

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

2112

2001. SENATE APPROPRIATIONS

SB 211.2

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2112

Senate Appropriations Committee

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
Tape #3	x		13.4 - 40.0
Committee Clerk Signature <i>Donna Peters</i>			

Minutes:

Senator Nething opened the hearing on SB2112.

Sheila Peterson, Director of Fiscal Management, North Dakota Office of Management and Budget (OMB), presented documentation on SB2112 (a copy of written testimony is attached).

Senator Solberg: Why did it go into the general fund?

Sheila Peterson: The decision was the governor's -- revenue available, included in general fund. This does not close the door to how repayment will be done, nor applying for deficiency funds.

Senator Solberg: Disaster funds -- not through FEMA, but not highway funds either?

Sheila Peterson: Yes.

Senator Grindberg: We have a division of community services -- would it not be prudent to have all agencies have such services doing disaster fund requests -- borrowing fund requests -- seems it would be less complex, more efficient to have one agency do for all, rather than each agencies apply on their own?

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Senate Appropriations Committee

Bill/Resolution Number SB2112

Hearing Date January 16, 2001

Sheila Peterson: certain disaster payments, perhaps a large percent could be -- however, this is so unique and federal dollars relative to transportation system -- doesn't go through FEMA.

Senator Grindberg: Clarification: deficiency requests, one agency doing request for all --- could eliminate a lot of transactions -- over a period of 7-8 years?

Senator Nething: Thought is worth some discussion, perhaps when the subcommittee is named. The process could have one clearing house; would enable the right hand to know what the left hand is doing.

David Sprynczynatyk, Director of the North Dakota Department of Transportation, testified in support of SB2112 (a copy of his written testimony is attached).

Senator Nething: Last sentence: an additional \$40 million budget authority, reflect against general fund?

Allen Knudson, Legislative Council: \$32 million federal, \$8 million highway.

David Sprynczynatyk: Total, didn't identify. Expected \$32 million-- amount of budget authority under way.

Senator Nething: Getting dollars that are incorporated in regular budget?

David Sprynczynatyk: Some projects were pushed back; this doesn't reflect the \$40 million emergency fund.

Senator Nething: Need this bill?

David Sprynczynatyk: Still need the appropriation. Department needs the authority to do this for the future. Since budget request we have received word that \$26 million is in hand. We ask that you give the agency authority to borrow the sum, perhaps we will come before the deficiency -- or avoid the deficiency request.

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Senate Appropriations Committee

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Senator Bowman: How long before we lower the lakes -- feds getting it yet? Get the water out may mean the roads will be needing additional repair?

David Sprynczynatyk: Don't have the answer. We've fought this since '95, the lake began rising in '93. We have the means to remove the water -- the problem lies with the down stream interests -- no reason to believe it won't continue to rise.

Senator Bowman: How many millions have been spent?

David Sprynczynatyk: Since 1993 expenditures have exceeded \$300 million. This includes federal, state and county funds. Approximately 13 toward raising roads.

Senator Bowman: A major sum!

David Sprynczynatyk: Yes.

Senator Tomac: Perhaps this is a constitutional question? Can we approve an indebtedness for future legislative assemblies?

David Sprynczynatyk: Can't answer.

Sheila Peterson: This is how the system has been functioning for the past four years.

Senator Tomac: Number of agencies - 54 16 13 basically coming, this in addition?

Sheila Peterson: Several legislative sessions ago; allows for cash flow and state flow. There are currently hearings for 3 agencies; NDSU - flood related damages; UND - flood related damages; and the Emergency Management, with deficiency requests at this time.

Senator Tomac: 54 16 13 doesn't?

Sheila Peterson: Perhaps the Chair of this committee has more knowledge- for cash flow as they wait for dollars; using for state match.

Senator Tomac: Why need bill? DOT could do it?

Sheila Peterson: Disaster declaration, FEMA program, DOT doesn't get FEMA funds.

