2025 HOUSE EDUCATION

HB 1269

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

HB 1269
2/12/2025

Relating to procurement exemptions.

4:00 p.m. Chairman Heinert called the hearing to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- Teacher curriculum
- Educational technology tools
- Procurement requirements
- Proposed amendments
- Virtual delivery of education
- Educational content
- Contracts with CDE

4:00 p.m. Vice Chairman Schreiber- Beck introduced the bill and submitted testimony. #37267 #37268 #37472

4:04 p.m. Dr. Alyssa Martin, State Director, ND Center for Distance Education, CDE, testified in favor and submitted testimony. #37254

4:11 p.m. Chad Keech, Procurement Officer of the Shared Services Division, Office of Management and Budget, OMB, testified in favor and submitted testimony. #37198

4:13 p.m. Chairman Heinert closed the hearing.

4:14 p.m. Representative Heilman to adopt amendment 25.0966.01001.

4:14 p.m. Representative Hatlestad seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	Y
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	A
Representative Doug Osowski	Y

Motion carried: 13-0-1

4:15 p.m. Representative Marchall moved a Do Pass as amended

4:15 p.m. Representative Heilman seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	Y
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	A
Representative Doug Osowski	Y

Motion carried: 13-0-1

Bill carrier: Vice Chair Schreiber- Beck

4:17 p.m. Chairman Heinert adjourned the meeting.

Leah Kuball, Committee Clerk

25.0966.01001
Title.02000

Prepared by the Legislative Council
staff for Representative Schreiber-Beck
February 10, 2025

2-12-25
JB 1 of 4

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1269

Introduced by

Representative Schreiber-Beck

A BILL for an Act ~~to create and enact a new section to chapter 15-19 of the North Dakota Century Code, relating to the exemption of the North Dakota center for distance education from forms management requirements; and~~ to amend and reenact ~~section~~sections 54-44.4-02 and 54-44.6-02 of the North Dakota Century Code, relating to procurement exemptions and an exemption from forms management requirements for the North Dakota center for distance education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~**SECTION 1.** A new section to chapter 15-19 of the North Dakota Century Code is created and enacted as follows:~~

~~**Exemption from forms management requirements.**~~

~~The North Dakota center for distance education is exempt from the forms management requirements under chapter 54-44.6.~~

SECTION 1. AMENDMENT. Section 54-44.4-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-02. Office of management and budget purchasing services.

1. The office of management and budget shall purchase or lease or otherwise arrange for the procurement, for all state agencies and institutions in the executive branch of state government, all materials, furniture, fixtures, printing, insurance, services, and other commodities. The International Peace Garden may participate in the

JG 2 of 4

procurement authorized by this section. The following commodities and services, however, are not subject to the procurement requirements of this chapter:

~~1.~~a. Land, buildings, space, or the rental thereof.

~~2.~~b. Telephone and telegraph service and electrical light and power services.

~~3.~~c. Public books, maps, periodicals, resource materials, and technical pamphlets.

~~4.~~d. Department of transportation materials, equipment, and supplies in accordance with section 24-02-16.

~~5.~~e. Procurements by the industrial commission for energy-related programs under chapters 17-05, 54-17.5, 54-17.6, 54-17.7, 54-63, and 54-63.1 and under those statutes in title 38 authorizing the industrial commission to perform well and hole pluggings, reclamation work, equipment removal, leak prevention, and similar work.

~~6.~~f. Services for the maintenance or servicing of equipment by the manufacturer or authorized servicing agent of that equipment when the maintenance or servicing can best be performed by the manufacturer or authorized service agent, or when such a contract would otherwise be advantageous to the state.

~~7.~~g. Emergency purchases the office of management and budget or a purchasing agency cannot make within the required time and which involve public health or public safety, or when immediate expenditures are necessary for repairs of state property to protect it against further loss or damage, or to prevent or minimize serious disruption in state services.

~~a.~~(1) Emergency purchases made under this subsection must treat all bidders fairly and promote competition as is practicable under the circumstances;

~~b.~~(2) The procurement file must contain a written determination of:

~~(1)~~(a) The basis for the emergency; and

~~(2)~~(b) The basis for the selection of the particular contractor.

~~c.~~(3) If the emergency circumstances warrant a noncompetitive purchase, the office of management and budget or the purchasing agency shall document within the procurement file a written determination of the basis for the noncompetitive purchase, including the circumstances that justified the noncompetitive purchase.

~~d.~~(4) If the emergency purchase is subject to federal funding reimbursement, the office of management and budget or the purchasing agency shall ensure the procurement procedures and documentation are adequate to satisfy requirements for federal reimbursement.

