

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2031

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2031


2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2031

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date January 18, 2001

Tape Number	Side A	Side B	Meter #
1	X		26-End
		X	0.0-6.1
January 26, Tape 1		X	5.5-9.7
Committee Clerk Signature 			

Minutes: Vice-Chairman Dever called the committee back to order and opened the hearing on SB 2031 which relates to the review of state agency applications for grants from the federal government or private entities. Don Wolf with the Legislative Council Fiscal Staff appeared before the committee to explain the proposed legislation to the committee. Currently during the budgeting process each agency estimates what federal funds they anticipate should be available during the upcoming biennium. This is a difficult procedure because they are trying to predict what will happen a year or two years into the future. Often a new federal program becomes available that was not anticipated. For an agency to receive additional federal funds spending authority, they must first seek emergency commission and budget section approval. However, an agency that has enough spending authority may receive new federal funds without emergency commission or budget section approval. The intent of the bill is to keep the legislative assembly aware of additional federal funds an agency may receive during the biennium. It requires all state agencies except institutions of higher education to receive approval from the emergency

Page 2

Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2031

Hearing Date January 18, 2001

commission or the budget section prior to submitting an application to the federal government or a private entity for a grant that has not been approved by the legislative assembly. To receive approval an agency would be required to first submit a copy of the grant application along with a report summarizing the grant to the emergency commission which will have 30 days to consider the application. If the emergency commission denies the grant application the agency will be allowed to submit the request to the budget section for consideration at its next meeting. Senator Kilzer, how is this similar from a bill that we heard last session about grant applications that were to be considered by a central agency? Do you remember that one? Mr. Wolf indicated that he didn't work for the legislative council last session. He indicated as such he was not familiar with that bill. Senator C. Nelson indicated just for clarification, research grants at universities are not included. Mr. Wolf indicated that was correct. Appearing before the committee in a neutral position was Connie Sprynczynatyk representing the North Dakota League of Cities. She indicated to the committee that she would be delighted to be neutral on this providing that the political subdivisions don't have a dog in this fight. On page one of the bill, line 14, it says state agency means any entity of the state. If the political subdivisions have assurance that that does not mean political subdivisions that we are excluded as would be the board of higher education we would be perfectly happy. Speaking in opposition of the bill before the committee was Beverly Fischer Grants Manager, representing the Department of Public Instruction. A copy of her written testimony is attached. Senator C. Nelson indicated then DPI is seeing themselves as an entity of the state, what about school districts? If there is question about political subdivisions in county and cities are included in this definition, what does that do to the individual school districts? Beverly Fischer indicated school districts are a political subdivision. If that is the law carried forward to political subdivisions then this would also be the same for school districts.

Senator C. Nelson and therefore also park districts, and any other districts within the city.

Senator Wardner I think all this is really doing is saying that you have to have everything pre-approved in front of the emergency commission before you can get the grant. Ms. Fischer indicated that the way she understood the bill DPI would have to submit a pre proposal to the emergency commission before we can even apply to the federal agency. Senator C. Nelson indicated that the order of some grants requires applying to get the application so if you had to have pre-approval you wouldn't even have the application that would allow you to answer some of those questions. Ms. Fischer indicated in some instances that is true and in some cases it isn't. It depends on the department of the federal agencies and it also depends on your individual programs. Senator Wardner requested that Don Wolf come back to the podium. He asked Mr. Wolf what the motivation was to bring this legislation forward. Don Wolf indicated that his understanding was that it's just to keep the legislative assembly informed of the federal funds that were being applied for where agencies have spending authority. There was kind of a loop hole where an agency can receive new federal funds if they have the additional funds spending authority and the legislature would not be aware of that. Senator Wardner wondered about the definition of state agencies. Is it restricted to state agencies and not political subs such as counties, cities, water districts, school districts, as far as your knowledge? Don Wolf indicated that as far as his knowledge, he didn't believe the intent was to include political subdivisions. He could be mistaken but, as you reread the bill, it doesn't specifically exclude political subdivisions. Senator T. Mathern Would this include the governor's office? Don Wolf, it is considered a state agency so I believe yes, it would include him. He also indicated it would include the supreme court. Senator Kilzer indicated that he was a little dismayed that there is no one speaking in favor of the bill. He remembered from last session that there was a similar bill

and it got hit pretty hard because of the time delays that are needed for this additional approval so if I have a question it would be about if the emergency commission wants to know about these things maybe this bill should say that these state agencies should report it to the emergency commission but not have to wait for the emergency commission to review it and grant it approval before they can proceed with trying to apply for the grant. Those are my concerns about this situation. Also appearing in opposition was Jim Deutsch of the Public Service Commission who presented the written testimony of Ilona Jeffcoat Sacco (See attachment). A proposed amendment is attached to that testimony. Lynn Helms, Director of the Oil and Gas Division of the Industrial Commission appeared in opposition to the bill. A copy of his written testimony is attached. Senator Wardner inquired if they report to the budget committee when you get these grants? Mr. Helms indicated they do make reports to the committee when they receive these grants and each year in the budget they have a line item for anticipated federal moneys that we are going to receive from the EPA grant. So the answer is yes. Senator Wardner They know about it so when it comes time to look at the budget they look back and see what grants you had in the past so they are aware of them. Mr. Helms Yes they are aware. There were no further questions. Mr. John Dwyer Chairman of the Lignite Research Council an advisory committee to the industrial commission appeared in opposition to the bill. He explained the grant program, for the technology program. A lot of the grants are time sensitive and time frames become particularly important. From their perspective, they go to the appropriations committee every session and they explain all of their grants. There are state agencies involved in that program. He indicated that unless the bill is amended his group would go on record as being opposed to this bill. If you would like to pass the bill we would like to suggest under lines 14 and 15 that you would add to the board of higher education, the industrial commission which would cover

Page 5

Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2031

Hearing Date January 18, 2001

both the gas and coal. There were no questions from the committee at this time. Bonnie Pulecek representing the North Dakota Council on Abused Women's Services appeared before the committee. A copy of her written testimony in opposition is attached. Brenda Dissett Executive Director of the North Dakota Nonprofit Association appeared that she had polled all of the members of her organization and indicated that this would affect some of the services provided to people by them in their various communities. As such they would oppose SB 2031. There was nothing further on SB 2031. The hearing was closed at this time. On January 26, 2001 Chairman Krebsbach reopened the discussion on SB 2031. Chairman Krebsbach indicated to committee members that this was perhaps a reaction or perhaps an overreaction on something that I'm not sure was fully understood as to the process. Right now any agency can not receive federal funds until the emergency commission and the budget section have approved. What this is doing is putting in place a process prior to or at the time of application. The Chairman indicated she personally find that this would be restrictive the agencies that need to utilize this form of revenue for their agency. She indicated that the process in place where two sets of approval have to be made before they can accept grants in excess of \$50,000.00 is safety in itself for protection reasons. Senator T. Mathern moved a Do Not Pass on SB 2031, seconded by Senator Wardner. Senator C. Nelson commented on this bill. Senator Kilzer pointed out to the committee that there was a proposed amendment to this bill. As such the Do Not Pass motion and second were withdrawn at this time. Senator T. Mathern moved the adoption of the amendment seconded by Senator Kilzer. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. A motion for Do Not Pass as Amended was moved by Senator T. Mathern, seconded by Senator Kilzer. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. Senator C. Nelson will be the carrier.

