

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Monday, July 29, 2013
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Gary Kreidt, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Gary Kreidt, Wesley R. Belter, Jeff Delzer, Patrick Hatlestad, Jerry Kelsh, Scot Kelsh, Keith Kempenich, Andrew G. Maragos, Bob Martinson, Corey Mock, Chet Pollert, Dan Ruby, Jim Schmidt, Robert J. Skarphol, Wayne Trottier; Senators Ralph Kilzer, Judy Lee, David O'Connell, Terry M. Wanzek

Member absent: Representative Ron Guggisberg

Others present: Representative Brenda Heller, member of the Legislative Management, was also in attendance.

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

The Legislative Budget Analyst and Auditor reviewed the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

COMMITTEE DUTIES AND RESPONSIBILITIES

At the request of Chairman Kreidt, the Legislative Council staff reviewed a memorandum entitled [Legislative Audit and Fiscal Review Committee - Statutory Duties and Responsibilities for the 2013-15 Biennium](#). The Legislative Council staff said the Legislative Management by statute appoints a Legislative Audit and Fiscal Review Committee as a division of its Budget Section. Pursuant to North Dakota Century Code Section 54-35-02.1, the committee is created:

- For the purpose of studying and reviewing the financial transactions of the state.
- To assure the collection of revenues and the expenditure of money is in compliance with law, legislative intent, and sound financial practices.
- To provide the Legislative Assembly with formal, objective information on revenue collections and expenditures as a basis for legislative action to improve the fiscal structure and transactions of the state.

In addition, the committee is assigned the following duties and responsibilities for the 2013-15 biennium:

1. **State Fair Association** - Receive annual audit reports from the State Fair Association pursuant to Section 4-02.1-18.
2. **Ethyl alcohol and methanol producers** - Receive annual audit reports from any corporation that produces agricultural ethyl alcohol or methanol in this state and which receives a production subsidy from the state pursuant to Section 10-19.1-152, any limited liability company that produces agricultural ethyl alcohol or methanol in this state and which receives a production subsidy from the state pursuant to Section 10-32-156, and any limited partnership that produces agricultural ethyl alcohol or methanol in this state and which receives a production subsidy from the state pursuant to Section 45-10.2-115.
3. **Department of Human Services' accounts receivable** - Receive annual reports on the status of accounts receivable for the Department of Human Services and the Life Skills and Transition Center (formerly Developmental Center at Westwood Park, Grafton) pursuant to Sections 25-04-17 and 50-06.3-08.
4. **Low-risk incentive fund** - Receive annual audit reports and economic impact reports from the North Dakota low-risk incentive fund. Section 26.1-50-05 provides for the audit report to be submitted to the Legislative Management. The Legislative Management has assigned the responsibility to this committee.

5. **North Dakota Stockmen's Association** - Receive a biennial audit report from the North Dakota Stockmen's Association. Section 4.1-72-08 provides for the audit report to be submitted electronically to the Legislative Council. The Legislative Management assigned the responsibility to this committee.
6. **Job Service North Dakota** - Receive a performance audit report, upon the request of the committee, for Job Service North Dakota pursuant to Section 52-02-18.
7. **Performance audits** - The State Auditor is to conduct or provide for performance audits of state agencies as determined necessary by the State Auditor or this committee, and the State Auditor must obtain approval from this committee prior to hiring a consultant to assist with conducting a performance audit pursuant to Section 54-10-01.
8. **Frequency of audits** - Determine the frequency of audits or reviews of state agencies pursuant to Section 54-10-01.
9. **Political subdivisions** - Determine if the State Auditor is to perform audits of political subdivisions on a more frequent basis than once every two years pursuant to Section 54-10-13 and direct the State Auditor to audit or review the accounts of any political subdivision pursuant to Section 54-10-15.
10. **Study and review audit reports** - Pursuant to Section 54-35-02.2, the committee is charged with the following responsibilities:
 - a. To study and review audit reports selected by the committee from those submitted by the State Auditor.
 - b. To confer with the State Auditor regarding the audit reports reviewed by the committee.
 - c. As necessary, to confer with representatives of state departments, agencies, and institutions audited in order to obtain information regarding fiscal transactions and governmental operations.