Senator Thane: What would have happened if Devils Lake would have gotten the June rains that Fargo got?

David Sprynczynatyk: We did do a scenario when the week before the Fargo rains, rain hit the Larimore area. Had that rain shifted 75 miles west -- water commission estimated 4-5 foot rise from the current level.

Senator Nething: Impact of 4-5 feet?

David Sprynczynatyk: Above certified protection level for the city of Devils Lake -- which is 1450. Roads inundated; can't estimate the number of homes, roads that would have been flooded.

Senator Solberg: Asking now for authority to borrow for what's coming up -- but received in November, \$26 million of the \$32 million -- matching funds?

David Sprynczynatyk: When budget was introduced, we didn't know when the dollars would be received, we now have received \$26 million, do expect 6 more which would allow us to do all the work authorized in the Devils Lake area. We need to match federal dollars to complete projects this summer. No additional funds -- passed in law, additional funds will provide the match; perhaps we'll need to seek deficiency.

Senator Solberg: Perhaps \$16 million this biennium rather than \$8 million?

David Sprynczynatyk: Barring more disasters, and we do get the \$6 million, we'll still need the \$8 million for state match.

Senator Solberg: Then seeking \$8 million plus interest?

David Sprynczynatyk: Not expecting that -- just what is in hand and expecting. Covering eligible projects in the area; if more rise, we'll work/talk about it -- expect \$32 million federal for 99 and carry over 2000. Spend this sum; we have \$26 million in hand.

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Senate Appropriations Committee
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Senator Solberg: DOT expects federal highway dollars -- then more next biennium?

David Sprynczynatyk: Complete the project -- using carry over; no reason to believe more emergency work; hope to complete all projects.

Senator Solberg: 3 to 1 match? Regularly on highway funding? Cities/Counties 4.4 million -- with no match?

David Sprynczynatyk: 4 to 1 federal/state match; 80-20 regular projects; could be 90-10 or 70-30. 80-20 match as our backlog qualified for emergency relief work. No state match -- done through cities and counties.

Senator Andrist: Project to raise roads to what level?

David Sprynczynatyk: To 1455 elevation, and would also widen the roads. Could go above 1460 which would be 9 feet above where the lake is today.

Senator Andrist: At what level does the natural lake flow take place?

David Sprynczynatyk: 1459 is the natural flow level to the Sheyenne River. 1463 would be the highest -- maximum.

No additional testimony, for or against SB2112; nor additional questions by Senators. Hearing closed by Senator Nething.

January 23, 2001

Appropriation Committee was reconvened by Senator Nething.

Authorize the Department of Transportation to borrow funds to respond to disasters; to provide an appropriation; and to declare an emergency. Discussion revolved around the repayment of borrowed funds. Committee vote was to amend, stating that the repayment funds must come out of highway dollars, not general fund dollars. Vote carried. Senator Holmberg moved a DO

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Senate Appropriations Committee

Bill/Resolution Number SB2112

Hearing Date ~~January 16, 2001~~

1-23-01

PASS AS AMENDED. Senator Robinson seconded the motion. Roll Call vote: 14 yes, 0 no, 0

absent. Senator Thane accepted the floor assignment.

Tape #1, Side A, 0.0-23.4

FISCAL NOTE

Requested by Legislative Council
12/26/2000

Bill/Resolution No.: SB 2112

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$0		
Expenditures				\$32,500,000		
Appropriations				\$32,500,000		

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would allow the DOT to borrow the funds necessary to match federal emergency relief funds. The DOT has been notified that \$26 million in Federal Emergency Relief funds will be available to us for the 2001 - 2003 biennium. This will require \$6.5 million in state matching funds. Without an additional revenue source for the state match, the DOT will have to borrow the matching funds in order to utilize the federal funds. Without a new revenue source, the DOT will not be able to repay the loan. The DOT would then have to request a deficiency appropriation under the provisions of this bill.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

This bill does not provide any additional revenue. It does allow the DOT to borrow the funds necessary to match federal emergency relief funds. Without an additional revenue source, the DOT would not be able to repay such a loan and would therefore have to request a deficiency appropriation under the provisions of this bill.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The DOT will be eligible to incur an additional \$26 million in expenditures for federal emergency relief work.