~~e.~~(5) If time allows, emergency purchases for commodities under this subsection may require a sample for use in determining whether an offered product meets specifications.

~~8.~~h. Commodities and services costing less than a specified amount as determined by written directive by the director of the office of management and budget.

~~9.~~i. Specified commodities and services as determined by written directive by the director of the office of management and budget.

~~10.~~j. Employee benefit services, trust-related services, and investment management services obtained by an agency with a fiduciary responsibility regarding those services. Nothing in this subsection may be construed to allow an agency to create or renew a contract perpetually and without limitation.

~~11.~~k. Services to extract, tow, store, and dispose of abandoned or submerged vehicles as defined in chapter 23.1-15.

~~12.~~l. Contracts by the agriculture commissioner for agricultural market news services under cooperative agreements with the United States department of agriculture, ombudsmen for pipeline restoration under section 4.1-01-17, environmental impact mitigation services under section 4.1-01-21.1, ombudsmen for wind property issues under section 4.1-01-23, weed control inspection agents under section 4.1-14-02, and hemp testing under section 4.1-18.1-04.2.

~~13.~~m. Contracts by the state auditor for audits of computer systems under section 54-10-29.

~~14.~~n. Contracts by the attorney general with experts under section 10-33-145.

~~15.~~o. Contracts by the department of health and human services for online virtual mental health and suicide prevention simulation-based training programs under subsection 28 of section 50-06-05.1 and brain injury informal supports under section 50-06.4-07.

p. ~~Purchases made~~Contracts by the North Dakota center for distance education for ~~technology and~~ educational content, educational technology tools, and related services for virtual delivery of education to ~~deliver~~students in kindergarten through grade twelve ~~education and related services virtually~~.

2. All purchases made by the office of management and budget or a state agency or institution to which authority to purchase has been delegated by the office of management and budget must be made in accordance with this chapter, rules adopted under this chapter, and written policies of the office of management and budget.

SECTION 2. AMENDMENT. Section 54-44.6-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.6-02. Definitions.

As used in this chapter, unless the context or subject matter otherwise requires:

1. "Agency" means any department, office, commission, board, or other unit, however designated, of the executive branch of state government. The term does not include the North Dakota center for distance education.
2. "Form" means any document designed to record information and containing blank spaces and which may contain headings, captions, boxes, or other printed or written devices to guide the entry and interpretation of the information.

REPORT OF STANDING COMMITTEE
HB 1269

Education Committee (Rep. Heinert, Chairman) recommends **AMENDMENTS (25.0966.01001)** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1269 was placed on the Sixth order on the calendar.

NORTH Dakota | Management and Budget
Be Legendary.

Testimony in Support
House Bill No. 1269
House Education
February 12, 2025

TESTIMONY OF
Chad Keech, State Procurement Officer, Shared Services Division

Good afternoon, Chairman Heinert and members of the committee. My name is Chad Keech, State Procurement Officer within the Office of Management and Budget (OMB).

OMB supports HB 1269 and appreciates the opportunity to collaborate on the proposed amendment with the bill sponsor, Representative Schreiber-Beck, Dr. Martin of the Center for Distance Education (CDE), and the North Dakota Information Technology Department (NDIT). The proposed amendment is attached to my testimony.

In 2013, OMB granted the CDE a procurement exemption for curriculum in a written OMB directive. At that time, curriculum was copy-righted printed materials. In the fall of 2024, CDE and OMB realized that the exemption was out-date. Now, courses are virtual with online content. This bill moves the exemption for the CDE into law and modernizes the language.

Section 1 of the bill, as introduced, created an exemption from forms management requirements for the CDE. The original language amended the CDE law, North Dakota Century Code (NDCC) Chapter 15-19. The amendment is needed to move the exemption into the Forms Management law, NDCC Chapter 54-44.6. This change was coordinated with the sponsor, NDIT and CDE.

The amendment deletes the original Section 1 and creates a new Section 2 (page 4 of the amendment). The amendment changes the definition of agency to exclude the CDE which effectively exempts them from forms management requirements.

Section 2 of the bill, as introduced, amended state procurement law, NDCC Chapter 54-44.4, to exempt the CDE from procurement requirements for technology and educational content to deliver education virtually.

The amendment is needed because the original language would have broadly exempted CDE from all technology requirements. The proposed amendment changes Section 2 to narrow the exemption to “education content, educational technology tools, and related services.”

HB 1122 also amends this section of procurement law to make it clear that an exemption from procurement competition requirements does not create an exemption from state laws related to information technology in NDCC chapter 54-59 and related information technology standards.

OMB supports this bill, as amended. This bill streamlines processes to enable the CDE to select curriculum and technology tools needed to delivery online courses while ensuring compliance with state IT requirements.

