

1999 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2083


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2083

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date January 7, 1999

Tape Number	Side A	Side B	Meter #
1	X		37-1200
Committee Clerk Signature 			

Minutes: CHAIRMAN KREBSBACH called the committee to order and instructed the clerk to call the roll. She then opened the hearing on SB 2083 which is a bill relating to use of Federal Emergency Management Agency administrative fees for payments of loans from the Bank of North Dakota.

DOUG FREIZ, DIRECTOR- representing the Division of Emergency Management appeared before the committee to testify in support of this piece of proposed legislation. A copy of his written testimony is attached.

SENATOR KREBSBACH indicated that she wondered if there would ever be time that there would be borrowing from the state bank in contemplation of receiving the funds that would have to be repaid?

MR. FREIZ Indicated that we borrow almost every time there's a presidential disaster declaration. Eliminating the sentence that we are talking about here will not encumber that at all.

It will, its simply as I said a statement that shouldn't be in there. It's not going to change the way that we do business with the Bank of North Dakota or that way that we do business with the Federal Emergency Management Agency in any way, shape, or form except that it shows them that we're not going to have a lot of conflicting here.

SENATOR THANE-Madam Chairman and sir, What funds will you use to repay the loans?

MR. FREIZ-For the disaster recovery cost, the actual damage recovery cost, when we receive the loan we then go to the emergency commission for approval and the emergency commission then passes it on to the legislative session as a deficiency appropriation generally so it becomes general fund dollars that we pay the states share. Just about all the disaster programs require a state or a nonfederal share and so general fund moneys have been used for that in the past and we will continue to use them.

SENATOR THANE- Madam Chairman, just a quick follow-up. Has there ever been a time when there was a reluctance on the part of the appropriations committee to accept deficiency appropriations?

MR. FREIZ-Not in our history. And sir we currently have a deficiency appropriation in front of the appropriations committee. We had a hearing on it yesterday and so they are considering another fairly significant amount. \$15 million.

SENATOR KREBSBACH-Are there further questions from the committee?

No further questions were offered from the committee.

SENATOR KREBSBACH inquired if there was any one else who wished to testify in support of SB 2083?

ADJUTANT GENERAL KEITH BJERKE Adjutant General of the North Dakota National

Guard appeared to indicate his support for SB 2083. He indicated that in the last two years he served as the coordinating officer for the state of the disasters that have occurred in our state. He supports totally what Mr. Freiz indicated in his testimony being personally involved with negotiations with FEMA when they sought to reduce the amount of administrative fees that they were going to pay the state of North Dakota for administering these programs. Try to put it in perspective. The emergency management staff is very small about 19 to 20 people on a normal day to day operation. When we go into a disaster response this can swell to 100 and all of these additional people become temporary employees and have to be paid. Much of these salaries will come through these administrative costs so it's not a question of not using those administrative costs properly or whatever, it's a matter of not using them to do the federal share payback. There argument was that even though we hadn't been doing that it's in your statute and that tells us that we're giving you too much because your obviously going to end up with a surplus and your obviously going to pay back the Bank of North Dakota with that surplus and therefor we're going to reduce your administrative amount. We told them in no uncertain terms that this had not been happening and wouldn't happen and that we would take on that mission to the next session to change that sentence so that they would not have this argument against us. The general indicated that this bill was the right thing to do and he strongly supports the intent of this bill. SENATOR KREBSBACH asked the general if he knew how this language was put in the initial bill in the first place? A response was offered by Mr. Freiz, who indicated the law as it exists was written in 1973. At that time FEMA didn't exist. There was another federal assistance program and at that time some of these prohibitions did not exist at the time. The law has been revised a couple of times, not a great deal over the years. This is one that we have just

absolutely missed over the years. At least the most recent years. He has personally spoken with FEMA and they are just delighted that this legislation is being introduced.

There were no further questions from the committee. No additional testimony was offered in support of SB 2083. No one appeared in opposition to the bill.

SENATOR WAYNE STENEHJEM inquired if there was any advantage to putting an emergency clause on this?

MR. FREIZ indicated that he thinks the emergency clause is welcome if the committee wants to but he believes it's not necessary because he believes that in their negotiations General Bjerke and he can tell these people that it has been taken care of, show them that it's been taken care of, if that's what the action is and we will get through this year with it. If you want to do it, he has no problems with it.

No further testimony was offered from anyone on Senate bill 2083. Chairman Krebsbach then closed the hearing on SB 2083.

COMMITTEE ACTION: A motion for a DO PASS was made by SENATOR STENEHJEM, seconded by SENATOR DEMERS. ROLL CALL VOTE indicated 7 AYES, 0 NAYS, and 0 ABSENT OR NOT VOTING. SENATOR WARDNER volunteered to carry the bill.

