

**2021 HOUSE APPROPRIATIONS**

**HB 1275**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1275  
2/1/2021

Relating to an infrastructure bonding repayment fund, a research and innovation fund, a workforce development and lifelong education fund, a student meal and support services fund, a legacy earnings fund, a human services and public health stabilization fund, and a regional economic development infrastructure fund

**2:45 Chairman Delzer** Called the meeting to order, roll call was taken

Representatives	Roll Call
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- 7 Buckets for the Legacy Fund Earnings
- Proposed amendment to declare an emergency
- Suggestions for the Legacy Funds

**2:50 Representative Josh Boschee-** Introduces HB 1275 (testimony #4610)

**3:05 Senator Joan Heckamen-** Testifies in favor of HB 1275 (testimony #5306)

**3:12 David Hunter Executive Director/ Chief Investment Officer of the ND Retirement and Investment Office; Testifies in favor (testimony #4595 & 4594)**

**Additional written testimony:** Submitted but not addressed; in favor #4261, #4362, #4511 and neutral testimony # 4484.

**Chairman Delzer Closed the hearing on HB 1275**

*Risa Berube,*

*House Appropriations Committee Clerk*



# North Dakota House of Representatives

State Capitol  
600 East Boulevard Avenue  
Bismarck, ND 58505-0360

## Representative

Josh Boschee  
District 44  
517 First Street North  
Fargo, ND 58102-4540  
C: 701-367-3513  
jboschee@nd.gov

## Minority Leader

February 1, 2021

## HB 1275 Testimony House Appropriations Committee

Good afternoon Chair Delzer and members of the committee,

HB 1275 is legislation proposing a legacy that benefits North Dakotans first, in every community throughout the state. The proposal balances investing in priorities to support working families, students, diversifying the state's economy and supporting economic development, while stabilizing a strong future for North Dakota by reinvesting a portion of the earnings into the principle of the Legacy Fund, as well as creating dedicated savings account to protect services to our state's most vulnerable citizens from future budget allotments.

Senator Heckaman and I introduced a similar proposal to the interim Legacy Fund Earnings committee last February in hopes that the committee would be able to spend the year prioritizing how Legacy Fund earnings would be allocated. Shortly after the committee's meeting in Watford City, everything quickly changed as our state and local communities began responding to the COVID-19 virus impacts. So, the committee's work became much more focused on the percent of market value proposal that will be discussed this session. The proposals found in HB 1275 are based off input provided by individual citizens, community leaders, educators, industry trade groups, association and nonprofits who presented to the Legacy Fund earnings committee and in ongoing discussions over the past several years.

Mr. Chairman, I will walk the committee through the various sections of the legislation. Let's start with section 7, which creates the Legacy Earnings Fund, which would be the primary bucket that receives the earnings determined by the percent of market value (POMV) formula that will hopefully be decided by this legislative assembly. Subsection 2 authorizes the Treasurer to transfer the earnings, which are designated by the state Constitution to be transferred to the General Fund on the last day of the biennium, to be transferred to this newly created Legacy Earnings Fund. Subsection 3 requires that any earnings that are not allocated based on the POMV, remain in the Legacy Earnings Fund as a reserve for future biennia that may not have enough earnings available to meet the total amount determined by the POMV.

For the purposes of HB 1275, we established the POMV to be seven percent of the five-year average value of the legacy fund assets, based on what the assets are at the end of each fiscal year. Since we are in the 2021 fiscal year, the end of the 2020 fiscal year and the preceding four fiscal years would put the seven POMV to be \$380,601,200 available for allocation. Since the estimated amount of total earnings through November 30, 2020 is \$497.3 million, that would leave \$116.7



million in the Legacy Earnings Fund reserve. Attached to my testimony is a schedule put together by Legislative Council that breaks this down for the committee.

The approach we took with HB 1275 was one that created seven buckets that addressed Legacy opportunities for working families and communities throughout the state. Our goal was to have the funds be flexible to meet the growing and diverse needs facing our state, rather than earmark for today's specific projects. This will allow this legislative assembly and future ones to allocate the funds as needed for Legacy projects that support new initiatives, try new ways of delivering services that can save General Fund dollars for the long-term and allow communities to recruit workforce and businesses that meet their vision of the future. The focus of HB 1275 is two-fold, invest in North Dakotans first and stabilize our state's future for our citizens.

