

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2018

2001 SENATE APPROPRIATIONS

SB 2018

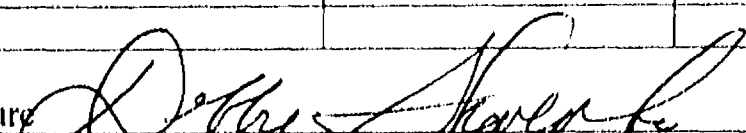
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2018

Senate Appropriations Committee

Conference Committee

Hearing Date: January 12, 2001

Tape Number	Side A	Side B	Meter #
1	Ofc. Admin Hrgs		0.0-16.6
Committee Clerk Signature 			

Minutes: Tape #1, Side A, 0.0

Senator Nething opened the hearing for Office of Administrative Hearings, SB 2018.

Allen C. Hoberg, Director of the Office of Administrative Hearings (OAH), (testimony attached) gave testimony for their upcoming budget for 2001-2003. Most state agencies (65) are required to use administrative law judges (ALJ) from the Office of Administrative Hearings. There are exceptions, Workers Compensation Bureau, Insurance Department and Public Service Commission. Additionally, some local government agencies have used the services of OAH for tobacco sales enforcement and public nuisance abatement. OAH has operated with a permanent full time staff of five (three ALJ FTEs and two support staff FTEs) for conducting hearings. In September 1, 1995, OAH began conducting administration hearings for the Workers Compensation Bureau (Bureau) pursuant to agency agreement. In order to be able to provide the Bureau with the necessary temporary ALJs, OAH contracts with attorneys in private practice of law. Billing rates for OAH temporary ALJ work and for all other OAH ALJ work, and to keep

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Senate Appropriations Committee

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the two component parts separate for expenditure and revenue purposes. We now have two separate components which were created for OAH's budget under it one cost center. For 2001-2003 biennium we are using only one cost center, Cost Center 1000. OAH is asking for \$47,890 more for salaries and wages, \$97,614 less in operating expenses, and \$5,000 less in equipment. The only new item for this biennium is the return to borrowing from the General Fund (\$100,000 in borrowing authority) and not the Bank of North Dakota as we are unable to recover the interest.

Senator Nething: To Legislative Council, if making the change in borrowing fund from Bank of North Dakota to General Fund, how would this show in projections?

OMB: It is a net zero type situation; zero affect.

Senator Nething: Explain billing consultant.

Allen Hoberg: We are a cost basis operation; our billing rate same as for federal agencies.

Senator Bowman: When doing hearings for WCB; you pay your help and you get paid?

Allen Hoberg: We charge a flat rate; number of hours on cases.

Senator Tallackson: What is a typical case, say from Human Services.

Allen Hoberg: We have a variety of cases through Human Services; ranging from neglect, welfare, child abuse, etc.

Senator Solberg: Looking at your handout; explain number of hearings.

Allen Hoberg: Our cases and hearing varies; 50-60% of hearing are either settled or withdrawn.

Senator Tomac: I can't understand the less appropriation you are asking for with a deficiency?

Allen Hoberg: Mainly it is the interest that we can't collect from borrowing and also the declining case load. We have to pay off the Bank of ND this biennium.

Hearing closed. Tape #1, Side A, meter 16.6

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Senate Appropriations Committee

Bill/Resolution Number 2018

Hearing Date : ~~January 13, 2001~~

January 23, 2001

Appropriations Committee was reconvened by Senator Nething.

Provide an appropriation for defraying the expenses of the Office of Administrative Hearings;
and to authorize a loan from the general fund. Senator Robinson moved a DO PASS, seconded
by Senator Lindaas; no discussion requested. Roll Call vote: 12 yes, 0 no, 2 absent. Senator
Tomic accepted the floor assignment.

Tape #1, Side A, 0.0-23.4

Date: 1-23-01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2018

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken By Pass

Motion Made By Sen Robinson Seconded By Sen Lindan

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg					
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg					
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 12 No 0

Absent 2

Floor Assignment Sen Tomac

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

REPORT OF STANDING COMMITTEE (410)
January 23, 2001 3:02 p.m.

Module No: SR-11-1460
Carrier: Tomac
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2018: Appropriations Committee (Sen. Nething, Chairman) recommends DO PASS
(12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2018 was placed on the
Eleventh order on the calendar.

2001 HOUSE APPROPRIATIONS
SB 2018

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2018

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date March 12, 2001

Tape Number	Side A	Side B	Meter #
1 of 1	x		1,330
Committee Clerk Signature <i>Judy Schock</i>			

Minutes:

Representatives Aarsvold, Boehm, Guleson, Martinson, Monson, Wald, Wentz.

Representative Wentz: We will call the committee to order and open the hearing on SB2018.

Allen Hoberg: (155) Director of the office of Administrative Hearings. See attached.