Date:
Roll Call Vote #:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate GOVERNMENT AND VETERAN'S AFFAIRS 2083 Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. W. Stenehjem Seconded By Sen. Demers

Senators	Yes	No	Senators	Yes	No
SENATOR KREBSBACH	✓				
SENATOR WARDNER	✓				
SENATOR KILZER	✓				
SENATOR STENEHJEM	✓				
SENATOR THANE	✓				
SENATOR DEMERS	✓				
SENATOR MUTZENBERGER	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Wardner

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 7, 1999 10:49 a.m.

Module No: SR-03-0361
Carrier: Wardner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2083: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2083
was placed on the Eleventh order on the calendar.

1999 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2083


1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2083

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1-29-1999

Tape Number	Side A	Side B	Meter #
1	X		1.6 - 8.4
Committee Clerk Signature 			

Minutes: Some of the individuals testifying submit written testimony. When noted please refer to it for more detailed information.

Representative Klein, Chairman of the GVA Committee opened the hearing on January 29, 1999.

Summary of the Bill: Relating to use of Federal Emergency Management Agency administrative fees for payments of loans from the BND.

Testimony in Favor:

Doug Friez, ND Emergency Management submitted written testimony which he read in it's entirety (**please refer to his testimony**).

Representative Klein, Briefly go over how the department is funded when we have a disaster and how the reimbursement are made and the matching funds.

Friez, ND doesn't have a disaster fund. We have loan authority from the BND. When we enter into an agreement with FEMA, they want to know where we are going to get the money to pay

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House Government and Veterans Affairs Committee

Bill/Resolution Number SB 2083

Hearing Date 1-29-1999

the states share. Disasters use to be 100% reimbursed back till 1979. We have to guarantee them this money. Some of the funds we get are directly for repairs. We also increase our personal working for us when we get into a disaster (administrative costs).

Representative Metcalf, How much of the ND share of the administrative fees?

Friez, It's 10%. Local governments pay 15% and the federal government pays 75%.

Testimony in Opposition: None.

Committee Action:

Representative Hawken, Made a motion for a Do Pass.

Representative Cleary, Seconded the motion.

Motion Passes: Do Pass **14-0-1**.

Representative Haas, Is the carrier for the bill.

Roll Call Vote #: 1 Date: 1-29

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2083

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DC PASS

Motion Made By HAWKEN Seconded By CLEARY

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP. WINRICH	✓	
VICE-CHAIR KLINISKE	✓				
REP. BREKKE	✓				
REP. CLEARY	✓				
REP. DEVLIN	✓				
REP. FAIRFIELD					
REP. GORDER	✓				
REP. GRANDE	✓				
REP. HAAS	✓				
REP. HAWKEN	✓				
REP. KLEMIN	✓				
REP. KROEBER	✓				
REP. METCALF	✓				
REP. THORESON	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment HAAS

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 29, 1999 1:21 p.m.

Module No: HR-19-1484
Carrier: Haas
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2083: Government and Veterans Affairs Committee (Rep. Klein, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2083
was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2083

North Dakota

Division of Emergency Management




EDWARD T. SCHAFER
GOVERNOR

MAJ. GEN. KEITH BJERKE
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR

TO: Representative Matt Klein, Chairperson
House Government and Veterans Affairs Committee

FROM:  Douglas C. Friez
State Director

SUBJECT: Testimony on SB 2083 - Relating to Use of Federal Emergency Management
Agency Administration fees for Payment of Loan from
The Bank of North Dakota

DATE: January 29, 1999

Following are comments on behalf of SB 2083:

The Division is requesting a change in the state disaster legislation to eliminate a conflict with federal recovery statutes, rules and regulations.

Section 37-17.1-23 of the North Dakota Century Code currently contains language authorizing the Emergency Commission to use federal recovery administrative reimbursements to pay off our loans to cover the state share of disaster costs incurred as a result of implementing Public Law 93-288, which provides for a presidential disaster declaration through the Federal Emergency Management Agency (FEMA).

Federal intent for these funds is to cover costs incurred by the state to administer the public assistance recovery program, not to cover damage costs.

In addition, it is contrary to federal rules and regulations to use federal funds to match federal funds for a program that requires a non-federal contribution.

FEMA recovery officials do not allow us to use federal recovery administrative reimbursements to repay the loan, thus, there is no fiscal impact from this change. They have requested us to eliminate this language to alleviate concerns about misuse of the federal recovery funds.

We believe this housekeeping initiative is a good faith effort which will indicate to our FEMA partners that we have no intention of misusing the federal disaster assistance program.