

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET SECTION

Wednesday, October 8, 1997
Senate Chamber, State Capitol
Bismarck, North Dakota

Representative Jack Dalrymple, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Jack Dalrymple, Ole Aarsvold, James Boehm, Merle Boucher, Rex R. Byerly, Ron Carlisle, Jeff W. Delzer, John Dorso, Tom D. Freier, Gereld F. Gerntholz, Pam Gulleson, Roy Hausauer, Robert Huether, Richard Kunkel, Bob Martinson, Ronald Nichols, Bill Oban, Ken Svedjan, Mike Timm, Ben Tollefson, Francis J. Wald, Janet Wentz, Gerry Wilkie; Senators Bill L. Bowman, Ray Holmberg, Aaron Krauter, Evan E. Lips, Tim Mathern, Pete Naaden, Gary J. Nelson, David E. Nething, Rolland W. Redlin, Larry J. Robinson, Ken Solberg, Rod St. Aubyn, Harvey D. Tallackson

Members absent: Representatives LeRoy G. Bernstein, Edward H. Lloyd, Al Soukup; Senator Donna L. Nalewaja

Others present: See attached appendix.

It was moved by Senator Lips, seconded by Representative Wald, and carried that the minutes of the June 18, 1997, meeting of the Budget Section be approved as mailed.

STATUS OF THE GENERAL FUND

At the request of Chairman Dalrymple, Ms. Pam Sharp, Deputy Director, Office of Management and Budget, presented a report that included information on the status of the general fund for the 1995-97 and 1997-99 bienniums. A copy of the report is on file in the Legislative Council office. Ms. Sharp said that through August 1997 actual general fund revenue collections have been \$106.8 million, \$3.7 million less than estimated collections based on the March 1997 revenue forecast.

The report included the following information on the status of the general fund for the 1995-97 biennium:

Unobligated general fund balance - July 1, 1995	\$31,151,278
Add:	
1995-97 biennium general fund revenues (\$4.5 million more than the March 1997 revenue forecast of \$1.377 billion)	1,381,368,976
Obligated general fund balance for authorized carryover expenditures from the 1993-95 biennium	5,526,594
Total general fund revenue and obligated balance available for the 1995-97 biennium	\$1,418,046,848
Less:	
1995-97 biennium expenditures and transfers (\$23.8 million less than the appropriation of \$1.352 billion for the 1995-97 biennium)	\$1,328,696,762
1995-97 biennium transfer to the Bank of North Dakota pursuant to 1997 HB 1015 (\$9.6 million more than the transfer estimated at the close of the 1997 legislative session)	17,116,290
Obligated general fund balance for authorized carryover expenditures from the 1995-97 biennium	7,233,796
Unobligated general fund balance - June 30, 1997	\$65,000,000

Ms. Sharp said three state agencies (Division of Emergency Management, University of North Dakota, and the North Dakota National Guard) have been authorized to borrow money from the Bank of North Dakota for disaster recovery efforts, pursuant to North Dakota Century Code Section 54-16-13. She said the three agencies have approximately \$9.2 million in outstanding loans

from the Bank of North Dakota, of which approximately \$6.2 million will need to be repaid from state funds. The remaining amount is expected to be repaid through Federal Emergency Management Agency (FEMA) reimbursements.

WELFARE FRAUD DETECTION PROGRAMS

At the request of Chairman Dalrymple, Mr. William Strate, Director, Child Support Enforcement, Department of Human Services, presented information on welfare fraud detection programs, pursuant to Section 30 of 1997 House Bill No. 1012. A copy of the information presented is on file in the Legislative Council office. Mr. Strate said there are currently four welfare fraud control units in operation in the state--three multicounty units and one single-county unit. He said that for the 18-month period including calendar year 1996 and the first six months of 1997, expenditures for the welfare fraud control units have been \$295,475. He said during that period of time the welfare fraud control units have recovered \$312,252.

Senator Nething asked if the Department of Human Services plans to expand the area being served by the welfare fraud control units. Mr. Strate said the 1997-99 biennium appropriation provided for the operation of the four existing units and either the expansion of the area being served by the existing units or the creation of an additional unit. He said the department is currently developing criteria to be used to analyze the areas of the state interested in establishing welfare fraud control programs. He said the most important criteria will be the welfare caseload.