Mr. Chairman and committee members, this concludes my testimony. I ask your support for HB 1269 with the proposed amendment. I would be happy to answer any questions.

Prepared by the Legislative Council
staff for Representative Schreiber-Beck
February 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1269

Introduced by

Representative Schreiber-Beck

A BILL for an Act ~~to create and enact a new section to chapter 15-19 of the North Dakota Century Code, relating to the exemption of the North Dakota center for distance education from forms management requirements; and~~ to amend and reenact ~~section~~sections 54-44.4-02 and 54-44.6-02 of the North Dakota Century Code, relating to procurement exemptions and an exemption from forms management requirements for the North Dakota center for distance education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~**SECTION 1.** A new section to chapter 15-19 of the North Dakota Century Code is created and enacted as follows:~~

~~**Exemption from forms management requirements.**~~

~~The North Dakota center for distance education is exempt from the forms management requirements under chapter 54-44.6.~~

SECTION 1. AMENDMENT. Section 54-44.4-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-02. Office of management and budget purchasing services.

1. The office of management and budget shall purchase or lease or otherwise arrange for the procurement, for all state agencies and institutions in the executive branch of state government, all materials, furniture, fixtures, printing, insurance, services, and other commodities. The International Peace Garden may participate in the

procurement authorized by this section. The following commodities and services, however, are not subject to the procurement requirements of this chapter:

~~1.~~a. Land, buildings, space, or the rental thereof.

~~2.~~b. Telephone and telegraph service and electrical light and power services.

~~3.~~c. Public books, maps, periodicals, resource materials, and technical pamphlets.

~~4.~~d. Department of transportation materials, equipment, and supplies in accordance with section 24-02-16.

~~5.~~e. Procurements by the industrial commission for energy-related programs under chapters 17-05, 54-17.5, 54-17.6, 54-17.7, 54-63, and 54-63.1 and under those statutes in title 38 authorizing the industrial commission to perform well and hole pluggings, reclamation work, equipment removal, leak prevention, and similar work.

~~6.~~f. Services for the maintenance or servicing of equipment by the manufacturer or authorized servicing agent of that equipment when the maintenance or servicing can best be performed by the manufacturer or authorized service agent, or when such a contract would otherwise be advantageous to the state.

~~7.~~g. Emergency purchases the office of management and budget or a purchasing agency cannot make within the required time and which involve public health or public safety, or when immediate expenditures are necessary for repairs of state property to protect it against further loss or damage, or to prevent or minimize serious disruption in state services.

~~a.~~(1) Emergency purchases made under this subsection must treat all bidders fairly and promote competition as is practicable under the circumstances;

~~b.~~(2) The procurement file must contain a written determination of:

~~(1)~~(a) The basis for the emergency; and

~~(2)~~(b) The basis for the selection of the particular contractor.

~~c.~~(3) If the emergency circumstances warrant a noncompetitive purchase, the office of management and budget or the purchasing agency shall document within the procurement file a written determination of the basis for the noncompetitive purchase, including the circumstances that justified the noncompetitive purchase.

~~d.~~(4) If the emergency purchase is subject to federal funding reimbursement, the office of management and budget or the purchasing agency shall ensure the procurement procedures and documentation are adequate to satisfy requirements for federal reimbursement.

~~e.~~(5) If time allows, emergency purchases for commodities under this subsection may require a sample for use in determining whether an offered product meets specifications.

~~8.~~h. Commodities and services costing less than a specified amount as determined by written directive by the director of the office of management and budget.

~~9.~~i. Specified commodities and services as determined by written directive by the director of the office of management and budget.

~~10.~~j. Employee benefit services, trust-related services, and investment management services obtained by an agency with a fiduciary responsibility regarding those services. Nothing in this subsection may be construed to allow an agency to create or renew a contract perpetually and without limitation.

~~11.~~k. Services to extract, tow, store, and dispose of abandoned or submerged vehicles as defined in chapter 23.1-15.

~~12.~~l. Contracts by the agriculture commissioner for agricultural market news services under cooperative agreements with the United States department of agriculture, ombudsmen for pipeline restoration under section 4.1-01-17, environmental impact mitigation services under section 4.1-01-21.1, ombudsmen for wind property issues under section 4.1-01-23, weed control inspection agents under section 4.1-14-02, and hemp testing under section 4.1-18.1-04.2.

~~13.~~m. Contracts by the state auditor for audits of computer systems under section 54-10-29.

~~14.~~n. Contracts by the attorney general with experts under section 10-33-145.

