

## NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Minutes of the

**GOVERNMENT ADMINISTRATION COMMITTEE**

Thursday, February 22, 2018  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Representative Scott Louser, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Representatives Scott Louser, Lawrence R. Klemin, Kim Koppelman, Marvin E. Nelson, Dan Ruby, Roscoe Streyle; Senators Randall A. Burckhard, Joan Heckaman, Ronald Sorvaag

**Members absent:** Representative Christopher D. Olson; Senator Dave Oehlke

**Others present:** See [Appendix A](#)

**It was moved by Senator Burckhard, seconded by Representative Ruby, and carried on a voice vote that the minutes of the November 16, 2017, meeting be approved as distributed.**

**STUDY OF THE PURPOSE AND CONTENT OF STATEMENTS OF INTERESTS**

Mr. John Arnold, Director, Elections Unit, Secretary of State's office, presented information ([Appendix B](#)) regarding statement of interests forms in other states, potential changes to the North Dakota statement of interests form, and legislation necessary to enable the Secretary of State's office to make the statement of interests form more efficient and effective. He said the Secretary of State's office conducted a review of 33 other states' equivalent to North Dakota's statement of interests form. He said certain other states require details on real estate holdings, debts, gifts, and business interests with government contracts, each of which North Dakota does not require to be disclosed. He said the Secretary of State's office is less concerned with changing the content of the statement of interests than it is with the clarity of the information being requested.

In response to a question from Representative Nelson, Mr. Arnold said he is not aware of any states performing background checks on political candidates or appointees.

In response to a question from Representative Klemin, Mr. Arnold said the items identified in his presentation include other states' required disclosures that differ from North Dakota requirements. He said he could provide the committee with additional information regarding North Dakota requirements that are the same as other states.

In response to a question from Representative Ruby, Mr. Arnold said there was an increase in requests for judges' statements of interests during the Dakota Access Pipeline protests.

In response to a question from Chairman Louser, Mr. Arnold said the statement of interests form was most recently updated in 2015. He said a common question his office receives from filers of the statement of interests form is regarding the difference between subsections 1 and 4 of North Dakota Century Code Section 16.1-09-03. Subsections 1 and 4 each require disclosure regarding business or employment interests.

In response to a question from Senator Heckaman, Mr. Arnold said Section 16.1-09-03 requires four item areas on the statement of interests form, so legislative changes would be necessary to remove redundancy between subsections 1 and 4.

In response to a question from Representative Koppelman, Mr. Arnold distributed copies of the current North Dakota statement of interests form ([Appendix C](#)).

Mr. Alvin A. Jaeger, Secretary of State, commented on the statement of interests form. He said placing filed statement of interests forms online is something his office will consider once its software update has been completed.

In response to a question from Representative Nelson regarding gains on investments and whether they should be reported as income, Mr. Jaeger said his office doesn't give legal advice regarding what should be reported, but advises filers to report more information rather than less. He added that reported information is not audited by his office.

In response to a question from Senator Burckhard, Mr. Arnold said of the 16 states not included in the review conducted by the Secretary of State's office, 8 don't have a statement of interests form and 8 file online only. He said he could provide the committee with additional information regarding the 8 states without a statement of interests form.

Senator Sorvaag said he isn't concerned about the current statement of interests form.

Chairman Louser thanked the Secretary of State's office for its work providing information for this study.

### **STUDY OF MOVING LOCAL ELECTIONS TO THE GENERAL ELECTION IN NOVEMBER OF EVEN-NUMBERED YEARS**

Ms. Stephanie Dassinger, Deputy Director, North Dakota League of Cities, presented information ([Appendix D](#)) regarding a future survey of cities relating to local elections. She said the League of Cities does not support making any changes to the current timing of local elections. She said the League of Cities will survey its members in September 2018 to determine whether the timing of budgeting was problematic and to determine potential solutions.

In response to a question from Representative Streyle, Chairman Louser said the study directive is to consider moving local elections to the November general election.

Representative Streyle said the timing of budgeting, rather than the timing of local elections, appears to be the issue.

In response to a question from Representative Koppelman regarding potential benefits of moving local elections to the general election, Mr. Arnold said potential cost-savings have not been studied; however, he does not believe there would be a significant cost-savings.