In response to a question from Representative Svedjan, Mr. Strate said the northeast area of the state is being considered for the establishment of a welfare fraud detection unit. He said the welfare caseload in that region may justify the establishment of such a program.

STATE RISK MANAGEMENT PROGRAM

At the request of Chairman Dalrymple, Ms. Jo Zschomler, Director, Risk Management Division, Office of Management and Budget, presented information on the North Dakota risk management program. A copy of the information presented is on file in the Legislative Council office. Ms. Zschomler said the Risk Management Division recently established an excess insurance program to provide protection for the risk management fund in a variety of circumstances where the fund could be exposed to liability in excess of the statutory caps provided in North Dakota Century Code Section 32-12.2-02. She

said that from April 22, 1995, through September 30, 1997, there have been 320 claims filed against the risk management fund, 53 of which are still open and 132 of which have been closed without payment. She said the remaining 135 claims have been settled by the risk management fund through the payment of \$100,330. She said there have been 27 lawsuits filed against the risk management fund, 17 of which are still open and 10 of which have been dismissed without a judgment award.

Representative Dalrymple asked if an analysis was conducted to determine if the balance of the fund was adequate to allow the purchase of the excess insurance coverage. Ms. Zschomler said the insurance company that provided the excess insurance coverage reviewed the actuarial analysis of the risk management fund and would not have provided coverage if the fund was not determined to be actuarially sound.

DEPARTMENT OF HUMAN SERVICES COMPUTER PROJECTS

At the request of Chairman Dalrymple, Ms. Carol Olson, Executive Director, Department of Human Services, introduced Mr. Kevin Iverson, Director of the Training, Education, Employment, and Management (TEEM) Division, Department of Human Services. Mr. Iverson presented information on the status of computer development projects within the Department of Human Services, pursuant to Section 19 of House Bill No. 1012. A copy of the information presented is on file in the Legislative Council office. Mr. Iverson said the Department of Human Services has received a letter from the Administration for Children and Families, United States Department of Health and Human Services, which indicates acceptance of a cost benefit analysis of the TEEM project. He said the letter also includes a request for copies of the TEEM software so that the Administration for Children and Families can transfer the system to other states. Mr. Iverson said all counties in the state which have not converted to the TEEM system will begin to do so between January and June 1998. He said proposals have been received for the State Hospital computer system. He said the proposals will be evaluated and a recommendation for the award of a contract is anticipated to be made by November 1997.

With the permission of Chairman Dalrymple, Mr. Iverson introduced Mr. Roger Hertz, Director, Information Management Division, Department of Human Services. Mr. Hertz requested Budget Section approval to proceed with networking

projects within the Department of Human Services. He said Section 19 of 1997 House Bill No. 1012 identifies the appropriation authority for five major computer projects within the department and provides that if savings are projected for the listed computer projects, the department may request Budget Section approval to start other projects. He said the department has interpreted Section 19 to mean that no new computer projects within the department, other than the five projects listed in the bill, can proceed without prior approval of the Budget Section.

Representative Dalrymple asked for the estimated cost of the proposed networking project. Mr. Hertz said although no specific dollar amount has been identified, any funds used for the networking projects will be reallocated from existing department budgets.

Senator Bowman said pursuant to Section 19 of 1997 House Bill No. 1012, no new computer projects can be undertaken by the department unless they can be paid for through projected savings relating to the five computer projects listed in that section.

In response to a question from Senator Mathern, Mr. Iverson said approximately \$898,000 that was budgeted in the management and councils subdivision for maintenance and support costs relating to the reforming and enhancing services for the people of North Dakota (RESPOND) computer project will be paid from the economic assistance subdivision. He said the department anticipates adequate appropriation authority within the economic assistance subdivision and has not requested a transfer between the subdivisions. He said the anticipated savings in the economic assistance subdivision relate to the reduced caseload projections for the 1997-99 biennium. Senator St. Aubyn asked if there will be unspent appropriation authority in the management and councils subdivision because the budgeted expenditure of \$898,000 for RESPOND maintenance and support will not take place. Mr. Iverson said the department anticipates unspent 1997-99 biennium appropriation authority in the management and councils subdivision.

