

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Tentative Agenda

### **BUDGET SECTION**

Wednesday, January 14, 2004  
Senate Chamber, State Capitol  
Bismarck, North Dakota

- 9:00 a.m. Call to order  
Roll call  
Consideration of minutes of the October 15, 2003, meeting
- 9:05 a.m. Presentations by a representative of the Office of Management and Budget regarding:
- Status of the general fund
  - Status of the tobacco settlement proceeds
  - Any line item transfers to accommodate information technology funding reductions, pursuant to Section 8 of 2003 House Bill No. 1505
- 9:25 a.m. Presentation by a representative of the Office of Management and Budget regarding irregularities in the fiscal practices of the state, pursuant to North Dakota Century Code (NDCC) Section 54-14-03.1
- 9:35 a.m. Presentation by a representative of the Office of Management and Budget on recommendations regarding the use of money in the capital improvements preliminary planning revolving fund, pursuant to NDCC Section 54-27-22
- 9:55 a.m. Presentation by a representative of the Office of Management and Budget on any proposed changes to the 2005-07 biennium budget data, including any future plans for incorporating performance measurements in budget data, pursuant to NDCC Section 54-44.1-07
- 10:15 a.m. Presentation by a representative of the Department of Human Services regarding:
- The anticipated impact of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 on the state Medicaid program
  - An update on the enhanced federal medical assistance percentage (FMAP), including:
    - Current projection of the amount of additional funds to be received
    - Departmental detailed plans for spending a portion of the amount of additional funds to be received
    - Status of Medicaid payments and caseloads to date
- 10:30 a.m. Presentation by a representative of Pacific Technologies, Inc., on an overview of the key recommendations in the final report for the information technology organizational study and the information technology management study, pursuant to Section 12 of 2003 House Bill No. 1505
- 11:00 a.m. Committee consideration of the following state agency requests that have been authorized by the Emergency Commission and require consideration by the Budget Section:

- State Water Commission (Request #1480) - To increase special funds spending authority from the resources trust fund and the commission's water and atmospheric resources line item by \$3 million and to transfer \$14.5 million of spending authority within the special funds line item from the water development trust fund to the resources trust fund for water projects
- Department of Career and Technical Education (Request #1481) - To increase federal funds spending authority by \$198,700 to accept funds from the United States Department of Education fund for the improvement of education (FIE) program for the operating expenses line item (\$91,300) and the grants line item (\$107,400) to update curriculum and to offer training opportunities that reflect changes in trends in the information technology field
- Department of Career and Technical Education (Request #1482) - To accept federal passthrough funds from Job Service North Dakota and increase the operating expenses line item by \$180,000 to develop improved career decisionmaking tools, a web site and integrated curriculum for use by youth to focus on career opportunities in North Dakota, and to pilot national/industry skill testing and improve the data collection system to meet federal reporting requirements
- Department of Career and Technical Education (Request #1483) - To increase other funds spending authority and the operating expenses line item by \$70,000. The funds are available from the Cisco Academy and will be used for training instructors and evaluating agency programs
- Department of Career and Technical Education (Request #1484) - To accept other passthrough funds from Workforce Safety and Insurance and increase the grants line item by \$69,800 to enhance safety training and student protection by purchasing safety equipment for injury prevention for high school construction technology programs and college construction craft programs
- Protection and Advocacy Project (Request #1485) - To increase federal funds spending authority and the protection and advocacy line item by \$1,270,981 to accept federal funds from the United States Department of Education, Title III program, to establish an alternative financial loan program (AFLP) for expanding personal financing options for individuals with disabilities in purchasing assistive technology devices and services
- Department of Corrections and Rehabilitation (Request #1486) - To increase federal funds spending authority and the juvenile community services line item by \$820,779 to accept federal funds from the United States Department of Justice to develop and implement a serious and violent juvenile offender-reentry project to address the challenges of recidivism, substance abuse, and physical and mental health and provide support in the areas of workforce participation, housing, and faith-based support
- Department of Commerce (Request #1487) - To increase the operating expenses line item by \$450,000 and the grants line item by \$306,129. Of the \$756,129 request, \$381,129 is federal funds from the Department of Energy's state energy program and \$375,000 is petroleum violation escrow dollars returned to the state as a result of federal court cases relating to petroleum products purchased by the state during the period of federal price controls. Of the \$381,129 of federal funds, \$306,129 will be distributed as grants relating to energy efficiency and renewable energy program activities and \$75,000 is for operating expenses such as professional services, contracts, travel, printing, etc.

The \$375,000 of special funds will be used for the Governor's statewide ethanol marketing initiative to increase the percentage of vehicles using ethanol in North Dakota.

