

**2021 HOUSE APPROPRIATIONS**

**HB 1394**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1394  
1/26/2021

A BILL for an Act to provide an appropriation for costs related to COVID-19 and other services; and to declare an emergency.
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11:35 Chairman Delzer Called the meeting to order for HB 1394

<b>Attendance</b>	
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	A
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesa	P

### **Discussion Topics:**

- Estimated allocation
- Snap Increases
- Pandemic
- Water and Waste

11:35 Brady Larson-ND Legislative Council; Introduces the bill and passes out a memorandum. (testimony #5012)

**Additional written testimony:** No additional testimony

**11:46 Chairman Delzer Closes the hearing for HB 1394**

*Risa Berube, House Appropriations Committee Clerk*



# North Dakota Legislative Council

Prepared by the Legislative Council staff  
LC# 21.9590.02000  
January 2021

#5012

## **SUMMARY OF UNITED STATES HOUSE OF REPRESENTATIVES BILL NO. 133 - PRELIMINARY ESTIMATE OF CORONAVIRUS (COVID-19) PANDEMIC FEDERAL FISCAL RELIEF FUNDING**

This memorandum provides information regarding preliminary estimated federal funding that may be available to North Dakota state government agencies and other North Dakota organizations to respond to the Coronavirus (COVID-19) pandemic as a result of United States House of Representatives Bill No. 133.

### **UNITED STATES HOUSE OF REPRESENTATIVES BILL NO. 133**

On December 27, 2020, President Donald J. Trump signed H.R. 133, a \$2.3 trillion bill, also known as the Consolidated Appropriations Act of 2021, of which \$900 billion is to provide economic stimulus in response to the COVID-19 pandemic, also known as the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Major COVID-19 provisions of the CRRSAA include:

- \$166 billion for direct payment checks of up to \$600 per adult and child;
- An extension of the refundable credit for mandated paid sick leave and family leave for private sector employers with under 500 employees, passed in the Families First Coronavirus Response Act (FFCRA), through March 31, 2021. The bill does **not** extend the FFCRA provisions that required state and local government entities to provide emergency paid sick and family leave, resulting in those provisions expiring on December 31, 2020. The bill allows private sector employers and self-employed individuals to claim the tax credit for voluntarily providing emergency paid leave that is provided through March 31, 2021;
- \$8.8 billion to the Centers for Disease Control and Prevention (CDC) for the distribution, administration, and monitoring of COVID-19 vaccines;
- \$19.7 billion for manufacturing and procurement of vaccines;
- \$55 million for the Food and Drug Administration to continue efforts to support medical product supply chain monitoring and other public health research and response investments;
- \$25.4 billion to support testing and contact tracing and for grants to hospital and health care providers to reimburse health care-related expenses or lost revenue directly attributable to the COVID-19 pandemic;
- \$4.25 billion for mental health and substance abuse services and support;
- \$10.3 billion for early childhood and child care provider programs; and
- \$100 million to address abuse, neglect, and exploitation of the elderly;
- \$82 billion for an education stabilization fund for schools and colleges and aid to help reopen classrooms safely; including:
  - \$53.3 billion for the elementary and secondary school emergency relief fund;
  - \$22.7 billion for the higher education emergency relief fund, of which \$20.2 billion is to be allocated to public and private nonprofit institutions;

\$4.1 billion for the Governor's Emergency Education Relief Fund; and

\$819 million to Bureau of Indian Education-operated and funded schools and tribal colleges and universities;

- \$13 billion for a 15 percent increase of supplemental nutrition assistance program (SNAP) monthly benefits through June 30, 2021;
- \$12 billion for community development financial institutions and minority depository institutions and the creation of a new neighborhood capital investment program for low-income and minority communities;
- An extension of temporary suspension of Medicare sequestration, providing for a 3-month delay of the Medicare sequester payment reductions through March 31, 2021;
- Provides flexibility for maternal, infant, and early childhood home visiting programs to allow the programs to serve at-risk pregnant women and families during the pandemic, for the duration of the public health emergency period;
- \$25 billion for rental assistance and an eviction moratorium extension;
- \$120 billion for unemployment insurance benefit payments;
- An extension of the federal pandemic unemployment compensation program through March 14, 2021, providing \$300 per week for all workers receiving unemployment benefits;
- An extension of the pandemic unemployment assistance program through April 5, 2021;
- An extension of the pandemic emergency unemployment compensation program, which provides additional unemployment insurance benefit payment weeks when state unemployment eligibility has expired, through April 5, 2021, resulting in an increase of available benefits weeks to 24 weeks instead of 13 weeks;
- An increase of the maximum number of weeks an individual may claim benefits through regular state unemployment with the additional pandemic emergency unemployment compensation or pandemic unemployment assistance programs, to 50 weeks;
- An additional \$100 per week for certain workers who have both wage and self-employment income but whose unemployment insurance benefit calculation does not take their self-employment into account;
- \$45 billion to support transportation services, including \$9.8 billion to state departments of transportation, \$15 billion for transit aid; \$2 billion for airports, and \$15 billion for airline employee and contractor payroll support;
- \$13 billion for agriculture aid, including direct payments to farmers, protections for food and agriculture workers, and specific support for smaller producers;
- \$7 billion to expand broadband access for students, families, and unemployed workers;
- \$325 billion for small businesses, including \$284.5 billion for forgivable Paycheck Protection Program loans, \$20 billion for economic injury disaster loan grants for business in low-income communities; and \$15 billion for live venues, independent movie theaters, and cultural institutions;
- An expansion of Paycheck Protection Program eligibility, allowing 501(C)(6) nonprofit organizations to qualify;
- \$10 billion to United States Postal Services operating costs related to the COVID-19 pandemic;
- The return of \$429 billion in unused funds provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the Federal Reserve's emergency lending facilities; and
- An extension for the expenditure of CARES Act Coronavirus Relief Fund resources until December 31, 2021, rather than December 30, 2020.

The Federal Funds Information for States (FFIS) provided **preliminary** estimates that of the \$900 billion of federal relief funds included in the CRRSAA, approximately \$186.3 billion, excluding the \$120 billion dedicated for unemployment insurance benefit payments, will be provided to state government agencies. Preliminary estimates from FFIS indicated North Dakota state agencies may be eligible for the following federal relief funding as a result of the passage of the CRRSAA, based on guidance from the federal government as of January 19, 2021.

Agency Program	Allowable Uses of Funds	Potential Funding Available
<b>110 - Office of Management and Budget</b> Governor's Emergency Education Relief Fund - Public schools	The funding is provided in an emergency block grant designed to enable Governors to decide how best to meet the needs of students, schools (including charter schools and nonpublic schools), postsecondary institutions, and other education-related organizations and is to provide: <ul style="list-style-type: none"> <li>• Emergency support through grants to local educational agencies the state educational agency deems have been most significantly impacted by COVID-19 to support the ability of local educational agencies to continue to provide educational services to their students and to support the ongoing functionality of the local educational agency;</li> <li>• Emergency support through grants to institutions of higher education serving students within the state which the Governor determines have been most significantly impacted by COVID-19 to support the ability of institutions to continue to provide educational services and support the ongoing functionality of the institution; and</li> <li>• Support to any other institution of higher education, local educational agency, or education-related entity within the state which the Governor deems essential for carrying out emergency educational services to students for authorized activities, child care and early childhood education, social and emotional support, and the protection of education-related jobs.</li> </ul>	\$2,732,339
Total Office of Management and Budget		<b>\$2,732,339</b>
<b>201 - Department of Public Instruction</b> Elementary and secondary school emergency relief fund	The funding is for relief to address learning loss, improve school facilities and infrastructure to reduce the risk of transmitting COVID-19, and purchase education technology. The funding must be allocated to not less than 90 percent of the funds as subgrants to local educational agencies in the state in proportion to the amount of funds local educational agencies received in the most recent fiscal year under Part A of Title I of the Elementary and Secondary Education Act of 1965.	\$135,924,393
Governor's Emergency Education Relief Fund - Private schools	The funding is provided in an emergency block grant similar to the emergency block grant provided for public schools (shown under OMB above).	3,998,745
The Emergency Food Assistance Program (TEFAP) commodities	Funding is provided to purchase a variety of nutritious and useful commodities and to pay for the direct and indirect costs related to processing, storage, transporting, and distributing commodities to eligible recipient agencies. Funding includes costs associated with the distribution of commodities.	681,562
Total Department of Public Instruction		<b>\$140,604,700</b>