Representative Dorso said the department's request to reallocate funds for networking projects needs to be more specific and include exact dollar amounts, line items, and funding sources. Senator St. Aubyn asked if the networking projects currently being discussed by the department were projects not prioritized by the 1997 Legislative Assembly. Mr. Mike Schwindt, Chief Financial Officer, Department of Human Services, said the networking projects the

department is requesting authority to reallocate are not projects which were included in the department's technology priority list addressed by the 1997 Legislative Assembly. He said the networking projects would only upgrade existing systems and would not include the development of a new computer network.

Chairman Dalrymple said the members of the Budget Section have requested more information relating to the department's request to reallocate funds for computer networking projects. He said the Budget Section will postpone taking action on the department's request until the December meeting, at which time the department can present the requested information. Mr. Schwindt said the department will present, at the committee's December meeting, information relating to the department's request to reallocate funding for computer networking projects, including project costs, funding sources, and any projected savings from the department's computer projects listed in Section 19 of 1997 House Bill No. 1012.

ADDITIONAL FULL-TIME EQUIVALENT (FTE) POSITIONS AT DEPARTMENT OF HUMAN SERVICE AGENCIES AND INSTITUTIONS

At the request of Chairman Dalrymple, Mr. Schwindt presented information on FTE positions at human service centers, the State Hospital, and the Developmental Center, pursuant to Section 7 of 1997 House Bill No. 1012. He said the department is required to report to the Budget Section on the hiring of any additional full-time equivalent positions, in addition to those authorized by the 1997 Legislative Assembly, at the human service centers, State Hospital, and the Developmental Center. Mr. Schwindt said the human service centers have added 8.8 FTE positions at an estimated general fund cost of \$60,447 for the 1997-99 biennium. He said the State Hospital has not added any FTE positions above the legislatively authorized level but has transferred two FTE positions to the human service centers and will transfer 8.5 FTE positions to the Department of Corrections and Rehabilitation once construction of the James River Correctional Center is completed. He said the Developmental Center has added 20 FTE positions above the legislatively authorized level but plans to keep at least 20 positions vacant throughout the 1997-99 biennium.

Senator Bowman asked why additional FTE positions are needed at the human service centers when caseloads are declining. Mr. Schwindt said most caseload reductions have been in programs administered by the counties and not in the

demand for services provided by the human service centers.

It was moved by Senator Lips, seconded by Representative Hausauer, and carried that the Budget Section accept the report presented by the Department of Human Services on FTE positions added, in addition to those authorized by the 1997 Legislative Assembly, at the human service centers, the State Hospital, and the Development Center, pursuant to Section 7 of 1997 House Bill No. 1012.

JOB INSURANCE TRUST FUND BALANCE

At the request of Chairman Dalrymple, Ms. Jennifer Gladden, Executive Director, Job Service North Dakota, presented information on the balance in the job insurance trust fund, pursuant to North Dakota Century Code Section 52-02-17. A copy of the information presented is on file in the Legislative Council office. Ms. Gladden said the following factors are anticipated to reduce the job insurance trust fund balance from \$37.7 million in January 1997 to approximately \$34.5 million at the end of 1997:

- The payment of disaster unemployment assistance relating to the spring flood.
- Layoffs in seasonal employment, such as construction, due to the harsh 1996-97 winter.
- Increased benefit payment amounts, resulting from increased wages in North Dakota.

Ms. Gladden said no proposal has been developed to return the trust fund balance to \$40 million. She said a proposal will be developed prior to December 1, 1997, at which time Job Service North Dakota will notify employers of the unemployment insurance tax rate for 1998.

Representative Dorso asked why the unemployment insurance rates were not increased for 1997 so that the trust fund balance would have remained at or above \$40 million. Ms. Gladden said the 1997 trust fund balance was based on a two-year forecast, made in November 1996, for total wages, taxable wages, benefits, and trust fund income.

In response to a question from Representative Byerly, Mr. Tom Pederson, Program Support Manager, Job Service North Dakota, said at the current rate schedule, the job insurance trust fund balance is not anticipated to return to \$40 million.

