

FISCAL NOTE
Requested by Legislative Council
01/23/2017

Bill/Resolution No.: SB 2323

- 1 A. **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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$(826,127)	\$(48,000)		
Appropriations			\$(826,127)	\$(48,000)		

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill prohibits compensation and expense reimbursement for legislators attending any conference or meeting other than meetings of the Legislative Assembly and Legislative Management and their committees during the period beginning August 1, 2017, and ending June 30, 2019.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill prohibits compensation and expense reimbursement for legislators attending any conference or meeting other than meetings of the Legislative Assembly and Legislative Management and their committees during the period beginning August 1, 2017, and ending June 30, 2019. Conferences and meetings for which legislators would not receive compensation and expense reimbursement for attending include those of the National Conference of State Legislatures, Council of State Governments, Energy Council, International Legislators Forum, etc.

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.*

N/A

- 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.*

Legislative Council expenditures are estimated to decrease by \$826,127 from the general fund and \$48,000 from the insurance regulatory trust fund for the 2017-19 biennium. The reduction in expenditures from the insurance regulatory trust fund relates to meetings of the National Conference of Insurance Legislators for which legislators would not be compensated or reimbursed for attending.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Appropriations for the Legislative Council may be reduced by \$826,127 from the general fund and \$48,000 from the insurance regulatory trust fund for the 2017-19 biennium.

Name: Allen Knudson

Agency: Legislative Council

Telephone: 328-2916

Date Prepared: 01/24/2017

2017 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2323

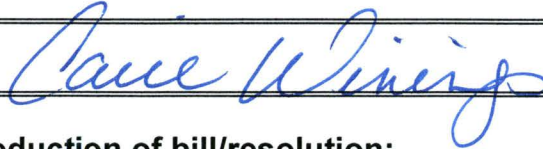
2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Sheyenne River Room, State Capitol

SB 2323
2/2/2017
Job Number 27806

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-03 of the North Dakota Century Code, relating to prohibiting reimbursement of expenses of legislators for attendance at conferences; to amend and reenact section 54-35-10 of the North Dakota Century Code, relating to compensation of members of the legislative assembly; and to provide an expiration date.

Minutes:

Attachments: 1-2

Chairman Poolman: Opened the hearing on SB 2323.

Senator Heckaman, District 23: See Attachment #1 for testimony to explain and in support of the bill.

(1:40) Senator Bekkedahl: I guess my questions goes to the national organizations that we have a presence in the shaping of public policy nationwide and our presence would be missed for those two years; what do we say to the people that bring us back information as well as represent our interest at those assemblies?

Senator Heckaman: There are still opportunities for us to access online and connect with not only the organizations online but with other legislators across the lines. The national conference of state legislators and council of state government both have great online information and you can access information there and you can connect with other legislators there. I think that is still an opportunity given the budget crunch right now. That we should take this two year hold time and find another alternative to connect with those people.

Senator Bekkedahl: I sit on finance and tax and one of the areas is the streamline sales tax issue. I believe our chairman has a national role in that committee. So, we just abrogate that responsibility and say that we are not going to be there? Secondly, how many legislators do we have involved in similar national positions that have been representing our interests that would no longer be able to do this, and where does that put us in the discussions nationwide?

Senator Heckaman: that is a good question. I know that I just recently appointed a number of legislators to CSG and NCSL, however, understanding the fact that when I appoint people

to eight different committees, we only get to send one. We do not get to send everybody to every committee that we get an appointment to. Maybe the majority party does. I know that when you are talking about streamline sales tax, you have an expert in our senate chamber on that. I just think there is really another opportunity for us to access in another way. It does not take away the opportunity for legislators to attend at another organizations expense. If there is a way for an outside agency to pay for this, you could still go to that. This is the ones that the state of North Dakota pays legislators to attend. I think it is an opportunity to be part of a solution here when we are in a budget crunch and we are having a number of stakeholders contact us on a daily basis on things that they need to keep their programs running and we are spending \$850,000 that could be put into other programming.