Agency Program	Allowable Uses of Funds	Potential Funding Available
<p><b>215 - North Dakota University System</b>                      Higher education emergency relief fund - Student aid                      227 - Bismarck State College                      228 - Lake Region State College                      229 - Williston State College                      230 - University of North Dakota                      235 - North Dakota State University                      238 - North Dakota State College of Science                      239 - Dickinson State University                      240 - Mayville State University                      241 - Minot State University                      242 - Valley City State University                      243 - Dakota College at Bottineau</p> <p>Higher education emergency relief fund - Institutions                      227 - Bismarck State College                      228 - Lake Region State College                      229 - Williston State College                      230 - University of North Dakota                      235 - North Dakota State University                      238 - North Dakota State College of Science                      239 - Dickinson State University                      240 - Mayville State University                      241 - Minot State University                      242 - Valley City State University                      243 - Dakota College at Bottineau</p> <p>Total North Dakota University System</p>	<p>Funding to be provided to students as financial aid grants, which may be used for any component of the student's cost of attendance or for emergency costs that arise due to the COVID-19 pandemic, such as tuition, food, housing, health care (including mental health care), or child care. Institutions are required to prioritize students with exceptional need, such as students who receive Pell Grants. The funding is to be allocated as follows:</p> <ul style="list-style-type: none"> <li>• 37.5 percent based on full-time equivalent (FTE) enrollment of federal Pell Grant recipients;</li> <li>• 37.5 percent based on headcount enrollment of Pell recipients;</li> <li>• 11.5 percent based on FTE enrollment of non-Pell recipients;</li> <li>• 11.5 percent based on headcount enrollment of non-Pell recipients;</li> <li>• 1 percent based on relative share of FTE enrollment of students who were federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency; and</li> <li>• 1 percent based on relative share of the total number of students who were federal Pell grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency.</li> </ul> <p>Funding available to institutions to continue preparing for, preventing, and responding to the spread of COVID-19 and related costs associated with the COVID-19 pandemic, including keeping staff and students safe while preserving learning environments.</p>	<p>\$457,033                      104,937                      169,405                      2,745,776                      3,864,163                      411,676                      320,047                      156,360                      637,891                      226,471                      117,215</p> <p>1,377,204                      266,705                      602,684                      6,234,566                      8,042,614                      1,229,741                      828,374                      577,364                      1,677,219                      641,589                      482,774</p>
<p><b>301 - State Department of Health</b>                      CDC - COVID-19 vaccine preparedness</p>	<p>The funding is to support federal, state, local, territorial, and tribal public health agencies to distribute, administer, monitor, and track COVID-19 vaccination to ensure broad-based distribution, access, and vaccine coverage. As of January 12, 2021, FFIS estimates \$6,885,880 has been made available to North Dakota for this program.</p>	<p>\$38,702,878</p>
<p>CDC - COVID-19 testing</p>	<p>The funding is to support testing, contact tracing, and other activities necessary to effectively monitor and suppress COVID-19, as well as improve testing capabilities and contract tracing in high-risk and underserved populations, including racial and ethnic minority populations and rural communities. As of January 12, 2021, FFIS estimates \$43,863,056 has been made available to North Dakota for this program.</p>	<p>172,403,729</p>
<p>Total State Department of Health</p>		<p><b>\$211,106,607</b></p>

Agency Program	Allowable Uses of Funds	Potential Funding Available
<b>325 - Department of Human Services</b>		
Substance abuse prevention and treatment block grant	The funding is to help plan, implement, and evaluate activities that prevent and treat substance abuse.	\$6,411,715
Mental health block grant	The funding is to support adults and children with serious mental illnesses, including those with a diagnosable behavioral, mental, or emotional condition that substantially interferes with, or limits, one or more major life activities, such as basic daily living, instrumental living, or participating in a family, school, community, or workplace interactions.	2,972,514
Child care and development block grant	The funding is to provide immediate assistance to child care providers.	17,186,913
Promoting safe and stable families	The funding is for preventing child maltreatment, enabling children to remain safely with their families, and ensuring permanency for children in foster care.	90,342
Chafee foster care program for successful transition to adulthood	The funding is for providing care for older foster youth who would normally "age out" with the assurance that they may continue to receive foster care support and services during the COVID-19 pandemic. Allowable support services include room and board costs, food and shelter, startup costs, rent, utilities, educational assistance, career exploration, mentoring, and preventative health activities.	1,224,837
Chafee education and training vouchers	The funding is for postsecondary education costs of youth leaving foster care.	166,136
Congregate and home delivered meals	The funding is for additional assistance for nutrition services for the elderly.	840,000
SNAP	The funding is for additional monthly SNAP benefits, available through June 30, 2021.	Not yet known
Total Department of Human Services		<b>\$28,892,457</b>
<b>380 - Job Service North Dakota</b>		
Unemployment insurance benefit payments	The funding is for unemployment insurance benefit payments and may be used for the federal pandemic unemployment compensation program, pandemic emergency unemployment compensation program, pandemic unemployment assistance program, emergency relief for government entities and nonprofits, or traditional state unemployment insurance benefit programs.	Not yet known
Total Job Service North Dakota		<b>Not yet known</b>
<b>473 - Housing Finance Agency</b>		
Emergency rental assistance	The funding is for rental assistance programs. The Centers for Disease Control and Prevention eviction moratorium has been extended to January 31, 2021. Eligible renters will receive assistance to pay for rent and utility payments. A household may receive up to 12 months of assistance; however, an additional 3 months may be added if it is necessary to ensure the family remain housed.	\$200,000,000
Total Housing Finance Agency		<b>\$200,000,000</b>
<b>801 - Department of Transportation</b>		
Enhanced mobility of seniors and individuals with disabilities	The funding is provided to state agencies to assist private nonprofit organizations to meet the transportation needs of older adults and individuals with disabilities when transportation services provided are unavailable, insufficient, or inappropriate to meeting the needs of the individuals.	\$115,202

Agency Program	Allowable Uses of Funds	Potential Funding Available
Surface transportation block grant	The funding is to preserve and improve the conditions and performance of federal-aid highway, bridge, and tunnel projects on any public road and for pedestrian and bicycle infrastructure. Funding for this program is available until September 30, 2024.	61,646,504
Total Department of Transportation		<b>\$61,761,706</b>
<b>Total</b>		<b>\$676,269,617</b>

The following is a summary of federal relief funding that may be available to other North Dakota organizations, based on **preliminary** estimates from FFIS and guidance from the federal government as of January 19, 2021. The table includes known funding available to local and tribal governments, private organizations, and other institutions, but is not intended to be a complete list of funding available to nonstate government agencies.

Program	Recipient	Potential Funding Available
Agricultural aid, including direct payments to farmers	Agriculture producers	Not yet known
Airport improvement program	Aid grants to 53 airports in the state	\$12,796,010
Head Start	Local Head Start agencies	\$560,559
Higher education emergency relief fund - Student aid	Private and tribal institutions	\$2,276,568
Higher education emergency relief fund - Institutions	Private and tribal institutions	\$6,066,574
Higher education emergency relief fund - Other	Proprietary institutions	\$304,525
Paycheck Protection Program	Small businesses	Not yet known



# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1394  
2/19/2021

A BILL for an Act to provide an appropriation for costs related to COVID-19 and other services; and to declare an emergency.

**10:49 Chairman Delzer-** Opened the meeting for HB 1394

<b>Attendance</b>	<b>P/A</b>
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	A
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Amendment

10:50 Chairman Delzer 21.0885.01001

**10:53 Representative Kempenich** Motion to adopt the amendment

**Representative Kreidt** Second

Further discussion

**10:54 Voice Vote- Motion Carries**

**10:55 Representative Kempenich Do Pass as Amended**

**Representative Brandenburg Second**

Further discussion

**11:00 Roll Call vote was taken;**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	A
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

**Motion Carries 20-0-1 Chairman Delzer will carry the bill**

**Additional written testimony:** No written testimony

**11:01 Chairman Delzer-** Closes the meeting for HB 1394

*Risa Berube,*

*House Appropriations Committee Clerk*

ADJ  
2/19/21

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1394

Page 1, line 1, after "services" insert "; to provide an exemption"

Page 1, replace lines 11 and 12 with:

"Governor's emergency education relief fund	<u>\$2,732,339</u>
Total federal funds	\$2,732,339

Subdivision 2.