Chairman Dalrymple said most employers in the state cannot find enough employees to fill their open positions. He requested that at the next meeting of the Budget Section a

representative of Job Service North Dakota present information on unemployment rates by region of the state and by industry. With the approval of Chairman Dalrymple, Representative Svedjan requested that the information to be presented by Job Service also include information on job availability by region and industry within the state. With the approval of Chairman Dalrymple, Representative Dorso requested that the information presented by Job Service North Dakota at the next meeting include information on the forecasting methods used by Job Service North Dakota to project the balance in the job insurance trust fund and information on the agency's plan to return the job insurance trust fund balance to \$40 million.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS PLANNING GRANTS

At the request of Chairman Dalrymple, Mr. John D. Bjornson, Counsel, Legislative Council, presented information on planning grants distributed to cities and counties by the Advisory Commission on Intergovernmental Relations, pursuant to North Dakota Century Code Section 54-35.2-02.1. Mr. Bjornson said that at the time of the last report to the Budget Section, there were two outstanding grants which had been distributed by the Advisory Commission on Intergovernmental Relations to the North Dakota League of Cities and the North Dakota Association of Counties. He said that at the July 9, 1997, meeting of the Advisory Commission on Intergovernmental Relations, the commission passed motions to accept the final reports presented by the grant recipients. He said because no new planning grant moneys have been appropriated by the 1995 or 1997 Legislative Assemblies, there are no additional grant funds available and no other grants outstanding.

NORTH DAKOTA VETERANS HOME MANAGEMENT, BUDGETING, AND ACCOUNTING PRACTICES

At the request of Chairman Dalrymple, Mr. Jerry Balzer, Chairman, Administrative Committee on Veterans Affairs, introduced Ms. Jacie Grenier, Accountant, Veterans Home. Ms. Grenier presented information on improvements in the management, budgeting, and accounting practices at the Veterans Home, pursuant to Section 3 of 1997 Senate Bill No. 2007. A copy of the information presented is on file in the Legislative Council office. Ms. Grenier said the agency has begun preparing

monthly operating variance reports to improve budget monitoring. She said the operating variance report through September 30, 1997, indicates that the home has 88.46 percent of its budget available to spend over the remaining 87.5 percent of the biennium.

Ms. Grenier said an audit of the Veterans Home's fiscal year 1997 financial statements has been recently completed and no major problems were identified other than that the agency spent more than 75 percent of its appropriation within the first 18 months of the 1995-97 biennium. She said this problem has been addressed by the development of a more realistic budget for the 1997-99 biennium. She said a prior audit recommended that the Veterans Home maintain a detailed general ledger for items not on the state accounting system. She said that since 1984 the Veterans Home has maintained a computerized general ledger system for trust accounts, the commandant's custodial accounts, and other collections. She said the system has been upgraded to accommodate the billing process and improved reporting capabilities. She said a prior audit also recommended that a physical inventory be taken near or at fiscal yearend. She said this recommendation has been complied with for fiscal year 1997.

The committee recessed for lunch at 11:50 a.m. and reconvened at 1:00 p.m.

WESTWOOD PARK ASSETS MANAGEMENT COMMITTEE

At the request of Chairman Dalrymple, Lt. Governor Rosemarie Myrdal presented information on actions of the Westwood Park Assets Management Committee, pursuant to North Dakota Century Code Section 25-04-20. Section 25-04-20 requires prior Budget Section approval of any actions of the Westwood Park Assets Management Committee to sell the property of Westwood Park. A copy of the information presented is on file in the Legislative Council office. Lt. Governor Myrdal said that at a previous meeting of the Budget Section, the committee approved a letter of understanding between the Retirement Housing Foundation, the Department of Human Services, and the Westwood Park Assets Management Committee for the sale or lease of Westwood Park property which was to be developed into senior housing. She said in July 1997, the Retirement Housing Foundation indicated an intent to withdraw from the project. She said at an October 1, 1997, Developmental Center Regional Steering Committee meeting, MetroPlains Development, LLC, presented a statement

of interest in the project. She said that at the October 7, 1997, meeting of the Westwood Park Assets Management Committee, the committee passed two motions:

- To terminate the letter of understanding negotiated between the Westwood Park Assets Management Committee, the Department of Human Services, and the Retirement Housing Foundation.
- To request Budget Section approval of a letter of understanding negotiated between the Westwood Park Assets Management Committee, the Department of Human Services, and MetroPlains Development, LLC.

