

# 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?

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.

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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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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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
<b>Revenues</b>				\$0		
<b>Expenditures</b>				\$32,500,000		
<b>Appropriations</b>				\$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.

<b>Name:</b>	Shannon L. Sauer	<b>Agency:</b>	NDDOT
<b>Phone Number:</b>	328-4375	<b>Date Prepared:</b>	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

