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Testimony in Support of
Senate Bill No. 2025
Senate Appropriations
January 13, 2023

TESTIMONY OF
Joe Morrissette, Director, Office of Management and Budget

Good morning, Chairman Bekkedahl and members of the Senate Appropriations committee. I am Joe Morrissette, the Director of the Office of Management and Budget (OMB) and I am here to ask your support for the deficiency appropriation bill, SB 2025.

The information contained in this bill matches the deficiency appropriation requests known to OMB at the time the executive budget was finalized. Since that time, additional information has become available, and I will be asking you to consider an amendment to the bill as drafted.

I will provide a brief overview of each request. Representatives from each agency are here to provide additional detail or answer specific questions.

Office of Management and Budget

The appropriation in subdivision 1 is to pay the court-ordered judgement in the case of Hendrix, et al. v. Jaeger, relating to an initiated measure for term limits. The judgement of $765 was entered on Sept. 19, 2022.

I ask that you to amend this amount to $277,771, an increase of $277,006. This increase is to pay the court-ordered judgement, plus accrued interest, in the case of Northwest Landowners Association v. State of North Dakota, relating to pore space rights. The judgement of $265,767.32 was entered on October 7, 2022. With interest accrued through the end of May 2023, the amount required to pay the total judgement plus accrued interest is estimated to be $277,006.

Attorney General

The appropriation of $75,000 in subdivision 2 is to cover costs to reimbursement to counties for prosecution witness fees. The original appropriation for this purpose is $95,000 and $111,257 has been spent through Dec. 31.

Ethics Commission

The appropriation of $97,000 in subdivision 3 is to cover the following estimated costs:

- $72,000 for the services of a special assistant attorney general (SAAG).
- $25,000 for estimated office relocation and renovation costs.

University of North Dakota
The appropriation of $430,101 in subdivision 4 is to reimburse the University of North Dakota for unrecovered payments made to a fraudulent bank account, which resulted in the invoice being paid twice and shortfall of that amount for the university's 2021-23 budget.

Dakota College at Bottineau
The appropriation of $99,768 in subdivision 5 is to reimburse Dakota College at Bottineau for expenses incurred for the College Ready English and Math program. This reimbursement was intended to come from the Department of Public Instruction (DPI) during the 2021-23 biennium. However, the claim for reimbursement was made after July 1, 2021, at which time the DPI appropriation was no longer available.

Department of Health and Human Services (DHHS)
The appropriation of $310 million in subdivision 6 is to cover the additional 6.2% in Federal Medical Assistance Percentage (FMAP) reimbursement during the public health emergency (PHE). A requirement of receiving the additional 6.2% is to maintain current enrollment in the program and not remove anyone from the Medicaid roles despite eligibility changes. The additional 6.2% FMAP results in an overall general fund savings. However, Section 7 of 2021 HB 1012 prohibits the DHHS from spending the general fund savings during this biennium. Offsetting the requested general fund appropriation of $25 million in this bill is expected general fund turnback of $120 million.

Adjutant General
The appropriation of $14.6 million in subdivision 7 is to cover the cost of loans from the Bank of North Dakota for the state response to the Dakota Access Pipeline (DAPL) protest in the amount of $13,362,262, and various other disaster costs in the amount of $904,203. Representatives of the Office of the Adjutant General and the Department of Emergency Services are here to ask for an amendment to these amounts: $14,342,620 for DAPL loan repayment and $4,695,890 for disaster response costs.

Agriculture Commission
The appropriation of $1.7 million in subdivision 8 is to repay a loan at the Bank of North Dakota for the Emergency Feed Transportation Assistance Program.

Mr. Chairman and committee members, this concludes my testimony. I ask your support for SB 2025. I would be happy to answer any questions.