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## INTERIM HOUSE APPROPRIATIONS COMMITTEE

Tuesday and Wednesday, October 12-13, 2021  
Brynhild Haugland Room, State Capitol  
Bismarck, North Dakota

Representative Jeff Delzer, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Representatives Jeff Delzer, Bert Anderson, Larry Bellew, Tracy Boe, Mike Brandenburg, Michael Howe, Keith Kempenich, Gary Kreidt, Bob Martinson, Lisa Meier, Alisa Mitskog, Corey Mock, David Monson, Mike Nathe, Jon O. Nelson, Mark Sanford, Mike Schatz, Jim Schmidt, Randy A. Schobinger, Michelle Strinden, Don Vigesaa

**Members absent:** None

**Others present:** Representatives Chet Pollert, Carrington, and Joshua A. Boschee, Fargo, and Senators Ray Holmberg, Grand Forks, and Rich Wardner, Dickinson, members of the Legislative Management

Representatives Sebastian Ertelt\*, Lisbon; Paul J. Thomas\*, Velva; Brandy Pyle\*, Casselton; Vicky Steiner, Dickinson; Todd Porter, Mandan; and Jared C. Hagert, Emerado

Senators Curt Kreun, Grand Forks; Ronald Sorvaag, Fargo; Terry M. Wanzek, Jamestown; Brad Bekkedahl, Williston; Karen K. Krebsbach, Minot; and Tim Mathern, Fargo

Allen H. Knudson, Legislative Council, Bismarck

See [Appendix A](#) for additional persons present.

\*Attended remotely

Mr. Allen H. Knudson, Legislative Budget Analyst and Auditor, Legislative Council, presented a background memorandum entitled [Interim House Appropriations Committee - Background Memorandum](#). He noted:

- The committee has been assigned the following duties:

Review proposals to use funding from the federal State Fiscal Recovery Fund established through the federal American Rescue Plan Act of 2021 and develop recommendations for the use of funds.

Review legislative appropriations from the federal Coronavirus Capital Projects Fund and recommend any necessary changes to existing appropriations from the fund and develop recommendations regarding the use of any remaining available funding.

Consider any other budget adjustments requiring legislation necessary before the 2023 regular legislative session.

- The committee is to reconcile any differences in recommendations with the Interim House Appropriations Committee and work with the Legislative Council staff to prepare a bill draft implementing the recommendations for submission to the Legislative Management meeting on November 1, 2021.

- Legislative leadership established guidelines for the interim appropriations committees as they consider budget proposals. The guidelines are as follows:

The proposal must be for a one-time purpose.

Only proposals that must receive funding authorization before the 2023 regular legislative session should be considered. All other proposals should be considered during the 2023 regular legislative session.

Proposals should not appropriate funding from the general fund or the strategic investment and improvements fund.

All proposals received will be considered and the interim appropriations committees are to build their recommendations from a starting point of zero.

Funding available from the State Fiscal Recovery Fund totals \$1,007,502,515. Funding available from the Coronavirus Capital Projects Fund totals \$113,276,228.

**ADJUSTMENT OF FEDERAL FUNDING SOURCES OF SELECTED PROJECTS**

Mr. Knudson presented a bill draft [21.1104.01000] regarding adjusting the funding source of selected projects that received federal funding during the 2021 regular legislative session. He noted the bill draft amends various chapters of the 2021 Session Laws as follows:

- Adjusts the funding source for various projects approved by the 2021 Legislative Assembly from the Coronavirus Capital Projects Fund to the State Fiscal Recovery Fund;
- Removes the prioritization of projects section and the requirement for the Office of Management and Budget to certify the use is within legal requirements; and
- Identifies \$317 million appropriated in House Bill No. 1395 (2021) as from the State Fiscal Recovery Fund, of which at least \$200 million is for state road and bridge projects, up to \$100 million is for county bridge projects, and \$17 million is for townships.

