

**1999 HOUSE APPROPRIATIONS**  
**HB 1022**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HOUSE BILL 1022

House Appropriations Committee

Conference Committee

Hearing Date JANUARY 18, 1999

Tape Number	Side A	Side B	Meter #
ONE	X		Side one: 6.8 -55.5
Committee Clerk Signature <i>Frances Jones</i>			

Minutes:

A BILL for an Act to provide an appropriation for capital projects of various state departments and institutions; to authorize the industrial commission to issue and sell bonds for capital projects; to provide an appropriation; and to declare an emergency.

**1A: 5.- 6.8 Chairman Dalrymple** called the meeting to order.

**1A6.9 - 30.0 Murray G. Sagsveen**, State Health Office addressed HB 1022 stating the two issues which face the Dept. of Health. Several questions were asked regarding the facilities available in the state and travel expenses. See Testimony.

**1A:32.0 - 34.2 Laura Glatt, University System**, spoke briefly in support of HB 1022 and detailing the ND University System project in HB1022. ( See enclosed handout.)

**1A:34.2 - 51.1 Garvin Stevens, Dean of UND - Williston**, spoke in favor of the health & wellness center proposed for UND - Williston. The state would provide \$1,500,000 and the local funds would provide \$3,000,000 in funding for the project. (See enclose handout.)

**2A: 0.0 - 5.0 Laura Glatt, University Systems, answered** questions regarding the bonds issuing, local funding, and the possible of default.

**2A: 6.2 - 28.5 Karlene Fine, Executive Director & Secretary for the Industrial Commission of North Dakota** spoke regarding the authority given by law to the Industrial Commission, Building Authority and the current debt service schedule for all current outstanding Building Authority issues. Also, Ms. Fine presented a State Bonding handout which states the law, the definitions of General Obligation Bonds, Moral Obligation Bonds, and Revenue Bonds. ( Note Testimony and handout.)

**2A:28.6 - 36.7 Jerry Olson, President of NDSCS**, Wayne Flank & Mike Renk from NDSCS spoke on the needs of NDSCS. (See enclosed "Investing in the Future" and testimony.)

**2A: 36.7 - 40.6 Tim Schuetzle, Director of Prisons Division**, gave an overview regarding the needs of the Missouri River Correctional Center and the request of \$1.6 million dollars in bonding funds. (See enclosed Testimony.)

**2A: 40.6 - 49.2 Al Lick, Director of Juvenile Services**, gave an overview regarding the needs of the youth correctional center; addition and renovation of Pine Cottage. Mr. Lick stated that \$500,000 of federal money is dedicated to this project but the bonding portion would be \$1,475,000. ( Note enclosed testimony.)

**2A: 49.3 - 50.1** Chairman Dalrymple tabled HB 1022 for later discussion.

**January 20, 1999 - Chairman Dalrymple appointed the following people to work with him on this issue: Reps. Tollefson, Carlson and Kerzman.**



### General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 15, 1999			
Tape Number	Side A	B Side	Meter #
1		x	29.2-end
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

#### HB 1022

**CHAIRMAN DALRYMPLE** opened discussion on HB 1022, and explained amendment 0104.

**IB: 37.4 REP. POOLMAN** made a motion to adopt amendment 0104 to HB 1022. The motion was seconded by Rep. Delzer. A voice vote was taken and the motion carried.

**IB: 40.0 REP. TOLLEFSON** made a motion to further amend with amendment 0102. His amendment would give \$1,101,000 to Minot State University for Old Main safety and renovation deficiencies. The motion was seconded by Rep. Timm. A voice vote was taken and the motion failed.

**IB: 47.5 REP. BYERLY** made a motion for a Do Pass as amended. The motion was seconded by Rep. Monson. A roll call vote was taken and the motion carried with 17 yeas, 2 nays, and 1 absent and not voting. Chairman Dalrymple will carry the bill to the House floor.

Date: 2-15-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1022

House Appropriations Committee


Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number 0104

Action Taken DP as amended

Motion Made By Byerly Seconded By  Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols	X	
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold	X		Svedjan	X	
Bernstein	X		Timm		X
Boehm		X	Tollefson	X	
Carlson		X	Wentz		X
Carlisle	X				
Delzer		X			
Gulleson					
Hoffner	X				
Huether	X				
Kerzman	X				
Lloyd		X			
Monson	X				

Total (Yes) 13 No 6

Absent 1

Floor Assignment Dalrymple

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

REPORT OF STANDING COMMITTEE

HB 1022: Appropriations Committee (Rep. Dalrymple, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1022 was placed on the Sixth order on the calendar.

Page 1, remove lines 12 and 13

Page 1, line 14, replace "4,500,000" with "\$4,500,000"

Page 1, line 16, replace "2,554,540" with "2,207,500"

Page 1, line 18, replace "3,770,325" with "2,000,000"

Page 1, remove lines 20 through 23

Page 2, remove lines 6 through 10

Page 2, line 13, replace "\$1,860,460" with "\$2,207,500"

Page 2, line 20, replace "19,260,325" with "10,915,000"

Page 2, line 23, replace "\$4,347,040" with "\$3,000,000"

Page 2, remove line 26

Page 2, line 27, replace "3,000,000" with "\$3,000,000"

Page 2, remove line 28

Page 2, after line 28, insert:

"The university of North Dakota-Williston shall provide \$1,500,000 of funding towards the health and wellness center addition before construction may begin. The remaining \$1,500,000 of local responsibility is to be paid in ten annual payments of \$150,000.