Lt. Governor Myrdal said the letter of understanding will be in effect until April 30, 1999, unless a purchase agreement is entered into prior to that date. She said the letter of understanding provides for the contingent transfer of ownership to MetroPlains Development, LLC of the North A, North B, and Refectory properties, if financing can be obtained to renovate the properties into senior housing through a three-phase project. She said the letter of understanding provides that MetroPlains Development, LLC, has until December 31, 1998, to secure financing for Phase 1 of the project, the renovation of the North B property.

It was moved by Senator Tallackson, seconded by Representative Kunkel, and carried on a roll call vote that, pursuant to North Dakota Century Code Section 25-04-20, the Budget Section approve the letter of understanding negotiated between the Westwood Park Assets Management Committee, the Department of Human Services, and MetroPlains Development, LLC, which provides for a contingent transfer of ownership to MetroPlains Development, LLC of the North A, North B, and Refectory properties at Westwood Park, if financing can be obtained for the renovation of the buildings. Representatives Dalrymple, Aarsvold, Boehm, Boucher, Byerly, Carlisle, Delzer, Gerntholz, Gulleason, Huether, Kunkel, Martinson, Nichols, Oban, Svedjan, Tollefson, Wald, Wentz, and Wilkie; and Senators Bowman, Holmberg, Krauter, Lips, Mathern, Nething, Redlin, Robinson, St. Aubyn, and Tallackson voted "aye." No negative votes were cast.

BILL DRAFT RELATING TO BUDGET SECTION APPROVAL OF NONRESIDENT TUITION RATES

At the request of Chairman Dalrymple, the Legislative Council staff presented a bill draft to amend North Dakota Century Code Section 15-10-18, removing the requirement that the

Budget Section approve nonresident tuition rates set by the State Board of Higher Education.

Representative Byerly asked if there are any other North Dakota Century Code sections which allow the Legislative Assembly or the Budget Section to influence tuition rates set by the State Board of Higher Education. Mr. Chester E. Nelson, Jr., Legislative Budget Analyst and Auditor, Legislative Council, said North Dakota Century Code Section 15-10-18 does not apply to reciprocity agreements negotiated by the State Board of Higher Education, which do not require Budget Section approval. He said he is not aware of any other North Dakota Century Code sections which provide for Budget Section or Legislative Assembly approval of tuition rates. He said that through the appropriation process, the Legislative Assembly influences tuition rates by setting the amount of tuition to be collected by the institutions of higher education.

Representative Tollefson said the Budget Section should continue to be involved in the setting of nonresident tuition rates. He said the issue needs to be looked at closely by the Legislative Assembly because of the number of nonresident students attending North Dakota colleges and universities and the potential impact to the taxpayers of North Dakota. Senator Mathern said if the bill draft being considered by the committee is recommended to the Legislative Council for introduction to the 1999 Legislative Assembly, the issue will be debated by the Legislative Assembly. Representative Byerly said if the committee approves the proposed bill draft, the bill will come to the 1999 Legislative Assembly with the credibility attributed to a bill recommended by an interim committee. Senator Robinson recommended that the committee postpone taking action on the bill draft to allow members of the Budget Section time to address any questions they have regarding the bill draft.

AGENCY REQUESTS AUTHORIZED BY THE EMERGENCY COMMISSION

Representative Boucher requested that Emergency Commission Request #1083, relating to the Department of Human Services, and Request #1088, relating to the Division of Emergency Management, be considered separately.

It was moved by Senator Nething, seconded by Senator St. Aubyn, and carried on a roll call vote that the Budget Section approve the following requests which have been authorized by the Emergency Commission and forwarded to the Budget Section, pursuant to North Dakota

Century Code Sections 54-16-04, 54-16-04.1, and 54-16-04.2:

