

2016 SPECIAL SESSION

JOINT HOUSE AND SENATE APPROPRIATIONS

SB 2379

2016 Special Session General Discussion

(Check appropriate box)

- ☐ Committee on Committees
- ☐ Rules Committee
- ☐ Confirmation Hearings
- ☐ Delayed Bills Committee
- ☒ House Appropriations
- ☒ Senate Appropriations
- ☐ Other

Date of meeting/discussion: August 2, 2016

Recorder Job Number: Job # 26473

Attachments 1- 4

Committee Clerk Signature

Rose Loring

Minutes:

Chairman Holmberg called the Joint Appropriations hearing to order on SB 2379.

Roll call was taken.

Chairman Holmberg stated that they will be taking testimony on SB 2379. After testimony, they will open up the hearing for any legislators with amendments or other proposals for this bill. Any amendment presented by Senate or House members must be presented to the Joint meeting. Then they will dismiss and each house will debate their own amendments.

Chairman Delzer said this is the only hearing that will be held and when the House receives the bill, they will meet and work on it. This constitutes the public hearing for both the House and the Senate.

Senator Rich Wardner - Senate Majority Leader, District 37, Dickinson. He introduced SB 2379 (15.1041.02000) (attachment 1) and said the bill is well laid out and organized.

- 1) It was projected that the state would be \$310 million short in June 30, 2017 and because the state is mandated by the constitution to have a balanced budget, they need to address the shortfall at this time.
- 2) Authorize transfers from the budget stabilization fund and the Bank of North Dakota.

- 3) Provide an appropriation for the Department of Human Services. This is money that would be restored to the department.
- 4) Provide some restoration to the Department of Correction and Rehabilitation. They will receive a 1.5% allotment.
- 5) Provide a report about programs that are going to be affected and onetime spending.
- 6) Provide legislative intent and provide an effective date.

The Governor has made an allotment of 2.5% that equals \$151.2 million that has been cut but because there are critical programs, some of the money is going to be restored in this bill. He proceeded to go thru the bill pointing out some of the major reductions.

He stated that \$119.2 million will be cut from the Department of Public Instruction (K-12) and said we're fortunate that they set up the Foundation Aid Stabilization Fund which will put the money back in and they won't be affected. In the next biennium, the money does not continue to flow out of the Foundation Aid Stabilization Fund and it will have to be made up.

Line 28 - For the Department of Human Services, the total allotment from both the 4.05% and the 2.5% equals 6.55% or \$87.3 million. This does not include the federal dollars that we will not get which totals \$61 million. The \$33.3 million that came in the 2.5% allotment will be restored and there will not be any further cuts.

Page 3, Line 6 - The Department of Corrections and Rehabilitation will be cut \$14 million. 1.5% of that will be restored.

Section 2 - The Legislative and Judicial branches will be participating.

Page 4, Section 3 - \$497.6 million was taken out with the first allotment of 4.05%. In short, the Budget Stabilization Fund will be zero if this bill is passed as is.

Section 4 - there will be a \$100 million transfer from the Bank of North Dakota which will be taken as it is needed.

Section 5 - restores the 2.5% cut to the Department of Human Services or about \$33.3 million.

Section 6 - For the Department of Corrections and Rehabilitation, the first allotment stands, but 1.5% will be restored from the 2nd allotment or \$3.2 million.

Section 7 - Requests a report detailing the cuts and its effects.

He said there is a concern of leaving \$61 million of federal money on the table but in the next biennium and the projections made, they will need to make more cuts or find the revenue. It's about sustainability of the budget.

Joint Appropriations Committee Hearing

August 2, 2016

Page 3

Chairman Holmberg asked about property tax money he referenced in Section 1 on the State Treasurer's office. The property tax money was not put back in the bill and he asked Senator Wardner to give an explanation.

Senator Wardner said there is the 12% property tax buy down. We only used \$116 million for the 1st year. There was \$250 million put into the fund and if it goes over, there would be a deficiency appropriation saying they made a commitment and they are going to keep it.

Senator Heckaman asked about the career and technical education referenced on page 2, line 22 and wanted to know if that money was the funding for classes, instructors, staff or programs that are delivered in our K-12 schools.

Senator Wardner said she was correct, but those items are not included in the Foundation Aid Stabilization Fund restoration so they are treated like the other agencies.

Senator Heckaman said her concern was for students who were on a career and technical track that are going to be affected by this cut and worried that those students would not be able to get the classes needed to finish that track.

Senator Wardner said he doesn't know why the department of career and technical education weren't in with the Foundation Aid Stabilization Fund and said they may have to be taken care of next session.

Representative. Monson stated that part of line 22, the career & technical education goes to higher education as well and it's not strictly K-12. What percentage would be higher education and Senator Wardner said he does not know and thought it to be minimal.

Chairman Holmberg said that when these allotments are made, the decisions as far as prioritization, is made by the agency heads, not by the legislature. The decisions are made at the agency level.

Representative Al Carlson, House Majority Leader, said a lot of work was put into balancing the budget. If they went line by line, they'd either forget someone or there would be some who didn't get quite as much as they thought they should get. He stated they had to take the approach as to what they had for reserves and what can we possibly spend that is not going to strap us for the next session. The good news was that we had a budget stabilization fund and we had left four years of profits in the Bank of North Dakota so we could use that as a contingency fund for funding state government of our revenues came up short.

He said this is all meant to be very streamlined and very focused and they are to get in and out and do their responsibility to balance the budget. He asked the committee to give it their approval because the work will come with the next session.

Chairman Holmberg asked if there were any amendments?

Senator Mathern presented amendment 15.1041.02001 (attachment 2) and 17.9304.06000 (attachment 3).

He said he had offered a bill this morning to the Delayed Bills committee which was a bill parallel to the Governor's bill. It recognized the need for allotment for cuts, but wants to be more strategic about the cuts. The bill was not approved by the Delayed Bills Committee so he had amendments drafted that he is offering here and said there are three main points.

- 1) Federal dollars - These amendments would cost \$29 million and bring in \$56 million. The cuts proposed are to the institutions in our home towns - nursing homes, hospitals, facilities for the developmentally disabled. These amendments take advantage of the federal dollars available.
- 2) In 17.9304.06000, all of the individual programs are listed and outlined in the bill.
- 3) There are too many people in corrections with behavioral health problems, mental health problems, and drug addiction problems. District court judges say they are sentencing people to the corrections system in order to get treatment.

He wants to capture the federal dollars to help the institutions and the most vulnerable. He asked for the committee's support.

Chairman Holmberg restated the amendment saying \$29 million is taken from the Strategic Investment Fund and utilized in the area of Human Services to restore a number of the services that were cut through the allotment process of 4.05% but made no other changes to SB 2379.

Senator Mathern said that was correct but it would be a good strategic investment to put \$29 million on the table and get \$56 million back.

Representative Monson: Do you know how much money would be left if we took \$29 million out of the SIF fund?

Chairman Holmberg: \$301 million.

Representative Dosch said he would like to propose an amendment. He doesn't have a formal amendment, but would like to present it. It would change the governor's allotment from the 2.5% to 5.95%. This 5.95% combined with the allotment of 4.05% would equal a 10% allotment. The governor is calling for a 90% budget for the next legislation session. He didn't think they should wait because he didn't see anything in the current economy in oil prices or ag prices which indicates that the slide is over.

When we reduce income \$300 million in the first six months, it's reasonable to assume that the possibility exists that they could be looking at another \$300 million by the end of the year. Further concern is that after today, they will have zeroed out the Budget Stabilization Fund, and they will have taken \$100 million potentially out of the Bank of North Dakota.

He was thankful they were conservative even though they were criticized for leaving a large ending fund balance of over \$300 million. It proved to be prudent and they need to continue being prudent going forward. They could possibly be short again by the end of this year, and he would like to proposed this amendment to change the allotment from the 2.5% to 5.95%.

Senator Carlisle asked if the 10% included DHS and DOCR?

Representative Dosch: Right now, the proposed "add back in" would remain as it is in the current bill and yes, they would be affected by this additional percentage.

Chairman Holmberg asked if there were any other amendments. Being none, he asked Allen to hand out a memo and an amendment that he would like this group to vote on separately to consider and pass. He said they receive the forecasts which have to be adopted so that Legislative Council can utilize them as they put documents together in the future.

Allen Knudsen handed out 17.9403.01000 (attachment 4) and said the top of the first page summarizes the changes that are being proposed and explained the amendment. It also contains the motion that needs to made to adopt the revised revenue forecast. Once that is done, they will be updating the budget status report which will be provided during the session reflecting the revenue reduction as well as the appropriation changes that were included in this bill if it is approved.

Representative Delzer stated that they've done this in the past a number of times and it recognizes that they will be getting a new revenue forecast both for the last six months of the biennium and the next biennium again in December when they get the next budget.

**Senator Robinson moved the motion for the Senate to approve the new forecast.
V. Chairman Krebsbach seconded the motion**

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Representative Delzer asked for a motion.

**Representative Monson moved for the House to approve the new forecast.
Representative Pollert seconded the motion.**

A Roll Call vote was taken. Yea: 20 Nay: 0 Absent: 3

Representative Delzer thanked the committee and hopes they take a good hard look at the revenue forecast in December.

Chairman Holmberg adjourned the Joint Committee.