The required state match for this would be \$6.5 million. Therefore, the total additional expenditures related to this legislation will likely be \$32.5 million. This is based on information recently received from the Federal Highway Administration. In the event the Federal Highway Administration releases more emergency relief funding in the future, these numbers will likely increase.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

By way of emergency commission action, the DOT appropriation would have to be increased by \$32.5 million under the present known circumstances.

Name:	Shannon L. Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	12/27/2000

Date: 1-23-01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2112

Senate Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken As passed amended

Motion Made By Sen Holmberg Seconded By Sen Thane

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 14 No 0

Absent 0

Floor Assignment Sen Thane

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

REPORT OF STANDING COMMITTEE

SB 2112: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2112 was placed on the Sixth order on the calendar.

Page 1, line 12, after "appropriation" insert "from the state highway fund"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 801 - Department of Transportation

SENATE - This amendment provides that the Department of Transportation shall request a deficiency appropriation from the highway fund to obtain funding needed for repaying Bank of North Dakota loans used to match federal emergency relief funds.

2001 HOUSE APPROPRIATIONS

SB 2112

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2112

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date February 5, 2001

Tape Number	Side A	Side B	Meter #
02-05-01 tape #1	0 - 3300	180 - 280	
Committee Clerk Signature <i>Sheila Peterson</i>			

Minutes:

The committee was called to order, and opened the hearing on SB 2112. The Title was read by the committee clerk.

Sheila Peterson, Director of Fiscal Management Division of OMB: She handed out written testimony, and read directly from it. This bill will allow the DOT borrowing authority, subject to the approval of the Emergency Commission for the DOT. Federal disaster aid has been approved, and this borrowing mechanism would be the vehicle to provide the required state match.

Chairman Byerly: On this match, would we then see the repayment of this through the deficiency bill, and are we talking general fund dollars.

Response: Yes, the repayment would come through the deficiency bill, and as the bill was originally introduced by OMB, we did not specify the source of funds, and left the flexibility

open. The Senate did amend the bill to specifically indicate the distributions be from the Highway Funds.

Rep. Koppelman: Are there any other federal emergency funds that we can receive other than the highway ones you are talking about.

Response: FEMA dollars come from a variety of state agency, but those are our two main sources of disaster payments.

Rep. Skurphel: Can you give a couple examples of situations that the department would have been compromised.

Response: Because DOT has not had the authority to borrow funds to match the federal disaster money, when disaster money has come in and there has been a lot in the last few years, they have had to take existing resources and use that for the match, which meant that other state projects on the calendar were delayed or not done.

Rep. Skurphel: They didn't have any way to go to the emergency commission? Any dollar amount lost?

Response: Correct. They had to use their own budget to come up with the match, or leave the disaster money on the table. The DOT could answer better.

Rep. Glassheim: This bill would give the DOT the authority to borrow but it still would be taking from their existing funds, just spread out more years. AS originally written, it could be repaid from the general fund, but as amended its repaid from the Highway Fund.

Response: As the bill reads now, yes, it is just delaying the payment of the state match by several years. OMB did not identify the funding source in the original bill.

Dave Sprynczynatyk, Director NDDOT: Had prepared written testimony, and read from it. He supports SB 2112. In the past the department has used budget moneys to match

emergency funds. This year the needed \$8 million emergency match is not in the budget, and have already asked the legislature to raise fees in order to match regular federal aid. Attached to the written testimony is a map of the Devils Lake area.

Rep. Skurphol: What is the typical match on federal funds?

Response: It will vary by program, but as a rule of thumb, we use 80% federal, 20% non federal, some programs as 90%-10%, and some are 75%-25%. The average is about 83% when all combined.