~~15.~~o. Contracts by the department of health and human services for online virtual mental health and suicide prevention simulation-based training programs under subsection 28 of section 50-06-05.1 and brain injury informal supports under section 50-06.4-07.

p. ~~Purchases made~~Contracts by the North Dakota center for distance education for ~~technology and~~ educational content, educational technology tools, and related services for virtual delivery of education to ~~deliver~~students in kindergarten through grade twelve ~~education and related services virtually~~.

2. All purchases made by the office of management and budget or a state agency or institution to which authority to purchase has been delegated by the office of management and budget must be made in accordance with this chapter, rules adopted under this chapter, and written policies of the office of management and budget.

SECTION 2. AMENDMENT. Section 54-44.6-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.6-02. Definitions.

As used in this chapter, unless the context or subject matter otherwise requires:

1. "Agency" means any department, office, commission, board, or other unit, however designated, of the executive branch of state government. The term does not include the North Dakota center for distance education.
2. "Form" means any document designed to record information and containing blank spaces and which may contain headings, captions, boxes, or other printed or written devices to guide the entry and interpretation of the information.

NORTH Dakota | Center for Distance Education
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Date: 2/12/2025

Testimony in Support of HB 1269

House Education Committee

Chair Heinert and distinguished members of the House Education Committee:

For the record, my name is Dr. Alyssa Martin, and I serve as the state director of the North Dakota Center for Distance Education (NDCDE). We strongly support this legislation and consider it essential to our continued ability to grow and quickly innovate. We are grateful to the bill sponsor, Representative Schreiber-Beck, for bringing it forward.

Before outlining the provisions of this bill, it is important to clarify what it **does not do**. This bill does not exempt NDCDE from ensuring that the technology and digital content used within our school undergo third-party security audits. We are still required to submit all technology contracts to the North Dakota Information Technology Department (NDIT) for review before moving forward with a vendor. This bill does not exempt NDCDE from state contract rules—we remain obligated to comply with all state contracting standards, with our legal counsel reviewing each contract. Finally, it does not allow NDCDE to exceed its budget or spending authority. We must continue to operate within the appropriations we receive and the tuition revenue we are authorized to spend. Our past spending trends demonstrate our commitment to operating efficiently and responsibly.

This bill primarily **does two things**:

- It exempts NDCDE from meeting OMB procurement requirements for the purchase of educational content, educational technology, and related services needed to deliver instruction in our asynchronous, virtual learning environment.
- It exempts NDCDE from state form requirements.

The first exemption is necessary for two reasons: (1) to accelerate the contracting process and (2) to account for the limited pool of vendors that meet NDCDE's unique needs. With regard to item one, even when a contract falls below the competitive purchasing thresholds, the contracting process currently takes three to six months. If alternative procurement approval is required for major purchases, this timeline extends even further. Given that some of our students are only enrolled for five weeks and educational technology evolves rapidly, prolonged procurement delays risk making resources outdated before they can even be implemented. To put this into perspective, within the last year alone, we have had two major updates to our learning management system (LMS) and 140 updates to our digital curricula. Given how quickly our environment changes, if we extend the purchasing process too long, we may need to start over by the time all required approvals are obtained.