Senator Bekkedahl: I have never taken any trips so I am not defending my presence in the assembly. I do recognize that there are people out there that legislative management could empower to do things for us that could be beneficial and I don't want to lose the whole process.

(5:30) Senator Oban, District 35: Testified in support of the bill. It is important for legislators to acknowledge that when we are forcing cuts on everyone else, and to acknowledge our attendance at these conferences. We all need to share in cutting the budget and share in the pain. We need to say that we are not above these cuts and that the work of everyone else is as important as what we are doing. For this two year span we need to share in the pain. I think it is important that we do not make hypocrites out of legislators who are making tough cuts to everyone else and that we should make some pretty tough cuts to ourselves.

Senator Bekkedahl: Have you taken any travel?

Senator Oban: I have gone on one trip to NCSL last summer and I think in going to that I can speak first hand to acknowledging the information that we gather, but that for 2 years maybe we don't.

Senator Bekkedahl: What that for the BUILD program?

Senator Oban: No, that was for NCSL.

Senator Bekkedahl: Have you gone to BUILD and was that at legislative expense?

Senator Oban: I think most of that was covered by a stipend from CSG. I have gone and I do recognize the information that is gathered. I do not want to minimize those opportunities and this does not take legislative council off of attending those things but I think that this is a good way where we can chip in.

Chairman Poolman: For those people that are officers or are chairing committees, do they have to quit?

Senator Oban: You don't have to quit. You can pay your own way or get sponsorships. We do that kind of stuff all the time. It does not have to be funded by the taxpayers. I do not think that our trips are more important than the entire positions that we are cutting from the budget. We need to show that we are willing to chip in on that pain.

(9:20) Senator Holmberg, District 17: Testified in neutral capacity on the bill. See Attachment #2 for a chart that shows what has occurred in our appropriations in the agencies. (Walked through chart. (11:40)) This bill focuses on the money that is not in legislative assembly but the legislative council. All travel is done out of the legislative council budget, and we have reduced since the last biennium the amount of money and we are working on the budget now. I do not have a problem with the bill and it gives good conversation. I think when you look at a state agency, you should not focus on one aspect of that. It is a balancing act and there are many different portions of the legislative budget and legislative council. The legislature itself is hard to make a lot of cuts because it is practically all people. Every time the legislature is in town that is roughly \$80,000 for each day that we meet. It is difficult to change that is to reduce that is to have less legislative days. When we put together the budget, we estimate that we will have 77 legislative days. The legislative council includes the interim committees, mileage, motels, out of state travel, etc. We have quite a few folks that are national leaders. The election took away the person that was going to become the chairman of the Council of State Governments. We have nationally recognized leaders in health services, healthcare, energy, insurance, redistricting, etc. Senator Cook is going to be chairman for Streamline Sales Tax. When we put together the budget, we look at the two major organizations that we are involved in, NCSL and CSG, and we decide on the total number that will attend (we have reduced that down), and it is done on a strictly percentage basis of the party breakdown. The leaders decide the people and I approve them. I wanted you to be aware of these numbers and how the Legislative Assembly and the Legislative Council do not have to apologize for how we have managed. As the people's branch of government, we need to be aware of what is going on in the world. (Gave an example.) In the budget so far we have reduced an FTE by not filling a vacant position, we have cut out of state travel, we have cut most of the areas about 10%, and we continue to work on the budget. Like so many other budgets, when you are so people intent, there is not much we can do. We have done a lot to reduce the cost during the interim by scheduling interim committee meetings back to back to reduce mileage – that is costly. We have also discussed making interim committees smaller to reduce costs and not being so accommodating on committee choices. In the last two interims the legislators have been accommodated on their choices, and maybe we can't do that to reduce the numbers. I am not for or against the bill but we need the discussion. I hope that we don't zero in on one aspect.

(19:30) Senator Bekkedahl: With your extensive experience, do you think with that level of experience that you have found having abilities to react versus legislation that shuts the door to that ability; which would you prefer?