**PROPOSALS TO USE FUNDS FOR INFRASTRUCTURE PROJECTS AND OTHER PURPOSES**

The following proposals were presented regarding using federal funding from the American Rescue Plan Act for infrastructure projects and other purposes. The link for all proposals can be found [here](#).

Item Number	Presenter	Subject Summary
1	Representative Ertelt	Provide \$200 million to the highway tax distribution fund ( <a href="#">Appendix B</a> )
2, 3	Terra Miller Bowley, Deputy Director of Administration, Department of Transportation	Highway, road, and bridge repairs and construction appropriated in House Bill No. 1395 (\$317 million) and \$15 million for road and bridge repairs in Medora ( <a href="#">Appendix C</a> )
4	Senator Kreun	Provide \$100 million for pipeline infrastructure to transport natural gas from western to eastern North Dakota
5	Representative Nelson	Provide \$10 million to provide communities north and south of Highway 2 access to an existing natural gas pipeline
6	Representative Boschee	Provide \$400 million for fiber optics, natural gas pipelines, water projects, roads and bridges, and green energy projects ( <a href="#">Appendix D</a> )
7	Justin Kringstad, Geological Engineer Director, North Dakota Pipeline Authority	Request \$100 million for a natural gas infrastructure matching grant program to capture and transport excess gas from the western to the eastern area of the state ( <a href="#">Appendix E</a> )
8, 9	Katie Haarsager, Public Information Officer, Industrial Commission	Request \$6.4 million for an abandoned oil well conversion to water supply grant program to convert 20 to 30 abandoned wells to livestock freshwater supply wells for permanent drought resiliency and \$1 million for critical infrastructure corridor and route modeling to determine optimal corridors and routes for carbon capture, utilization, and storage infrastructure ( <a href="#">Appendix F</a> )
10	Al Anderson, Director, Clean Sustainable Energy Authority	Request \$25 million for clean sustainable energy matching grant program to support the development of low-emission energy production technologies in the state ( <a href="#">Appendix G</a> )
11	Ted Preister, Executive Director, Red River Basin Commission	Provide \$14.3 million to manage and research water drainage near Argusville ( <a href="#">Appendix H</a> )
12	Representative Schmidt	Provide \$25 million for Minot flood control and \$25 million for the Red River Valley Water Supply Project ( <a href="#">Appendix I</a> )
13	Senator Sorvaag	Provide \$25 million for water infrastructure
15	Andrea Travnicek, Director, Department of Water Resources	Request \$50 million to support strategic water infrastructure projects including major water distribution systems ( <a href="#">Appendix J</a> )

**Comments By Interested Persons**

Item Number	Presenter	Subject Summary
2, 16	Terry Traynor, Director, North Dakota Association of Counties	Expressed support of the \$100 million for bridge projects, other transportation proposals, but suggested the Legislative Assembly expand the allowable uses of funding and potentially reduce matching requirements ( <a href="#">Appendix K</a> )
12, 13, 15	Merri Mooridian, Administrative Officer and Deputy Program Manager, Garrison Diversion Conservancy District	Expressed support for funding for the Red River Valley Water Supply Project
12	Shaun Sipma, Mayor, City of Minot	Expressed support for funding for Minot flood control ( <a href="#">Appendix I</a> )
15	Dani Hanson, Executive Vice President, North Dakota Irrigation Association	Expressed support for funding for irrigation ( <a href="#">Appendix L</a> )

See the following link for infrastructure projects testimony submitted but not presented ([Appendix YY](#)).

**PROPOSALS TO USE FUNDS FOR AID TO POLITICAL SUBDIVISIONS AND OTHER PURPOSES**

The following proposals were submitted regarding using federal funding from the American Rescue Plan Act for aid to political subdivisions and other purposes. The link for all proposals can be found [here](#).