Rep. Skurphol: So the actual match on these emergency funds is not as good as your typical match.

Response: Yes, I guess that's basically right.

Rep. Glassheim: What was the rationale for the Senate amendment and that a problem for you?

Response: The rationale on the Senate side was that they felt if we had to borrow the money and repay it through deficiency appropriation, the deficiency appropriation should come from the Highway Fund and not the general fund. We prefer the original bill drafting, because it allows greater flexibility. The Senate felt that this is a highway program and they should insure the deficiency appropriation be from the Highway Fund.

Rep. Byerly: In most of the FEMA money that we have received in other areas, there has always been a local match component. Are these projects purely on the State highway system, and not on the county roads.

Response: The projects on this list are projects on the state system. There is also emergency relief funding available to the counties and cities and there has recently been some

funds approved for the counties in particular. They do meet the match without state funds. Our interest is in the state system only.

Rep. Byerly: It appears that this will be another bad year in the Devils Lake area. Are these projects going to be enough to keep us taken care for the summer this year?

Response: Gave some current hydrology, the water data from the area. It appears that the lake will rise and go above the high point of 1999. Last year it did not set a record. The projects as designed will raise the road beds above 1455 about 9 feet above the lake level, and the bridges will be about 5 feet above that. We think these projects will be above the expected lake levels.

Rep. Skarphol: Under the scenario that you get FEMA funds, rather than emergency relief match, what is the typical match there.

Response, OMB: It varies by the program, that if the disaster need is over \$56 million, goes to 90-10%. There isn't a typical, but under \$56 million, its generally 75-25%.

Chairman Byerly: Asks a question directed to Sheila, OMB: In your capacity as OMB, there is effectively no cap, and the deficiency bill could be astronomical. My concern is about this, and this could be a real budget buster.

Response, Sheila, OMB: Yes that is right.

Rep. Skarphol: Asks a question directed to Dave S., with regard to the anticipated increase in matching money that you are going to need for just the federal dollars available, what kind of dollars are we talking about?

Response, Dave S.: Right now we have asked the legislature to increase the motor vehicle registration fee by \$15 per year which will provide about \$20 million of revenue to the Highway Fund, of which about \$12 million becomes available to match the federal funding for

the next two years. We expect about \$62 million of additional federal funding in the next two years under the regular program, over and above where they are at now. This is the basis for the request for the increase registration fee. The 1 cent gas tax increase request will generate about \$5 million per year.

Rep. Carlisle: On the leverage you said the net \$12 million, gets us five to one, or is the 62 inclusive of the money going to the cities and counties, three to one match.

Response, Dave S.: The \$62 million is the additional state funds only. So we need to put up \$20 million to get \$62 million. Somewhere in that 83% range.

Chairman Byerly: Shouldn't we reasonable expect that we would be looking at a deficiency appropriation because the way the bill is worded. Don't we normally expend all of the Highway Fund before the next session begins.

Response, Dave S.: Yes, based on what we know now, based on the current revenue forecast and expectations of federal funds, we have developed a balanced budget. The emergency relief funding is outside of that balanced budget.

Rep. Skarphol: The Highway Fund is typically used every biennium.

Response: Yes, if the federal program is in place. We have built the fund on our needs in the past, and as the Fund builds up, we will need to increase the revenues to the State's Fund.

Rep. Skarphol: Once you have the budget balanced, and have the money to match the federal dollars, what happens if you have an emergency, and need more? If there is no more money in the Highway Fund, and you cannot get an appropriation from there, then you are going to need general fund dollars, is that right?

Response, Dave S.: That's why the original version provided more flexibility, and as amended, the only alternative is the Highway Distribution Fund, and if the money is not there, then I'm not sure what we would do.

Rep. Glassheim: Is the Highway Trust Fund only state moneys, or does it include the federal moneys? Any new money would be the sales tax or registration fee increases.

