OTHER GOVERNMENT ADMINISTRATION COMMITTEE RESPONSIBILITIES BACKGROUND MEMORANDUM

In addition to studies of the statewide interoperable radio network, State Capitol grounds accessibility, revenue generating uses of the Veterans' Home, and state and federal veterans' programs, the 2019-20 interim Government Administration Committee has been assigned the following duties:

- Receive a report from the Office of Management and Budget (OMB) by October 15 of each even-numbered year, regarding the reports received by OMB from each executive branch state agency, excluding entities under the control of the State Board of Higher Education, receiving federal funds, a plan to operate the state agency when federal funds are reduced by 5 percent or more of the total federal funds the state agency receives (North Dakota Century Code Section 54-27-27.1).
- Approve any agreement between a North Dakota state entity and South Dakota to form a bistate authority (Section 54-40-01).

FEDERAL FUNDS REPORT

Section 54-27-27.1 requires each executive branch state agency, excluding entities under the control of the State Board of Higher Education, receiving federal funds, to report biennially to OMB a plan to operate the state agency when federal funds are reduced by 5 percent or more of the total federal funds the state agency receives. The report must include information on whether the agency will request state funds to offset the decrease in federal funds. The report is not required to address a reduction in federal funds received by the agency which is a result of:

- A decrease in caseloads or cost per case;
- A change in the anticipated project completion date for a construction project qualifying for federal fund reimbursement; or
- The completion of a one-time project funded in whole or in part by federal funds.

The Office of Management and Budget is required to report to the Legislative Management by October 15 of each even-numbered year on the federal funds reports received from state agencies. The report must include a summary of the reports received from state agencies on how each agency will operate with the reduction in federal funds.

The 2017-18 interim Government Administration Committee received a report from OMB in July 2018 regarding state agency plans to operate if federal funds are reduced by 5 percent or more of the total federal funds the agency receives. Due to the timing of the report, the OMB survey of state agencies was not complete. However, the committee learned six agencies, including the Information Technology Department, Tax Commissioner, School for the Deaf, Insurance Department, Aeronautics Commission, and Adjutant General, were expecting a decrease in federal funding of 5 percent or more. The committee was informed none of the six agencies intended to request state funds to offset the decrease in federal funds. Other agencies surveyed did not expect federal funding to decrease by 5 percent or more, but many responded with actions anticipated to be taken if federal funding decreased. As of July 2018, all agencies that responded indicated the programs associated with the decreased federal funding would be reduced to match the federal funding available.

AGREEMENTS BETWEEN NORTH DAKOTA AND SOUTH DAKOTA

Section 54-40-01 provides an agency, department, or institution may enter an agreement with the state of South Dakota to form a bistate authority to jointly exercise any function the entity is authorized to perform by law. Any proposed agreement must be submitted to the Legislative Assembly or, if the Legislative Assembly is not in session, to the Legislative Management or a committee designated by the Legislative Management for approval or rejection. The agreement may not become effective until approved by the Legislative Assembly or the Legislative Management.

The South Dakota Legislature in 1996 enacted a law creating a legislative commission to meet with a similar commission from North Dakota to study ways North Dakota and South Dakota could collaborate to provide government services more efficiently. The North Dakota Legislative Council (Legislative Management) appointed a commission to meet with the South Dakota commission. As a result of the joint commission, the North Dakota Legislative Assembly enacted legislation relating to higher education and the formation of a cooperative agreement with South Dakota. The South Dakota commission proposed several initiatives, but the South Dakota Legislature did not approve any of the related bills. Since then, no proposed agreements have been submitted to the committee for approval to form a bistate authority with the state of South Dakota.