ATTORNEY GENERAL

COVID-19 - Justice assistance grants	<u>\$2,082,871</u>
Total federal funds	\$2,082,871"

Page 1, line 13, replace "2" with "3"

Page 1, replace lines 15 and 16 with:

"Elementary and secondary school emergency education relief - schools	\$144,603,071
Elementary and secondary school emergency education relief - state	13,661,117
Governor's emergency education relief fund	<u>3,998,745</u>
Total federal funds	\$162,262,933"

Page 1, line 17, replace "3" with "4"

Page 1, replace lines 19 through line 21 with:

"COVID-19 response	<u>\$100,532,232</u>
Total federal funds	\$100,532,232"

Page 1, line 22, replace "4" with "5"

Page 1, after line 22, insert:

"VETERANS' HOME

CARES Act funding	<u>\$650,000</u>
Total federal funds	\$650,000

Subdivision 6."

Page 2, replace lines 1 through 9 with:

"COVID-19 operating expenses	\$13,807,978
COVID-19 grants	280,814,929
COVID-19 grants - Medical assistance	<u>16,000,000</u>
Total federal funds	\$310,622,907

Subdivision 7.

ADJUTANT GENERAL

COVID-19 response  
Total federal funds

\$148,666,667  
\$148,666,667

*JS*  
*2/19/21*

Subdivision 8.

DEPARTMENT OF COMMERCE

CARES Act funding  
Total federal funds

\$11,393,078  
\$11,393,078

Subdivision 9.

DEPARTMENT OF AGRICULTURE

COVID-19 stress assistance program operating expenses  
COVID-19 specialty crop block grants  
Total federal funds

\$500,000  
5,000,000  
\$5,500,000"

Page 2, line 10, replace "5" with "10"

Page 2, line 12, replace "Enhanced" with "COVID-19 enhanced"

Page 2, replace lines 13 and 14 with:

"COVID-19 surface transportation grants  
Total federal funds

61,584,858  
\$61,700,060"

Page 2, line 15, replace "6" with "11"

Page 2, replace line 17 with:

"Grand total federal funds

\$806,143,087

**SECTION 2. EXEMPTION.** The funding appropriated in section 1 of this Act is not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2021, and ending June 30, 2023."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment appropriates the following federal COVID-19 relief funding for the 2019-21 biennium and authorizes agencies to continue the funding into the 2021-23 biennium.

98  
2/19/21

Agency	Program	Amount
Office of Management and Budget	Governor's emergency education relief fund allocations to public schools	\$2,732,339
Total - Office of Management and Budget		\$2,732,339
Attorney General	Justice assistance grants for staff and equipment costs to respond to COVID-19	\$2,082,871
Total - Attorney General		\$2,082,871
Department of Public Instruction	Elementary and secondary school emergency relief fund - allocations to schools	\$122,331,954
	Elementary and secondary school emergency relief fund - state administration initiatives	13,592,439
	Previously approved elementary and secondary school emergency relief fund - allocations to schools	22,271,117
	Previously approved elementary and secondary school emergency relief fund - state administration initiatives	68,678
	Governor's emergency education relief fund allocations to private schools	3,998,745
Total - Department of Public Instruction		\$162,262,933
State Department of Health	COVID-19 testing, vaccine preparedness, and agency response costs	\$100,532,232
Total - State Department of Health		\$100,532,232
Veterans' Home	Provider incentive payments used for COVID-19 supplies and staff costs	\$650,000
Total - Veterans' Home		\$650,000
Department of Human Services	Substance abuse prevention and treatment services	\$6,411,715
	Emergency rental assistance program	200,000,000
	Mental health block grant program to provide services to children and adults with serious mental illness	2,972,514
	Child care and development block grant to allow low-income families to have access to child care	19,448,230
	Safe and stable families program to ensure childrens' safety within their homes	90,342
	Foster care program costs to assist foster care youth	1,224,837
	Education and training vouchers for postsecondary costs of youth leaving foster care	166,136
	Congregate and home-delivered meals for older adults to maintain their health	840,000
	Ombudsman program to assist in preventing elder neglect and abuse	20,000
	Vulnerable adult protective services to assist older adults affected by abuse, neglect, or financial exploitation	704,100
	Supplemental nutrition assistance program increased monthly benefit distribution	7,200,000
	Supplemental nutrition assistance program emergency assistance to increase program availability	16,992,580
	Pandemic electronic benefits transfer to provide food assistance to children who would normally receive free or reduced school lunches	31,992,804
	Water and wastewater bill assistance to assist in utility payment	3,700,000
	Enhanced federal medical assistance percentage increase of 6.2 percent from April through June 2020	16,000,000
	Mental health and substance use disorder funding to provide crisis intervention services and other mental health support	2,859,649
Total - Department of Human Services		\$310,622,907
Adjutant General	Increase the FEMA reimbursement rate from 75 percent to 100 percent for COVID-19-related disaster expenses and apply 100 percent reimbursement rates retroactively to expenses already incurred	\$148,666,667
Total - Adjutant General		\$148,666,667
Department of Commerce	Community services block grant funding to address the needs of low-income individuals	\$7,393,078
	Community development block grant funding to address community needs relating to COVID-19	3,000,000

OFF  
2/19/21

Agency	Program	Amount
	Emergency solutions grant program to provide additional homeless assistance	1,000,000
Total - Department of Commerce		\$11,393,078
Department of Agriculture	Stress assistance programs to provide behavioral health services to agriculture producers	\$500,000
	Specialty crop block grants to enhance the competitiveness of special crops	5,000,000
Total - Department of Agriculture		\$5,500,000
Department of Transportation	Enhanced mobility services to assist the elderly and disabled with transportation	\$115,202
	Surface transportation grant program	61,584,858
Total - Department of Transportation		\$61,700,060
Total - All agencies		\$806,143,087

**REPORT OF STANDING COMMITTEE**

**HB 1394: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1394 was placed on the Sixth order on the calendar.

Page 1, line 1, after "services" insert "; to provide an exemption"

Page 1, replace lines 11 and 12 with:

"Governor's emergency education relief fund	<u>\$2,732,339</u>
Total federal funds	\$2,732,339
Subdivision 2.	

**ATTORNEY GENERAL**

COVID-19 - Justice assistance grants	<u>\$2,082,871</u>
Total federal funds	\$2,082,871"

Page 1, line 13, replace "2" with "3"

Page 1, replace lines 15 and 16 with:

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Page 1, line 17, replace "3" with "4"

Page 1, replace lines 19 through line 21 with:

"COVID-19 response	<u>\$100,532,232</u>
Total federal funds	\$100,532,232"

Page 1, line 22, replace "4" with "5"

Page 1, after line 22, insert:

**"VETERANS' HOME**

CARES Act funding	<u>\$650,000</u>
Total federal funds	\$650,000

Subdivision 6."

Page 2, replace lines 1 through 9 with:

"COVID-19 operating expenses	\$13,807,978
COVID-19 grants	280,814,929
COVID-19 grants - Medical assistance	<u>16,000,000</u>
Total federal funds	\$310,622,907
Subdivision 7.	

**ADJUTANT GENERAL**

COVID-19 response	<u>\$148,666,667</u>
Total federal funds	\$148,666,667

Subdivision 8.

DEPARTMENT OF COMMERCE

CARES Act funding	<u>\$11,393,078</u>
Total federal funds	\$11,393,078

Subdivision 9.

DEPARTMENT OF AGRICULTURE

COVID-19 stress assistance program operating expenses	\$500,000
COVID-19 specialty crop block grants	<u>5,000,000</u>
Total federal funds	\$5,500,000"

Page 2, line 10, replace "5" with "10"

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Page 2, replace lines 13 and 14 with:

"COVID-19 surface transportation grants	<u>61,584,858</u>
Total federal funds	\$61,700,060"

Page 2, line 15, replace "6" with "11"

Page 2, replace line 17 with:

"Grand total federal funds	\$806,143,087
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ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment appropriates the following federal COVID-19 relief funding for the 2019-21 biennium and authorizes agencies to continue the funding into the 2021-23 biennium.