In response to a question from Representative Koppelman, Mr. Arnold said cities are to consolidate elections with the counties in June, but a city may have a special election at another time.

In response to a question from Representative Ruby, the Legislative Council staff said election costs and voter participation data were presented by the Secretary of State's office at the committee's August 2017 meeting.

In response to a question from Representative Koppelman, Senator Sorvaag said park district elections are also in June. Senator Sorvaag expressed support for having more informed voters and focus for local elections in June rather than having the local elections in November.

In response to a question from Representative Koppelman, Senator Sorvaag said early and absentee voting is available for all elections, including local special elections.

Mr. Jaeger said he is not aware of any advantage of moving local elections to the November general election.

In response to a question from Representative Ruby, Mr. Jaeger said he is unsure how to estimate potential cost-savings from moving local elections to the November general election.

Mr. Arnold added that there will still be employees at the polling places in the June primary elections who will need to be paid.

Ms. Donnell Preskey Hushka, Government/Public Relations Specialist, North Dakota Association of Counties, expressed opposition to moving local elections to the November general election.

Representative Klemin suggested the committee receive information from the North Dakota School Boards Association regarding school board elections.

### **STUDY OF OFFICE SPACE COST AND VALUE OF PROPERTIES OWNED BY JOB SERVICE NORTH DAKOTA**

Mr. John Boyle, Director of Facility Management, Office of Management and Budget (OMB), presented information ([Appendix E](#)) regarding state-owned office space and leased office space in Bismarck, Fargo, and Minot; the Office of Management and Budget's (OMB) short- and long-term plans for meeting state agency office space needs in the Bismarck, Fargo, and Minot areas; and state law and OMB policies and procedures relating to the sale of state property. He said state agencies lease over 480,000 square feet of space in Bismarck at an

average cost of \$14.20 per square foot. He said state agencies lease over 120,000 square feet of space in Fargo and Minot combined at an average cost of \$13.79 per square foot. He said OMB planning efforts are currently focused on reducing lease costs in the Bismarck area.

In response to a question from Representative Klemin, Mr. Boyle said the Attorney General's space in Minot is leased from Job Service North Dakota (JSND) and is reported as leased space for the Attorney General and owned space for JSND.

In response to a question from Representative Koppelman regarding varying costs per square foot for leased space, Mr. Boyle said OMB works with agencies to limit rent expenses. He added that there are no specific rules preventing an agency from renting more expensive office space.

In response to a question from Representative Steyle, Mr. Boyle said OMB and state agencies are continually discussing opportunities to reduce costs. He said a new opportunity is the former Sears space in the Gateway Mall in Bismarck.

In response to a question from Representative Klemin, Mr. Boyle said timing and the need for legislative approval can make purchasing facilities difficult.

In response to a question from Senator Sorvaag, Mr. Boyle said facility lease terms vary and are contingent on available appropriations.

In response to a question from Representative Koppelman, Mr. Boyle said he would provide the committee with additional information regarding space leased in Minot by the Commission on Legal Counsel for Indigents.

Ms. Michelle Kommer, Executive Director, Job Service North Dakota, commented on agency efforts to consolidate staff and lease or sell excess space. She said JSND has evaluated its space and is consolidating staff in its central office building from four to two floors. She said JSND is working with other state agencies to maximize the state's use of available space. She said the agency's goal is to make the use of space more efficient and more convenient for clients who may also use other state services.

Representative Nelson commented in support of JSND working with the Department of Human Services to lease or sell the JSND building in Rolla.

Mr. Troy Seibel, Chief Deputy Attorney General, presented information ([Appendix E](#)) regarding leases of space, space needs, and the potential to lease or purchase space owned by JSND. He said the Attorney General's office leased space ranges in cost from \$6.56 per square foot at the JSND Minot location to \$17.70 per square foot at the Northbrook Mall in Bismarck.

Colonel Mike Gerhart, Superintendent, Highway Patrol, presented information ([Appendix G](#)) regarding leases of space, space needs, and the potential to lease or purchase space owned by JSND. He said the Highway Patrol's leased space ranges in cost from \$6.00 per square foot in Minot to \$14.97 per square foot in Bismarck.

