

EMERGENCY COMMISSION MEETING

Thursday, June 6, 2024 – 10:00 a.m.
State Capitol – Governor’s Conference Room
600 East Boulevard Avenue Bismarck ND 58505

MINUTES

Governor Burgum called a meeting of the Emergency Commissioner to order at 10:04 a.m. on June 6, 2023.

Members present were: Governor Doug Burgum, Secretary Michael Howe, Senator David Hogue, Representative Don Vigesaa, Senator Brad Bekkedahl, and Representative Mike Lefor. A quorum existed throughout the meeting.

Also in attendance for the meeting were: Susan Sisk, Office of Management and Budget Director; Larry Martin, Becky Ulberg, Stephanie Gullickson, Renae Bloms, Stephanie Johnson, John Boyle, OMB; Sandra McMerty and Sherri Heinert, Office of the Secretary of State; Jace Beehler, Maria Neset, Becky Keller, and Mike Nowatzki, Office of the Governor; Thomas Beadle, Treasurer; Allen Knudson, Sheila Sandness and Eric Murphy, Legislative Council; Alan Dohrmann, Jennifer Scheet, Adjutant General; Colby Braun, Director of DOCR; Chris Jangula, Mike Mahoney, DOCR; Becky Keller, Attorney General; Darin Anderson, State Radio; Jackie Huber Dept of Emergency Service; Robyn Loumer and Donna Schmidt, DMR; Jon Godfread, Insurance Commissioner; John Arnold, Insurance Dept; Chris Kadmas, Aaron Carranza, and Andrew Nygren, Dept of Water Resource. Mike McCue, Aeronautics

Ms. Sisk provided a summary of Commission authority for the 2023-2025 biennium, prior to consideration of current requests, and OMB approval recommendations.

Note: According to the provisions of N.D.C.C., Chapter 54-16, approved requests marked with an asterisk will be forwarded to the Legislative Budget Section committee for its meeting on June 19, 2024.

1. Office of State Treasurer (Request # 2120) WITHDRAWN

2. Department of Mineral Resources * (Request # 2121)

Allow for acceptance and spending authority of \$25,000,000 of federal funds. An increase in federal fund spending authority in the salaries line of \$834,241 and the operating line of \$1,572,748 for a total of \$2,406,989. These funds will be used to cover the administrative costs for a grant funding program from the Department of Interior to address orphaned wells. The remaining \$22,593,011 will be transferred into AWPSRF as allowed in NDCC 38-08-04.5(c) for plugging and reclamation contract costs.

Upon motion duly made by Senator Bekkedahl and seconded by Secretary Howe, the Department of Mineral Resources request #2121 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

3. Department of Mineral Resources * (Request # 2122) WITHDRAWN

4. Adjutant General *(Request # 2123)

Increase in federal fund spending authority in the capital assets line of \$3,159,000. This will increase overall federal fund spending authority for construction of a bridge training site. The 67th Legislative Assembly appropriated \$6,000,000 in HB 1016 and carryover authority in SB 2016 during the 68th Legislative Assembly. The Emergency Commission during the September 2023 meeting

authorized \$515,000 of additional federal fund authority required to design the project. The bridge project was bid on April 17, 2024 for \$9,674,000, which exceeds the \$6,515,000 of federal spending authority the agency has. This bridge training site would give Camp Grafton Training Center the distinction as the only National Guard training site with the capability to train on every bridge in the Army inventory.

Upon motion duly made by Representative Lefor and seconded by Representative Vigesaa, the Adjutant General request #2123 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

5. Adjutant General * (Request #2124)

Transfers \$281,474 from the salaries line, Special Funds to the Capital Assets line, Special Funds. A request during the 68th Legislative Assembly of \$300,000 for replacement of 10 State Radio consoles was made. The agency received \$150,000 of general funds for one time funding of the project. Bids received for the project exceed the \$150,000 of funding that was received. This request provides the necessary funding transfer authority to complete the state radio console replacement project. This request would allow the agency to transfer available special funds from position vacancies to help cover the cost of the full console replacement project.

Upon motion duly made by Representative Lefor and seconded by Senator Bekkedahl, the Adjutant General request #2124 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

6. Secretary of State * (Request #2125)

Increase in federal fund spending of \$1,000,000 in the Election Reform line. This funding will be used to improve administration of elections for Federal office, maintain voting systems, enhance election technology, and make election security improvements for voters to ensure elections and voting processes are transparent, secure, accurate, accessible, efficient, and effective. These federal funds will come from the Federal Election Assistance Commission as appropriated through the Help America Vote Act (HAVA) of 2002 under the Consolidated Appropriations Act (CAA) of 2024. The CAA requires a state match of 20% or \$200,000. The Secretary of State will be seeking a general fund appropriation for the match through a deficiency appropriation or during the 2025 legislative assembly through its budget bill.

Upon motion duly made by Representative Lefor and seconded by Secretary Howe, the office of the Secretary of State request #2125 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

7. Secretary of State (Request #2126)

Increase spending authority in the Petition Review line of \$7,000. Each biennium the Secretary of State is appropriated a separate line item dedicated to the review of initiated petitions submitted for placement on the ballot. SB 2002 during the 68th Assembly appropriated \$8,000. The actual costs are dependent on the number of petitions initiated and submitted the Secretary of State for approval. State law states the Secretary of State has 35 days to review the petition signatures for sufficiency. To complete that task within the allocated time, it is expected that between funds already expended and anticipated expenses that the cost to review all petitions will total \$15,000. Dollars appropriated for petition review are used to cover the cost of printing post cards, labels, postage, temporary help, and overtime devoted specifically to petition review.