Date: 8-2-2016
Roll Call Vote #: 1

2016 SPECIAL SESSION SENATE APPROPRIATIONS COMMITTEE

ROLL CALL VOTES
BILL/RESOLUTION NO. Revenue Forecast Approval

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 17.9403.01000

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Robinson Seconded By Krebsbach

Senators	Yes	No	Senator	Yes	No
Senator Holmberg	✓		Senator Heckaman	✓	
V. Chairman Bowman	✓		Senator Mathern	✓	
V. Chairman Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Kilzer	✓				
Senator Gary Lee	✓				
Senator Sorvaag	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment _____

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

Date: 8-2-2016
Roll Call Vote #: 2

2016 SPECIAL SESSION HOUSE APPROPRIATIONS COMMITTEE

ROLL CALL VOTES
BILL/RESOLUTION NO. Revenue Forecast Approval

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 17.9403.01000

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Monson Seconded By Pollert

Representative	Yes	No	Representative	Yes	No
Chairman Delzer	✓		Representative J. Nelson	✓	
V. Chairman Kempenich	✓		Representative Pollert	✓	
Representative Bellew	✓		Representative Sanford	✓	
Representative Boe	✓		Representative Schmidt	✓	
Representative Boehning	✓		Representative Silbernagel	✓	
Representative Brandenburg	✓		Representative Skarphol	A	
Representative Dosch	✓		Representative Streyle	✓	
Representative Glassheim	A		Representative Thorson	✓	
Representative Guggisberg	✓		Representative Vigesaa	✓	
Representative Hogan	✓				
Representative Holman	A				
Representative Kreidt	✓				
Representative Martinson	✓				
Representative Monson	✓				

Total (Yes) 20 No 0

Absent 3

Floor Assignment _____

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

2016 SPECIAL SESSION
SENATE APPROPRIATIONS
SB 2379

**2016 SPECIAL SESSION
SENATE STANDING COMMITTEE MINUTES**

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2379
August 2, 2016
Job # 26474

☐ Conference Committee

Committee Clerk Signature

Rose Dening

Explanation or reason for introduction of bill/resolution:

A Senate Appropriations committee hearing on the Special Session SB 2379.

Minutes:

Amendments 15.1041.02001 and 17.9304.06000

Chairman Holmberg called the Senate Appropriations committee to order on SB 2379 and said we will discuss the amendment (15.1041.02001) introduced by Senator Mathern. He stated the amendments are narrowly focused as to where the funds come from and where the \$29 million would go.

Senator Carlisle said HB 1432 was referenced in line 19 of SB 2379 and asked if the committee could be refreshed of HB 1432.

Senator Wanzek said HB 1432 is legislation that was passed last session designating funds for litigation against Waters of the US. During the Delayed Bills committee meeting, he asked if the total appropriation was being eliminated, but the funds are just being hit by the 6.55% reduction.

Allen H. Knudson, Legislative Council, said that the only reason it is being separately identified in the bill is because at the end of last session, they reported that in their budget status reports under the Ag Dept. OMB included it as a transfer, so they just want to clarify where the money was so it was separately identified as in the OMB numbers

Senator Mathern moved amendment 15.1041.02001
Senator O'Connell seconded the motion.

Senator Mathern wanted to ask the senators on committee to vote yes on this amendment as expression of differentiation of our body from the House. There are a lot of negotiations that have gone on before this point and we are now negotiating with the House as they are considering further cuts. He would like to present these on the Senate floor for all the senators to consider.

Chairman Holmberg said he would have stressed that last April, this body and the Senate approved all of these things. It's not that this body was opposed to this, but is this

something that we can spend the money on now after it was identified by the department as lower priority than some other things.

Senator O'Connell stated that small communities will see the impact because in his district, he has received letters from some workers who are getting \$20/hour and they have been told by administration that they would be cut to \$12/hour. In a small community, you'll lose your workforce and once they move out, it's almost impossible to try and find help again.

Senator Robinson said they are experiencing the same situation in his location. It's rural and they're operating on a very fine line already. Their ability to retain and recruit staff is challenging. He feels it would be about a year before any relief that may come if they pass anything next session. The smaller operations are hanging on for dear life and may be more than they can handle.

Senator Heckaman received an email from the Jamestown area about the cuts affecting transportation for Medicaid recipients. For some people it's their only means to getting to medical care. It may eventually add to cost of the care for that resident or client. If we wait until January to make any of these restorations, it's not going to happen overnight. There is a long process of any changes and it's prudent to do it at this time.

Senator Mathern wanted to clarify that all of the restored items listed in the amendment are exactly as was approved in the last legislative session as well as the amounts. There are several items that were not restored, such as salaries of people in the department and computer costs.

Chairman Holmberg said that if revenues had come in larger than anticipated, governors have typically addressed critical issues in the pre-session. The goal is to look at January because then there is a much better picture.

Senator Wanzek said that Senator Mathern was right in his statement that we'd all like to vote for this. My mother-in-law just passed away in a nursing home and he saw the good work they do in nursing homes. That's why he's supporting the 2.5% restoration of the more recent allotment. It would be more difficult moving forward if he didn't hear the majority leadership share an intent of doing something in the future. Maybe people will now realize there is a connection between them and the farm and agriculture or oil or the oil well. We're all dependent - not just the individual farming that land. It's difficult not to support it at this time, but I'm assured we'll look at it further in the future.

Senator Kilzer asked that the committee not accept the amendment. We spent long hours during the session looking at scores of problems like this. The things mentioned, such as behavioral health and autism, were addressed the increases in the last session. It's not that we neglected those areas or that we're totally eliminating their funding. Over the past 2-3 sessions, we have increased the funding quite a bit. The cuts have been necessary and reasonably fair and there will be future opportunities to continue to improve these programs which are very needed but not eliminated.

A Roll Call vote was taken on amendment 15.1041.02001. Yea: 4 Nay: 9 Absent: 0

Chairman Holmberg asked for a motion on SB 2379.

**V.Chairman Bowman moved Do Pass on SB 2379 (15.1041.02000).
Senator Gary Lee seconded the motion.**

Senator Mathern said he thought there are some missed opportunities in the bill and the amendments that failed are one of those opportunities and hope they'll take another look at them on the Senate floor. He said he's going to vote against bill as it is and will continue to try to change it.

A Roll Call vote was taken on SB 2379. Yea: 9 Nay: 4 Absent: 0

Chairman Holmberg said the bill will be on the calendar in the morning. He also stated that OMB will be making a presentation on a preliminary budget forecast for 2017-19 after session on Thursday. This will be an open forum meeting in the Brynhild Haugland room.

Senator O'Connell worked with Roland Redlin thirty years ago where he said they should look at the budget yearly and spend 30 days on the budget section.

Chairman Holmberg said there were plenty of debates on that issue, but the world has become much more complex. It's a legitimate discussion point, but the governor has no choice in the allotment process. He has to cut everybody equally.

He adjourned the hearing.

August 2, 2016

PROPOSED AMENDMENTS TO SENATE BILL NO. 2379

Page 1, line 2, after "fund" insert ", the strategic investment and improvements fund,"

Page 4, line 20, replace "\$33,305,071" with "\$62,333,489"

Page 4, after line 30, insert:

"SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. During the period beginning with the effective date of this Act and ending June 30, 2017, the director of the office of management and budget shall transfer the sum of \$29,028,418, from the strategic investment and improvements fund to the general fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a transfer from the strategic investment and improvements fund to the general fund, and appropriates an additional \$29,028,418 from the general fund to the Department of Human Services to offset budget reductions as follows:

	General Fund
Restore 25 Medicaid autism waiver slots	\$734,006
Restore 10-bed crisis residential and transitional living in the north central region	685,895
Restore 3 percent inflationary increases - Traditional Medicaid providers	3,206,587
Restore 3 percent inflationary increases - Developmental disability providers	4,047,111
Restore 3 percent inflationary increases - Long-term care providers	846,536
Restore 3 percent inflationary increases - Nursing home providers (January 1, 2017)	1,197,156
Restore 3 percent inflationary increases - Foster care grant providers	1,013,182
Restore 3 percent inflationary increases - Other providers	396,439
Restore the rebasing of nursing home limits (January 1, 2017)	792,976
Restore Medicaid professional fee schedule to approximately 147 percent of Medicare. In addition, restore the fee schedule used by Sanford Health Plan for the Medicaid Expansion population to the Sanford Health Plan commercial fee schedule.	13,576,658
Restore the rate increase for Medicaid ambulance services	312,500
Restore the rate increase for Medicaid physical, occupational, and speech therapy	468,630
Restore the operating margin for nursing home rates (January 1, 2017)	1,250,000
Restore the incentive payment for nursing home rates (January 1, 2017)	350,000
Restore the operating margin for basic care rates (January 1, 2017)	110,742
Restore the funding for second year of autism training	40,000
Total changes	\$29,028,418

Date: 8-2-16
Roll Call Vote #: 1

2016 SPECIAL SESSION SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. _____

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 15.1041.02001 (Mather Amendment)

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Mather Seconded By O'Connell

Senators	Yes	No	Senator	Yes	No
Senator Holmberg		✓	Senator Heckaman	✓	
V. Chairman Bowman		✓	Senator Mather	✓	
V. Chairman Krebsbach		✓	Senator O'Connell	✓	
Senator Carlisle		✓	Senator Robinson	✓	
Senator Erbele		✓			
Senator Kilzer		✓			
Senator Gary Lee		✓			
Senator Sorvaag		✓			
Senator Wanzek		✓			

Total (Yes) 4 No 9

Absent 0

Floor Assignment _____

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

Amendment Fails

Date: 8-2-2016
Roll Call Vote #: 2

2016 SPECIAL SESSION SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2379

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Bowman Seconded By G. Lee

Senators	Yes	No	Senator	Yes	No
Senator Holmberg	✓		Senator Heckaman		✓
V. Chairman Bowman	✓		Senator Mathern		✓
V. Chairman Krebsbach	✓		Senator O'Connell		✓
Senator Carlisle	✓		Senator Robinson		✓
Senator Erbele	✓				
Senator Kilzer	✓				
Senator Gary Lee	✓				
Senator Sorvaag	✓				
Senator Wanzek	✓				

Total (Yes) 9 No 4

Absent 0

Floor Assignment _____

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

REPORT OF STANDING COMMITTEE

SB 2379: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (9 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). SB 2379 was placed on the Eleventh order on the calendar.

