

1999 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2431


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2431

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date February 4, 1999

Tape Number	Side A	Side B	Meter #
2/04/99 1		X	2110-END
2/04/99 2	X		0-2723
2/05/99 1	X		1230-1828
Committee Clerk Signature 			

Minutes: CHAIRMAN KREBSBACH opened the hearing on SB 2431. Appearing before the committee to introduce the legislation was SENATOR RANDY CHRISTMANN, District 33, prime sponsor of the bill. The idea of this legislation is simply to make sure there is some taxpayer protection and just a bit of oversight into the whole granting process that the state has. I couldn't begin to give you figures. You always hear about this grant and that grant and the other grant and I get to wondering when I'm away from my legislative duties as a private citizen. On all these grants once the grant expires does it cost the state a bunch of extra money. Are the employees needed. The thought behind the bill is that there should be some kind of a place where these grants go through before they are submitted to make sure that we don't have two or three agencies doing the same thing or to make sure that if there is going to be a great deal of cost beyond the term of the grants that that is recognized before the grant is applied for. What this bill would do is to turn that responsibility for reviewing and approving the grants over to the

office of intergovernmental assistance. The reason for that is that they go through a lot of this granting process as a review once the grants are already received so there's experience there a lot of it seems to be going there anyway so that seems to me to be the logical place. SENATOR

THANE: Is this concept used in other states that you are aware of? SENATOR

CHRISTMANN: Not that I am aware of but I don't know. It wasn't drafted as a copy to another state but it may or may not be, I don't know. SENATOR THANE: I am curious as to why you felt the office of intergovernmental assistance would be the best clearing house for these grants.

SENATOR CHRISTMANN: The reason for that is extensively in the review process these grants go through there, so there is certainly experience in that office in dealing with these grants and so I don't think we need a whole new agency to learn the process of dealing with grants and that type of thing. I think the knowledge is there and the system is there and it just seems like it was kind of a logical place for this, but I would leave that up to the wisdom of the committee.

SENATOR THANE: I'm surprised that the fiscal note on this bill is zero because it would look to me that if all the grants we are reviewing someone in the office of intergovernmental assistance is going to end up being overloaded and there is going to have to be another FTE for the board. SENATOR CHRISTMANN: That one I would leave for them to explain.

SENATOR DEMERS: Are you aware of the internal review processes that state agencies and state institutions use to review grants before they are permitted, and if you are, where are you

dissatisfied with that process? SENATOR CHRISTMANN: This is not meant to indicate a level of dissatisfaction on my part, it's a level of concern about do we have a problem there. I think it's something that needs to be addressed. Do sometimes two or three state agencies get grants to research the same thing or do we do things where one hand doesn't know that the other hand is

doing? That's what I'm looking for here, see if there is a problem, is there a simple way of correcting it and I think there really is here. As far as having a good knowledge of the internal workings of the grant processes, no I don't. There were no further questions for SENATOR CHRISTMANN at this time. CLARE CARSON, Legislative Liaison for Governor Schemer, appeared before the committee in support of SBA 2431. A copy of his written testimony is attached. Following testimony questions were offered by SENATORS THANE, DEMURS, MUTZENBERGER, WARDNER, and KREBSBACH (Meter #'s 2834-3736 Tape 1, Side B). DINA BUTCHER, Director of the Office of Intergovernmental Assistance, appeared before the committee offering testimony concerning SB 2431. A copy of her written testimony is attached. Questions were offered by SENATORS KILZER, KREBSBACH, and DEMERS (Meter #'s 3736-4918, Tape 1, Side B) At this time CHAIRMAN KREBSBACH asked if anyone wished to testify in neutral position on SB 2431. There was no one offering such testimony at this time. Appearing in opposition to SB 2431 was LARRY ISAAK, Chancellor of the North Dakota University System. My comments will be very, very brief because there are people here from the University System today that are very desirous to speak on this bill. By the number of phone calls I received on this bill, if all the people came in that wanted to we'd probably be in the large hearing room by now. There were a number of people from our campuses who were very concerned and I would like to express that to you on behalf of those people. They do have concerns. A couple of comments overall on the bill. We've met with Senator Christmann and expressed our concerns to him and I think that they are coming to an understanding of the role of research and the role of grants in research. And that's our goal in the university system. It's in research. Not necessarily in providing services, but it's in providing research which is a

tremendous economic development boom to the state. And if anything I would hope that we could create through the legislative and executive environment to be supportive of that research and not restrictive of that research. There are tremendous things going on that benefit the citizens of this state on our campuses through the research roles that they provide and that is something I hope we can nurture and support rather than restrict. The people that are here today have told me of the implications of this and the restrictive environment that it would set up for them, which would not help them to be successful. I want to encourage you to help them to be successful in their efforts. ALICE BREKKE, Director of Budget and Grants Administration for the University of North Dakota appeared before the committee. She conveyed comments from DR. KENDALL BAKER who was not able to be in attendance. (Meter #'s 5268-5596, Tape 1, Side B) A copy of the annual report of the UND Office of Research and Program Development was provided by MS. BREKKE as part of her testimony. (See attachment). DR. DAVID WILSON, Dean of the Medical School appeared before the committee. (Meter #'s 5597-5725, Tape 1, Side B) RICK SAMSON, PHD physiologist, specializing in high blood pressure and how to control high blood pressure. He is chairman of the physiology department at the UND School of Medicine and Health Sciences. He presented a handout on "What is Research" and briefly talked on the topic. (Meter #'s 5726-END, Tape 1, Side B). GERALD H. GROENEWOLD, PHD, Director of the ENERGY and ENVIRONMENTAL RESEARCH CENTER appeared before the committee. A packet containing the information he presented to the committee is attached. (Tape 2, Side A, Meter #'s 0-492). DR. WILSON reappeared before the committee to make a final statement concerning the bill. Questions were offered by SENATORS KILZER, KREBSBACH, and THANE offered questions. The committee recessed

for lunch and floor session. CHAIRMAN KREBSBACH called the committee back to order to continue hearing SB 2431. Appearing before the committee was DR. COLE GUSTAFSON, NDSU, appearing in behalf of Pres. Fisher of NDSU. Questions were offered by SENATORS WARDNER, KILZER, THANE. (Tape 2, Side A, Meter #'s 738-1275) WAYNE VOLKS, representing BISMARCK STATE COLLEGE testified against SB 2431. Also appearing in opposition to the bill were BONNIE PALECEK, ROSIE SAND-representing the Attorney General's office, and STEVEN BENSEN. Copies of their testimony are attached. There was nothing further concerning SB 2431. CHAIRMAN KREBSBACH closed the hearing on SB 2431.

FEBRUARY 5, 1999: SENATOR KREBSBACH opened the discussion on SB2431: A BILL FOR AN ACT RELATING TO REVIEW OF STATE AGENCY APPLICATIONS FOR GRANTS FROM THE UNITED STATES GOVERNMENT OR FOUNDATIONS.

SENATOR THANE stated the legislation is well intended, but when you look at the number of grants that are coming in and the time frame that those grants have to be executed, until we better understand the entire granting process and the impact that exists away from state agencies into the institutions, we would be treading dangerous ground if we passed this bill.

SENATOR DEMERS submitted testimony from individuals opposed to SB2431. (See attached testimonies)

SENATOR WARDNER stated this should go to a resolution and study it. If the university system were amended out of the bill, there are still questions about elected state agencies and how they fit into this bill.

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2431-GVA

Hearing Date ~~February 4, 1999~~

2-5-11

SENATOR THANE moved for a DO NOT PASS, seconded by SENATOR DEMERS. Roll call vote indicated 6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING. SENATOR KILZER volunteered to carry the bill.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2431 Amendment to:

Requested by Legislative Council Date of Request: 1-27-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

(See Attachment)

- 2. State fiscal effect in dollar amounts:

Table with 3 columns: 1997-99 Biennium (General Fund, Special Funds), 1999-2001 Biennium (General Fund, Special Funds), 2001-03 Biennium (General Fund, Special Funds). Rows: Revenues, Expenditures.

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: -0-
b. For the 1999-2001 biennium: -0-
c. For the 2001-03 biennium: -0-

- 4. County, City, and School District fiscal effect in dollar amounts:

Table with 9 columns: 1997-99 Biennium (Counties, Cities, School Districts), 1999-2001 Biennium (Counties, Cities, School Districts), 2001-03 Biennium (Counties, Cities, School Districts).

Unknown - See Narrative

Unknown - See Narrative

Unknown - See Narrative

If additional space is needed, attach a supplemental sheet.

Signed [Signature]

Typed Name Dina Butcher

Department Office of Intergovernmental Assistance

Phone Number (701) 328-2094

Date Prepared: 1/2799

Fiscal Note Narrative for SB2431

It is expected that this bill will have little fiscal impact on the office of intergovernmental assistance budget since on an annual basis it currently provides less extensive reviews for nearly 500 grants and projects currently included under the Presidential Executive Order 12373 intergovernmental coordination process and costs should be able to be covered within the existing appropriation of the agency. While the report specified within this would require some additional information not currently collected, much can be provided by the applicant agencies with a minimum amount of additional work on the part of OIA.

Since the review required under the provisions of this bill apply to those grants not anticipated or included in the legislatively approved budgets of an agency, it is unknown how many grant applications would be subject to this legislation. Subsequently not knowing how many grants there would be or the respective amounts of those grants makes it extremely hard to identify what differences there would be, if any, on future fiscal impacts at the state and local level. In any case once a grant receives approval under the provisions of this legislation and if an agency requires additional budget authority it will still need to receive this authority from the Emergency Commission.

Date: 2/05/99
Roll Call Vote #:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2431

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Sen. Thane Seconded By Sen. Demers

Senators	Yes	No	Senators	Yes	No
SENATOR KREBSBACH	✓				
SENATOR WARDNER	✓				
SENATOR KILZER	✓				
SENATOR STENEHJEM					
SENATOR THANE	✓				
SENATOR DEMERS	✓				
SENATOR MUTZENBERGER	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Senator Kilzer

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

REPORT OF STANDING COMMITTEE (410)
February 8, 1999 9:09 a.m.

Module No: SR-25-2133
Carrier: Kilzer
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2431: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
SB 2431 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

SB 2431

Testimony: SB 2431

My name is Clare Carlson, I am the Legislative Liaison for Governor Schafer, and offer the Governor's support for SB 2431. The bill requires all state agencies to submit grant proposals to OIA before sending them to the grantor.

The Mission of OIA as per ND Legislature is:

- *Provide relevant information regarding public policy and its implementation*
- *Analyze and recommend policy changes to OMB*
- *Coordinate public policy implementation within the State of North Dakota*
- *Administer federal block grants*
- *And advise, consult and coordinate planning activities in the state and harmonize the same.*

SB2431 bill will allow OIA to better plan for all of state Government, whether in the form of demographics, crime control, and corrections decisions, or drug and alcohol prevention and treatment. All of us want government to be effective, to operate efficiently and in a coordinated manner. This bill will advance those goals.

1. The intent of the bill is to provide direction for programming, consistent with the policy, and budget set by the Legislature and the Governor. At times we have grant applications being submitted that are contrary to, or not in accord with policy decisions of the legislature.
2. The bill is also designed to provide a coordinating mechanism in state government so, one hand knows what the other is doing. We don't need agencies, or officials applying for grants for the same program..... OR that are contrary to one another. It is not unusual for several state entities to apply for grants relating to the same subject matter. e.g. a.) DHS/AG/DPI/ on alcohol education and prevention; or b.) DHS/DOH/and AG applying for grants relating to domestic violence.

(A prominent example of grants might be the recent grant awarded to North Dakota concerning "high drug trafficking, that contemplates 14/15 additional FTEs to be placed in the AG's office.)

3. In addition, the bill seeks to provide some oversight to grant funds, that often create a program, that expends STATE resources, that has implications for larger budgets and greater pressure upon the general funds of the taxpayers of

North Dakota. An additional concern is that some grant programs come to an end, leaving the State of North Dakota in the position of:

- a.) having created an expectation for service in the public
- b.) hired staff, and established resources necessary for delivery
- c.) then having to discontinue staff, and end the program/service
OR replace the lost grant funds with ND taxpayer funds.

Another example might be the recent rounds of “COPS” grants awarded under the Crime Bill where police officers have been hired, but the funding was to only last for 3 years.)

In short, the Governor believes that there is indeed a need for additional coordination in state government in applying for grants, and urges a DO PASS.

Things that it doesn't do:

- doesn't reach grants approved or appropriated by the legislature
- not designed to include local officials

OIA DOES have experience in reviewing applications. (although current law is typically one of review....NOT approval; although current process in some instances DOES allow for Governor to take exception to grant, and NOT concur.)

Testimony on Senate Bill 2431

February 4, 1999

Madame Chair and committee members. For the record, I am Dina Butcher, the director of the Office of Intergovernmental Assistance. My office is the one designated in this bill to do the analysis of how the grants will support existing state planning and policy.

Since the North Dakota Federal Program Review Process was put in place in response to Presidential Executive Order 12372 "Intergovernmental Review of Federal Programs" signed by President Reagan in July of 1982, our office has been the point of contact for clearance for designated federal agency grants. This process has been one strictly of review to meet the requirements set forth in the order.

This bill adds the analysis component to make sure that the grants not only meet the structural requirements of the federal programs, but also fit within the parameters of state policies set forth by the legislature.

The 1982 order was intended to provide state and local governments greater opportunities to coordinate and in turn influence federal actions affecting their jurisdictions. To date this review process has been used to assure appropriate state agencies are coordinated with by applicants for federal grants covered under the executive order. Each year, OIA processes between 450 and 500 applicant submissions.

