

2021 HOUSE APPROPRIATIONS

HB 1506

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1506
11/8/2021

BILL for an Act to provide an appropriation; to provide for a transfer; to authorize full-time equivalent positions; to provide an exemption; to provide for a report; and to provide an effective date

4:06 Chairman Delzer Calls the meeting to order; roll call was taken;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	A
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	A
Representative Mike Nathe	A
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:

- Staff shortages
- RIO Resource needs

Chairman Delzer- Reviews the bill and its sections. (Testimony # 12018)

4:14 Wayne Stenehjem- Attorney General- Testifies in favor (Testimony # 12017 & #12016)

4:18 Jonathoan Alm- Department of Human Services- Testifies in favor (#11814)

4:19 Janylyn Murtha Interim Executive Director (Testimony #11824)

House Appropriations Committee
HB 1506
Nov. 8th 2021
Page 2

Additional written testimony: #11821,

4:22 Chairman Delzer Closes the meeting for HB 1506

Risa Berube, House Appropriations Committee Clerk

21.1130.04001
Title.

Prepared by the Legislative Council staff for
Representative Delzer
November 8, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1506

Page 4, after line 12, insert:

"SECTION 15. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - FREE THROUGH RECOVERY PROGRAM. There is appropriated out of any special funds derived from income and other sources, not otherwise appropriated, the sum of \$3,300,000, or so much of the sum as may be necessary, to the department of human services for the purpose of the free through recovery program, for the period beginning with the effective date of this Act and ending June 30, 2023."

Renumber accordingly

The Bismarck Tribune

College women's basketball

Marauders feature depth, versatility **SPORTS, B5**



'Honor Your Hometown'

Bismarck takes part in nationwide effort

DAKOTA, B1



PARTLY SUNNY 40 • 18 FORECAST, A9 | MONDAY, NOVEMBER 1, 2021 | bismarcktribune.com | \$2.00



JACK DURA, TRIBUNE

TRICK OR TREAT!

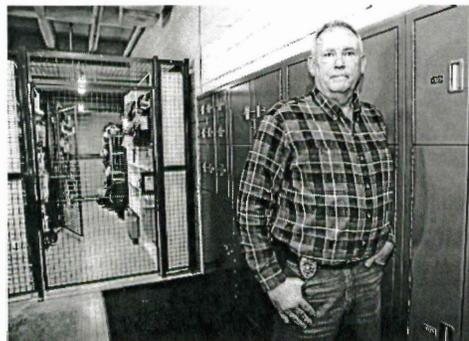
Chad Orn, of Bismarck, (left) and daughters Lexis, 16, and Liberty, 11, pose for a photo Sunday with Gov. Doug Burgum during trick-or-treating at the governor's residence. Orn works for the state Department of Transportation, which had vehicles and equipment on display for trick-or-treaters.

ND crime lab turnover is 'just not sustainable'

Lab no longer able to perform firearm, fingerprint analyses

JACK DURA
Bismarck Tribune

Departures at the State Crime Lab in Bismarck have limited what evidence the lab can process for law enforcement agencies, potentially delaying cases. Eight of 23 lab employees have left in the last two years, including five in 2021, because they've been offered far higher salaries elsewhere, according to Attorney General Wayne Stenehjem. "The salary disparity is something that makes it much more difficult to attract and retain our forensic scientists," he told the Tribune.



MIKE MCCLARY, TRIBUNE

Bismarck Police Sgt. John Brocker stands next to the department's evidence locker, with the evidence cage in the background to hold larger items.

One worker left for a position Stenehjem said. "You have to which saw a record 32 homicides

of people from the region who are more likely to want to continue to live here, and it helps the university because this is a growing field of work," Stenehjem said. The lab eliminated its firearms and latent fingerprint divisions due to the staffing situation. South Dakota was doing firearms analyses for the lab, but now North Dakota's neighbor is overwhelmed and unable to help anymore, Stenehjem said. The federal Bureau of Alcohol, Tobacco, Firearms and Explosives won't take a case that isn't its own, he said. North Dakota's Crime Lab doesn't get many firearms, but it's "scrambling to find somebody" to do firearms testing, he said. The lab needs two analysts each for fingerprint and firearms analysis: someone to do the initial work, and then a reviewer of

Leaders launch climate summit

Nearly 200 countries gather to plan action

FRANK JORDANS AND ELLEN KNICKMEYER
Associated Press

GLASGOW, Scotland — A crucial U.N. climate summit opened Sunday amid papal appeals for prayers and activists' demands for action, kicking off two weeks of intense diplomatic negotiations by almost 200 countries aimed at slowing intensifying global warming and adapting to the climate damage already underway. As U.N. officials gaveled the climate summit to its formal opening in Glasgow, the heads of the world's leading economies at the close of their own separate talks in Italy made pledges including stopping international financing of dirty-burning coal-fired power plants by next year. But much of the agreement was vague and not the major push some had been hoping for to give momentum to the climate summit. Government leaders face two choices in Glasgow, Patricia

Please see **SUMMIT**, Page A8

High court to hear key case on gun permits

JESSICA GRESKO
Associated Press

WASHINGTON — The Supreme Court is preparing to hear a gun rights case that could lead to more guns on the streets of New York and Los Angeles and threaten restrictions on guns in subways, airports, bars, churches, schools and other places where people gather. The case the justices will hear Wednesday comes as gun violence has surged, and it could

SD college students design meme-matching dating app

App hopes to move beyond superficial online dating trend

TANYA MANUS
Rapid City Journal

RAPID CITY, S.D. — What's scarier than the terrors of Halloween? For many people, it's trying to find love on a dating app.

Computer science students from South Dakota Mines have built a new dating app, Lafdr, that matches people based on their taste in memes. After testing a prototype, the app for iOS and Android launched last month.

Morgan Vagts and Debbie Liknes, who both graduated from Mines in May, channeled their frustration with existing dating apps by creating their own. Lafdr's algorithm, built by Liknes, connects like-minded users through the memes they enjoy on the app.

"Memes are a great conversation starter," Vagts said. "It keeps the conversation light and lets people be themselves. ... If you can laugh at a meme together, you know you have something in common."

Vagts said Lafdr is designed to help people find friendship or romantic connections, or users can simply browse the memes on Lafdr. Vagts and Liknes spent two years developing the app. It's geared toward college-age students but could potentially appeal to ages 18 to 35.

"We were just sitting in Debbie's living room, talking about the perils of online dating, and she joked about the idea of a meme-based app. And I thought, 'Yes. That's brilliant, let's do it,' and it evolved from there," Vagts said.

More than 90% of current college students have used a dating app, Vagts said, and there are more than one million memes shared on platforms like Instagram every day, the Rapid City Journal reported.

"There's a lot of dating apps out there. They're all the same idea of swiping on somebody's profile and they're based primarily on looks. You usually have to do an extra click (to get to their bio)," Vagts said. "It was interesting to find out we are the first people to try something really new, to take the idea of what a dating app is and put more of a spin on it."

"While you're on Lafdr, you

don't have to be thinking about all the people who didn't like you and just having dry conversations. It's a more fun and open atmosphere than most of the dating apps out there," she said.

On the first day Lafdr officially launched, Vagts said it attracted double the number of users who'd been trying the prototype. A few weeks later, the Lafdr team promoted the app via an Instagram campaign and doubled the number of users again. They're planning future campaigns to attract more users.

Liknes, who's now in Minneapolis, works on the app full-time and monitors every match the app makes.

"We like to see what it's doing. It's like a quality control measure," Vagts said. "A few weeks after we launched, we had our first relationship match. That was really exciting. ... Two days later, we had our second relationship match."

"We think there is a real market for this app," she said. "Millennials brought dating online; Gen Z has brought memes into dating."

Vagts said support Lafdr received from South Dakota Mines made the app's creation and launch possible.

"Mines helped us with building a business plan and competing in competitions and getting funding to buy an Apple computer (which was needed to build the app)," Vagts said. "The school was able to pay for a lot of things we needed for prototyping."

"Mines helped pay for a provisional patent on our technology, and they gave us prototype money to help develop our app. They also gave us the resources to do well at the Governor's Giant Vision Competition," Vagts said.

Vagts especially credits Joseph Wright, South Dakota Mines associate vice president for Economic Development, who served as the main business advisor for the Lafdr team. Vagts said she and Liknes entered the app in several competitions and lost multiple times.

"It was very discouraging. We kept going up against the best in the best competitions with life-saving biotech crazy amazing products," Vagts said. "It was discouraging to go up against people that were saving lives. Joseph's comment was 'All of these other companies are saving lives, and you guys make life worth saving.'"

Finally in April, the Lafdr team

won fourth place at the South Dakota Governor's Giant Vision student business plan competition. Vagts, Liknes, and their developers — Keegan Burnett, a 2020 Mines graduate, and Dalton Baker, who will graduate in 2022 — put in months of 12-hour days preparing Lafdr for its September launch.

Vagts now lives in Rapid City and works for B9 Creations digital manufacturing technology in addition to her role at Lafdr. She's maintained close ties with many people at South Dakota Mines who continue to offer assistance with the app.

The Lafdr team hopes to make pitches to angel investors in the next few months.

"We know that only a small percentage of venture capital investments go toward female-led businesses. We are hoping to break that trend with Lafdr," Vagts said.

"Kudos to these computer science students for using the skills they gained at Mines to build their own company. We're always proud when students use their education to change the world. This is exactly the kind of innovation and entrepreneurship we encourage at Mines," said Mines President Jim Rankin.

