2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2131

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2131

Senate (Government a	and \	/eterans	Affairs	Committee

Check here for Conference Committee

Hearing Date: 01/08/09

Recorder Job Number: 6738

Committee Clerk Signature

Minutes:

Chairman Dever: Chairman of the Government and Veterans Affairs Committee brought the committee to order on SB 2131.

Attendance was taken indicating all members were present.

Chairman Dever: Who do we have to introduce the bill? Director of Central Services, I believe.

Sherry Neas. Director of Central Services for the Office of Management and Budget (see attached testimony #1)

Chairman Dever: Sherry, can this E waste be recycled now at the landfill?

Sherry Neas: No it cannot. The State is a large user and generates too much waste and it is considered hazardous material.

Chairman Dever: Is there not a new facility at the landfill includes recycling E waste.

Sherry Neas: OMB has been talking to the City of Bismarck and they have a contract with a 3rd party who disposes of E waste at the cost of \$.25 to \$.30/per pound. OMB plans to seek cost effective way to dispose of E waste.

Senator Horne: Agencies are paying \$.25 to \$.30/per pound you would now charge \$.05/ per pound. Cover costs. Would you go get this or would they bring it to you. How would this work?

Page 2

Senate Government and Veterans Affairs Committee

Bill/Resolution No. 2131 Hearing Date: 1/8/09

Senator Horne: Agencies are paying \$.25 to \$.30/per pound you would now charge \$.05/ per

pound. Cover costs. Would you go get this or would they bring it to you. How would this work?

Sherry Neas: State agencies would deposit their waste would be charge the handling charge

plus whatever the direct cost of the E waste recycling.

Chairman Dever: I would imagine that it is not like it was a few years ago when somebody

upgraded their computer that there would be charitable organizations are looking to make a 2nd

use of those.

Sherry Neas: does receive and make use of those a lot of computers to school and non

profits. The issues are the really obsolete computers.

Chairman Dever: Is there anyone else to testify in support of 2131? Anyone in position to SB

2131? Anyone to testify neutrally to SB 2131? With that we will close the public hearing on SB

2131.

Senator Cook: Motion to Do Pass on SB 2131

Senator Oehlke: Second.

FISCAL NOTE

Requested by Legislative Council

03/16/2009

Amendment to: SB 2131

1A. 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.

	2007-2009	Biennium	2009-2011	Biennium	2011-2013 Biennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues	\$0	\$0	\$0	\$4,000	\$0	\$4,500	
Expenditures	\$0	\$0	\$0	\$4,000	\$0	\$4,500	
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	

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

2007	2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

2A. **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 gives OMB authority to establish a program for recycling and disposing of unsaleable surplus property and to collect services charges from the department, agency, institution, or political subdivision to cover direct and reasonable expenses.

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.

Section 1, page 1 line 24 and page 2, lines 1-4.

- 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.

Revenues are estimated. State Surplus will bill agencies and political subdivisions to cover direct and reasonable costs for recycle/disposal of unsalable property. (Disposal rate estimated at approximately \$500/truckload, plus handling and administrative costs.)

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.

The expenditure estimates are based upon estimated volumes of electronic waste received by State Surplus Property, from state agencies and political subdivisions. E-waste disposal is currently approximately 25 cents per pound based upon rates currently paid by other government entities in ND. Under this program, costs are estimated at approximately \$500/truckload, plus handling and administrative costs.

2009-11 Est. 80,000 lbs = \$4,000 2011-13 Est. 90,000 lbs = \$4,500

OMB will seek to establish a statewide contract that state agencies, higher education, and political subdivisions could use to achieve a reduced e-waste disposal rate.

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 is also included in the executive budget or relates to a

continuing appropriation.

No additional appropriations are required; however, agencies could be billed for the disposal of their unsalable property to be paid from existing appropriations.

Name:	Sherry Neas	Agency:	ОМВ	
Phone Number:	328-1726	Date Prepared:	03/16/2009	

FISCAL NOTE

Requested by Legislative Council 01/06/2009

REVISION

Bill/Resolution No.: SB 2131

1A. 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.

	2007-2009	Biennium	2009-2011	Biennium	2011-2013 Biennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues	\$0	\$0	\$0	\$24,000	\$0	\$27,000	
Expenditures	\$0	\$0	\$0	\$24,000	\$0	\$27,000	
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	

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

2007-2009 Biennium			2009	2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

2A. **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 gives OMB authority to establish a program for recycling and disposing of unsaleable surplus property and to collect services charges from the department, agency, institution, or political subdivision from which the property was received to cover direct and reasonable expenses.

