alternate procurement. He said the SAO recommended the Office of Management and Budget's (OMB) procurement division strengthen control activities surrounding alternate procurement by ensuring all vendor responses are received by OMB and expiration dates be established on all recurring purchases.

In response to a question from Chairman Klein, Mr. Joe Morrisette, Director, Office of Management and Budget, said OMB agrees with the finding, but does not agree with the conclusion. He said OMB has the authority to delegate procurement to other agencies and OMB receives the procurement responses. He said OMB provides oversight. He said OMB agrees the process would be more uniform if OMB did not delegate the process, but additional staff and resources would be necessary if the process was not delegated.

In response to a question from Senator J. Lee, Mr. Morrisette said due to COVID-19 and the emergency declarations surrounding it, the procurement process has been simplified for purchases relating to COVID-19, but there are minimum requirements that must be met.

Mr. Gallion presented a report entitled [State Water Commission Audit Report for the Biennium Ended June 30, 2019](#). He said the audit included the following findings:

- Finding 2019-01 - Improper emergency action plan process for dams; and
- Finding 2019-02 - Dam operating plans not tracked or reviewed.

He said the SAO made the following recommendations to the State Water Commission:

- Finding 2019-01 - Provide for the State Engineer to receive and approve emergency action plans required by Century Code.
- Finding 2019-02 - Monitor the receipt and review of required dam operating plans.

In response to a question from Chairman Klein, Ms. Heide Delorme, Administration Division Director, State Water Commission, said the increase in capital expenditures identified in the audit report was due to land and right of way purchases for the Northwest Area Water Supply Project.

In response to a question from Chairman Klein, Mr. Aaron Carranza, Regulatory Division Director, State Water Commission, said the number of dam emergency action plans the State Water Commission has received as a percentage of the number of dams in the state is more than the national average. He said the State Water Commission continually is improving the number of emergency action plans it has for the dams within the state.

In response to a question from Representative Nelson, Ms. Delorme said the payments to the Bank of North Dakota increased significantly because of the payoff of outstanding debt with the Bank of North Dakota during the 2017-19 biennium.

Mr. Gallion presented a report entitled [Office of the State Tax Commissioner Audit Report for the Biennium Ended June 30, 2019](#). He said the audit did not have any findings.

Mr. Gallion presented a report entitled [Office of the State Treasurer Audit Report for the Biennium Ended June 30, 2019](#). He said the audit did not have any findings.

Mr. Gallion presented a report entitled [Department of Human Services Audit Report for the Biennium Ended June 30, 2019](#). He said the audit included the following findings:

- Finding 2019-01 - Payments after death;
- Finding 2019-02 - Child care correction orders not resolved;
- Finding 2019-03 - Not monitoring child care facilities with memorandum of understandings;
- Finding 2019-04 - Failure to timely contact suspected victims of child abuse and neglect;
- Finding 2019-05 - Not performing quality assurance for child protection services;
- Finding 2019-06 - Confirmed child abusers not listed on index;
- Finding 2019-07 - Financial errors; and
- Finding 2019-08 - Medicaid drug rebate system errors.

He said the SAO made the following recommendations to the Department of Human Services:

- Finding 2019-01 - Ensure payments are not made for the benefit of deceased individuals.
- Finding 2019-02 - Improve procedures to ensure child care correction orders are resolved at the end of each allowed correction period.
- Finding 2019-03 - Perform additional monitoring of child care providers to ensure compliance with memorandum of understanding agreements.
- Finding 2019-04 - Ensure timely face-to-face contact with suspected victims of child abuse or neglect.
- Finding 2019-05 - Ensure consistent and complete quality assurance procedures surrounding reports of child abuse and neglect, investigations, and decisions.
- Finding 2019-06 - Ensure individuals with confirmed child abuse or neglect are properly listed on the Child Abuse and Neglect Index.
- Finding 2019-07 - Strengthen procedures surrounding the consolidated annual financial report (CAFR) reporting process to ensure accurate amounts are reported to OMB.

- Finding 2019-08 - Strengthen controls surrounding the Drug Rebate and Analysis Management System to ensure receivables balances are properly calculated and interest is properly calculated for overdue drug rebate balances.

Mr. Arnold Strebe, Chief Administrative Officer, Department of Human Services, said the department agrees with the audit findings and improvements are being implemented to correct the findings.

In response to a question from Representative Nelson regarding child protective services, Mr. Strebe said the department is redesigning the social services organization within the Department of Human Services and partnering with the 19 human service zones across the state. He said the redesign should be completed within 12 months.

Mr. Gallion presented a report entitled [Veterans Home Audit Report for the Biennium Ended June 30, 2019](#). He said the audit did not have any findings.

Mr. Gallion presented a report entitled [Judicial Branch Audit Report for the Biennium Ended June 30, 2019](#). He said the audit did not have any findings.

OTHER INFORMATION

Mr. Gallion presented information regarding the status of performance audits and an update on planned performance audits and future agency audits. He directed the committee to the audit schedules for calendar years 2019 and 2020 on the SAO website. He said because the SAO is working on the CAFR and single audit for the state, no other audits are being worked on at this time.