When an application subject to review under the order is sent to us, we log it in to a computerized data base, assign it a unique identifier number, and if necessary check for evidence of coordination or support from an appropriate state agency. In many instances applicants contact us before preparing the grant and we are able to advise them to take the necessary steps. When it is unclear if coordination with a specific agency is required, we contact agencies to see if they need to see a particular application or comment on it. Finally, a letter of clearance or a letter of comment is issued depending on the findings.

It should be noted that not all federal funds applied for by the state are covered by the executive order and are not reviewed by the existing process. The Century Code references relating to federal funding application review Chapter 54-44.1-05 "requires state agencies to file with OMB federal aid budget requests before such requests are submitted to the proper federal authority. In addition, once a grant is made the agencies are to notify OMB of the award before any "allotment or encumbrance" of federal funds are made." The bill before you provides a more thorough evaluation of proposed grants before they are apt to obligate future funds or growth in government not intended by legislative policy.

I would be happy to answer any questions as would my Deputy, Jim Boyd, who has been responsible for this process for many years.

What Is "Research"?

- ◆ Research is an organized, peer approved attempt to answer scientific questions or devise solutions to scientific problems.
- ◆ Biomedical research addresses health-related issues and seeks to improve the quality of human and animal health and life experience.

How Do We Do "Research"?

- ◆ We identify a health problem (e.g. disease or treatment option.)
- ◆ We design and establish 'models' in which we can study those problems.
- ◆ We formulate an hypothesis (My kids call this a prediction.)
- ◆ We test our hypothesis in an experimental, peer-approved setting.
- ◆ We analyze our results and formulate new hypotheses/procedures.
- ◆ Ultimately, we seek to bring our findings into the clinical setting.

Where Do We Do "Research"?

- ◆ Clinical setting
 - Medical centers
 - Private research hospitals
 - Federal centers
- ◆ Biomedical research laboratories
 - Medical schools/universities
 - Federal research labs
 - Private industry

Who Does "Research"?

- ◆ M.D.s, D.O.s
- ◆ Ph.D.s
- ◆ Professionally trained technical assistants
 - Nurses
 - Masters degreed individuals
 - College graduates
 - High school graduates
 - Students

Who Pays for "Research"?

- ◆ Private industry (e.g. pharmaceutical companies)
- ◆ Federal government (NIH, NSF, USDA, DoD, VA)
- ◆ Foundations (e.g. American Heart Association)
- ◆ Private philanthropy

Where Does the Money Go?

	<u>Federal Grants</u>	<u>Foundation Grants</u>	<u>Philanthropy</u>
Average			
Total Funds	\$150,000	\$30-50,000	\$2-10,000
Personnel	\$ 95,000	\$15-25,000	\$ 0
Equipment	\$ 15,000	\$ 2-5,000	\$ 0
Supplies	\$ 30,000	\$ 11-18,000	\$2-10,000
Travel	\$ 5,000	\$ 1,000	\$ 0
Publication	\$ 5,000	\$ 1,000	\$ 0

How Much Goes Back Into the Local Economy?

Federal	Foundation	Philanthropy
\$110,000	\$34,000	\$5,000
73%	68%	50%

What Can We Learn From This Level of Funding?

- ◆ How healthy tissue becomes "sick".
(Onset of disease, risk factors)
- ◆ How fast does "sick" tissue deteriorate?
(Disease progression)
- ◆ How does the body prevent/fight "sick" tissue?
(Normal body defense mechanisms)
- ◆ How can we slow down the progression of "sick" tissue?
(Healthy lifestyles, behavior modification)
- ◆ How can we treat "sick" tissue?
(Pharmacotherapy, surgery)
- ◆ How can we protect healthy tissue from becoming "sick"?
(Education, diet, exercise and behavior modification)

How Long Does It Take?

From hypothesis to experimental design:	1-2 years
From design to experiment conclusion:	3-4 years
Data analysis and publication:	1-2 years
Clinical testing and drug development:	5-7 years
Time from idea to treatment option:	10-15 years**

** (If you are lucky!)

What Can the Public Expect?

- ◆ The highest level of professionalism.
- ◆ The most stringent peer review.
- ◆ High expense.
- ◆ Many risks.
- ◆ Improvement of their children's health and lifestyle.

* Money invested in research today does not guarantee clinical advances overnight. Progress in biomedical research is a necessarily slow process and scientists appreciate the faith the public places in their judgment and their personal sacrifices.

**Annual
Report
Fiscal Year 1998**

**Office
of
Research
and
Program
Development**

**University
of
North Dakota**

Contact
State Library's
State Documents
Librarian for copy or contact UND



*Energy &
Environmental
Research
Center*

**COMMENTS REGARDING
SENATE BILL 2431**

FROM

**ENERGY & ENVIRONMENTAL RESEARCH CENTER
SENIOR RESEARCH MANAGERS**

Memorandum

To: Gerry Groenewold
From: John Hurley, Senior Research Manager for Materials Technologies
Subject: ND Senate Bill 2431
Date: 2/3/1999

Concerning the proposed Senate Bill 2431 that would require state agencies to submit proposals for grants from the US Government or foundations, we believe that requiring proposals to be submitted to a state agency for a 30 day review would make it very difficult to respond to many of the requests we have received to perform research or help industries solve specific operational problems. Two types of work that would be hampered are briefly illustrated by the following two examples.

In August 1998 DOE told us that they had \$400,000 available to support our Combustion 2000 work, but that they needed the proposal within 1 week. We were able to make the deadline and we received the money (enough for five person-years of work). However, we would not have made the deadline if we were forced to go through an agency in Bismarck that would itself have to supply a report on the proposal.

Also, we have developed a number of experimental analytical techniques that allow us to determine causes of problems occurring in a number of industrial settings. Most often the samples come from coal mines or coal burning utilities that require very short turnarounds to allow them to come up with strategies for solving their operational problems. Being forced to send a proposal describing the work to Bismarck and allowing time for Bismarck to prepare a report on the proposed work would dramatically reduce our effectiveness in helping industry rapidly solve its operational problems.

Quamme, Linda C.

From: Zygarlicke, Chris J.
Sent: Wednesday, February 03, 1999 11:31 AM
To: Groenewold, Gerald H.
Cc: Quamme, Linda C.
Subject: Sen. Bill No. 2431

I am a real-world researcher. Research is no longer a luxury business with fat budgets and long term commitments. Research is now extremely fast paced, with short-term turn-arounds on projects that have decreased funding levels. Competition is also very stiff with many large high tech defense oriented agencies now entering the realm of commercial research. Opportunities now come with very short notices. A project we won recently from Shell Amsterdam demanded a proposal, data collection, and reported data interpretation and recommendations, all within a 30-day turnaround. The proposal was written, revised twice, honed to Shell's satisfaction, and within 23 days initial results were in Amsterdam for review. The work was a strategic research opportunity related to the high profile subject of global warming. This project would have been an impossible endeavor under the guidelines of Senate Bill No. 2431.

Preparation of research proposals through higher education institutions already requires considerable sacrifice from the researcher and an administrative assistant in time and dollars to gather information, follow grant solicitation instructions, solicit partners and produce a well polished competitive proposal. None of this proposal preparation work is paid for within a higher education institution budget. According to Senate Bill No. 2431 a report for the office of intergovernmental affairs must be addressed for every grant written to address questions such as effects of the grant on state agencies, private businesses, individuals, etc., along with dozens of other questions. My own conservative calculations of labor hours and costs for generating this report for just one grant proposal totals 24 hours in labor hours from a researcher and an administrative assistant and \$ 2000 in costs of total labor, communications, mailings, supplies, overhead, etc. As an individual research manager I could not survive with these added "out-of-pocket" expenses and research agencies like the EERC that send out hundreds of proposals for grants per year could not survive with these added costs.

Chris Z.

Quamme, Linda C.

From: Landis, Sheryl E.
Sent: Wednesday, February 03, 1999 11:26 AM
To: Groenewold, Gerald H.
Subject: Senate Bill No. 2431

Gerry,

I've picked out just a couple of items to address - although I have numerous concerns with this bill.

From an administrator's viewpoint, this bill puts an extra and unreasonable amount of additional administrator procedures to be performed, some of which are impossible at the time of a proposal. For example, Section 4.8, states that the OIA report must include whether any state laws, rules, etc. must be changed in order to fulfill the terms of the grant. Normally, the terms of the agreements with the EERC are not fully known at the proposal stage. We become aware of them at the award stage and then appropriate negotiations occur.

Also, the OIA report would include the "reputation, policies, and goals of any foundation involved with the grant." This implies that that information would need to be supplied somehow by the grant applicant. How would we know the goals of the foundation we are applying to for a grant, and should we be saying what we think their goals are?

Also, there is no mention of being able to keep certain information confidential. Without being able to keep certain information confidential, the EERC will not survive because we will have no commercial clients.

Good Luck.
Sheryl Landis

Re: Senate Bill No. 2431

Past Experiences w/ respect to “rush” proposals – Tom Moe, Research Engineer

Besides the obvious bullets that were spelled out in the handout from this morning, two personal experiences come to mind that would have been affected by the proposed legislation.

- Based on the bench-scale gasification wastewater treatment work that we were conducting as a subcontract to CH2M Hill for the Electric Power Research Institute, KILnGAS R&D contracted with us to determine the causes for and treatment needed to remove color-causing compound(s) from their pretreated wastewater. KILnGAS was under the gun from the local municipal treatment plant because the KILnGAS wastewater was causing their final effluent to be in violation of their existing NPDES discharge permit. The East Alton, IL POTW was threatening to shut down the entire KILnGAS demonstration facility if they didn't figure out a removal mechanism for the compound(s) that were causing permit violations. We were contacted by the head of KILnGAS' environmental section one day, began work on the problem that afternoon, sent out a proposal the next day and had a contract in place that same afternoon. Since the EERC was able to respond to KILnGAS' needs immediately, they were able to demonstrate to the local POTW a good faith effort in finding a solution to the problem and the treatment plant allowed them to remain in operation.
- The Moorhead factory of American Crystal Sugar was having serious problems with their wastewater treatment system in the late winter of 1996 and had begun to test an alternative preacidification concept on the pilot scale. Because of demands in the production plant, ACS ran into personnel problems and asked us to take over the testing, make improvements to the pilot plant and perform the necessary test procedures. The important point here is that ACS contacted us in early April to provide assistance. That left limited available time, about 5 weeks total, to modify the test equipment and complete the testing before the annual processing campaign, and consequently wastewater production, came to an end. If we would have missed that window of opportunity, ACS would have had to wait at least another 9 months to initiate the testing program.

One other point:

I have a feeling that if this bill becomes law, my wife will finally get her wish of moving back to northern Minnesota, because we will not be able to compete for the competitive funding that we rely on to stay in business here at the EERC, and MN will get my tax dollars.

Comments to Bill No. 2431

Jaroslav Solc

Principal Hydrogeologist, Project Manager

The ability to provide good quality proposals in a timely manner is one of key prerequisites to win a project award. Applied research, as conducted by the EERC, has become a very competitive area in recent years and the success in competition requires a well-coordinated effort of multidisciplinary teams. Not only proposal deadlines requested by clients, but also time *per se*, as a very costly commodity, logically translates to costs of the proposal preparation. And...not all proposals get funded.

Bill No. 2431, as suggested, introduces an absolutely irrational trend towards proposal process delays and bureaucracy. It is difficult to imagine that this costly institutional control is proposed ignoring trends of the US economy in 1999.

Our jobs depend on our ability to compete and win projects. If we are disqualified from competition, we are losing jobs.

Comments on Senate Bill No. 2431
Everett Sondreal, Principal Research Advisor, EERC

Senate Bill 2431 appears only to propose an administrative review process, but at its heart it is a philosophical document that strikes at the very foundations of freedom, initiative, and opportunity that will decide the success or failure of North Dakota's institutions of higher education, and ultimately the future of our state.

The future of our children, whether in North Dakota or in Bosnia, depends on fundamental values and principles that must be recognized and appropriately applied in every generation to the circumstances of our times. We live in an exciting time of accelerating change. People all over the world, and particularly here in North Dakota, are making choices every day that either cling to an agrarian past that no longer exists or reach toward a technological future filled with unfamiliar opportunities. The basic choices are not about the nature and content of our work, whether in agriculture, energy, or electronics, but about values. We must choose this day between fear and freedom, control and initiative, security and opportunity, and finally between success and failure.

We at the EERC have built our reputation and success as a responsive business within the University of North Dakota. Every day we work out business arrangements for performing research and development with multiple sponsors and clients. Our ability to negotiate acceptable arrangements absolutely demands that we retain freedom of action and mutual trust with our sponsors and clients - - and the ability to respond quickly to opportunities that will not wait on a review process outside the University. In exchange for that freedom, we gladly place ourselves at full risk in the market place - - with no state appropriated funds at our disposal. We cannot succeed without freedom, and we cannot be free without risk. That is a formula which should be advanced wherever possible within state institutions. It is the opposite of the proposed Senate Bill No. 2431 which stifles freedom for the sake of security. Please let creative people have the freedom to succeed, and let some of them fail as the price for a brighter future.

Comments on Senate Bill No. 2431

Thomas A. Erickson
Sr. Research Manager, Engineering & Modeling Technologies
Energy & Environmental Research Center

- 1) This Bill would significantly reduce my ability to meet customer needs!
 - Today (2/3/99), I received a request from a developer of aluminum turbine blades to perform a statistical analysis on a set of 50 experimental results. They are requesting an immediate proposal to incorporate into their plans. They need information now, not 30 days from now.

