

2001 HOUSE APPROPRIATIONS

HB 1001

2001 HOUSE STANDING COMMITTEE MIN"

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 12, 2001

Tape Number	Side A	Side B	Meter #
01/12/01 tape #1	0 - 2168	-	
Committee Clerk Signature <i>[Handwritten Signature]</i>			

Minutes:

The committee was called to order, and opened the hearing on HB #1001, which is the appropriations bill for the office of the Governor.

Bill Goetz: Chief of Staff for the governor. I represent the governor's office here this morning, to spend a few minutes this morning with you to discuss the budget. Getting right to the point you are looking at a budget that has very few changes compared to the budget that you approved last session. There are two things: First of all you granted to the governor's office a total of \$15,000 for transition, \$10,000 of that for transition in and \$5,000 was for transition out. In addition \$500 was appropriated for purposes of the presidential elector expenses. We are simply now moving that \$15,500 from those line items up into operating expenses, due to increased operating costs. Then the second item is dealing with one additional FTE, for a total of \$151,572. This would be a senior staff position. We probably are one of the smallest staffed governors offices in the United States, and there is a growing change in state government

involvement, the state and local governments are becoming more involved. I am open for questions.

Rep. Koppelman: What would this senior staff person, FTE, do?

Response: We are looking at adding one more policy advisor. Right now we have a communications director, a legal counsel, chief of staff, an agriculture advisor, a board/commissions policy advisor, and municipal and local government advisor (new position), federal relations advisor. We are looking at an individual who could take that type of a roll. We are finding that we need to do more work on a global basis, and have a growing need, at the federal level also.

Rep. Carlisle: I have two questions - first on the school commission item for \$500,000.

Response: Celeste (from OMB) will speak to that. We had the Quality School Committee working for the last two years. Governor Hoeven has taken a different look to this, and Celeste will address this.

Celeste: from OMB. Handed out a prepared amendment to HB 1001. I have passed out some amendments that would include the governor's school initiative that is \$505,192, that is the quality school's commission funding that was previously in the department of public instruction, however it has been reduced by \$70,000, for web development and software related to the initiatives that have been moved to the ITD budget to deal with school initiatives with ITD in consolidation with all the other efforts going on. The remainder is \$505,192, and the governor's office will be looking at the commission and proposing some amendments to the House Bill 1157 on Wednesday to insure that the objectives in the bill are maintained, but the governor's office has the flexibility to obtain them in the most cost effective manner. If you review the quality school's commission bill in the past, there was a staff person, and they don't feel that this

is necessary to be hiring staff or putting many of these mandates into this legislation. The money is in the governor's office but the standard language will be in HB 1157. The amendment will be made to the DPI budget, and was already explained to the EE committee.

Rep. Carlisle: You said your new FTE would be working with congressional issues? Don't you already have someone doing this?

Response: Yes, we need more help in this area, with congressional issues or agencies. There may be other areas a senior staff would be assigned to. Yes we already have a liaison already located there (in Washington DC).

Rep. Glassheim: Is confused as to the quality school commission, and 1 less employee.

Response: The funding that was put into Bill 1157 had the authority for an FTE. It wasn't in the DPI or in the governor's office at this point. AS we will be introducing amendments to HB 1157, the appropriation will be taken out, because the appropriation has not been put into the governor's office directly.

Rep. Glassheim: As to the \$15,500 you took the line item out, but you kept the money, but if its for the purpose of transition and electors, you don't need that.

Response: Yes, what we did was move that money up into operations, as our inflationary factor.

(Discussion as to the insertion of the fiscal note, put into the bill books erroneously).

Rep. Byerly: Can someone explain the narrative at #1 on the buff sheets? I don't understand the note.

Response: Allen from LC - We have been working with OMB on this and the executive budget, and when OMB calculated the pay equity increases for appointed and elected officials there was some timing things that took place, so in most of these budgets that have equity for

elected officials, the amounts that are included are a little more than what is necessary to provide for those increases. There should be a reduction made into the budget. You will run into this in a few of these budgets. We did do a memo that summarizes this you will get in full committee.

