

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1125

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1125

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1125 A

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 01-18-01

Tape Number	Side A	Side B	Meter #
//1		X	2131-END
//2	X		0-143
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. M. KLEIN called the meeting to order, with all members present.

In favor:

LINDA ENGMANN, DIRECTOR CENTRAL SERVICES DIVISION

Please see attached testimony and proposal of an amendment.

REP. M. KLEIN asks if it has now been coordinated with the board of higher ed., the university, and the attorney general's office?

ENGMANN replies that not specifically with those particular groups, but it has been seen by the auditor's office.

REP. M. KLEIN asks if this affects cities, townships and so forth.

ENGMANN replies no it does not.

REP. BRUSEGAARD asks if this would allow the state to contract certain items on a brand name basis?

ENGMANN says yes that it does allow for that.

REP. KLEMIN asks about purchases from an unregistered vendor.

ENGMANN replies that the purpose of the vendor registration is that it would put them all on an equal basis.

REP. KLEMIN asks if that would then reinstate that unfairness.

ENGMANN replies that yes it would.

PAM SHARP, OMB

SHARP states that she would like to see added wording to the affect. Work with the agency. The OMB suggests all agencies are required to follow related to the contract. Give us the authority to develop those guide lines and work with the agency. States that this bill needs a lot of work.

REP. KASPER asks how did they get along without this bill? SHARP replies that the performance audit is showing that they pretty much are doing whatever they want to do. That they are not required to bid the contracts.

REP. KASPER asks is the auditors office is responsible for increasing bureaucracy

SHARP replies with a laugh.

REP. HAAS asks about deleting of services, does that mean goods?

SHARP replies that they are deleting reference services. Then propose policies with services.

REP. KASPER do a number of agencies support this bill?

SHARP replies that they did meet with agencies last Tuesday, and maybe 40 or 50 people at the meeting. They were very concerned with the wording in the bill. Which is why they have proposed the amendment. That bill inadvertently could have transferred some judiciary responsibilities to OMB. Which they absolutely do not want.

REP. KASPER asks so as amended they support it?

SHARP replies that she believes they do support it.

REP. KROEBER asks for some examples that she is talking about.

SHARP then proceeds to explain some possibilities.

REP. KROEBER asks if they will then set up the forms within this group? And will you be doing all the deciding who gets the bid?

SHARP replies that absolutely not they will not decide who gets the bid. Only set up some policy and guide lines on how they should go through the contract procedure.

REP. GRANDE states to the committee that she is now going to ask OMB to take this bill back, rework it, rewrite it and bring it back to the committee in a proper form, and at that time she prefers that it does not come through administrative rule.

REP. KLEIN states that he is amazed with the quote that they spent \$99,000,000.00 in contracts for services without any specific guidelines.

GORDY SMITH, STATE AUDITORS OFFICE

SMITH states and talks about the issues that there are no guidelines set up. Talks about the contracts in the past years.

REP. M. KLEIN states that they could work with ENGMANN and SHARP.

STEVE COCHRANE, EXECUTIVE DIRECTOR OF THE RETIREMENT INVESTMENT OFFICE,

COCHRANE states that the bill has some very far reaching implications. They have close to \$ 4 Billion dollars in investments tied up in contracts. COCHRANE supports the amended bill.

ALAN HOBERG, DIRECTOR of the OFFICE of ADMINISTRATIVE HEARING,

HOBERG talks about contracting and if the committee would look at this a little closer.

Page 4  
House Government and Veterans Affairs Committee  
Bill/Resolution Number HB 1125 A  
Hearing Date 01-18-01

In opposition as the bill was drafted:

ILLONA A. JEFFCOAT-SACCO, PUBLIC SERVICE COMMISSION

Please see attached testimony.

CHUCK JOHNSON, INSURANCE DEPARTMENT, ATTORNEY.

JOHNSON supports the amendments but does not support the original drafted bill. Would like an opportunity to look at the amendments.

No action was taken on this day.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1125 B

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/2/01

Tape Number	Side A	Side B	Meter #
1		X	3802-END
2	X		0-67
Committee Clerk Signature <i>Rubin &amp; Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order, with all members present except REP. HUNSKOR.

Action:

Amendments were proposed to the committee. General discussion.

REP. HAAS motioned to accept the amendments, seconded by REP. CLARK, REP. M. KLEIN took a voice vote. The voice vote passed. REP. CLARK then motions for a DO PASS AS AMENDED, seconded by REP. GRANDE. The roll call vote was taken with 14 YES, 0 NO, 1 ABSENT AND NOT VOTING. The CARRIER of the bill is REP KLEMIN.

HB 1125: DO PASS AS AMENDED 14-0

CARRIER: REP. KLEMIN

## FISCAL NOTE

Requested by Legislative Council  
03/19/2001

Bill/Resolution No.:

Amendment to:           Engrossed  
                                  HB 1125

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$55,000			
<b>Appropriations</b>						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The \$55,000 will provide funding for OMB State Procurement Office to hire a consultant to assist with establishing standards and policies and working with the agencies to determine the appropriate standards and policies.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

OMB



Operating Line \$55,000

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	03/20/2001

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/06/2001

Bill/Resolution No.:

Amendment to:            HB 1125

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$55,000			
<b>Appropriations</b>						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The \$55,000 indicated in this fiscal note will provide funding for OMB State Procurement Office to hire a consultant to assist with establishing standards and policies, working with agencies and writing the Administrative Rules.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

OMB:

Operating Line \$55,000

<b>Name:</b>	Pam Sharp	<b>Agency:</b>	OMB
<b>Phone Number:</b>	328-4606	<b>Date Prepared:</b>	02/07/2001

**FISCAL NOTE**  
 Requested by Legislative Council  
 12/26/2000

Bill/Resolution No.: HB 1125

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$132,174			
Appropriations			\$132,174			

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Office of Management and Budget - State Procurement Office

Salaries and Wages \$95,774

Operating 31,400

Equipment 5,000

Includes 1 FTE

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The executive budget recommendation includes an appropriation of \$132,174 in the Office of Management and Budget for this bill

<b>Name:</b>	Pam Sharp	<b>Agency:</b>	OMB
<b>Phone Number:</b>	328-4606	<b>Date Prepared:</b>	12/28/2000

