

2011 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1203

2011 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee
Fort Union Room, State Capitol

HB 1203
January 27, 2011
13557

Conference Committee

Committee Clerk Signature	<i>Carmen Hart</i>
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Explanation or reason for introduction of bill/resolution:

Relating to the authority of the legislative management and the legislative council

Minutes:

Chairman Bette Grande opened the hearing on HB 1203.

Rep. Kenton Onstad, District 4, Parshall, appeared. **Attachment 1.**

Rep. Karen Rohr: Who is responsible for the budget portion of those appropriations?

Rep. Kenton Onstad: Your director of Legislative Council is in charge of those expenditures. What is in question is when we have appropriate legislation and then we deem contracts—it was our contract that we signed in place for our computer system that we are currently using right now—nowhere that it was actually approved by legislative manager. Where the question is, and somebody else brought it to their attention, they use supplemental rules as their defense. I said I disagree with your ___ that supplemental rules could deal with that and you will see some legislation coming forward to somewhat correct that.

Rep. Lisa Meier: Does Legislative Council go before legislative management for any expenditures that they do?

Rep. Kenton Onstad: This Section 54-35-06 for the expenditure funds, they do not go forward there, but they generally, by adoption of supplementary rules, delegate authority to the director to hand delayed bills or other billings for legislative expenses during periods when we are not in session. Although there might be some confusion there. This is a major contract that has been signed in and legislative management which used to be our legislative council really should be told when this is going into effect and so on. It didn't happen. We try and always ask for transparency and openness. I look it as an error. We have in law that says a motion has to be made to delegate some expenditures, and no motion was ever made by legislative management on this particular case.

Rep. Lonny Winrich: Do you happen to have or know the language that is in the supplemental rules?

Rep. Kenton Onstad: Section 6 is supplementary rules—authorizes the director of legislative council to approve expenditures of funds for legislative expenses during periods when the legislative assembly is not in session. The question is legislative expenses is one thing. I agree. They have to order paper. They have to do whatever to carry on normal business, but we have a \$3 ½ million contract. I think it needs warrant and justification to have a motion to sign that contract and to move it forward and not use supplementary rules. I don't believe it was the intent of supplementary rules to do that. I think it was something assumed everybody here was legislative management. Just bring it forward, here's the contract, this is what we are agreeing to, and you can have your questions, and we move forward. There needs to be motions in place.

Vice Chairman Randy Boehning: How was that \$3 ½ million for computers appropriated? Is that it appropriated in a separate bill or in the legislative council's bill? Did we allow legislative council to go ahead and enter into the agreement, the language? I can't remember how that language is stated out in there.

Rep. Kenton Onstad: It was appropriated as part of their budget as they bring forward. So many dollars were set aside for the computer program. We knew the dollars were appropriated. That is not what is in question. To follow current law, I think a motion needs to be made to expenditure that. I am asking that contracts also need to be brought forward to legislative management.

Rep. Bill Amerman: If this bill were to pass and legislative council came to legislative management with something over this \$500,000, would legislative management have the ability to say no or kill it?

Rep. Kenton Onstad: The dollars were appropriated for that. I guess they would have that option to question the contents of a contract to meet the specs. It is something that IT regularly does. They bring it forward to legislative management and procedures. This is where we are at, and those things are duly approved. You should have that ability to look at something before it goes out there and part of transparency.

Rep. Glen Froseth: Does legislative management meet quarterly, monthly, or on a regular schedule? Does the timing sometimes get involved and be a conflict? Who is the chairman? Allen Knudson of the Legislative Council? So these decisions are basically left to one person?

Rep. Kenton Onstad: The director is Jim Smith. In this case Rep. Carlson is the chairman of legislative management, and they sign in the contract. In this particular case legislative management met on the 20th. That was the same day the contract was signed and later moved forward. What was the harm of letting your other management committee duly look at the contract and approve it?

Rep. Glen Froseth: Does the legislative management committee meet quarterly normally?

Rep. Kenton Onstad: Typically, they meet quarterly. They meet right after the session in May and distinguish and go through the portions of what studies are we going to sign and chairmen of all interim committees meet. They meet at the discretion of the chairman.

Rep. Karen Karls: Do you also want the legislative management committee to take part in approving bids or just to be able to look over the contracts before they signed?

Rep. Kenton Onstad: Legislative Council has an exemption. I probably disagree with that too. They do not have to ask for competitive bids. Many times they do, but they do not have to ask for that. If you would like to look at competitive bids, that is up to the discretion of this committee. Right now it is my understanding that they're exempt along with the executive branch.

Rep. Gary Paur: I am unfamiliar with this, but do Lines 15-17 really address your problem?--if the contracts in excess of \$500,000 must be made in accordance with the rules or motions duly approved. If that was approved in the budget, would this address that problem?

Rep. Kenton Onstad: It would address the problem.

There was no one neutral or in opposition to this bill.

The hearing was closed.