- **Department of Corrections and Rehabilitation (Request #1064) - To increase federal funds spending authority and the capital improvements - medium security facility line item by \$1,351,445 for additional federal crime bill funds and to transfer \$150,160 of spending authority from salaries and wages to the capital improvements - medium security facility line item for the James River Correctional Center.**
- **Securities Commissioner (Request #1065) - To increase other funds spending authority and the securities protection line item by \$120,000 for moneys deposited in the securities protection fund.**
- **Job Service North Dakota (Request #1066) - To increase federal funds spending authority and the operating expenses line item by \$15,000 for consultant fees and travel relating to implementation of the statewide "one-stop" system.**
- **Job Service North Dakota (Request #1067) - To increase federal funds spending authority by \$6,588,309 for salaries and wages (\$296,768), operating expenses (\$88,246), equipment (\$93,000), and grants (\$6,110,295) for the veterans' employment program, disaster unemployment assistance program, and emergency dislocated worker project.**
- **Job Service North Dakota (Request #1068) - To increase other funds spending authority by \$15,000 for salaries and wages (\$12,087) and operating expenses (\$2,913) for moneys to be provided by the University of North Dakota to provide employment-related services at the university.**
- **Highway Patrol (Request #1069) - To increase federal funds spending authority and the field operations line item by \$110,000 for federal funds which will be provided to the North Dakota State University Upper Great Plains Transportation Institute for the development of software for the motor carrier safety assistance program.**
- **Job Service North Dakota (Request #1070) - To increase other funds spending authority and the operating expenses line item by \$10,000 for moneys to be received from the National Governors**

- Association for contracted services and travel relating to an incumbent worker training project.
- Historical Society (Request #1071) - To increase federal funds spending authority by \$21,760 for salaries and wages (\$2,000) and operating expenses (\$19,760) for training and professional development for persons dealing with historical records.
 - Historical Society (Request #1072) - To increase federal funds spending authority by \$261,600 for salaries and wages (\$49,800), operating expenses (\$77,100), and equipment (\$134,700) for shelving, collections movement, and a collections records management system.
 - Office of Management and Budget - Facility Management Division (Request #1073) - To increase other funds spending authority by \$156,746 to be received from the Office of Intergovernmental Assistance for the replacement of fluorescent lighting ballasts in the State Capitol.
 - Office of Management and Budget - Facility Management Division (Request #1074) - To increase other funds spending authority by \$70,534 to be received from the Office of Intergovernmental Assistance for heating and cooling system improvements in the judicial wing of the State Capitol.
 - Office of Management and Budget (Request #1075) - To transfer spending authority of \$128,000 from the fiscal management division to administration to provide for a deputy director for the agency.
 - Department of Corrections and Rehabilitation - Juvenile Services Division - Youth Correctional Center (Request #1079) - To increase federal funds spending authority and the capital improvements line item by \$15,761 from the Federal Emergency Management Agency for road repairs.
 - Department of Corrections and Rehabilitation - Adult Services Division (Request #1080) - To transfer spending authority of \$162,200 from the operating expenses line item to the equipment line item for computer equipment for the information systems project which will combine the data bases of the Penitentiary and the Parole and Probation Division.
 - Department of Corrections and Rehabilitation - Adult Services Division - Penitentiary (Request #1081) - To increase other funds spending authority by \$91,051 for capital improvements (\$61,531) and operating expenses (\$29,520) for federal funds available from the Office of Intergovernmental Assistance and the Attorney General's office for a heating system project at the Missouri River Correctional Center and the housing of Penitentiary inmates in local jails.
 - Department of Corrections and Rehabilitation - Adult Services Division - Penitentiary (Request #1082) - To increase other funds spending authority by \$12,937 of federal funds available from the Attorney General's office for operating expenses (\$7,137) and equipment (\$5,800) for the residential substance abuse treatment program.
 - Department of Human Services (Request #1084) - To increase federal funds spending authority and the operating expenses line item of the program and policy subdivision by \$361,000 of carryover funds from the 1995-97 biennium for completion of the substance abuse needs assessment project.
 - Department of Human Services (Request #1085) - To increase other funds spending authority by \$1,285,604 for the North Central Human Service Center (\$339,000) and the West Central Human Service Center (\$946,604) for carryover funds from the 1995-97 biennium and federal funds for the mental health partnership grant program and to transfer spending authority of \$932,526 from the program and policy subdivision to the West Central Human Service Center for the mental health partnership grant program.
 - Department of Human Services (Request #1086) - To increase federal funds spending authority by \$3,705,062 for the program and policy subdivision for crisis counselors to support disaster victims.
 - Department of Human Services (Request #1087) - To increase federal funds spending authority by \$201,300 for the economic assistance subdivision for grants to counties for computer equipment relating to the adoption assistance information system.
 - UND-Lake Region (Request #1089) - To authorize the agency to obtain a \$200,000 loan from the Bank of North Dakota and to increase other funds spending authority

and the capital improvements line item by the same amount for parking lot repairs and drainage improvements.