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	Previously approved elementary and secondary school emergency relief fund - state administration initiatives	68,678
	Governor's emergency education relief fund allocations to private schools	3,998,745
Total - Department of Public Instruction		\$162,262,933
State Department of Health	COVID-19 testing, vaccine preparedness, and agency response costs	\$100,532,232
Total - State Department of Health		\$100,532,232
Veterans' Home	Provider incentive payments used for COVID-19 supplies and staff costs	\$650,000
Total - Veterans' Home		\$650,000



Department of Human Services	Substance abuse prevention and treatment services	\$6,411,715
	Emergency rental assistance program	200,000,000
	Mental health block grant program to provide services to children and adults with serious mental illness	2,972,514
	Child care and development block grant to allow low-income families to have access to child care	19,448,230
	Safe and stable families program to ensure childrens' safety within their homes	90,342
	Foster care program costs to assist foster care youth	1,224,837
	Education and training vouchers for postsecondary costs of youth leaving foster care	166,136
	Congregate and home-delivered meals for older adults to maintain their health	840,000
	Ombudsman program to assist in preventing elder neglect and abuse	20,000
	Vulnerable adult protective services to assist older adults affected by abuse, neglect, or financial exploitation	704,100
	Supplemental nutrition assistance program increased monthly benefit distribution	7,200,000
	Supplemental nutrition assistance program emergency assistance to increase program availability	16,992,580
	Pandemic electronic benefits transfer to provide food assistance to children who would normally receive free or reduced school lunches	31,992,804
	Water and wastewater bill assistance to assist in utility payment	3,700,000
	Enhanced federal medical assistance percentage increase of 6.2 percent from April through June 2020	16,000,000
	Mental health and substance use disorder funding to provide crisis intervention services and other mental health support	2,859,649
Total - Department of Human Services		\$310,622,907
Adjutant General	Increase the FEMA reimbursement rate from 75 percent to 100 percent for COVID-19-related disaster expenses and apply 100 percent reimbursement rates retroactively to expenses already incurred	\$148,666,667
Total - Adjutant General		\$148,666,667
Department of Commerce	Community services block grant funding to address the needs of low-income individuals	\$7,393,078
	Community development block grant funding to address community needs relating to COVID-19	3,000,000
<b>Agency</b>	<b>Program</b>	<b>Amount</b>
Total - Department of Commerce	Emergency solutions grant program to provide additional homeless assistance	1,000,000
		\$11,393,078
Department of Agriculture	Stress assistance programs to provide behavioral health services to agriculture producers	\$500,000
	Specialty crop block grants to enhance the competitiveness of special crops	5,000,000
Total - Department of Agriculture		\$5,500,000
Department of Transportation	Enhanced mobility services to assist the elderly and disabled with transportation	\$115,202
	Surface transportation grant program	61,584,858
Total - Department of Transportation		\$61,700,060
Total - All agencies		\$806,143,087

**2021 SENATE APPROPRIATIONS**

**HB 1394**

# 2021 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1394  
3/26/2021  
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for costs related to COVID-19 and other services.
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**Senator Holmberg** opened the hearing at 8:30 a.m.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

**Discussion Topics:**

- Money Flow
- Department Needs
- Financial Effects

**Jeff Delzer, Representative, District 8,** introduced HB 1394 and HB 1395

**Brady Larson, Fiscal Analyst, Legislative Council,** testified neutrally on HB 1394 and HB 1395 and submitted testimony #10840.

**Cody Schulz, Director, Homeland Security,** answered questions of the committee and submitted testimony #10697

**Doug Goehring, Agricultural Commissioner,** testified in favor and submitted testimony #10825

**Brenda Weisz, Chief Financial Officer, Department of Health,** testified in favor and submitted testimony #10778

**James Leiman, Commissioner, Department of Commerce,** testified in favor and submitted testimony #10833

**Jamie Wilke, Assistant CFO, Department of Human Services,** testified in favor and submitted testimony #10794

**William Panos, Director, Department of Transportation,** testified in favor and submitted testimony #10808

**Kristin Lunneborg, CFO , Veterans Home,** testified in favor and submitted testimony #10813

**Additional written testimony:** #10591, #10594, #10774

**Senator Holmberg** closed the hearing at 9:57 a.m.

Senate Appropriations Committee  
HB 1394  
03/26/2021  
Page 2

*Skyler Strand, Committee Clerk*



# 10840

## North Dakota Legislative Council

Prepared by the Legislative Council staff  
LC# 21.9706.01000  
March 2021

### FEDERAL COVID-19 RELIEF FUNDING INCLUDED IN HOUSE BILL NO. 1394 (2021)

House Bill No. 1394 (2021), as passed by the House, appropriates \$806.1 million of federal Coronavirus (COVID-19) relief funding to state agencies. The amounts included in the bill primarily relate to funding received by the state through the federal Coronavirus Response and Relief Supplemental Appropriations Act which was approved in December 2020. The schedule below details the funding included in the bill.

Agency Program	Funding Included in House Bill No. 1394
<b>110 - Office of Management and Budget</b>	
Governor's Emergency Education Relief Fund - Public schools	\$2,732,339
Total Office of Management and Budget	<b>\$2,732,339</b>
<b>125 - Attorney General</b>	
Justice assistance grant	\$2,082,871
Total Attorney General	<b>\$2,082,871</b>
<b>201 - Department of Public Instruction</b>	
Elementary and secondary school emergency relief fund I - Schools	\$22,271,117
Elementary and secondary school emergency relief fund I - State initiatives	68,678
Elementary and secondary school emergency relief fund II - Schools	122,331,954
Elementary and secondary school emergency relief fund II - State initiatives	13,592,439
Governor's Emergency Education Relief Fund - Private schools	3,998,745
Total Department of Public Instruction	<b>\$162,262,933</b>
<b>301 - State Department of Health</b>	
COVID-19 testing, contact tracing, vaccines, and other costs	\$100,532,232
Total State Department of Health	<b>\$100,532,232</b>
<b>313 - Veterans' Home</b>	
Personal protective equipment, employee wages, and disinfecting supplies	\$650,000
Total Veterans' Home	<b>\$650,000</b>
<b>325 - Department of Human Services</b>	
Substance abuse prevention and treatment block grant	\$6,411,715
Mental health block grant	2,972,514
E-COVID - Mental health and substance use disorder	2,859,649
Child care and development block grant	19,448,230
Promoting safe and stable families	90,342
Chafee foster care program for successful transition to adulthood	1,224,837
Chafee education and training vouchers	166,136
Congregate and home-delivered meals	840,000
Ombudsman program	20,000
Vulnerable Adult Protective Services	704,100
Supplemental nutrition assistance program increased benefit	7,200,000
Supplemental nutrition assistance program emergency assistance	16,992,804
Pandemic EBT	31,992,580
Emergency rental assistance	200,000,000
Water and wastewater bill assistance	3,700,000
Federal medical assistance percentage enhancement	16,000,000
Total Department of Human Services	<b>\$310,622,907</b>

Agency Program	Funding Included in House Bill No. 1394
<b>540 - Adjutant General</b>	
Increased Federal Emergency Management Agency (FEMA) funding authority	\$148,666,667
Total Adjutant General	<b>\$148,666,667</b>
<b>601 - Department of Commerce</b>	
Community services block grant	\$7,393,078
Community development block grant	3,000,000
Emergency solutions grant program	1,000,000
Total Department of Commerce	<b>\$11,393,078</b>
<b>602 - Department of Agriculture</b>	
Stress assistance program	\$500,000
Specialty crop block grant	5,000,000
Total Department of Agriculture	<b>\$5,500,000</b>
<b>801 - Department of Transportation</b>	
Enhanced mobility of seniors and individuals with disabilities	\$115,202
Surface transportation block grant	61,584,858
Total Department of Transportation	<b>\$61,700,060</b>
<b>Total</b>	<b>\$806,143,087</b>

**Testimony – HB 1394**  
**Senate Appropriations Committee**  
**Office of The Adjutant General - Department of Emergency Services**  
**March 26, 2021**  
**By Cody Schulz**  
**Director, Division of Homeland Security**  
**Deputy Director, Department of Emergency Services**

**Factors Contributing to Increased Appropriation Needs:**

1. FEMA offers updated guidance on February 2, 2021:  
Expansion of FEMA reimbursement to States  
75% reimbursement increases to 100% reimbursement, retroactively  
Scope of eligible costs was broadened
2. Extension of Coronavirus Relief Funds (CRF) to December 31, 2021

**2019-2021 Biennium:**

\$	11,666,667	Factor 1 - 75% to 100% (All Eligible Applicants Excluding NDDOH)
	67,000,000	Factors 1 & 2 - 75% to 100% and CRF Extension (NDDOH)
	<b>\$ 78,666,667</b>	<b>Additional Federal (FEMA) Fund Authority</b>