Item Number	Presenter	Subject Summary
16	Representative Ertelt	Provide \$200 million for township road and bridge projects ( <a href="#">Appendix M</a> )
17, 18	Senator Wanzek	Provide \$30 million for township road and bridge projects and provide \$50 million for township and county road crossing and drainage improvements
19	Representative Thomas	Provide \$780 million for city, county, and township road and bridge projects ( <a href="#">Appendix N</a> )
20	Senator Bekkedahl	Provide \$38 million for the replacement of the US Highway 2 and 26 <sup>th</sup> Street intersection in Williston ( <a href="#">Appendix O</a> )
22	Senator Holmberg	Provide \$45 million for an underpass at the intersection of Demers Avenue and 42 <sup>nd</sup> Street in Grand Forks ( <a href="#">Appendix P</a> )
23, 24	Terra Miller Bowley, Deputy Director of Administration, Department of Transportation	Request \$13 million for emergency road repairs and \$10 million to match state funds for normal township road repairs and improvements ( <a href="#">Appendix Q</a> )
25, 26	Dave Glatt, Director, Department of Environmental Quality	Request \$25 million for lead service line replacement project and \$30 million for sewer and nonpoint source project funding ( <a href="#">Appendix R</a> )
27	Tim Wiedrich, Health Resources and Response Section Chief, State Department of Health	Request \$1 million for a high-risk infection disease ambulance project ( <a href="#">Appendix S</a> )
28	Dave Krabbenhoft, Director, Department of Corrections and Rehabilitation	Request \$4.8 million for stipends to county jails for costs to house inmates sentenced to the department but deferred admission due to the pandemic ( <a href="#">Appendix T</a> )
31	Representative Martinson	Provide \$6 million for local park districts to renovate and upgrade existing outdoor facilities
30	Senator Bekkedahl and Cole Higlin, Public Policy Chair, North Dakota Recreation and Park Association	Provide \$10 million for grants to local park districts to replace revenue lost due to the COVID-19 emergency ( <a href="#">Appendix U</a> )
33, 44	Representative Schmidt	Provide \$6.4 million to Selfridge, including \$2.6 million for water system upgrades, \$2.3 million for street upgrades, and \$1.5 million for related administrative costs and provide \$17.6 million to the Standing Rock Sioux Reservation for water infrastructure ( <a href="#">Appendix V</a> )
34	Senator Krebsbach and Shaun Sipma	Provide \$66.4 million to Minot for bridge and water projects ( <a href="#">Appendix I</a> )
35	Representative Nathe	Fill the remaining Operation Prairie Dog buckets, including \$115 million for counties and townships, \$85 million for cities, and \$20 million for airports

Item Number	Presenter	Subject Summary
36	Representative Thomas	Fill the remaining Operation Prairie Dog buckets, including \$115 million for counties and townships, \$85 million for cities, and \$20 million for airports ( <a href="#">Appendix W</a> )
37, 43	Michelle Klose, Director of Utility Operations, City of Bismarck	Provide \$50 million to Bismarck for a wastewater treatment plant, lift station, and interceptor ( <a href="#">Appendix X</a> )
38	Senator Wanzek	Provide \$39.9 million to Jamestown for water and sewer projects ( <a href="#">Appendix Y</a> )
39, 40, 41	Representative Pyle	Provide \$25 million, including \$10 million for cities with less than 2,500 population and \$15 million for cities with 2,500 or more population, for special assessment debt relief; provide \$25 million, including \$10 million for counties with less than 50,000 population and \$15 million for counties with 50,000 or more population, for water and road projects; and provide funding for other political subdivisions to complete maintenance projects ( <a href="#">Appendix Z</a> )
42	Representative Steiner and Brian Winningham, City Administrator, City of Dickinson	Provide \$221 million to Dickinson, including \$35 million for a Patterson Lake project, \$1 million for fire and ambulance services, \$44 million for downtown utility upgrades, \$110 million for Medora sewer connection, \$3 million for library expansion, \$15 million for a public safety training center, \$5 million for water line replacement, and \$8 million for a recycling center
45	Senator Bekkedahl	Provide \$17 million to Williston for wastewater treatment facility projects, including \$9 million for old lagoon reclamation and \$8 million for a protective levee around the current facility ( <a href="#">Appendix O</a> )
46	Representative Howe	Provide \$4.16 million to Horace for wastewater treatment infrastructure ( <a href="#">Appendix AA</a> )
47	Representative Nelson	Provide \$3 million for a wastewater project at Lake Upsilon in Rolette County
48	Representative Schmidt	Provide \$20 million for the Lower Heart River Water Resource District