Representatives Dalrymple, Aarsvold, Boehm, Boucher, Byerly, Carlisle, Delzer, Freier, Gerntholz, Gulle-son, Hausauer, Huether, Kunkel, Martinson, Nichols, Svedjan, Tollefson, Wentz, and Wilkie and Senators Bowman, Holmberg, Krauter, Lips, Mathern, Nething, Redlin, Robinson, St. Aubyn, and Tallackson voted "aye." No negative votes were cast.

At the request of Chairman Dalrymple, Ms. Sheila Peterson, Director of Fiscal Management, Office of Management and Budget, provided information on Emergency Commission Request #1083 from the Department of Human Services.

It was moved by Senator Lips, seconded by Representative Byerly, and carried on a roll call vote that the Budget Section approve the following request which has been authorized by the Emergency Commission and forwarded to the Budget Section, pursuant to North Dakota Century Code Section 54-16-04:

- **Department of Human Services (Request #1083) - To transfer spending authority of \$100,000 from the economic assistance subdivision to the management and councils subdivision for salaries and wages for an executive assistant position.**

Representatives Dalrymple, Aarsvold, Boehm, Boucher, Byerly, Carlisle, Delzer, Freier, Gerntholz, Gulle-son, Hausauer, Huether, Kunkel, Martinson, Nichols, Oban, Svedjan, Tollefson, Wentz, and Wilkie and Senators Bowman, Holmberg, Krauter, Lips, Mathern, Nething, Redlin, Robinson, and St. Aubyn voted "aye." No negative votes were cast.

Ms. Peterson provided information on Emergency Commission Request #1088 from the Division of Emergency Management. She said this may be the final request from the Division of Emergency Management for additional federal funds spending authority of the 1997-99 biennium related to the disaster recovery programs.

It was moved by Senator St. Aubyn, seconded by Senator Lips, and carried on a roll call vote that the Budget Section approve the following request which has been authorized by the Emergency Commission and forwarded to the Budget Section, pursuant to North Dakota Century Code Section 54-16-04.1:

- **Division of Emergency Management (Request #1088) - To increase federal funds spending authority by \$107,408,650 for disaster recovery programs.**

Representatives Dalrymple, Aarsvold, Boehm, Boucher, Byerly, Carlisle, Delzer, Gerntholz, Gulle-son, Hausauer, Huether, Kunkel, Martinson, Nichols, Oban, Svedjan, Tollefson, Wentz, and Wilkie and Senators Bowman, Holmberg, Krauter, Lips, Mathern, Nething, Redlin, Robinson, and St. Aubyn voted "aye." No negative votes were cast.

BUDGET TOUR REPORTS

At the request of Chairman Dalrymple, Senator Mathern, Chairman, Budget Committee on Human Services, presented a report on that committee's budget tours of the West Central Human Service Center in Bismarck and the Southeast Human Service Center in Fargo.

It was moved by Senator Mathern, seconded by Representative Robinson, and carried that the Budget Section accept the Budget Committee on Human Services report on the budget tour of the West Central Human Service Center.

It was moved by Senator Mathern, seconded by Senator Krauter, and carried that the Budget Section accept the Budget Committee on Human Services report on the budget tour of the South-east Human Service Center.

At the request of Chairman Dalrymple, Representative Janet Wentz, Chairman, Budget Committee on Government Services, presented a report on that committee's budget tours of the State Hospital, South Central Human Service Center, and James River Correctional Center in Jamestown.

It was moved by Representative Wentz, seconded by Senator Robinson, and carried that the Budget Section accept the Budget Committee on Government Services report on the budget tours of the State Hospital, South Central Human Service Center, and James River Correctional Center.

The meeting was adjourned subject to the call of the chair at 2:00 p.m.

Chester E. Nelson, Jr.
Legislative Budget Analyst and Auditor

Joe R. Morrisette
Senior Fiscal Analyst

ATTACH:1