**2021-2023 Biennium:**

**COVID Disaster**

\$	2,500,000	Factor 1 - 75% to 100% (Updating Past Obligations of All Eligible Applicants Excluding NDDOH)
	25,000,000	Factors 1 & 2 - 75% to 100% and CRF Extension Beyond 12-31-2020 (NDDOH)
	35,000,000	Factor 1 & 2 (Estimated Future costs for All Eligible Applicants Excluding NDDOH)
	<b>\$ 62,500,000</b>	<b>Additional Federal (FEMA) Fund Authority</b>

**2021-2023 Request**

\$	7,500,000	Exec Budget federal authority removed from HB1016, added to HB1394
	62,500,000	Additional 2021-23 need
	<b>\$ 70,000,000</b>	<b>Total Federal (FEMA) Fund Authority for 2021-2023</b>

**Engrossed HB 1394:**

**Subdivision 7:**

\$	78,666,667	2019-2021 biennium
	70,000,000	2021-2023 biennium
	<b>\$ 148,666,667</b>	<b>Total Federal (FEMA) Fund Authority</b>

COMMISSIONER  
DOUG GOEHRING



ndda@nd.gov  
www.nd.gov/ndda

**NORTH DAKOTA**  
**DEPARTMENT OF AGRICULTURE**  
STATE CAPITOL  
600 E. BOULEVARD AVE. – DEPT. 602  
BISMARCK, ND 58505-0020

**HB 1394 Testimony**  
**Doug Goehring**  
**Agriculture Commissioner**  
**Senate Appropriations Committee**  
**March 19, 2021**

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Chairman Holmberg and members of the Senate Appropriations Committee, for the record, I am Agriculture Commissioner Doug Goehring. I am here to support HB 1394 and explain the request for \$5.5 million in authority.

This request is for federal fund spending authority only. The USDA was appropriated funds that are earmarked for state departments of agriculture. This \$5.5 million comes from those funds for the Specialty Crop Block Grant and the ND Mediation Service. Authority for these requests could be placed in HB 1009 if the committee so chooses.

I would also like to outline a request to continue two of the programs that were funded with the first CARES Act funds. First, the ND Meat Processing Plant Cost-Share Program, it has increased processing capacity which is beneficial to consumers and producers.

Second, the Bioscience Innovation Grant Program for Coronavirus Research which included projects relating to antibody therapeutics, immunotherapies, antibody testing, rapid test device for use by individuals or companies, inspection and decontamination equipment.

I would like to request the committee consider reallocating \$20 million to continue the ND Meat Processing Plant Cost-Share Program and \$15



million for Bioscience Innovation Grant Program for Coronavirus Research.

Chairman Holmberg and committee members, thank you for your consideration of my requests. I will stand for any questions.

Good morning Chairman Holmberg and members of the Senate Appropriations Committee. My name is Brenda Weisz and I serve as the Chief Financial Officer for the Department of Health. I am here to provide testimony in support of House Bill 1394.

Subdivision four of House Bill 1394 identifies the funding for the Department of Health in efforts related to the COVID-19 response. The funding contained in this request reflects federal authority needed in the current biennium and into the 2021 – 2023 biennium. The intended use of the funding is for the following activities:

Health Analytics	\$458,103
Outreach / Response / Public Health Hotline	\$2,170,608
Dept. Operations Costs / Warehouse / PPE	\$542,881
Contact Tracing / Case Investigation / Vaccine / Surveillance	\$33,333,471
Fiscal, Communications, Human Resources	\$751,128
Lab Workforce and Related Costs	\$8,150,786
Local Public Health	\$5,484,704
Testing Costs	\$49,542,715
Executive Compensation Package	\$97,836
Total	<u>\$100,532,232</u>

With the extension of FEMA funding and reimbursement now at 100 percent, we respectfully request HB 1394 be amended to include authority of \$73 million to cover the estimated expenditures to be charged to FEMA from January through June 2021. Prior to the extension of FEMA and the change in percentage of reimbursement, these costs were anticipated to be covered by federal Coronavirus Relief Funds (CRF). HB 1395 will include a reduction in the amount of federal CRF authority needed by the Department of Health.

Finally, while the \$100.5 million identified under Section four includes the amount approved at the federal level in December 2020, it does not reflect the amount recently passed under the American Rescue Plan (ARP). We have been notified that North Dakota will be allocated \$22.95 million from the

Centers for Disease Control and Prevention (CDC) under the epidemiology and lab capacity funding for school testing and other surveillance, contract tracing and lab costs with a required focus on health equity. We are still awaiting guidance on allowable uses of this proposed funding. Also, there is reportedly additional funding under the ARP related to vaccines. We are awaiting an estimated amount to be awarded to the Department of Health and have heard that the requirements for this funding will be very specific with a heavy emphasis on health equity and 60 percent of the allocation to be extended under contracts with external partners / entities.

This concludes my testimony. I would be happy to address any questions you may have at this time.

Chairman Holmberg and esteemed members of the Senate Appropriations Committee. I am James Leiman, Commissioner of Commerce. The Department would like to testify in support of HB 1394 and humbly request that turnback funds address new challenges that have surfaced as a result of the pandemic. Since the pandemic began, requirements have rapidly changed in terms of where relief funding was required. For example, agriculture and energy were impacted by supply chain impacts and continue to recover whereas the hospitality and retail sectors continue to struggle. As such, Commerce is turning back an estimated \$27MM in response to these changing requirements and new federal legislation which makes some industries whole. The Department of Commerce requests that the following programs be funded to address critical workforce, marketing, tourism, community, and economic development needs for the State of North Dakota. Please allow me to walk through the request.

## **Department of Commerce- Proposals for remaining Cares Funding**

To make a stronger economic impact to the state as well as leverage federal CARES Act investments, Commerce proposes a reprogramming of the money to reflect:

- Community Development- \$5.66M (planning for anticipated \$3T infrastructure package)
- Marketing and Tourism- \$8.566M
- Hospitality grants for lodging industry- \$13.5MM
- Workforce Development- \$5.866M
- Total \$33.592MM

Additional details of each proposed expense are below.

## **Community Development**

### **Community Investment in Planning Proposal**

Communities were highly impacted by COVID-19, especially small and mid-sized communities. Infrastructure to support a growing remote workforce as well as an influx of rural residents in response to flight from cities made North Dakota very attractive for growth. In preparation for the expected \$3 trillion federal infrastructure plan, the opportunity exists to plan for wise and timely use of these dollars by the political subdivisions through smart planning. We recommend utilizing **\$4.5 million** of the remaining ERG dollars to support county, community, and other political subdivision planning efforts in 2021.

The Commerce team surveyed communities and counties of varying sizes throughout the state (Grand Forks, Grand Forks County, Jamestown, Watford City, Bismarck, Divide County, and Bowman County) and found significant interest in and the ability to use funding for planning projects by December 2021. Examples of potential projects cited by the surveyed communities included tourism/marketing studies, housing and affordability studies, infrastructure plans, strategic and comprehensive plans, economic development/diversification plans, and public participation efforts. Based on this diversity of need and cost, Commerce recommends keeping guidelines as written for the Partner in Planning Grant but, open the funding to support all planning efforts of a community, as long as it meets the requirements of being completed by the end of 2021 and accomplishes the short and long term needs of the political subdivision.

Entities would be able to apply for up to \$400,000 and must include a 10 percent match. Communities would be able to use in-kind services for the match. In addition to Commerce staff, there would also be external, non-Commerce staff involved in the review process. Communities will be awarded as soon as possible to maximize the time and resources. Augmentation to Partners in Planning Grant program. Increase grant size to \$250,000 max, varied by population.

In addition to planning, community vibrancy is highly important to attract rural workforce as well. The Commerce Vibrancy grants were established for a couple of reasons. The first was to allow communities to create events, places or spaces that emphasize their uniqueness so that they catch the attention of a much needed workforce that has many options when selecting a place to live. The second reason is to work hand-in-hand with the Partners in Planning grant recipients. Once a community or economic development organization has developed a plan; we want them to operationalize that plan rather than run the risk of having the plan gather dust on a shelf. One of the ways to do that is to provide a small grant to help a community implement one of the planning action items. Whether it's the creation of pocket park, a walking/biking path or the creation of an event that could attract hundreds or thousands of people to the community, Commerce wants to make sure the plans are implemented and providing a Vibrancy grant allows for momentum and community confidence to build, especially when you start with a success. Commerce requests **\$1M** for awards throughout the State of ND to make communities more attractive to the rural workforce.

To accomplish this task, approximately \$166,000 in admin dollars are requested through the end of the biennium. This reflects the needs of temp program managers and financial analysts to ensure state and federal criteria are met.