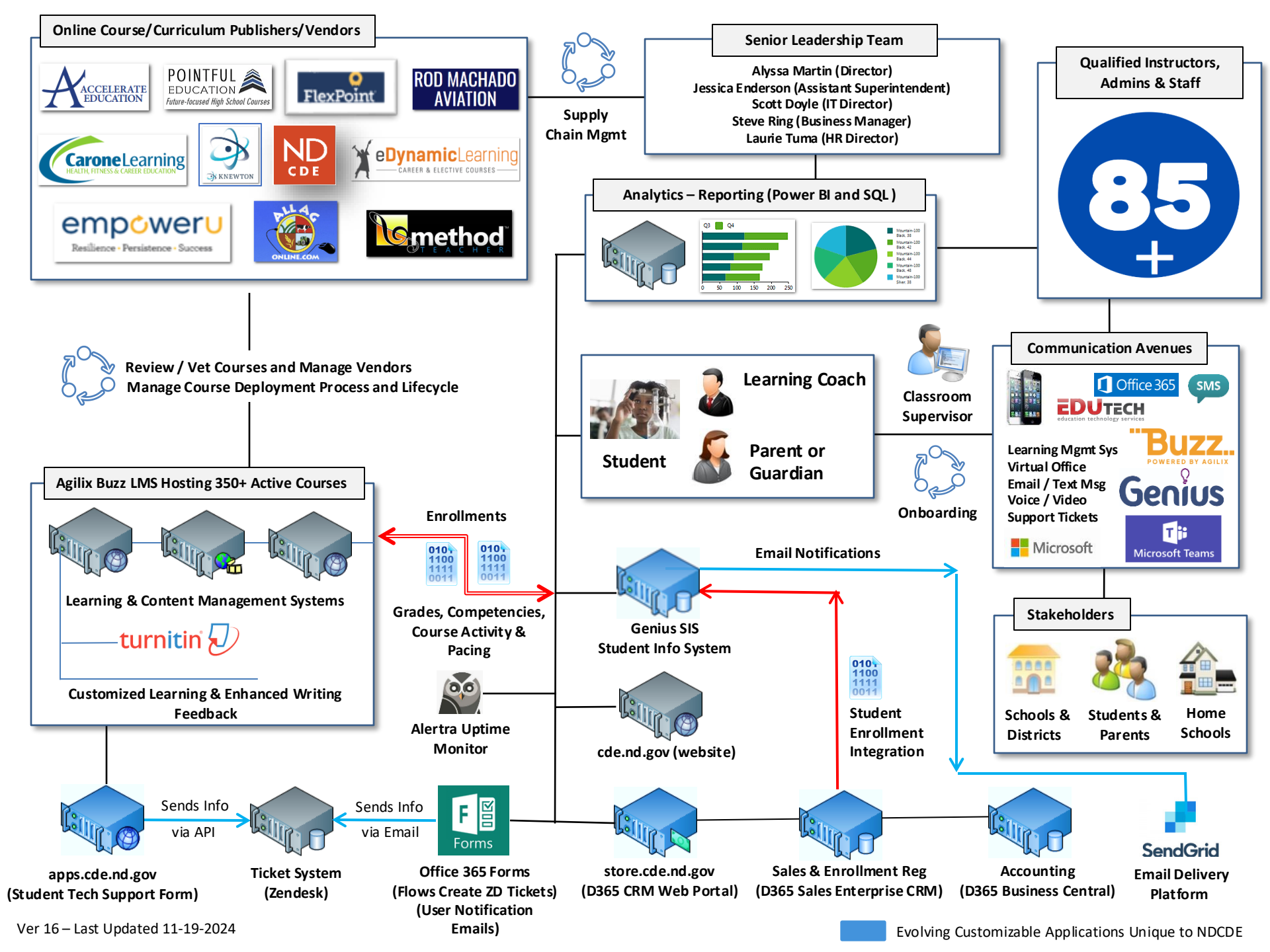
Additionally, NDCDE's content and technology needs are highly specialized, limiting vendors. Only a handful of K-12 curriculum vendors offer seamless integration into our LMS—ensuring that students can complete their coursework without logging into multiple platforms. Among those vendors, content quality varies by subject area. NDCDE's subject matter experts and curriculum technology team carefully evaluate these options to determine which vendor offers the best educational content for each course. In a similar vein, sometimes only certain technology integrates into our complex technology ecosystem. For example, we are currently working on integrating an AI tutoring solution in our LMS.

Only one product created by our LMS vendor integrates. The contracting exemption in HB 1269 will allow us to select the highest-quality educational resources more efficiently without unnecessary bureaucratic delays of trying to secure reasonable quotes from other vendors or bid competitively when no competition exists.

The second exemption—removing NDCDE from state form requirements—is critical because of how the state defines a "form." According to existing regulations, a form is: "Any document designed to record information and containing blank spaces and which may contain headings, captions, boxes, or other printed or written devices to guide the entry and interpretation of the information." NDIT has extended this definition to electronic forms, imposing specific formatting requirements. Under this definition, nearly every student assignment or assessment within our LMS could be considered a "form." However, while our LMS is fully accessible and designed for educational use, it cannot be modified to conform to state form requirements—nor should it be. Requiring SFN numbers for assignments and tests would create significant delays in updating course materials, and in many cases, our LMS cannot be adjusted to meet state form layout requirements. This exemption ensures that our educational assessments remain flexible and responsive to student learning needs without being hindered by unrelated state form regulations.

In conclusion, this bill streamlines procurement to better serve NDCDE students and ensures that state form rules do not interfere with academic coursework. These exemptions will allow NDCDE to continue providing high-quality, innovative online education to North Dakota’s students while remaining accountable, transparent, and fiscally responsible.

We urge the committee’s support and passage of this legislation.