2011 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee
Fort Union Room, State Capitol

HB 1203
January 27, 2011 (PM)
13578

Conference Committee

Committee Clerk Signature

Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to the authority of the legislative management and the legislative council

Minutes:

Chairman Bette Grande opened the meeting on HB 1203. This is Rep. Onstad's bill dealing with bids out for legislative management's review.

Rep. Lonny Winrich: As I understand the rules, they talk about expenses. I think certainly there should be some sort of distinction between the office expenses that it takes to run the legislative council. That certainly is an administrative matter for the director and then something like a major contract. We might quarrel about whether it should be at \$500,000 or what but I think it is appropriate to put something like this in here.

Chairman Bette Grande: My take on it is, though, if it has come out of an appropriation and it has already been decided that they are going to put that out, I keep lending back to was this done—did they not change legislative council to legislative management on a particular word? Is there clarity that those two need to meld together on this? I don't know if I have to see it in law for legislative management to know whether or not they preview it, because they can't sign it. Legislative management, means Rep. Carlson right now, signed the contract so it was obviously previewed. It wasn't just legislative council said okay and signed off on that. It was looked at by leadership. I don't know that it has to go in front of the full committee because it actually sees its preview because it has to be signed by somebody other than the office. It cannot go into effect until somebody outside of legislative council signs it.

Rep. Lonny Winrich: I understand what you are saying, and I think that is probably correct. But because Rep. Carlson essentially signs things for legislative management—when you sign a bill, we voted on it as a committee, but you are the only one of us who signs it. Last week we had a bill that said something about being signed by the chair of the legislative management and when I asked the response from Rep. Carlson was that well, yes he was the one who signed off but it was actually discussed by the whole committee.

Chairman Bette Grande: They are probably doing it except maybe on this one particular case where they had this contract.

Rep. Lonny Winrich: Apparently they didn't do it on this computer contract.

Rep. Gary Paur: Would it be proper to ask Rep. Carlson for his opinion?

Chairman Bette Grande: He has given me his opinion. He does not feel that this language is necessary because he previews it or the committee will see the whole thing itself without this language.

Vice Chairman Randy Boehning: Looking at the appropriation bill, SB 2001 from last session, they are allowing for the legislative application replacement system of \$3.9 million. Basically it is in law that we provided the funds for it and so on and so forth. I think there is enough documentation within law that would give them the authority to go ahead with the project. The committee has probably had some insight and knowledge of what was coming up. Everything was done pretty much on the same day when that came about. I think everybody is aware of and they probably could have brought it up at the meeting I am guessing as well.

Chairman Bette Grande: This bill is probably a nice reminder to legislative management. Let us review that, but I don't know that I see that it is necessary to put it in code.

Rep. Roscoe Streyle made a motion for a **Do Not Pass**.

Rep. Mark Sanford seconded the motion.

Rep. Mark Sanford: I was concerned when this was presented just from the standpoint of operations day to day, week to week, and that kind of thing. Also the relationship between an appropriation that has received thorough bidding so to speak and now it seems operationally to me that we are losing some of the naturalness that comes with an appropriation process. That is why I am seconding it.

DO NOT PASS, 10 YEAS, 3 NAYS. Rep. Mark Sanford is the carrier of the bill.

Date: 1-27-11
 Roll Call Vote #: _____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1203

House GOVERNMENT AND VETERAN AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep Streyke Seconded By Rep Sanford

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande	✓		Bill Amerman		✓
Vice Chairman Randy Boehning	✓		Ron Guggisberg		✓
Glen Froseth	✓		Lonny Winrich		✓
Karen Karls	✓				
Lisa Meier	✓				
Gary Paur	✓				
Karen Rohr	✓				
Mark Sanford	✓				
Vicky Steiner	✓				
Roscoe Streyke	✓				

Total (Yes) 10 No 3

Absent 0

Floor Assignment Rep Sanford

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

REPORT OF STANDING COMMITTEE

HB 1203: Government and Veterans Affairs Committee (Rep. Grande, Chairman)
recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING).
HB 1203 was placed on the Eleventh order on the calendar.

2011 TESTIMONY

HB 1203

Testimony HB 1203

Good Morning Chairman Grande and members of Government Affairs Committee

Kenton Onstad, District 4, Parshall

HB 1203 clarifies a section of our supplemental rules governing Legislative Council and Legislative Management.

Expenditure of Funds by Legislative appropriations is not allowed without the approval of Legislative Management is clearly identified in this section.

HB 1203 asks to add language lines 15-16 for the "execution of contracts in excess of \$500,000 "must have the approval of Legislative Management for additional clarification.

Legislative Council uses Supplemental rules to pay bills during the interim. These bills are normal items to continue to operate. Obviously it is needed when we are not in session.

I don't believe it is allowed for major contracts and legislative appropriations. I respectfully disagree with Legislative Council's assertion that appropriated legislation and contracts can be signed and paid without Legislative management motion to approve.

HB 1203 establishes guidelines for Legislative Council to follow

Chairman Grande and members of the GVA committee. I hope you will agree with the change and give HB 1203 a Do Pass. Thank you and I stand for any questions.