

Good afternoon, Chair Roers and members of the Senate State and Local Government committee, my name is Mike Lefor, and I represent District 37 - Dickinson in the House of Representatives. Today, I bring HB 1233 to you for your consideration.

This bill deals with certain provisions in code regarding the emergency commission and the Budget Section committee. The emergency commission is comprised of the Governor, Secretary of State, Senate Majority Leader, House Majority Leader and chairs of the appropriations committee from the House and the Senate.

This group meets on a quarterly basis to go over funding requests and to be able to work with funding grants received during the interim. I am a strong believer that the legislative assembly has the sole discretion of allocating dollars and fund state government. However, due to the fact the legislature meets every two years, situations occur which are not contemplated during the session.

The fires in the western part of the state is a perfect example of something totally unexpected and was not included in the various state agencies budgets. Every action taken by the emergency commission must be ratified at the next meeting of the Budget Section committee. This bill, while technical in nature, provides flexibility and improved flows in the process.

First, sections 1 and 2 change the timing of when the Budget Section may approve a major higher education improvement project paid for with donated funds (Section 1) or a change to the scope or an increase in expenditures relating to any state agency construction or improvement project (Section 2) from not within six months of the convening of a regular legislative session to not within 3 months. This would allow the Budget Section to consider any of these items at its September meeting prior to session.

Next, Sections 3 through 9 relate to the Emergency Commission/Budget Section approval process. These sections provide a specific legislative appropriation for state contingencies identifying the amounts the Emergency Commission and Budget Section may approve each biennium for general fund, special funds and federal funds. (Section 9)

This would alleviate constitutional concerns that these groups are spending funds not appropriated by the legislative assembly to "set the caps" each biennium rather than having the caps in statute. Provides that agency requests for additional spending will, if approved, result in the transfer of appropriation authority from the Emergency Commission appropriation to the agency making the request. (Section 6). The Emergency Commissions available appropriation would decrease by the amount approved. This is similar to how the general fund state contingencies appropriation is handled currently. The process would be the same whether it is general fund, special funds or federal funds.

Further, it would require Budget Section approval for all requests and allow the Budget Section to amend any request (Sections 4, 5, 6) This will make the process more consistent. Currently, the Budget Section may only amend certain requests.

There are repeal provisions contained in Section 8 including:

- a. Identifying the approval process for special funds. This special fund process is combined with the federal funds process so they are the same.
- b. Relating to the state contingencies appropriation.

On page 9, it provides for the allocation of dollars to the Emergency Commission by category for the 2025-2027 biennium for a total of \$70 million.

Chair Roers and members of the State and Local Government committee, HB 1233 makes the process of accepting and allocating dollars easier and adds more authority to the Budget Section. Further, it provides clarity and consistency in code when it comes to the different categories such as the general fund, special funds, and federal funds.