Upon motion duly made by Senator Bekkedahl and seconded by Senator Hogue, the office of the Secretary of State request #2126 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

8. Aeronautics Commission * (Request #2127)

Increase spending authority in the Capital Assets line of \$900,000 of which \$400,000 is federal funding and \$500,000 is special funds.

This increase in spending authority of federal funds will allow for the continued rehabilitation of airport pavements at the International Peace Garden Airport. During the 68th Legislative Assembly, \$2,250,000 was appropriated for the rehabilitation of these airport pavements. The Commission is the owner and operator of the airport and is tasked with ensuring it is maintained and safe for aircraft operations. It is also a National Plan of Integrated Systems airport which makes it eligible to receive federal funding, thus it is also tied to federal grant assurances which obligates the state to ensure a safe facility. \$400,000 is requested as an increase in federal appropriation to accommodate the increase in federal funds anticipated on the project. \$500,000 is requested as an increased in special fund appropriation to accommodate matching funds required.

Upon motion duly made by Representative Lefor and seconded by Secretary Howe, the Aeronautics Commission request #2127 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

9. Insurance Department (Request #2128) WITHDRAWN

10. Office of State Treasurer *(Request #2129)

Increase in line-item spending authority of \$175,000 from the state's general fund contingency fund to fulfill payment to counties that qualify for the payments in lieu of taxes related to the carbon dioxide pipeline property as stated in NDCC 57-06-17.2 which states "the state treasurer shall make the required payment to each county not later than March first of the following year."

Per the Tax Department for FY25, it has been determined there may be two companies that will qualify. For FY24 both counties did not submit required information to the Office of State Treasurer by the required deadline, therefore they did not qualify for any payment.

Upon motion duly made by Representative Vigesaa and seconded by Secretary Howe, the Office of State Treasurer request #2129 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

11. Insurance Department *(Request #2130)

A request of \$1.5 million in general funds from the Emergency Commission Contingency Fund. If needed to fulfill the full request, the remainder of the funds would be appropriated from the Insurance Regulatory Trust fund.

During the 2023 legislative session, Bank of North Dakota was tasked with studying the impacts of external ESG policies on the state. Recommendations from the ESG study are to modernize the property insurance market in North Dakota and to analyze building codes and the need for a state building code supervisor in North Dakota (we are the only state in the country that currently does not have a state building code supervisor) This request seeks to address an unforeseen and emergent situation in our state's Property and Casualty insurance market. Since the last legislative session in 2023, the market has faced significant volatility due to several unforeseen factors, including persistent inflationary pressures, increased storm severity, and a prolonged hard market phase characterized by elevated rates and reduced coverage availability. These funds will allow for comprehensive study to evaluate and modernize existing property and casualty insurance regulations, as well as provide more insurance options for consumers, apply downward pressure on insurance rates, and attract more insurance capital to North Dakota.

Upon motion duly made by Representative Lefor to have the full funds appropriated from the Insurance Regulatory Trust Fund, and seconded by Senator Bekkedahl, the Insurance Department request #2130

was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Howe and Burgum. Voting no was Vigesaa.

12. Department of Corrections & Rehabilitation *(Request #2131)

A request of \$1,200,000 in general funds from the Emergency Commission Contingency Fund. DOCR is requesting permission to be in compliance with NDCC 54-27-12 to change the mission of a resident dining room at the Missouri River Correction Center into a 40-person dorm and place a temporary modular multi-purpose building on the campus for resident dining, programming, and recreation. Overcrowding has become an issue at MRCC. Male capacity is 1624 and it has exceeded its capacity by over 100 residents. There is overcrowding in the dining area and dorms, and these funds would be used to remodel existing structures. It is fully anticipated that DOCR will need to request a deficiency appropriation to cover the gap between the amount of contingency funds available and the estimated cost of this project. In addition to the project cost, DOCR has experienced increased operational expenses related to the higher than anticipated population which may also trigger a deficiency appropriation request.

Motion to approve was made by Secretary Howe and seconded by Governor Burgum, but after further discussion about the motion, Secretary Howe and Governor Burgum withdrew their motion. After discussion, Senator Hogue moved to table request #2131 to the next meeting of the Emergency Commission and was seconded by Representative Lefor. The motion to table was approved. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe, and Burgum

13. Office of Management & Budget *(Request #2132)

Transfer of \$468,770 from the Capital Carryover line to the Operating line to tear down the State Office Building.

The building has been vacant since 2022 and is overrun with mold. The Capitol Grounds Planning Commission (CGPC) adopted the 2000 Capitol Master Plan which said that the State Office Building had reached the end of its useful life and was recommended for removal by 2020. The CGPC is coming forward with this ask now as there would be approximately \$250,000 in savings to the state by using the dirt from the state lab to fill the hole left by the demolition of State Office Building. The estimated cost for removal of the building now is \$750,000. OMB would use the \$468,770 in carryover funds before using the \$250,000 appropriation for the CGPC. Additional funds would need to come from OMB's budget if necessary, after receiving the engineered cost to demolish the building.

Upon motion duly made by Representative Lefor and seconded by Senator Bekkedahl, the Office of Management & Budget request #2132 was approved and the motion carried. Voting yes were Hogue, Lefor, Bekkedahl, Vigesaa, Howe and Burgum.

The meeting was adjourned at 12:27 p.m.

Respectfully submitted,



Michael Howe
Secretary of State
Secretary, Emergency Commission