Our citizens are our most important resource and when we invest in them, we know that our families are stronger, our communities are resilient, and our state is more competitive. The common thing we hear from industry leaders and employers is they want an educated and skilled workforce, which the Legacy Fund will allow us to do a better job of investing in.

These programs will support North Dakotans, diversity our economy and make our communities more resilient for the time when earnings will need to be reprioritized due to a dramatic shift in our state's revenue sources.

Our state's economy is driven by commodity-based industries that require us to build a more resilient budget to ensure that we can provide for North Dakotans when they need it most. We learned in 2015 that outside forces can dramatically impact our state's budget, which in turn hits our state's most vulnerable citizens hardest. The wisdom of legislators in the 1980s established the Foundation Aid Stabilization Fund which helped support K-12 education when the rest of the state's budgets were significantly cut. However, due to much of our state's human services and health budget being comprised of Federal dollars that require state matches, we learned that when we cut funding to human services and health programs, those services feel twice and in some cases three times the impact of budget cuts making it very challenging for our nursing homes, independent living service providers and nonprofits providing essential services to North Dakotans to absorb budget cuts.

Based on current projections, these two funds will fill in three to four biennia, thus returning an additional 10% of earnings to the principle of the Legacy Fund allowing the fund to grow even faster and additional resources to address innovation in delivering health and human services.

Mr. Chairman and members of the committee, if you look at the second attachment to my testimony, I will highlight the buckets and the potential for how they can serve a Legacy to North Dakotans and our state.

Finally, Mr. Chairman, I ask the committee to adopt the emergency clause amendment I've handed out to allow the funds to be allocated as part of the 2021-23 budget.

Let's work together to meet this moment and provide opportunity to invest in North Dakotans first and stabilize for our state's future.

I can answer any questions you may have.

The schedules below provide preliminary estimates for legacy fund earnings in the 2019-21 and 2021-23 bienniums and the estimated allocations based on the provisions of bill draft [21.0668.02000], including consideration to amend the bill draft to include an emergency clause. Bill draft [21.0668.02000] establishes a percent of market value (POMV) calculation based on 7 percent of the 5-year average of legacy fund assets. The amounts are preliminary estimates, and the actual amounts may vary significantly based on investment performance.

<b>June 30, 2021 Legacy Fund Earnings (Preliminary Estimates)</b>	
	<b>7% POMV</b>
2019-21 biennium legacy fund earnings through November 30, 2020	\$497,343,544
<b>Available for spending in the 2021-23 biennium</b>	<b>380,601,200</b>
Estimated balance retained in the legacy earnings fund as a reserve	\$116,742,344
<b>Appropriations or transfers</b>	
25 percent to the infrastructure bonding repayment fund	\$95,150,300
15 percent to the research and innovation fund	57,090,180
15 percent to the human services and public health stabilization fund	57,090,180
15 percent to the regional economic development infrastructure fund	57,090,180
10 percent to the workforce development and lifelong education fund	38,060,120
10 percent to the arts and culture endowment fund	38,060,120
10 percent to the student meal and support services fund	38,060,120
<b>Total appropriations or transfers</b>	<b>\$380,601,200</b>

<b>June 30, 2023 Legacy Fund Earnings (Preliminary Estimates)</b>	
	<b>7% POMV</b>
<b>Estimated amount available for spending in the 2023-25 biennium</b>	<b>\$479,900,000</b>
<b>Appropriations or transfers</b>	
25 percent to the infrastructure bonding repayment fund	\$119,975,000
15 percent to the research and innovation fund	71,985,000
15 percent to the human services and public health stabilization fund	71,985,000
15 percent to the regional economic development infrastructure fund	71,985,000
10 percent to the workforce development and lifelong education fund	47,990,000
10 percent to the arts and culture endowment fund	47,990,000
10 percent to the student meal and support services fund	47,990,000
<b>Total appropriations or transfers</b>	<b>\$479,900,000</b>