In response to a question from Representative Streyle regarding the potential for the Highway Patrol to lease excess space in the Minot JSND building, Colonel Gerhart said the current lease rate and location in Minot are very beneficial. He said he is not sure sufficient available space remains in the Minot JSND building to relocate the 17 Highway Patrol employees stationed in Minot.

Representative Koppelman suggested the committee consider options to allow more flexibility in purchasing available property.

In response to a question from Representative Streyle regarding potential remodeling of State Capitol office space, Mr. Boyle said the OMB budget has previously included funding for remodeling of space, but specific funding for that purpose has not been provided for approximately 10 years.

### **STUDY OF THE STATE'S EMERGENCY MEDICAL SERVICE SYSTEM**

The Legislative Council staff presented a memorandum entitled [Recent Legislative Changes to Mill Levy Maximums](#). The memorandum provides information regarding recent legislative changes to mill levy maximums, including the effect of Senate Bill No. 2144, as approved by the 2015 Legislative Assembly. He said levy numbers 1802 and 1804 through 1808, relating to rural ambulance service districts, were either consolidated into levy numbers 1801 and 1803 or repealed due to minimal use.

Mr. Brad Gibbens, Deputy Director, University of North Dakota Center for Rural Health, presented information ([Appendix H](#)) regarding the state's emergency medical service (EMS) system, including services available in rural areas, funding available to support rural services, and potential effects of the changes to the rural EMS assistance grant. He said a rural EMS issue is workforce, since volunteers and funding for paid professionals are both limited. He said the rural EMS assistance grant program was changed to base awards on the number of runs the ambulance service makes; however, rural areas have low population and therefore a low volume of EMS runs. He added that a "hub and spoke" system involving advanced life support, basic life support, and quick response units has merit.

In response to a question from Representative Klemin regarding the types of EMS personnel other than paramedics, Mr. Tim Wiedrich, Section Chief, Emergency Preparedness Section, State Department of Health, said there are varying levels of EMS personnel depending on training, including paramedics, advanced emergency medical technicians (EMTs), EMTs, and emergency medical responders. He said he would provide the committee with additional information regarding the various levels of EMS personnel.

In response to a question from Senator Sorvaag regarding the effects of regionalization of ambulance services on response times, Mr. Gibbens said EMS is very complex and there isn't a simple solution.

Representative Streyle commented on the changes the State Department of Health made to the rural EMS assistance grant. He said the changes made by the department made it difficult for rural providers to operate. He said these providers are essential, but may not provide many services.

In response to a question from Representative Nelson, Mr. Gibbens said both private insurance companies and Medicare do not reimburse community paramedics for all of their services.

In response to a question from Senator Heckaman regarding quick response units, Mr. Wiedrich said a quick response unit is intended to respond directly to the scene when that provider receives the emergency call. He said each quick responder would have a defibrillator, radio, hemorrhage control supplies, and limited other equipment.

Mr. Mark Weber, Paramedic, Grenora Ambulance Service, presented testimony ([Appendix I](#)) regarding the committee's study of the state's EMS system. As the past president of the North Dakota EMS Association, he commented on changes made to the state's EMS system between 2007 and 2011. He said ambulance service districts were created and the rural EMS assistance grant was established during that time period. He said the changes made by the State Department of Health to the rural EMS assistance grant program in 2017 were contrary to the Legislative Assembly's intent when it created the rural EMS assistance grant program. He said the rural EMS assistance grant program was established to support the rural ambulance services with the fewest runs, not the most.

In response to a question from Representative Klemin, Mr. Weber said changes to the rural EMS assistance grant have largely resulted from a change in the State Department of Health's vision for the state's EMS system.

Representative Streyle expressed opposition to the changes made to the rural EMS assistance grant by the State Department of Health.

Mr. Jim Restemayer, President, North Dakota EMS Association, presented testimony ([Appendix J](#)) regarding the state's EMS system. He expressed support for the changes made to the rural EMS grant and the need to implement a statewide tiered emergency response system.

In response to a question from Chairman Louser, Mr. Restemayer said the North Dakota EMS Association has 24 board members.