Lab

From A1

labs, which Deputy Chief Jason Stugelmeyer said costs \$500 per analysis, as opposed to no cost at the state lab.

They have not done so yet; Stugelmeyer wasn't sure how many fingerprint items Bismarck police are sitting on.

"We're still discussing who's responsible for those costs: Is it the crime lab or is it the local agency?" he said.

Firearms examinations also would have to be contracted, he said.

A further hindrance is bringing in those contracted analysts to testify at trial, "so it's now no longer anyone local here in the area, so usually the state's attorney, counties have to bear that cost to bring these experts back to testify on the case for what work they did," Stugelmeyer said.

The police also have more difficulty getting items to the lab. Stugelmeyer said the lab will accept evidence only for a half-hour duration.

"We're lucky because a lot of agencies have to mail stuff. We don't have to have that cost associated with that," he said. "We hand-deliver it, and the problem is, we'll have a bunch of evidence and then we only get a half-hour, and whatever they can't log in a half-hour we have to take back with us and try to do it a different time. It just continues to backlog everything."

The issue is minor but continues to compound "to the point where eventually when you do that for long enough, it's just going to take longer," he said.

Evidence includes sexual assault examination kits,

you have limited resources and staffing," Stugelmeyer said.

Communication both ways is key, and if police are to bear certain costs, "we don't have budgets for that," he said.

Burleigh County Sheriff Kelly Leben said "the biggest thing for us" has been a delay in processing some evidence due to the firearms and fingerprints situation.

"Fortunately, we've been able to keep working with them on certain issues, but definitely, we've seen a backlog of some of the evidence not being processed in a timely manner," Leben said.

He's emphasized communication between the lab and his office to get evidence timely analyzed. He also acknowledged the lab is addressing priority cases.

He's not aware of any specific instances of delayed prosecution, but the pace of some investigations has been slowed while investigators awaited lab results to guide their work, he said.

Firearm and fingerprint analyses are "low-frequency issues, but definitely a high priority when they do surface," the sheriff said.

Cass County Assistant State's Attorney Joshua Traiser pointed out the lab has a process for expedited testing for serious cases, such as murder or aggravated assault, and drug cases set for trial.

"My experience with the lab is that they're doing all they can to make it work, and thus far, they've done a very good job making sure we have results ready for trial when we use that process?"

Summit

From A1

Espinoza, head of the U.N. climate office, declared at the summit's opening: They can sharply cut greenhouse gas emissions and help communities and countries survive what is becoming a hotter, harsher world, Espinoza said. "Or we accept that humanity faces a bleak future on this planet."

"It is for these reasons and more that we must make progress here in Glasgow," Espinoza said. "We must make it a success."

India Logan-Riley, an Indigenous climate activist from New Zealand, had a more blunt message for negotiators and world leaders at the summit's opening ceremony.

"Get in line, or get out of the way," Logan-Riley said.

The G-20 countries represent more than three-quarters of the world's climate-damaging emissions and G-20 host Italy and Britain, which is hosting the Glasgow conference, had looked for more ambitious targets coming out of Rome.

But major polluters including China and Russia had already made clear they had no immediate intention of following U.S. and European pledges to zero out all fossil-fuel pollution by 2050. Russia said on Sunday that it was sticking to its target of 2060.

While the opening ceremony in Glasgow formally kicked off the talks, known as COP26, the more anticipated launch comes Monday, when leaders from around the world will gather to lay out their countries' efforts to curb emissions from burning coal, gas and oil and deal with the mounting damage from climate change.

The leaders of two of the top climate-polluting nations — China and Russia — were not expected to attend the summit, though senior officials from those countries planned to participate. For U.S. President Joe Biden, whose country is the world's biggest climate polluter after China, the summit comes at a time when division within his own Democratic party is forcing him to scale back ambitious climate efforts.

At the Vatican on Sunday, Pope Francis urged the crowds gathered in St. Peter's Square: "Let us pray so that the cry of the Earth and the cry of the poor" are heard by summit participants.

Negotiators will push nations to ratchet up their efforts to keep global temperatures from rising by more than 1.5 degrees Celsius this century compared with pre-industrial times.

The climate summit remains "our last, best hope to keep 1.5 in reach," said Alok Sharma, the British government minister chairing climate talks.

Scientists say the chances of meeting that goal are slowly slipping away. The world has already warmed by more than 1.1C and current projections based on planned emissions cuts over the next decade are for it to hit 2.7C by the year 2100.

The amount of energy unleashed by such planetary warming would melt much of the planet's ice, raise global sea levels and greatly increase the likelihood and intensity of extreme weather, experts say. U.S. climate envoy John

Kerry warned last week of the dramatic impacts that exceeding the 2015 Paris accord's goal will have on nature and people, but expressed optimism that the world is heading in the right direction.

Sharma noted that China, the world's biggest emitter of greenhouse gases, had just raised its climate targets somewhat.

"But of course we expected more," Sharma told the BBC earlier Sunday.

India, the world's third biggest emitter, has yet to follow China, the U.S. and the European Union in setting a target for reaching 'net zero' emissions. Negotiators are hoping India's Prime Minister Narendra Modi will announce such a goal in Glasgow.

Some of the issues being discussed during the talks have been on the agenda for decades, including how rich countries can help poor nations tackle emissions and adapt to a hotter world. The slow pace of action has angered many environmental campaigners, who are expected to stage loud and creative protests during the summit.



Stugelmeyer



Leben

Guns

From A1

that the court with a 6-3 conservative majority is poised to side with them. They want the court to say the New York law is too restrictive, as are similar laws in other states. Gun control advocates acknowledge the court's composition has them concerned about the outcome.

"The stakes really could not be higher," said Jonathan Lowy, chief counsel at the gun control group Brady. The court last issued ma-

turned them away. One gun case the justices did agree to hear ended anticlimactically in 2020 when the justices threw out the case.

But following the death of liberal Justice Ruth Bader Ginsburg last year and her replacement by conservative Justice Amy Coney Barrett, the court agreed to wade into the gun debate again.

Eric Tirschwell, the legal director at Everytown for Gun Safety, said there's "reason to be concerned" for groups like his that "a type of law that the court was not interested in or willing to review in the past, they

it effectively impossible for an ordinary, law-abiding citizen to obtain a license to carry a handgun for self-defense."

Lawyers for the group say the text of the Second Amendment, along with history and tradition, supports their argument that there's a right to carry a gun outside the home. The group also says that New York's law has discriminatory origins, that it was originally intended to give officials wide latitude to keep guns out of the hands of newly arrived immigrants from Europe, particularly Italians.

Both gun rights and gun control advocates say that it's unclear how broadly the court might be willing to rule and that they will be closely watching arguments for clues, particularly from the court's three newest members.

The three appointees of former President Donald Trump — Neil Gorsuch, Brett Kavanaugh and Barrett — are conservatives but were not on the court when the justices last issued major gun rights rulings. Their actions so far have given gun rights advocates reasons to be hopeful, however.

OPINION

"Seeking to find and publish the truth, that the people of a great state might have a light by which to guide their destiny."

Stella Mann, Tribune publisher, 1939

The Bismarck
Tribune

Founded 1873 | A Lee Enterprises newspaper
707 E. Front Ave., Bismarck, N.D. 58504
letters@bismarcktribune.com

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AMY DALRYMPLE Editor | **STEVE WALLICK** Editorial Writer

Little choice but to increase ND Crime Lab pay

North Dakota is discovering the rising cost of fighting crime. It's not because of the losses incurred, but the need to pay the State Crime Lab staff more. Much more.

In a Monday story, Tribune reporter Jack Dura explained the lab has lost eight of 23 employees in the last two years. One North Dakota worker took a job in Georgia that paid \$30,000 more. Meanwhile, two toxicology scientist finalists declined North Dakota job offers because of the pay.

The State Crime Lab forensic scientist annual salaries range from \$48,000 to \$85,704, which may seem like a lot to North Dakotans. Unfortunately, the market is paying more because forensic scientists are in demand.

The staff shortages mean the State Crime Lab can't turn around evidence as quickly as in the past. Sometimes prosecutors need evidence from the lab to proceed with trials. And Attorney General Wayne Stenehjem points out the State Crime Lab can help prove the guilt of a suspect or his or her innocence.

Because of the staffing shortage, the lab eliminated its firearms and latent fingerprint divisions. The South Dakota lab was doing the analyses for North Dakota until it became overwhelmed with work and unable to continue.

Now the State Crime Lab is looking for someone to accept the work. It potentially means an additional cost to North Dakota law enforcement agencies. The state lab doesn't charge agencies for its work. There's a question of who will be responsible for the costs if another party takes over the work.

Law enforcement agencies don't budget for lab work. It's obvious that North Dakota, law enforcement agencies or both are going to have to pay more. "It's become a situation where it's just not sustainable," Stenehjem told the Senate Appropriations Committee last month.

North Dakota doesn't have a choice but to pay more. Whether it's outsourcing the work or paying staff more, the costs are going to rise. Stenehjem asked the Legislature to use \$537,000 of leftover Consumer Protection Refund Fund money to increase lab salaries. That's only a temporary solution.

Stenehjem has also been working with two area universities with science programs in an effort to recruit graduates. It's not likely grads will take a lot less to stay close to home. The state will have to sweeten the pot.

The Tribune editorial board believes the Legislature needs to make the State Crime Lab salaries competitive with the market. The lab also needs to bring back the firearms and latent fingerprint divisions.