If the project is reduced in size and funding, the local responsibility is to be reduced proportionately."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 405 - INDUSTRIAL COMMISSION

HOUSE - This amendment removes the following projects:

State Department of Health	Medical examiner and laboratory facility	\$3,000,000
Department of Corrections and Rehabilitation	Food service building - Missouri River Correctional Center	1,600,000
	Pine Cottage - Youth Correctional Center	1,975,000
		<hr/>
Total projects removed		\$6,575,000

The amendment also decreases the North Dakota State College of Science electrical distribution, steamline distribution, and roof replacement project by \$1,770,325, from \$3,770,325 to \$2,000,000.

The amendment also changes the funding of the North Dakota State University animal research facility from being \$2,554,540 of bonding and \$1,860,460 of federal or other funds to \$2,207,500 of bonding and \$2,207,500 of federal or other funds. The total project cost of \$4,415,000 was not changed.

**1999 SENATE APPROPRIATIONS**

**HB. 1022**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. ENGROSSED HB1022

Senate Appropriations Committee

Conference Committee

Hearing Date March 10, 1999

Tape Number	Side A	Side B	Meter #
1	X		3396-end
1		X	1-end
2	X		1-4000
2		X	1535-3900
3/30/99 1	X		2095-2886

Committee Clerk Signature *Kathy C. Kottenderock*

Minutes:

**SENATOR NETHING:** Opened the hearing on engrossed HB1022; A BILL FOR AN ACT TO PROVIDE AN APPROPRIATION FOR CAPITAL PROJECTS OF VARIOUS STATE DEPARTMENTS AND INSTITUTIONS; TO AUTHORIZE THE INDUSTRIAL COMMISSION TO ISSUE AND SELL BONDS FOR CAPITAL PROJECTS; TO PROVIDE AN APPROPRIATION; AND TO DECLARE AN EMERGENCY.

**UND-WILLISTON HEALTH & WELLNESS CENTER**

**GARVIN STEVENS:** Executive Dean at UND Williston, testified in support of HB1022 (testimony attached #1, tape 1, side A, meter 3396-4632).

**SENATOR ROBINSON:** The increase in student fees, will 100% of this go towards this?

**GARVIN STEVENS:** Yes, it will be about \$30,000 to \$40,000 per year. Please understand I also have all my other auxiliary revenue that I have pledged nothing. I have already paid that bond issue off. My bookstore revenue and food service and housing and etc. are pretty sizable.

**SENATOR LINDAAS:** What is will that bring the seating capacity to?

**GARVIN STEVENS:** About 3000 and as the plan is revised, it may be 2500.

**JERRY DOAN:** Chairman of the State Board Ag Research to testify in support of HB1022 (testimony attached (tape 1, side A, meter 4900-5485).

**TIM FLAKOLL:** Senator, District 44, to testify in support of HB1022. I think the overall mission of the University and what we hope to accomplish as a State will be greatly enhanced by adding a building of this type. When you look at our international prominence in terms of research and what we do, not only in the international community but for our producers across the State of North Dakota, I think you would be very impressed if you would read and know all the types of things that are accomplished by our University. Also when you look at the number of dollars that are brought in to our state from outside resources to help fund our research programs. New quality facilities are sorely needed.

**PATRICIA JENSEN:** NDSU, to testify in support of HB1022. North Dakota is the second largest state in the country of importers of animals, second only to Texas. The animal care facility and what we do in livestock, animal and range and veterinary services is very important to this state. We have been since 1981 sort of on notice from USDA that the building needed improvement and renovation and that is basically what this project is about, renovating the current building and adding some holding pens. It is also a part of phase 1, is an incinerator for the vet diagnostic lab. That incinerator in the original proposal as it's moved through the Legislature over the years. The vet diagnostic lab takes in over 10,000 cases in a year. The EPA has also put them on notice that their incinerator does need upgrading. We do currently have the Federal money in an account at USDA. The Board decided, the best use possible of that Federal money, would be to encourage the Secretary of Agriculture to redirect the money over into the animal care facility. We took that to the Secretary of Agriculture who sent it to Congress. Both Appropriation Houses approved this. We are here this morning to ask for your approval of this building.

**SENATOR BOWMAN:** Is there a requirement for local matching funds when you build?

**PATRICIA JENSEN:** Originally this bill did look for some local match in years past and we met with the NDSU Foundation who has advised us that based on the farm economy and the situation that exists now that it would be quite difficult to raise those extra dollars needed. We also went to the Dakota Medical Foundation because much of the work we do in this facility is used by the medical community in Fargo and we were turned down at a grant request there. We feel we've looked at those local sources, and given the situation we would look to raise it from NCI and the Federal sources.

