

STUDY OF STATUTORY AND REGULATORY REQUIREMENTS AS A CONDITION OF FEDERAL FUNDING - BACKGROUND MEMORANDUM

STUDY RESPONSIBILITIES

House Bill No. 1083 (2015) ([Appendix A](#)) provides for a study of statutory and regulatory requirements placed on North Dakota state government agencies by United States government agencies as a condition of the receipt of federal funding. The study must determine whether there are viable options to meet the needs of the state without having the federal government's oversight and involvement, which state needs can be met if federal funding associated with undesirable regulation or excessive direct and indirect costs is refused, and whether the benefit of accepting certain federal funds outweighs the benefit of participation in the federal programs. The responsibility for this study was assigned to the Government Finance Committee by the Legislative Management.

BACKGROUND INFORMATION

Beginning with the 1987-88 interim, the Legislative Council has presented a memorandum identifying the federal funds appropriated and the estimated federal funds to be received each biennium by each agency. The memorandum for the 2013-15 and 2015-17 bienniums ([Appendix B](#)) was presented to the Budget Section in September 2014. The memorandum identifies the agency name, program name, federal funds appropriated, estimated federal funds to be received, variance, appropriated general fund matching funds, appropriated other funds matching funds, required general fund maintenance of effort, required other funds maintenance of effort, and estimated amount of indirect costs reimbursed.

State agencies with significant federal funds appropriations during the 2013-15 biennium, and those anticipating to receive significant federal funds during the 2015-17 biennium include:

Agency	Original 2013-15 Federal Funds Appropriation	Estimated 2015-17 Federal Funds to be Received
Department of Public Instruction	\$269,049,193	\$271,473,096
State Department of Health	120,309,143	116,763,623
Department of Human Services	1,700,732,059	2,030,831,027
Job Service North Dakota	77,206,472	55,342,571
North Dakota Housing Finance Agency	26,177,975	25,227,780
Adjutant General	231,625,343	147,452,483
Department of Commerce	64,138,514	49,196,968
Upper Great Plains Transportation Institute	19,007,683	11,700,195
Game and Fish Department	29,723,601	30,886,724
State Water Commission	37,080,441	11,375,000
Department of Transportation	691,500,000	617,500,000
Other state agencies	93,411,985	77,793,432
Total	\$3,359,962,409	\$3,445,542,899

STUDY PLAN

The following is a proposed study plan for the committee's consideration in its study of statutory and regulatory requirements placed on North Dakota state government agencies by United States government agencies as a condition of the receipt of federal funds:

1. Receive information from the Legislative Council regarding federal funds received by state agencies.
2. Select North Dakota state government agencies receiving significant federal funds for further review.
3. Receive information from selected North Dakota state government agencies regarding statutory and regulatory requirements placed on the agencies by United States government agencies as a condition of the receipt of federal funds.
4. Receive information from selected North Dakota state government agencies regarding potential alternative funding sources for programs financed with federal funds.
5. Receive information from selected North Dakota state government agencies regarding the benefits and risks of ending programs financed with federal funds.
6. Receive testimony from interested persons regarding the study.
7. Develop recommendations and any bill drafts necessary to implement the recommendations.
8. Prepare a final report for submission to the Legislative Management.

ATTACH:2