# North Dakota Legislative Council

Prepared for Representative Boschee

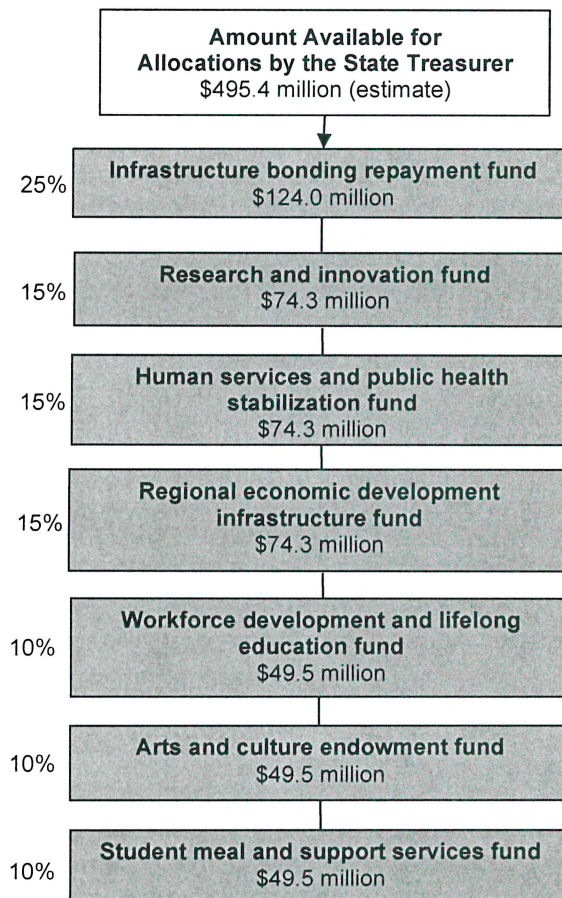
LC# 21.9631.01000

February 2021

## PROPOSED LEGACY FUND EARNINGS ALLOCATIONS - HOUSE BILL NO. 1275

This memorandum provides information on the estimated transfers from a legacy earnings fund to other funds based on the provisions of House Bill No. 1275 as introduced. Beginning with legacy fund earnings at the end of the 2021-23 biennium, the bill provides for the earnings of the legacy fund to be transferred to a legacy earnings fund. The amount available for appropriation or transfer from the legacy earnings fund during the subsequent biennium is based on 7 percent of the 5-year average of the legacy fund assets. From the amount available for appropriation or transfer, the funding is allocated by the State Treasurer to various state funds as shown below.

### 2023-25 BIENNIUM ALLOCATIONS



**NOTE:** The amounts reflected on this schedule are preliminary estimates for the 2023-25 biennium based on projections for the balance of the legacy fund and legacy fund earnings. The actual amounts for the balance of the legacy fund and legacy fund earnings may vary significantly from these amounts.

HB 1275 proposes a Legacy that benefits North Dakotans first in every community throughout the state. The proposal balances investing in priorities to support working families, students, diversifying our state's economy and supporting economic development for rural communities, while stabilizing a strong future for North Dakota by reinvesting a portion of the earnings into the principle of the Legacy Fund, as well as creating a dedicated savings account to protect services to our state's most vulnerable citizens from future budget allotments

### **Investing in North Dakotans First**

Our citizens are our most important resource and when we invest in them, we know that our families are stronger, our communities are resilient, and our state is more competitive. The common thing we hear from industry leaders and employers is they want an educated and skilled workforce, which the Legacy Fund will allow us to do a better job of investing in.

These programs will support North Dakotans, diversity our economy and make our communities more resilient for the time when earnings will need to be reprioritized due to a dramatic shift in our state's revenue sources.