Response: The Highway Distribution Fund is the state money that goes into the fund by law, and then gets distributed by law to the state, county, and city systems. Under the current fee increases, the new revenues would be distributed.

Rep. Glassheim: I understand this bill to read that the borrowing is only for a biennium, and the entire amount borrowed is supposed to be paid back out of the Highway Fund.

Chairman Byerly: Reminds the committee about the deficiency bill handled right away in full committee. He reads the bill to allow deficiency from the general fund.

Rep. Glassheim: disagrees, and reads the bill as allowing the deficiency to be paid only out of the State Highway Fund.

Chairman Byerly: Then the bill says they would be borrowing from the next biennium's money. Then Sheila, my first question to you was answered incorrectly, and it is not general fund dollars.

Response, Sheila, OMB: If this bill passes this way, what we would have to do, in subsequent budgets, is ask for general funds for the various budgets that receive part of their revenues from the Highway Fund.

Chairman Byerly: Rep. Glassheim raises a good point. In my early questions, I asked about general fund deficiency appropriations, and the answer was yes. In reality, it is kind of

left-handed (no offense) getting the general fund dollars, but really offsetting the Highway Fund dollars somewhere else.

Allen, LC: The Senate hasn't made a decision on the DOT budget yet, and in making their amendment they discussed some possibilities to provide this match.

Chairman Byerly: Sheila, if the Senate is still working on how to handle this, the best way for us to handle this is to wait until the DOT budget get here. If the Senate is still working on this, we shouldn't do anything at this time.

Response, Sheila: Agrees with Allen that the Senate is still working on this budget.

Rep. Skarphol: There is an emergency clause. Is there an immediate need.

Response, Sheila, OMB: Yes, the \$26 million is already available, and they want to begin the projects this spring.

Rep. Skarphol: Are you talking about moving funds in this biennium rather than waiting for the next biennium.

Response, Sheila: No, they changes would wait for the next biennium.

Rep. Glassheim: There could always be another way to do this, and re-prioritize existing highway budgets, and spend less on other projects. Is the bulk of the costs in the Devils Lake area.

Response, Dave S.: From the department's standpoint, that is not the best solution. That is what we have been doing since 1993. We keep pushing some of these projects back and back. Since 1993 we have received much emergency funding, and most of it has gone toward the Devils Lake basin, and the match in the past has come out of our regular funds. In rare instances, the federal government has picked up 100% of expenses.

Rep. Glassheim: What does the Highway Fund expect in revenues.

Response: The amount that goes into the Highway Distribution Fund now is about \$150 million per year. Of that about 63% goes for the state transportation system, and the balance goes to the counties and cities.

Chairman Byerly: I think we will recess this hearing, and need to have more information.

Rep. Huether: If they want to get into spring construction and not hold up other projects around the state, they need to get into the bidding process. That is the reason for the emergency clause, and hurried need.

The chairman closed the hearing on this bill.

February 5, 2001 (later in the day)

The committee was called to order, and opened committee work on SB2112.

Rep. Glassheim: If we say we want to do this Devils Lake stuff, then we put another penny in the gas fund, we'll call it an emergency levy. Either you take the money from the general fund, or you take it from the special fund, or you increase the revenue.

Rep. Byerly: Eventually you have to pay for it. Now we have to be creative as to where it comes from.

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2112

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date February 6, 2001

Tape Number	Side A	Side B	Meter #
02-06-01 tape #1	1605-29163		
Committee Clerk Signature	<i>Robert Hall</i>		

Minutes:

The committee was called to order, and opened committee work on SB 2112.

Chairman Byerly: This is the money for the Department of Transportation. The Senate amended this bill.

Roxanne, LC: She was in the Senate when they made this amendment. Currently the DOT if they receive disaster funding, to match that they have used their highway funds in their budget, causing delays and projects scheduled. This bill allows them to get a loan from the Bank of North Dakota to serve as the match and they can use their highway funds for the other projects. The Senate was concerned with language on lines 11 and 12, saying the department shall request a deficiency appropriation to the amount of their loans. The Senate was concerned that they would receive general fund moneys, so they put in the language that the match funds would come from the State Highway Fund.