Ms. Jeri Warrenburg, Director and Paramedic, Grenora Ambulance Service, presented testimony ([Appendix K](#)) regarding the state's EMS system. She expressed opposition to the changes made to the rural EMS assistance grant program. She said the Grenora Ambulance Service received a rural EMS assistance grant of \$12,071 in 2017, a significant decrease from the \$67,500 it received during the 2007-09 biennium. She said the Grenora Ambulance Service received limited funding in 2017 because the service had only 60 calls during 2016, compared to another funding area with 1,055 calls which was awarded \$376,458 in rural EMS assistance grants in 2017.

Representative Streyle expressed concern that rural EMS assistance grant funds are being awarded to ambulance services that should be self-sufficient.

Mr. Patrick Tracy, Emergency Medical Technician, Maddock Ambulance Service, presented testimony ([Appendix L](#)) regarding the state's EMS system. He expressed opposition to the changes made to the rural EMS assistance grant program.

Representative Streyle suggested the State Department of Health meet with rural EMS stakeholders to determine a better method of awarding rural EMS assistance grants.

Mr. Tracy said meetings with the State Department of Health have been occurring, but a meeting of all stakeholders could be beneficial.

Senator Heckaman expressed support for the establishment of a stakeholders group to make adjustments to the rural EMS assistance grant program for the 2018 award year.

Chairman Louser said the committee is tentatively scheduled to meet again on Thursday, June 28, 2018. He suggested the proposed rural EMS stakeholders group have proposals prepared by early June.

Representative Klemin suggested the State Department of Health be included on the agenda of the next meeting to respond to concerns regarding the changes made to the rural EMS assistance grant program.

Senator Heckaman commented regarding the changes made to the rural EMS assistance grant program by the State Department of Health in 2017. She said the State Department of Health held an EMS stakeholders meeting on February 15, 2018. She said there were about 20 attendees and the meeting was largely attended by people from urban areas of North Dakota. She said the stakeholders meeting did not result in any suggested changes to the rural EMS assistance grant program.

In response to a question from Representative Koppelman, Senator Heckaman said she is not suggesting the State Department of Health institute a formula for awarding rural EMS assistance grants. She added there should be a method to ensure minimum funding levels.

Representative Streyle said the state should consider the potential for a funding formula for EMS services.

Mr. Wiedrich commented on the plans of the State Department of Health for the rural EMS assistance grant program. He said the department is assessing feedback regarding the 2017 rural EMS assistance grant awards. He said the department will further review the grant program issues with stakeholders. He said the department's goal is to award the 2018 rural EMS assistance grants by July 1, 2018.

### **STUDY OF THE DUTIES AND ROLE OF THE NORTH DAKOTA FIREFIGHTER'S ASSOCIATION**

Ms. Stephanie Gullickson, Budget Analyst, Office of Management and Budget, presented information ([Appendix M](#)) regarding federal funding available for the North Dakota Firefighter's Association. She said the association received two federal grants in 2017, \$290,267 for equipment through the Assistance to Firefighters Grants and \$552,731 for recruitment and retention of volunteer firefighters through the Staffing for Adequate Fire and Emergency Response Grants.

In response to a question from Chairman Louser, Mr. Robert Knuth, Training Director, North Dakota Firefighter's Association, said advertising may be purchased using grant funding for recruitment and retention of volunteer firefighters.

Mr. Knuth commented on the association's firefighter training currently occurring in Minot. He said there is no requirement for training in North Dakota beyond what each individual fire chief requires of their firefighters.

### **STUDY OF STATUTORY AND REGULATORY REQUIREMENTS RELATING TO FEDERAL FUNDING**

Ms. Donnell Preskey Hushka presented information ([Appendix N](#)) regarding statutory and regulatory requirements relating to federal funding, including unfunded mandates. She said North Dakota counties received approximately \$68 million in federal funds in 2014. She said federal funding includes federal road funding, corrections-related funding, and social services funding. As an example of fiscal strains placed on counties due to federal funding requirements, she said, for two federal road projects in Bowman County, the engineering fees were 50 percent higher than they were for nonfederal projects.

In response to a question from Representative Streyle regarding health care costs of inmates, Ms. Preskey Hushka said the National Association of Counties is seeking changes that will allow Medicaid reimbursement for inmate health care costs.