At the request of Chairman Klein, Mr. Gallion presented information regarding state auditor fees and the impact to state agencies and other public entities. He said the Beef Commission was billed approximately \$5,000, which is an increase. He said after he was elected as the State Auditor in 2016, the SAO reviewed its internal process and its billing system, and the SAO determined the fees being charged for the audits did not cover the cost of performing audits. He said the SAO now utilizes an hourly rate fee structure which results in increased cost to entities because the SAO is charging a rate that covers the cost of the audit as mandated by Century Code.

In response to a question from Representative Nelson, Mr. Gallion said the funds received from the federal government for COVID-19 most likely will be audited in the state's single audit of federal funds. He anticipates the federal government to provide guidelines relating to those audits.

INTERNAL CONTROL AND COMPLIANCE REPORT

Mr. Gallion presented the internal control and compliance report on the audit of the basic financial statements included in the [Comprehensive Annual Financial Report State of North Dakota for the Fiscal Year Ended June 30, 2019](#). He said the SAO has audited the general purpose financial statements for the state of North Dakota for the year ended June 30, 2019. He said the audit included finding 2019-01 for lack of required note disclosures. He said the SAO recommended OMB improve procedures to ensure disclosure of Governmental Accounting Standards Board reporting requirements from component auditor reports are included in the CAFR.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Ms. Rachel Kmetz, CAFR Accounting Manager, Office of Management and Budget, presented a report ([Appendix B](#)) entitled [Comprehensive Annual Financial Report State of North Dakota for the Fiscal Year Ended June 30, 2019](#). She reviewed the information contained in the report and a supplemental report entitled [2017-19 Biennium Budget and Actual Detail \(Budgetary Basis\) State of North Dakota for the Biennium Ended June 30, 2019](#). Copies of both reports are on file in the Legislative Council office.

AUDITS OF STATE AGENCIES, BOARDS, AND COMMISSIONS

Chairman Klein called on Mr. Darrell Lingle, Certified Public Accountant, Eide Bailly LLP, who presented a report entitled [Financial Statements December 31, 2019 and 2018 Bank of North Dakota](#). Mr. Lingle reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Lingle presented a report entitled [Financial Statements December 31, 2019 and 2018 Beginning Farmer Revolving Loan Fund](#). He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

In response to a question from Chairman Klein, Mr. Tim Porter, Chief Financial Officer, Bank of North Dakota, said the loan buydown program was extended to a 10-year buydown program for the beginning farmer revolving loan fund by legislative action during the 2019 legislative session. He said the fund balance will be affected in the future and may require additional funding to continue the program.

Mr. Lingle presented a report entitled [Financial Statements December 31, 2019 and 2018 Community Water Facility Loan Fund](#). He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

In response to a question from Representative Schmidt, Mr. Porter said the community water facility loan fund received funds from the resources trust fund during the 2013-15 biennium.

Mr. Lingle presented a report entitled [Financial Statements December 31, 2019 and 2018 Guaranteed Student Loan Program](#). He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

In response to a question from Chairman Klein, Mr. Porter said the Bank of North Dakota monitors default rates closely and when COVID-19 first impacted the state, the Bank implemented a 6-month forbearance on loans, which has reduced default rates. He said the Bank believes the allowance for default loans is adequate based on the current situation.

Mr. Jared Mack, Certified Public Accountant, Eide Bailly LLP, presented a report entitled [Financial Statements June 30, 2019 and 2018 North Dakota Development Fund](#). He reviewed the auditor's responses to the committee guidelines and said the report includes a finding for preparation of financial statements. He said the North Dakota development fund does not have adequate staff to prepare of the organization's financial statements and while this is not uncommon for similar sized organizations, it is recommended management and the North Dakota Development Fund Board of Directors be aware of the financial reporting of the organization.

Mr. Mack presented a report entitled [Financial Statements June 30, 2019 and 2018 Legislative Assembly](#). He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Mack presented a report entitled [Financial Statements June 30, 2019 and 2018 Legislative Council](#). He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Mack presented a report entitled [Financial Statements June 30, 2019 and 2018 State Auditor's Office](#). He reviewed the auditor's responses to the committee guidelines and said the report includes a finding for work in process, which is considered a material weakness. He said the work in process balance did not appropriately reflect the amount earned by the State Auditor at the end of each fiscal year. He said the discrepancy was caused by jobs being improperly included in the work in process balance and the error not being detected. He said the financial statements were adjusted by \$4,515 for the year ended June 30, 2019, and \$19,491 for the year ended June 30, 2018. He said Eide Bailly recommended the work in process and accounts receivable worksheets be appropriately reviewed to ensure correct formulas and to prevent job balances from being improperly included.