**Comments By Interested Persons**

Item Number	Presenter	Subject Summary
46	Kory Peterson, Mayor, City of Horace	Expressed support for \$4.16 million to Horace for wastewater treatment infrastructure ( <a href="#">Appendix BB</a> )
18	Levi Otis, Ellingson Companies	Indicated the state does not have a significant ditch drainage infrastructure and could use funding to provide generational benefit
17, 18, 18B	Sam Benson, North Dakota Corn Growers Association	Expressed support for township road and bridge infrastructure ( <a href="#">Appendix CC</a> )

See the following link for aid to political subdivisions testimony submitted but not presented ([Appendix ZZ](#)).

**PROPOSALS TO USE FUNDS FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES**

The following proposals were presented regarding using federal funding from the American Rescue Plan Act for capital improvements and other purposes. The link for all proposals can be found [here](#).

Item Number	Presenter	Subject Summary
49	Senator Mathern	Provide \$25 million for a new women's prison ( <a href="#">Appendix D</a> )
50	Representative Porter	Provide \$15 million to renovate the Highway Patrol training academy or \$30 million to build a new academy
51	Chris Augustin, Director, Dickinson Research Extension Center	Provide \$2.2 million for a new seed cleaning plant and shop building at the Dickinson Research Extension Center (REC) ( <a href="#">Appendix DD</a> )
52	Senator Wardner and Greg Lardy, Vice President for Agricultural Affairs, North Dakota State University	Provide \$78.3 million for capital projects, including \$70 million to replace Waldron Hall, \$2.45 million to construct 7 equipment storage sheds, \$446,000 for projects at the Carrington REC, \$1,963,000 for projects at the Central Grasslands REC, and \$3.42 million for projects at the Hettinger REC ( <a href="#">Appendix EE</a> )