### **Destination Marketing and Image Development Grant**

The Destination Marketing Grant would assist Destination Marketing Organizations (DMOs) in supplementing their community marketing efforts as their lodging tax revenue stream was greatly diminished due to travel restrictions, business shutdowns and pandemic-related fear. These dollars will assist struggling businesses and communities which desperately need customers by putting North Dakota on the list to consider for not only a summer or fall vacation but, also a potential move to a state that offers less government oversight and fewer restrictions. Grants would provide up to 50 percent of their previous marketing budgets for approved uses. This would be awarded first-come, first-served until we reach the **\$2 million** allocated.

### **North Dakota Image and Awareness Campaign**

One of the ways we can both jump-start recovery and continue to diversify the economy is through promoting and expanding the image of North Dakota. With changing demographics and increased interest on our competitive advantages the time is now to make more people aware of our state. Bordering states have leveraged CARES Act dollars to position their states as safe travel destinations, our opportunity is now to showcase our uncrowded communities and wide-open spaces which are of interest to travelers now more than ever. Businesses and communities that we work with daily are asking for increased umbrella marketing to elevate the state and drive traffic. This effort is aimed at improving market share for tourists. This **\$5 million**

investment would be spent on best performing media and target markets and would complement strategic workforce marketing tactics. A detailed media plan would be developed once we understand the priorities and timing.

### **Welcome Back Canadians – Promotion**

This plan would augment Canadian marketing by working cooperatively with Manitoba and Saskatchewan. North Dakota has lost nearly 500,000 visitor trips from Canada since the border was closed. This is down 77 percent from 2019. The **\$1 million** budget would include full campaign build out potentially including:

- Video series – “What did you miss most about ND?” and “What did you miss most about MB?” Two-way cooperative with Visit Manitoba and Visit SK.
- Border Opening Countdown
  - A targeted campaign centered on how many days are left until the border opens. Could do a giveaway or travel incentives on designated days throughout the countdown.
- Activation Events – at Peace Gardens, or border cities near Winnipeg. Organize an activation “Welcome Back” event at the Peace Gardens when the border opens (if the quarantine policy lessens), or within communities close to the border
- Augment paid marketing campaign with new elements such as out-of-home and direct mail.

To accomplish the marketing tasks, approximately \$166,000 in admin dollars are requested through the end of the biennium. This reflects the needs of temp program managers and financial analysts to ensure state and federal criteria are met.

### **Hospitality Emergency Resiliency Grant PLUS – Round Three**

Expanding the Hospitality Emergency Resiliency Grant PLUS maximum would allow larger hotels with conference facilities and those with more than two locations to get additional dollars. The conference hotels continue to lose money as business travel show no immediate sign of recovery and conferences continue to cancel and postpone through fall 2021. We are also not aware of any national programs in place to directly assist. Total program cost would likely be \$13MM.

- Eligible conference hotels and lodges that provide the following:
  - \$1,000 per room and up to **\$50,000 additional per address**, no limit on ownership structures
  - **OR**
  - On-site meeting space to hold a minimum of 100 people in one room. Allowing up to \$150,000 in additional eligible operational expenses

To manage this program, Commerce requires \$500,000 to ensure program is properly delivered via contractors.

### **Workforce Development**

Our goal is to create a pandemic resistant workforce by upskilling our existing workforce and recruiting new workers to fill in-demand jobs in several sectors throughout the state. With an unemployment rate of 5.1 percent and more than 15,000 jobs posted, North Dakota needs to make strategic investments targeting key areas within our existing workforce, while looking ahead and preparing for the future. These initiatives will aid in the state's recovery and will guard against future events that may impact our workers by helping them diversify their skillsets and shift with market demands. Our investment in workforce recruitment needs to start now as we may quickly find ourselves in a pre-pandemic workforce scarcity situation, making business growth and recruitment to the state a challenge. Simultaneously, we can address more immediate needs by funding accelerated workforce training programs that will prepare workers for quick entry and/or movement within the workforce.

#### Reskilling/Upskilling

**\$2 million** to build UAS workforce training program at a site to be determined

- Northwest.
  - TrainND Northwest has already prepared a proposal and is ready to facilitate programs designed to train displaced energy industry workers for jobs in the UAS industry.
- **\$1.2 million** to build or expand other skilled workforce training programs, with a heavy emphasis on IT, healthcare, and industrial maintenance.
  - This would build on the Technical Skills Training Grant program we created with federal coronavirus relief funds. The first round of this grant assisted in launching skilled workforce training programs in IT, healthcare, transportation, welding, and more. Public and private sector employers are expressing interest in participating in this program if it is funded again. (\$1M). This program would include \$200,000 for an academy that creates the next generation of coders.

#### - Recruitment

- **\$2 million** using data that we started collecting in 2020. We will partner with industries that have the greatest demands for workers and will develop a workforce recruitment campaign to attract talent to the state.
- **\$500 thousand** could be used to address specific workforce needs in counties most impacted by job losses throughout 2020.

To accomplish the workforce development tasks, approximately \$166,000 in admin dollars are requested through the end of the biennium. This reflects the needs of temp program managers and financial analysts to ensure state and federal criteria are met.

## **Economic Development and Finance**

### **Investment in North Dakota Development Fund**

The North Dakota Development Fund was nearly depleted as a result of credit draws at the beginning of COVID-19 while waiting for federal aid and BND financial instruments. NDDF will support COVID-19 recovery and resilience through enhanced innovation and entrepreneurial investments into programs across the state. **\$5 million**

## **Buy-Local Marketing**

Develop a marketing campaign to support the retail and hospitality sectors. The **\$400,000** campaign would target both the 25–54 and 18–25 demographics with targeted media:

Production, photography and agency costs: \$40,000

Radio: \$100,000

Cable & Connected TV: \$124,000

Digital: \$108,000

Social: \$8,000

This concludes my testimony, please let me know if you have any questions. Thank you.





10794

## **HOUSE BILL 1394**

Senate Appropriations

*Senator Ray Holmberg, Chairman*

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## **DHS Appropriation Costs Related to COVID-19**

*Jamie Wilke, Assistant CFO – Program & Policy*

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Human Services

**HB 1394 Federal  
Authority Request for  
Department of  
Human Services**

Request  
\$310,622,907 of  
Federal Authority

# COVID Federal Funds Awarded

- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)
  - Substance Abuse Prevention and Treatment Grant \$6.4 million
  - Mental Health Block Grant \$2.9 million (update HB 1394 to \$1,435,102, to reflect actual award received)
  - Emergency Rental Assistance \$200 million
  - Childcare Development Block Grant \$19.5 million
  - Safe & Stable Families \$90,342
  - Foster Care Program \$1.2 million
  - Education and Training Voucher \$166,136
  - Congregate and Home Delivered Meals \$840,000
  - Ombudsman \$20,000
  - Vulnerable Adult Protective Services (VAPS) \$704,100

# COVID FEDERAL FUNDS AWARDED (CONT.)

- SNAP Increased Benefit \$7.2 million
- P-EBT SNAP \$32 million
- SNAP Emergency Assistance \$17 million\*
- Water and Waste Water Bill Assistance \$3.7 million
- Federal Medicaid Assistance Percentage (FMAP) \$16 million
- E-COVID Mental Health & Substance Use Disorder \$2.9 million

\*Requires an active North Dakota-declared State of Emergency to continue



## Contact Information

Jamie Wilke, Assistant CFO  
Department of Human Services  
Phone: 701.328.4608  
Email: [jwilke@nd.gov](mailto:jwilke@nd.gov)