It's important the state has a fully functional lab. The lab not only processes the evidence, its staff provide expert testimony at trials. If the work is done elsewhere, then prosecutors will have to pay expert witnesses to provide testimony.

North Dakota will have to pay more to make sure crime doesn't pay.

REACH CONGRESS

U.S. Rep. Kelly Armstrong
Bismarck phone: 701-354-6700 Washington phone: 202-225-2611

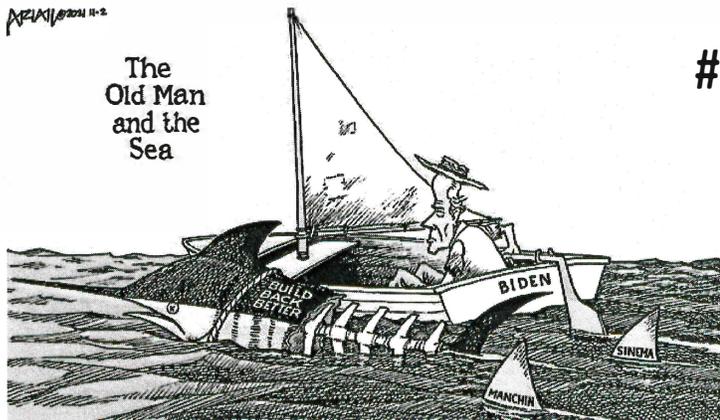
U.S. Sen. John Hoeven
Bismarck phone: 701-250-4618 Washington phone: 202-224-2551

U.S. Sen. Kevin Cramer
Bismarck phone: 701-699-7020 Washington phone: 202-224-2043

LETTERS & CONTACT INFORMATION

MELANI GRIFFIN 11-2

The Old Man and the Sea



#12016

VOICES OF THE PEOPLE

Tell lawmakers to cut property taxes

I want to give a big shout out and a big thank you to all my fellow farmers and ranchers. It's been a real challenging year. We've been through droughts before, but I've never seen one this devastating. We're all in the same boat. We'll pull through, hopefully next year will be better. I've heard different proposals from the governor and Legislature about cutting income taxes. That's a fair tax everybody pays. South Dakota

doesn't have income taxes, but they also pay anywhere from \$20 to \$50 an acre in property taxes. Sure, most of us farmers and ranchers are millionaires on paper but the land can only produce so much. We can't be taxed 10 times more than what it can produce. Property tax is what needs attention. If we can spend \$100 million on a library, we can spend a little on all the counties, especially the less populated ones, to help fix roads and replace dilapidated bridges. Property tax increases aren't always the answer. We have \$10 billion in the Legacy

Fund and \$5 billion in the school trust fund. (That's the money collected from sections 16 & 36.) 75% of property taxes goes to the school district. Roughly \$1 billion would take care of all the school bond referendums resulting in real property tax relief. I want to thank Representative Rick Becker for trying to get this passed, but he needs more help. Call your senators and representatives! Tell them to jump on the bandwagon and support real property tax relief! We need property taxes abolished!

Jared Schmidt, Solen

Preamble is the Constitution's story

The preamble to the U.S. Constitution, regrettably often overlooked by the citizenry, provides an elegant summation of our nation's constitutional creation story. It speaks of the work of the sovereign people. It represents a direct act of legislation and introduces and forms part of the supreme law of the land, distinct from any and all future laws that will be passed under its authority.



DAVID ADLER

The preamble is a historical and legal colossus. In the Pennsylvania State Ratifying Convention, James Wilson, a leading delegate to the Constitutional Convention, quoted from the essence of the preamble: "We the people of the United States ... do ordain and establish this Constitution." Wilson was trumpeting to the world, the groundbreaking significance of the preamble: We the people are ordaining, that is constituting or creating the fundamental law that will govern the United States. The assertion by the American people of a right to create a government of their choosing was unprecedented in a world dominated for centuries by monarchs, dictators and tyrants.

The framers were not required to wring concessions from British kings and nobles, as their forbears did in drafting the Magna Carta or the English Declaration of Rights. In contrast, Americans were unshackled in the drafting of their Constitution, including a preamble that

was a direct reference to the ratification of the Constitution by the people, an act that conferred authority upon the Constitution. The proposed Constitution could not will itself into existence; as James Madison explained, it had no life until it was ratified by the citizenry.

The preamble boldly declared that the very rationale behind the creation of the Constitution was to form a more perfect union, establish justice, ensure domestic tranquility, provide for the common defense and secure the blessings of liberty to "ourselves and our Posterity." These stated ends of government, what Edmund Randolph of Virginia called a "philosophy of the ends of government and human politics," reflected the founders' familiarity with a version of the Social Contract Doctrine presented by the 17th Century English philosopher, John Locke.

Americans understood the doctrine to imply a voluntary association of individuals, a social compact by which the "whole" people covenant with each other that all the people shall be governed by the same laws for the common good. This compact was not between the states; after all, states were not parties to the approval of the Constitution. The Constitution, as the founders were fond of saying, referred to "We the people, not we the states."

The drafting of the preamble throughout the summer of 1787 produced no great surprises. Both the Virginia and New Jersey plans featured a modest preamble, expected perhaps because they canvassed and, in many

work on the other provisions of the Constitution. What was missing in the discussions of the preamble, however, were sharp differences of opinion, moments of intense debate. Certainly this provision generated no threats of walkouts from southern delegates, as did their objections to the evolution of the treaty-making power.

The Committee of the Whole, that is the daily meetings of the Constitutional Convention, spent much of the summer discussing various provisions of the proposed Constitution, including a preamble. Again, there was virtually no dissent among the delegates. By August 6, the delegates had dispatched the draft to the Committee of Detail to round some corners and rough edges with the hope of making more progress. The focus, to that point, was on the inclusion of language that the people would "ordain" this Constitution, and that the preservation of the common defense and liberty should be included.

The Committee of Detail worked over the draft for roughly three weeks and then sent it onto the Committee of Style, which included such heavyweights as Madison, Alexander Hamilton, Rufus King and Gouverneur Morris. Scholars agree that the preamble features the elegant, flowing handwriting of Morris, as does the rest of the Constitution.

The preamble should not be a forgotten part of our Constitution. On the contrary, it is poetry, while the rest of the Constitution is mere prose. Indeed, its elegance and lofty ambitions are

Testimony
House Bill No. 1506 – Department of Human Services
House Appropriations Committee
Representative Jeff Delzer, Chairman
November 8, 2021

Chairman Delzer, and members of the House Appropriations Committee, I am Jonathan Alm, an attorney with the Department of Human Services (Department). I appear before you in support of sections 4 through 14 of House Bill No. 1506.

Section 4 of this Bill is to address subsection 1 of section 26 of 2021 Senate Bill No. 2086, which transferred sixteen full-time equivalent foster care licensing positions of the human service zones to the Department to become state employees. The positions transferred do not result in a net addition of positions delivering human services' programs, services, or functions under the appropriation provided in 2021 House Bill No. 1012. This section will address the concern regarding the discrepancy between the total full-time equivalent positions in section 1 of 2021 House Bill No. 1012 and the additional sixteen full-time equivalent foster care licensing positions. The appropriation for the sixteen full-time equivalent positions is already included in 2021 House Bill No. 1012.

Subsection 1 of section 5 of this Bill addresses the federal authority needed for the increased federal medical assistance percentage (FMAP) 6.2%, that started on July 1, 2021, and is ending on March 31, 2022, in the amount of \$48,000,000 and \$31,600,000 for the Department's 10% Home and Community-Based Plan for a total sum of \$79,600,000.

Subsection 2 of section 5 of this Bill addresses the need for the Department to use up to \$16,000,000 from the general fund savings resulting from the federal enhancements or adjustments that cause the federal medical assistance percentage to be less than the federal percentage used by the sixty-seventh Legislative Assembly for budgeting purposes for the biennium beginning July 1, 2021, and ending June 30, 2023. This subsection would be an exception to section 7 of 2021 House Bill No. 1012 which currently restricts the Department from spending the general fund savings. The federal medical assistance percentage used for the Department's budget by the sixty-seventh Legislative Assembly was 53.50%. The Department received the final federal medical assistance percentage for 2023, which is lower than the federal medical assistance percentage used to build the Department's 2021-2023 budget. The Department's federal medical assistance percentage will be 51.55% starting October 1, 2022, through September 30, 2023. This decrease in federal medical assistance percentage will result in a need for an additional \$16 million in general funds.

Section 6 of this Bill appropriates up to \$600,000 from federal funds to the Department to permit the Department, through the American Rescue Plan Act, to provide postpartum coverage for three hundred sixty-five days instead of sixty days.

Section 7 of this Bill appropriates up to \$386,690 from federal funds to the Department for the lifespan respite grant, which was awarded to the Department by the federal government. The grant funds are to be utilized to provide outreach and information to caregivers as well as respite services in order to provide a break and prevent burnout.

Section 8 of this Bill appropriates up to \$1,936,350 from federal funds to the Department for the vulnerable adult protection services grant, which was awarded to the Department by the federal government. The grant funds can be used to expand services to vulnerable older adults during the COVID-19 pandemic, including rental assistance, direct care, and outreach and information.

Section 9 of this Bill appropriates up to \$239,558 from federal funds to the Department for the supplemental nutrition assistance program non-competitive grant, which was awarded to the Department by the federal government. The grant funds can be used to establish a database for verifying income for individuals applying for supplemental nutrition assistance program benefits.

