

1999 SENATE GOVERNMENT AND VETERANS AFFAIRS

SCR 4050

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4050

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date February 25, 1999

Tape Number	Side A	Side B	Meter #
1	X		2894-3753
Committee Clerk Signature <i>James A. Raik</i>			

Minutes: VICE CHAIRMAN WARDNER opened the hearing on SCR 4050. Appearing before the committee to explain the resolution was SENATOR KAREN KREBSBACH, district 40, Minot. She indicated that this resolution proposes a study of grants for every agency of the state with the exception of institutions under the state board of higher education. This study was submitted to replace a proposed bill which was defeated due to the fact that it had met with opposition from the state university system which is the recipient of many of the grants in the state. DINA BUTCHER was asked to respond to questions. SENATOR WARDNER posed several questions. A response to one of the questions was offered by JIM BOYD who also works in the department with Ms. Butcher. There were no further questions from the committee. No other individuals appeared in support of SCR 4050. No one appeared in neutral position or in opposition to SCR 4050. VICE CHAIRMAN WARDNER closed the hearing on SCR 4050.

Committee Action: A motion for DO PASS on SCR 4050 was made by SENATOR DEMERS,

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number SCR 4050

Hearing Date February 25, 1999

seconded by SENATOR W. STENEHJEM. ROLL CALL VOTE indicated 7 YEAS, 0 NAYS, 0

ABSENT OR NOT VOTING. SCR 4050 was placed on the consent calendar. SENATOR

KILZER volunteered to carry the resolution.

Date: 2/25/99
Roll Call Vote #:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4050

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass - Consent Calendar

Motion Made By Sen. Demers Seconded By Sen. Stenehjem

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

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Kilzer

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

REPORT OF STANDING COMMITTEE (410)
February 25, 1999 11:40 a.m.

Module No: SR-34-3538
Carrier: Kilzer
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4050: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (7 YEAS,
0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4050 was placed on the Tenth order
on the calendar.

1999 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SCR 4050

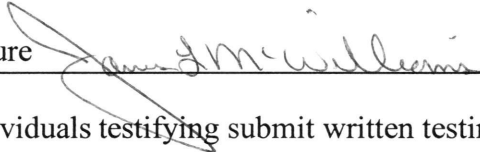
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4050

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3-11-1999

Tape Number	Side A	Side B	Meter #
2	X		13.0 - 21.5
2		X	4.0 - 6.6
Committee Clerk Signature 			

Minutes: Some of the individuals testifying submit written testimony. When noted please refer to it for more detailed information.

Representative Klein, Chairman of the GVA Committee opened the hearing on March 11, 1999.

Summary of the Resolution: Directing the legislative council to study the feasibility and desirability of implementing a grant preapproval process for every state agency, except institutions under the state board of higher education.

Testimony in Favor:

Senator Kresbach, Appeared before the committee to introduce the resolution and submitted written testimony which she read in it's entirety (**please refer to her testimony**). The ND University System had a total of 94,899,514 dollars for fiscal 1998 in grants. This included federal, state and private gifts.

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House Government and Veterans Affairs Committee

Bill/Resolution Number SCR 4050

Hearing Date 3-11-1999

Representative Winrich, That figure is strictly the universities? Do you have a figure for any of the other state agencies?

Krebsbach, Yes that's for the universities. No I do not have a figure for the other agencies.

Dina Butcher, Intergovernmental Assistance appeared in support of the bill. Our agency is a point of contact that has to have a letter attached to the grant going in. We don't have any say in which ones are approved.

Testimony in Opposition: None.

Representative Klein, Closed the hearing on SCR 4050.

Committee Action:

Representative Thoreson, Made a motion for a Do Pass.

Representative Grande, Seconded the motion.

Motion Passes: Do Pass **15-0**.

Representative Devlin, Is the carrier for the bill.

