



GOVERNMENT FINANCE COMMITTEE

Tuesday, September 1, 2020
 Roughrider Room, State Capitol
 Bismarck, North Dakota

Senator Ronald Sorvaag, Chairman, called the meeting to order at 10:00 a.m.

Members present: Senators Ronald Sorvaag, Howard C. Anderson, Jr., Randy Burckhard, Dwight Cook, Jordan Kannianen, Diane Larson, Erin Oban, Jessica Unruh-Bell; Representatives Bert Anderson, Larry Bellew, Sebastian Ertelt, Jay Fisher, Michael Howe, Corey Mock, Gary Paur, Mike Schatz, Michelle Strinden

Member absent: Representative Jeff Delzer

Others present: See [Appendix A](#)

It was moved by Senator Larson, seconded by Representative Schatz, and carried on a voice vote that the minutes of the June 23, 2020, meeting be approved as distributed.

STATE BUDGET INFORMATION

Mr. Joe Morrissette, Director, Office of Management and Budget, presented information ([Appendix B](#)) regarding the status of the general fund and other state budget information. He presented the following information on the status of the 2019-21 biennium general fund budget to date through July 31, 2020:

Unobligated general fund balance - July 1, 2019		\$65,000,000
Add		
Total general fund revenue collected through July 31, 2020		3,154,504,653
Remaining forecasted revenues		1,772,773,763
Balance obligated for authorized carryover from the 2017-19 biennium		130,404,813
Total estimated available		\$5,122,683,229
Less		
2019-21 biennium general fund ongoing appropriations	(\$4,794,924,098)	
2019-21 biennium general fund one-time appropriations	(48,639,068)	
Authorized carryover from previous biennium	(130,404,813)	
2019-21 authority used in 2017-19 pursuant to emergency clause	106,000	
Total appropriations and adjustments		(4,973,861,979)
Estimated ending balance - June 30, 2021		\$148,821,250

Mr. Morrissette said actual general fund revenues, in total, were \$104.3 million, or 3.4 percent more than estimated. He said the estimated 2019-21 biennium ending balance as of July 2020 is \$148.8 million, which is \$104.4 million more than estimated. He said through May 31, 2020, the budget stabilization fund balance is \$717.2 million, which is \$8.8 million less than the maximum authorized balance of \$726 million due to investment losses.

In response to a question from Senator Burckhard, Mr. Morrissette said oil tax revenue deposits in the legacy fund prior to July 2020 had been \$57 million and for the month of July 2020 they were approximately \$9 million.

In response to a question from Chairman Sorvaag, Mr. Morrissette said before the impact of Coronavirus (COVID-19) on general fund revenues, actual collections were 9 percent more than projections. Through July 2020, he said, actual collections remain 2 percent or \$28 million more than projections. He said auto dealers are indicating auto sales are down 10 to 14 percent statewide.

In response to a question from Senator Cook, Mr. Morrisette said the 233.7 percent positive variance in gaming tax collections is primarily due to electronic pull tab sales exceeding estimates.

LEWIS AND CLARK INTERPRETIVE CENTER STUDY

At the request of Chairman Sorvaag, Ms. Andrea Travnicek, Director, Parks and Recreation Department, introduced Mr. Kevin Kirkey, Manager, Lewis and Clark Interpretive Center and Fort Mandan, Parks and Recreation Department, who presented ([Appendix C](#)) the department's recommendation regarding Lewis and Clark Interpretive Center fees and alternatives to address the sustainability of the Parks and Recreation Department's operations of the Lewis and Clark Interpretive Center. He said 75 percent of the visitors to the interpretive center are from outside North Dakota.

In response to a question from Chairman Sorvaag, Mr. Kirkey said the museum store and areas surrounding the interpretive center are free to the public.