Section 10 of this Bill appropriates up to \$1,168,347 from federal funds to the Department for children and family services (Family First Prevent Services Act) transition title IV-B grant, which was awarded to the Department by the federal government. The grant funds will be used to provide services to achieve safety, permanency, and wellbeing for vulnerable children who enter the child welfare system.

Section 11 of this Bill requires the director of the office and management and budget to transfer appropriation authority between lines items within subdivision 6 of section 1 of the 2021 House Bill No. 1394 and subdivision 6 of section 2 of 2021 House Bill No. 1395 as requested by the Department. At the time when 2021 House Bill Nos. 1394 and 1395 were passed by the sixty-seventh Legislative Assembly, the Department did not have the program details fully scoped, and subawards and beneficiaries identified. Depending on if the organization we enter into an agreement with is a

purchase of service or a subgrant award, it changes which class is necessary for making the payments appropriately. This section will permit the Department to move the appropriated funds into the correct class to spend appropriately.

Section 12 of this Bill appropriates up to \$200,000 from federal funds to the Department for the federal Department of Health and Human Services grant. The Department anticipates using the grant funds to preempt receiving a deficiency at the North Dakota State Hospital.

Section 13 of this Bill appropriates up to \$5,000,000 from federal funds to the Department for the money follows the person capacity grant, which was awarded to the Department by the federal government. The grant funds will be used for planning and capacity building activities to accelerate long term services and supports system transformation design and implementation, and to expand home and community-based service capacity. The funding is expected to support North Dakota's efforts to make meaningful progress towards increasing the use of community-based services.

Section 14 of this Bill appropriates up to \$22,663 from federal funds to the Department for the Randolph Shepard vocational rehabilitation grant. The grant funds will be used for income replacement funding for Randolph Shepard programs which saw reduced income during the pandemic. Randolph Shepard program provides persons who are blind with gainful employment and self-support through the operation of facilities on federal and other property.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you

MEMORANDUM

TO: Rep. Jeff Delzer, Chairman House Appropriations Committee
FROM: Jan Murtha, Interim Executive Director
DATE: November 8, 2021
RE: Testimony in Support of H.B. 1506 Section 15 regarding RIO resource needs.

Thank you for the opportunity to appear before you with this appropriation request. The Retirement and Investment Office is responsible for the administration of two programs. The State Investment Board program, which is the focus of this request and which serves 26 government client funds, and the Teachers' Fund for Retirement Program which serves over 20,000 members. The State Investment Board program currently has approximately 19.7 billion dollars in assets under management (AUM) as of August 31, 2021; compared with 4.8 billion AUM in fiscal year 2010. RIO's investment program, has more than quadrupled in just over a decade.

In order to prudently manage, monitor, and rebalance complex investment programs for our clients, in an increasingly risk prone market, and based on comparisons with other public sector investment programs, we seek to dedicate 1 investment professional per 2 to 2.5 billion dollars in AUM. Currently we have 19 allotted FTE's across these two programs, in 2010 we had 17 allotted FTE's. Only 4 of our 19 FTE's are dedicated investment professionals. Of the 4 dedicated investment professionals only 2 of the investment professional positions are filled. The two unfilled investment positions are the Chief Risk Officer and Chief Investment Officer. Initial interviews have been conducted for the Chief Risk Officer, and RIO hopes to complete final interviews in November, 2021 for this position. The SIB is scheduled to conduct final interviews for the Chief Investment Officer(CIO) in December 2021. The final position to fill is that of the Executive Director (ED), and the SIB will undertake filling the ED position subsequent to filling the CIO position. Approval of the agency request during the upcoming special legislative session would provide the new CIO the opportunity to build their investment team at the same time they are asked to build the in-state program.

As the assets under management have increased so too has the complexity of the program, and the need for additional resources will continue to increase so long as the AUM and program complexity increase. Additional investment professionals will be invaluable for managing the larger asset base and navigating the ever challenging markets, which in turn is key to generating excess returns net of fees above the benchmark. The benchmark rate is the returns you expect to receive; excess returns represent the additional dollars earned over what you expected. The 5-year excess returns, so returns above and beyond what was expected from client investments and net of fees, exceeded 500 million dollars.

The implementation of H.B. 1425 introduced substantial additional complexity and demands on resources to the investment program. H.B. 1425 contained three major mandates, developing a

preference program for in-state managers and directing the in state investment of 10% fixed income and 10% equity. The majority if not all of the 10% will be invested in private markets which requires far greater due diligence and monitoring than public equities because of the private long term nature of the investment. To develop the manager preference program, we have reached out and received feedback from our state financial institution associations on how to effectively incorporate in-state managers into the search process. For this preference program to be implemented by the agency and not contracted out to a consultant we require additional resources to dedicate to outreach efforts with stakeholders and staff to perform the review. The positions being requested and how they would be used are outlined in the attached Exhibit. The agency is seeking an appropriation to spend special fund dollars equal to approximately 1% of the average excess returns generated on an annual basis.

Without the ability to add additional staff members to assist with developing the in-state investment program and maintain and grow the current investment portfolios prior to the next biennium, the agency and the State Investment Board will be in the unenviable position of: determining what realistically can be accomplished now, what priorities must wait, what must be simplified, and what can be contracted out to consultants. Staff will endeavor to continue to provide excellent service and diligent care for government client investments, however, without additional resources to support this growing program we are concerned that the agency will fall short of meeting the expectations of our clients, our stakeholders, and the people of North Dakota.

Thank you in advance for your support of this important state program and for your service to the people of North Dakota.

**RETIREMENT AND INVESTMENT OFFICE
ADDITIONAL APPROPRIATION REQUEST
2021 SPECIAL LEGISLATIVE SESSION**

- I. **Agency Background:** The Retirement and Investment Office (RIO) is responsible for the administration of two programs: the State Investment Board (SIB) program, which is the focus of this request and which serves 26 government client funds, and the Teachers’ Fund for Retirement (TFFR) Program which serves over 20,000 members. The SIB program has approximately \$19.7 billion in assets under management (AUM) as of August 31, 2021; compared with \$4.8 billion AUM as of June 30, 2010. RIO’s investment program has more than quadrupled in just over a decade.

As the assets under management have increased so too has the complexity of the program, and the need for additional resources will continue to increase as long as the AUM and program complexity increase. The implementation of H.B. 1425, passed in the 2021 regular legislative session, introduced substantial additional complexity and demands on resources to the investment program. H.B. 1425 contained three major mandates, developing a preference program for in-state managers and directing the in state investment of 10% fixed income and 10% equity. The majority if not all of the 10% equity will be invested in private markets which requires far greater due diligence and monitoring than public equities because of the private long term nature of the investment. Additional investment professionals will be invaluable for managing the larger asset base and navigating the ever challenging markets, which in turn is key to generating excess returns net of fees above the benchmark. An additional investment accountant is needed to keep the growing portfolios in compliance with target allocations. An outreach coordinator is essential to facilitate rollout of the in-state manager preference process required by H.B. 1425.

- II. **Agency Special Funds Appropriation Request:** In order to accomplish the current goals of the SIB program, including the implementation of H.B. 1425, RIO estimates the agency will need four (4) additional investment professionals, one (1) additional investment accountant, and one (1) position designated as a Program Outreach and Education Coordinator.

A. Four (4) Investment Professionals: The four investment professionals will be responsible for monitoring the various existing asset classes of the program including oversight for the In-State Investment Program (IIP) development and monitoring. The estimated cost for those four positions is broken down below.

	Salaries	Benefits	Total Salaries & Benefits	Operating Expenses	Total
Three (3) Senior Level Investment Professionals	\$ 706,500	\$218,801	\$ 925,301	\$ 37,500	\$ 962,801
One (1) Junior Level Investment Professional	191,232	64,120	255,352	12,500	267,852
Total Cost of Four (4) Investment Professionals	897,732	282,920	1,180,652	50,000	1,230,652

Operating expenses include approximately \$5,000 for NDIT fees and expenses, \$4,000 for education and training and \$3,500 for furniture and supplies per position.

B. Investment Accountant: The additional investment accounting position is necessary for the Fiscal Team to continue to provide accurate and timely accounting reports and to

keep the portfolios in compliance with their stated asset allocation targets. Delays in these areas increase the risk that client portfolios will underperform and that RIO financial statements will receive other than unmodified audit opinions. The estimated cost for an additional accounting position is broken down below.

	Salaries	Benefits	Total Salaries & Benefits	Operating Expenses	Total
One (1) Investment Accountant	\$ 108,336	\$ 47,615	\$ 155,951	\$ 12,500	\$ 168,451

C. Program Outreach and Education Coordinator: The Program Outreach and Education Coordinator position is essential for the coordination of the IIP process development, manager preference program and stakeholder engagement. Without this position and with no current resources to dedicate to these efforts, RIO anticipates that the implementation of the manager preference piece of the IIP will not be accomplished, or significantly delayed, in the current biennium. The estimated cost for this position is broken down below.

	Salaries	Benefits	Total Salaries & Benefits	Operating Expenses	Total
One (1) Program Outreach and Education Coordinator	\$ 131,880	\$ 52,303	\$ 184,183	\$ 12,500	\$ 196,683

D. Additional Budget Adjustments: RIO also requests additional funding within the Salaries and Benefits line to address a budget deficiency resulting from the separation of the combined Executive Director and Chief Investment Officer position into two positions in August, 2021; the inability to fill the currently open Chief Risk Officer position within its current classification; and the impact these vacancies have had on the previously appropriated budget. Subsequent to the vacancy of the Executive Director/Chief Investment Officer position in June, the SIB made the decision to split the position. A search is currently underway for a dedicated Chief Investment Officer (CIO). RIO will use the salary funding from the previously combined position, and the investment FTE authorized in the 2021 regular session, to staff the CIO position. It is expected that the Executive Director salary will be within a range of similar director positions within the state, however, the budget must be adjusted to accommodate this salary range. All other positions will be compensated at rates below the ED salary.