2016 SPECIAL SESSION

HOUSE APPROPRIATIONS

SB 2379

2016 SPECIAL SESSION HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2379
Date: 8/03/2016
Job # 26475

☐ Conference Committee

Committee Clerk Signature

Marlys Kienle

Explanation or reason for introduction of bill/resolution:

A BILL an Act to provide for the reduction of general fund appropriation authority; to authorize transfers from the budget stabilization fund and the Bank of North Dakota; to provide appropriations for the department of human services and the department of corrections and rehabilitation; to provide for reports; to provide legislative intent; and to provide an effective date.

Minutes:

Attachments: # 1-2,

Chairman Delzer: Opened the meeting.

Roll Call: Present 20 Absent 3

Chairman Delzer: Discussed the procedure and the process for the best outcome to adjust the spending revenues to the shortage comparing to July forecast to February to the amount roughly of \$310 million. Senator Wardner explained the bill at the Joint Meeting along with discussing the purposed amendments. There will be some challenges for the next session. I would hope that this committee will keep this bill clean to the end, the way the Senate passed it over to the House. We will discuss the purposed amendments as required. We are going to have two sets of purposed amendments. Are there any others? We will start with Rep Hogan.

Chairman Delzer: Asked for a motion to amend SB 2379 with the LC Amendment .02003.

Motion made by Rep Hogan and seconded by Rep Guggisberg to purpose the amendment.

Rep Hogan: See Attachment # 1- 2 Asked for a Roll Call Vote so we could potentially ask for a Minority Vote.

Vote: Yes 3 No 17 Absent 3

Chairman Delzer: The Rule 602 was read which asks for four members that vote for the amendment, of the Appropriations Committee to have a Minority Vote.

Rep Gugglisberg: We are here because of our Constitutional duty to balance the budget. What makes us different in North Dakota than in most states is that we meet only every other year. When we meet every other year we plan for state government. Unfortunately the revenues have gone down and the plan we asked our state employees and government to put together isn't going to work, but there are a few things in the bill (amendment) that will help. If we think we are saving money, we are wrong. We have seen the information about our prison population, mental health and I can tell you the Opioid epidemic is growing and these things are all going to cost money. If we don't fund Health and Human Services we are going to be paying more at the end.

Rep Delzer: I am not going to support the motion to amend as I explained previously. He explained that how the funding is received. As far as the Nursing Homes do not take effect until January 2017. We will be in session at that time. It is suggested strongly from this assembly that the next assembly look at this strongly when they have the knowledge of what the budget is. We will at that time have another revenue forecast. To give and then to take it away is very difficult to do. We do have to remember that commodities are down 20% from this revenue forecast. I do think most Legislators have been very supportive of K-12 funding

Rep Pollert: There is not a section that Rep Hogan and I have not worked on and how we piece meal them out right now would not be possible. We are mainly and very focused on the constitution responsibility to balance the budget. I am going to be here to help with Section 8 during the next session of this bill.

Rep Delzer: Asked for a motion for Rep Dosch's Amendment 15.1041.02002.

Rep Bosch: Made a motion to present an amendment. There was no seconded.

Rep Pollert: Made a motion Do Pass on the SB 2379. Seconded by Rep Monson.

Rep Bosch: Discussed his disappointed by denying the opportunity of members to talk about this. We have been brought here in a Special Session, with a Bill that is placed in front of us where there was no opportunity to comment or put input on this bill. It was formatted by the leadership of the House and the Senate and the Governor and we are doing a great injustice to people of North Dakota, but it is what it is. We do live times of great uncertainty when it comes to our ending fund balances. The bill before us which I will not support calls for a 28,000 dollar balance. We are running a 7 billion dollar state and we are putting forth a bill that has a 28,000 dollar unending fund balance. We have provided our government agencies, across the board, with 14 consecutive years of budget increases. Many of the budgets during this time have doubled. What my proposal and what I believe we should have done is to take a look at all agencies, except Corrections and Human Service, we should have asked for an additional 5.95%. This would have raised the allotment to 10%. This 10% is less than what was granted the last biennium. We are asking them to give 1 and ½ years of budget increases after 14 years of consecutive years of increases. We are taking 70% out of saving and 30% out of budget cuts. We should be taking at least 50% out of budget cuts and 50% from savings. We are making an assumption that the bleeding has stopped and the bleeding is over and all is

well moving forward. The bleeding is not over. This bill will leave our next legislature assembly and the governor between a rock and hard place.

Rep Delzers: Stressed some of the bills pluses by going through the bill. He asked for any further discussion and a motion for a Do Pass

Rep Carlson: I appreciated the sides of both Rep Hogan and Dosch which were complete different sides of the pendulum. All of the options were discussed as to who was going to be the winners and who will be loser. It was discussed to go the 10% but some of the agencies could not with stand the extra 3%.

Rep Delzer: Asked for a motion.

Rep Pollert: Made a motion for a Do Pass
Rep Monson: Seconded the motion
3 Absent

Roll Call Vote: Yes 16 No 4 Absent 3

Carrier Rep Delzer

Rep Delzer: Closed the meeting

PROPOSED AMENDMENTS TO SENATE BILL NO. 2379

Page 1, line 2, after "fund" insert ", the strategic investment and improvements fund,"

Page 4, line 20, replace "\$33,305,071" with "\$57,058,083"

Page 4, after line 30, insert:

"SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. During the period beginning with the effective date of this Act and ending June 30, 2017, the director of the office of management and budget shall transfer the sum of \$23,753,012, from the strategic investment and improvements fund to the general fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a transfer from the strategic investment and improvements fund to the general fund, and appropriates an additional \$23,753,012 from the general fund to the Department of Human Services to offset budget reductions as follows:

	General Fund
Restore 25 Medicaid autism waiver slots	\$734,006
Restore 10-bed crisis residential and transitional living in the north central region	685,895
Restore the rate paid for homemaker services for home- and community-based services	400,000
Restore eligibility for child care assistance program and lower cost sharing	5,031,605
Restore the rebasing of nursing home limits (January 1, 2017)	792,976
Restore Medicaid professional fee schedule to approximately 147 percent of Medicare. In addition, restore the fee schedule used by Sanford Health Plan for the Medicaid Expansion population to the Sanford Health Plan commercial fee schedule.	13,576,658
Restore the rate increase for Medicaid ambulance services	312,500
Restore the rate increase for Medicaid physical, occupational, and speech therapy	468,630
Restore the operating margin for nursing home rates (January 1, 2017)	1,250,000
Restore the incentive payment for nursing home rates (January 1, 2017)	350,000
Restore the operating margin for basic care rates (January 1, 2017)	110,742
Restore the funding for second year of autism training	40,000
Total changes	\$23,753,012

Date: 8/31
Roll Call Vote #: 1

2016 SPECIAL SESSION HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2379

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 15.1041.02003

Action Taken Roll Call

Motion Made By Hogan Seconded By Guggisberg

Representatives	Yes	No	Representatives	Yes	No
Rep. Delzer (Chairman)		✓	Rep. Boe	✓	
Rep. Kempenich (Vice Chairman)		✓	Rep. Glassheim	A	
Rep. Bellew		✓	Rep. Guggisberg	✓	
Rep. Boehning		✓	Rep. Hogan	✓	
Rep. Brandenburg		✓	Rep. Holman	A	
Rep. Dosch		✓			
Rep. Kreidt		✓			
Rep. Martinson		✓			
Rep. Monson		✓			
Rep. Nelson		✓			
Rep. Pollert		✓			
Rep. Sanford		✓			
Rep. Schmidt		✓			
Rep. Silbernagel		✓			
Rep. Skarphol	A				
Rep. Streyle		✓			
Rep. Thoreson		✓			
Rep. Vigesaa		✓			

Total (Yes) 3 No 17

Absent 3

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: 15.1041.02003 attached #1

wanted a minority report but did not have enough yes voted (need 4 for a minority report)

Date: 8/3/16
Roll Call Vote #: 2

2016 SPECIAL SESSION HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2379

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep Pollert Seconded By Rep Monson

Representatives	Yes	No	Representatives	Yes	No
Rep. Delzer (Chairman)	✓		Rep. Boe		✓
Rep. Kempenich (Vice Chairman)	✓		Rep. Glassheim	A	
Rep. Bellew	✓		Rep. Guggisberg		✓
Rep. Boehning	✓		Rep. Hogan		✓
Rep. Brandenburg	✓		Rep. Holman	A	
Rep. Dosch		✓			
Rep. Kreidt	✓				
Rep. Martinson	✓				
Rep. Monson	✓				
Rep. Nelson	✓				
Rep. Pollert	✓				
Rep. Sanford	✓				
Rep. Schmidt	✓				
Rep. Silbernagel	✓				
Rep. Skarphol	A				
Rep. Streyle	✓				
Rep. Thoreson	✓				
Rep. Vigesaa	✓				

Total (Yes) 16 No 4

Absent 3

Floor Assignment Rep Delzer

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

REPORT OF STANDING COMMITTEE

SB 2379: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS** (16 YEAS, 4 NAYS, 3 ABSENT AND NOT VOTING). SB 2379 was placed on the Fourteenth order on the calendar.