- **Workforce Development and Lifelong Education Fund**
  - 10% of earnings, approximately \$38 million available on June 30, 2021.
  - Support statewide infrastructure for North Dakota's workforce including childcare support, early childhood education, after school programs, development and operation of a paid family leave program and skill development/job retraining programs.
  - Support the development and/or enhancement of certificate, associate degree and bachelor's degree program delivered through K12 and NDUS for hard to fill and high demand occupations.
  - Support collaborative inter-agency systems to increase retention and completion of high school diploma, certificate programs, adult education, English language education, associate degree and bachelor's degree that align with the PK-12 Education Strategic Vision Framework and ND University System's strategic plan.
- **Research and Innovation Fund**
  - 15% of earnings, approximately \$57 million available on June 30, 2021.
  - Support college and university level research that can be leveraged to secure additional research funding from the Federal government, foundations and private-public partnerships to improve the quality of life of North Dakotans and diversify the state's economy.
  - Can be used for collaborative curriculum development and delivery amongst the state's institutions of higher education, including Tribal colleges, to support growth in established and new industries throughout the state at all levels of institutions.
- **Regional Economic Development Infrastructure Fund**
  - 15% of earnings, approximately \$57 million available on June 30, 2021.
  - Minimum of 50% of the fund to be committed to rural and Tribal communities.
  - Support the development of broadband internet delivery to every community throughout the state to reach 100% connectivity through grants and loans to support local economies.
  - Support the development of infrastructure to deliver energy to communities for the purposes of economic and community development through grants and loans.
  - Support the development of value-added agriculture projects
  - Support local and regional tourism infrastructure through grants and loans.
- **Student Meal and Support Services Fund**
  - 10% of earnings, approximately \$38 million available on June 30, 2021.



- Supports school nutrition programs, students with IEPs, ELL education and behavioral wellness services.
- **Infrastructure Bonding Repayment Fund**
  - 25% of earnings, approximately \$95 million available on June 30, 2021.
  - Transferring earnings to the Fund will provide a dedicate source of funding for the Dem-NPL caucus' bonding bill (SB 2040) which prioritizes affordable housing, K-12 and higher ed building construction/renovation and much needed funding for water projects, roads and bridges.

## **Stabilizing For Our Future**

Using the Percent of Market Value (POMV) to determine the five-year rolling average of the Legacy Fund's earnings, will allow us to better plan for available funds at the end of each biennium. Our proposal of 7% POMV allows any excess earnings to be retained in the principle of the Legacy Fund to allow for greater growth and a reserve if earnings are less than the 7% POMV formula provides for. Based on recent projections, this would lead to approximately \$117 million being returned to the principle of the Legacy Fund as an opportunity to continue to grow the Fund.

Our state's economy is driven by commodity-based industries that require us to build a more resilient budget to ensure that we can provide for North Dakotans when they need it most. We learned in 2015 that outside forces can dramatically impact our state's budget, which in turn hits our state's most vulnerable citizens hardest. The wisdom of legislators in the 1980s established the Foundation Aid Stabilization Fund which helped support K-12 education when the rest of the state's budgets were significantly cut. However, due to much of our state's human services and health budget being comprised of Federal dollars that require state matches, we learned that when we cut funding to human services and health programs, those services feel twice and in some cases three times the impact of budget cuts making it very challenging for our nursing homes, independent living service providers and nonprofits providing essential services to North Dakotans to absorb budget cuts.

Based on current projections, these two funds will fill in three to four biennia, thus returning an additional 25% of earnings to the principle of the Legacy Fund allowing the fund to grow even faster to meet the evolving needs of our state's future.

- **Human Services & Health Stabilization Fund**
  - 15% of earnings, approximately \$57 million available on June 30, 2021.
  - Caps at 15% of Dept of Human Services & Health General Fund budget
    - Approx. \$1.5B in General Fund for both budgets. 15% = \$225M which would be reached just over two biennia of transfers.
  - Interest can be used to leverage pay for success financing to identify service delivery to improve outcomes, increase efficiencies and reduce costs to the General Fund. Based on 2% return, this would be \$4.5 million per year.
  - Once cap is reached, additional funds will roll back into the Legacy Fund principle.
- **ND Arts & Culture Endowment Fund**
  - 10% of earnings, approximately \$38 million available on June 30, 2021.
  - Transferred to Cultural Endowment Fund which is invested by the State Investment Board
  - Earnings will be used to support the delivery of arts programming and cultural education and exploration throughout North Dakota through the ND Council of the Arts, Prairie Public Broadcasting, ND Humanities Council, ND Indian Affairs, State Historical Society and the ND Studies program.
  - Builds up to \$200 million, additional funds will roll back into the Legacy Fund principle.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1275