The Deputy CIO position was also vacated in August, 2021. That position was filled with an internal promotion, leaving the position of Chief Risk Officer (CRO) vacant. The CRO position has been posted and received a large number of applicants. Upon reviewing the applicant pool and conducting first round interviews, it became clear that the position salary range, as currently classified within the state system, falls well below the market rate for similar positions in peer public funds, even with a pay-grade exception granted by Human Resource Management Services (HRMS).

Prior to the splitting of the ED/CIO position, RIO had three approved non-classified positions (ED/CIO, Deputy ED/Chief Retirement Officer, and Deputy CIO). As a result of the ED/CIO split, the limits on unclassified positions within the agency, and the concern surrounding the ability to staff the Chief Risk Officer position, RIO requested and the State Personnel Board approved both the Deputy CIO and Chief Risk Officer positions as non-classified positions.

As a result of the restructuring of positions within the agency, subsequent budget adjustments are necessary to properly address the previously mentioned changes and vacancies. The estimated cost of those adjustments is broken down below.

	Salaries	Benefits	Total Salaries & Benefits	Operating Expenses	Total
Additional funding for current positions	\$ 176,028	\$ 35,047	\$ 211,075	\$ -	\$ 211,075

III. Summary: Over the five years ended June 30, 2021, the SIB Investment Program generated an average excess return over its passive market benchmark of over \$100 million per year (over \$500 million for the five-year average). This amount is after the payment of all fees and expenses. The additional amount of appropriation requested for the remainder of the 2021-23 biennium equates to less than 1.2% per year of that net annual excess return amount. RIO's total appropriation request for the 2021 Special Legislative Session is as follows:

	Salaries	Benefits	Total Salaries & Benefits	Operating Expenses	Total
Three (3) Senior Level Investment Professionals	\$ 706,500	\$218,801	\$ 925,301	\$ 37,500	\$ 962,801
One (1) Junior Level Investment Professional	191,232	64,120	255,352	12,500	267,852
Total Cost of Four (4) Investment Professionals	897,732	282,920	1,180,652	50,000	1,230,652
One (1) Investment Accountant	108,336	47,615	155,951	12,500	168,451
One (1) Program Outreach and Education Coordinator	131,880	52,303	184,183	12,500	196,683
Additional funding for current positions	176,028	35,047	211,075	-	211,075
Total additional Special Fund appropriation request for remainder of 2021-23 Biennium	\$1,313,976	\$417,885	\$ 1,731,861	\$ 75,000	\$1,806,861



House Appropriations Committee
IN SUPPORT – HB 1506 –Appropriations Adjustments
November 8, 2021
Janelle Moos, AARP North Dakota
jmoos@aarp.org
(701) 355-3641

Chairman Delzer and members of the House Appropriations Committee, I am Janelle Moos, Associate State Director of Advocacy at AARP North Dakota. I'm offering testimony in favor of HB 1506.

AARP North Dakota, on behalf of our 83,000 members, would like to thank you for your efforts and leadership throughout the COVID-19 pandemic. We recognize that while the worst of this unprecedented time may be behind us, many issues which disproportionately impact older North Dakotans have surfaced during the pandemic that require continued action from our state. As you prepare to budget and appropriate funds from the American Rescue Plan Act, AARP North Dakota encourages you to address these challenges by authorizing the Department of Human Services to also accept additional federal funds outlined in HB 1506.

AARP North Dakota supports the Department's effort to provide services and care as close to home as possible. In a 2020 North Dakota Vital Voices Survey, a state specific survey of issues that impact North Dakotan's 45+ conducted every three years, 79% indicated that staying in their own home as they got older, getting to the places they need to go and having access to quality long term care in their community was extremely or very important. Also, 62% said staying in their community as they got older was extremely or very important. It was no surprise to us and I am sure it doesn't surprise you.

Long-Term Care Services and Supports

On May 13, 2021, the Centers for Medicare & Medicaid Services issued [guidance](#) to states on the temporary enhanced funding for Medicaid Home and Community Based Services (HCBS) under the American Rescue Plan Act. The State Medicaid Director Letter ([SMDL #21-003](#)) provides guidance to states regarding the implementation of the temporary increase to North Dakota's federal medical assistance percentage (FMAP) of 10 percentage points for certain Medicaid HCBS expenditures under the ARP Act.

This temporary FMAP increase is available to states beginning April 1, 2021 through March 31, 2022, and the guidance provides that state funds freed up (i.e., state funds equivalent to the

amount of federal funds attributable to the increased FMAP) can be used through March 31, 2024 to improve HCBS in the state (specifically to enhance, expand, or strengthen HCBS). Examples include increasing access to HCBS for Medicaid beneficiaries, protecting the HCBS workforce, safeguarding the financial stability for HCBS providers, and accelerating meaningful reform of long-term services and supports.

Section 5 of HB 1506 includes the \$31 million in federal authority for the Department's 10% Home and Community-Based Plan. Additionally, section 13 of HB 1506 appropriates \$5,000,000 for the money follows the person program.

Given a vast majority of North Dakota want to live independently in their homes and communities, AARP urges North Dakota to take advantage of this unique opportunity to use this increased funding outlined in sections 5 and 13 to supplement existing state HCBS efforts.

Family Caregivers

Caregiving may be one of the most important, and challenging, role a family member may ever take on. More than 62,000 North Dakotans care for older parents, spouses or other loved ones, helping them live independently at home. One-quarter (26%) of North Dakota residents age 45+ are currently providing unpaid care to help an adult relative or friend and almost half (45%) who are currently unpaid caregivers have provided this type of help in the past.

Section 7 of HB 1506 appropriates \$386,690 to the lifespan respite care program that will help provide support and resources to help the 62,000 family caregivers in the state to keep more North Dakotans in their homes longer.

We would like to thank you again for your service to our state and for your leadership during these challenging times. AARP North Dakota is committed to working with you to make these critical improvements in our state. If you have questions or wish to discuss these items further, please contact me at jmoos@aarps.org or 701.355.3641.

Thank you.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

HB 1506
11/8/2021

BILL for an Act to provide an appropriation; to provide for a transfer; to authorize full-time equivalent positions; to provide an exemption; to provide for a report; and to provide an effective date

4:46 Chairman Delzer Calls the meeting to order; roll call was taken;

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 Vigesaa	P

Discussion Topics:

- Amendment

4:46 Representative Jon O. Nelson Makes a motion at move amendment 21.1130.04001

Representative Kreidt Seconds the motion

Voice vote Motion Carries

Representative Vigesaa Makes a motion for a Do Pass and Amended

Representative Meier Seconds the motion

Further discussion

4:48 Roll Call Vote

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

Motion Carries 19-2-0

Representative Vigesaa will carry the bill

4:50 Chairman Delzer Closes the meeting for HB 1506

Risa Berube, House Appropriations Committee Clerk

CS
11/9
1041

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1506

Page 4, after line 12, insert:

"SECTION 15. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - FREE THROUGH RECOVERY PROGRAM. There is appropriated out of any special funds derived from income and other sources, not otherwise appropriated, the sum of \$3,300,000, or so much of the sum as may be necessary, to the department of human services for the purpose of the free through recovery program, for the period beginning with the effective date of this Act and ending June 30, 2023."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1506: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1506 was placed on the Sixth order on the calendar.

Page 4, after line 12, insert:

"SECTION 15. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - FREE THROUGH RECOVERY PROGRAM. There is appropriated out of any special funds derived from income and other sources, not otherwise appropriated, the sum of \$3,300,000, or so much of the sum as may be necessary, to the department of human services for the purpose of the free through recovery program, for the period beginning with the effective date of this Act and ending June 30, 2023."

Renumber accordingly

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1506
11/11/2021

BILL for an Act to provide an appropriation; to provide for a transfer; to authorize full-time equivalent positions; to provide an exemption; to provide for a report; and to provide an effective date

1:48 Chairman Delzer Calls the meeting to order; roll call was taken;

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 Vigesaa	P

Discussion Topics:

- Senate changes

Chairman Delzer Discusses changes made by the senate

1:52 Chairman Delzer Closes the meeting for HB 1506

Risa Berube, House Appropriations Committee Clerk

2021 SENATE APPROPRIATIONS

HB 1506

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1506
11/9/2021
Senate Appropriations Committee

A BILL for an Act to provide an appropriation; to provide for a transfer; to authorize full-time equivalent positions; to provide an exemption; to provide for a report; and to provide an effective date.
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Chairman Holmberg opened the hearing at 4:34 p.m.

Senators present: Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.

Discussion Topics:

- Treasurer's Office
- Attorney General's Office – Crime Lab
- Bank of North Dakota FTE's
- Commerce Department

Wayne Stenehjem, Attorney General, testified in favor but submitted no testimony

John Alm, Human Services, testified in favor and submitted testimony #12179

Jan Murtha, Retirement and Investment Office, testified in favor but submitted no testimony

Karen Tyler, State Security Commissioner, testified neutrally and provided testimony #12178

Senator Sorvaag moves to restore Bank of North Dakota FTE's back to the Senate version
Senator Poolman seconded the motion

Motion Carries by voice vote

Senator Bekkedahl passed out testimony #12176 and makes a motion to restore wording about Commerce back to Senate Version
Senator Wanzek seconded the motion

Motion Carries by voice vote

Chairman Holmberg closed the meeting at 5:16 p.m.