Item Number	Presenter	Subject Summary
53	Rocky Bateman, Board Member, Morton County Soil Conservation District	Request funding of \$2.7 million to purchase land for Area 4 Soil Conservation Research Farm ( <a href="#">Appendix FF</a> )
55	Senator Bekkedahl	Provide \$1.3 million for \$100,000 of deferred maintenance or small capital projects at each of the 13 state parks
56	Christie Massen, Chief Laboratory Officer, Division of Microbiology, and Brenda Weisz, Chief Financial Officer, State Department of Health	Request \$30 million for the renovation of the public health laboratory ( <a href="#">Appendix GG</a> )
57, 58, 59	Dave Krabbenhoft, Director, Department of Corrections and Rehabilitation	Request \$8,045,389 for deferred maintenance and facility upgrades; \$2,995,200 for a free through recovery program capacity increase, wait time reduction, recidivism reduction, and improve outcomes; and \$10,747,472 for information technology improvements and upgrades ( <a href="#">Appendix HH</a> )
60, 61	Cody Schulz, Director, Parks and Recreation Department	Request \$16,849,000 in additional funding for deferred maintenance and essential infrastructure and \$5 million for road work to repair and improve access roadways across the park system ( <a href="#">Appendix II</a> )
62, 64	Joe Morrissette, Director, Office of Management and Budget	Request \$18.7 million for critical maintenance projects and \$7 million heating, ventilation, and air conditioning improvements to the legislative chambers and the Brynhild Haugland room ( <a href="#">Appendix JJ</a> )
63	Stacey Breuer, Chief People Officer, Office of Management and Budget	Request \$500,000 for the human resources transformation initiative ( <a href="#">Appendix KK</a> )
65	Bill Peterson, Director, State Historical Society	Request \$950,000 for essential infrastructure at historic sites ( <a href="#">Appendix LL</a> )
66	Kent Anderson, Chief Financial Office, Dickinson State University	Provide \$8.4 million for various equipment, software, personnel, and projects at Dickinson State University ( <a href="#">Appendix MM</a> )
68	Representative Hagert	Provide \$32.4 million for various equipment, software, personnel, and projects at Mayville State University, including \$30 million to renovate Old Main ( <a href="#">Appendix NN</a> )
69	Senator Krebsbach	Provide \$5 million to Minot State University, including \$1.74 million for nursing program renovation and equipment, \$806,000 for academic program modernization, \$1.5 million for emergency generators, \$600,000 for deferred maintenance and COVID-19 remediation projects, and \$350,000 for a mobile medical unit ( <a href="#">Appendix OO</a> )
70	Representative Mitskog and John Richman, President, North Dakota State College of Science	Provide \$22.4 million for capital projects, equipment, and other priorities at the North Dakota State College of Science, including \$5 million for the career innovation center, \$4.3 million for instructional equipment, \$2 million for heating and cooling, and \$8.2 million for Hektner Student Center improvements ( <a href="#">Appendix PP</a> )
71	Senator Sorvaag and Greg Lardy, Vice President for Agricultural Affairs, North Dakota State University	Provide \$89.8 million for capital projects and other programs at North Dakota State University, including \$70 million for an agronomic, pathology, and soils field lab facility, \$2.2 million for high performance computing, \$2.5 million for student scholarships, \$11 million for a campus boiler system, \$3.65 million for a feed mill, and \$420,000 for a transportation data intelligence center ( <a href="#">Appendix QQ</a> )
73	Representative Sanford	Provide \$125 million for higher education capital projects, including \$25 million for Hartnett Hall at Minot State University, \$50 million for Merrifield Hall at the University of North Dakota, and \$50 million for a polytechnic building at Bismarck State College ( <a href="#">Appendix RR</a> )
74	Representative Nelson	Provide \$2.1 million to the University of North Dakota School of Medicine and Health Sciences for equipment and personnel to use hyperbaric oxygen therapy ( <a href="#">Appendix SS</a> )
75, 76	Representative Nathe	Provide \$10.5 million to establish a Center for Space Education and Research at the University of North Dakota ( <a href="#">Appendix TT</a> )
78	Senator Bekkedahl	Provide \$1,480,810, including \$807,500 for employee retention incentive pay and \$673,810 for equipment and capital projects at Williston State College ( <a href="#">Appendix UU</a> )

Item Number	Presenter	Subject Summary
79	Representative Sanford and Representative Mock	Provide \$1,675,000 for the North Dakota University System, including \$475,000 for the Dakota Digital Academy, and \$1 million for cybersecurity ( <a href="#">Appendix VV</a> )
81, 82	David Krebsbach, Interim Vice Chancellor for Administrative Affairs, North Dakota University System	Request \$1 million for University System CTS cybersecurity for all universities and \$1,797,268 for workforce initiatives ( <a href="#">Appendix WW</a> )

**Comments By Interested Persons**

Dr. Jerry Migler, Dean, Dakota College at Bottineau, asked the committee to consider providing \$2.9 million for infrastructure for three residence halls at the Dakota College at Bottineau ([Appendix XX](#)).

See the following link for capital improvements testimony submitted but not presented ([Appendix AAA](#)).

No further business appearing, Chairman Delzer adjourned the meeting at 11:56 a.m.

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Sheila M. Sandness  
Senior Fiscal Analyst

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Adam Mathiak  
Senior Fiscal Analyst

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Chris J. Kadrmas  
Senior Fiscal Analyst

ATTACH:53