Page 1, line 11, remove "and"

Page 1, line 11, after "transfer" insert "; and to declare an emergency"

Page 8, after line 8, insert:

**"SECTION 12. EMERGENCY.** This Act is declared to be an emergency  
measure."

Renumber accordingly

HB 1275

Senator Joan Heckaman

Chairman and Members of the Committee:

I am Senator Joan Heckaman from D-23 and I am here to provide a few scenarios on how HB 1275 can be effective in your communities.

Just as a little background, I served on the Interim Legacy Fund Earnings Committee. As you already know our meetings were filled with suggestions on uses for the interest. I will highlight a few of these and how they relate to HB 1275.

**Human Services and Health Stabilization Fund:**

1. Support programs to alleviate homelessness presented by Mr. Cody Schuler from Fargo-Moorhead Coalition to End Homelessness.
2. Matching grants for donations to charitable organizations by your own Al Carlson, Fargo.
3. \$10 million to public health infrastructure fund for vaccines, workforce training and disease prevention from Mark Strand of Fargo.
4. Expand childcare assistance programs from Samuel Wagner, Casselton
5. Funding for health care worker recruitment and training, Ms. Denise Andress, Western ND Area Health Education Center.
6. 20% of the earnings for mental and behavioral health programs from John Odermann, Dickinson.

**WORKFORCE DEVELOPMENT AND LIFELONG EDUCATION FUND:**

1. Support after school programs, Mr. Michael Califf, Williston
2. Education initiatives, Sen. Patten, Watford City and Ken Vein, City Council, Grand Forks
3. Free hot lunch for students, Jason Boynton, Lunch Aid
4. Early care and education initiative, Murray Sagsveen, LSS
5. Transportation costs for education-Divide County schools



**RESEARCH AND INNOVATION FUND:**

1. Research and workforce training, Dr. Mark Hagerott, NDUS
2. Centralized, statewide development initiative, Margie Enerson, Williston
3. Research at UND and NDSU, Steve Burian, Valley Prosperity Partnerships
4. Workforce development programs, Shawn Wenko, Economic Development of ND
5. School district construction and renovations, Sarah Trustem, Dickinson

**REGIONAL ECONOMIC DEVELOPMENT INFRASTRUCTURE FUND:**

1. Red River Valley Water Supply, Tom Erdmann, Carrington
2. Park infrastructure-local and state, Jerry Rostad, Fargo Park District
3. Infrastructure Development, Keith Lund, Jay Scott, Mayor Tim Mahoney, Ken Vein
4. Fargo-Moorhead Area Diversion, Joel Paulsen
5. School construction, several presentations from the east and west
6. Natural gas processing and transportation, Chris Kreger and Darrik Trudell

**ND ARTS AND CULTURE ENDOWMENT FUND:**

1. Arts programs and cultural education including ND Council on the Arts, Prairie Public, ND Humanities Council, ND Indian Affairs, State Historical Society, and ND Studies

Mr. Chairman and committee members, the list goes on for 7 pages and includes some similar requests but mostly unique investments in the future of North Dakota.

I ask for your favorable consideration of HB 1275 and would help answer questions.



**Testimony**

**House Bill 1275 – Related to an Amending NDCC Section 21-10 Legacy Fund**

**House Appropriations**

**February 1, 2021**

Chairman Delzer, and members of the House Appropriations Committee – I am Dave Hunter, Executive Director / Chief Investment Officer of the North Dakota Retirement and Investment Office. I am attending today's hearing to provide neutral technical testimony on a proposed amendment to **NDCC Section 21-10-12 Legacy Fund – Earnings** including a new definition for Principal, and to answer any questions as needed relating to the establishment of a **Legacy Earnings Fund** or any willingness to adopt a **Percent of Market Value** approach to define "**Earnings**".