Skyler Strand, Committee Clerk



North Dakota Legislative Council

Prepared for Senator Bekkedahl
LC# 23.9199.01000
November 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1506

The following is a summary of proposed amendments to House Bill No.1506:

1. Add a section as detailed below to appropriate \$1,074,888 of federal funds to the Department of Commerce for the workforce community services program:

SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE COMMUNITY SERVICES PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,074,888, or so much of the sum as may be necessary, to the department of commerce, for the purpose of the workforce community services program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

2. Add a section as detailed below to appropriate \$1 million of federal funds to the Department of Commerce for an economic development planning grant program:

SECTION 18. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - ECONOMIC DEVELOPMENT PLANNING GRANT PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce, for the purpose of an economic development planning grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

3. Add a section as detailed below to appropriate \$100,000 of federal funds to the Department of Commerce for a workforce innovation network grant program:

SECTION 19. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE INNOVATION NETWORK GRANT PROGRAM. There is appropriated from ~~federal~~ funds, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, ^{Special} to the department of commerce, for the purpose of a workforce innovation network grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

4. Add a section as detailed below to transfer \$6.4 million of federal funding received from the United States Department of Housing and Urban Development from the Department of Human Services to the Department of Commerce and appropriate the funding to the Department of Commerce for the rent bridge program for individuals unable to pay rent due to the COVID-19 pandemic:

SECTION 20. APPROPRIATION - TRANSFER - DEPARTMENT OF HUMAN SERVICES TO DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - RENT BRIDGE PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$6,400,000, or so much of the sum as may be necessary, which the department of human services shall transfer to the department of commerce for the purpose of the rent bridge program for individuals unable to pay rent due to the COVID-19 pandemic, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

5. Add a new section as detailed below to allow the Department of Commerce to accept matching funds raised prior to July 1, 2021, for the beyond visual line of sight unmanned aircraft system program provided for in Senate Bill No. 2018 (2021):

SECTION 21. AMENDMENT. Section 9 of chapter 46 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 9. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes \$1,000,000 from the general fund for grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry, ~~which the~~ The department of commerce may provide funding under this section only to the extent the organization provides one dollar of matching funds from private or other public sources during the period beginning July 1, 2020, and ending June 30, 2023, for each one dollar provided by the department. This funding is considered a one-time funding item.

Testimony**House Bill No. 1506 – Department of Human Services****Senate Appropriations Committee****Senator Ray Holmberg, Chairman****November 9, 2021**

Chairman Holmberg, and members of the Senate Appropriations Committee, I am Jonathan Alm, an attorney with the Department of Human Services (Department). I appear before you in support of sections 4 through 15 of House Bill No. 1506.

Section 4 of this Bill is to address subsection 1 of section 26 of 2021 Senate Bill No. 2086, which transferred sixteen full-time equivalent foster care licensing positions of the human service zones to the Department to become state employees. The positions transferred do not result in a net addition of positions delivering human services' programs, services, or functions under the appropriation provided in 2021 House Bill No. 1012. This section will address the concern regarding the discrepancy between the total full-time equivalent positions in section 1 of 2021 House Bill No. 1012 and the additional sixteen full-time equivalent foster care licensing positions. The appropriation for the sixteen full-time equivalent positions is already included in 2021 House Bill No. 1012.

Subsection 1 of section 5 of this Bill addresses the federal authority needed for the increased federal medical assistance percentage (FMAP) 6.2%, that started on July 1, 2021, and is ending on March 31, 2022, in the amount of \$48,000,000 and \$31,600,000 for the Department's 10% Home and Community-Based Plan for a total sum of \$79,600,000.

Subsection 2 of section 5 of this Bill addresses the need for the Department to use up to \$16,000,000 from the general fund savings resulting from the federal enhancements or adjustments that cause the federal medical assistance percentage to be less than the federal percentage used by the sixty-seventh Legislative Assembly for budgeting purposes for the biennium beginning July 1, 2021, and ending June 30, 2023. This subsection would be an exception to section 7 of 2021 House Bill No. 1012 which currently restricts the Department from spending the general fund savings. The federal medical assistance percentage used for the Department's budget by the sixty-seventh Legislative Assembly was 53.50%. The Department received the final federal medical assistance percentage for 2023, which is lower than the federal medical assistance percentage used to build the Department's 2021-2023 budget. The Department's federal medical assistance percentage will be 51.55% starting October 1, 2022, through September 30, 2023. This decrease in federal medical assistance percentage will result in a need for an additional \$16 million in general funds.

Section 6 of this Bill appropriates up to \$600,000 from federal funds to the Department to permit the Department, through the American Rescue Plan Act, to provide postpartum coverage for three hundred sixty-five days instead of sixty days.

Section 7 of this Bill appropriates up to \$386,690 from federal funds to the Department for the lifespan respite grant, which was awarded to the Department by the federal government. The grant funds are to be utilized to provide outreach and information to caregivers as well as respite services in order to provide a break and prevent burnout.

Section 8 of this Bill appropriates up to \$1,936,350 from federal funds to the Department for the vulnerable adult protection services grant, which was awarded to the Department by the federal government. The grant funds can be used to expand services to vulnerable older adults during the COVID-19 pandemic, including rental assistance, direct care, and outreach and information.

Section 9 of this Bill appropriates up to \$239,558 from federal funds to the Department for the supplemental nutrition assistance program non-competitive grant, which was awarded to the Department by the federal government. The grant funds can be used to establish a database for verifying income for individuals applying for supplemental nutrition assistance program benefits.

Section 10 of this Bill appropriates up to \$1,168,347 from federal funds to the Department for children and family services (Family First Prevent Services Act) transition title IV-B grant, which was awarded to the Department by the federal government. The grant funds will be used to provide services to achieve safety, permanency, and wellbeing for vulnerable children who enter the child welfare system.

Section 11 of this Bill requires the director of the office and management and budget to transfer appropriation authority between lines items within subdivision 6 of section 1 of the 2021 House Bill No. 1394 and subdivision 6 of section 2 of 2021 House Bill No. 1395 as requested by the Department. At the time when 2021 House Bill Nos. 1394 and 1395 were passed by the sixty-seventh Legislative Assembly, the Department did not have the program details fully scoped, and subawards and beneficiaries identified. Depending on if the organization we enter into an agreement with is a

purchase of service or a subgrant award, it changes which class is necessary for making the payments appropriately. This section will permit the Department to move the appropriated funds into the correct class to spend appropriately.

Section 12 of this Bill appropriates up to \$200,000 from federal funds to the Department for the federal Department of Health and Human Services grant. The Department anticipates using the grant funds to preempt receiving a deficiency at the North Dakota State Hospital.

Section 13 of this Bill appropriates up to \$5,000,000 from federal funds to the Department for the money follows the person capacity grant, which was awarded to the Department by the federal government. The grant funds will be used for planning and capacity building activities to accelerate long term services and supports system transformation design and implementation, and to expand home and community-based service capacity. The funding is expected to support North Dakota's efforts to make meaningful progress towards increasing the use of community-based services.

Section 14 of this Bill appropriates up to \$22,663 from federal funds to the Department for the Randolph Shepard vocational rehabilitation grant. The grant funds will be used for income replacement funding for Randolph Shepard programs which saw reduced income during the pandemic. Randolph Shepard program provides persons who are blind with gainful employment and self-support through the operation of facilities on federal and other property.

Section 15 of this Bill appropriates up to \$3,300,000 of special funds to the Department for the purpose of the free through recovery program. The

sixty-seventh Legislative Assembly appropriated the Department of Corrections and Rehabilitation an additional \$3.3 million in federal funds and since the Department is responsible to contract with and pay behavioral health providers who participate in the free-through recovery program, pursuant to N.D.C.C. § 54-23.3-10, it also needs this funding authority.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you

Sixty-seventh
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(At the request of the Securities Commissioner)

A BILL for an Act to amend and reenact subsection 3 of section 10-04-10 of the North Dakota Century Code, relating to the registration of investment advisers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 3 of section 10-04-10 of the North Dakota Century Code is amended and reenacted as follows:

3. Investment advisers.

a. It is unlawful for any person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration as an investment adviser. The following persons are exempt from the registration requirements:

(1) A person without a place of business in this state that is registered under the securities laws of the state in which the person has its principal place of business if its only clients in this state are:

(a) Federal covered investment advisers, investment advisers registered under this chapter, or broker-dealers registered under this chapter;

(b) Institutional investors; or

- (c) Bona fide pre-existing clients whose principal places of residence are not in this state if the investment adviser is registered under the securities laws of the state in which the clients maintain principal places of residences.
 - (2) A person without a place of business in this state if the person has had, during the preceding twelve months not more than five clients resident in this state in addition to those specified in paragraph 1.; or
 - (3) any other person exempted by rule adopted or order of the commissioner issued under this chapter.
- b. Application for registration as an investment adviser must be made in writing or electronically in a form prescribed by the commissioner, must be signed by the applicant, duly verified by oath, must be filed with the department, and must contain information the commissioner determines to be necessary concerning the applicant.