The Legislative Council staff presented the following proposed action plan for the committee's consideration:

1. Receive audit reports prepared by the State Auditor's office and independent auditors.
2. Receive performance audit reports as determined necessary by the State Auditor or this committee.
3. Receive followup reports for North Dakota University System capital projects, Medicaid provider and recipient fraud and abuse, use of state-supplied vaccines by a provider, Dickinson State University, fees charged at North Dakota State University and the University of North Dakota, and University System office performance audits.
4. Receive information technology audit reports, including an Information Technology Department system audit report and a North Dakota network and security audit report.
5. Request a performance audit be conducted, as deemed necessary by this committee, for Job Service North Dakota pursuant to Section 52-02-18.
6. Direct the Legislative Council staff to send correspondence, as deemed necessary, to each agency that has not complied with previous audit recommendations requesting the agency to appear before the committee to explain the reason for noncompliance with audit recommendations or steps taken to address recommendations.
7. Receive annual reports on the status of accounts receivable for the Department of Human Services and Life Skills and Transition Center (formerly Developmental Center at Westwood Park, Grafton).
8. Receive annual audit reports from any corporation, limited partnership, or limited liability company that produces ethyl alcohol or methanol in this state and which receives a production subsidy from the state.
9. Develop recommendations and related bill drafts.
10. Prepare the final report for submission to the Legislative Management.

It was moved by Senator Wanzek, seconded by Senator O'Connell, and carried on a voice vote that the committee adopt the proposed action plan to fulfill its statutory duties.

AUDIT PROCESS FOR STATE AGENCIES

Chairman Kreidt called on Mr. Ron Tolstad, Audit Manager, State Auditor's office, who reviewed a document entitled *Overview of Auditing for the State of North Dakota* ([Appendix B](#)). Mr. Tolstad said the State Auditor's office does not have statutory authority to audit all state agencies. He said agencies that are not audited by the

State Auditor are audited by certified public accountant (CPA) firms. He said other state agencies are also audited by CPA firms at the request of the State Auditor when the State Auditor does not have sufficient resources to audit the entity. He said CPA firms are required to follow *Guidelines to Independent Certified Public Accountants Performing Audits of State Agencies*, and audits performed by CPA firms are paid for by the state agency being audited.

Mr. Tolstad said the State Auditor's office is audited every two years by an independent CPA firm that is contracted by the Legislative Council. He said the office also receives a peer review every three years. He said the peer review for the period of April 1, 2010, through March 31, 2011, includes an opinion that the system of quality control of the State Auditor's office has been suitably designed and was complied with during the period under review. He said the next peer review is anticipated to be completed in June 2014.

Mr. Tolstad said the results of audits are presented to the committee by the State Auditor's office or the CPA firm that performed the audit.

STATE WATER COMMISSION PERFORMANCE AUDIT - PART 2

Mr. Charles Turley, Auditor, KPMG, LLP, presented the report entitled *Performance Audit of the Water Appropriations Division of the North Dakota Office of the State Engineer Permitting Process*. He said the audit included the following objectives:

1. Assess compliance with any laws, rules, regulations, policies, and procedures applicable to the industrial water use permitting processes employed by the Water Appropriations Division.
2. Determine the reasonableness of time between the submission of an application to the issuance of a conditional/temporary permit and perfection and identify barriers or obstacles that may cause delays in the process.
3. Evaluate the use of technology throughout the permitting process to determine whether it is being effectively used to help improve the efficiency of the processes.
4. Assess resources utilization in the permitting processes to determine if adequate resources are dedicated.
5. Evaluate the communication protocols utilized during the permitting process to communicate with the applicant and assess internal communication practices.

Mr. Turley said the performance audit contains three compliance findings and seven operational efficiency findings ([Appendix C](#)).

In response to a question from Representative Skarphol, the Legislative Budget Analyst and Auditor said the 2013 Legislative Assembly authorized two new full-time equivalent (FTE) positions for the State Water Commission relating to permitting.

In response to a question from Senator Lee, Mr. Turley said the audit included a review of five states with similar water rights and laws. He said Texas was not included in the five states.

Senator Lee said she believes Texas is similar to North Dakota in water use. She requested the Legislative Council staff provide information relating to the water permit process in Texas.

Mr. Jon Patch, Director, Water Appropriations Division, State Water Commission, presented information ([Appendix D](#)) relating to water permits and industrial water depot use relating to oil development. He said the agency agrees with all recommendations included in the audit report. He said the agency has begun planning an implementation plan for the recommendations.