#4594

# HB 1275

## Definition of Principal Legacy Fund

Retirement and Investment Office

David Hunter, Executive Director/CIO

Darren Schulz, Deputy CIO

Janilyn Murtha, Deputy Executive Director/CRO

## Suggested changes to HB 1275 - Definition of Principal

Page 4 Lines 13-14

***“Principal” means all transfers into the legacy fund under North Dakota Constitution, Article X, Section 26, paragraph 1 and all earnings as defined in subsection 1 earned prior to July 1, 2017. Principal also includes realized earnings, as defined in subsection 1 and earned after June 30, 2017, that are reinvested in the fund after having been transferred to the general fund.***

### **Section 26.**

1. Thirty percent of total revenue derived from taxes on oil and gas production or extraction must be transferred by the state treasurer to a special fund in the state treasury known as the legacy fund. The legislative assembly may transfer funds from any source into the legacy fund and such transfers become part of the principal of the legacy fund.

**\*\*As currently written in HB 1275, principal would include unrealized gains/losses on investments.\*\***

2. "Principal" means all moneys in the legacy fund not included in earnings as defined under subsection 1.

# What is Principal?

**\$10,000**  
Invested in CD at 5%  
for one year

← This is the  
principal amount



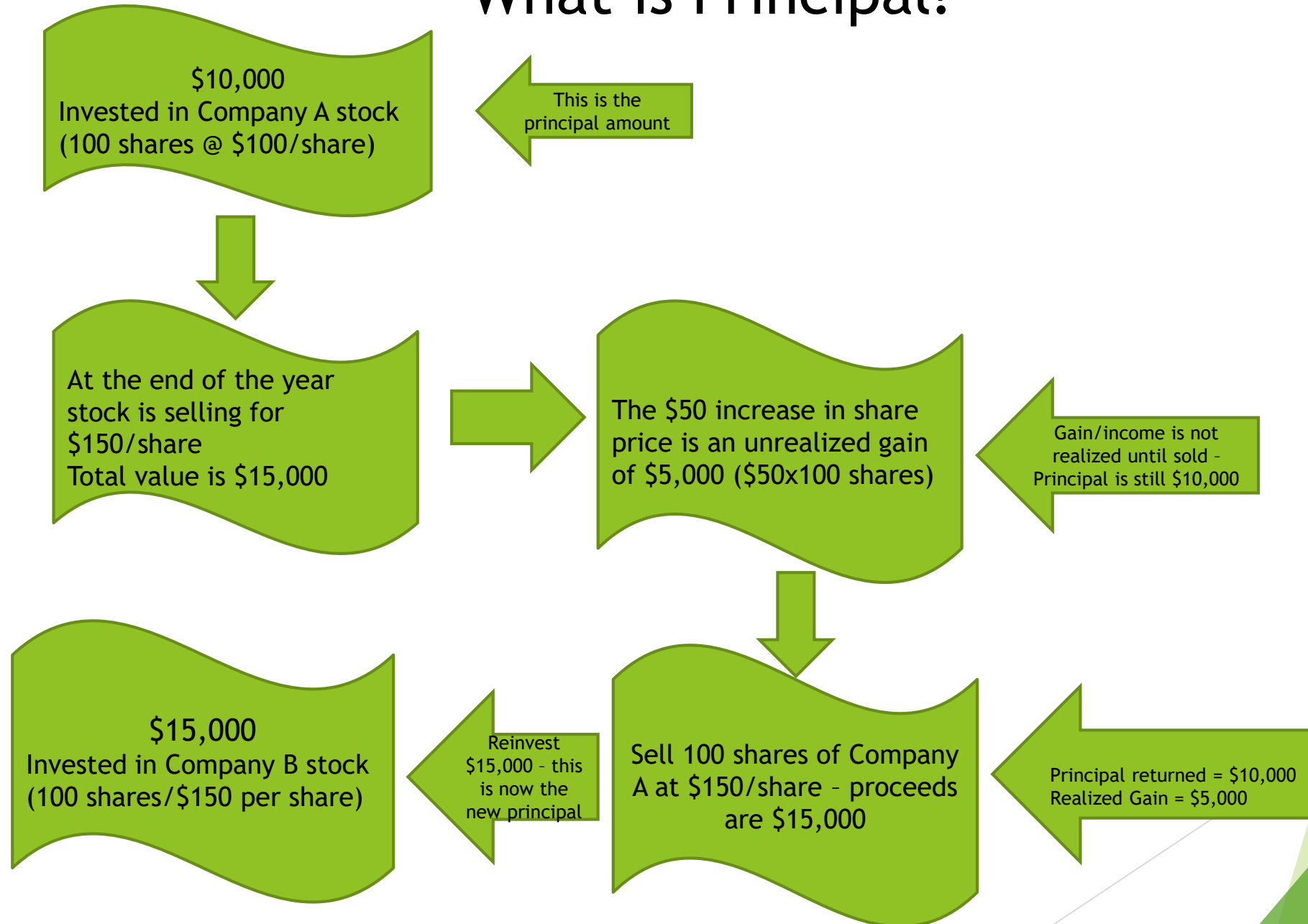
At the end of the year  
you have \$10,500