In response to a question from Representative Nelson, Ms. Preskey Hushka said she would provide additional information regarding the entity that is responsible for providing funding for services when a city establishes a new subdivision in a county.

Mr. Jamie Mertz, Director of Fiscal Management, Department of Public Instruction, presented information ([Appendix O](#)) regarding analyses of federal funds completed by the Department of Public Instruction pursuant to Section 54-27-27.2. He said the department has had three federal grants subject to Section 54-27-27.2. He said the grants include a \$500,000 nutrition grant, a \$28.8 million striving readers grant, and a \$1 million preschool development grant. He said the department has developed a formal process for completing the analysis of federal funding.

Mr. Doug Goehring, Commissioner, Department of Agriculture, presented information ([Appendix P](#)) regarding the necessity of federal funds and analyses of federal funds completed by the Department of Agriculture pursuant to Section 54-27-27.2. He included in his presentation a "grant request and approval process checklist" document used by the department in its analysis of federal grant requests.

In response to a question from Senator Burckhard, Mr. Goehring said special funds include environment and rangeland protection funds used for noxious weed control, crop harmonization, dairy program, and other expenses. He said the environment and rangeland protection funding is generally a consistent, reliable funding source and is generated primarily from registration fees.

In response to a question from Senator Heckaman, Mr. Goehring said the Department of Agriculture has requested approval for increased spending authority from the Emergency Commission and the Budget Section in the past.

In response to a question from Chairman Louser, Mr. Goehring said the Department of Agriculture administers over 115 programs. He said approximately 40 percent of those programs are supported to some extent with federal funding. He said the department may have a request for the 2019 Legislative Assembly relating to the federal Food Safety Modernization Act, which will require onsite farm inspections. He said the Act was approved by Congress in 2010 and is expected to be implemented soon.

Ms. Carla Hahn, Accountability Manager, Department of Commerce, presented information ([Appendix Q](#)) regarding analyses of federal funds completed by the Department of Commerce pursuant to Section 54-27-27.2 and the cause of differences in the amount awarded and the amount funded identified for certain grants on the department's transparency website. She said the department's federally funded programs under the Division of Workforce Development and Division of Community Services were analyzed to ensure they were not in conflict with legislative intent as part of the department's internal accountability monitoring. She said the amount awarded identified on the department's transparency website may differ from the amount paid because the amount paid represents the actual reimbursed project costs.

In response to a question from Senator Heckaman, Ms. Bonnie Malo, Director, Division of Community Services, Department of Commerce, said there are incremental reimbursements for large projects under the community development block grant program.

Mr. Joshua C. Gallion, State Auditor, commented regarding the potential to improve clarity and understanding of state government services. He said actions by other states to improve clarity and understanding include "sunrise" and "sunset" audits or program reviews. He suggested conducting cost-benefit analyses of new programs to ensure efficiency and lack of duplication.

In response to a question from Representative Streyle regarding audits of statutory boards in North Dakota, Mr. Gallion said the State Auditor's office does not currently audit state boards.

In response to a question from Senator Heckaman, Mr. Gallion said the proposed expansion of duties to include program reviews would require an increase in State Auditor's office staffing, including the addition of personnel who are not traditional auditors.

Representative Nelson expressed support for an analysis or review of state tax credits.

In response to a question from Chairman Louser, Mr. Gallion said multiple audits are continuously being conducted by the State Auditor's office, but each audit applies to a single agency. He said he would be interested in conducting reviews of certain topical areas that extend across multiple agencies.

In response to a question from Chairman Louser, Mr. Gallion said a review program could be modeled to similar programs in Arizona, Nevada, Texas, and Colorado.

Representative Streyle expressed support of an independent review process under the State Auditor's office.

Chairman Louser said the committee's next meeting is tentatively scheduled for Thursday, June 28, 2018.

In response to a question from Chairman Louser, the Legislative Council staff said the Governor's office will report on its study of the operations of the Department of Financial Institutions and the Securities Department and OMB will report on federal funds received by each state agency at the next committee meeting.

No further business appearing, Chairman Louser adjourned the meeting at 3:40 p.m.

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Alex J. Cronquist  
Fiscal Analyst

ATTACH:17