- Department of Commerce (Request #1488) - To increase federal funds spending authority by \$2,175,000 for the weatherization heating and cooling program. The program assists eligible low-income households reduce expenditures for utilities by repairing or replacing residential heating and cooling systems. The request results from federal funds available for the program being more than anticipated in the department's 2003-05 biennium budget.
- Department of Commerce (Request #1489) - To increase federal funds spending authority by \$100,000 to provide a passthrough federal grant to the University of North Dakota for a special fuel cell project of the Mechanical Engineering Department of the University of North Dakota. Special project grants are available to state energy offices from the federal Department of Energy.
- Department of Commerce (Request #1490) - To increase federal funds spending authority by \$1,089,300 for providing grants to local community action agencies to use for providing housing for homeless individuals and families with disabilities
- Department of Commerce (Request #1491) - Withdrawn - Replaced with Request #1497
- Office of Adjutant General (Request #1493) - To accept federal funds from the National Guard Bureau and increase the Army Guard contracts line item by \$9 million for construction of a new UH60 hangar and an addition to an existing building at the National Guard's air facility in Bismarck
- Division of Emergency Management (Request #1494) - To increase federal funds spending authority from the federal Department of Homeland Security by \$19,536,000 for salaries and wages (\$400,000), operating expenses (\$432,234), and grants (\$18,703,766). The additional funds relate to North Dakota's allocation of federal fiscal year 2004 Homeland Security appropriations. The funds will be distributed under the Homeland Security program (\$14,828,000), law enforcement terrorism prevention program (\$4,400,000), and citizen corps program (\$308,000). The division is required to distribute 80 percent of the funding to local governments. The request includes two new FTE positions and one temporary position within the Division of Emergency Management. Positions will be used for duties relating to Homeland Security intelligence management systems, administration, and operations teams as well as the administration of funding awards to local jurisdictions.
- Division of Emergency Management (Request #1495) - To increase federal and special funds spending authority relating to federal emergency relief funding (\$1,280,345) and state disaster loan proceeds (\$170,713) for disaster costs associated with the severe summer storms and high winds in June 2003 in Barnes and Cass Counties. The request includes the authority for the division to obtain a \$170,713 loan from the Bank of North Dakota pursuant to North Dakota Century Code Section 37-17.1-23 to pay the estimated state share of the 2003 disaster. Repayment of the loan will be requested as a deficiency appropriation from the 2005 Legislative Assembly.
- Office of Management and Budget - State Radio Division (Request #1496) - To receive federal passthrough funds from the Division of Emergency Management and to increase spending authority by \$2,115,252 from the United States

Department of Homeland Security grants (\$1,761,652) and federal emergency management performance grants (\$353,600) in the salaries and wages line item (\$272,000), operating expenses line item (\$681,600), and capital assets line item (\$1,161,652) to upgrade the communications infrastructure

- Department of Commerce (Request #1497) - To increase federal funds spending authority by \$1,276,960 for salaries and wages (\$39,600), operating expenses (\$237,360), and grants (\$1 million), relating to the AmeriCorps and Learn to Serve projects. This request was passed by the Emergency Commission during the January 12, 2004, special meeting.

- 11:30 a.m. Presentation by a representative of Job Service North Dakota of an annual report on the status of the job insurance trust fund, including the actual trust fund balance, the targeted modified average high-cost multiplier as of December 31, 2003, and a projected trust fund balance for the next three years, pursuant to NDCC Section 52-02-17
- 11:45 a.m. Luncheon recess
- 1:15 p.m. Presentation by a representative of the Public Service Commission of an annual report on payments received and expenditures from the performance assurance fund, pursuant to NDCC Section 49-21-31
- 1:30 p.m. Presentation by a representative of the Veterans Home governing board of:
- Information regarding the status of the strategic plan for the Department of Veterans Affairs
  - A status report on the development and implementation of the Veterans Home strategic plan, pursuant to Section 4 of 2003 House Bill No. 1007
- 1:45 p.m. Presentation by a representative of the Bank of North Dakota on the implementation and progress of 2003 Senate Bill No. 2335 relating to the Bank's investment in alternative and venture capital investments and early-stage capital funds
- 2:00 p.m. Presentation by a representative of the Department of Commerce of an annual report of the money spent to administer an Internet web site that provides career guidance and job opportunity services, pursuant to NDCC Section 54-60-10
- 2:15 p.m. Presentation by the Superintendent of Public Instruction of an annual report of transfers to the state tuition fund, pursuant to NDCC Section 15.1-02-14
- 2:20 p.m. Presentation by a representative of the University of North Dakota regarding a request for Budget Section approval to spend \$350,000 in institutional funds for the partial renovation of the Carnegie Building, pursuant to NDCC Section 48-02-20
- 2:35 p.m. Presentation by a representative of the Higher Education Committee on that committee's budget tours of Valley City State University, State College of Science, and North Dakota State University
- 2:45 p.m. Presentation by a representative of the Budget Committee on Health Care on that committee's budget tour of the Southeast Human Service Center
- 3:00 p.m. Presentation by a representative of the Budget Committee on Human Services on that committee's budget tour of the West Central Human Service Center

- 3:15 p.m. Presentation by a representative of the Budget Committee on Government Services on that committee's budget tours of the State Penitentiary, Developmental Center, State Hospital, and James River Correctional Center
- 3:30 p.m. Committee discussion and staff directives
- 3:45 p.m. Adjourn

#### **Committee Members**

Representatives Ken Svedjan (Chairman), Ole Aarsvold, Larry Bellew, Rick Berg, Merle Boucher, Thomas Brusegaard, Ron Carlisle, Al Carlson, Jeff Delzer, Eliot Glassheim, Pam Gullerson, Keith Kempenich, James Kerzman, Kim Koppelman, Joe Kroeber, Bob Martinson, Ralph Metcalf, David Monson, Earl Rennerfeldt, Bob Skarphol, Blair Thoreson, Mike Timm, Francis J. Wald, John Warner, Amy Warnke

Senators John M. Andrist, Bill L. Bowman, Randel Christmann, Michael A. Every, Tony S. Grindberg, Ray Holmberg, Ralph L. Kilzer, Aaron Krauter, Ed Kringstad, Elroy N. Lindaas, Tim Mathern, David P. O'Connell, Larry Robinson, Randy A. Schobinger, Bob Stenehjem, Harvey Tallackson, Russell T. Thane