

TESTIMONY OF

**Sherry Neas, Shared Services Director, Office of Management and Budget**

Good afternoon, Chairman Heinert and members of the committee. My name is Sherry Neas, Shared Services Director with the Office of Management and Budget (OMB). OMB supports SB 2353.

This bill will create the authority for DPI to directly contract with a regional education association (REA). OMB has a state procurement procedure for approving noncompetitive purchases, called an Alternate Procurement. DPI has submitted several Alternative Procurement Requests to contract for services from REAs. This bill is intended to streamline the procurement process by creating authority in law for DPI to directly contract with an REA without the prior approval of OMB. Essentially, an REA would be treated as a state source of supply to provide services for DPI.

Section 1 of this bill amends North Dakota Century Code (NDCC) 15.1-09.1-02.1 related to REAs. OMB and DPI collaborated with our respective legal counsel regarding the changes to this section of law.

Previous legislation amended this section to allow an REA to provide services to a district that is not a member of the REA. Subsection 2 on lines 18-19 is amended to add language to clarify that legislative intent. Lines 20-21 add a new section, "A regional education association may enter into a contract with the superintendent of public instruction to offer services."

Section 2 of the bill amends that state procurement law in NDCC section 54-44.4-02. This is the section of law that lists exceptions from competitive procurement requirements. This bill creates a new subsection cross-referencing the new law giving DPI authority to contract with REAs under NDCC 15.1-09.1-02.1.

These changes will create clear authority for DPI to obtain services from an REA without justification and approval from OMB. I would like to point out that there are other bills that amend this section of law (HB 1122 and HB 1269), so the Legislative Council will need to reconcile how the three bills interact.

Mr. Chairman and committee members, this concludes my testimony. I ask your support for SB 2353. I would be happy to answer any questions.