Date: 3-11-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4050

House GOVERNMENT AND VETERANS AFFAIRS Committee

- Subcommittee on _____
- or
- Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By THORESON Seconded By GRANDE

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP. WINRICH	✓	
VICE-CHAIR KLINISKE	✓				
REP. BREKKE	✓				
REP. CLEARY	✓				
REP. DEVLIN	✓				
REP. FAIRFIELD	✓				
REP. GORDER	✓				
REP. GRANDE	✓				
REP. HAAS	✓				
REP. HAWKEN	✓				
REP. KLEMIN	✓				
REP. KROEBER	✓				
REP. METCALF	✓				
REP. THORESON	✓				

Total (Yes) 15 No 0

Absent 0

Floor Assignment DEVLIN

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

REPORT OF STANDING COMMITTEE (410)
March 11, 1999 4:22 p.m.

Module No: HR-44-4620
Carrier: Devlin
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4050: Government and Veterans Affairs Committee (Rep. Klein, Chairman)
recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (15 YEAS,
0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4050 was placed on the Tenth order
on the calendar.

1999 TESTIMONY

SCR 4050

The NDUS financial statements show the following revenues during fiscal year 1998:

Federal grants and contracts	\$74,326,476
State grants and contracts	\$ 1,882,527
Private gifts, grants and contracts	<u>\$18,690,511</u>
TOTAL	\$94,899,514

*sent to
by e-mail
on 1-29-99
BC: Cabinet
Admin. Offices
TO: Hal
Rod Backman*

Nearly \$95 million was generated through grants, contracts and gifts during the last fiscal year by the NDUS. This was the result of a lot of hardwork by faculty and research staff under extremely tight timelines. The North Dakota University System prepares and submits on annual basis anywhere from 1,500 to over 2,000 grant applications. These documents are generally twenty to fifty pages long, but can be as much as 1,000 pages and are very complex.

The examples provided by the Energy and Environmental Research Center outlined below summarize the difficulties that SB2431 would create for all of the entities in the NDUS, including medical research, agricultural research, academic grant funding and technology grants.

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 notification from the DOE Golden Field Office today announcing an amendment to a solicitation due tomorrow)
3. Many times a federal agency is 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.

The review and approval process outlined in SB2431 would seriously impact our ability to respond quickly to grant proposals. This would jeopardize the dollars that are brought into the State of North Dakota and would result in the closure of many operations and the loss of faculty and staff who would move elsewhere. They are well-paid individuals who are highly mobile. Many of these individuals also teach, so we would not only lose the grant funds but also the talent and knowledge these individuals bring to the classroom. The loss of these individuals would have a direct impact on the NDUS's ability to adequately prepare the next generation of ND employees and serve the state of North Dakota.

Lg/012999\g:\laura\wpdocs\legis\sb2431 summary

Testimony on SCR 4050
Senator Karen Krebsbach

Senate Concurrent Resolution 4050 was submitted to replace SB2431.

SB2431 sought to create protection and oversight of the granting process. Many state agencies are eligible for various private and federal funds. SB2431 recognized that problems could develop in this granting process. There is a danger that agencies may add certain programs and personnel to qualify for a grant and once the grant funds are extinguished, the state must supply the funds needed for the programs and personnel. Another possible problem with the current process is the likelihood of duplication. Since there is no coordination of the granting process, it is possible that several agencies could receive grants to conduct certain activities which are already being performed by another agency. In order to avoid these situations, SB2431 delegated the office of intergovernmental assistance the responsibility of directing and coordinating the entire granting process of state agencies.

While I generally support the intentions and objectives of SB2431, certain problems came to light which necessitated replacing SB2431 with this resolution. First, the bill required all grants to be approved by the office of intergovernmental assistance. There is some uncertainty that the office possesses the resources to handle the multitude of grants that agencies wish to obtain. There is the possibility that the office will need to hire additional personnel to fulfill its obligations, thus contravening the original purposes of the bill. Secondly, many timelines for grants are very short. It is not unusual that ~~organization~~ ^{AGENCIES} will have less than 75 days to apply for a grant. With the addition of another level of screening many of these deadlines may not be met. Thirdly, many of the agencies which receive duplicative grants are already coordinating their pooled resources.

Because of these concerns we felt it necessary to submit SCR ⁴ 4050 in place of SB2431. There are definite concerns in the granting process which should be addressed. However, a closer inspection is needed before passing legislation such as SB2431. This resolution would address these concerns by instructing legislative council to study the granting process and propose what mechanisms may be employed to coordinate and oversee the granting process. This will better able us to ascertain entire granting process and possibly propose future legislation which may deal with some of the problems I have discussed.