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Government Operations Division

Bill/Resolution Number SB 2112

Hearing Date February 6, 2001

Chairman Byerly: The current practice is that they take the money out of the State highway fund anyway. So all we are doing is allowing the DOT to borrow the money, and it might be next biennium's money, but its still the same pool of money, but replenished in the next biennium.

(There was some general discussion as to what was asked and answered at the hearing on this the other day. Whether the payback is in the current or next biennium. That the ability to borrow is to assist in allowing the DOT to work on the projects planned and bid for, and if an emergency arises, they can do that work in addition. The committee discussed the possibility of adding a sunset clause, and maybe there could be some leverage).

Rep. Skarphol: Moves to amend bill to add a sunset clause. Rep. Carlisle seconded.

(Discussion as the emergency clause, and that the department already has the money, and need the match funds to begin bidding immediately. If the committee amended the bill, it would have to go back to the Senate, and the department would loose the bidding time it needs. The motion was withdrawn.)

(Discussed that some agencies are given the ability to borrow emergency moneys from the Bank of North Dakota. Roxanne, LC, stated that it was her belief that the agencies still had to go before the emergency commission to borrow. The agencies are under scrutiny, and cannot just borrow without permission. The committee also discussed the number of funds in the last few years used on the Devils Lake area, and that the rest of the state road repairs suffer. They also discussed the time period of repayment).

Rep. Glassheim: Moves DO PASS. Seconded by Rep. Skarphol.

Vote on the Do Pass, 7 yes, 0 no. Motion carries.

Rep. Glassheim was assigned to carry the bill to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2112

House Appropriations Committee

Conference Committee

Hearing Date February 9, 2001

Tape Number	Side A	Side B	Meter #
1		x	3763 - 4504
Committee Clerk Signature <i>L. L. Gauthier</i>			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON SB2112.

Rep. Glassheim: SB2112 authorizes the Dept. of Transportation to borrow funds to respond to disasters, over the past 7 years or so the Dept. of Transportation has gotten about \$131 million in emergency relief funds, that's a special category. The match on those emergency relief funds is roughly 20% of state money, and about \$90 million of that \$131 million have gone to Devils Lake for raising the roads, etc. In the past they have paid for our match out of the highway users fund and what that has done is to take away from other projects, local smaller projects that were in the pipeline and forced those to be put back for a year or two, while that fund built up. Basically there asking for the ability to borrow from the Bank of North Dakota this money to go ahead with the projects, especially this spring, that's why there is an emergency clause on the bill, and then to pay it back, and the deficiency appropriation two years from now, so they don't have to interrupt existing contracts, they have approval from the feds to start spring emergency

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House Appropriations Committee
Bill/Resolution Number SB2112
Hearing Date February 9, 2001

work of \$40 million worth of projects of which \$32 million would come from the Fed's and they might need up to \$8 million for the state match. So that is the purpose of the bill, and it came in to the senate as a request to be covered out of the general fund and the senate amended that as you have it before you now, it would pay the money back to the Bank of North Dakota out of the state highway fund, but this bill would allow them to go ahead with projects they already have on tap for this coming year, and pay it back out of the state highway fund in two years, but they will be able to plan for that, because they know it will be coming out of the deficiency appropriation two years from now. So I would move a DO PASS on engrossed Senate Bill 2112. Seconded
Rep. Carlisle.

Rep. Timm: Any discussion? So eventually the general fund will have to absorb the cost?

Rep. Glassheim: It is my understanding that this is not the case, they will pay it back out of the state highway fund as it was amended by the senate, but this bill allows them to go ahead with planned projects now.