- 2) This Bill would significantly impact my ability to develop new innovative technologies, through Federal and Private Grants!
 - I am currently working on three proposals to develop new, cutting-edge technologies and computer applications for the U.S Department of Energy. All three of these proposals are due in the month of March, and solicitations were released in early January. All three of these encourage pre-proposals in mid-February. Proposals require time and effort to develop, and require several iterations prior to submission. These types of proposals are my future, without them, future projects will not be available. To be able to meet the Bill requirements, I would need to submit information immediately, which is bound to change as my ideas change.

- 3) This Bill would virtually eliminate my ability to develop teaming arrangements with other Universities and Businesses!
 - Example phone call to teaming partner “As one of our team members, I would like to have you spend the next two weeks putting together a 25 page write-up and budget. Oh, by the way, after you have done all of that, I will need to submit the idea to the State of North Dakota, it will take a month for a reply, and we may have to cancel the whole idea because the State of North Dakota may not approve”.

I am John Hendrikson, an Assistant Director at the EERC, and I wish to comment on Senate Bill 2431. One of my areas of responsibility at the EERC is to assist researchers in identifying funding opportunities and coordinating proposals which address those opportunities. I have worked at the EERC in various capacities since 1978.

I am perplexed as to the intent of this bill. The EERC is a department of the University of North Dakota whose director reports to the President of the University. EERC receives no State appropriated funding and has not received any appropriated funding since its transfer to the University in April 1983. EERC is totally supported by funding from grants, contracts, and cooperative agreements with organizations of every imaginable type: private businesses, federal agencies, non-profit entities, other universities, state agencies, etc... Since EERC became part of UND in 1983, I would estimate I have probably been involved in the preparation and submission of more than 3000 proposals. Of these proposals, I would estimate fewer than 10% could have been submitted under the proposed legislation that requires a 30 day OIA review period.

I truly do not understand what the sponsors of this bill hope to accomplish with this legislation. EERC has been give the mandate to find the funding necessary to support itself or to perish. We have done a commendable job over our history of doing the former, but I am afraid this bill will make it all but impossible to do anything but the latter. Expenditure levels are adjusted from time-to-time based on our success in obtaining funding, but overall we have been able to grow and flourish under current internal EERC and UND proposal review procedures. We have never created an obligation for which we or the University have had to ask the State for funding. It is key to our business that we are able to respond quickly to our customers; they often want solutions in days, not weeks. We accept the responsibility to survive; to do so, we must be given the freedom and flexibility to prepare and submit proposals that respond to our customer's technical and timeliness concerns. Please do not approve this legislation which will prevent the EERC from submitting most of the proposals it currently submits and which will have the inevitable result of closing the EERC.

John Hendrikson
Assistant Director, Energy & Environmental Research Center
University of North Dakota
(701) 777-5215
jhendrikson@eerc.und.nodak.edu

Statement of David Brekke

In the past several years, I have been involved with presenting EERC technical short courses to industry, government, and citizens. This is one mechanism that the EERC uses to transfer recent technical knowledge gained from our research to those in industrial and citizen settings that can use the information to their benefit. Most of these events have been conducted under joint-venture contracts with the U.S. Department of Energy. The accompanying commercial component contracts have historically been negotiated and re-negotiated (at the request of the commercial client) until a few days before the event takes place. Any delay in finalizing the contract jeopardizes the event itself and prevents the EERC from transferring the fruits of our research effort to those who can benefit from it.

TO: Gerald Groenewold

DATE: February 3, 1999

FROM: Greg F. Weber

RE: Senate Bill No. 2431

I just finished reading Senate Bill No. 2431 introduced by Senator Christmann and Representative Dorso. I understand you will be testifying at a Senate Committee meeting tomorrow in opposition to this legislation. Therefore, the purpose of this memo is to convey to you my concerns with respect to this proposed legislation and its potential impact on my ability to successfully do my job, the future success of the Energy and Environmental Research Center (EERC), and the future of contract research in the North Dakota State University system.

If the requirements imposed by Senate Bill No. 2431 were in place in 1983 I do not believe that the EERC would exist today. The existence of the EERC represents annual revenue of nearly \$20,000,000 and 200+ direct jobs paying better than average salaries. In addition, it is a certainty that my family and I would be living someplace other than the state of North Dakota and I expect that would be true for most of my colleagues here at the EERC. Since 1983 I have either written the proposals and/or been actively involved in the preparation of proposals that have resulted in project funding worth more than \$10,000,000 to the EERC. Dollar values for individual contracts have ranged from a few hundred dollars to several million dollars. The client base includes private businesses as well as federal and state agencies. In all cases, the request for proposal to which I responded required a proposal submission within 60 days, many within 30 days, and most private businesses won't wait more than two weeks. Private businesses who request assistance from the EERC will not wait 30+ days for a proposal. They will go to EERC's competitors for assistance and those competitors all exist outside the state of North Dakota. In the case of federal solicitations requiring a response in 30 to 60 days, preparation of a competitive proposal requires the development of a project team (multiple companies/organizations) and securing acceptable financial cost share. It is not uncommon to spend four to six weeks organizing the appropriate team and securing the financial cost share required. Therefore, the passage of Senate Bill 2431 will make it impossible for the EERC, or any other entity within the University system, to pursue financial support for research and technology development activities. As a result, one of the key elements of future economic growth in North Dakota will have been lost to, possibly well intentioned, yet poorly conceived legislation.

On a personal note, my wife and I both grew up in western North Dakota and are graduates of Dickinson State University and the University of North Dakota. We have family and friends struggling with the economic impacts of the depressed oil and agricultural business sectors. However, most of our family and friends left North Dakota years ago to pursue employment opportunities that don't exist or are very limited in the state of North Dakota. I have felt fortunate to have found an employment opportunity that has permitted me to pursue my career goals and enjoy the life style and recreational opportunities the state of North Dakota offers me and my family. I am reminded of that fact regularly by many of those who were forced to leave because of the limited employment opportunities in North Dakota. Ultimately, passage of Senate Bill 2431, as it is currently written, will certainly force me and many others to revisit employment opportunities offered in recent years by organizations outside of the state of North Dakota. I wish you success in your effort to convince Senate Committee members of the inherent problems this proposed legislation will create for the University system in general and the specific individuals who pursue contract research and technology development funding to support their nonappropriated salaries. If you would like additional information or clarification of my comments please call me at (701) 777-5222.

Response to Senate Bill 2431

February 3, 1999

Joseph H. Hartman, Ph.D.

University of North Dakota

Senior Research Advisor/Energy & Environmental Research Center

Associate Professor/Department of Geology and Geological Engineering

North Dakota Academy of Science

President

I find Senate Bill 2431 a step backwards in trying to improve the economy of the state, a concern we should all have. By prohibiting scientists in the university environment from pursuing funds in a timely manner, the consequences will ultimately mean the loss of many millions of dollars to the state. It is clear that the person introducing this bill has no understanding of how research at the national level is undertaken and the race against time we constantly face.

As a contributing member to the North Dakota economy, as a geologist and paleontologist I have brought in grants and contracts that have supported me, over 20 students, and support staff at the EERC for a dozen years. Senate Bill 2431 will make virtually impossible the timely coordination of activities between colleagues across the country and abroad to submit proposals that have long periods of development prior to submission or deadlines with limited prior notice. No funded proposal that I have won has ever been submitted more than five days prior to the due date. This timing is not just waiting for the due date to submit, it is the constant rush of getting research done, publishing data, teaching, working with students developing cooperative efforts, and always utilizing time as a precious commodity.

The North Dakota State Legislature should be looking for ways to help researchers bring in needed dollars to support the North Dakota economy and not find ways to tell researchers that they might as well attempt to do their research in another state. Even with the tremendous bureaucracy this bill will impose to make reviewing proposals possible, there is no one likely to be able to judge the merits of studies ranging from coal resource analysis, Malagasy dinosaurs, Indian mollusks, proxy climate data for the last 10,000 or 100,000,000 years, or other subjects that I routinely work on and pursue grants to fund.

However rightly intended, passing Senate Bill 2431 would be a mistake that would mean losing research dollars, the scientists that are capable of getting such dollars, and the students that come to North Dakota to study with such scientists. The snowball effect would be devastating.

EERC Internal Memo

2-3-99

To: Gerry Groenewold

From: Jim Sorensen

Re: Senate Bill No. 2431

This is how passage of the proposed bill would affect me:

- I have spent years of my life establishing contacts within the scientific community and the petroleum industry, and using those contacts to gain nongovernment financial support for research projects. If the proposed bill were to become law, it would jeopardize not only the relationship with industry contacts, but also the relationship with other scientists and engineers outside North Dakota. A world renowned petroleum engineer in Texas who would otherwise collaborate with EERC on a proposal, may decide to collaborate with Texas A&M out of concern that the EERC proposal could be rejected for political reasons by the OIA.
- A big part of my job is securing funding for my work. Since no part of my paycheck comes from State funds, my very livelihood depends on my ability to effectively respond to potential clients with timely proposals. The constraints imposed by this bill would most likely prevent me from submitting successful proposals. Without successful proposals, I would have no funding and would be forced to look for employment elsewhere, most likely out of state. I was born and raised in North Dakota and I sincerely love this state. I feel blessed that so far I have had the opportunity to pursue a career and raise my family here, and make valuable contributions to the wellbeing of North Dakota. Unfortunately the passage of this bill would ultimately force me, and many others like me, to move out of the state.

The crux of my two points is that this bill is not only bad for every technical researcher in the North Dakota higher education system, but it is equally bad for the state of North Dakota as a whole. Within two years there would be a mass exodus of research-oriented scientists and engineers from the state, the universities would be decimated, and the quality of life for all North Dakotans would suffer. These are the high paying jobs our legislators should be trying to protect, rather than destroy.

2/3/99

Senate Bill No. 2431- What would mean to me

By: Lucia Romuld

My job depends strictly on projects we are awarded, no projects, no job for me. That simple. Increased bureaucracy would eliminated so much work for the EERC that I would probably be out of a great job. The EERC offers enough to my family to be an incentive to stay in Grand Forks in spite of the threads of flood, long hard winters (not fun for the construction business) and enormous property taxes (\$over 4K we have to pay every February 15). My husband is a Grand Forks born, raised, and educated man (UND B.S. Mechanical Engineering) who left the state for five years to work in a large city for a large company. It took him two years to convince me to move to North Dakota because I was afraid I would not be able to find a satisfying, good paying job (I have a B.S. in Industrial Engineering). The EERC has offer all that to me and more because is a place that understands what families are all about. Right now for my family, loosing my job would be the last nail in the coffin for us to leave the state. That would mean that my husband's construction company that employees four people would be dissolved.

If Senate Bill No. 2431 passes I think they might as well get rid the "Project Back Home" which is suppose to encourage North Dakotans to "come back home." I think the state should also consider encouraging North Dakotans to "stay home."

RESPONSE TO SENATE BILL 2431

Mark Musich

A principal objective of the EERC and its researchers such as myself, is to provide innovative yet cost efficient and environmentally respectful solutions to our customers needs. The dynamics of our customers industries always necessitates timely responses to their needs. For example, the EERC would not have been awarded the contract and I would not have been a lead investigator to act as an unbiased reviewer of a promising low-rank coal upgrading process if Senate Bill 2431 was in place. The contract, for approximately \$400 K, was with an Australian based company, the second largest coal producer in the world. This company wanted to quickly determine if the coal upgrading process was technically viable. They hoped to purchase the rights to market the upgrading process internationally. The EERC was able to quickly initiate the project and provide the answers desired by the client. At the conclusion of the project, the client prepared a letter praising the EERC's efforts. Obviously the notoriety that the EERC gains by performing timely, professional, and practical research is not lost on the community of Grand Forks and the State of North Dakota.

February 3, 1999

Senate Bill No. 2431

After moving to the State of North Dakota in 1975 I, David Hassett and my wife Debra Pflughoeft-Hassett, have participated in and been partially instrumental in developing a center of expertise in coal combustion by-products at the Energy and Environmental Research Center at the University of North Dakota. This program, which is under the direction of Debra, is supported by a number of businesses including electric power utilities and ash marketers. Both of us are known internationally as experts in this field and as such are often called on to assist in solving problems related to coal ash usage such as high volume engineering applications and potential environmental impact. Over the years numerous short term research projects have resulted in significant income for the State of North Dakota with little or no expenditure of state funds. Due to the urgency of many of the requests, because of impending or current problems, a short turnaround time for related proposals is critical. Many of these projects are of less than 6 month duration. We have been instrumental in providing definitive answers, leading to solutions, on numerous projects including a current project involving the construction of a shopping center which is experiencing significant structural problems related to improper ash usage. Senate Bill 2431 would cause many of these activities to cease by extending the response time turnaround. With literally millions of dollars of property experiencing structural failure, extremely quick turnaround was essential. Our family of four David, Debbie, Richard (16 years old) and Roberta (14 years old) would likely be forced to move and seek employment elsewhere since our family income is entirely dependent to our ability to secure outside funding. We do not want to leave the State of North Dakota but would do so to be able to provide for our family and continue doing this research which is valuable to North Dakota and to the nation.

Respectfully submitted,

David Hassett

David Hassett

Debra Pflughoeft-Hassett

Debra Pflughoeft-Hassett

Response to Senate Bill NO. 2431

I am proud of my life-long residency in North Dakota, and of my 21 years of research at the UND EERC. I live in North Dakota because I want to, not because of lack of opportunities outside of the state. I have personally been responsible (along with help from colleagues) for bringing millions of research dollars into the state through highly competitive procurements that have led to commercial successes. I believe Senate Bill 2431 would seriously impair my ability to respond rapidly to funding opportunities and would likely limit my success at bringing in research dollars to North Dakota. Lack of research funding would likely cause me to leave my native state for better opportunities elsewhere.