In response to a question from Representative Skarphol, Mr. Patch said the agency is in the process of drafting administrative rules to establish permitting fees.

Chairman Kreidt directed the State Water Commission to provide the fee structure information to the committee when it is available.

In response to a question from Representative Skarphol, Mr. Patch said industrial use of water consumes approximately 17,000 acre-feet per year. He said oil development and oil production will require continued water consumption.

INTERNAL CONTROL AND COMPLIANCE REPORTS

Mr. Tolstad presented the State Auditor's office report [*Comprehensive Annual Financial Report State of North Dakota Governance Communication Including the Report on Internal Control, Compliance, and Other Matters for the Year Ended June 30, 2012*](#). He said the State Auditor's office audited the general purpose financial statements for the state of North Dakota for the year ended June 30, 2012. He said the report identifies one internal control weakness relating to capital assets reporting by the Office of Management and Budget and one prior audit finding that was not implemented relating to reconciliation of the motor vehicle clearing account.

In response to a question from Representative Skarphol, the Legislative Budget Analyst and Auditor said the 2013 Legislative Assembly provided approximately \$10 million in other funds for replacement of the motor vehicle registration and titling system of the Department of Transportation.

The committee recessed for lunch at 12:00 noon and reconvened at 12:45 p.m.

Mr. John Grettum, Audit Manager, State Auditor's office, presented the State Auditor's office internal control and compliance report on the audit of the general purpose financial statements included in the June 30, 2012, annual financial report for the University System. He reviewed the auditor's responses to the committee guidelines and said six prior audit recommendations were not implemented. He said the prior audit recommendations not implemented relate to:

1. Proper use of account codes, funds, fund groups, and functions available on PeopleSoft to comply with generally accepted accounting principles.
2. Governmental Accounting Standards Board Statement No. 40 - Deposit and investment risk disclosure at various universities.
3. Errors in functional expense notes.
4. Preparation of financial statements in accordance with generally accepted accounting principles.
5. Internal audit staffing level review and training.
6. Fraud and control risk assessments.

Mr. Grettum said the report identifies five current audit recommendations relating to:

1. Staffing shortage for financial statement preparation.
2. Internal auditor independence.
3. Capital lease versus operating lease for the Bismarck State College National Energy Center of Excellence building.
4. Capitalization policy noncompliance at the University of North Dakota.
5. Proper classification of net assets at various institutions.

In response to a question from Representative Kreidt, Mr. Grettum said the annual financial report findings were discussed with the State Board of Higher Education at its March 2013 board meeting.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Ms. Rachel Ridl, Accounting Manager, Office of Management and Budget, presented the [*State of North Dakota Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2012*](#). She reviewed the information contained in the report and a supplemental report entitled *2011-13 Biennium Budget and Actual Detail*. Copies of both reports are on file in the Legislative Council office.

UNIVERSITY SYSTEM ANNUAL FINANCIAL REPORT

Ms. Robin Putnam, Director of Financial Reporting, North Dakota University System, presented the annual financial report for the University System for the fiscal year ended June 30, 2012. She said an unqualified opinion was issued on the financial statements. As of June 30, 2012, she said, the University System had total assets of \$1.4 billion and total liabilities of \$435.9 million, resulting in net assets of \$963.7 million. She said net assets increased \$61.6 million during fiscal year 2012.

Ms. Putnam said the annual degree credit headcount for the fall of 2011 was 48,805, an increase of 2 percent from the previous fall enrollment. She said total operating revenues of the University System increased 5 percent

from fiscal year 2011 as a result of increases in tuition and fees, auxiliary enterprises, and sales and services of education departments.

AUDITS OF STATE AGENCIES, BOARDS, AND COMMISSIONS

Chairman Kreidt called on Ms. Rhonda Mahlum, Mahlum Goodhart PC, Certified Public Accountants, who presented the audit reports for the North Dakota Stockmen's Association for the years ended December 31, 2012 and 2011. Ms. Mahlum reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and identifies one internal control finding relating to segregation of duties.

Chairman Kreidt called on Mr. Tim Porter, Chief Financial Officer, Bank of North Dakota, to present the audit report for College SAVE for the years ended December 31, 2012 and 2011. Mr. Porter said the Bank of North Dakota acts as trustee for the College SAVE plan; Upromise Investments, Inc., is the plan manager; and the Vanguard Group, Inc., is the investment manager. He said the College SAVE audit was conducted by Thomas & Thomas LLP, Certified Public Accountants. He said the audit report contains an unqualified opinion and does not include any findings or recommendations.