Online Course/Curriculum Publishers/Vendors
Supply Chain Mgmt
Senior Leadership Team
Alyssa Martin (Director)
Jessica Enderson (Assistant Superintendent)
Scott Doyle (IT Director)
Steve Ring (Business Manager)
Laurie Tuma (HR Director)
Qualified Instructors, Admins & Staff
85+
Analytics – Reporting (Power BI and SQL)
Review / Vet Courses and Manage Vendors
Manage Course Deployment Process and Lifecycle
Learning Coach
Student
Parent or Guardian
Classroom Supervisor
Onboarding
Communication Avenues
Learning Mgmt Sys
Virtual Office
Email / Text Msg
Voice / Video
Support Tickets
Agilix Buzz LMS Hosting 350+ Active Courses
Learning & Content Management Systems
Customized Learning & Enhanced Writing Feedback
Enrollments
Grades, Competencies, Course Activity & Pacing
Alertra Uptime Monitor
Genius SIS Student Info System
Email Notifications
cde.nd.gov (website)
Student Enrollment Integration
Stakeholders
Schools & Districts
Students & Parents
Home Schools
Sends Info via API
Sends Info via Email
apps.cde.nd.gov (Student Tech Support Form)
Ticket System (Zendesk)
Office 365 Forms (Flows Create ZD Tickets) (User Notification Emails)
store.cde.nd.gov (D365 CRM Web Portal)
Sales & Enrollment Reg (D365 Sales Enterprise CRM)
Accounting (D365 Business Central)
SendGrid
Email Delivery Platform
Ver 16 – Last Updated 11-19-2024
Evolving Customizable Applications Unique to NDCDE

HB1269 Testimony 2/12/25 4PM

Chairman Heinert

The amended HB 1269 – (25.0966.01001) is a bill to allow the Center for Distance Education (CDE) to better serve students by changing the Office of Management and Budget (OMB) purchasing services for the Center for Distance Education. This bill eliminates the OMB procurement requirement for "contracts by the North Dakota center for distance education for educational content, educational technology tools, and related services for virtual delivery of education to students in kindergarten through grade twelve". (p. 4 lines 1-4)

Additionally in Section 2, (p. 4) under definitions, the term agency does not include the North Dakota center for distance education.

Representatives from the Center for Distance Education and the Office of Management and Budget will further explain the amended bill and the benefits.

I would appreciate your favorable consideration of the amended version of HB1269.

Cynthia Schreiber-Beck, District 25 Representative

House Bill No. 1531

House Agriculture Committee Hearing January 30, 2025 10:30AM

Chairman Beltz

The reason for House Bill No. 1531:

Data is necessary to continue advocating for irrigation and water conveyance for production agriculture in North Dakota. As an example: a study was completed in Nebraska targeting the lack of irrigation; the state was leaving $11Billion on the table.

The Bill: (amended version 25.1245.01001)

- Directs the Commissioner of Agriculture to contract with a consultant to study the potential benefits of:
  - Increased irrigation
  - Improved water conveyance
  - Ramification of failing to construct and implement irrigation infrastructure as originally designed under the Pick-Sloan Flood Control Act of 1944
  - Economic contribution between irrigated land and nonirrigated land
  - The economic contribution between using subsurface water management systems and land not using subsurface water management systems
  - And any other additional factors that would improve and expand irrigation

Funding Requested:

$75,000

I am requesting your favorable consideration of House Bill No. 1531.

25.0966.01001
Title.

Prepared by the Legislative Council
staff for Representative Schreiber-Beck
February 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1269

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BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~**SECTION 1.** A new section to chapter 15-19 of the North Dakota Century Code is created and enacted as follows:~~

~~**Exemption from forms management requirements.**~~

~~The North Dakota center for distance education is exempt from the forms management requirements under chapter 54-44.6.~~

SECTION 1. AMENDMENT. Section 54-44.4-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-02. Office of management and budget purchasing services.

1. The office of management and budget shall purchase or lease or otherwise arrange for the procurement, for all state agencies and institutions in the executive branch of state government, all materials, furniture, fixtures, printing, insurance, services, and other commodities. The International Peace Garden may participate in the

procurement authorized by this section. The following commodities and services, however, are not subject to the procurement requirements of this chapter:

~~1.~~a. Land, buildings, space, or the rental thereof.

~~2.~~b. Telephone and telegraph service and electrical light and power services.

~~3.~~c. Public books, maps, periodicals, resource materials, and technical pamphlets.

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~~(2)~~(b) The basis for the selection of the particular contractor.

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~~8.~~h. Commodities and services costing less than a specified amount as determined by written directive by the director of the office of management and budget.

~~9.~~i. Specified commodities and services as determined by written directive by the director of the office of management and budget.

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~~15.~~o. Contracts by the department of health and human services for online virtual mental health and suicide prevention simulation-based training programs under subsection 28 of section 50-06-05.1 and brain injury informal supports under section 50-06.4-07.

p. ~~Purchases made~~Contracts by the North Dakota center for distance education for ~~technology and~~ educational content, educational technology tools, and related services for virtual delivery of education to ~~deliver~~students in kindergarten through grade twelve ~~education and related services virtually~~.