Stanley J. Miller
Senior Research Manger,
UND EERC

Dennis L. Laudal
Research Manager
Gas Cleanup Technologies

My name is Dennis Laudal and I am the Research Manager for Gas Cleanup Technologies at the Energy & Environmental Research Center. The group that I work with has for the past 5 years been very successful in obtaining funding primarily in the areas of air toxics and mercury release. These projects have often been co-funded by industry and the U.S. Department of Energy. In addition to doing excellent work, a major key to our success has been our ability to adjust test plans and submit revised or new proposals very quickly. After all, the work we are doing is research and by definition the results are not known ahead of time. Therefore we have to be very flexible. For example, we had a large project funded by EPRI and DOE (over \$2.5 million), to evaluate and develop methods for measuring mercury in gas streams. After the initial stages of the project, it was found that the currently available methods were not working as expected. EPRI and DOE then asked us to make major changes to the test plan and submit an add-on proposal reflecting these changes. At their request this jointly funded add-on proposal for about \$750,000 was to be submitted within two weeks. Speed was absolutely essential, because the data was critical to what other research organizations were doing. After a conference call to discuss the test plan we were able to write a proposal and get both EPRI and DOE approval within the two week window. This would not have been possible under the proposed legislation.

I am respectfully asking the state legislature not to tie my hands by passing Senate Bill No. 2431. My job at the EERC depends on putting together multiclient projects quickly. I firmly believe what I and the rest of the EERC staff are doing benefits not only the EERC and the State of North Dakota, but the country as a whole. Thank you.

Comments on Senate Bill 2431
Ed Olson 2-3-99

I should like to address the problem of timing in submitting grant applications. Last year I submitted a proposal to the US Dept. Of Energy for a Phase I project in carbon dioxide sequestering. This proposal was written on my own time (nights and weekends) since I am accountable to the project work going on at the time. This made it impossible to complete the proposal with more than a few hours to spare. I was one of the very few selected for the grant award. In late December, 1998, I was directed by the Dept. Of Energy to submit the Phase 2 proposal for continuation (\$500,000), due Jan 8, 1999. This time I could charge part of my time, but again it was difficult to complete in the short time window. This project is a very high tech one, and means a lot to my own livelihood as well as that of the state. Submitting these proposals for state review (30 days) would not have been feasible.

The research that we do is on the cutting edge. Proposals are based on new scientific discoveries and ideas, not old ideas. What we learn one week frequently goes into a proposal the next week. To compete effectively for the grants with the best scientists in the world, it has to be this way. Why create a bureaucracy to interfere with this process.

Dr. Steven B. Hawthorne

Had the proposed Senate bill 2431 had been in effect during my 15 years at EERC, the following would NOT have happened in North Dakota.

1. Approximately \$6,000,000 in research funds from federal and combined federal/industry sources. Note that 80 to 90% of these funds were spent in North Dakota, while NONE of these funds came from North Dakota.
2. Development of an internationally-recognized research program in environmental sciences. Evidence of this recognition includes:
 - A. Approximately 25 scientists (mostly from Europe) have come to my lab for collaboration and/or training.
 - B. I've given over 150 invited (expenses paid) lectures on every continent except Antarctica and Africa. (More than 1,000,000 airline miles.)
 - C. We've published more than 100 papers in peer-reviewed journals. About 1/3 of them include international co-authors.
 - D. My lab has received international and national awards, and I'm presently co-authoring a book (by invitation) for awardees. Nobel Prize winners make up many of my co-authors.

Note that all of these things would have happened, but not in North Dakota.

UNIVERSITY MEMORANDUM

DATE: February 3, 1999

TO: Gerry Groenewold

FROM: Michael Mann *mm*

SUBJECT: Senate Bill No. 2431

I am not sure what the underlying goal of Senate Bill No. 2431 is, however, the impact of the bill, if passed, on research and the university is certain. Passage of this bill would virtually eliminate our ability to respond to any solicitations for funding from the U.S. government. Funding made available from these solicitations not only provides a significant level of support for the people within my group, but it allows me to develop new concepts and ideas that lead into larger programs. These larger programs lead to funding opportunities from a variety of other sources, both government and private. If Senate Bill No. 2431 passes it will not only eliminate my ability to respond directly to requests for proposals issued by the U.S. government, but it will also take away a source of equipment, knowledge, and experience that is required to obtain funding from other sources.

The typical Request for Proposals that my group responds to allow somewhere between 30 to 45 days to respond. Within that time frame, I need to review the RFP, develop an approach to meet the stated RFP objectives and evaluation criteria, and write a 25 to 50 page proposal. In many cases, I need to find interested companies to provide cost share and obtain letters of commitment. At the same time, I need to continue to work for my existing, paying clients, meaning that proposal writing needs to be done at nights and on weekends. Once my work of writing a proposal is completed, preparation of the text, graphics, and budgets must be performed to ensure a quality document is sent to the soliciting agency. In most cases, the final product (the completed application) is completed just in time to make the required copies and have it picked up by Federal Express for next day delivery, which is the due date for the application.

The preparation of a winning proposal does indeed take the full 30 to 45 days allotted by the sponsoring agency. The sponsoring agencies recognize the amount of work and time that it takes to prepare a "winning" application, and use that as the guideline for selecting a due date. Except in a few rare cases, it would not be possible for me to have a proposal prepared 30 days in advance of the due date to allow for a review by the Office of Intergovernmental Affairs.

If Senate Bill No. 2431 were to pass, I envision that all of our competitively awarded governmental funded research would disappear. The result would be a significant loss of dollars flowing into the state. More important is the loss of jobs that will accompany this loss of funding.

As a Visiting Professor of Chemical Engineering, I also participate in proposal writing for the School of Engineering and Mines. A similar situation exists in that setting. It takes a huge investment of time and strong commitment and will from the proposal writer to respond to these Requests for Proposals. From the standpoint of the Chemical Engineering Department, the ability to seek outside research dollars is a necessity. Most students with a bachelor's degree in engineering with no experience are obtaining their first job at a salary very comparable to what we pay a faculty member with a doctoral degree and several years of experience. The faculty can supplement their salary with research dollars. Government supported research is the most accessible to faculty. If the opportunity to successfully apply for government funded research is taken away by excessively restrictive state regulations, faculty will have no alternatives for supplementing the meager salary they receive for being a college professor. I doubt that the School of Engineering would be able to recruit and keep any qualified faculty if Bill No. 2431 passes.

In summary, the passage of Senate Bill No 2431 would severely hinder my ability to access a significant source of research dollars. This would result in a direct loss of jobs due to lower funding levels. It would reduce my ability to develop and build new, strong programs, making it increasingly difficult to obtain funding from other sources in the future. I view this bill as starting a declining spiral that would greatly reduce the size and effectiveness of the EERC, and possibly forcing it to close its doors. North Dakota needs to find ways to encourage growth, not ways to kill it.



**EERC CONCERNS ABOUT SB 2431
OIA REVIEW OF STATE AGENCY APPLICATIONS FOR GRANTS**

- Federal agencies frequently have end-of-fiscal-year funding available which they must award on very short notice. At the end of fiscal year 1998, the EERC was awarded \$1,250,000 in end-of-year funding because it was able to respond immediately to agency requests. The 30-day OIA review time would eliminate proposals for this end-of-year funding.
- Request for Proposals (RFPs) typically require proposal submission 30–60 days after the RFP is issued. Contacting potential partners, organizing a team, and defining each team member's part in a proposal can take 2–4 weeks before any writing begins. By the time a finished proposal can be produced, 4 weeks for OIA review is not feasible.
- Agencies often amend RFPs up until the final week before the proposal is due. These amendments can consist of minor clarifications, answers to questions, or major revisions to the project's scope of work. The EERC would be eliminated from competition if it had to accommodate a 30-day OIA review.
- UND Budget and Grants Administration does a complete review of all UND proposals. This review includes federal compliance issues, budget accuracy and completeness, and review of any cost share or match promised as part of the proposal. **Their average turnaround time is 3 hours.** The EERC has never committed itself, the University, or the State to any cost share it did not have approved in advance.
- The EERC is often asked by clients to address problems on very short notice. These clients want answers in a few days, not a few weeks. The EERC has provided proposals to clients and started working to solve problems in 1 to 2 days on many occasions. The EERC's involvement with the odor problem at the North Dakota Pigs Cooperative is an excellent example of this type of proposal.
- Significant additional administrative costs would be incurred by both the EERC and OIA in implementing this review process.
- Over the last three fiscal years, the EERC has averaged one proposal per working day (approximately 250/year). Does OIA have the staff to review and comment on this volume of proposals in a timely manner?

SPECIFIC EXAMPLES OF PROBLEMS CREATED AT THE EERC BY PROPOSED OIA REVIEW

Listed below are three examples of funded projects that the EERC would have lost if a 30-day proposal review cycle by OIA had been in effect. Total value of awards the EERC would have lost if it could not have responded in a timely manner was \$1,246,213. These examples are all from September 30, 1998, awards. Many examples from prior fiscal years also exist.

DETERMINATION OF PARTICULATE DEPOSITION PARAMETERS USING A NOVEL DUAL-TRACER METHOD: PHASE 1

In June of 1998, the EERC submitted a proposal to the EPA for \$165,213 to perform the study referenced above. EPA was attempting to identify funds within its agency's budget to use for this study, but was unable to do so until mid-September. About September 15, EPA contacted the EERC with the information that it had identified the needed funding, but with a small problem. The money was available in two different program areas and would require the EERC to submit revised proposals splitting its request: \$75,000 in one area and \$90,213 in another area. EPA indicated, at the time, that it did not really expect the EERC to be able to react quickly enough to be able to secure the funding by September 30, the end of EPA's fiscal year and the deadline for EPA to award the funds.

However, the EERC was, in fact, able to respond within a week and received two grants dated September 30, 1998. One grant was for \$75,000 and the other for \$90,213. This would have been impossible with a 30-day review period at OIA.

ADVANCED HIGH-TEMPERATURE, HIGH-PRESSURE TRANSPORT REACTOR – DOE COOPERATIVE AGREEMENT DE-FC26-98FT40514

This was another instance where a federal agency was able to identify funding near the end of a fiscal year, with the requirement that the money be awarded to the EERC by September 30. This was a project the EERC had been discussing with DOE for several months, with the expectation that the project would probably be funded in fiscal year 1999 (sometime after October 1, 1998) at a level of about \$500,000.

In late July, DOE determined that \$681,000 would be available in fiscal year 1998, but it had to be awarded by September 30. DOE not only had to make the award by September 30, it also needed to go through a sole-source procurement procedure because the EERC was the only known contractor that could do the work. DOE's direction to EERC was simple: Get us a proposal immediately, so we (DOE) can initiate the sole-source procurement.

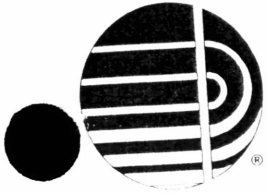
The EERC submitted a proposal to DOE on July 31, 1998, and received an award for \$2,500,000 on September 30, 1998. \$681,000 in fiscal year 1998 funding was applied to the award, with the balance to be funded in subsequent fiscal years. If the EERC had delayed proposal submission by 30 days for an OIA review, DOE would not have received the proposal in time to do the sole-source procurement, and the fiscal year 1998 funds would have been lost to the EERC.

HIGH-TEMPERATURE HEAT EXCHANGER TESTING IN A PILOT-SCALE SLAGGING FURNACE – DOE COOPERATIVE AGREEMENT DE-FC26-98FT40320

This is another example of EERC negotiating to obtain funding for a project where a federal agency identified funds near the end of a fiscal year to fund the activity. In this case, the EERC submitted a proposal on August 20, 1998, for \$400,000 after DOE identified funding for the activity above. DOE approved the funding on September 11, 1998. Again, it is doubtful that DOE would have had sufficient time to complete technical and financial reviews of the project in time to make an award by September 30 if the EERC's submission had been delayed 30 days by an OIA review.

ADDITIONAL COMMENTS

1. The EERC prides itself on its ability to operate like a business and, to date, has been allowed the freedom to do so. Key to this is responsiveness to our customers: the companies and agencies who fund our grants, contracts, and cooperative agreements. In many instances, the EERC is asked to respond quickly (same day or next day) to a client who has a problem at a power plant, a treatment facility, a factory, etc. These requests are coming from businesses that are losing money because their operation is impaired by a particular problem, and they look to the EERC for immediate solutions. These types of projects at the EERC would be a thing of the past if the OIA review were implemented (our odor control work for the North Dakota Pigs Cooperative is an excellent example of this type of project: less than a week to identify the problem and scope of work, write a proposal, and begin work).
2. Many Request for Proposals (RFPs) are modified and clarified up to a few days before final submission is required. RFPs from federal agencies usually have 30–60-day turnaround requirements and often include a period for submission of written questions. The questions are then answered with an amendment to the RFP. More often than not, these amendments are issued less than 30 days prior to the required proposal submission date. Again, a 30-day review at OIA would not be feasible. As an example, an e-mail from DOE Golden Field Office was sent and received on January 28 announcing an amendment to a solicitation due February 1, 1999.