Chairman Kreidt called on Mr. Ed Nagel, Director, State Auditor's office, who presented the audit report for the Adjutant General for the years ended June 30, 2012 and 2011. Mr. Nagel reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Attorney General's office for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Department of Financial Institutions for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Game and Fish Department for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Highway Patrol for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report identifies one internal control finding relating to reconciliation of federal funds and three findings of noncompliance relating to fee collections, ton-mile fees, and fixed asset records. He said the four findings were also prior audit findings that have not been implemented.

Mr. Nagel presented the audit report for the Indian Affairs Commission for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Information Technology Department for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report identifies one finding for operational improvement relating to increasing usage of the purchasing card. He said the finding was also a prior audit finding that has not been implemented.

Mr. Nagel presented the audit report for the North Dakota Lottery for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Mill and Elevator Association for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Protection and Advocacy Project for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Secretary of State for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Department of Veterans' Affairs for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report identifies one prior recommendation not implemented relating to bank reconciliations.

Mr. Gordy Smith, Audit Manager, State Auditor's office, presented the statewide single audit report for the years ended June 30, 2012 and 2011. He said the statewide single audit is the state's audit of all federal funds received by state agencies and institutions during fiscal years 2012 and 2011. He said the report identifies three financial statement findings and 53 internal control and compliance findings and questioned costs.

Chairman Kreidt called on Mr. Pat Brown, Brady, Martz & Associates PC, Certified Public Accountants, who presented the audit report for Job Service North Dakota for the years ended June 30, 2012 and 2011. Mr. Brown reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. John Mongeon, Brady, Martz & Associates PC, Certified Public Accountants, presented the audit report for the Public Employees Retirement System for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. Mongeon presented the audit report for the Public Finance Authority for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. Mongeon presented the audit report for the rebuilders loan program for the years ended December 31, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. Mongeon presented the audit report for the student loan trust fund for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. Mongeon presented the audit report for Workforce Safety and Insurance for the years ended June 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Chairman Kreidt called on Mr. Darrell Lingle, Eide Bailly LLP, Certified Public Accountants, who presented the audit report for the Bank of North Dakota for the years ended December 31, 2012 and 2011. Mr. Lingle reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and included one material financial statement audit adjustment relating to sale of investment securities and four major federal award program audit findings relating to interest charged on ineligible benefits, reporting for cured loans, and loan servicing of delinquent and defaulted loans for Housing and Urban Development and Department of Veterans' Affairs.

Mr. Lingle presented the audit report for the beginning farmer revolving loan fund for the years ended December 31, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. Lingle presented the audit report for the community water facility loan fund for the years ended December 31, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Mr. Lingle presented the audit report for the guaranteed student loan program for the years ended September 30, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and identifies one internal control finding relating to documentation supporting significant estimates.

Ms. Katie Mock, Eide Bailly LLP, Certified Public Accountants, presented the audit report for the Development Fund, Inc., for the years ended June 30, 2012 and 2011. She reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and identifies one internal control finding relating to preparation of financial statements.

Ms. Mock presented the audit report for the Housing Finance Agency for the years ended June 30, 2012 and 2011. She reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Ms. Mock presented the audit report for the housing incentive fund for the year ended June 30, 2012. She reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and does not include any findings or recommendations.

Ms. Mock presented the audit report for the State Fair Association for the years ended September 30, 2012 and 2011. She reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and identifies one internal control finding relating to segregation of duties.

Ms. Mock presented the audit report for the Board of University and School Lands for the years ended June 30, 2012 and 2011. She reviewed the auditor's responses to the committee guidelines and said the report contains an unqualified opinion and identifies one internal control finding relating to unclaimed properties penalties.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Representative Mock requested the audit reports for the Barley Council and Potato Council for the two-year period ended June 30, 2012, and the report for the Education Standards and Practices Board for the year ended June 30, 2011, be heard at the next committee meeting.