2016 TESTIMONY

SB 2379

Sixty-fourth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2379

Introduced by

Senators Wardner, Holmberg

Representatives Carlson, Delzer

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to provide for the reduction of general fund appropriation authority; to
2 authorize transfers from the budget stabilization fund and the Bank of North Dakota; to provide
3 appropriations for the department of human services and the department of corrections and
4 rehabilitation; to provide for reports; to provide legislative intent; and to provide an effective
5 date.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. APPROPRIATION REDUCTIONS - EXECUTIVE BRANCH.** The amounts
8 identified for the agencies and institutions in this section reflect a reduction to the 2015-17
9 biennium general fund appropriation authority enacted by the sixty-fourth legislative assembly
10 for the respective agency or institution for the biennium ending June 30, 2017. The amounts
11 identified in this section are the legislative recognition of the 4.05 percent budget allotment
12 ordered by the governor in February 2016, and the 2.5 percent budget allotment ordered by the
13 governor in August 2016.

	Original General	General Fund	Adjusted General
<u>Agency or Institution</u>	<u>Fund Authority</u>	<u>Reduction</u>	<u>Fund Authority</u>
16 Governor	\$4,499,475	(\$294,716)	\$4,204,759
17 Secretary of state	10,085,308	(660,588)	9,424,720
18 Office of management and budget, 19 including House Bill No. 1432 appropriations	43,988,258	(2,881,231)	41,107,027
20 Information technology department	27,905,987	(1,827,842)	26,078,145
21 State auditor	10,461,832	(685,250)	9,776,582
22 State treasurer	260,057,355	(17,033,757)	243,023,598
23 Attorney general	55,376,870	(3,627,185)	51,749,685
24 Tax commissioner	58,769,918	(3,849,430)	54,920,488

Sixty-fourth
Legislative Assembly

1	Commission on legal counsel for indigents	18,304,103	(1,198,919)	17,105,184
2	Department of public instruction	1,820,982,952	(119,274,383)	1,701,708,569
3	North Dakota university system	154,629,019	(10,128,201)	144,500,818
4	Bismarck state college	38,155,826	(2,499,207)	35,656,619
5	Lake region state college	16,635,979	(1,089,657)	15,546,322
6	Williston state college	12,748,265	(835,011)	11,913,254
7	University of North Dakota	240,445,904	(15,749,207)	224,696,697
8	University of North Dakota school of	71,437,396	(4,679,149)	66,758,247
9	medicine and health sciences			
10	North Dakota state university	157,410,540	(10,310,390)	147,100,150
11	North Dakota state college of science	58,029,764	(3,800,950)	54,228,814
12	Dickinson state university	27,015,931	(1,769,543)	25,246,388
13	Mayville state university	16,739,145	(1,096,414)	15,642,731
14	Minot state university	48,758,181	(3,193,661)	45,564,520
15	Valley City state university	39,758,668	(2,604,193)	37,154,475
16	Dakota college at Bottineau	9,802,405	(642,058)	9,160,347
17	Forest service	5,007,844	(328,014)	4,679,830
18	State library	6,773,655	(443,674)	6,329,981
19	School for the deaf	9,140,590	(598,709)	8,541,881
20	North Dakota vision services - school	5,081,484	(332,837)	4,748,647
21	for the blind			
22	Department of career and technical	33,920,062	(2,221,764)	31,698,298
23	education			
24	State department of health	51,521,680	(3,374,670)	48,147,010
25	Veterans' home	8,697,725	(569,701)	8,128,024
26	Indian affairs commission	1,217,245	(79,730)	1,137,515
27	Department of veterans' affairs	1,612,495	(105,618)	1,506,877
28	Department of human services	1,332,202,833	(87,259,286)	1,244,943,547
29	Protection and advocacy project	3,034,111	(198,734)	2,835,377
30	Job service North Dakota	2,116,191	(138,611)	1,977,580
31	Industrial commission	34,966,173	(2,290,284)	32,675,889

Sixty-fourth
Legislative Assembly

1	Department of labor and human rights	2,511,761	(164,520)	2,347,241
2	Public service commission	7,935,207	(519,756)	7,415,451
3	Aeronautics commission	1,000,000	(65,500)	934,500
4	Securities department	2,237,326	(146,545)	2,090,781
5	Highway patrol	46,656,563	(3,056,005)	43,600,558
6	Department of corrections and	215,387,242	(14,107,864)	201,279,378
7	rehabilitation			
8	Adjutant general	33,033,118	(2,163,669)	30,869,449
9	Department of commerce	56,203,701	(3,681,342)	52,522,359
10	Agriculture commissioner	11,581,056	(758,559)	10,822,497
11	Upper great plains transportation institute	4,847,099	(317,485)	4,529,614
12	Branch research centers	20,073,447	(1,314,811)	18,758,636
13	North Dakota state university extension	29,788,188	(1,951,126)	27,837,062
14	service			
15	Northern crops institute	2,102,158	(137,691)	1,964,467
16	Main research center	59,067,612	(3,868,929)	55,198,683
17	State fair association	1,070,000	(70,085)	999,915
18	Racing commission	415,004	(27,183)	387,821
19	State historical society	21,592,039	(1,414,279)	20,177,760
20	Council on the arts	1,744,723	(114,279)	1,630,444
21	Parks and recreation department	33,294,213	(2,180,771)	31,113,442
22	Department of transportation	<u>656,375,558</u>	<u>(42,992,599)</u>	<u>613,382,959</u>
23	Total	\$5,904,207,184	(\$386,725,572)	\$5,517,481,612

SECTION 2. APPROPRIATION REDUCTIONS - LEGISLATIVE AND JUDICIAL

BRANCHES. The amounts identified for the agencies in this section reflect a reduction to the 2015-17 biennium general fund appropriation authority enacted by the sixty-fourth legislative assembly for the respective branch and agency for the biennium ending June 30, 2017.

28			Adjustments or	
29	<u>Agency or Branch</u>	<u>Original Appropriation</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Legislative assembly	\$15,885,367	(\$1,040,492)	\$14,844,875
31	Legislative council	13,439,133	(880,263)	12,558,870

1	Judicial branch	<u>112,630,994</u>	<u>(7,377,330)</u>	<u>105,253,664</u>
2	Total	\$141,955,494	(\$9,298,085)	\$132,657,409

3 **SECTION 3. TRANSFER - BUDGET STABILIZATION FUND TO GENERAL FUND.** During
4 the period beginning with the effective date of this Act and ending June 30, 2017, the director of
5 the office of management and budget shall transfer the sum of \$572,485,452, or so much of the
6 sum as may be necessary, from the budget stabilization fund to the general fund to provide for a
7 positive balance in the general fund on June 30, 2017.

8 **SECTION 4. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE**
9 **GENERAL FUND.** If, during the period beginning with the effective date of this Act and ending
10 June 30, 2017, the director of the office of management and budget determines the state
11 general fund will not have a projected positive June 30, 2017, balance, the industrial
12 commission shall transfer \$100,000,000, or so much of the sum as may be necessary, from the
13 earnings and accumulated and undivided profits of the Bank of North Dakota to the state
14 general fund. The moneys must be transferred in amounts and at such times as requested by
15 the director of the office of management and budget. The sum of the amounts transferred may
16 not exceed the lesser of \$100,000,000 or the amount necessary to provide for a positive
17 June 30, 2017, general fund balance.

18 **SECTION 5. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.** There is
19 appropriated out of any moneys in the general fund in the state treasury, not otherwise
20 appropriated, the sum of \$33,305,071, or so much of the sum as may be necessary, to the
21 department of human services for the purpose of offsetting a portion of the general fund
22 reductions for the department of human services made in section 1 of this Act, for the period
23 beginning with the effective date of this Act, and ending June 30, 2017.

24 **SECTION 6. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND**
25 **REHABILITATION.** There is appropriated out of any moneys in the general fund in the state
26 treasury, not otherwise appropriated, the sum of \$3,230,809, or so much of the sum as may be
27 necessary, to the department of corrections and rehabilitation for the purpose of offsetting a
28 portion of the general fund reductions for the department of corrections and rehabilitation made
29 in section 1 of this Act, for the period beginning with the effective date of this Act, and ending
30 June 30, 2017.