Representative Wentz: Give us more information on the 100,000 that you need to repay to the bank and the purpose for the borrowing authority you are asking from the general fund.

Allen Hoberg: The 100,000 from the general fund is appropriated because when OAH begins every new biennium because we bill agencies for all of our services we don't receive any moneys for them until at times three months into the biennium. So we need to have borrowing authority for operations until we actually receive those moneys.

Representative Guleson: You mentioned your salary increase is worth 7.9 percent. Is that based on the 3 & 2 that has been put forth for other state employees. What is included in that percent?

Also how do you determine your rates?

Allen Hoberg: That includes strictly the increases purposed by the Governor's recommendation as well as performances increases that were carried over the second year of the biennium from last biennium. Our rates for services are strictly on a cost bases. We take all of our expenses from the previous biennium and divide that by the number of hours of services we provided during that biennium to get a billing rate. That is done by a billing consultant pursuant into a federal formula that meets federal guidelines.

Representative Aarsvold: (1090) Aren't you really asking the state to pick up interest on that borrowed sum?

Allen Hoberg: Essentially that is right. We tried in the last biennium to include that interest rate within our billings rate. Billing all the agencies for the amounts plus interest, and found out after the session was over last time we could not bill the federal agencies interest.

Representative Wald: Didn't you have money in efficiency appropriation bill? How did we miss the mark so bad last biennium in regard you needing 150,000?

Allen Hoberg: That is correct. It was 120,000 dollars. That was to pay back the Bank of ND loan interest and a couple other items. We missed the case load, it was decreasing the last four years, so it falls short. Plus the interest we owe the Bank of ND this biennium is going to be about 20,000 dollars.

Representative Wald: Have you adjusted your fee schedule?

Allen Hoberg: Yes, we have adjusted it. We adjusted it this last biennium and will again this biennium. All of the budget will be covered by the fees that we charge.

Representative Wentz: Does anyone else wish to appear in opposition of SB2018? Seeing none we will close the hearing on SB2018.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2018

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date March 27, 2001

Tape Number	Side A	Side B	Meter #
1 of 1	x		1,015

Committee Clerk Signature *Judy Sebeck*

Minutes:

Representatives Aarsvold, Boehm, Gulleson, Martinson, Monson, Wald, Wentz.

Representative Wentz: Are there any bills we can act on?

Representative Wald: Reports on SB2017. Talks about amendments he is drawing up and not to move some of the programs into ED and F at this time. My only question is about the 2,250,000 that was added to work force 2000. Just wondering if that isn't a bit high. I think we should trim that a little bit, so I am not ready to act on it.

Representative Boehm: We are meeting on SB2021 this afternoon to work on that one. We need a few more days.

Representative Wentz: I think SB2003 University Systems we will be working on amendments this week where we can bring it all together. Does anyone have issues with SB2018? Some discussion about borrowing in the beginning. Are we ready to act on this? It is just the basic budget as it came to us.

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Education and Environment Division

Bill/Resolution Number SB2018

Hearing Date March 27, 2001

Representative Monson: (625) If we have to appropriate 120,000 in this emergency measure, or deficiency appropriation how do we expect them to get along with 150,00 less besides from what they were appropriated last time. In fact 204,000. I am wondering how big the deficiency next time will be.

Representative Gulleason: Page 4 on the testimony provided by (?)it speaks why they are requesting less money.

Representative Wald: (725) The language of section 2 of the bill, borrow from the general fund. Don't we usually borrow from the bank of ND?

Celest OMB: You have done both.

Representative Gulleason: When they borrow from the general fund, is there any interest paid on that? Would that be the incentive to borrow from general fund verses Bank of ND?

Representative Aarsvold: Seems to me the agencies that are requesting the service should be the folks that should be making the loan, should they not?

Celest OMB: When this agency was established, it was recognition that you have the up front expenses and than as those hearings proceed the department is repaid, so it's paid at the end of the hearings. I believe ever since this has bee initiated there has been some sort of borrowing up front for the operations of the agency, and paid off from their hearing proceedings. I think it always depends on the nature of their work. That would be the function of timing.

Representative Wald: On the pink sheets. I look at the bill and it says introduced by appropriations and yet it is a request of the Governor. This is not an engrossed bill it is the original bill. Why would the language be there when we have not changed the bill?

Celest OMB: In this item 1, it is saying that the bill as it was prepared by the Governor gave the authority to borrow from the general fund. In previous biennium they borrowed through the

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Education and Environment Division

Bill/Resolution Number SB2018

Hearing Date March 27, 2001

Bank of ND. That is a change from the way the agency is operating today. So L.C. is reporting the Schafer recommendation changes in that item from the current biennium.

Representative Wald: I make a motion for a do pass.

Representative Monson: I second the motion.

Representative Wentz: Any discussion on do pass motion? The motion is carried with 7 yes, 0 no, and 0 absent. Rep Gulleason to carry the bill to the floor.

