



BUDGET SECTION - HUMAN RESOURCES DIVISION

Wednesday, June 24, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Dick Dever, Chairman, called the meeting to order at 1:04 p.m.

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

Members absent: Senator Kyle Davison; Representative Matthew Ruby

Others present: Lindsey Ashley, Office of Management and Budget; Jonathan Alm, Rebecca Askins, Donna Aukland, Nancy Nikolas-Maier, Pat Traynor, Dirk Wilke, and Alanna Zeller, Department of Health and Human Services; Raumi Kudrna, CHI St. Alexius Health, Bismarck; Theo Stoller, CHI St. Alexius Health, Williston; Joel Larson, Altru Health System

It was moved by Representative Nelson, seconded by Representative Mitskog, and carried on a voice vote that the minutes of the March 18, 2026, meeting be approved as distributed.

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

In response to questions from committee members, Ms. Kudrna noted the completion timeline has changed from December 2026, to June 2027, but is in compliance with the funding agreement.

Mr. Theo Stoller, President, CHI St. Alexius Health, Williston, presented information ([Appendix B](#)) on the 10-bed behavioral health facility project. He reviewed a timeline of the project, progress to date, staffing efforts, and expenditures to date.

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

- No psychologists are on staff at the Williston location but recruiting is underway.
- CHI St. Alexius Health in Williston works with the University of North Dakota family practice but not specifically for psychiatry.
- The facility has active applications for the federal Rural Health Transformation Program recruitment funding.
- The facility will consider Rough Rider Industries for bids.

Mr. Joel Larson, General Counsel, Altru Health System, presented information ([Appendix C](#)) on the status of the behavioral health center expansion, including the construction progress and the amount expended to date.

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

- The project will be completed during the 1st quarter of 2027.
- Staff recruiting is in progress for nurses and psychiatric advanced practice providers.
- No new physicians are necessary.
- State Hospital admissions will be necessary for some patients.

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

In response to questions from committee members, Ms. Aukland noted because the line item transfers are technical corrections, actual spending matches the budget line item and all transfers net to zero within the funding source. She noted transfers occurred during April, May, and June, 2026. She reviewed the number of FTE positions and amounts for each division and noted a total of 2,603.70 FTEs are currently employed.

Mr. Pat Traynor, Interim Commissioner, Department of Health and Human Services, provided information on the Rural Health Transformation Program. He noted \$81.1 million of funding is available in 12 posted grant opportunities, \$21.7 million of funding is in process, and \$8.5 million has been obligated. He reviewed the grant opportunities that have been offered for the first year.

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

- Applicants are considered rural if located in a city with a population of fewer than 50,000 or if at least 50 percent of those served are from rural areas.
- The 50,000 population threshold was established based on the University of North Dakota rural health standards and the federal Centers for Medicare and Medicaid Services recommendations.
- There is a focus on keeping critical access hospitals not only viable, but to thrive in providing services close to home.
- The Centers for Medicare and Medicaid Services timeline is firm to obligate available funds in the 1st year.
- The North Dakota plan has been promoted using the four areas of concentration: strengthen and stabilize rural health workforce, make North Dakota healthy again, bring high-quality health care closer to home, and connecting technology, data, and providers for a stronger North Dakota.

Ms. Alanna Zeller, Director of Clinic Operations, Department of Health and Human Services, provided information on the certified community behavioral health clinics that are pursuing certification located in the Northwest, North Central, Southeast, and Badlands regions.

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

- Care coordination is a key element in becoming certified and is typically handled by employees with a bachelor's degree level of training in social work.
- Each clinic must meet the certification requirements.
- The progress of each certified community behavioral health clinic is evaluated and results are being compared with the other clinics.

Ms. Rebecca Askins, Interim Economic Assistance Director, Department of Health and Human Services, provided information on the Supplemental Nutrition Assistance Program regarding the state cost-sharing based on the payment error rate. She noted:

- The final error rate for 2025 was 9.89 percent, which would result in the state paying 10 percent of the cost of the Supplemental Nutrition Assistance Program benefits rather than zero now.

- The 10 percent share is estimated to cost approximately \$12.9 million per year.
- The goal is to be below a 6 percent error rate which results in no cost-share.
- Technology updates and training programs are being implemented to lower the payment error rate.

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

- The monthly differences in the error rate are mainly due to cyclical increases in the volume of applications.
- States with low error rates may have programs that operate differently, which change the complexity of the application and potential errors.
- The self-service portal and combined eligibility system was updated for quality checks and other updates are being considered.

Mr. Dirk Wilke, Executive Director, Public Health Division, Department of Health and Human Services, provided an update on the status of the new State Laboratory building. He noted the projected cost is under budget at \$69.9 million with total space of 103,444 square feet and anticipated occupancy is October 2026.

Ms. Nancy Nikolas-Maier, Director, Adult and Aging Services Division, Department of Health and Human Services, provided an update on dementia coordination and the status of hiring of a dementia coordinator. She noted the coordinator position has not yet been filled, but the department plans to begin advertising for the position in July 2026.

In response to questions from committee members, Ms. Nikolas-Maier noted early diagnosis is important, the state dementia plan will be updated, and the Alzheimer's Association provides effective services under contract with the department.

Mr. Jonathan Alm, Chief Legal Officer, Department of Health and Human Services, provided information on the process for service denials and appeals.

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

- Using United States mail is required in some instances by North Dakota Administrative Code or North Dakota Century Code for responses to appeals.
- Decisions may be appealed to district court and the North Dakota Supreme Court.
- It is unknown how many appellants use an attorney because many appeals are handled by the human service zones.

Ms. Lindsey Ashley, Statewide Construction Manager, Office of Management and Budget, provided an update ([Appendix F](#)) on the construction of the new State Hospital. She noted the project is on schedule for an opening in spring 2028 at a projected cost of \$292.7 million.

No further business appearing, Chairman Dever adjourned the meeting at 3:55 p.m.

Adam Mathiak
Senior Fiscal Analyst

Keith Mantz
Fiscal Analyst

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