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.

Section 1, page 1 lines 23-24 and page 2, lines 1-3.

- 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.

Revenues are estimated. State Surplus will bill agencies to cover direct and reasonable costs for recycle/disposal of unsalable property. (Disposal rate estimated at \$.25/pound plus estimated \$.05/pound handling.)

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.

The expenditure estimates are based upon estimated volumes of electronic waste received by State Surplus Property, from state agencies. E-waste disposal is estimated at approximately 25 cents per pound based upon rates currently paid by other government entities in ND. State Surplus handling costs are estimated at \$.05/pound.

2009-11 Est. 80,000 lbs = \$24,000 2011-13 Est. 90,000 lbs = \$27,000

OMB would seek to establish a statewide contract that state agencies, higher education, and political subdivisions could use to achieve a reduced per pound disposal rate.

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 is also included in the executive budget or relates to a

continuing appropriation.

No additional appropriations are required; however, agencies could be billed for the disposal of their unsalable property to be paid from existing appropriations.

Name:	Sherry Neas	Agency:	ОМВ	
Phone Number:	701-328-1726	Date Prepared:	12/31/2008	

FISCAL NOTE

Requested by Legislative Council 12/23/2008

Bill/Resolution No.:

SB 2131

1A. 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.

· [2007-2009 Biennium		2009-2011	Biennium	2011-2013 Biennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	
Expenditures	\$10,000	\$0	\$20,000	\$0	\$0	\$22,500	
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	

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

Į	2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium			
	School		School]		School			
l	Counties	Cities	Districts	Counties	Cities	Districts	Counties	Cities	Districts	
ĺ	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

2A. **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 gives OMB authority to establish a program for recycling and disposing of unsaleable surplus property and to collect services charges from the department, agency, institution, or political subdivision from which the property was received to cover direct and reasonable expenses.

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.

Section 1, page 1 lines 23-24 and page 2, lines 1-3.

- 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.

None

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.

The expenditure estimates are based upon estimated volumes of electronic waste received by State Surplus Property, from state agencies. E-waste disposal is estimated at approximately 25 cents per pound based upon rates currently paid by other government entities in ND.

2007-09 Est. 40,000 lbs = \$10,000 2009-11 Est. 80,000 lbs = \$20,000 2011-13 Est. 90,000 lbs = \$22,500

OMB would seek to establish a statewide contract that state agencies, higher education, and political subdivisions could use to achieve a reduced per pound disposal rate.

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 is also included in the executive budget or relates to a continuing appropriation.



No additional appropriations are required; however, agencies could be billed for the disposal of their electronic waste to be paid from existing appropriations.

Name:	Sherry Neas	Agency:	OMB
Phone Number:	701-328-1726	Date Prepared:	12/31/2008

	1-B-O9	
Date:	1-0.01	
Roll Call Vote #:	4	
Nois Casi Vole #.		

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO.

Senate Government and Veterans	Affairs			Com	mittee
☐ Check here for Conference C	ommitte	ee			
Legislative Council Amendment Nur	-				
Action Taken Do Pass					
Motion Made By Sen Cook		Se	econded By	blke	-
Senators	Yes	No	Senators	Yes	No
Dick Dever Dave Oehlke Robert M. Horne	\frac{1}{\sqrt{1}}		Dwight Cook Carolyn Nelson		
Total Yes <u>5</u> Absent Floor Assignment If the vote is on an amendment, brief					

REPORT OF STANDING COMMITTEE (410) January 9, 2009 10:45 a.m.

Module No: SR-03-0138 Carrier: Cook Insert LC: Title:

REPORT OF STANDING COMMITTEE

SB 2131: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2131 was placed on the Eleventh order on the calendar.

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2131

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Senate Bill 2131

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 2/27/2009

Recorder Job Number: 9838

Committee Clerk Signature

Minutes:

Vice Chairman Randy Boehning: Open the hearing on SB 2131. Clerk read the title.

Sherry Neas, Director, OMB, Central Services Division: Testimony. See Attachment # 1.

Vice Chairman Randy Boehning: Any questions for Ms. Neas?

Rep. Kasper: Are there not current private sector companies that can dispose of the waste from the Government entities across the State?