Mr. Mack presented a report entitled [Financial Statements September 30, 2019 and 2018 State Fair Association](#). He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Chairman Klein called on Ms. Mindy Piatz, Certified Public Accountant, Brady, Martz & Associates PC, who presented a report entitled [North Dakota Public Finance Authority December 31, 2019 and 2018](#). Ms. Piatz reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Chairman Klein called on Ms. Lynnell Rude, Certified Public Accountant, Haga Kommer, who presented a report entitled [North Dakota Stockmen's Association December 31, 2019 and 2018](#). Ms. Rude reviewed the auditor's responses to the committee guidelines and said the report includes a finding for segregation of duties. She said the Stockmen's Association does not have adequate staff to provide for appropriate internal controls related to segregation of accounting duties. She said this is common of small entities, because it is not economically feasible to further segregate duties without additional staff. She said it is recommended the Stockmen's Association Board of Directors periodically review documentation supporting individual transactions.

Chairman Klein called on Mr. Rob Pfennig, Controller, Bank of North Dakota, to present information regarding reports entitled [College SAVE the Future \(A Private Purpose Trust Fund of the State of North Dakota\) Basic Financial Statements December 31, 2019 and 2018 and Supplementary Information December 31, 2019 \(With Independent Auditor's Report Thereon\)](#), and a letter from Landmark PLC, Certified Public Accountants, regarding the report. Mr. Pfennig said the Bank of North Dakota acts as trustee for the College SAVE plan. He said Ascensus

Broker Dealer Services, Inc. is the plan manager and The Vanguard Group, Inc. is the investment manager. He said the College SAVE audit was conducted by Landmark PLC. He said the report contains an unqualified opinion and does not include any findings or recommendations.

At the request of Chairman Klein, Mr. Kadrmaz distributed an examination report ([Appendix C](#)) of the Bank of North Dakota through December 31, 2019, conducted by the Department of Financial Institutions pursuant to Section 6-09-29.

At the request of Chairman Klein, Representative Schmidt explained the Water Topics Overview Committee's request for the Legislative Audit and Fiscal Review Committee to request an audit of land acquisitions completed for the FM Area Diversion Project. He said unknown to the Water Topics Overview Committee, the SAO was reviewing land acquisitions for the FM Area Diversion Project through an audit of the Cass County Water Resource District. He said the audit found no discrepancies with the land acquisitions and as a result no further action is necessary.

It was moved by Representative Hatlestad, seconded by Representative Laning, and carried on a roll call vote that, pursuant to Section 54-35-02.2, the committee accept the following reports reviewed by the committee at its July 7, 2020, meeting:

- 1. North Dakota University System nonresident tuition (December 2019)**
- 2. Minot State University emergency preparedness (March 17, 2020)**
- 3. University of North Dakota continuity of operations planning (March 17, 2020)**
- 4. North Dakota University System annual financial report (June 30, 2019)**
- 5. Mayville State University (June 30, 2019 and 2018)**
- 6. North Dakota State College of Science (June 30, 2019 and 2018)**
- 7. Department of Career and Technical Education (June 30, 2019 and 2018)**
- 8. Department of Corrections and Rehabilitation (June 30, 2019 and 2018)**
- 9. State Department of Health (June 30, 2019 and 2018)**
- 10. Governor's office (June 30, 2019 and 2018)**
- 11. Forest Service (June 30, 2019 and 2018)**
- 12. Office of Management and Budget (June 30, 2019 and 2018)**
- 13. State Water Commission (June 30, 2019 and 2018)**
- 14. Tax Commissioner (June 30, 2019 and 2018)**
- 15. State Treasurer's office (June 30, 2019 and 2018)**
- 16. Department of Human Services (June 30, 2019)**
- 17. Veterans' Home (June 30, 2019 and 2018)**
- 18. Judicial branch (June 30, 2019 and 2018)**
- 19. State of North Dakota comprehensive annual financial report (June 30, 2019)**
- 20. Bank of North Dakota (December 31, 2019 and 2018)**
- 21. Beginning farmer revolving loan fund (December 31, 2019 and 2018)**
- 22. Community water facility loan fund (December 31, 2019 and 2018)**
- 23. Guaranteed student loan program (December 31, 2019 and 2018)**
- 24. North Dakota development fund (December 31, 2019 and 2018)**
- 25. Legislative Assembly (June 30, 2019 and 2018)**
- 26. Legislative Council (June 30, 2019 and 2018)**
- 27. State Auditor's office (June 30, 2019 and 2018)**
- 28. State Fair Association (September 30, 2019 and 2018)**
- 29. Public Finance Authority (December 31, 2019 and 2018)**

30. North Dakota Stockmen's Association (December 31, 2019 and 2018)**31. College SAVE plan (December 31, 2019 and 2018)**

Senators Klein, Clemens, Grabinger, Kannianen, G. Lee, J. Lee, and Roers and Representatives Adams, Hatlestad, Kreidt, Laning, Louser, Nathe, Nelson, Schmidt, and Trottier voted "aye." No negative votes were cast.

No further business appearing, Chairman Klein adjourned the meeting at 2:35 p.m.

Chris Kadmas
Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:3