1 **SECTION 7. REPORT - AGENCY BUDGET REDUCTIONS.** Before October 1, 2016, each
2 branch, agency, or institution with a general fund appropriation reduction identified in section 1
3 or 2 of this Act shall provide a report to the office of management and budget and the legislative
4 council regarding its plan for specific budget reductions made as a result of this Act. The report
5 must include detail regarding the reductions made by line item, one-time appropriation item, and
6 program. The report must identify for each line item, one-time appropriation item, and program:

- 7 1. The original funding amount based on 2015-17 biennium general fund appropriations,
8 the reduction amount, and the funding amount remaining; and
- 9 2. Any changes to federal or special funding as a result of the reductions.

10 **SECTION 8. LEGISLATIVE INTENT.** It is the intent of the sixty-fourth legislative assembly
11 that if additional revenues become available before the convening of the sixty-fifth legislative
12 assembly, the sixty-fifth legislative assembly consider, early in the regular session, restoration of
13 funding for behavioral health, autism, and long-term care services.

14 **SECTION 9. EFFECTIVE DATE.** This Act becomes effective upon its filing with the
15 secretary of state.

August 2, 2016

#2

PROPOSED AMENDMENTS TO SENATE BILL NO. 2379

Page 1, line 2, after "fund" insert ", the strategic investment and improvements fund,"

Page 4, line 20, replace "\$33,305,071" with "\$62,333,489"

Page 4, after line 30, insert:

"SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. During the period beginning with the effective date of this Act and ending June 30, 2017, the director of the office of management and budget shall transfer the sum of \$29,028,418, from the strategic investment and improvements fund to the general fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a transfer from the strategic investment and improvements fund to the general fund, and appropriates an additional \$29,028,418 from the general fund to the Department of Human Services to offset budget reductions as follows:

	General Fund
Restore 25 Medicaid autism waiver slots	\$734,006
Restore 10-bed crisis residential and transitional living in the north central region	685,895
Restore 3 percent inflationary increases - Traditional Medicaid providers	3,206,587
Restore 3 percent inflationary increases - Developmental disability providers	4,047,111
Restore 3 percent inflationary increases - Long-term care providers	846,536
Restore 3 percent inflationary increases - Nursing home providers (January 1, 2017)	1,197,156
Restore 3 percent inflationary increases - Foster care grant providers	1,013,182
Restore 3 percent inflationary increases - Other providers	396,439
Restore the rebasing of nursing home limits (January 1, 2017)	792,976
Restore Medicaid professional fee schedule to approximately 147 percent of Medicare. In addition, restore the fee schedule used by Sanford Health Plan for the Medicaid Expansion population to the Sanford Health Plan commercial fee schedule.	13,576,658
Restore the rate increase for Medicaid ambulance services	312,500
Restore the rate increase for Medicaid physical, occupational, and speech therapy	468,630
Restore the operating margin for nursing home rates (January 1, 2017)	1,250,000
Restore the incentive payment for nursing home rates (January 1, 2017)	350,000
Restore the operating margin for basic care rates (January 1, 2017)	110,742
Restore the funding for second year of autism training	40,000
Total changes	\$29,028,418

8-2-16
#3

PROPOSAL TO RESTORE FUNDING TO DEPARTMENT OF HUMAN SERVICES RELATING TO FEBRUARY 2016 ALLOTMENT AMOUNT

The chart below summarizes the funding restored to the Department of Human Services in a proposed amendment to Senate Bill No. 2379 [15.1041.02001] relating to a portion of the February 2016 4.05 percent budget allotment amount. The other funds shown are the estimated federal or other funds related to the restoration of funding from the general fund.

Agency	General Fund	Other Funds	Total Funds
Department of Human Services	\$29,028,418	\$56,233,149	\$85,261,567
Total	\$29,028,418	\$56,233,149	\$85,261,567

DEPARTMENT OF HUMAN SERVICES

The schedule below provides information on the Department of Human Services 4.05 percent budget allotment reductions related to the February 2016 4.05 percent budget allotment amount. **Items highlighted in gray are restored in the proposed amendment to Senate Bill No. 2379 [15.1041.02001].**

Budget Allotment	General Fund	Other Funds	Total Funds
Remove July 1, 2016, employee salary increase (limited to a maximum of 2 percent)	\$940,000	\$786,939	\$1,726,939
Postpone demolition project at Life Skills and Transition Center	650,070		650,070
Delay installation of State Hospital card access system	870,540		870,540
Reduce travel departmentwide	197,147	274,456	471,603
Adjust various human resource policies	275,000	194,614	469,614
Adjust salary reduction savings (in addition to the \$4.6 million reduction from the 2015-17 budget appropriation)	350,000	289,765	639,765
Do not replace computer and printers for remainder of biennium	100,000	59,236	159,236
Departmentwide operating cost reduction	147,422	142,116	289,538
Do not fill business analyst position	67,724	50,260	117,984
Reduce costs to support eligibility system	1,000,000	1,435,667	2,435,667
Estimated mainframe operations cost savings	1,200,000	1,616,637	2,816,637
Limit expenditures for the substance abuse services voucher program (2015 Senate Bill No. 2048)	375,000		375,000
Limit funding for behavioral health planning (2015 Senate Bill No. 2048)	75,000		75,000
Adjust the increase to Interagency Program for Assistive Technology for the second year (2015 Senate Bill No. 2289)	80,000		80,000
Do not fill 25 new Medicaid autism waiver slots	734,006	734,006	1,468,012
Do not fill 10 new autism voucher slots	250,001		250,001
Remove additional funding for second year of the biennium for vulnerable adult protective services	310,792		310,792
Do not fill 35 new slots for extended services - Seriously mentally ill	388,492		388,492
Do not refill new slots for prevocational skills - Traumatic brain injury, and reduce hours per month to 4 hours	105,000		105,000
Do not provide increased (new) funding to Robinson Recovery Center	237,500		237,500
Do not refill new slots for extended services slots - Traumatic brain injury	180,783		180,783
Postpone 10-bed crisis residential and transitional living in Minot region	685,895	218,088	903,983
Postpone mobile on-call crisis services in Bismarck region	250,000		250,000

Budget Allotment	General Fund	Other Funds	Total Funds
Do not implement subsection 3 of Section 1 of 2015 House Bill No. 1359; and as noted in the bill, end the provision of subsections 4 and 5, because adequate appropriations are not available	720,133	61,589	781,72
Adjust contract payments by one-half the monthly amount for expanded traumatic brain injury services (2015 House Bill No. 1046)	346,875		346,875
Adjust the contract amount for expanded traumatic brain injury services (2015 House Bill No. 1046)	100,000		100,000
Adjust gambling addiction contract	40,000		40,000
Adjust inflationary increases - Traditional Medicaid providers	3,206,587	3,332,487	6,539,074
Adjust inflationary increases - Developmental disability providers	4,047,111	4,067,165	8,114,276
Adjust inflationary increases - Long-term care providers	846,536	496,595	1,343,131
Adjust inflationary increases - Nursing home providers (January 1, 2017)	1,197,156	1,197,158	2,394,314
Adjust inflationary increases - Foster care grant providers	1,013,182	433,895	1,447,077
Adjust inflationary increases - Other providers	396,439	29,454	425,893
Adjust inflationary increases - Human service center contracts	576,119		576,119
Delay rebasing of nursing home limits (January 1, 2017)	792,976	792,977	1,585,953
Adjust Medicaid professional fee schedule to 100 percent of Medicare. The current fee schedule is approximately 147 percent of Medicare. This impacts physicians and other providers and practitioners who are paid a percentage of the professional fee schedule. In addition, the fee schedule used by Sanford Health Plan for the Medicaid Expansion population will be changed to more closely align to the Medicaid fee schedule, rather than the Sanford Health Plan commercial fee schedule.	13,576,658	41,919,798	55,496,456
Adjust rate increase for Medicaid ambulance services	312,500	312,500	625,000
Adjust rate increase for Medicaid physical, occupational, and speech therapy	468,630	1,012,240	1,480,870
Adjust operating margin from nursing home rates (January 1, 2017)	1,250,000	1,250,000	2,500,000
Adjust incentive payment from nursing home rates (January 1, 2017)	350,000	350,000	700,000
Adjust rate paid for homemaker services for home- and community-based services	400,000	38,221	438,221
Adjust operating margin from basic care rates (effective January 1, 2017)	110,742	46,786	157,528
The Centers for Medicare and Medicaid Services issued a final rule requiring changes for how states reimburse Medicaid pharmacy costs on January 21, 2016. The deadline to implement is April 1, 2017; however, the department plans to implement this provision earlier to realize additional savings.	91,000	91,000	182,000
Adjust funding for Governor's Prevention and Advisory Council	80,000		80,000
Adjust funding for Governor's Committee on Aging	14,000		14,000
Adjust funding for Committee on Employment of People with Disabilities (2013 Senate Bill No. 2271)	27,594	12,000	39,594
Adjust funding for child care quality contract	1,700,000		1,700,000
Adjust funding for child care inclusion specialists contract	200,000		200,000
Adjust funding for child care inclusion grants	100,000		100,000