Sherry Neas: There are currently private sector disposals, what we plan to do is a contract and establish a program so that we can get similar full truckloads to handle the disposals. But yes, we would ultimately be using similar private sector E-waste disposal companies.

Vice Chairman Randy Boehning: One of the questions I have is that you are talking about E-waste, computers and so forth, is there not a market out there to

Bill/Resolution No. Senate Bill 2131

Hearing Date: 2/27/2009

sell this, I know that there is a guy in my hometown that buys the computers, strips them down, melts them down, and gets the gold and copper out of them. He actually pays for them, so why would we want to pay someone to take this stuff when they are getting the money out of it, especially gold at a \$1,000 an ounce right now?

Sherry Neas: What we are talking about is the equipment that has already been put up for public sale and has not been saleable. It is also things like broken copiers. There are people that do come and buy these but in the end we still amass a considerable quantities of broken and very obsolete computer equipment that no one is buying. That is the same of higher education that these institutions are having to dispose of the bigger older monitors, nobody wants them and so we have been having to pay to have E-waste recyclers to insure that they are properly disposed of.

Rep. Froseth: In our little small business we have a corner in the back room full of E-waste, old computers and stuff that we don't know what to do with, do you have a big black hole somewhere in the Capital here so we can get rid of it?

Sherry Neas: Until fairly recently we were taking it to the landfill, until last May 2008, since that time the landfill is no longer accepting it. So we have amassed pallets and pallets full, we have a truckload right now waiting, so this is very timely, and talking with higher education they have had to pay thousands and

Hearing Date: 2/27/2009

thousands of dollars to get rid of their E-waste and we really do think that if we collaborate and create this contractual vehicle we will be able to help out the higher education State Agencies and the cities.

Rep. Nathe: How soon are you going to be able to get this program up and running if this bill were to pass?

Sherry Neas: Usually legislation has an effective date of August 1, we would have a contractual vehicle in place much sooner than that, but we would like to do it as soon as possible. What the bill does for state surplus property is it allows you to charge that fee. Because State Surplus Property is self-sustaining they don't receive any general fund money at all so they need to be able to earn enough money to pay for their overhead costs and to this point, at 25 cents a pound, they need to generate enough revenue to recuperate some expenses. In answer to your question, this bill would usually have the effective date, we didn't put an emergency clause in it, but we would certainly entertain that. We are going to be up and running as soon as we can be.

Rep. Meier: When you have State Surplus how long does it stay in reserve until you guys acquire it?

Sherry Neas: We really don't have any way of knowing about the little stock piles. The state law says that the agencies must report there surplus property to

us, but it is very conceivable that there'd be some stockpiling at the agency level before it is turned in to us.

Rep. Meier: So there is not a time period that they actually have to have it reported to you after it is not usable anymore?

Sherry Neas: No there is no time limit, it is just accepted that the ultimate disposal is the responsibility of OMB.

Rep. Winrich: Sherry I would just like to make sure that I understand the process for the surplus property and my understanding is that when the State Agency has some property that is considered surplus that it can't use, it first of all offers it to other State Agencies, and then if no other agency claims it, it goes to public auction and then if doesn't sell at public auction it becomes the stuff that you need to get rid of. Is that correct?

Sherry Neas: There are two types of surplus property, there is Federal and State. The Federal surplus property is only ever made available to political subdivisions unless it goes to a public auction. State property is made available immediately to the government entities and the public.

Rep. Winrich: So what we are talking about here is the stuff that has been through public auction and nobody bid on it?

Sherry Neas: It would not be a public auction but it is made publicly available. Immediately when the surplus property receives property it is entered into an

House Government and Veterans Affairs Committee

Bill/Resolution No. Senate Bill 2131

Hearing Date: 2/27/2009

inventory which is posted online and so it is made available to public sales. After a period when it is determined non-saleable that is when it moves into the category of E-waste.

Rep. Nathe: It states in here in the bill that you can assess and collect service charges from different agencies and departments. Do you have an idea how much that would be, what kind of cost that would be?

Sherry Neas: We had estimated that it would be about a 5% surcharge over what we pay. We are just now seeing the results of the audit fee today and we were really wowed at the rates that we received the fee. Again we were paying 25 cents a pound, so for a 30,000 lb truckload that's about \$7500. The rate that we receive is like \$500 per truckload. It appears then that this will be very reasonable, the fees that will be assessed. There will be a coordination fee, of course, because State Surplus property needs to coordinate stops in several cities to get a truckload because that rate would be contingent upon truckload quantities of E-waste.

