



BUDGET SECTION - HUMAN RESOURCES DIVISION

Wednesday, March 18, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Dick Dever, Chairman, called the meeting to order at 1:46 p.m.

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

Member absent: Representative Mike Berg

Others present: Lindsey Ashley, Office of Management and Budget; Donna Aukland, Michele Gee, and Pat Traynor, Department of Health and Human Services; Colby Braun, Department of Corrections and Rehabilitation; David Glatt, Department of Environmental Quality; Raumi Kudrna, CHI St. Alexius Health, Bismarck; Joel Larson, Altru Health System; Theo Stoller, CHI St. Alexius Health, Williston

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

It was moved by Senator Mathern, seconded by Senator Magrum, and carried on a voice vote that the minutes of the December 10, 2025, meeting be approved as distributed.

Ms. Sheila M. Sandness, Senior Fiscal Analyst, Legislative Council, presented the [base budget summary](#) for the Department of Environmental Quality. She noted the base level will be the starting point for the 2027-29 budget.

Mr. David Glatt, Director, Department of Environmental Quality, presented information ([Appendix B](#)) regarding the department's mission, structure, and major initiatives.

Mr. Glatt introduced Beth Jacobson, Director of Accounting, Department of Environmental Quality, who presented information on the department's budget including one-time funding and expenditures through January 2026.

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

- The new state laboratory building project is expected to be completed by the end of April 2026, but the department will not move in until October due to summer being a busier time of year.
- The only two wastewater infrastructure projects that she believes had federal funds discontinued were in Fessenden and Lincoln.

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

- Federal Environmental Protection Agency regulations are being monitored for changes and impacts on department operations.
- The department is reviewing its fees and services.

Mr. Glatt presented information on challenges for the 2027-29 biennium, including funding, regulations, and turnover of leadership positions within the department.

Ms. Donna Aukland, Chief Financial Officer, Department of Health and Human Services, presented department budget information ([Appendix C](#)), including information on line item transfers and the status of the salaries and wages block grant ([Appendix D](#)).

In response to questions from committee members, Ms. Aukland noted the department:

- Anticipates hiring 33 FTE positions related to the federal Rural Health Transformation Program.
- Is using existing employees and considering contracting for additional services to expedite the grant process.
- Plans to seek federal reimbursement for the cost of salaries relating to the Rural Health Transformation Program.

Ms. Aukland presented information on the federal Temporary Assistance for Needy Families (TANF) Program, including changes, requirements, the lifetime maximum benefit period, and the uses of funding.

In response to a question from a committee member, Ms. Aukland noted child care is an allowable use of TANF funding.

Chairman Dever requested the department provide the committee with information on the specific uses of TANF funding by the department.

In response to questions from committee members, Ms. Michele Gee, Director, Economic Assistance Division, Department of Health and Human Services, noted:

- In 2021, the department analyzed TANF participation rates and based on its analysis, is currently proposing administrative changes.
- Federal TANF funding transferred to the Child Care Assistance Program is used according to the program's eligibility requirements.

In response to questions from division members, Ms. Aukland discussed the budget process for TANF funding for the next biennium.

Mr. Pat Traynor, Interim Commissioner, Department of Health and Human Services, provided information on the Rural Health Transformation Program.

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

- All Rural Health Transformation Program funding must be obligated by September 2026 and spent by September 2027.
- Critical access hospitals are the focus of the first grant round offering funding for recruitment and retention programs.
- Grants are anticipated to be available to upgrade ambulances and potentially purchase new ambulances.

Ms. Lindsey Ashley, Statewide Construction Manager, Office of Management and Budget, presented information ([Appendix E](#)) on the new State Hospital construction project and the monthly owners report ([Appendix F](#)).

Mr. Colby Braun, Director, Department of Corrections and Rehabilitation, presented information ([Appendix G](#)) regarding department projects.

In response to a question from a committee member, Mr. Braun noted the department is considering options to access federal Rural Health Transformation Program funds.

Mr. Braun provided updates on the Heart River Correctional Center; the Missouri River Correctional Center addition, location, and design; the James River Correctional Center; and the Dakota Women's Correctional and Rehabilitation Center.

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

- The number of residents per unit for the proposed Missouri River Correctional Center project is higher than other facilities, but is manageable and is for minimum security residents only.
- Recidivism is a consideration in the housing arrangements.
- The department is continuing to work with county jails to house inmates due to the lack of beds to meet demand in state correctional facilities.

Mr. Braun noted options are being considered for the James River Correctional Center after the new State Hospital opens and the former State Hospital facilities are available for other uses.

In response to a question from a committee member, Mr. Braun noted county jails are not intended for long-term detention and do not offer required services.

Ms. Raumi Kudrna, Market Chief Nursing Officer, CHI St. Alexius Medical Center, Bismarck, presented information ([Appendix H](#)) on the behavioral health facility project. She reviewed the project design and timeline.

Mr. Theo Stoller, President, CHI St. Alexius Health, Williston, presented information ([Appendix I](#)) on the 10-bed behavioral health facility project. He reviewed the funding sources, spending on the project, the timeline of the project, and staffing progress.

Mr. Joel Larson, General Counsel, Altru Health System, Grand Forks, presented information ([Appendix J](#)) on the status of its behavioral health facility project. He reviewed the status of the project and noted construction is on schedule to complete the project by March 2027.

Mr. Larson included the Altru Behavioral Health quarterly report ([Appendix K](#)) from March 2026.

In response to questions from committee members, Mr. Larson noted typical stays are no longer than 28 days.

No further business appearing, Chairman Dever adjourned the meeting at 5:10 p.m.

Keith Mantz
Fiscal Analyst

Sheila M. Sandness
Senior Fiscal Analyst

ATTACH:11