

Good Monday Morning Mr. Chairman and members of the Appropriations Committee.

My name is Austen Schauer, D13, West Fargo.

The purpose of **HB 1233** is to provide more **clarity and consistency** as it pertains to the **Emergency Commission**.

Sections 1 and 2 change the **timing** of when the Budget Section may approve a major **higher education improvement project**.

The change comes on **page 2, line 29**, when the deadline for a change relating to any state agency construction project comes **three months** instead of **six months** from the legislative session.

This would allow the Budget Section to consider changes at its **September** meeting.

Sections 3 through 9 relate to the **Emergency Commission, Budget Section** approval process.

- a. **Section 3, page 3, line 20**, deals with the overall authority of the emergency commission.

Special funds are added under **2b**, so they can be accepted in the same way federal funds are accepted.

Regarding the transfer from state contingencies fund under **2c**, instead of the **Emergency Commission** authorizing an agency to expend funds as is currently done, **HB 1233** says the Emergency Commission will authorize a transfer of appropriation authority from the state contingencies fund.

This way the legislative assembly appropriates the funds (detailed later in Section 6 of the bill.)

- b. **Sections 4, 5 and 6** would require Budget Section approval for **all** requests and allow the Budget Section to amend any request.

Section 4 also deals only with a transfer between line items or funds within an agency's appropriation approved by the legislative assembly.

- c. **Section 5**, beginning on **page 5, line 5**, deals with the **acceptance** of federal or special funds, not the **spending** of them.

At times an agency may need to accept a grant even though the funds won't be spent until later.

- d. **Section 6** provides agency requests for additional spending, which will, if approved, result in the transfer of appropriation authority from the emergency commission to the agency making the request.

The emergency commission's available appropriation would **decrease** by the amount approved.

The process would be the same whether it is general funds, special funds or federal funds.

- e. **Section 8** would repeal the provisions as follows:

1. Identifying the approval process for special funds.

The special fund process is combined with the federal funds process, so both are handled the same.

2. Relating to the state contingencies appropriation, (54-16-08) pertinent provisions are contained in 54-16-09.

3. Providing separate approval processes for certain internal service agencies like ITD and Roughrider Industries (54-16-11.1)

Requests from these agencies will be handled like any other agency requests.

- f. In **section 9**, the language provides specific legislative appropriation for state contingencies identifying the amount Emergency Commission and Budget section may approve each biennium for general fund, special funds and federal funds.

This would alleviate constitutional concerns that the Emergency Commission and Budget Section are spending funds **not appropriated** by the Legislative assembly and will allow the legislative assembly to "**set the caps**" each biennium rather than having the caps in statute.

We believe **HB 1233** makes the emergency commission and budget section process more **fluid and flexible** while maintaining legislative control over the number of dollars allocated.

Your **GVA Committee** gave **HB 1233** a **DO PASS** by a 13-0 vote. We now seek your approval.
Thank you, Mr. Chairman.