Ms. Travnicek said the interpretive center has 3.75 full-time employees and 7 seasonal staff. She said fiscal year 2020 expenses totaled \$746,518 and revenues totaled \$241,329. She said the interpretive center fees are comparable to the Lewis and Clark Interpretive Center in Great Falls Montana and other similar sites in North Dakota. She said the Parks and Recreation Department recommends continuing operating under its current business model along with the creation of an interpretive annual family pass.

In response to a question from Senator Larson, Ms. Travnicek said the total revenue includes income from the Department of Transportation for the operation of the rest area.

In response to a question from Representative Mock, Ms. Travnicek said she is not aware of any past discussion regarding free admission for North Dakota residents upon presentation of a valid North Dakota driver's license.

Representative Mock said he has seen other state interpretive centers have a fee for out-of-state visitors, but free admission upon an individual presenting a valid driver's license from the state.

Senator Anderson said he supports an annual interpretive pass that would cost \$35 for individual passes and \$75 for family passes.

Senator Larson said she supports the Parks and Recreation Department's recommendation to continue operating under the current business model and to create an interpretive annual family pass.

In response to a question from Senator Unruh-Bell, Ms. Travnicek said the majority of state parks do not generate a profit.

Senator Cook said the purpose of state parks is to provide a service to the citizens of North Dakota. He said he supports the Parks and Recreation Department recommendations and suggested providing free access to children.

Chairman Sorvaag said, based on committee member comments, it appears the committee supports the Parks and Recreation Department recommendations.

PUBLIC ACCESS AND USE OF REAL PROPERTY STUDY

Chairman Sorvaag reviewed concurrent resolution draft [\[21.3004.02000\]](#) recognizing the memorandum of understanding and option to acquire land entered by the Department of Corrections and Rehabilitation, by and through the State Penitentiary and the Missouri River Correctional Center, and the Parks and Recreation Department.

Senator Larson said the property is state owned and there is demand for public river front access in the Bismarck area; however, there is discomfort with a state park being in proximity to the Missouri River Correctional Center.

It was moved by Senator Oban, seconded by Senator Larson, and carried on a roll call vote that the concurrent resolution draft [\[21.3004.02000\]](#) relating to the memorandum of understanding and option to acquire land entered by the Department of Corrections and Rehabilitation, by and through the State Penitentiary and the Missouri River Correctional Center, and the Parks and Recreation Department be approved and recommended to the Legislative Management. Senators Sorvaag, Anderson Jr., Burckhard, Cook, Kannianen, Larson, Oban, and Unruh-Bell and Representatives Anderson, Howe, Mock, Paur, Schatz, and Strinden voted "aye." Representatives Bellew, Ertelt, and Fisher voted "nay."

STATE AGENCY FEES STUDY

At the request of Chairman Sorvaag, Mr. Chris Kadrmass, Fiscal Analyst, Legislative Council, presented a revised bill draft [21.0113.02000] to create a new section to North Dakota Century Code Chapter 54-35, relating to Legislative Management studies of state agency fees. He said the change from the draft considered by the committee at its last meeting requires both the agency and the committee be involved in the fee study to provide a recommendation.

It was moved by Senator Cook, seconded by Representative Ertelt, and carried on a roll call vote that the bill draft [21.0113.02000] relating to the study of state agency fees, be approved and recommended to the Legislative Management. Senators Sorvaag, Anderson Jr., Burckhard, Cook, Kannianen, Larson, Oban, and Unruh-Bell and Representatives Anderson, Bellew, Ertelt, Fisher, Howe, Mock, Paur, Schatz, and Strinden voted "aye." No negative votes were cast.

It was moved by Senator Cook, seconded by Senator Burckhard, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee and to present the report and recommended bill drafts to the Legislative Management.

It was moved by Representative Schatz, seconded by Senator Larson, and carried on a voice vote that the committee be adjourned sine die.

No further business appearing, Chairman Sorvaag adjourned the meeting sine die at 11:29 a.m.

Chris Kadrmass
Fiscal Analyst

ATTACH:3