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**ENERGY & ENVIRONMENTAL RESEARCH CENTER
U.S. DEPARTMENT OF ENERGY
JOINTLY SPONSORED RESEARCH PROGRAM
FY1989 TO FY1997**

PROGRAM AND SPONSORS

	NONFEDERAL COSPONSOR SUPPORT	EERC SHARE FROM U.S. DOE JSRP PROGRAM	TOTAL PROJECT COST
Calcium-Based Ash Deposition in Utility Boilers AMAX Coal Industries Babcock & Wilcox Company Cyprus Coal Company Electric Power Research Institute Northern Indiana Public Service Company Northern States Power Company Ontario Hydro (Canada) Otter Tail Power Company Peabody Holding Company, Inc. Southwestern Electric Power Company Wisconsin Power & Light Company	\$669,000	\$464,000	\$1,133,000
Coal Ash Resources Consortium (CARRC) Brett Admixtures, Inc. Cooperative Power Association Edison Electric Institute Energy & Environmental Research Center Environmental Resource Corporation National Minerals Corporation Nebraska Ash Company North Dakota Industrial Commission North Dakota Ready Mix & Concrete Products Northern States Power Company Otter Tail Power Company	\$441,000	\$312,000	\$753,000
Small-Scale Demonstration of the Freeze-Thaw/Evaporation Process to Treat Oil and Gas Produced Waters Amoco Production Company Remediation Technologies, Inc. Gas Research Institute	\$800,000	\$400,000	\$1,200,000
Validation of Fireside Performance Indices Arkansas Power and Light Dairyland Power Cooperative DB Riley, Inc. Duke Power Company Electric Power Research Institute Foster Wheeler Development Corporation Mountain, Inc. Wisconsin Power & Light Company	\$360,000	\$240,000	\$600,000
Prediction of Agglomeration and Deposition in Fluidized-Bed Combustors Ahlstrom Pyropower, Inc. Electric Power Research Institute North Dakota Industrial Commission Northern States Power Company Riley Stoker Corporation	\$640,000	\$640,000	\$1,280,000
First International Conference - Transitions in Eastern Europe EGU - Prague (Czech Republic) Energy & Environmental Research Center Minnkota Power Cooperative Northern States Power Company Otter Tail Power Company Conference Participants University of North Dakota	\$217,000	\$60,000	\$277,000
Western Fly Ash Research, Development, and Data Center American Coal Ash Association Battelle Brett Admixtures, Inc. Cooperative Power Association Energy & Environmental Research Center Nebraska Ash Company Northern States Power Company Otter Tail Power Company	\$354,000	\$202,000	\$556,000

**ENERGY & ENVIRONMENTAL RESEARCH CENTER
U.S. DEPARTMENT OF ENERGY
JOINTLY SPONSORED RESEARCH PROGRAM
FY1989 TO FY1997**

PROGRAM AND SPONSORS	NONFEDERAL COSPONSOR SUPPORT	EERC SHARE FROM U.S. DOE JSRP PROGRAM	TOTAL PROJECT COST
Coal Ash Behavior in Reducing Environments (CABRE) Phase I Dow Chemical Company Electric Power Research Institute Shell Development Company Texaco, Inc.	\$450,000	\$450,000	\$900,000
Coal Ash Behavior in Reducing Environments (CABRE) Phase II Babcock-Hitachi K.K. (Japan) ECN/Novem (Netherlands) Elcogas (Spain) Electric Power Research Institute KEMA Nederlands B.V. (Netherlands) Krupp Koppers GmbH (Germany)	\$599,000	\$301,000	\$900,000
Hot-Gas Filter Ash Characterization ABB/Carbon AB (Sweden) ECN/Novem (Netherlands) Electric Power Development Company Ltd. (Japan) Electric Power Research Institute Electricité de France/DER (France) Lurgi Lentjes Babcock (Germany) PowerGen (England) Schumacher Filters America Westinghouse Electric Corporation	\$1,005,000	\$825,000	\$1,830,000
Power Generation from Alaskan Coal-Water Fuel Alaska Energy Authority Doyon Ltd. Placer Dome U.S. Inc. University of Alaska	\$241,000	\$228,000	\$469,000
Mitigation of Air Toxics from Lignite Generation Facilities Basin Electric Power Cooperative Cooperative Power Association Electric Power Research Institute Minnesota Power Montana-Dakota Utilities Co. North Dakota Industrial Commission	\$100,000	\$100,000	\$200,000
Remote-Site Power Generation Opportunities in Alaska Alaska Industrial Development & Export Authority Alaska Science & Technology Foundation Energy & Environmental Research Center International Coal Prep Consultants, Ltd. (Canada) Major International Placer Dome U.S. Inc. Power Engineers, Inc. Usibelli Coal Mine, Inc.	\$308,000	\$250,000	\$558,000
Development of Fireside Performance Index Electric Power Research Institute Kansas City Power and Light Company Minnesota Power Northern States Power Company Union Electric, Inc.	\$420,000	\$420,000	\$840,000
Upgraded North Dakota Lignite - Production of Test Quantities Cooperative Power Association/United Power Association, Inc. North American Coal Corporation/Falkirk Mining Company North Dakota Industrial Commission	\$40,000	\$25,000	\$65,000
Evaluation/Interpretation of Rocky Mountain 1 Data Energy & Environmental Research Center Gas Research Institute	\$372,000	\$317,000	\$689,000
Project Circulating Fluidized Bed - Fuels Characterization ARCO Coal Company BNI Coal Ltd. North Dakota Lignite Research Council Northern States Power Company	\$125,000	\$125,000	\$250,000



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PROGRAM AND SPONSORS	NONFEDERAL COSPONSOR SUPPORT	EERC SHARE FROM U.S. DOE JSRP PROGRAM	TOTAL PROJECT COST
Opportunities in the Synfuels Industry Energy & Environmental Research Center North Dakota Lignite Research Council Conference Participants	\$89,000	\$35,000	\$124,000
Remediation of Mercury in Contaminated Soils Cognis, Inc. Gas Research Institute Pittsburgh Mineral and Environmental Technologies, Inc. Union Gas Company	\$284,000	\$145,000	\$429,000
Sour Gas Plant Remediation Research and Demonstration Canadian Association of Petroleum Producers (Canada)	\$752,000	\$630,000	\$1,382,000
Fractal Dimension Analysis of Char Combustion American Institute of Chemical Engineers Energy & Environmental Research Center	\$30,000	\$20,000	\$50,000
Sorbent Regeneration from Continuous Fluidized-Bed Combustors Community Energy Alternatives Incorporated	\$239,000	\$239,000	\$478,000
Multiple Use Marketing of Lignite J.R. Simplot Company Knife River Coal Mining Company North Dakota Industrial Commission	\$20,000	\$20,000	\$40,000
Processing Concerns in the Thermal Recycling of Waste Materials 3M Company American Plastics Council	\$131,000	\$131,000	\$262,000
Physical Cleaning of Lignite Knife River Coal Mining Company North Dakota Industrial Commission	\$30,000	\$30,000	\$60,000
Seventeenth Biennial Low-Rank Fuels Symposium American Coal Ash Association BNI Coal Ltd. Energy & Environmental Research Center Knife River Coal Mining Company Minnesota Power Minnkota Power Cooperative Montana-Dakota Utilities Co. North American Coal Corporation Northern States Power Company N-R-G Energy, Inc. Otter Tail Power Company Conference Participants Utility Fuels, Inc.	\$85,000	\$35,000	\$120,000
Alaskan LRCWF Environmental Attributes and Test Marketing Alaska Division of Energy Energy Pacific Corporation International Coal Prep Consultants, Ltd. (Canada)	\$67,000	\$50,000	\$117,000
Assessment of Monoethanolamine at Sour Gas Processing Plants Canadian Association of Petroleum Producers (Canada) Canadian Occidental Petroleum, Ltd. (Canada) Environment Canada (Canada) National Energy Board (Canada)	\$247,000	\$165,000	\$412,000
Combustion Characterization of Carbonized RDF from Temperature Optimization Tests City of Grand Forks EnerTech Environmental, Inc.	\$304,000	\$200,000	\$504,000
Recent Advances in Research on Ash Deposition in Utility Boilers: Practical Applications for the Electric Power and Coal Industries Workshop Participants Wisconsin Power & Light Company	\$90,500	\$60,000	\$150,500

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PROGRAM AND SPONSORS	NONFEDERAL COSPONSOR SUPPORT	EERC SHARE FROM U.S. DOE JSRP PROGRAM	TOTAL PROJECT COST
Lignite Resource Characterization and Evaluation for Mitigation of Ash Deposition Knife River Coal Mining Company Montana-Dakota Utilities Co. North Dakota Industrial Commission	\$228,000	\$152,000	\$380,000
Oxidation of North Dakota Scrubber Sludge for Soil Amendment and Production of Gypsum Cooperative Power Association North Dakota Industrial Commission	\$80,000	\$40,000	\$120,000
Training and Support for Hot-Gas Filter Testing 3M Company Industrial Filter & Pump Mfg. Company Pall Advanced Separations Corporation	\$21,000	\$21,000	\$42,000
Evaluation of Field Analytical Techniques for Mercury in Soil BioNebraska, Inc. Gas Research Institute/NOVA Corporation of Alberta (Canada) General Electric Corporate Research & Development Spectrace Instruments	\$89,500	\$40,000	\$129,500
Construction, Demonstration, and Evaluation of an Economic and Environmentally Safe Evaporation and Holding Pond Design Amoco Production Company Electric Power Research Institute	\$160,000	\$70,000	\$230,000
Gas Industry Groundwater Program Gas Research Institute Interstate Natural Gas Association of America	\$3,357,000	\$3,347,000	\$6,704,000
Pilot Plant Assessment of Blend Properties Electric Power Research Institute Empire State Electric Energy Research Corporation Zeigler Coal Company CONSOL, Inc.	\$453,000	\$453,000	\$906,000
Mercury Formation and Fate Cooperative Power Association Electric Power Research Institute Minnkota Power Cooperative North Dakota Industrial Commission	\$240,000	\$160,000	\$400,000
Field Deployment Evaluation of the Freeze-Thaw/Evaporation Process to Treat Oil and Gas Produced Waters Gas Research Institute Amoco Corporation	\$492,000	\$341,000	\$833,000
Characterizing Soil/Water Sorption and Desorption Behavior of BTEX and PAHs Using Selective Supercritical Fluid Extraction (SFE) Gas Research Institute American Petroleum Institute	\$75,000	\$75,000	\$150,000
Optimizing Performance of the Heskett Station Montana-Dakota Utilities Co. North Dakota Industrial Commission	\$110,000	\$73,000	\$183,000
Enhanced Air Toxics Control Electric Power Research Institute	\$1,001,000	\$946,000	\$1,947,000
Characterization of Lignite and Petroleum Coke Blend Manalta Coal, Ltd. (Canada)	\$39,000	\$34,000	\$73,000
Lignite-Augmented Bituminous Coal Depolymerization University of Illinois	\$101,000	\$101,000	\$202,000
Sintering Behavior of Shoshone Coal Ash Northern Indiana Public Service Company	\$20,000 ¹	\$15,000	\$35,000
Reactivity and Combustion Properties of Coal-Char Fuels University of Illinois	\$60,000	\$62,000	\$122,000



PROGRAM AND SPONSORS	NONFEDERAL COSPONSOR SUPPORT	EERC SHARE FROM U.S. DOE JSRP PROGRAM	TOTAL PROJECT COST
Development of Fly Ash-Based Slope Protection Northern States Power Company	\$117,000	\$89,000	\$206,000
Assessment of In Situ Microbiological Waste Treatment Gas Research Institute	\$137,000	\$30,000	\$167,000
Process Water Investigation BNI Coal Ltd.	\$63,000	\$62,000	\$125,000
Baukol-Noonan Lignite Test Program Minnesota Power	\$35,000	\$45,000	\$80,000
Great Plains Gasification Plant Optimization Studies Dakota Gasification Company	\$118,000	\$111,000	\$229,000
Pulse-Jet Baghouse Performance with Flue Gas Conditioning Electric Power Research Institute	\$268,000	\$262,000	\$530,000
Mild Gasification Process Instrumentation Development UTI Instruments Company	\$91,000	\$90,000	\$181,000
Desulfurization Using CO/Ethanol University of Illinois	\$455,000	\$455,000	\$910,000
Analytical SFE of Petroleum Hydrocarbons and PAHs Shell Development Company	\$55,000	\$55,000	\$110,000
Enhanced Flue Gas Conditioning Study Walco International, Inc.	\$152,000	\$136,000	\$288,000
Lignite Char Filtration Development Program North Dakota Rough Rider Corporation	\$187,000	\$140,000	\$327,000
Ettringite Formation for Immobilizing Trace Elements Gas Research Institute	\$180,000	\$180,000	\$360,000
Fly Ash Utilization in McLean County McLean County, North Dakota	\$102,000	\$35,000	\$137,000
Combustion and Ash Characteristics of Beneficiated Lignite Minnkota Power Cooperative	\$40,000	\$35,000	\$75,000
Utility Experience/Subbituminous Coal in Bituminous Plants Electric Power Research Institute	\$65,000	\$88,000	\$153,000
Characterization of Coal and Ash for Improved Slagging Index Physical Sciences, Inc.	\$25,000	\$25,000	\$50,000
Leaching Potential of Solid Coal Combustion Wastes Indiana Coal Council, Inc.	\$25,000	\$17,000	\$42,000
Preparation and Combustion of Yugoslavian Lignite Yugoslavian Consortium	\$1,206,000	\$215,000	\$1,421,000
Combustion Characteristics of K-Fuel Heartland Fuels Corporation	\$89,000	\$89,000	\$178,000
Supercritical Fluid Extraction of Petroleum Industry Wastes American Petroleum Institute	\$70,000	\$70,000	\$140,000
Determination of Ash Formation and Deposition Mechanisms Minnesota Power	\$57,000	\$57,000	\$114,000
Coal Ash Deposition in Utility Boilers Workshop Participants	\$57,000	\$57,000	\$114,000
Toxic Elements in Coal-Fired Power Plants Electric Power Research Institute	\$67,000	\$67,000	\$134,000
Evaluation of Mercury in Lignite Coal and Conversion Facilities North Dakota Lignite Research Council	\$18,000	\$18,000	\$36,000