2. All purchases made by the office of management and budget or a state agency or institution to which authority to purchase has been delegated by the office of management and budget must be made in accordance with this chapter, rules adopted under this chapter, and written policies of the office of management and budget.

SECTION 2. AMENDMENT. Section 54-44.6-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.6-02. Definitions.

As used in this chapter, unless the context or subject matter otherwise requires:

1. "Agency" means any department, office, commission, board, or other unit, however designated, of the executive branch of state government. The term does not include the North Dakota center for distance education.
2. "Form" means any document designed to record information and containing blank spaces and which may contain headings, captions, boxes, or other printed or written devices to guide the entry and interpretation of the information.

2025 SENATE EDUCATION

HB 1269

2025 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

HB 1269
3/25/2025

Relating to procurement exemptions and an exemption from forms management requirements for the North Dakota center for distance education.

9:35 a.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

Discussion Topics:

- Educational content and technology
- State form requirements
- Streamlines the process

9:35 a.m. Representative Schreiber-Beck, District #25, introduced the bill and submitted testimony #43738.

9:37 a.m. Dr. Alyssa Martin, State Director ND Center for Distance Education, testified in favor and submitted testimony #43694.

9:43 a.m. Chad Kee, Procurement Division, State Procurement Officer Office of Management and Budget, testified in favor and submitted testimony #43660.

9:46 a.m. Chairman Beard closed the hearing.

Susan Helbling, Committee Clerk

NORTH Dakota Be Legendary. | Management and Budget

Testimony in Support
House Bill No. 1269
Senate Education
March 25, 2025

TESTIMONY OF
Chad Keech, State Procurement Officer, Shared Services Division

Good afternoon, Chairman Beard and members of the Senate Education committee. My name is Chad Keech, State Procurement Officer within the Office of Management and Budget (OMB).

OMB supports HB 1269 and appreciates the opportunity to collaborate on the amendment with the bill sponsor, Rep. Schreiber-Beck, Dr. Martin of the Center for Distance Education (CDE), and the North Dakota Information Technology Department (NDIT).

In 2013, OMB granted the CDE a procurement exemption for curriculum. At that time, curriculum was copyrighted printed materials. In the fall of 2024, CDE and OMB realized that the exemption was outdated. Courses are now virtual with online content. This bill moves the exemption for the CDE into law and modernizes the language.

Section 1 of the engrossed bill amends state procurement law, N.D.C.C. chapter 54-44.4, to exempt the CDE from procurement requirements for technology and educational content to deliver education virtually. The House amendment was needed because the bill as introduced would have broadly exempted CDE from all technology requirements. The engrossed bill creates a specific procurement exemption for "education content, educational technology tools, and related services."

HB 1122, which has already passed the House & Senate, also amends this section of procurement law to make it clear that an exemption from procurement competition requirements does not create an exemption from state laws related to information technology in N.D.C.C. chapter 54-59 and related information technology standards.

Section 2 of the engrossed bill creates an exemption from forms management requirements for the CDE. The original language amended the CDE law, N.D.C.C. chapter 15-19. The House amendment was needed to move the exemption into the Forms Management law, N.D.C.C. chapter 54-44.6. The engrossed bill amends the definition of agency to exclude the CDE which effectively exempts them from forms management requirements.

The engrossed bill streamlines processes to enable the CDE to select curriculum and technology tools needed to delivery online courses while ensuring compliance with state IT requirements.

Mr. Chairman and committee members, this concludes my testimony. I ask your support for HB 1269 with the proposed amendment. I would be happy to answer any questions.

NORTH Dakota | Center for Distance Education
Be Legendary.™

Date: 03/25/2025

Testimony in Support of HB 1269

House Education Committee

Chair Beard and distinguished members of the Senate Education Committee:

For the record, my name is Dr. Alyssa Martin, and I serve as the state director of the North Dakota Center for Distance Education (NDCDE). We strongly support this legislation and consider it essential to our continued ability to grow and quickly innovate. We are grateful to the bill sponsor, Representative Schreiber-Beck, for bringing it forward.

Before outlining the provisions of this bill, it is important to clarify what it does not do. This bill does not exempt NDCDE from ensuring that the technology and digital content used within our school undergo third-party security audits. We are still required to submit all technology contracts to the North Dakota Information Technology Department (NDIT) for review before moving forward with a vendor. This bill does not exempt NDCDE from state contract rules—we remain obligated to comply with all state contracting standards, with our legal counsel reviewing each contract. Finally, it does not allow NDCDE to exceed its budget or spending authority. We must continue to operate within the appropriations we receive and the tuition revenue we are authorized to spend. Our past spending trends demonstrate our commitment to operating efficiently and responsibly.