Rep. Timm: Any discussion on SB2112? Roll will be called. (19) YES (0) NO (2) absent and not voting. Motion passes. Rep. Glassheim will carry the bill to the floor.

End of committee action on SB2112.

Date: 2-6-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2112

House Appropriations - Government Operations Division Committee

Subcommittee on Government Operations
or
 Conference Committee

Legislative Council Amendment Number

Action Taken to amend to add a sunset clause.

Motion Made By Rep Skarphol Seconded By Rep Carlisle.

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byorly - Chairman			Rep. Eliot Glassheim		
Rep. Ron Carlisle - Vice Chairman			Rep. Robert Huether		
Rep. Kim Koppelman					
Rep. Bob Skarphol					
Rep. Blair Thoreson					
<u>Withdrawn Motion</u>					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 02/09/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2112

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By GLASS HEIM Seconded By CARLISLE

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman	✓	
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson		
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan		
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 19 No 0

Absent 2

Floor Assignment GLASS HEIM

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

2001 TESTIMONY

SB 2112

Testimony on SB 2112
By Sheila Peterson, Director of Fiscal Management
North Dakota Office of Management and Budget
January 16, 2001

Good Morning Mr. Chairman and members of the Senate Appropriations Committee. I'm Sheila Peterson, Director of the Fiscal Management Division of OMB.

Several biennia ago, the Legislature enacted NDCC 54-16-13 which allows state agencies to borrow money from the Bank of North Dakota, subject to the approval of the Emergency Commission, for the purpose of responding to a disaster. That particular section of statute limited borrowing to match federal funds dispersed through FEMA.

The Department of Transportation, over the past number of years, has also received federal disaster funds but they were not allowed to borrow the match because their funds did not come through FEMA.

SB 2112 would allow this borrowing authority, subject to the approval of the Emergency Commission, and for the Department of Transportation as well.

Last week you heard the budget of the Department of Transportation and they informed you that federal disaster aid has been approved for North Dakota. This borrowing mechanism would be the vehicle to provide the required state match.

Mr. Chairman, I'd be happy to take your questions.

SENATE APPROPRIATION COMMITTEE

January 16, 2001

**North Dakota Department of Transportation
David Sprynczynatyk, Director**

SB 2112

Over the last seven years, excessive moisture from above-average rainfall and record snowfall has required the N.D. Department of Transportation to raise numerous roadways throughout the state. In those seven years, North Dakota has received about \$131 million in federal emergency relief (ER) funds. The funds have been spent statewide, although the most concentrated investment in raised roadways has been in the Devils Lake Basin, which has risen about 24 feet since 1993.

This year we have received \$26 million in ER funds, and it is likely that we'll receive another \$6 million, for a total of \$32 million in ER funding. This \$32 million would require a state match of \$8 million to provide \$40 million to be used on emergency relief highway projects.

In the past, NDDOT has matched ER funds from money already in our budget. That has resulted in roadway project delays and postponement of needed equipment purchases. This year, the needed \$8 million ER match is not in our budget; in fact, in our budget we have asked the Legislature to allow us to increase vehicle registration fees in order to match the regular federal aid we'll be receiving.

SB 2112 asks the Legislature to allow NDDOT to borrow funds to match the federal ER funds. The bill, however, was drafted before we had actually received any ER funding. We have now received \$26 million and expect a total of \$32 million. Because most of the money is already in hand, it now seems more appropriate, rather than asking for permission to borrow, to ask the committee to consider a state appropriation. This would save the state the cost of borrowing the money, which would have to be addressed through a deficiency appropriation next biennium.

If the funds were to be appropriated, an additional \$40 million of budget authority, including an \$8 million match, would be needed.

STATUS OF EMERGENCY RELIEF (ER) FUNDING

\$32 million of ER funds requested by NDDOT of FHWA - for State, City and County System ER needs.

FHWA distributed \$26.147 million in federal funds to NDDOT on Dec. 21, 2000 for past ER disasters (1999 and 2000) and part of upcoming projects listed below. NDDOT expects remaining ER distribution from FHWA over next 1 to 2 years.