← \$10,000 is  
principal →

← \$500 is  
earnings →

If you reinvest the \$10,500  
in a new CD, that now  
becomes the new principal  
amount.

# What is Principal?



# What is Principal in the Legacy Fund?





# North Dakota Retirement and Investment Office - Legacy Fund Website

<https://www.rio.nd.gov/legacy-fund>



## Legacy Fund

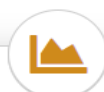
The Legacy Fund was created by a constitutional amendment in 2010. The amendment provides that 30% of oil and gas gross production and oil extraction taxes on oil produced after June 30, 2011, be transferred to the Legacy Fund. The State Investment Board (SIB) is responsible for the investment of the fund. The first Legacy Fund transfer was received by the SIB in September 2011. The ND Constitution also requires that all earnings accrued after June 30, 2017, must be transferred to the state's general fund at the end of each biennium.

*Balances listed below as of November 30, 2020.*



### FUND VALUE

**\$7,890,144,831**



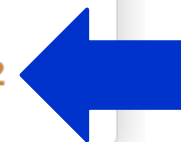
### INCEPTION-TO-DATE NET INCOME

**\$2,469,003,907**



### PRINCIPAL BALANCE

**\$6,313,243,812**



### CURRENT BIENNIUM-TO-DATE EARNINGS

(as defined by NDCC 21-10-12)

**\$497,343,544**



### EARNINGS TRANSFERRED TO GENERAL FUND

**2017-19 Biennium**

**\$455,263,216**

**\*\*PLEASE NOTE:** Monthly numbers are preliminary and subject to change.



PO Box 1091 • Bismarck, ND 58502  
701-355-4458 • [www.ednd.org](http://www.ednd.org)

**Testimony of Jennifer Greuel, Executive Director  
Economic Development Association of North Dakota  
In Support of HB 1275  
February 1, 2021**

Chair Delzer and members of the House Appropriations Committee:

EDND represents more than 80 state economic development organizations and related businesses on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

**Infrastructure**

One of EDND's top five 2021 legislative priorities is to strengthen the infrastructure investment in our state. We believe HB 1275 is one of several bills being introduced this session with the potential to address this vital need.

The growth of our state over the last decade, combined with aging infrastructure, has led to a critical need to complete road, water, electric, airport, and other essential projects. Local communities need funds and affordable financing, which is difficult to achieve without raising taxes. From EDND's perspective, updated infrastructure improves quality of life and helps address housing needs. It also provides support to North Dakota businesses already providing jobs and revenue to the state, as well as new businesses able help diversify the economy.

**Regional Economic Development Infrastructure Fund**

We support the inclusion of economic development infrastructure in this bill. One major disadvantage North Dakota has when competing with other states and trying to diversify its

economy is that other states offer cash or other upfront incentives that can be tailored to meet a targeted prospect's needs. An example of this is neighboring South Dakota's Future Fund, which provides flexible grants in discretionary amounts dependent on the company's needs (workforce training, wage base, real estate development, infrastructure, and broader financial assistance needs). The establishment of a fund to provide grants or loans to projects would be a great asset in the toolbox used to diversify the economy. Natural gas is a resource typically required in order to attract any significant manufacturing opportunity, so inclusion of grants for communities which do not have access to this resource would also help ND compete.