This bill primarily does two things:

- It exempts NDCDE from meeting OMB procurement requirements for the purchase of educational content, educational technology, and related services needed to deliver instruction in our asynchronous, virtual learning environment.
- It exempts NDCDE from state form requirements.

The first exemption is necessary for two reasons: (1) to accelerate the contracting process and (2) to account for the limited pool of vendors that meet NDCDE's unique needs. With regard to item one, even when a contract falls below the competitive purchasing thresholds, the contracting process currently takes three to six months. If alternative procurement approval is required for major purchases, this timeline extends even further. Given that some of our students are only enrolled for five weeks and educational technology evolves rapidly, prolonged procurement delays risk making resources outdated before they can even be implemented. To put this into perspective, within the last year alone, we have had two major updates to our learning management system (LMS) and 140 updates to our digital curricula. Given how quickly our environment changes, if we extend the purchasing process too long, we may need to start over by the time all required approvals are obtained.

Additionally, NDCDE's content and technology needs are highly specialized, limiting vendors. Only a handful of K-12 curriculum vendors offer seamless integration into our LMS—ensuring that students can complete their coursework without logging into multiple platforms. Among those vendors, content quality varies by subject area. NDCDE's subject matter experts and curriculum technology team carefully evaluate these options to determine which vendor offers the best educational content for each course. In a similar vein, sometimes only certain technology integrates into our complex technology ecosystem. For example, we are currently working on integrating an AI tutoring solution in our LMS.

Only one product created by our LMS vendor integrates. The contracting exemption in HB 1269 will allow us to select the highest-quality educational resources more efficiently without unnecessary bureaucratic delays of trying to secure reasonable quotes from other vendors or bid competitively when no competition exists.

The second exemption—removing NDCDE from state form requirements—is critical because of how the state defines a "form." According to existing regulations, a form is: "Any document designed to record information and containing blank spaces and which may contain headings, captions, boxes, or other printed or written devices to guide the entry and interpretation of the information." NDIT has extended this definition to electronic forms, imposing specific formatting requirements. Under this definition, nearly every student assignment or assessment within our LMS could be considered a "form." However, while our LMS is fully accessible and designed for educational use, it cannot be modified to conform to state form requirements—nor should it be. Requiring SFN numbers for assignments and tests would create significant delays in updating course materials, and in many cases, our LMS cannot be adjusted to meet state form layout requirements. This exemption ensures that our educational assessments remain flexible and responsive to student learning needs without being hindered by unrelated state form regulations.

In conclusion, this bill streamlines procurement to better serve NDCDE students and ensures that state form rules do not interfere with academic coursework. These exemptions will allow NDCDE to continue providing high-quality, innovative online education to North Dakota’s students while remaining accountable, transparent, and fiscally responsible.

We urge the committee’s support and passage of this legislation.

HB1269 Introduction and Testimony March 25 9:30AM

Chair: Senator Beard Senate Education Committee

Engrossed HB 1269 (25.0966.02000) is a bill to allow the Center for Distance Education (CDE) to better serve students by changing the Office of Management and Budget (OMB) purchasing services for the Center for Distance Education. This bill eliminates the OMB procurement requirement for "contracts by the North Dakota center for distance education for educational content, educational technology tools, and related services for virtual delivery of education to students in kindergarten through grade twelve". (p. 3 lines 22-24)

Additionally in Section 2, (p. 4) under definitions, the term agency does not include the North Dakota center for distance education.

Representatives from the Center for Distance Education and the Office of Management and Budget will further explain the bill and the benefits.

I would appreciate your favorable consideration of Engrossed HB1269.

Respectfully submitted by Cynthia Schreiber-Beck

2025 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

HB 1269
3/25/2025

Relating to procurement exemptions and an exemption from forms management requirements for the North Dakota center for distance education.

10:17 a.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

Discussion Topics:

- Committee Action

10:18 a.m. Senator Wobbema moved Do Pass.

10:18 a.m. Senator Axtman seconded the motion.

Senators	Vote
Senator Todd Beard	Y
Senator Randy D. Lemm	Y
Senator Michelle Axtman	Y
Senator Josh Boschee	Y
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 6-0-0

Senator Axtman will carry the bill.

10:20 a.m. Chairman Beard closed the hearing.

Susan Helbling, Committee Clerk

REPORT OF STANDING COMMITTEE
ENGROSSED HB 1269 (25.0966.02000)

Education Committee (Sen. Beard, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1269 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.