UPCOMING DEVILS LAKE STATE SYSTEM PROJECTS

<u>State Route</u>	<u>Construction Year(s) - Multiple years for second year surfacing</u>	<u>Total Est. Cost (\$ millions)</u>	<u>Federal ER Amount (80%) (\$ millions)</u>	<u>State Match (20%) (\$ millions)</u>
ND 19	2001	\$13.669	\$10.935	\$2.734
ND 20	2001 & 2002	\$5.288	\$4.230	\$1.057
US 2 (Mauvais Coulee)	2001	\$6.375	\$5.100	\$1.275
US 281	2001	\$0.430	\$0.344	\$0.086
ND 1 (Stump Lake)	2001 & 2002	\$2.428	\$1.942	\$0.486
ND 57	2002 & 2003	\$3.236	\$2.589	\$0.647
Backlog - payback for 1999 and 2000 disasters	2002	\$4.386	\$3.509	\$0.878
Total		<u>\$35.812 *</u>	<u>\$28.649</u>	<u>\$7.163</u>

* Note these costs are based upon preliminary estimates of projects currently under design. It is very possible and likely these costs will increase by 10 to 15% by the time the projects are completed. These variations are due to re-work caused by bad weather and uncertain costs of deep water construction in areas of bridge replacement.

Current County/City backlog of ER needs - \$4.463 million (federal - no state match required)

Office of Transportation Program Services - NDDOT - January 16, 2000

**GRADE RAISES
ON
STATE HIGHWAYS**



Current Lake
Elevation - 1448.11
(1/9/2007)

- State Highways
(no elevation)
- Parent County Routes
- Gravel County Roads
- Graded & Drained
County Roads
- Unimproved County
Roads
- Railroad

- BIA Routes
- Protective Dike
(estimated location)
- Roads Acting as Dams



STATE OF ILLINOIS
DEPT. OF TRANSPORTATION

January 2007



0 1 2 3 4 5 6 7 8 9 TO Miles

SB 2112
2-5-01

Testimony on SB 2112
By Sheila Peterson, Director of Fiscal Management
North Dakota Office of Management and Budget
February 5, 2001

Good Morning Mr. Chairman and members of the Government Operations Committee. I'm Sheila Peterson, Director of the Fiscal Management Division of OMB.

Several biennia ago, the Legislature enacted NDCC 54-16-13 which allows state agencies to borrow money from the Bank of North Dakota, subject to the approval of the Emergency Commission, for the purpose of responding to a disaster. That particular section of statute limited borrowing to match federal funds dispersed through FEMA.

The Department of Transportation, over the past number of years, has also received federal disaster funds but they were not allowed to borrow the match because their funds did not come through FEMA.

SB 2112 would allow this borrowing authority, subject to the approval of the Emergency Commission for the Department of Transportation as well.

In early January the Department of Transportation was informed that federal disaster aid has been approved for North Dakota. This borrowing mechanism would be the vehicle to provide the required state match.

Mr. Chairman, I'd be happy to take your questions.

HOUSE APPROPRIATIONS COMMITTEE

February 5, 2001

North Dakota Department of Transportation
David Sprynczynatyk, Director

SB 2112

Over the last seven years, excessive moisture from above-average rainfall and record snowfall has required the N.D. Department of Transportation to raise numerous roadways throughout the state. In those seven years, North Dakota has received about \$131 million in federal emergency relief (ER) funds. The funds have been spent statewide, although the most concentrated investment in raised roadways has been in the Devils Lake Basin, which has risen about 24 feet since 1993.

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SB 2112 asks the Legislature to allow NDDOT to borrow funds to match the federal ER funds. The bill, however, was drafted before we had actually received any ER funding. We have now received \$26 million and expect a total of \$32 million. Because most of the money is already in hand, we have begun to move forward with the projects, which will be under construction this summer.