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La Costa Richardson
Operator's Signature

10/10/03
Date

2003 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1433

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10/6/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1433

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2-06-03

Tape Number	Side A	Side B	Meter #
2	x		0-28.
1		x	19.-end
Committee Clerk Signature <i>Joseph Rinko</i>			

Minutes: Chairman Klein: called the hearing to order on HB 1433. All committee members were present.

Representative Dan Ruby: appeared in support of the bill and also sponsored the bill. There is a new approach to privatization idea that was being tried at the national level. **(SEE ATTACHED TESTIMONY)**.

Representative Winrich: Choice of departments I find to be curious. In the state right now it is in the law to contract services, do you have some evidence to show the directors aren't identifying the services that can be provided by private contractors?

Representative Ruby: no, I'm not a witch hunt for any particular department.

Representative Winrich: what concerns me about your answer, is that you don't know that there might be other areas, and that you guess the state might be saving money by contracting out and so on. I suspect with a little investigation we might be able to answer these questions.

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House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1433
Hearing Date 2-06-03

I would guess that the internal audits ordered in this legislation are going to be rather expensive for these agencies and I don't think we need that added expense.

Representative Sitte: I think the purpose here is a good one, do you have any data at all, have we saved money as in contracting for the bill room?

Representative Ruby: that I'm not sure of.

Representative Amerman: aren't we looking at a tremendous impact on state employees, as in lay offs and state agencies folding up?

Representative Ruby: I don't know if there will be a huge amount of that happening, there maybe some reductions that's kind of the idea of privatization in a way.

Representative Potter: do you have any idea per department for audits because I know they don't come cheap.

Representative Ruby: no I don't, I'm sure they would vary, depending on the size of the department.

Pam Sharp, Interim Director, of OMB: testified in opposition of HB 1433. **(SEE ATTACHED TESTIMONY).**

Representative Kasper: can you define strategic business reasons?

Pam Sharp: I think there is a line that are things so poor to any agency that they need to do that themselves. I am talking about saving money for the tax payers of N.D.

Representative Sitte: do agency heads have any flexibility right now?

Pam Sharp: Yes, they do, they can make that determination right now.

Todd Krand, Kelsch Law Firm: appeared in opposition of HB 1433. The concept of out sourcing and privatization is something that they certainly support, the main concern that we have is,

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House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1433

Hearing Date 2-06-03

professional services cannot be bid out. With respect to the concept we are OK with, but the way it is defined is the bidding, special services are not bid out, and there are other ways to determine what professional services are.

Arvy Smith, Deputy, State Health Officer, N.D. Dept. of Health: appeared in opposition of HB 1433. **(SEE ATTACHED TESTIMONY).**

Curt Wolfe, Chief Information Officer, Director of Technology Dept.: appeared in opposition of HB 1433. In some cases it is not always cheaper, but because we need the services provided by someone else, we don't have the staffing to do it. And we certainly go out and bid for the best provider for those particular services.

Mike Gresler, Deputy Director ITD: appeared in opposition of HB 1433.

Dave Spryncznatyk, Director, of N.D. Dept. of Transportation: appeared in opposition of HB 1433, mainly because we continually monitor the services we provide and that we are responsible for the people of N.D. and we feel that this is going to add to the process and to the expense as well. **(SEE ATTACHED TESTIMONY).**

Elaine Little, Director of the Dept. of Corrections: appeared in opposition of HB 1433. **(SEE ATTACHED TESTIMONY).**

Chris Runge, Executive Director, Public Employees Association: appeared in opposition of HB 1433

The employees benefits, salaries should also be considered when looking at private sector, is the only thing I'd like to add.

Representative Kasper: made a **DO NOT PASS** motion.

Representative Sitte: **SECOND** the motion.

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House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1433
Hearing Date 2-06-03

VOTE: 11 YES 3 NO 0 ABSENT.

Motion carried.

Representative Winrich: will carry the bill to the floor.

Meeting adjourned.

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Yolanda Rickford
Operator's Signature

10/16/03
Date

FISCAL NOTE
 Requested by Legislative Council
 01/21/2003

Bill/Resolution No.: HB 1433

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

We are unable to determine the fiscal impact of this bill.

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.

We are unable to determine the fiscal impact of this bill.

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.

We are unable to determine the fiscal impact of this fund.

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.

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	01/27/2003

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Salvatore Riccardi
 Operator's Signature

10/16/03
 Date

IP

Date: 2-6-03

Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1433

House GOVERNMENT AND VETERANS AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken D.N.P.

Motion Made By Rep. Kasper Seconded By Rep. Sitte

Representatives	Yes	No	Representatives	Yes	No
Chairman M.M. Klein	X		B. Amerman	X	
Vice Chairman B.B. Grande		X	L. Potter	X	
W.R. Devlin		X	C. Williams	X	
C.B. Haas	X		L. Winrich	X	
J. Kasper	X				
L.R. Klemin	X				
L. Meier		X			
M. Sitte	X				
W.W. Tieman	X				
R.H. Wikenheiser	X				

Total (Yes) 11 No 3

Absent - 0 -

Floor Assignment Rep. Winnich

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

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Operator's Signature Yolanda Rickford Date 10/16/03

REPORT OF STANDING COMMITTEE (410)
February 6, 2003 11:46 a.m.

Module No: HR-23-1826
Carrier: Winrich
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1433: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING).
HB 1433 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-23-1826

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Salvatore Riccio
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10/6/03
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2003 TESTIMONY

HB 1433

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Salveta Richardson
Operator's Signature

10/16/03
Date