Rep. Wolf: When a State agency starts charging to dispose of old computers and printers that come from a different agencies, when an agency acquires your equipment does that agency have to find that money within their budget or does the State have a plan that computers and printers and things are replaced after so many years automatically or do the State Agencies have to pay for those?

Bill/Resolution No. Senate Bill 2131

Hearing Date: 2/27/2009

Sherry Neas: ITD establishes vibram as the current replacement cycle for computers and it is a 4-year replacement cycle. So the agencies do have to find the money for replacements within their own budget.

Vice Chairman Randy Boehning: One question I have is when you are selling this and all of sudden instead of \$500 a truckload and pretty soon they say they are going to pay you \$600 a truckload, what are you going to do with the money then, do you give it back to the agencies then or just you going to put it into the budget and lower your prices?

Sherry Neas: This is actually our third attempt at a contract and that is what we thought that there was value in this and that is why the RP 's were unsuccessful because the vendor communities told us "no, there is a charge", and again the City of Bismarck currently has a very robust recycling E-waste program and they are paying that 25 cents and so is NDSU and UND. We are currently offering online that which is not sold through the public sales is really E-waste and we really do have to pay to have it disposed of.

Vice Chairman Randy Boehning: Any other questions? Favor of? Against? Close the hearing on SB 2131.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One SB 2131

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 3/5/2009

Recorder Job Number: 10252

Committee Clerk Signature

Minutes:

Committee Work One:

Chairman Grande: We will have discussion on SB 2131.

Vice Chairman Randy Boehning: Let them contract for services for recycling disposable property and charging a fee to the agency of 25 to 55 cents a pound for E-waste disposal.

Rep. Froseth: I have a note here that says we should add an Emergency Clause.

Vice Chairman Randy Boehning: We did have some discussion on that.

Chairman Grande: Did Ms. Neas bring that up as an amendment? She

suggested it. Is that a motion Rep. Froseth?

Rep. Froseth: Motion for an Emergency Clause to be added.

Rep. Wolf: 2nd.

Chairman Grande: Motion for an Emergency Clause to be added by Rep.

Froseth, 2nd by Rep. Wolf, all in favor say I. Favor: I. Consent. All.

House Government and Veterans Affairs Committee Bill/Resolution No. Committee Work One SB 2131

Hearing Date: 3/5/2009

Chairman Grande: We have an amended bill in front of us.

Rep. Winrich: Move a Do Pass As Amended.

Rep. Wolf: 2nd.

Chairman Grande: Move a Do Pass As Amended by Rep. Winrich, 2nd by Rep.

Wolf.

Vice Chairman Randy Boehning: Does that have to be re-referred to

appropriations for the \$24,000?

Chairman Grande: This is a revenue bill though. Discussion? Clerk will call the

roll on a Do Pass As Amended.

Clerk Erhardt: Roll Call: Yes: 13. No: 0. Absent: 0. Carrier: Rep. Dahl.

Adopted by the Government and Veterans Affairs Committee March 5, 2009

VR 3/5/69

PROPOSED AMENDMENTS TO SENATE BILL NO. 2131

Page 1, line 2, after "property" insert "; and to declare an emergency"

Page 2, after line 17, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

Date: 3	15	10	?	
Roll Call Vote #:				

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO.

House Government and Veterans Affairs									
☐ Check here for Conference C	Commit	te e		_					
Legislative Council Amendment Nur	mber		7						
Action Taken S S S S S S S S S S S S S S S S S S S									
Motion Made By Win Rich Seconded By									
Representatives	Yes	No	Representatives	Yes	No				
Chairman Grande	V		Rep. Amerman	1/					
Vice Chairman Boehning	1/		Rep. Conklin	IV.					
Rep. Dahl	1/		Rep. Schneider	V					
Rep. Froseth			Rep. Winrich						
Rep. Karls	V,		Rep. Wolf						
Rep. Kasper	V_			-					
Rep. Meier		-							
Rep. Nathe									
				+					
									
									
Total (Yes)		No	0						
Floor Assignment									
If the vote is on an amendment, briefly	indicate	intent:							

REPORT OF STANDING COMMITTEE (410) March 6, 2009 3:44 p.m.

Module No: HR-40-4260 Carrier: Dahl

Insert LC: 98085.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2131: Government and Veterans Affairs Committee (Rep. Grande, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2131 was placed on the Sixth order on the calendar.