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PROGRAM AND SPONSORS	NONFEDERAL COSPONSOR SUPPORT	EERC SHARE FROM U.S. DOE JSRP PROGRAM	TOTAL PROJECT COST
Use of North Dakota Lignite in Advanced Power Systems Babcock & Wilcox Company	\$40,000	\$40,000	\$80,000
Develop Ash Management Program for Boswell Station Minnesota Power	\$25,000	\$25,000	\$50,000
Slagging and Fouling Assessment of Coal and Coal Chars Illinois State Geological Survey	\$15,000	\$15,000	\$30,000
Timing of the Deposition of Cretaceous and Paleocene Deposits State University of New York--Stony Brook	\$53,000	\$34,000	\$87,000
Phenol Purification Studies Dakota Gasification Company	\$22,000	\$22,000	\$44,000
Effect of Ethanol Denaturant on Gasoline Reid Vapor Pressure National Corn Growers Association	\$50,000	\$50,000	\$100,000
Bench-Scale Studies of Refuse-Derived Fuels/Coal Slurry Fuels EnerTech Environmental, Inc.	\$163,000	\$95,000	\$258,000
FT-IR Investigation of Fireside Deposit in a Pilot Plant Combustor Electric Power Research Institute	\$45,000	\$45,000	\$90,000
Evaluation of Supercritical Fluid Extraction of Petroleum Wastes American Petroleum Institute	\$100,000	\$100,000	\$200,000
Formal Evaluation of Flue Gas Chemical Measurement Methods Electric Power Research Institute	\$1,997,000	\$1,262,000	\$3,259,000
Organic Sulfur Removal with Super- and Subcritical Water Illinois Clean Coal Institute	\$398,000	\$294,000	\$692,000
Coal Quality Expert Fouling and Slagging Algorithm Development Black & Veatch	\$60,000	\$40,000	\$100,000
Mercury Remediation Technology Research and Demonstrations Gas Research Institute	\$60,500	\$40,000	\$100,500
Preparation and Gasification of Thailand Coal-Water Fuels GMT Corporation Ltd./Department of Mineral Resources (Thailand)	\$75,000	\$50,000	\$125,000
Mercury Sorbent Evaluation Electric Power Research Institute	\$186,000	\$124,000	\$310,000
Holocene Cyclicity in Western North Dakota - Climate Change Interpreted from Fluctuations in Alluvial Sedimentation Electric Power Research Institute	\$100,000	\$65,000	\$165,000
Development of a Coal Combustion Byproduct (CCB) Database System American Coal Ash Association	\$30,000	\$20,000	\$50,000
Deposition of Lignites in the Fort Union Group and Related Strata of the Northern Great Plains Philip M. McKenna Foundation, Inc.	\$25,000	\$25,000	\$50,000
Oxygen Plasma Unit for Soil Decontamination: Demonstration of a Field-Scale Unit AGSCO, Inc.	\$500,000	\$200,000	\$700,000
Evaluation of a Zirconium Additive for the Mitigation of Molten Ash Formation During Combustion of Residual Fuel Oil Florida Power & Light Company	\$38,000	\$25,000	\$63,000
Activated Carbon for Environmental Applications Environmental Energy Systems, Inc.	\$40,000	\$27,000	\$67,000
Preliminary Economic Evaluation of Underground Coal Gasification at Saba Yoi, Thailand GMT Corporation Ltd./Department of Mineral Resources (Thailand)	\$90,000	\$60,000	\$150,000



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PROGRAM AND SPONSORS	NONFEDERAL COSPONSOR SUPPORT	EERC SHARE FROM U.S. DOE JSRP PROGRAM	TOTAL PROJECT COST
Preparation and Combustion of Coal-Water Fuel from a Lignite from Southern Thailand GMT Corporation Ltd./Department of Mineral Resources (Thailand)	\$41,000	\$27,000	\$68,000
Process Development Unit Test for Thermally Recycled Plastics American Plastics Council	\$809,000	\$630,000	\$1,439,000
Pilot Plant Assessment of Fly Ash Agglomeration Thermal Energy Systems, Inc.	\$318,000	\$210,000	\$528,000
Binderless Agglomeration of K-Fuel Product Preliminary Evaluation Kennecott Energy	\$261,000	\$176,000	\$437,000
Reducing Power Production Costs by Utilizing Petroleum Coke Electric Power Research Institute	\$54,000	\$36,000	\$90,000
Binder Modification and Development for Briquetting Steel Mill Residues Harsco Corporation, Heckett MultiServ Division	\$82,000	\$54,000	\$136,000
Characterization of a Fluidized-Bed Combustion Ash to Determine Potential for Environmental Impact Malcolm Pirnie, Inc.	\$94,000	\$63,000	\$157,000
Characterization and Modeling of the Forms of Mercury from Coal-Fired Utility Power Plants Electric Power Research Institute	\$275,000	\$137,000	\$412,000

Creating Opportunities

The Energy & Environmental Research Center (EERC) at the University of North Dakota (UND) is recognized internationally for its expertise in scientifically advanced energy systems and pollution prevention and cleanup technologies for air, water, and soil.

Established as a federal research and development facility in 1951, the EERC has been part of UND since 1983 when it was defederalized by the U.S. Department of Energy. Today, the EERC is recognized as one of the world's leading developers of energy and environmental technologies.



Through its development of innovative, practical solutions to today's pressing energy and environmental problems, Director Gerald Groenewold says the EERC is helping the area economy grow. "The Center is one of the best examples in this region of new wealth creation."

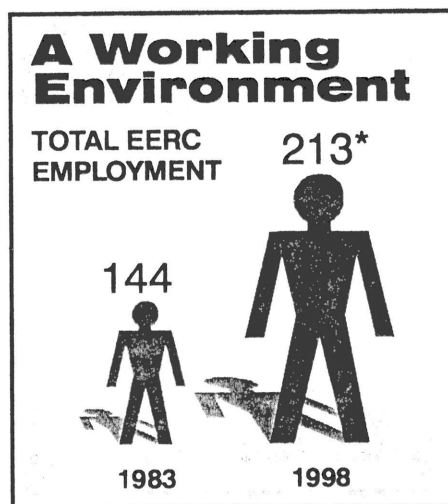
In addition, while pursuing its mission to address critical technical issues, solve problems, and help society, the EERC provides environmentally friendly, high-tech jobs that pay well. "It's a shame that we provide our children with quality educations, only to have them leave the state," Groenewold says. "The economic future of this region depends on the types of jobs the EERC is striving to create."

The impact of the EERC on the regional economy is substantial. The Center employs hundreds of area residents. In addition, the EERC has fostered the creation of several new businesses in the Grand Forks region that are based on technology and expertise developed at the EERC. It also commercializes innovative technologies and processes through partnerships with industry and government.



Global Connections

The EERC has enjoyed extraordinary growth since being defederalized in 1983. It has clients in 44 countries and 42 states. The EERC's list of clients includes hundreds of national and international companies from giants such as General Motors, the 3M Company, General Electric, and Amoco to smaller, regional firms such as Otter Tail Power Company and American Crystal Sugar Company. In addition to corporate clients, the EERC works with scores of domestic and international academic institutions and government agencies.



*The EERC also supports 25 full-time equivalent employees elsewhere on the campus of the University of North Dakota.

A Resource for Jobs

The EERC employs an exceptionally talented group of people whose work attracts business from around the world. While people from all corners of the globe can be found at the EERC, two-thirds of its employees come from North Dakota and Minnesota, and 67 percent of degreed employees are graduates of UND.

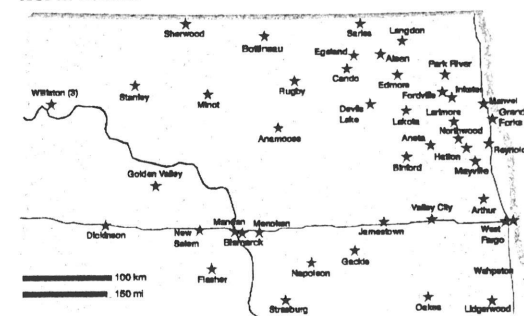
One of the biggest employers in the Grand Forks region, the EERC gives area residents, particularly our youth, a good reason to live and work in the place they call home.

Student Employment

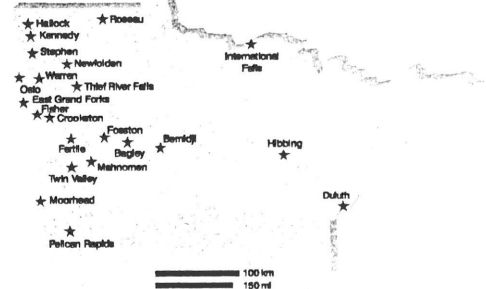
Each year, the EERC employs approximately 50 students from UND and other universities, ranging from undergraduates to postdoctorates. Students come from across the nation and around the world to take advantage of the opportunity to gain firsthand experience by working with the Center's team of multidisciplinary scientists and engineers. Science areas include geology, hydrogeology, computer technology, chemistry, analytical chemistry, physics, biology, microbiology, ecology, and paleontology. Engineering areas include chemical, civil, geological, electrical, mechanical, and metallurgical. The EERC also hires students to work in administrative services, accounting, purchasing, computer network administration, safety, graphics, communications, and maintenance.

Area Hometowns of EERC Staff

North Dakota



Northern Minnesota



History

- 1951 – Established as U.S. Bureau of Mines Robertson Lignite Research Laboratory
- 1977 – Designated as one of five Energy Technology Centers with U.S. Department of Energy
- 1983 – Defederalized
 - Facilities given to University of North Dakota
 - Renamed UND Energy Research Center
- 1989 – Renamed UND Energy & Environmental Research Center
- 1994 – \$7.6 million expansion of labs and pilot plant facilities completed
- 1997 – April flooding of the Red River forces EERC to close for 20 days
 - EERC flood damages estimated at \$7–\$8 million in lost equipment and contract research

Contracts

- 159 contracts in fiscal year 1998
- 69 percent of contracts from private industry. 31 percent from state, federal, and international governments

Employment

- Total employment of 213 scientists, engineers, and support personnel, including 25 full-time equivalent employees supported elsewhere on UND campus
- 49 percent of employees from North Dakota
- 25 percent of employees from Minnesota
- 67 percent of degreed employees are graduates of UND
- Average salary: \$35,700
- Total salaries and benefits: \$8.2 million
- Total estimated regional impact: \$25 million

Travel

- Spends more than \$500,000 each year on travel

Visitors

- Averages three international groups per week
- Hosts more than 1500 visitors a year
- 500 students (college through preschool) tour the EERC each year

Mission

To develop innovative solutions to energy and environmental problems worldwide and to facilitate commercialization of innovative new technologies.

Strategy

The EERC researches and develops energy and environmental technologies in partnership with private companies, government agencies, and academic institutions. Following development, the EERC seeks to demonstrate and commercialize promising technologies.

Fields of Work

- Cleaner, more efficient energy technologies
- Air and water pollution prevention
- Contamination cleanup and site remediation
- Waste utilization and disposal
- Education and training

*"This we know. The earth does not belong to man,
man belongs to the earth.
This we know. All things are connected like the
blood
which unites one family.
All things are connected. Whatever befalls the earth
befalls the
sons of earth.
Man did not weave the web of life, he is merely a
strand in it.
Whatever he does to the web, he does to himself."*

– Chief Seattle
1852

Energy & Environmental Research Center

PO Box 9018

Grand Forks, ND 58202-9018

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World Wide Web: <http://www.eerc.und.nodak.edu>



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EERC Economic Impact

Research That
Makes A
Difference

University of North Dakota

**UND School of Medicine
Grants and Contracts Proposal Submittal/Revision
Transmittal Form**

Rev. 12/97

A. Faculty Member

(Signature - Date)

This signature indicates that I have filed appropriate, up-to-date Financial Interest Disclosure forms that relate to this agency with the Office of Academic Affairs and Research. I understand that these forms indicate that I will cooperate in the development of a Memorandum of Understanding that constitutes a conflict of interest "resolution plan" if a conflict of interest or potential conflict of interest is found to exist that relates to this proposal, and to comply with any conditions or restrictions imposed by the University to manage, reduce or eliminate actual or potential conflicts of interest or forfeit the award.

B. Proposal Title

C. Funding Agency

D. Department Chairperson

(Signature - Date)

E. Institutional Animal Care Committee

(If appropriate and/or required)

(Signature - Date)

IRB Committee

(If appropriate and/or required)

(Signature - Date)

G. Grants & Contracts

(financial review of proposal)

(Signature - Date)

**H. Office of Research & Program
Development (ORPD)**

(review of proposal)

(Signature - Date)

Important!! Steps A to H need to be completed before proceeding.

**I. School of Medicine Review
Administration & Finance**

(Signature - Date)

Academic Affairs & Research

(Signature - Date)

**J. School of Medicine Dean
(signs proposal)**

(Signature - Date)

Copies of the final, signed proposal should be sent to:
ORPD

Copies of Notice of Awards or Denials should be sent to:
Grants & Contracts
Office of the Dean, School of Medicine

TESTIMONY ON SB 2431
BEFORE
THE SENATE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE

My name is Rosey Sand and I am appearing on behalf of Attorney General Heidi Heitkamp in opposition to this bill.