It was moved by Senator O'Connell, seconded by Representative Hatlestad, and carried on a roll call vote that, pursuant to Section 54-35-02.2, the committee accept the following reports presented to the committee:

- 1. Part 2 of State Water Commission performance audit (April 23, 2013).**
- 2. North Dakota University System annual financial report (June 30, 2012).**
- 3. North Dakota Comprehensive Annual Financial Report (June 30, 2012).**
- 4. North Dakota Stockmen's Association (December 31, 2012 and 2011).**
- 5. College SAVE (December 31, 2012 and 2011).**
- 6. Adjutant General (June 30, 2012 and 2011).**
- 7. Attorney General (June 30, 2012 and 2011).**
- 8. Department of Financial Institutions (June 30, 2012 and 2011).**
- 9. Game and Fish Department (June 30, 2012 and 2011).**
- 10. Information Technology Department (June 30, 2012 and 2011).**
- 11. Indian Affairs Commission (June 30, 2012 and 2011).**
- 12. Mill and Elevator Association (June 30, 2012 and 2011).**
- 13. North Dakota Lottery (June 30, 2012 and 2011).**
- 14. Protection and Advocacy Project (June 30, 2012 and 2011).**
- 15. Secretary of State (June 30, 2012 and 2011).**
- 16. Department of Veterans' Affairs (June 30, 2012 and 2011).**
- 17. Statewide single audit (June 30, 2012 and 2011).**
- 18. Bank of North Dakota (December 31, 2012 and 2011).**
- 19. Rebuilders loan program (June 30, 2012).**
- 20. Beginning farmer revolving loan fund (December 31, 2012 and 2011).**

21. Community water facility loan fund (December 31, 2012 and 2011).
22. Guaranteed student loan program (September 30, 2012 and 2011).
23. Public Finance Authority (December 31, 2012 and 2011).
24. Public Employees Retirement System (June 30, 2012 and 2011).
25. Student loan trust (June 30, 2012 and 2011).
26. Workforce Safety and Insurance (June 30, 2012 and 2011).
27. North Dakota Development Fund, Inc. (June 30, 2012 and 2011).
28. Board of University and School Lands (June 30, 2012 and 2011).
29. Housing Finance Agency (June 30, 2012 and 2011).
30. Housing incentive fund (June 30, 2012).
31. Job Service North Dakota (June 30, 2012 and 2011).
32. State Fair Association (September 30, 2012 and 2011).
33. Retirement and Investment Office (June 30, 2010 and 2009).
34. Reports available but not selected for presentation:
 - a. Board of Examiners on Audiology and Speech-Language Pathology (June 30, 2012 and 2011).
 - b. Beef Commission (June 30, 2012 and 2011).
 - c. State Board of Cosmetology (June 30, 2012).
 - d. Board of Counselor Examiners (June 30, 2012 and 2011).
 - e. Dairy Promotion Commission (June 30, 2012 and 2011).
 - f. Dry Bean Council (June 30, 2012 and 2011).
 - g. Ethanol Council (June 30, 2012 and 2011).
 - h. State Board of Medical Examiners (June 30, 2011 and 2010).
 - i. Milk Marketing Board (June 30, 2012 and 2011).
 - j. North Dakota Firefighter's Association (December 31, 2011 and 2010).
 - k. State Board of Examiners for Nursing Home Administrators (June 30, 2012 and 2011).
 - l. Oilseed Council (June 30, 2012 and 2011).
 - m. State Board of Optometry (June 30, 2012, 2011, 2010, and 2009).
 - n. Board of Physical Therapy (June 30, 2012 and 2011).
 - o. Board of Podiatric Medicine (December 31, 2012, 2011, and 2010).
 - p. State Board of Accountancy (June 30, 2012 and 2011).
 - q. Real Estate Commission (June 30, 2012).
 - r. State Board of Respiratory Care (January 31, 2011 and 2010).
 - s. Securities Commissioner (June 30, 2012 and 2011).
 - t. State Seed Department (June 30, 2012 and 2011).
 - u. State Board of Veterinary Medical Examiners (June 30, 2012 and 2011).
 - v. Corn Utilization Council (June 30, 2012 and 2011).
 - w. Dry Pea and Lentil Council (June 30, 2012 and 2011).

Representatives Kreidt, Belter, Delzer, Hatlestad, J. Kelsh, Kempenich, Maragos, Martinson, Ruby, Schmidt, Skarphol, and Trottier and Senators Kilzer, Lee, O'Connell, and Wanzek voted "aye." No negative votes were cast.

Chairman Kreidt said the committee will be notified of the next meeting date.

No further business appearing, Chairman Kreidt adjourned the meeting at 4:45 p.m.

Becky Keller
Senior Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:4