Senator Holmberg: I would want to continue the dialogue. I think it is important that you still are able to have face to face meetings. When you are on the phone or video I do not think you get the same understanding that you get in person. there is one thing that I think you should think about is the option of having legislators pay their own way. I am not sure if you want a business paying a legislator's way. I think there is a safety valve for the people when you are not out hocking your wares in order to attend a conference. There are those that go to events and they pay their own way. (Gave an example of sending a delegation to the national inauguration in the past because it cost about \$23,00).

Senator Marcellais: How many trips have you gone on?

Senator Holmberg: I have no idea. I have gone on some. More as chairman of legislative management then before I was chairman.

Chairman Poolman: You talked about having back to back meetings during the interim, can you talk about other cost savings that were put into place during the interim?

Senator Holmberg: We have also tried to have committees that involved the same people or topic on the same day. The chairs would work together to reduce the meetings.

Chairman Poolman: I know that you also requested for us to start later in order to save on hotel rooms. They could drive in, have the meeting, and then drive home on the same day.

Senator Holmberg: Some can't, but it did help with some expenses.

Chairman Poolman: No further testimony. Closed the hearing on SB 2323.

2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Sheyenne River Room, State Capitol

SB 2323
2/2/2017
Job Number 27815

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-03 of the North Dakota Century Code, relating to prohibiting reimbursement of expenses of legislators for attendance at conferences; to amend and reenact section 54-35-10 of the North Dakota Century Code, relating to compensation of members of the legislative assembly; and to provide an expiration date.

Minutes:

No Attachments

Chairman Poolman: Opened SB 2323 for committee discussion. Senator Heckaman expressed her concerns that not enough democrats are attending these meetings. Senator Holmberg explained that it is a percentage of what you have in the chamber. Senator Heckaman mentioned that we have a lot of budget cuts and Senator Holmberg pointed out that we have a lot of other ways that we are trying to save money as well as the fact that legislative council is doing much better in terms of making those cuts than any other branch of government that we have going right now.

Senator Bekkedahl: I firmly believe that the flexibility should be there. I think legislative management and leadership does a good job of doing what they do now. They have obviously reacted to what is before us. I certainly do not want to lose the opportunity to engage nationally on significant issues. I cannot imagine that we would have chairmanships on some of these significant national committees that would not be able to attend meetings.
Moved a Do Not Pass.

Senator Meyer: Seconded.

Chairman Poolman: Asked for discussion.

Senator Meyer: I want to follow up on Senator Bekkedahl's point. We do have a lot of change going on in the national political spectrum. There are going to be a lot of opportunities that we need to be engaged in.

A Roll Call Vote Was Taken: 4 yeas, 1 nay, 1 absent.

Motion Carried.

Senator Poolman will carry the bill.

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2323**

Senate Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Bekkedahl Seconded By Meyer

Senators	Yes	No	Senators	Yes	No
Chairman Poolman	✓		Senator Marcellais		✓
Vice Chairman Davison	Ab				
Senator Bekkedahl	✓				
Senator Meyer	✓				
Senator Vedaa	✓				

Total (Yes) 4 No 1

Absent 1

Floor Assignment Poolman

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

REPORT OF STANDING COMMITTEE

SB 2323: Government and Veterans Affairs Committee (Sen. Poolman, Chairman)
recommends **DO NOT PASS** (4 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING).
SB 2323 was placed on the Eleventh order on the calendar.

2017 TESTIMONY

SB 2323

SB 2323

SENATOR JOAN HECKAMAN

Chairman and members of the committee:

