



BUDGET SECTION - HUMAN RESOURCES DIVISION

Wednesday, December 10, 2025
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Dick Dever, Chairman, called the meeting to order at 1:03 p.m.

Members present: Senators Dick Dever, Sean Cleary, Kyle Davison*, Jeffery J. Magrum, Tim Mathern*; Representatives Bert Anderson, Mike Berg, Alisa Mitskog*, Eric J. Murphy*, Jon O. Nelson, Matthew Ruby*, Gregory Stemen, Scott Wagner

Others present: Laura Anderson, Donna Aukland, Tina Bey, Krista Fremming, Michele Gee, Alanna Zeller, Department of Health and Human Services; Lindsey Ashley, Office of Management and Budget; Dane Grebel, Hope L. Hogan, Office of Administrative Hearings; David Jones, CHI Health Williston; Raumi Kudrna, St. Alexius Health CommonSpirit; Lonnie Wangen, Department of Veterans' Affairs

Grant Gader, Legislative Council, Bismarck

**Attended Remotely*

It was moved by Representative Nelson, seconded by Senator Magrum, and carried on a voice vote that the minutes of the September 24, 2025, meeting be approved as distributed.

BUDGET REVIEW - SELECTED AGENCIES

Mr. Lonnie Wangen, Commissioner, Department of Veterans' Affairs, presented information ([Appendix A](#)) regarding highlights of the department's 2025-27 budget and the department's transfer from its new and vacant FTE pool.

Mr. Grant Gader, Fiscal Analyst, Legislative Council, confirmed the transfer from the vacant FTE pool was for the budgeted new position that was hired on July 1, 2025.

In response to questions from committee members, Mr. Wangen noted some of the federal Veterans Affairs budget reductions affected the Fargo Veterans Affairs Medical Center during the first round with early retirements.

Mr. Dane Grebel, North Dakota Veterans' Home, presented information ([Appendix B](#)) regarding highlights of the Veterans' Home 2025-27 budget. He noted most funding in the Veterans' Home budget is for salaries and wages, and effective with the new biennium, the nurse equity wage adjustment provided a \$2.00 per hour increase.

In response to questions from committee members, Mr. Grebel noted:

- There are 52 residents in the skilled nursing unit of the Veterans' Home, which is its maximum capacity, with 4 to 6 individuals on a waiting list.
- There are 62 individuals in the basic care unit that has a maximum capacity of 98 individuals.
- The Veterans' Home uses numerous travel nurses.
- Other possible uses could be made of vacant space at the Veterans' Home.

Ms. Hope L. Hogan, Director, Office of Administrative Hearings, presented information ([Appendix C](#)) on the status of the Office of Administrative Hearings and reviewed the caseload and hearing requests and changes to billable rates and hours. She noted there were no changes or major initiatives for the 2025-27 biennium.

In response to questions from committee members, Ms. Hogan discussed:

- The use of contract administrative law judges for Workforce Safety and Insurance cases.
- With more cases being settled by Workforce Safety and Insurance, there has been a decrease in the number of billable cases.
- The billing of cases to the individual agencies and the ability of agencies to accept, reject, or modify a recommended decision.

Ms. Donna Aukland, Chief Financial Officer, Department of Health and Human Services, reported there were no line item transfers, provided information on the salaries and wages block grant ([Appendix D](#)), and discussed the child care programs budget and projected shortfall ([Appendix E](#)).

In response to questions from committee members, Ms. Aukland discussed payroll irregularities relating to temporary wage adjustments and noted:

- The projected child care program budget shortfall, without any changes, is estimated to be \$35,500,000.
- Adjusting part-time child care payments to no more than 50 percent of full-time care payments is projected to save \$8.7 million.
- Changes to the state maximum rates are anticipated to save \$3.1 million.
- Changes to the quality rating and improvement system bonuses should save \$1.4 million.
- Available federal Temporary Assistance to Needy Families (TANF) block grant funding will be used to provide the remaining \$22.3 million.
- The changes are expected to affect payment rates by no more than \$100 per family per month and will go into effect on January 1, 2026.

Ms. Michele Gee, Director of Economic Assistance, Department of Health and Human Services, provided additional information regarding the child care program changes. She noted the state will not pay an amount more than the amount the provider bills.

In response to questions from committee members, Ms. Gee noted:

- Only Tier 3 and Tier 4 providers will qualify for the bonus payments under the quality rating and improvement system.
- Starting December 1, 2025, there will be a wait list for the Child Care Assistance Program, including child care workforce families.
- The primary driver of the increased cost is utilization increases with 7,600 families actually being served with the budget estimating 6,400 families.

In response to questions from a committee member, Ms. Aukland noted a limited amount of federal TANF block grant funds for 2025, 2026, and 2027 may be used for child care programs. She noted there are no matching funds required for the TANF block grant, but there is a maintenance of effort requirement.

Ms. Aukland discussed the emergency funding used during the federal government shutdown for a food bank program and the Women, Infants, and Children program. She noted that because the updated Federal Medical Assistance Percentage for North Dakota increased, less funding from the General Fund will be needed for Medicaid and certain other federal programs, making funding from the General Fund available for the emergency food bank and Women, Infants, and Children Program.

Ms. Krista Fremming, Assistant Director, Medical Services Division, Department of Health and Human Services, presented information ([Appendix E](#)) on the Rural Health Transformation Program application and the plan to issue sub awards and funding sustainability.

In response to questions from committee members, Ms. Fremming discussed the process for awarding grants related to the Rural Health Transformation Program.

Ms. Alanna Zeller, Director of Clinic Operations, Department of Health and Human Services, presented information ([Appendix E](#)) on the implementation of the Certified Community Behavioral Health Clinic project. She noted the project may involve other providers to serve the needs of the community.

Ms. Laura Anderson, Policy Director, Behavioral Health Division, Department of Health and Human Services, provided information ([Appendix E](#)) on the behavioral health facility grants.

Ms. Tina Bey, Director, Developmental Disabilities Division, Department of Health and Human Services, presented information on housing for individuals with extraordinary medical needs.

Ms. Lindsey Ashley, Statewide Construction Manager, Office of Management and Budget, provided information ([Appendix F](#)) on the construction of the new State Hospital facility and discussed the project pricing, construction alternatives, and inspections.

Mr. David Jones, Market President, CHI Health Williston, presented an update on the behavioral health project at CHI Health Williston ([Appendix G](#)).

Ms. Raumi Kudrna, Market Chief Nursing Officer, St. Alexius Health, CommonSpirit, presented an update on the behavioral health project at St. Alexius Bismarck ([Appendix H](#)). She noted the project is expected to begin within the next 2 months and expected to be finished in October 2026.

Committee members discussed potential items for the next agenda, including a schedule showing the anticipated use of federal TANF block grant funds; a State Hospital update; updates on the behavioral health beds in Williston, Grand Forks, and Bismarck; Department of Corrections and Rehabilitation updates on the Missouri River Correctional facility, women's facility, and other facility planning; a Rural Health Transformation Program update; and reports regarding other agency budgets assigned to the committee.

No further business appearing, Chairman Dever adjourned the meeting at 4:21 p.m.

Adam Mathiak
Senior Fiscal Analyst

Keith Mantz
Fiscal Analyst

ATTACH:8