Budget Allotment	General Fund	Other Funds	Total Funds
Freeze enrollment for subsidized guardianship	220,000		220,000
Adjust eligibility for child care assistance program (2013 House Bill No. 1422) and increase cost sharing	5,031,605		5,031,605
Adjust funding for Annie's House at Bottineau Winter Park contract	135,000		135,000
Adjust funding for dementia care services contract	150,000		150,000
Freeze family subsidy program enrollment and expenditures	200,000		200,000
Adjust funding for the Parents Listen, Educate, Ask, Discuss program	100,000		100,000
Adjust funding for phone recovery support contract	100,000		100,000
Adjust funding for Healthy Families program contract	150,000		150,000
Adjust funding for High Five Youth Camp in Dickinson	93,000		93,000
Adjust funding for second year of autism training	40,000	40,000	80,000
Budget allotment subtotal before revenue increases	\$47,654,215	\$61,285,649	\$108,939,864
Increased revenue - Increase in federal Medicaid reimbursement for eligibility determination costs from 50 percent to 75 percent (Section 17 of 2015 Senate Bill No. 2012). Funding will be retained by the department and not passed on to counties.	5,300,000		5,300,000
Increased revenue - Anticipating a revised policy from the federal government in 2016 to provide 100 percent of tribal and Indian health services funding	1,000,000		1,000,000
Total	\$53,954,215	\$61,285,649	\$115,239,864

2015-17 BIENNIUM REVENUE FORECAST - GENERAL FUND AND OIL TAX COLLECTIONS

4

GENERAL FUND REVENUE CHANGES - SUMMARY

The schedule below summarizes the general fund revenue changes to the July 1, 2015, balance, the 2015-17 biennium estimated general fund revenues, and the 2015-17 biennium estimated unspent general fund appropriation authority (turnback).

2015-17 Biennium General Fund Summary			
	May 2015 Legislative Forecast	July 2016 Revised Forecast	Adjustments to Budget Status
July 1, 2015, balance ¹	\$598,664,078	\$739,387,585	\$140,723,507
2015-17 biennium ongoing revenue and transfers	5,638,508,192	4,255,584,586	(1,382,923,606)
2015-17 biennium unspent appropriation authority	0	19,246,000	19,246,000
Total	\$6,237,172,270	\$5,014,218,171	(\$1,222,954,099)

¹The amount shown for the adjustment to budget status for the July 1, 2015, balance recognizes additional 2013-15 biennium general fund revenue and unspent general fund appropriation authority, but not 2015-17 biennium appropriations spent in the 2013-15 biennium pursuant to emergency clauses.

GENERAL FUND REVENUE FORECAST REVISION - DETAIL

The schedule below provides information on the estimated general fund revenue revision for the 2015-17 biennium.

2015-17 Biennium General Fund Revenue Forecast			
	May 2015 Legislative Forecast	July 2016 Revised Forecast	Adjustments to Budget Status
Ongoing revenue			
Sales and use taxes	\$2,868,026,560	\$1,863,517,574	(\$1,004,508,986)
Motor vehicle excise tax	314,324,000	201,543,785	(112,780,215)
Individual income tax	763,276,000	690,525,749	(72,750,251)
Corporate income tax	371,422,000	158,713,800	(212,708,200)
Insurance premium tax	91,830,364	104,935,597	13,105,233
Financial institutions tax	0	324,145	324,145
Oil and gas gross production tax	74,693,374	102,881,583	28,188,209
Oil extraction tax	225,306,626	197,118,417	(28,188,209)
Gaming tax	7,106,250	6,975,584	(130,666)
Cigarette and tobacco tax	61,334,000	57,082,715	(4,251,285)
Wholesale liquor tax	18,995,000	18,114,988	(880,012)
Coal conversion tax	39,578,000	42,725,976	3,147,976
Mineral leasing fees	19,667,704	23,635,424	3,967,720
Departmental collections	73,883,318	78,448,832	4,565,514
Interest income	20,999,500	23,889,121	2,889,621
Total ongoing revenue	\$4,950,442,696	\$3,570,433,290	(\$1,380,009,406)
Transfers			
Lottery	\$15,260,000	\$17,210,000	\$1,950,000
State Mill and Elevator profits - Transfer	13,775,000	8,834,894	(4,940,106)
Tax relief fund - Transfer	657,000,000	657,000,000	0
Other transfers	2,030,496	2,106,402	75,906
Total transfers	\$688,065,496	\$685,151,296	(\$2,914,200)
Total revenues and transfers	\$5,638,508,192	\$4,255,584,586	(\$1,382,923,606)

ESTIMATED UNSPENT GENERAL FUND APPROPRIATION AUTHORITY - DETAIL

The schedule below provides information on the estimated unspent general fund appropriation authority by state agency for the 2015-17 biennium.

2015-17 Biennium Estimated Unspent General Fund Appropriation Authority			
	May 2015 Legislative Forecast	July 2016 Revised Forecast	Adjustments to Budget Status
Adjutant General	\$0	\$400,000	\$400,000
Department of Public Instruction	0	17,300,000	17,300,000
Office of Management and Budget	0	1,546,000	1,546,000
Total	\$0	\$19,246,000	\$19,246,000

OIL AND GAS TAX REVENUE FORECAST

The schedules below provide information on estimated oil and gas tax revenue for the 2013-15 and 2015-17 bienniums.

2015-17 Biennium Oil and Gas Tax Revenue Forecast		
	May 2015 Legislative Forecast ¹	July 2016 Revised Forecast ²
Average oil price (North Dakota price)	\$41.97 to \$52.56	\$38 to \$42
Average daily oil production (in barrels)	Remaining at 1.1 million	Decreasing from 1 million to 900,000
Total oil and gas tax revenue	\$3.40 billion	\$2.90 billion
¹ The amounts shown for the May 2015 legislative forecast reflect the provisions of "large" trigger being in effect for the first 6 months of the biennium.		
² The amounts shown for the July 2016 revised forecast reflect actual oil and gas tax revenue through June 2016 and oil price and production forecasts for the remaining months of the 2015-17 biennium.		

BUDGET STATUS ADJUSTMENT MOTION

The following is a motion for consideration by the Appropriations Committees related to the July 1, 2015, general fund balance, 2015-17 biennium estimated general fund revenue, 2015-17 biennium estimated turnback, and estimated oil and gas tax revenue for the 2015-17 biennium based on the July 2016 revised revenue forecast:

It was moved by _____ and seconded by _____ that the House (Senate) Appropriations Committee of the 64th Legislative Assembly adopt, for Legislative Council budget status and oil tax revenue reporting purposes, the following estimated revenues for the July 1, 2015, general fund balance; 2015-17 biennium estimated general fund revenues; 2015-17 biennium estimated unspent general fund appropriation authority; and oil price and average daily oil production for the remainder of the 2015-17 biennium:

2015-17 Biennium Estimated General Fund Revenues	
	Adjustments to Budget Status
Adjustment to estimated July 1, 2015, general fund balance	\$140,723,507
Adjustment to 2015-17 biennium estimated ongoing revenue and transfers	(\$1,382,923,606)
Adjustment to 2015-17 biennium estimated unspent appropriation authority	19,246,000
Total adjustments to the May 2015 legislative forecast	(\$1,222,954,099)

Estimated Oil Price and Average Daily Oil Production	
	2015-17 Biennium Forecast
Average oil price	\$38 to \$42
Average daily oil production (in barrels)	Decreasing from 1 million to 900,000

NOTE: These amounts will be reflected in the budget status and oil tax revenue reports when adopted by both Appropriations Committees.

August 2, 2016

PROPOSED AMENDMENTS TO SENATE BILL NO. 2379

Page 1, line 2, after "fund" insert ", the strategic investment and improvements fund,"

Page 4, line 20, replace "\$33,305,071" with "\$62,333,489"

Page 4, after line 30, insert:

"SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. During the period beginning with the effective date of this Act and ending June 30, 2017, the director of the office of management and budget shall transfer the sum of \$29,028,418, from the strategic investment and improvements fund to the general fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a transfer from the strategic investment and improvements fund to the general fund, and appropriates an additional \$29,028,418 from the general fund to the Department of Human Services to offset budget reductions as follows:

	General Fund
Restore 25 Medicaid autism waiver slots	\$734,006
Restore 10-bed crisis residential and transitional living in the north central region	685,895
Restore 3 percent inflationary increases - Traditional Medicaid providers	3,206,587
Restore 3 percent inflationary increases - Developmental disability providers	4,047,111
Restore 3 percent inflationary increases - Long-term care providers	846,536
Restore 3 percent inflationary increases - Nursing home providers (January 1, 2017)	1,197,156
Restore 3 percent inflationary increases - Foster care grant providers	1,013,182
Restore 3 percent inflationary increases - Other providers	396,439
Restore the rebasing of nursing home limits (January 1, 2017)	792,976
Restore Medicaid professional fee schedule to approximately 147 percent of Medicare. In addition, restore the fee schedule used by Sanford Health Plan for the Medicaid Expansion population to the Sanford Health Plan commercial fee schedule.	13,576,658
Restore the rate increase for Medicaid ambulance services	312,500
Restore the rate increase for Medicaid physical, occupational, and speech therapy	468,630
Restore the operating margin for nursing home rates (January 1, 2017)	1,250,000
Restore the incentive payment for nursing home rates (January 1, 2017)	350,000
Restore the operating margin for basic care rates (January 1, 2017)	110,742
Restore the funding for second year of autism training	40,000
Total changes	\$29,028,418

PROPOSAL TO RESTORE FUNDING TO DEPARTMENT OF HUMAN SERVICES RELATING TO FEBRUARY 2016 ALLOTMENT AMOUNT

The chart below summarizes the funding restored to the Department of Human Services in a proposed amendment to Senate Bill No. 2379 [15.1041.02001] relating to a portion of the February 2016 4.05 percent budget allotment amount. The other funds shown are the estimated federal or other funds related to the restoration of funding from the general fund.