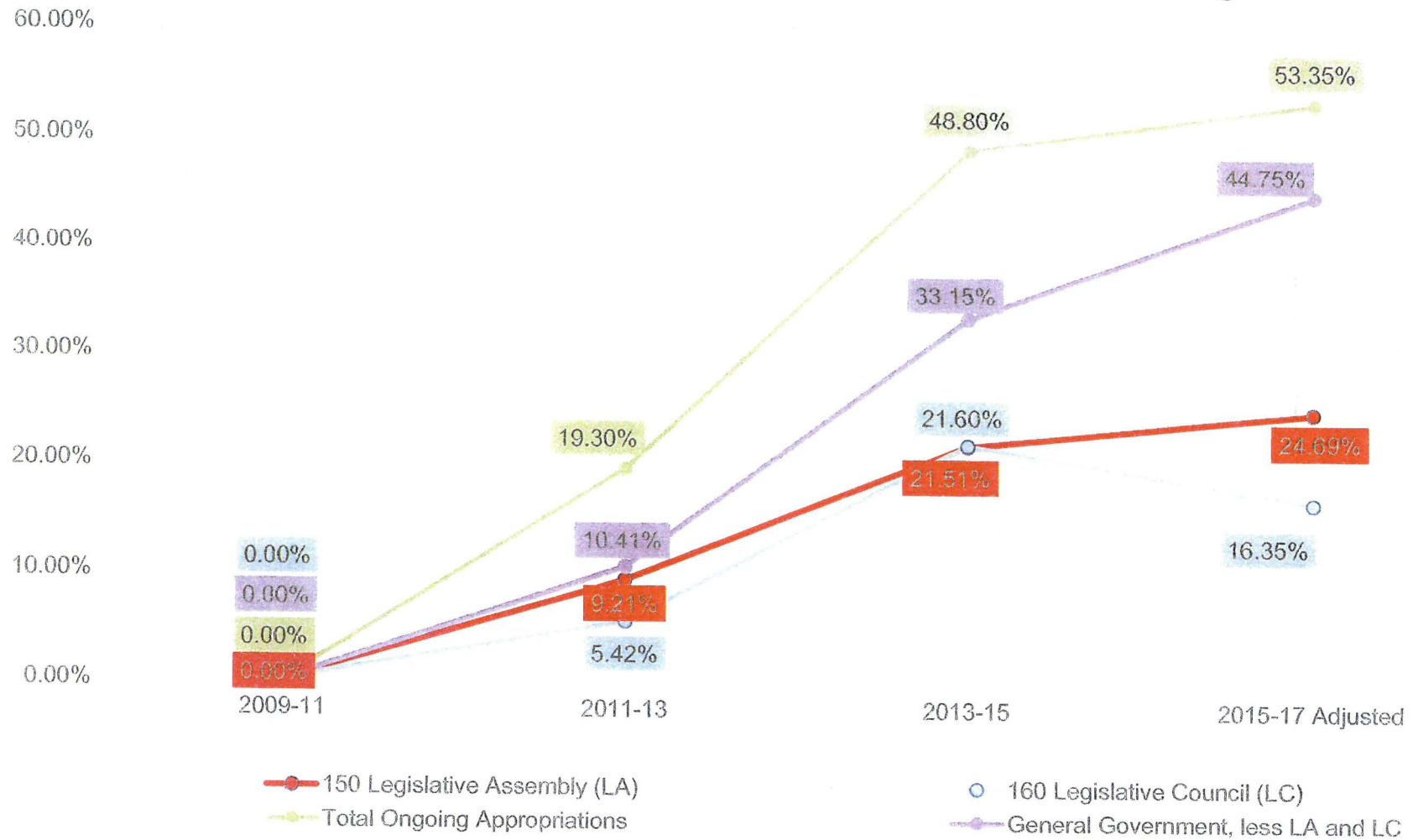
I am Senator Joan Heckaman from District 23 and I am here today to present SB 2323 to you. This bill is intended to place a 2 year hold on all out of state travel by legislators to meetings for National Conference of State Legislatures, Council of State Governments, Energy Council and International Legislators Forum.

This is only a 2 year hold. As you can see, the fiscal note indicates a savings of \$850,000 for the state over that 2-year period. I have attended several of these meetings, and while they are engaging and informative, now is the time for us as legislators to be part of the budget crunch solution.

We can still access information on line through these organizations mentioned above.

I would encourage you to have a good discussion about the merits of this 2 year hold and move this out of committee with a Do Pass Recommendation.

Cumulative Ongoing General Fund Appropriations Changes



SB 2323 2-2-17 #2