10808

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# **HB 1394**

**North Dakota Department of Transportation  
In Support Of**

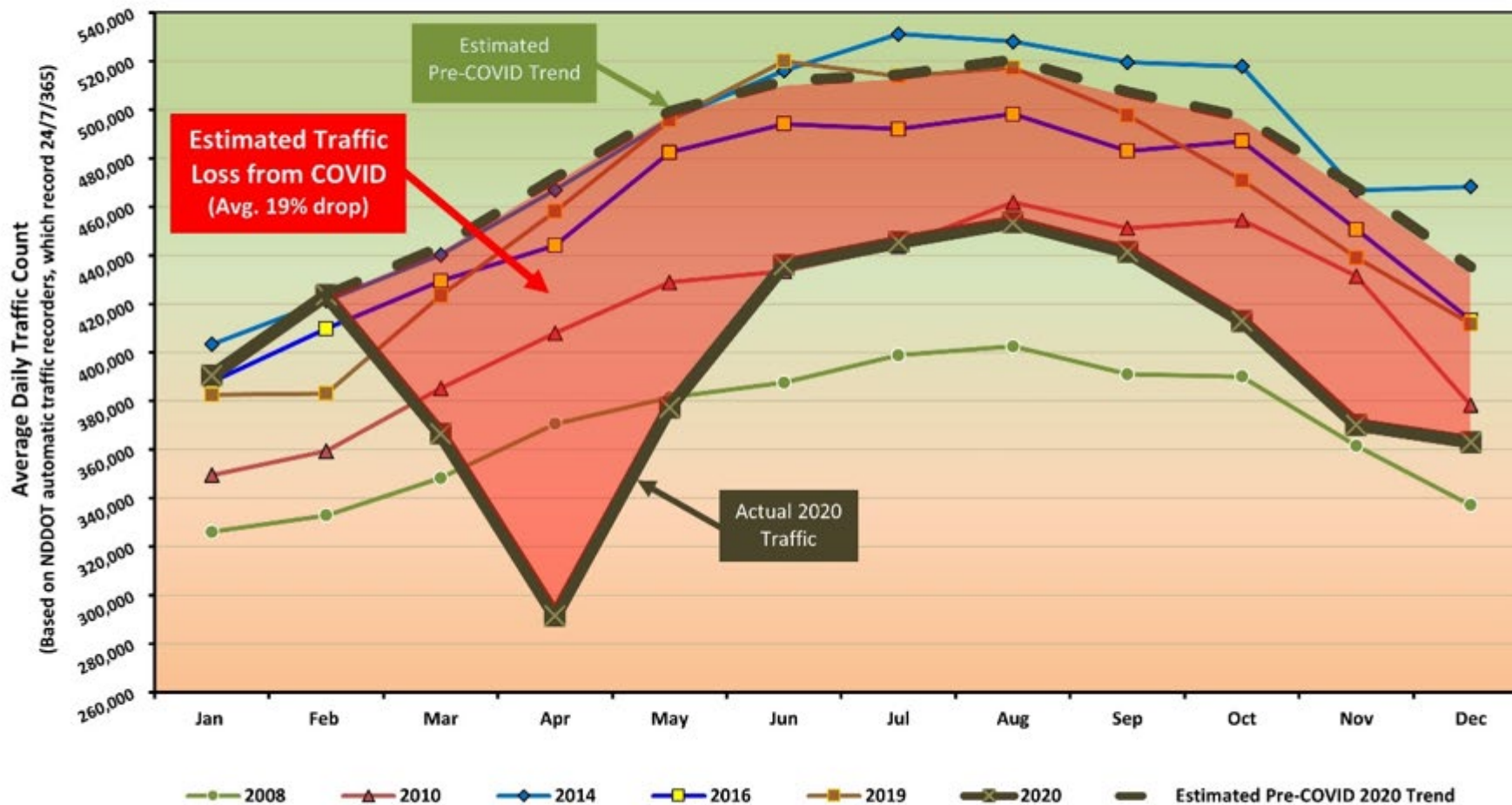
*Senate Appropriations Committee*

*March 26, 2021*

***Thank You***



## Statewide Average Daily Traffic Count (All NDDOT Automatic Traffic Recorders)





# HB 1394 – Section 1

## SECTION 1. APPROPRIATION

### DEPARTMENT OF TRANSPORTATION

COVID-19 Enhanced Mobility Services	\$115,202
COVID-19 Surface Transportation Grants	<u>\$61,584,858</u>
Total Federal Funds	\$61,700,060

H.R. 133 provided infrastructure funding that is:

- Eligible for **100% federal funding** (no local match required).
- Shared with local partners (cities and counties).
- Available for expanded uses, unlike traditional federal funding.
- Must be obligated by September 30, 2024.
- Must be spent by September 30, 2029.

# Immediate Impact

The NDDOT has projects ready to bid or actively bidding which can immediately utilize these funds:

Program	Location	Types of Work
Rural	S JCT ND 8 TO JCT ND 49 - BEULAH	MILL/OL 2" MAX Bikeway/Walkway, Curb & Gutter, Storm Sewer, ADA Ramp Rev, Pave Mark, Lighting, Landscaping
Urban	4TH ST (2ND AVE W TO MAIN ST)	GRADE/AGGR SURF
County	3 MI N OF LEMMON, N	MILL AND OVERLAY 2" MAX
Rural	SD LINE TO SELFRIDGE	Mill/OI 2" Max
Rural	S JCT 83 TO E JCT 41 - MERCER	Mill/OI 2" Max
Rural	RAUB E TO JCT 28	Milling, HBP, Shoulder Repair
County	CMC 0930 & CMC 0941	MILL AND OVERLAY 2" MAX
Rural	S GOLVA TO 4 WAY STOP IN BEACH	CHIP SEAL COAT
County	COUNTYWIDE	Cement Treated Base, HBP, Chip Seal Coat
County	I-94, N & E TO MEDINA	CHIP SEAL COAT
County	ND 200 N TO CMC 1602	HOT BITUMINOUS SURFACING
County	2 MI S OF CHRISTINE, S	CHIP SEAL COAT
County	COUNTYWIDE	AGGREGATE SURFACING
County	CO LINE, S 7 MI	CHIP SEAL COAT
County	MAXBASS, N 3MI & MAXBASS, E 2MI	

# Summary

Built by generations of North Dakotans over that last 122 years, our transportation system is a key component to our economy and daily life.

To raise our families, support our businesses, and remain globally competitive, we'll need to maintain a sound and integrated transportation system.

We request the House Appropriations Committee expedite the approval of HB 1394 with the emergency clause with a **do pass** recommendation today.

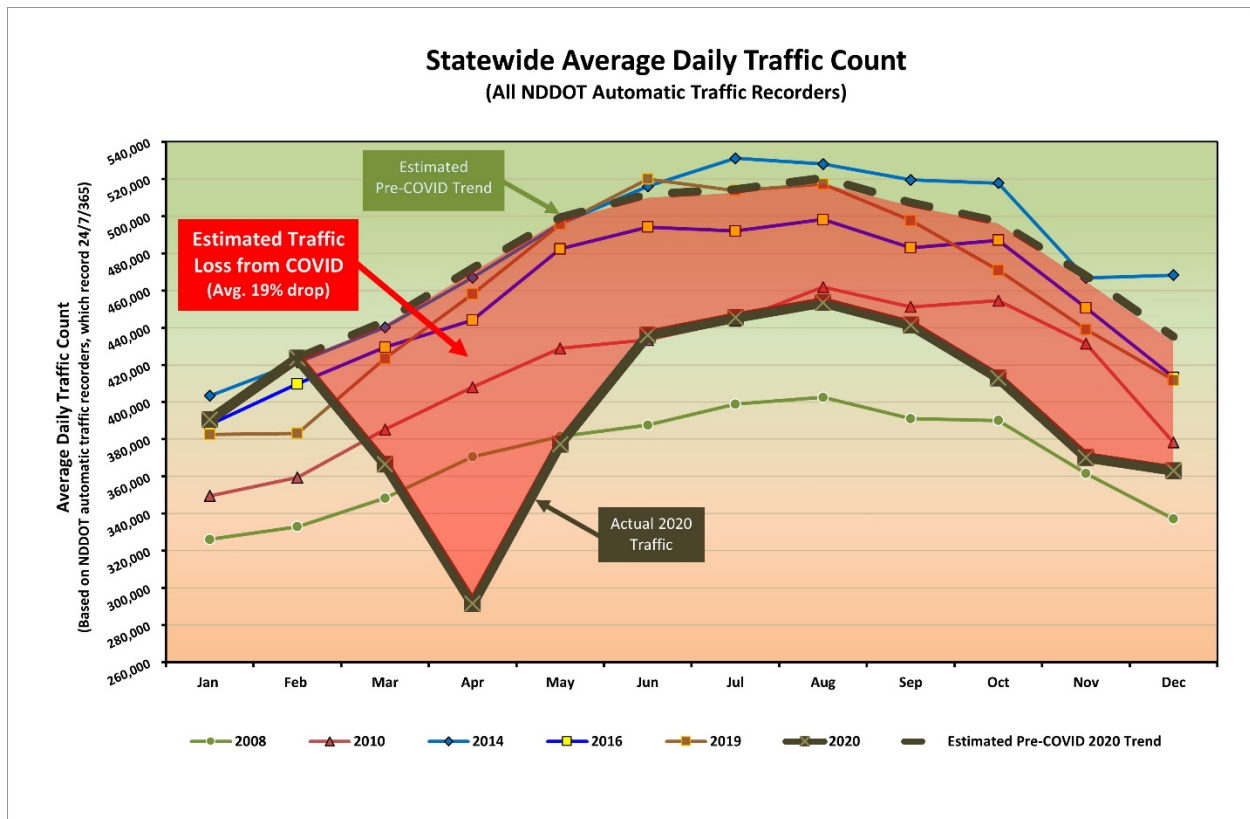


# Questions?

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## White Paper COVID Relief Funds March 25, 2021

With the recent passage of H.R. 133, Consolidated Appropriations Act, 2021, the State of North Dakota received Highway Infrastructure funding in the amount of \$61,584,858. These funds are eligible for up to 100% federal funding (no local match required) and must be Obligated by September 30, 2024 and spent by September 30, 2029. These funds were intended to supplement the loss in revenue states experienced because of the decrease in traffic caused by the Pandemic. Below is a chart showing approximately how much traffic was down in ND in 2020 compared to a normal year.