Agency	General Fund	Other Funds	Total Funds
Department of Human Services	\$29,028,418	\$56,233,149	\$85,261,567
Total	\$29,028,418	\$56,233,149	\$85,261,567

DEPARTMENT OF HUMAN SERVICES

The schedule below provides information on the Department of Human Services 4.05 percent budget allotment reductions related to the February 2016 4.05 percent budget allotment amount. **Items highlighted in gray are restored in the proposed amendment to Senate Bill No. 2379 [15.1041.02001].**

Budget Allotment	General Fund	Other Funds	Total Funds
Remove July 1, 2016, employee salary increase (limited to a maximum of 2 percent)	\$940,000	\$786,939	\$1,726,939
Postpone demolition project at Life Skills and Transition Center	650,070		650,070
Delay installation of State Hospital card access system	870,540		870,540
Reduce travel departmentwide	197,147	274,456	471,603
Adjust various human resource policies	275,000	194,614	469,614
Adjust salary reduction savings (in addition to the \$4.6 million reduction from the 2015-17 budget appropriation)	350,000	289,765	639,765
Do not replace computer and printers for remainder of biennium	100,000	59,236	159,236
Departmentwide operating cost reduction	147,422	142,116	289,538
Do not fill business analyst position	67,724	50,260	117,984
Reduce costs to support eligibility system	1,000,000	1,435,667	2,435,667
Estimated mainframe operations cost savings	1,200,000	1,616,637	2,816,637
Limit expenditures for the substance abuse services voucher program (2015 Senate Bill No. 2048)	375,000		375,000
Limit funding for behavioral health planning (2015 Senate Bill No. 2048)	75,000		75,000
Adjust the increase to Interagency Program for Assistive Technology for the second year (2015 Senate Bill No. 2289)	80,000		80,000
Do not fill 25 new Medicaid autism waiver slots	734,006	734,006	1,468,012
Do not fill 10 new autism voucher slots	250,001		250,001
Remove additional funding for second year of the biennium for vulnerable adult protective services	310,792		310,792
Do not fill 35 new slots for extended services - Seriously mentally ill	388,492		388,492
Do not refill new slots for prevocational skills - Traumatic brain injury, and reduce hours per month to 4 hours	105,000		105,000
Do not provide increased (new) funding to Robinson Recovery Center	237,500		237,500
Do not refill new slots for extended services slots - Traumatic brain injury	180,783		180,783
Postpone 10-bed crisis residential and transitional living in Minot region	685,895	218,088	903,983
Postpone mobile on-call crisis services in Bismarck region	250,000		250,000

Budget Allotment	General Fund	Other Funds	Total Funds
Do not implement subsection 3 of Section 1 of 2015 House Bill No. 1359; and as noted in the bill, end the provision of subsections 4 and 5, because adequate appropriations are not available	720,133	61,589	781,72
Adjust contract payments by one-half the monthly amount for expanded traumatic brain injury services (2015 House Bill No. 1046)	346,875		346,875
Adjust the contract amount for expanded traumatic brain injury services (2015 House Bill No. 1046)	100,000		100,000
Adjust gambling addiction contract	40,000		40,000
Adjust inflationary increases - Traditional Medicaid providers	3,206,587	3,332,487	6,539,074
Adjust inflationary increases - Developmental disability providers	4,047,111	4,067,165	8,114,276
Adjust inflationary increases - Long-term care providers	846,536	496,595	1,343,131
Adjust inflationary increases - Nursing home providers (January 1, 2017)	1,197,156	1,197,158	2,394,314
Adjust inflationary increases - Foster care grant providers	1,013,182	433,895	1,447,077
Adjust inflationary increases - Other providers	396,439	29,454	425,893
Adjust inflationary increases - Human service center contracts	576,119		576,119
Delay rebasing of nursing home limits (January 1, 2017)	792,976	792,977	1,585,953
Adjust Medicaid professional fee schedule to 100 percent of Medicare. The current fee schedule is approximately 147 percent of Medicare. This impacts physicians and other providers and practitioners who are paid a percentage of the professional fee schedule. In addition, the fee schedule used by Sanford Health Plan for the Medicaid Expansion population will be changed to more closely align to the Medicaid fee schedule, rather than the Sanford Health Plan commercial fee schedule.	13,576,658	41,919,798	55,496,456
Adjust rate increase for Medicaid ambulance services	312,500	312,500	625,000
Adjust rate increase for Medicaid physical, occupational, and speech therapy	468,630	1,012,240	1,480,870
Adjust operating margin from nursing home rates (January 1, 2017)	1,250,000	1,250,000	2,500,000
Adjust incentive payment from nursing home rates (January 1, 2017)	350,000	350,000	700,000
Adjust rate paid for homemaker services for home- and community-based services	400,000	38,221	438,221
Adjust operating margin from basic care rates (effective January 1, 2017)	110,742	46,786	157,528
The Centers for Medicare and Medicaid Services issued a final rule requiring changes for how states reimburse Medicaid pharmacy costs on January 21, 2016. The deadline to implement is April 1, 2017; however, the department plans to implement this provision earlier to realize additional savings.	91,000	91,000	182,000
Adjust funding for Governor's Prevention and Advisory Council	80,000		80,000
Adjust funding for Governor's Committee on Aging	14,000		14,000
Adjust funding for Committee on Employment of People with Disabilities (2013 Senate Bill No. 2271)	27,594	12,000	39,594
Adjust funding for child care quality contract	1,700,000		1,700,000
Adjust funding for child care inclusion specialists contract	200,000		200,000
Adjust funding for child care inclusion grants	100,000		100,000

Budget Allotment	General Fund	Other Funds	Total Funds
Freeze enrollment for subsidized guardianship	220,000		220,000
Adjust eligibility for child care assistance program (2013 House Bill No. 1422) and increase cost sharing	5,031,605		5,031,605
Adjust funding for Annie's House at Bottineau Winter Park contract	135,000		135,000
Adjust funding for dementia care services contract	150,000		150,000
Freeze family subsidy program enrollment and expenditures	200,000		200,000
Adjust funding for the Parents Listen, Educate, Ask, Discuss program	100,000		100,000
Adjust funding for phone recovery support contract	100,000		100,000
Adjust funding for Healthy Families program contract	150,000		150,000
Adjust funding for High Five Youth Camp in Dickinson	93,000		93,000
Adjust funding for second year of autism training	40,000	40,000	80,000
Budget allotment subtotal before revenue increases	\$47,654,215	\$61,285,649	\$108,939,864
Increased revenue - Increase in federal Medicaid reimbursement for eligibility determination costs from 50 percent to 75 percent (Section 17 of 2015 Senate Bill No. 2012). Funding will be retained by the department and not passed on to counties.	5,300,000		5,300,000
Increased revenue - Anticipating a revised policy from the federal government in 2016 to provide 100 percent of tribal and Indian health services funding	1,000,000		1,000,000
Total	\$53,954,215	\$61,285,649	\$115,239,864

Attachment #1
SB 2379
8/3/16

Prepared by the Legislative Council staff for
Representative Hogan
August 2, 2016

PROPOSED AMENDMENTS TO SENATE BILL NO. 2379

Page 1, line 2, after "fund" insert ", the strategic investment and improvements fund,"

Page 4, line 20, replace "\$33,305,071" with "\$57,058,083"

Page 4, after line 30, insert:

"SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. During the period beginning with the effective date of this Act and ending June 30, 2017, the director of the office of management and budget shall transfer the sum of \$23,753,012, from the strategic investment and improvements fund to the general fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a transfer from the strategic investment and improvements fund to the general fund, and appropriates an additional \$23,753,012 from the general fund to the Department of Human Services to offset budget reductions as follows:

	General Fund
Restore 25 Medicaid autism waiver slots	\$734,006
Restore 10-bed crisis residential and transitional living in the north central region	685,895
Restore the rate paid for homemaker services for home- and community-based services	400,000
Restore eligibility for child care assistance program and lower cost sharing	5,031,605
Restore the rebasing of nursing home limits (January 1, 2017)	792,976
Restore Medicaid professional fee schedule to approximately 147 percent of Medicare. In addition, restore the fee schedule used by Sanford Health Plan for the Medicaid Expansion population to the Sanford Health Plan commercial fee schedule.	13,576,658
Restore the rate increase for Medicaid ambulance services	312,500
Restore the rate increase for Medicaid physical, occupational, and speech therapy	468,630
Restore the operating margin for nursing home rates (January 1, 2017)	1,250,000
Restore the incentive payment for nursing home rates (January 1, 2017)	350,000
Restore the operating margin for basic care rates (January 1, 2017)	110,742
Restore the funding for second year of autism training	40,000
Total changes	\$23,753,012

OVERVIEW OF PROPOSED AMENDMENT TO SENATE BILL NO. 2379 (AMENDMENT NO. 15.1041.02002)

The following schedule summarizes how the proposed amendment to Senate Bill No. 2379 (15.1041.02002) would address the anticipated general fund budget shortfall:

Total shortfall - February 2016 and July 2016 revised revenue forecasts	(\$1,382,923,607)
General fund budget reductions for all agencies (10 percent)	604,616,271
Transfer funds from the budget stabilization fund to the general fund	572,485,452
Restore a portion of the general fund budget reduction for the Department of Human Services to provide a total net allotment of 4.05 percent	(79,266,069)
Restore a portion of the general fund budget reduction for the Department of Corrections and Rehabilitation to provide a total net allotment of 5.05 percent	(10,661,668)
Utilize original estimated ending general fund balance and excess 2013-15 biennium revenues	331,733,100
Recognize anticipated unspent 2015-17 biennium appropriations (turnback)	19,246,000
Revised general fund balance - June 30, 2017	\$55,229,479

Attachment 2
SB 2379
8/3/14

Chairman Delzer and member of the Appropriations Committee

This proposed amendment is designed to target four critical areas of human services that were seriously impacted by the first allocation. It was difficult to identify specific areas but these particular reductions were so impactful on both individuals and the health care and human service system that we should consider them.