Page 1, line 2, after "property" insert "; and to declare an emergency"

Page 2, after line 17, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2009 TESTIMONY

SB 2131

SB 2131 Testimony

Presented by: Sherry Neas, Director

OMB, Central Services Division

Before: Senator Dick Dever, Chairman

Government and Veterans Affairs

Date: January 8, 2009

Chairman Dever and members of the committee, my name is Sherry Neas. I am the director of the Office of Management and Budget, Central Services Division.

OMB is responsible for managing the state and federal surplus property. OMB State Surplus receives property from state agencies and political subdivisions. State Surplus then makes that property available to other state agencies, political subdivisions, and eligible nonprofit organizations. State Surplus is a self-supporting activity. It charges reasonable fees to cover its operating costs for redistributing state and federal property.

Sometimes, State Surplus receives property that cannot be sold. Equipment may be old, obsolete or broken. State Surplus Property must then recycle or dispose of this property. For example, electronic waste is broken or unwanted electrical or electronic devices, such as old computers, printers, copiers, and computer monitors. Electronic waste is considered to be potentially hazardous waste and can no longer be disposed of in the landfill. There are companies that recycle and dispose of E-waste, and they charge fees for their services. This legislation is to enable State Surplus to recover its disposal costs.

SB 2131 amends state laws related to State Surplus Property to allow OMB to establish a recycling and disposal program for unsalable surplus property and to collect service charges to cover direct and reasonable costs for this service.

This bill has a fiscal note. The exact revenues and expenditures of this program are unknown at this time. The fiscal note is based upon estimated e-waste volumes and current disposal costs. OMB contacted other government entities and higher education institutions in North Dakota, and they are paying between \$.25 - .30/per pound for e-waste disposal. State Surplus anticipates charging agencies approximately .05/lb to cover its transportation and handling costs. This bill does not request any additional appropriation. Agencies would pay for disposal costs from their existing appropriations.

This bill will enable OMB to recoup its costs for properly disposing of unsalable property. This program would be available to political subdivisions, schools, and institutions of higher education. Our vision is to create a program that enables any government entity in North Dakota to dispose of their electronic waste in a way that is environmentally responsible and cost effective.

This concludes my testimony. I will be happy to answer any questions you may have.

SB 2131 Testimony

Attachment

Presented by: Sherry Neas, Director

OMB, Central Services Division

Before:

Representative Grande, Chairman

Government and Veterans Affairs

Date:

February 27, 2009

Chairman Grande and members of the committee, my name is Sherry Neas. I am the director of the Office of Management and Budget, Central Services Division.

OMB is responsible for managing the state and federal surplus property. OMB State Surplus receives property from state agencies and political subdivisions. State Surplus then makes that property available to other state agencies, political subdivisons, and eligible nonprofit organizations. State Surplus is a self-supporting activity. It charges reasonable fees to cover its operating costs for redistributing state and federal property.

Sometimes, State Surplus receives property that cannot be sold. Equipment may be old, obsolete or broken. State Surplus Property must then recycle or dispose of this property. Electronic waste is broken or unwanted electrical or electronic devices, such as old computers, printers, copiers, and monitors. Electronic waste is considered to be potentially hazardous waste and can no longer be disposed of in the landfill. There are companies that recycle and dispose of E-waste, and they charge fees for their services.

SB 2131 amends state laws related to State Surplus Property to allow OMB to establish a recycling and disposal program for unsalable surplus property and to collect service charges to cover direct and reasonable costs for this service.

This bill has a fiscal note. This bill does not request any additional appropriation. Agencies would pay for disposal costs from their existing appropriations. State Surplus would charge fees to cover its direct and reasonable costs. The exact revenues and expenditures of this program are unknown at this time. The fiscal note is based upon estimated E-waste volumes and current disposal costs. OMB has collaborated with other government entities and higher education institutions in North Dakota, and they are paying between \$.25 - .30/per pound for E-waste disposal. State Procurement has conducted a Request for Proposal to select a statewide E-waste Contract. There will be considerable savings under a statewide E-waste program. This program would be available to ND political subdivisions, schools, and institutions of higher education.

Our vision is to create a program that enables any government entity in North Dakota to dispose of their unsaleable property in a way that is environmentally responsible and cost effective. This concludes my testimony. I will be happy to answer any questions you may have.