I want to first assure the Committee that the Attorney General is not opposed to accountability. In fact we now send our grants to the Office of Intergovernmental Assistance under a Federal Executive Order. This bill does raise several concerns however.

First, timeframes for applications on grants can be very short. By example, during the most recent round of Byrne Grants we had only 75 days to consider whether we should apply, and prepare and submit North Dakota's grant application. I say North Dakota's because only one agency is authorized to submit Byrne Grant applications in North Dakota: that agency is the Office of Attorney General. This bill would reduce the time we had to do this by 30 days. (While it is true that OIA could make a decision prior to the end of the 30 day timeframe, the bill permits them to review and consider the application for up to 30 days. Not allowing them this time could place our grant application at risk.)

Second, while the bill does not directly apply to political subdivisions, it does have an indirect affect on them. Again I reference the Byrne Grants. Attached to my testimony is a document that illustrates the amount of money that we pass through to other state agencies and local agencies. As you can see, over the past several years, millions of dollars have been distributed to local entities for domestic violence, drug prevention and law enforcement activities.

I must also address the references in Mr. Carlson's testimony because I fear you may have been left with a false impression about our office and its relationship with the Office of the Governor and his appointees.

Regarding grant funding for alcohol and drug prevention. It is true that the Department of Human Services, the Department of Public Instruction and the Office of Attorney General each have sought and receive federal funding to assist in the prevention of alcohol and drug abuse. It is not true that we have not attempted to coordinate our resources. In fact, at the urging of the Attorney General, the DHS, DPI and our office began this past biennium to coordinate our alcohol and drug prevention efforts. To my knowledge the Governor is supportive of this cooperative effort because DHS continues to work with us.

Regarding the Domestic Abuse funds: Two of the agencies listed are appointees of the Governor. If he believes they should not apply for grants for domestic violence programs, he can direct those agencies not to make application. The only additional power this bill gives the Governor is to prevent the Attorney General from applying.

That being said however we work closely with both of those agencies on domestic violence issues.

Regarding the High Intensity Drug Traffic Area funds: It is not clear that this bill would affect this funding because it is not a grant but an allocation of a federal appropriation. However, the Governor does support this funding as evidenced by the attached letter of application that he signed and the fact that the funding for this program was included in the Executive Budget Recommendation for the 1999-01 biennium.

Third: Regarding commitment of funds beyond the grant years, I will tell you that each time we employ staff on federal funds they are informed that their positions are temporary and in the past we have rified positions when federal funding expired.

I conclude my testimony with this observation; it is our position that every state elected official has a duty to address serious public safety issues that fall within their purview. The Office of Attorney General is the chief law enforcement officer of North Dakota. We have a low crime rate in North Dakota for many reasons. One of those reasons is because we have been very successful in seeking out and obtaining resources to assist local and state law enforcement efforts. It is our intent to continue to seek these resources. We hope that you will not enact this bill because it will hamper that effort and restrict the Attorney General's ability to do the job she was elected to do.



Heidi Heitkamp
ATTORNEY GENERAL

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

STATE CAPITOL
600 E BOULEVARD AVE
BISMARCK ND 58505-0040
(701) 328-2210 FAX (701) 328-2226

December 15, 1998

Robert S. Warsaw
Associate Director
Executive Office of the President
Office of National Drug Control Policy
Bureau of State and Local Affairs
Washington DC 20503

Dear Mr. Warsaw:

In December 1996, the Director of the Office of National Drug Control Policy (ONDCP), in consultation with state and local agencies, designated counties in Iowa, Kansas, Missouri, Nebraska, and South Dakota as the Midwest High Intensity Drug Trafficking Area. The primary focus of the Midwest HIDTA is to address methamphetamine distribution and manufacturing. The designated counties within the Midwest HIDTA have experienced an unprecedented increase in the manufacturing, distribution, and use of methamphetamine.

In July 1998, the Attorney General of the State of North Dakota and the United States Attorney for the District of North Dakota petitioned the Executive Committee of the Midwest HIDTA for inclusion into the HIDTA program. The Executive Committee approved the inclusion of North Dakota, contingent upon funding. We identified the counties of Burleigh, Morton, Ward, Ramsey, Richland, Cass, Grand Forks, and Walsh as the center of illegal drug production, importation, and distribution of methamphetamine within the State of North Dakota, and after analysis, the Executive Committee has recommended that those counties be included in the Midwest HIDTA. We now respectfully request your approval of these county designations.

This designation reflects the continuing commitment by federal, state, and local agencies to respond to the drug trafficking problem in this state, which is having a harmful impact regionally and in on other parts of the country. Federal resources are necessary to respond adequately to the drug related activities in these areas.

We thank you for your consideration and look forward to working with you and members of the Midwest HIDTA.

Heidi Heitkamp
Attorney General

Edward T. Schafer
Governor

John Schneider
United States Attorney General

Jerald C. Kemmet
Acting Director, North Dakota Bureau
of Criminal Investigation

Testimony on Senate Bill No. 2431
A bill for an Act relating to review of state agency applications
for grants from the United States government or foundations

Chairman Krebsbach and members of the Committee. My name is Steven Bensen. I am the Vice President for Business Affairs serving Mayville State University and Valley City State University. Thank you for the opportunity to speak to Senate Bill No. 2431. I am speaking against the legislation.

Mayville State University and Valley City State University, each receive approximately \$1 Million dollars annually in competitive grants. This level of funding is significant to our budgets and programs.

The review and approval processes outlined in Senate Bill No. 2431 will seriously impact our ability to respond quickly to grant proposals. For example, Mayville State and Valley City State were awarded a Title III grant through the U.S. Department of Education, Strengthening Institutions Programs. This five-year, competitive, grant provides personnel, training funds and equipment, in a cooperative arrangement between the schools, to carry out an extensive, long-term faculty training program in instructional technology and strategy. The federal contribution is \$350,000 per year matched by \$160,000 provided by the schools.

Countless hours were dedicated by faculty and support staff to develop the 245-page document into a proposal that convinced a team of educational experts to provide funding for these worthwhile activities. This proposal was postmarked minutes before the submission deadline, midnight, May 1, 1995. Many other proposals have been submitted to grantor agencies, usually during the week of their deadline. Many of these grant applications are also filed with the Office of Intergovernmental Assistance.

Request for Proposal opportunities are usually published with inadequate lead time to permit defining the desired/eligible program, engaging the partners, writing the narrative, developing a budget, and submitting the proposal for state approval 30 days before the grant deadline. The time expectation is not realistic.

The enhancements provided our faculty, students and facilities through grant funding are in jeopardy, if the oversight and additional approval processes set forth in Senate Bill No. 2431 are enacted.

Thank you.

Federal Grant Programs
Office of Attorney General

Grant Title	Federal Award	1996-1999		Match Requirement
		Local Allocation	State Allocation	
Edward Byrne Formula Grant Program	<u>8,331,192</u>			28 percent
Grants to Local Units of Government		<u>4,950,880</u>		
Narcotics Enforcement		3,423,327		
Corrections		92,718		
Court Process Improvement		167,739		
Crime Prevention		221,016		
Training Programs		154,890		
Domestic Violence		600,414		
Criminal Justice Records		145,654		
Victim Assistance		145,122		
Grants to State Agencies			<u>3,380,312</u>	
Office of Attorney General- BCI			1,251,200	
Supreme Court			62,712	
Highway Patrol			21,888	
Crime Lab			344,730	
Colleges			8,348	
Dept. of Corrections			1,204,387	
Criminal Justice Records Improvement			487,047	
Safe Streets and Drug Free Schools Act	<u>124,500</u>	<u>124,500</u>	-	No match
<i>Brief Program Description:</i>				
<i>CounterAct -- Drug, Alcohol and Violence Prevention Program for 5th and 6th grade students</i>				
Residential Abuse Substance Treatment for State Prisoners	<u>503,440</u>	-	<u>503,440</u>	25 percent
<i>Brief Program Description:</i>				
<i>Grant to the Dept. of Corrections and Rehabilitation for a Drug Treatment Program</i>				
Local Law Enforcement Block Grants Program	<u>368,602</u>	<u>368,602</u>	-	10 percent
<i>Brief Program Description:</i>				
<i>Grants to Local Criminal Justice Agencies -- Awards limited to under \$10,000</i>				

Federal Grant Programs

Office of Attorney General

Grant Title	Federal Award	1996-1999		Match Requirement
		Local Allocation	State Allocation	
National Criminal History Improvement Program <i>Brief Program Description:</i> <i>Program to improve quality and accessibility of criminal history record information</i>	2,193,913	-	2,193,913	No match
NCHIP National Sex Offender Registration Program <i>Brief Program Description:</i> <i>Program to improve the accessibility and accuracy of sex offender information</i>	217,305	-	217,305	No match
Statistical Analysis Center (SAC) <i>Brief Program Description:</i> <i>Program to collect, analyze and report statistics on crime to federal, state and local levels of government</i>	100,000		100,000	No match
STOP Violence Against Women <i>Brief Program Description:</i> <i>Program to collect data on the incidence of domestic violence</i>	82,873		82,873	25 percent
Marijuana Eradication <i>Brief Program Description:</i> <i>Program to eradicate marijuana</i>	60,000		60,000	No match
State Identification Systems <i>Brief Program Description:</i> <i>Program to develop information systems (CODIS, NCIC 2000 and IAFIS)</i>	367,437		367,437	No match
Total Federal Awards	12,349,262	5,443,982	6,905,280	

From: Robert C. Nordlie@rnordlie on 02/03/99 11:39 AM
To: Judy L. DeMers/NDLC/NoDak@NoDak
cc:
Subject: Senate Bill No. 2431

Hi Judy, Imagine things are pretty chaotic out in Bismark right now! I'm contacting you on behalf of all researchers at UND, and especially at UNDSMHS. I understand that Senate Bill No. 2431 is currently being considered by the Governmental and Veterans Affairs committee, of which you are a member. Our concern is that if this bill passes all who live by the research grant mechanism (all researchers, potentially, in the School of Med. and Health Sciences, e.g.) would be further shackled by the necessity to submit their research grant application for review by the "Office of Intergovernmental Assistance" in Bismark before the grant may be submitted to the appropriate funding agency. THIS WILL BE AN UNBEARABLE ADDITIONAL IMPEDIMENT, and I am sure that most self-respecting scientists will simply choose not to continue with the processes. As it is, the list of signatures we must obtain ON CAMPUS gets longer and longer. Typically, a researcher works on his/her grant proposal "up to the last moment", time being at a premium and competition for funds being ferocious.

I kind of understand where the bill is coming from. UND went through all of this many years ago, when the "Center for Teaching and Learning" replaced the College of Education, and much federal funding was involved. At that time, the University formulated a policy stating that noone hired with "soft", unappropriated funds (to whatever extent) could a priori become eligible for tenure. I expect S.Bill 2431 may have been generated under analogous circumstances.

It is what I and my fellow scientists fear might be one unintended fallout of such legislation that worries us.

My suggestion is that, if the bill has real merit, it be ammended to clearly exempt basic research grant applications to NIH, NSF, the American Cancer Society, the American Heart Association, and similar agencies from compliance with the mandate to gain approval from the ND Office of Intergovernmental Assistance before the grant may be submitted.

Indeed, we HAVE the necessary mechanisms and resources for the necessary surveillance here on campus. Dr. Carl Fox, Director of the Office of Research and Program Development, is charged with the responsibility of reviewing all research grant applications before they leave the Institution. He is Ph.D. scientists, as well as an individual knowledgeable of the more practical, financial implications to the Institution of the receipt of research grants. Certainly, we don't need even more of the "micromanipulation" of our professional lives from Bismark.

Thanks much for your attention, Judy. You always do a great job representing all of us out in Bismark. Perhaps you would bring this communication to other members of the Committee, and other relevant bodies. "Manage takk" as they say up here (and in Oslo).---Many thanks. Bob Nordlie

P.S. If it matters, make that Chairman, Dept. of Biochemistry and Molecular Biology, UNDSMH; Chester Fritz Distinguished Professor; and William Eugene Cornatzer Professor.

Robert C. Nordlie, Ph.D.
(701) 777-3937
Fax: (701) 777-3894

From: Kendall L. Baker/ISD/NoDak@Hub on 02/03/99 10:43 PM
To: Alice_Brekke@Alice_Brekke@MAIL.UND.NODAK.EDU@SMTP@Hub, Judy L. DeMers/NDLC/NoDak@NoDak, Wayne K. Stenehjem/NDLC/NoDak@NoDak
cc:
Subject: Re: SB2431

Wayne and Judy,

As I'm sure you know by now, I will not be able to attend the hearings on SB2431 tomorrow. UND will be very ably represented by Alice, Carl Fox, Gerry Groenewold, David Wilson and others from the Medical School.

I do, however, want to very strongly endorse the comments Alice forwarded to you from Leon Osborne and John Hendrikson. I have no doubt whatsoever that passage of this proposal would make it essentially impossible for units like the EERC to continue. But, it wouldn't be simply because they would lose contracts and be unable to compete effectively for new ones. It would also be because the state would be sending the message that entrepreneurial activity on the part of university employees is not encouraged. This, as you both know very well, is completely contrary to what we have been trying to emphasize at the U and contrary to what we have understood to be the message of the Legislature to the University System, namely, that we should do everything we can do to help ourselves. [Indeed, the principal theme we emphasized in our budget presentation to the House was what UND was doing to help itself and how passage of the budget proposed by NDUS would enable us to continue to help ourselves.] How can we encourage our faculty to be entrepreneurial if their ability to respond effectively and in a timely manner to opportunities is restricted in the ways proposed by SB2431? This bill restricts our ability to be entrepreneurial. It does not enhance it. And, we believe we should be introducing legislation that will do the latter, not the former. In our view, universities simply MUST do everything they can to help themselves if they are to grow, develop, prosper, and--most importantly--meet the needs of the citizens of the state in the future.