Along with the decrease in traffic comes a decrease in fuel consumption which results in less gas taxes being paid. It is estimated that current gas tax collections will be down by approximately \$41.3 Million during the 2019-2021 Biennium. These gas taxes would have gone into the Highway Tax Distribution Fund and would have been distributed to the Counties, Cities, Townships, Transit and the NDDOT. As a result, each of these agencies has had to deal with lower than anticipated revenues resulting from the Pandemic.

Since the intent of these funds was to supplement the loss in revenue states experienced due to the Pandemic, the NDDOT made the decision to share the \$61.58 Million that we received with our Local Government partners based on our current practices. The funds will be split as follows:

- 76.9% State = \$47.35 Million
- 15.2% Cities above 5,000 in population = \$9.36 Million
- 7.9% Counties = \$4.86 Million

Notes: Transit received funding as part of the CARES Act and as a special allocation in H.R. 133. These funds are subject to all existing rules and regulations contained in Title 23 of the CFR & USC.

In addition to the traditional uses that federal funds can be used for, H.R. 133 expanded the allowable use of these federal funds to include:

- Preventive Maintenance
- Routine Maintenance
- Operations
- Personnel (Including Salaries of Employees)
- Contractors
- Debt Service payments
- Availability Payments
- Coverage for other revenue losses

While H.R. 133 does allow for the funds to be spent on the above listed items, no regulations have yet been published on what is required in order to use the funds on those items. The NDDOT continues to work with our local FHWA office to make sure all the funds are appropriated correctly.

TESTIMONY ON HB 1394  
SENATE APPROPRIATIONS COMMITTEE  
FRIDAY, MARCH 26, 2021

Chairman Holmberg and members of the Senate Appropriations Committee, I am Kristin Lunneborg, CFO at the North Dakota Veterans Home. I am here to provide testimony in support of House Bill 1394.

The Veterans Home is listed in subdivision 5 of this bill requesting appropriation authority of \$650,000 for additional funds received and/or expected to be received for efforts in combatting COVID-19. The North Dakota Veterans Home's amazing health care workers have gone above and beyond to provide care to our residents during this pandemic. A portion of the funding we are requesting authority for is in the form of quality incentive payments we received for our ability to keep our facility positivity rates lower than the positivity rates of our area.

We were just informed this week that we would be receiving additional federal funding from the U.S. Department of Veterans Affairs, under Section 517 of Division J of the Consolidated Appropriations Act of 2021. This section of Public Law provides for a one-time emergency payment to existing State Extended Care Facilities for Veterans to prevent, prepare for and respond to COVID 19. Due to the notification of this payment, we respectfully request subdivision 5 of HB 1394 be amended from \$650,000 to \$975,000. We are still awaiting guidance on allowable uses of this additional funding but anticipate it will be used like our other federal funds for such things as the purchase of PPE supplies, disinfecting chemicals, transitioning to hands free fixtures, medical equipment and COVID related salaries and wages.

Chairman Homberg and committee members, this concludes my testimony. I ask for your support for HB 1394. I will be happy to answer any questions.

**Senator,**

This bill HB 1394 shows where the people stand in a plan demic/scam demic.

Veterans get little to nothing.

Agriculture gets little to nothing.

Small businesses get nothing!

Citizens get nothing!

**Why does DPI get this funding when it received its normal state funding?**

**Why does the AG get so much?**

Thank you,

--

**Mitchell S. Sanderson**



to whom it may concern

I am writing on behalf of the Fargo Moorhead Ballet, we're a no profit professional dance company. Who has been clawing to stay open this past year. As 80% of our operations income comes from live performances. Due to Covid we have had to cancel all of our production last season. With the help of Covid relief found we are managing to stay open. With out North Dakota Arts Council I would have never known there where funds available to us, as we are a non profit organization. The money we received was put to rent and other operational expenses. I hope you consider NDCA to receive the reallocation of unspent Covid funds.

Thank you for all you do for North Dakota

Sincerely  
Matthew Gasper  
Artistic director or the FMBallet

TESTIMONY OF

**Joe Morrisette, Director of the Office of Management and Budget**

Chairman Holmberg and members of the Senate Appropriations Committee, I am Joe Morrisette, Director of the Office of Management and Budget (OMB). I am here to testify in support of Engrossed House Bill 1394, which appropriates moneys authorized in the December 2020 COVID-19 Economic Relief Bill.

The Office of Management and Budget is listed in subdivision 1 of this bill for the portion of the Governor's Emergency Education Relief II (GEER II) funds to be received by OMB on behalf of the Governor's Office. OMB will serve as the fiscal agent and will manage the distribution and reporting on these funds. The grant process will be managed by the Governor's Office.

The funds can be used for the same purposes as the GEER funds received during the 2019-21 interim as part of the CARES Act. Allowable uses of funds include preventing, preparing for, and responding to COVID-19. It is anticipated the funds will be distributed to local education agencies based on a formula to support education workforce retention initiatives. There is an additional \$4 million of GEER II funding included in subdivision 3 which will be received by and distributed by the Department of Public Instruction to provide assistance to non-public schools.

OMB submitted an application on February 22, 2021 to receive these funds on behalf of the Governor's office.

Mr. Chairman and committee members, this concludes my testimony. I ask for your support for Engrossed House Bill 1394. I would be happy to answer any questions.

# 2021 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1394  
3/29/2021

### Senate Appropriations Committee

A BILL for an Act to provide an appropriation for costs related to COVID-19 and other services.

**Senator Holmberg** opened the committee work at 9:45 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

#### Discussion Topics:

- **Vote**

**Senator Bekkedahl** presented amendment [LC 21.0885.02002] - #10921.  
**Senator Poolman** second.

<i>Senators</i>		<i>Senators</i>	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll Call vote – 14-0-0 Motion passed.

**Senator Bekkedahl** moved Do Pass as Amended.  
**Senator Wanzek** second.

<i>Senators</i>		<i>Senators</i>	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll Call vote – 14-0-0. Motion carried.

**Senator Bekkedahl** will carry the bill.

**Senator Holmberg** closed the hearing at 9:55 AM.

Senate Appropriations Committee

HB 1394

03/29/21

Page 2

*Rose Laning, Committee Clerk*

March 26, 2021

84  
128  
3129

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1394

Page 2, replace lines 1 through 6 with:

"COVID-19 response	<u>\$173,532,232</u>
Total federal funds	\$173,532,232

Subdivision 5.

VETERANS' HOME

CARES Act funding	<u>\$975,000</u>
Total federal funds	\$975,000"

Page 2, replace line 9 with:

"COVID-19 operating expenses	\$12,270,566"
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Page 2, replace line 12 with:

"Total federal funds	\$309,085,495"
----------------------	----------------

Page 3, replace line 2 with:

"Grand total federal funds	\$877,930,675"
----------------------------	----------------

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Increases federal funds authority for the State Department of Health by \$73 million for additional funds to be received due to an increase in the Federal Emergency Management Agency matching rates for COVID-19 response.
- Increases federal funds authority for the Veterans' Home from \$650,000 to \$975,000 for additional anticipated funds to be received for COVID-19 response.
- Reduces federal funds authority for the Department of Human Services mental health block grant from \$2,972,514 to \$1,435,102 to reflect the actual grant award received.

**REPORT OF STANDING COMMITTEE**

**HB 1394, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1394 was placed on the Sixth order on the calendar.

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21.0885.02002  
Title.

Prepared by the Legislative Council staff for  
Senator Bekkedahl  
March 26, 2021

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