The commissioner may also require such additional information relating to the applicant and as to the previous history, record, or association of the applicant, its officers, directors, employees, members, partners, managers, or trustees, as the commissioner deems necessary to establish whether or not the applicant should be registered as an investment adviser under the provisions of this chapter.

Except as prohibited by the Investment Advisers Act of 1940, the commissioner may require an indemnity bond running to the state of North Dakota conditioned for the faithful compliance by the investment adviser and the investment adviser's

representatives with all the provisions of this law and for the faithful performance and payment of all obligations of the investment adviser and the investment adviser's representatives. The bond must be of such type as may be approved by the commissioner and must be in such amount as the commissioner deems necessary to protect persons in this state. Any such bond must have as surety thereon a surety company authorized to do business in this state.

The commissioner may by rule or order provide for an examination to be taken by any class of or all applicants, as well as persons who represent or will represent an investment adviser in doing any of the acts which make the person an investment adviser.

When an applicant has fully complied with the provisions of this subsection, the commissioner may register such applicant as an investment adviser unless the commissioner finds that the applicant is not of good business reputation or is not solvent.

A registrant as investment adviser shall notify the department of any change of address.



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1506

The following is a summary of proposed amendments to House Bill No.1506:

1. Add a section as detailed below to appropriate \$1,074,888 of federal funds to the Department of Commerce for the workforce community services program:

SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE COMMUNITY SERVICES PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,074,888, or so much of the sum as may be necessary, to the department of commerce, for the purpose of the workforce community services program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

2. Add a section as detailed below to appropriate \$1 million of federal funds to the Department of Commerce for an economic development planning grant program:

SECTION 18. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - ECONOMIC DEVELOPMENT PLANNING GRANT PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce, for the purpose of an economic development planning grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

3. Add a section as detailed below to appropriate \$100,000 of federal funds to the Department of Commerce for a workforce innovation network grant program:

SECTION 19. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE INNOVATION NETWORK GRANT PROGRAM. There is appropriated from ~~state~~ funds, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, ^{special} to the department of commerce, for the purpose of a workforce innovation network grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

4. Add a section as detailed below to transfer \$6.4 million of federal funding received from the United States Department of Housing and Urban Development from the Department of Human Services to the Department of Commerce and appropriate the funding to the Department of Commerce for the rent bridge program for individuals unable to pay rent due to the COVID-19 pandemic:

SECTION 20. APPROPRIATION - TRANSFER - DEPARTMENT OF HUMAN SERVICES TO DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - RENT BRIDGE PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$6,400,000, or so much of the sum as may be necessary, which the department of human services shall transfer to the department of commerce for the purpose of the rent bridge program for individuals unable to pay rent due to the COVID-19 pandemic, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

5. Add a new section as detailed below to allow the Department of Commerce to accept matching funds raised prior to July 1, 2021, for the beyond visual line of sight unmanned aircraft system program provided for in Senate Bill No. 2018 (2021):

SECTION 21. AMENDMENT. Section 9 of chapter 46 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 9. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes \$1,000,000 from the general fund for grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry, ~~which the~~ The department of commerce may provide funding under this section only to the extent the organization provides one dollar of matching funds from private or other public sources during the period beginning July 1, 2020, and ending June 30, 2023, for each one dollar provided by the department. This funding is considered a one-time funding item.

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1506
11/10/2021
Senate Appropriations Committee

A BILL for an Act to provide an appropriation; to provide for a transfer; to authorize full-time equivalent positions; to provide an exemption; to provide for a report; and to provide an effective date.

Chairman Holmberg opened the meeting at 8:02 a.m.

Senators present: Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.

Discussion Topics:

- Amendments

Brady Larson, Legislative Council, provided testimony #12186 and #12187

Vice-Chair Kresbach moved to adopt amendment 21.1130.05001

Senator Poolman seconded the motion

Motion Carried by voice vote

Vice-Chair Kresbach moved DO PASS AS AMENDED

Senator Poolman seconded the motion

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Motion Carried 14-0-0

Senator Bekkedahl will carry the bill

Chairman Holmberg closed the meeting at 8:11 a.m.

Skyler Strand, Committee Clerk

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1506

Page 1, line 2, after "positions" insert "; to amend and reenact section 9 of chapter 46 of the 2021 Session Laws, relating to the beyond visual line of sight unmanned aircraft system program"

Page 5, after line 7, insert:

"SECTION 18. APPROPRIATION - BANK OF NORTH DAKOTA. There is appropriated out of any moneys in the Bank of North Dakota operating fund in the state treasury, not otherwise appropriated, the sum of \$1,025,369, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of salaries and wages funding, for the period beginning with the effective date of this Act and ending June 30, 2023.

SECTION 19. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE COMMUNITY SERVICES PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,074,888, or so much of the sum as may be necessary, to the department of commerce, for the purpose of the workforce community services program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 20. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce, for the purpose of a community development planning grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 21. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE INNOVATION NETWORK GRANT PROGRAM. There is appropriated from special funds, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the department of commerce, for the purpose of a workforce innovation network grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 22. APPROPRIATION - TRANSFER - DEPARTMENT OF HUMAN SERVICES TO DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - HOUSING RENTAL ASSISTANCE. There is appropriated from federal funds, not otherwise appropriated, the sum of \$6,400,000, or so much of the sum as may be necessary, which the department of human services shall transfer to the department of commerce for the purpose of a housing rental assistance program for individuals unable to pay rent due to the COVID-19 pandemic, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 23. AMENDMENT. Section 9 of chapter 46 of the 2021 Session Laws is amended and reenacted as follows:

DA 11/10/21
2022

SECTION 9. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes \$1,000,000 from the general fund for grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry, ~~which the~~. The department of commerce may provide funding under this section only to the extent the organization provides one dollar of matching funds from private or other public sources during the period beginning July 1, 2020, and ending June 30, 2023, for each one dollar provided by the department. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Appropriates \$1,025,369 from the Bank of North Dakota operating fund to the Bank for salaries and wages funding.
- Appropriates \$1,074,888 of federal funds to the Department of Commerce for the workforce community services program.
- Appropriates \$1 million of federal funds to the Department of Commerce for a community development planning grant program.
- Appropriates \$100,000 of special funds to the Department of Commerce for a workforce innovation network grant program.
- Transfers \$6.4 million of federal funding received from the United States Department of Housing and Urban Development from the Department of Human Services to the Department of Commerce and appropriates the funding for a housing rental assistance program.
- Amends Section 9 of Chapter 46 of the 2021 Session Laws to allow the Department of Commerce to accept matching funds raised prior to July 1, 2021, for the beyond visual line of sight unmanned aircraft system program provided for in Senate Bill No. 2018 (2021).

REPORT OF STANDING COMMITTEE

HB 1506, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1506 was placed on the Sixth order on the calendar.

Page 1, line 2, after "positions" insert "; to amend and reenact section 9 of chapter 46 of the 2021 Session Laws, relating to the beyond visual line of sight unmanned aircraft system program"

Page 5, after line 7, insert:

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SECTION 9. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes \$1,000,000 from the general fund for grants to an organization

dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry, ~~which the~~. The department of commerce may provide funding under this section only to the extent the organization provides one dollar of matching funds from private or other public sources during the period beginning July 1, 2020, and ending June 30, 2023, for each one dollar provided by the department. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

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- Appropriates \$1,074,888 of federal funds to the Department of Commerce for the workforce community services program.
- Appropriates \$1 million of federal funds to the Department of Commerce for a community development planning grant program.
- Appropriates \$100,000 of special funds to the Department of Commerce for a workforce innovation network grant program.
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PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1506

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Appropriates \$1,025,369 from the Bank of North Dakota operating fund to the Bank for salaries and wages funding.
- Appropriates \$1,074,888 of federal funds to the Department of Commerce for the workforce community services program.
- Appropriates \$1 million of federal funds to the Department of Commerce for a community development planning grant program.
- Appropriates \$100,000 of special funds to the Department of Commerce for a workforce innovation network grant program.
- Transfers \$6.4 million of federal funding received from the United States Department of Housing and Urban Development from the Department of Human Services to the Department of Commerce and appropriates the funding for a housing rental assistance program.
- Amends Section 9 of Chapter 46 of the 2021 Session Laws to allow the Department of Commerce to accept matching funds raised prior to July 1, 2021, for the beyond visual line of sight unmanned aircraft system program provided for in Senate Bill No. 2018 (2021).