But, let me also endorse Leon's point about faculty. I am VERY concerned about the effect passage of this bill would have on our ability to recruit and retain quality faculty and administrators. UND takes great pride in being one of North Dakota's research universities. Our faculty and staff secure tens of millions of dollars every year to support programs that enrich the educational opportunities available for students. Indeed, one of the reasons students give for attending our institution is that at UND they will have the opportunity to interact with faculty who are highly regarded professionals in their fields. If SB2431 were to pass, it would be exceedingly difficult to persuade promising scholars to come to our institution and remain. They would be very uncomfortable with the review process outlined in the bill. The long term consequence of this would be that UND simply would not be able to offer the kind of comprehensive, challenging learning opportunities at the graduate, undergraduate and professional levels that it currently offers. This would be enormously unfortunate, since it would fundamentally transform this institution.

Like my colleagues, then, I am VERY concerned about this bill. I know UND's position will be strongly emphasized tomorrow by the superb group that will be there to represent us. I hope you will be able to help us defeat this proposal and want to assure you that we will do whatever you advise us to do to facilitate this goal. Just let us know what you want us to do.

Thanks VERY much, Judy and Wayne.

Ken

>>> Alice Brekke 02/03/99 05:08PM >>>

Tomorrow, individuals from UND will be in Bismarck to testify regarding SB2431 (requiring Office of Intergovernmental Assistance approval for grant proposals).

The requirements that this bill would impose would have a potentially devastating impact on the ability of UND and Medical School to meet proposal submittal deadlines and therefore, the ability to compete for sponsored funding.

Although some of this information will be covered tomorrow, I have included comments that I received from John Hendrikson (Assistant Director, Energy and Environmental Research Center) and Leon Osborne (Professor, Atmospheric Sciences and Director, Regional Weather Information Center) regarding how this bill would impact their operations. The issues that they describe would also exist for other departments in the University that compete externally for sponsored funds.

Please let me know if I may be of assistance in providing further information or answering questions as you deliberate this legislation.

Alice Brekke
Assistant to the President and
Director, Budget and Grants Administration
University of North Dakota
Phone: (701)777-2506
Fax: (701)777-2504
E-mail: alice_brekke@mail.und.nodak.edu

Comments from Leon Osborne:

The passage of Senate Bill 2431 will have a devastating impact upon the research institutions within the NDUS. As NDUS has struggled to reinvent its role in State and regional support issues, one of the key components identified has been its role in promoting technology development and its transfer to support economic development. This technology development is based upon the concept that at the end of research efforts is a new or improved technology. Funding for these research efforts has not been a supported activity by the North Dakota Legislature either through choice or availability of funds. Rather these funds have almost exclusively come from federal funding sources. Within the Odegard School of Aerospace Sciences these federal agencies have included the Federal Aviation Administration, Bureau of Reclamation, National Oceanic and Atmospheric Administration, the United States Department of Agriculture and the National Aeronautics and Space Administration to name but a few. Personally, over my twenty years at the University of North Dakota I have had research contracts with each of these agencies with a total funding in excess of \$20 million. Of the total contract dollars I've attracted to the university, it is safe to say that well over half this amount would not have made it to UND if an additional month of external review of proposals had been required.

The process for submitting research proposals at UND has been in place for many years. This involves departmental peer review, college review and finally university review. In each step of this process the budget and technical aspects of the proposal are reviewed and either approved or denied. If denied, the proposer has the opportunity to modify and re-submit. In addition to the time required to initially develop the proposal, this review process must be completed prior to the closing date of the funding agency. The closing dates are firm and not subject to modification i.e., even an hour late in arrival will result in the proposal not being considered. Notification of opportunities to submit proposals specify a date when proposal materials become available and when the proposals are due. The time between these two dates is typically no more than two months. Therefore, the researcher is hard pressed to complete the proposal and its associated university review in the time allotted. Rarely, in my twenty years, have I had more than five days to spare when submitting a proposal. Therefore, the addition of another state review of the proposal would make virtually impossible the successful submission of a federal research proposal.

In addition to the time constraints this bill would impose on university researchers, the question of who would review the proposal and what guidelines would be established for such a review remains. To review a proposal based upon its technical merit at a state agency would require a staff with technical expertise in that discipline. To review a proposal based upon its budgetary merit would require less additional staff, but still one with insight into the future of the technology and the opportunities for continued funding. In both situations, this expertise already exists at the university and to add a state agency to do this would be a duplication of staff and resources.

Finally, the professional signal this measure will send to university researchers would be very clear -- if you want to be involved in scientific research, don't come to (or stay in) North Dakota. Due to less competitive salaries and lack of quality research resources, UND (and the State of North Dakota) is in a battle to retain research faculty. This bill will make this task extremely more difficult. I can think of nothing more disheartening than the passage of this bill. I urge you to reconsider its application to higher education.

Sincerely,
Leon F. Osborne, Jr.
Director Regional Weather Information Center
Professor Department of Atmospheric Sciences
North Dakota Representative to the Science and Technology Council of the States

Telephone: 701-777-2479 Email: leono@rwic.und.edu FAX: 701-777-3888

Comments from John Hendrikson:

Below are three examples of projects EERC received funding for that would have been impossible with a 30 day proposal review cycle at OIA. Total value of awards EERC would have lost if we could not have responded in a timely manner was \$1,246,213. These examples are all from September 30,

1998 awards and many examples from prior fiscal years also exist.

Other comments --

1. EERC prides itself on its ability to operate like a business and to date has been allowed the freedom to do so. Key to this is responsiveness to our customers, the companies and agencies who fund our grants, contracts, and cooperative agreements. In many instances, EERC is asked to respond quickly (same day or next day) to a client who has a problem at a power plant, a treatment facility, a factory, etc... These requests are coming from businesses who are losing money because their operation is impaired by a particular problem and they look to EERC for immediate solutions. These types of projects at EERC would be a thing of the past if the OIA review were implemented. (Our odor control work for the North Dakota Pig Cooperative is an excellent example of this type of project)

2. Many Request-for-proposals (RFPs) are modified and clarified up to a few days before final submission is required. RFPs from federal agencies usually have 30-60 turnaround requirements and often include a period for submission of written questions. The questions are then answered with an amendment to the RFP. More often than not, these amendments are issued less than 30 days prior to the required proposal submission date. Again, a 30 day review at OIA would not be feasible. (I just received the attached <<Broad Based Solicitation No. DE-PS36-99GO10383, Amendment 001 to Supplemental Announcements 1 & 2>> e-mail from DOE Golden Field Office announcing an amendment to a solicitation due tomorrow)

Determination of Particulate Deposition Parameters Using a Novel Dual-Tracer Method: Phase 1

In June of 1998, EERC submitted a proposal to the EPA for \$165,213 to perform the study referenced above. EPA was attempting to identify funds within their agency budget to use for this study, but was unable to do so until mid-September. About September 15, EPA contacted EERC with the information that they had identified the needed funding, but there was a small problem. The money was available in two different program areas and would require EERC to submit revised proposals splitting our request -- \$75,000 in one area and \$90,213 in another area. EPA indicated at the time that they did not really expect EERC to be able to react quickly enough to be able secure the funding by September 30, the end of EPA's fiscal year and the deadline for EPA to award the funds.

EERC was in fact able to respond within a week and received two grants dated September 30, 1998. One grant was for \$75,000 and the other for \$90,213. This would have been impossible with a 30 day review period at OIA.

Advanced High-Temperature, High-Pressure Transport Reactor -- DOE Cooperative Agreement DE-FC26-98FT40514

This was another instance where a federal agency was able to identify funding near the end of a fiscal year with the requirement the money be awarded to EERC by September 30. This was a program EERC had been discussing with DOE for several months with the expectation it would probably be funded in fiscal year 1999 (sometime after October 1, 1998) at a level of about \$500,000.

In late July, DOE determined that \$681,000 would be available in fiscal year 1998, but it had to be awarded by September 30. DOE not only had to make the award by September 30, they also needed to go through a sole-source procurement procedure because EERC was the only known contractor who could do the work. DOE's direction to EERC was simple, get us a proposal immediately so we (DOE) can initiate the sole-source procurement.

EERC submitted a proposal to DOE on July 31, 1998 and received an award for \$2,500,000 on September 30, 1998. \$681,000 in fiscal year 1998 funding was applied to the award with the balance to be funded in subsequent fiscal years. If EERC had delayed proposal submission by 30 days for an OIA review, DOE would not have received the proposal in time to do the sole-source procurement and the fiscal year 1998 funds would have been lost to the EERC.

High-Temperature Heat Exchanger Testing in a Pilot-Scale Slagging Furnace -
DOE Cooperative Agreement DE-FC26-98FT40320

This is another example of EERC negotiating to obtain funding for a project where a federal agency identified funds near the end of a fiscal year to fund the activity. In this case, EERC submitted a proposal on August 20, 1998 for \$400,000 after DOE identified funding for the activity above. DOE approved the funding on September 11, 1998. Again, it is doubtful that DOE would have had sufficient time to complete technical and financial reviews of the project in time to make an award by September 30 if EERC's submission had been delayed 30 days by an OIA review.

From: albert J. Fivizzani@fivizzan on 02/03/99 03:39 PM

To: Judy L. DeMers/NDLC/NoDak@NoDak

cc:

Subject: Senate Bill 2431

Judy,

I am sure that we are in agreement on the extremely negative effect of SB 2431, if passed in its present form, on the regular operations of UND both the teaching and research missions. Some say that we would cease to operate without the extensive grant support generated on our campus. Although there perhaps (?) is some benefit for pre-approval of some grant applications from certain state agencies, the higher education system must be excluded as the ability of faculty and staff to compete successfully for grants often involves incorporation of new data or references to the most recent publications shortly before the submission of the grant. In fact, many requests for proposals have deadlines within 30-60 days from issue. We would be unable to compete for these at all. I know that SB 2431 receives its initial hearing tomorrow before the Government and Legislative Affairs Committee on which you serve. I ask your help to convey the devastating effect that this bill would have at UND. The University of North Dakota would not be able to carry out its missions in teaching as well as in research and the State of North Dakota would have to shoulder a greater percentage of the operating budget of the institution. Thanks for your help and hard work.

Al

From: John Shabb@jshabb on 02/03/99 12:36 PM
To: Judy L. DeMers/NDLC/NoDak@NoDak
cc:
Subject: Senate Bill 2431

Dear Judy:

I have recently learned that a bill is being considered by the Senate Committee on Government and Veteran's Affairs that could have a major negative impact on research in North Dakota. The Bill, No. 2431, requires that all federal and foundation grant proposals generated by state agencies must first be submitted to the office of intergovernmental assistance for review and approval. The review requires an extensive report to accompany each application could add an extra 30 days to the preparation time of every grant proposal.

It is not uncommon for me as an individual investigator to submit multiple major grant proposals in a given year. This is necessary in order to increase the chances of getting funding to continue research in my lab. Last year I submitted proposals totaling \$1,000,000. In each instance, timeliness of the proposal contents was critical due to the rapid advances that is a hallmark of basic research in biomedical sciences.

The grant review process at the University of North Dakota is already thorough. Each time I submit a grant proposal, it is reviewed and approved by the following campus entities and officials:

Department Chair
Institutional Animal Care Committee
Institutional Review Board
Grants and Contracts
Office of Research and Program Development


Since I am on the faculty in the School of Medicine and Health Sciences, I also need approval from the following:

Administration and Finance (School of Medicine)
Academic Affairs and Research (School of Medicine)
School of Medicine Dean

The process of writing grant proposals is a major effort and highly dictated by funding agency deadlines. The competition for funds in biomedical research is extremely intense. If Senate Bill 2431 becomes law, the timeliness of grant applications will be severely compromised. Furthermore the extra review by the office of intergovernmental assistance appears needless, redundant, and a waste of taxpayer dollars. I see nothing redeeming in this bill and much that is detrimental. The last thing I believe the North Dakota Legislature would want is to make it more difficult than it already is for researchers in the state to compete for federal and foundation dollars.

Please vote against Senate Bill 2431.

Sincerely,



John B. Shabb
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University of North Dakota
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Grand Forks, ND 58202-9037

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Tari Lalonde

From: Sandy Paulson
Sent: Monday, February 01, 1999 2:27 PM
To: Wayne Sanstead; Tom Decker; Gary Gronberg; Joe Linnertz
Subject: SB 2431

I spoke to Jim Boyd in OIA this morning regarding SB 2431. His understanding of the intent of the bill is to provide the legislative & executive branches more information on federal/foundation programs that are applied or become available after the budget has been approved. It is basically an extension of the Executive Order Process currently conducted by their office.

This bill would not impact any federal or foundation grant program identified in our 1999-2001 budget request (see section 1, no. 3). However, applications for **new federal/foundation programs** would be subject to the stipulations of SB 2431.

I consider the process outlined in SB 2431 redundant of current practices that require Emergency Commission approval of funds not included in the budget request. Additionally, Emergency Comm. requests of more than \$50,000 must receive approval from the Leg. Budget Committee. I also have a problem with OIA's 30 day review process. Sometimes we don't become aware of discretionary programs until shortly before the applications are due.....there is no way we could meet the deadlines if the app. is tied up in OIA for 30 days.

I plan on going to Thursday's hearing. Are there any other items of concern in this bill that should be brought to the Committee's attention.

Thanks.