Rep. Byerly: I also wanted to ask about the money itself for the transition in and out. In essence by rolling this up into your operating line item, technically aren't we increasing your line item by those amounts. Don't we normally just put transition and electoral money in the last two years of the officeholder. Really what we are doing is keeping the \$15,500 and rolling it into operating expenses. Are we going to keep seeing these line items again.

And as to the schools commission what you are doing is moving it so that your office is going to administer the governors quality schools commission. In EE subsection, they've already seen this.

And then last time we gave you an additional \$50,000 over the budget request for staffing assistance. We put it into your operating line item. Did that work out?

Response: Yes it did. It was most helpful.

Byerly: With the \$15,500, there is another \$10,000 added into your operating expenses line item, should we view this for increased postage, etc. For inflationary increases?

Response: Yes.

Rep. Glassheim: I am not familiar with the quality schools commission. Can you explain why it is in the governor's office and not in education.

Response: by Celeste of OMB. Lt. Governor Myrdal started this commission and gathered together a number of persons to look at school quality initiatives and other objectives listed in the bill. They felt as they worked through the biennium that they wanted this in statute, to continue the commission. AS the Hoeven administration came in, they will continue with the

commission, however, they do not want it statutorily limited to who can be on the commission.

The bill would restrict this. They are opening some flexibility for themselves

Response: This was the former Lt. Governor's agenda. When we look at this, we need to look at all aspects of education, including the demographics in making policy, and how that is driving the issue. We want to downgrade the bureaucracy in terms of another commission to one where we have addressed the initiative and then the governor's office with full representation of many of these same people. There has been some very positive dialogue in the last two years, and see the parties carrying on good discussion. From that hopefully we can continue with the assessment.

Rep. Carlisle: Celeste, where are the funds coming from for this \$500,000.

Response: The general fund. It was part of the overhead before, now we want to make this specifically in the budget, for hiring a consultant, for travel, etc.

Rep. Glassheim: So the \$500,000 was not in the DPI budget last biennium. Whatever its cost it was paid for out of the governor's overhead budget in the past. And you put it in there time to formalize it but now you are going to formalize it in the governor's budget.

Rep. Skarphol: Do you get affected by the increased motor pool expenses?

Response: Yes we are, and are adjusting for this in the increased operating items.

The chairman closed the hearing on this bill

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
01-16-01 tape #2	760 - 1823		
Committee Clerk Signature <i>Kelli Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1001. The chairperson gave some instructional advice as to how the committee would discuss the various bill.

Chairman Byerly: On this budget bill, there are 2 big items, one being the FTE, and the other being the Quality Schools Commission they are transferring out of DPI and into the Governor's office. That is a \$505,000 item. I know Rep. Carlisle is trying to get more information on the Quality Schools Commission. Most of the rest of this is the budget is inflationary increase, for salary and wages and then the FTE. Last time around when we settled this budget, we actually gave the governor's office some money that they didn't request because they were running into the problem where they needed some additional assistance and because they used part time employees. This budget also includes the money given previously for a resource person housed in Washington DC. And then there is a new FTE is to relieve workload at a senior level, not

Page 2

Government Operations Division

Bill/Resolution Number HB 1001

Hearing Date January 16, 2001

clerical and not secretarial, and would be a policy person. We need to figure out and look into the future to see if there will be more jobs pushed down into the state level. How do we feel in our minds if they really need another senior staff person.

LC staff - Roxanne: Notes that the funding for the lobbyist in Washington DC is in the OMB budget. The consultant is \$120,000, in the OMB budget.

Rep. Huetter: Asked if the governor was planning on keeping the Capitol for a Day program. He thought that was a good program.

Rep. Carlisle requested that the LC staff person provide him with information regarding the Quality Schools Commission information. What it is, and what the governor's office plans to do with this. There seems to be half a million dollars requested, and they wanted to know more about this. Discussion as to HB 1157, and its influence on HB 1001.

Rep. Skarphol: Was questioning where the money came from last session, that did not appear in the last budget.