### **Research**

EDND has long supported research investments that will enhance North Dakota's historical economic sectors and advance new technologies to support growth of other sectors to diversify our economy.

### **Workforce Development**

Although North Dakota's unemployment rate has gone up slightly due to the pandemic (4.5 percent in Nov. 2020), the state's unemployment rate is still lower than 38 other states and workforce availability remains a significant challenge facing North Dakota businesses, limiting the growth potential of the economy. North Dakota especially needs job seekers to be connected with resources and education in order to be placed in a high demand career path. EDND supports the development of workforce attraction, development and training strategies that address the needs of the state's companies. The investments included in this bill will continue to help grow and diversify our state's economy.

Thank you for your continued commitment to keeping North Dakota globally competitive.



## NORTH DAKOTA STATE BUILDING AND CONSTRUCTION TRADES COUNCIL

2901 Twin City Dr. Suite 201  
Mandan, North Dakota 58554  
(701) 663-8821

© GCU 250 C

February 1, 2021

To the Honorable Jeff Delzer and Member Representatives of the House Appropriations Committee

RE: House Bill 1275; Infrastructure Bonding Repayment Fund

The North Dakota State Building and Construction Trades Council is in support of HB 1275. This legislation would develop an Infrastructure Bonding Repayment Fund. By having this bonding ability, communities across the state would have an effective mechanism to construct needed infrastructure, thereby providing job opportunities for construction workers. Representing workers in the commercial, industrial, and residential construction industries, this legislation would put many of our members to work, promoting middle-class jobs and livelihoods. In turn, there would be an added benefit as workers' wages would go back into their communities providing for further betterment.

As such, we respectfully urge a do pass recommendation for HB 1275.

With Kindest Regards, I am

Jason Ehlert  
President  
Lobbyist No. 347  
[Jason@ndbtu.org](mailto:Jason@ndbtu.org)

Testimony for 1275, Phil Murphy for ND Soybean Growers Assoc.

1275 provides opportunities for improving the lives of North Dakotans in diverse ways. The NDSGA specifically finds benefit for agricultural producers in at least three areas encompassed by the bill: The infrastructure bonding fund which can help secure financing for roads and bridges. The workforce development portion which can help train or retrain our citizens to provide our industry with the machinists, welders, mechanics and tech supporters that our industry needs to survive. And finally, the regional economic development piece which could be a key to getting natural gas to underserved small-town and rural North Dakota. If approved, time will show the benefits of this forward looking bill. Thank you for your consideration towards moving a Do Pass.

**Testimony**

**House Bill 1275 – Related to an Infrastructure Bonding Repayment Fund**

**House Appropriations**

**February 1, 2021**

Chairman Delzer, and members of the Home Appropriations Committee – I am DeAnn Ament, Executive Director of the North Dakota Public Finance Authority. I am attending today's hearing to provide neutral technical testimony on the bonding process and to answer questions as needed.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1275  
2/16/2021

Relating to an infrastructure bonding repayment fund, a research and innovation fund, a workforce development and lifelong education fund, a student meal and support services fund, a legacy earnings fund, a human services and public health stabilization fund, and a regional economic development infrastructure fund;

**11:04 Chairman Delzer-** Opened the meeting for HB 1275;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigasaa	P

### Discussion Topics:

- Streaming bill

**11:05 Chairman Delzer-** Reviews the bill

**11:06 Representative Monson** Do Not Pass

**Representative Brandenburg** Second

Further Discussion



**11:06 Roll Call Vote was taken,**

<b>Representative</b>	<b>Vote</b>
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	N
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	N
Representative Corey Mock	N
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigasaa	Y

Motion Carries 18-3-0

**Additional written testimony:** No Written testimony

**11:07 Chairman Delzer** Closes the meeting for HB 1275

*Risa Berube,*

*House Appropriations Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1275: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO NOT PASS** (18 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1275 was placed on the Eleventh order on the calendar.