Status of Appropriations Included in Senate Bill No. 2345 and House Bill Nos. 1505 and 1506

Senate Bill No. 2345 - As approved by Senate Appropriations				Appropriation
Section	Subsection	Agency	Description	Federal Funds
1	1	Industrial Commission	Pipeline infrastructure to transport natural gas to eastern North Dakota	150,000,000
1	2	Industrial Commission	Abandoned oil well conversion to water supply grant program	3,200,000
1	3	Department of Water Resources	Water infrastructure and requires the State Water Commission to expend state fiscal recovery fund moneys before expending funds from the resources trust fund	75,000,000
1	4	Department of Corrections and Rehabilitation	Stipends to county jails for costs to house inmates sentenced to the department but deferred admission due to the pandemic	4,800,000
1	5	Parks and Recreation Department	Grants to local park districts to renovate and upgrade existing facilities with a maximum of \$1 million per park district and a 1-to-1 matching requirement	5,000,000
1	6	NDSU main research center	Capital projects, including, \$446,000 for projects at the Carrington REC, \$1,963,000 for projects at the Central Grasslands REC, \$2.2 million Dickinson REC, \$3.42 million for projects at the Hettinger REC	8,029,000
1	7	State Department of Health	Public health laboratory renovation and requires the department to provide the plan for the building during the 2023 legislative session	15,000,000
1	8	Department of Corrections and Rehabilitation	Free through recovery program	2,995,200
1	9	Parks and Recreation Department	State park projects with each of the 13 state parks receiving a minimum of \$100,000 for deferred maintenance or small capital projects	10,000,000
1	10	Office of Management and Budget	Critical maintenance projects and authorizes the Office of Management and Budget to transfer funding to other state agencies	10,000,000
1	11	Office of Management and Budget	HVAC improvements to the legislative chambers and the Brynhild Haugland room	7,000,000
1	12	State Historical Society	Essential infrastructure at historic sites	950,000
1	13	State Board of Higher Education	High performance computing at North Dakota State University	2,200,000
1	14	State Board of Higher Education	Merrifield Hall project at the University of North Dakota	50,000,000
1	15	State Board of Higher Education	Polytechnic building project at Bismarck State College	38,000,000
1	16	State Board of Higher Education	Hartnett Hall project at Minot State University	25,000,000
1	17	State Board of Higher Education	University of North Dakota School of Medicine and Health Sciences for equipment and personnel to use hyperbaric oxygen therapy	2,104,121
1	18	State Board of Higher Education	Dakota Digital Academy	475,000
1	19	Attorney General	Development of a missing persons database	300,000
1	20	Attorney General	Replacement of the prosecuting case management system	1,000,000
1	21	Highway Patrol	Radios compatible with the statewide interoperable radio network	2,612,000
1	22	Department of Corrections and Rehabilitation	Radios compatible with the statewide interoperable radio network	2,057,384
1	23	Information Technology Department	Grant to the North Dakota Stockman's Association for the conversion of a paper-based brand inspection program to an electronic system	401,000
1	24	Adjutant General	State active-duty software replacement	450,000
1	25	Judicial Branch	Replacement of the Supreme Court docket system	2,020,000
1	26	Office of Administrative Hearings	Development of a web-based document management system	20,000
1	27	Department of Human Services	Financial assistance for retention bonuses for direct service professionals serving clients with intellectual or developmental disabilities	2,500,000
1	28	Department of Human Services	Long-term care facility financial assistance, including \$20.8 million for nursing facilities, \$2.95 million for basic care facilities, \$1.25 million for assisted living facilities, \$350,000 for nursing staff retention payments at the State Hospital, and for administrative expenses of the department (\$400,000)	25,750,000
1	29	Department of Human Services	Behavioral health services (\$4 million), childcare services (\$17 million), Medicaid eligibility system upgrade (\$5 million), and substance use disorder treatment voucher system grants(\$3 million),	29,000,000
1	30	Department of Human Services	Alternatives to abortion services	1,500,000

Senate Bill No. 2345 - As approved by Senate Appropriations				Appropriation
Section	Subsection	Agency	Description	Federal Funds
1	31	Adjutant General	Camp Grafton housing enhancement	2,000,000
1	32	Department of Veterans' Affairs	A grant to assist in the construction of the Fisher House at the Fargo Veterans' Affairs Medical Center	500,000
1	33	Department of Veterans' Affairs	Veteran's medical transportation	147,000
1	34	Bank of North Dakota	Fuel production facility incentive grant program	21,000,000
1	35	Department of Commerce	Transfer to the North Dakota development fund	5,000,000
1	36	Industrial Commission	Hydrogen development grants as approved by the Clean Sustainable Energy Authority	20,000,000
1	37	Department of Commerce	Autonomous agriculture matching grant program to accelerate innovation and research within the autonomous agriculture industry	10,000,000
1	38	Department of Commerce	Local workforce development incentive grant program to support efforts to recruit, retain, or retrain workers and require 25 percent matching funds from local sources	15,000,000
1	39	Department of Commerce	Technical skills training grant program and workforce innovation grant program	5,000,000
1	40	State Board of Higher Education	Space education and research initiative at the University of North Dakota	10,000,000
1	41	Aeronautics Commission	Airport grants	5,000,000
1	42	Attorney General	Information technology costs related to the implementation of charitable gaming tax changes	50,000
Total State Fiscal Recovery Fund - Senate Bill No. 2345				571,060,705
Select Items Included in House Bill Nos. 1505 and 1506 as approved by the House				Appropriation
Section	Subsection	Agency	Description	Federal Funds
1-6			Funding source changes to state fiscal recovery fund - House Bill No. 1505	36,474,000
1	1	Department of Career and Technical Education	Career Academies - Coronavirus capital projects fund - House Bill No. 1505	53,276,228
1	1	Department of Career and Technical Education	Career Academies - State fiscal recovery fund - House Bill No. 1505	30,000,000
8		Information Technology Department	Rural broadband grants- Coronavirus capital projects fund - House Bill No. 1505	60,000,000
7		Department of Transportation	Highway, road and bridge repairs and construction appropriated in House Bill No. 1395 - House Bill No. 1505	317,000,000
8		Department of Transportation	Undesignated federal funds in excess of the regular federal funding amounts included in the Department of Transportation's 2021-23 biennium budget for road and bridge construction projects - House Bill No. 1505	135,000,000
16		Department of Public Instruction	Information technology upgrades - State fiscal recovery fund - House Bill No. 1506	100,000
Total - Coronavirus Capital Projects Fund				113,276,228
Total - State Fiscal Recovery Fund				954,634,705
Total Funding Available from State Fiscal Recovery Fund				1,007,502,515
Remaining State Fiscal Recovery Fund Funding				52,867,810

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1506
11/11/2021
Senate Appropriations Committee

A BILL for an Act to provide an appropriation; to provide for a transfer; to authorize full-time equivalent positions; to provide an exemption; to provide for a report; and to provide an effective date.

Chairman Holmberg opened the meeting at 11:06 a.m.

Senators present: Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.

Discussion Topics:

- Amendment

Vice-Chair Wanzek moved to reconsider the committee's action on HB 1506 from 11/10
Senator Bekkedahl seconded the motion

Motion Passed by voice vote

Senator Bekkedahl proposed testimony #12211; LC 21.1130.05003 and moved the amendment

Senator Sorvaag seconded the motion

Motion Carried by voice vote

Senator Bekkedahl moved DO PASS AS AMENDED

Senator Dever seconded the motion

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Motion Passed 14-0-0

Senator Bekkedahl will carry the bill

Chairman Holmberg closed the meeting at 11:16 a.m.

Skyler Strand, Committee Clerk

November 11, 2021

CP 11/11/21
1 of 2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1506

Page 1, line 2, after "positions" insert "; to amend and reenact section 9 of chapter 46 of the 2021 Session Laws, relating to the beyond visual line of sight unmanned aircraft system program"

Page 5, after line 7, insert:

"SECTION 18. APPROPRIATION - BANK OF NORTH DAKOTA. There is appropriated out of any moneys in the Bank of North Dakota operating fund in the state treasury, not otherwise appropriated, the sum of \$1,025,369, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of salaries and wages funding, for the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 19. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE COMMUNITY SERVICES PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,074,888, or so much of the sum as may be necessary, to the department of commerce for the purpose of the workforce community services program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 20. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of a community development planning grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 21. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - WORKFORCE INNOVATION NETWORK GRANT PROGRAM. There is appropriated from special funds, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of a workforce innovation network grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 22. AMENDMENT. Section 9 of chapter 46 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 9. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes \$1,000,000 from the general fund for grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry, ~~which the~~ The department of commerce may provide funding under this section only to the extent the organization provides one dollar of matching funds from private or other public sources during the period beginning July 1, 2020.

DP 11/11/21
2018

and ending June 30, 2023, for each one dollar provided by the department.
This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Appropriates \$1,025,369 from the Bank of North Dakota operating fund to the Bank for salaries and wages funding.
- Appropriates \$1,074,888 of federal funds to the Department of Commerce for the workforce community services program.
- Appropriates \$1 million of federal funds to the Department of Commerce for a community development planning grant program.
- Appropriates \$100,000 of special funds to the Department of Commerce for a workforce innovation network grant program.
- Amends Section 9 of Chapter 46 of the 2021 Session Laws to allow the Department of Commerce to accept matching funds raised prior to July 1, 2021, for the beyond visual line of sight unmanned aircraft system program provided for in Senate Bill No. 2018 (2021).

REPORT OF STANDING COMMITTEE

HB 1506, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1506 was placed on the Sixth order on the calendar.

Page 1, line 2, after "positions" insert "; to amend and reenact section 9 of chapter 46 of the 2021 Session Laws, relating to the beyond visual line of sight unmanned aircraft system program"

Page 5, after line 7, insert:

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SECTION 20. APPROPRIATION - DEPARTMENT OF COMMERCE - ONE-TIME FUNDING - COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM. There is appropriated from federal funds, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of a community development planning grant program, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

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Renumber accordingly

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- Amends Section 9 of Chapter 46 of the 2021 Session Laws to allow the Department of Commerce to accept matching funds raised prior to July 1, 2021, for the beyond visual line of sight unmanned aircraft system program provided for in Senate Bill No. 2018 (2021).

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1506

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- Appropriates \$100,000 of special funds to the Department of Commerce for a workforce innovation network grant program.
- Amends Section 9 of Chapter 46 of the 2021 Session Laws to allow the Department of Commerce to accept matching funds raised prior to July 1, 2021, for the beyond visual line of sight unmanned aircraft system program provided for in Senate Bill No. 2018 (2021).