There are changes from Senator's Mathern's amendments. We eliminated the 3% inflationary increases for health care providers. We cannot afford them at this time.

Restore some of the Medicaid Reductions

Health care providers are taking a 32% reduction in reimbursement. What does mean?

- a. Loss of at least 18 million in federal dollars and probably nearer to 25%
- b. Risk the collapse of parts of the health care system. Small providers, critical access hospitals that are heavily dependent on public funding will gradually close. It may take 3 to 5 years to see but long term it will create another crisis.
- c. Work force shortage will worsen.
- d. Nursing Homes often struggle with year to year survival. We need to maintain the basic reimbursement structure for long term care.

Restore behavior health services

\$1,459,000 in direct services. We will lose another 1.4 million in federal funds. This is still only a bandaid for Behavioral Health.

The crisis in the state continue to grow. Our jails and prisons are filling up and our people are dying from drug overdoses, suicides.

Restore QSP Homemaker Reimbursement

This reduction in the rate homemakers are paid both individual and through agencies is almost 50% reduction. It will result in the elimination of this service type through the state funded HCBS programs. Homemakers services is the door of entry to many HCBS clients. Without it more elderly will end up in serious crisis needed high levels of care.

Restore Child Care Assistance

ND still faces many workforce challenges and child care problems. These cuts particularly hurt working families living month to month

Member of the Committee, I hope we can have serious discussion about this critical issues and make wise financial choices for all citizens of the ND. I move the adoption of amendment 2003 and would ask for a roll call vote so that we could consider a minority.

Thank you and I would be more than willing to answer any questions

August 2, 2016

not presented

PROPOSED AMENDMENTS TO SENATE BILL NO. 2379

Page 1, line 2, remove "and the Bank of North Dakota"

Page 1, remove lines 7 through 24

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 31

Page 4, replace lines 1 and 2 with:

"SECTION 1. APPROPRIATION REDUCTIONS - ADDITIONAL ALLOTMENT - EXECUTIVE BRANCH. The amounts identified for the agencies and institutions in this section reflect a reduction to the 2015-17 biennium general fund appropriation authority enacted by the sixty-fourth legislative assembly for the respective agency or institution for the biennium ending June 30, 2017. The amounts identified in this section are the legislative recognition of the 4.05 percent budget allotment ordered by the governor in February 2016, the 2.5 percent budget allotment ordered by the governor in August 2016, and a 3.45 percent allotment the governor and the director of the office of management and budget shall order under section 54-44.1-12 by September 1, 2016.

<u>Agency or Institution</u>	<u>Original General Fund Authority</u>	<u>General Fund Reduction</u>	<u>Adjusted General Fund Authority</u>
Governor	\$4,499,475	(\$449,948)	\$4,049,527
Secretary of state	10,085,308	(1,008,531)	9,076,777
Office of management and budget, including House Bill No. 1432 appropriations	43,988,258	(4,398,826)	39,589,432
Information technology department	27,905,987	(2,790,599)	25,115,388
State auditor	10,461,832	(1,046,183)	9,415,649
State treasurer	260,057,355	(26,005,736)	234,051,619
Attorney general	55,376,870	(5,537,687)	49,839,183
Tax commissioner	58,769,918	(5,876,992)	52,892,926
Commission on legal counsel for indigents	18,304,103	(1,830,410)	16,473,693
Department of public instruction	1,820,982,952	(182,098,295)	1,638,884,657
North Dakota university system	154,629,019	(15,462,902)	139,166,117
Bismarck state college	38,155,826	(3,815,583)	34,340,243
Lake region state college	16,635,979	(1,663,598)	14,972,381
Williston state college	12,748,265	(1,274,827)	11,473,438
University of North Dakota	240,445,904	(24,044,590)	216,401,314
University of North Dakota school of medicine and health sciences	71,437,396	(7,143,740)	64,293,656
North Dakota state university	157,410,540	(15,741,054)	141,669,486
North Dakota state college of science	58,029,764	(5,802,976)	52,226,788
Dickinson state university	27,015,931	(2,701,593)	24,314,338
Mayville state university	16,739,145	(1,673,915)	15,065,230
Minot state university	48,758,181	(4,875,818)	43,882,363
Valley City state university	39,758,668	(3,975,867)	35,782,801
Dakota college at Bottineau	9,802,405	(980,241)	8,822,164
Forest service	5,007,844	(500,784)	4,507,060
State library	6,773,655	(677,366)	6,096,289

School for the deaf	9,140,590	(914,059)	8,226,531
North Dakota vision services - school for the blind	5,081,484	(508,148)	4,573,336
Department of career and technical education	33,920,062	(3,392,006)	30,528,056
State department of health	51,521,680	(5,152,168)	46,369,512
Veterans' home	8,697,725	(869,773)	7,827,952
Indian affairs commission	1,217,245	(121,725)	1,095,520
Department of veterans' affairs	1,612,495	(161,250)	1,451,245
Department of human services	1,332,202,833	(133,220,283)	1,198,982,550
Protection and advocacy project	3,034,111	(303,411)	2,730,700
Job service North Dakota	2,116,191	(211,619)	1,904,572
Industrial commission	34,966,173	(3,496,617)	31,469,556
Department of labor and human rights	2,511,761	(251,176)	2,260,585
Public service commission	7,935,207	(793,521)	7,141,686
Aeronautics commission	1,000,000	(100,000)	900,000
Securities department	2,237,326	(223,733)	2,013,593
Highway patrol	46,656,563	(4,665,656)	41,990,907
Department of corrections and rehabilitation	215,387,242	(21,538,724)	193,848,518
Adjutant general	33,033,118	(3,303,312)	29,729,806
Department of commerce	56,203,701	(5,620,370)	50,583,331
Agriculture commissioner	11,581,056	(1,158,106)	10,422,950
Upper great plains transportation institute	4,847,099	(484,710)	4,362,389
Branch research centers	20,073,447	(2,007,345)	18,066,102
North Dakota state university extension service	29,788,188	(2,978,819)	26,809,369
Northern crops institute	2,102,158	(210,216)	1,891,942
Main research center	59,067,612	(5,906,761)	53,160,851
State fair association	1,070,000	(107,000)	963,000
Racing commission	415,004	(41,500)	373,504
State historical society	21,592,039	(2,159,204)	19,432,835
Council on the arts	1,744,723	(174,472)	1,570,251
Parks and recreation department	33,294,213	(3,329,421)	29,964,792
Department of transportation	<u>656,375,558</u>	<u>(65,637,556)</u>	<u>590,738,002</u>
Total	\$5,904,207,184	(\$590,420,722)	\$5,313,786,462

SECTION 2. APPROPRIATION REDUCTIONS - LEGISLATIVE AND JUDICIAL BRANCHES. The amounts identified for the agencies in this section reflect a reduction to the 2015-17 biennium general fund appropriation authority enacted by the sixty-fourth legislative assembly for the respective branch and agency for the biennium ending June 30, 2017.

<u>Agency or Branch</u>	<u>Original Appropriation</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Legislative assembly	\$15,885,367	(\$1,588,537)	\$14,296,830
Legislative council	13,439,133	(1,343,913)	12,095,220
Judicial branch	<u>112,630,994</u>	<u>(11,263,099)</u>	<u>101,367,895</u>
Total	\$141,955,494	(\$14,195,549)	\$127,759,945"

Page 4, remove lines 8 through 17

Page 4, line 20, replace "\$33,305,071" with "\$79,266,069"

Page 4, line 26, replace "\$3,230,809" with "\$10,661,668"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment:

- Requires and recognizes an additional 3.45 percent allotment for total general fund budget reductions of 10 percent;
- Restores a portion of the funding reductions for the Department of Human Services (5.95 percent) and the Department of Corrections and Rehabilitation (4.95 percent) to provide a total net budget reduction of 4.05 percent for the Department of Human Services and 5.05 percent for the Department of Corrections and Rehabilitation, the same as in the bill as introduced; and
- Removes the contingent transfer of \$100 million from the Bank of North Dakota to the general fund.