Rep. Byerly: Maybe there is some discretionary money that was used. Also commented that last session that the time was more voluntary.

Discussion was that last session it was just beginning, some voluntary work, and now they want to make this more permanent. May need someone from the Governor's office to come and explain more to us later.

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
01-19-01 tape #1	1540 - 2240		
Committee Clerk Signature <i>Kellie Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1001.

Rep. Carlisle: In the Governor's budget, there is a section on the Quality Schools. He has obtained a handout in regard to the Quality Schools Commission, and a different bill, Bill #1157. (This handout does explain the school issues, but the committee did not discuss the handout, but just filed it with their information to deal with at a later time.)

Rep. Carlisle: Others had previously asked about the outside capital costs. This is what each outside entity is charged. Costs of \$800 per month.

(Rep. Carlisle gave the committee a handwritten list, from OMB, of monthly costs).

Chairman Byerly: Notes that the router charge is billed monthly, however, this is an item that is purchased one time, not monthly. So we have some work to do on this. Asked Rep. Carlisle to make sure other committees see this, first asked the committee clerk to make the handout more

Page 2

Government Operations Division

Bill/Resolution Number HB 1001

Hearing Date January 19, 2001

presentable, but the Roxanne from LC offered to make handout this more presentable and understandable.

(Roxanne from LC also explained somewhat that the charges are being spread out over a period of time, because they had to take out a loan to originally buy the equipment.)

Rep. Byerly: Said okay, but they would like to investigate this further. Asked Roxanne to make the handout more clear, and include explanations, and other committee members requested that they be told when the loan will be paid off.

Rep. Huetter: Believes some of the costs are to aid the more rural areas as compared to the urban areas. Would like this information also included in Roxanne's explanation.

(Some more general discussion as to the committee seeing the IT budget after crossover, and what will need to be kept in mind for the rest of the session).

The chairman closed committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1001

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
01-25-01 tape #1	"	1220 - 3050	
Committee Clerk Signature <i>Kelli Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1001, the Governor's budget.

Chairman Byerly: Rep. Carlisle has spent some time on this budget, and then we spent some time yesterday trying to sort some things out.

Rep. Carlisle: He handed out copies of a proposed amendment. This amendment makes the salary adjustment. This portion of the amendment removes the senior staff FTE requested. Also, there was a proposed amendment from OMB a while back for \$505,192 regarding Quality School Commission. I also just handed out a memo regarding the Quality Schools. We would like to further amend these amendments to add in under Quality School's Initiative, an amount of \$150,000.

Chairman Byerly: We can package this up as one amendment, if possible. In summary, what we are doing to the governor's budget is deleting the requested FTE and amending in \$150,000 for

the Quality Schools program. We will give \$150,000 of the requested \$505,000, and this will allow them first to use this money for matching funds. They will have to sit down and take another look at this, because there are some good issues out there, and the end result will be that they will have enough money to make the match and they can create a group to come up with a program to look at the education issues.

General discussion as to the current governor's office thoughts on the Quality School commission and what direction it may take, and all the issues discussed. Hopefully the program will be refined in the next few years.)

Rep. Glassheim: Do they expect a staff member will be assigned to this commission?

Chairman Byerly: No, no FTE will be affected. The committee is already in place, and that process will continue, and will continue to be handled in the governor's office. HB 1157 will be amended and revamped it more like what we have discussed.

Sheila Peterson, OMB: reminds the committee that the salary line as amendment is not correct, and will need some minor refinement.

Roxanne, LC staff: She explains the reasons for this, and what has happened.

Rep. Skarphol: Moves to adopt the amendment as modified to adjust for the removal of the FTE, making the salary adjustment, and adding in the \$150,000 for the Quality School Commission.

Rep. Carlisle seconded.

Vote to adopt the amendment, 7 yes, 0 no.

Rep. Carlisle: moves DO PASS AS AMENDED. Rep. Skarphol seconded.

Vote to pass as amended, 7 yes, 0 no.

(General discussion as to other bills or special funds not associated with this bill, these issues).

Rep. Carlisle is assigned to carry this bill to the full committee.