**SENATOR ST. AUBYN:** That's historically been whatever we've elected to do. There is no specific statute.

**SENATOR TOMAC:** What was the original local requirement?

**PATRICIA JENSEN:** Originally this was over a \$10M project and I believe the original match was set at \$1M for local. That was when the project was in two different phases.

**SENATOR ST. AUBYN:** The operational, maintenance and utility costs on these, could that be provided on all projects?

**PATRICIA JENSEN:** Because it is a renovation the maintenance cost is not very large. We have figured it to be about \$5000 a year which can be covered by other grants. As it is now, we have to maintain a very old building that needs some constant attention. With the renovation we feel that we will make up that difference. The utility cost was figured into that and I believe it's covered by animal and range. You won't see an expense item for that.

**SHEILA PETERSON:** OMB, stated that under the capital budget tab on page 6, there is a description of every capital project included in the Governor's budget and a piece of that paragraph includes any additional operating costs.

### COLLEGE OF SCIENCE

**JERRY OLSON:** President, North Dakota State College of Science, to testify in support of HB1022 (testimony attached #2) (tape 1, side A, meter 510-976).

**MIKE RENK:** Vice President, Administrative Affairs, to testify in support of HB1022 (testimony attached (tape 1, side B, meter 985-1520).

**SENATOR ST. AUBYN:** How many feet of steamline are you replacing and are you looking at doing the tunnels for this.

**MIKE RENK:** On page 10, you can see what we planned on doing with that \$1.1M.

**SENATOR ST. AUBYN:** Is this what is left in the House, or is this what was in the original.

**MIKE RENK:** This is what was in the original. This is the \$3.7M.

**SENATOR ST. AUBYN:** If it were to stay the same, how much would you do with a steamline.

**MIKE RENK:** I believe that roofs would be our number one priority and that would probably take \$1.4M, there would be \$600,000 left.

**SENATOR ST. AUBYN:** Getting back to steamlines, each of these projects you talk about 300 foot of tunnel. Are those lines currently in tunnels?

**MIKE RENK:** No, they are not. Everything on this list would be new.

**SENATOR ST. AUBYN:** The one option you may have if you didn't do the tunnels would be directly buried then.

**MIKE RENK:** That is correct. It still would not cover the cost. If the budget is cut down, we are going to have to look at contingencies and what we would do different. The rationale for going with tunnels is the life expectancy but also, the doubling of efforts we can put our communications, electrical and other things in the tunnel. What we would do if the numbers



stand as is, we would have to go with a lot more direct burial than tunnel. The difference in price with direct burial to tunnel would be approximately \$75 to \$100 linear foot. \$300 versus \$400.

**SENATOR ROBINSON:** In the area of roof replacement, are we looking at all of the roofs. Are they all flat roofs and has there been any consideration given to look at a steel roof.

**WAYNE FLACK:** We have looked at it and I agree 100% with you. The problem that we run into, the estimated cost to do a square foot of flat roof is about \$4.35 a square foot. The metal is approximately double that. I have set up a meeting with roof builders in the later part of March to have a presentation to balance the life cycle costs of metal versus flat.

**SENATOR BOWMAN:** When you talk about roofs, does your maintenance people check these and do they actually go out and tar these things before they create a big problem, or is the problem so big that they can't do it.

**WAYNE FLACK:** I started my position two years ago and one of my first efforts was to develop an in-house training team that would inspect these roofs and fix them as they see the problems. We sent our maintenance crew up to the UND for a period of training. We do our repairs in house and address them as we find them.

**RUSSELL THANE:** Senator, District 38, to testify in support of HB1022. In 1977, 1979 we were on a tour of campuses and at that time we were in the position we are now. We had probably delayed maintenance in many cases. We found deterioration on the soffits at Mayville where the water was also creeping down the brick walls, shown by the whitening created by the water penetrating and even to the point where it was inside. That grows and the costs get greater. I'm speaking as a citizen who's concerned about all of the institutions we have responsibility as Legislatures and as facility and staff. Several years ago we had problem with the steamlines at Wahpeton and those were fixed. In North Dakota, as all of us know, it's not easy to fix a steamline in the middle of January. I would urge the committee in their best judgment to do the very best they can, for not only the State College of Science but, for every campus we have an interest in.

**SENATOR ST. AUBYN:** Was there any rationale on how the House reduced this?

**MIKE RENK:** No, there was not. It came out of the House in that form.

**SENATOR ROBINSON:** How long of a bond issuance are we looking at?

**SHEILA PETERSON:** OMB, the entire bonding bill is 20 years.

**SENATOR ROBINSON:** What is the life of expectancy of steel?

**WAYNE FLACK:** The life expectancy is guaranteed for 20 years, flat roofs that we were looking at are 10 years.

**SENATOR ANDRIST:** In our community, we've had a lot of luck with the rubber roofs.

**WAYNE FLACK:** Yes, if we leave a flat roof, we will look at rubber roofs, it's the roof of choice. The best guarantee is 10 years.

**ELROY KRINGSTAD:** Senator, District 17. Explained proposed amendments to HB1022. Amendments attached (tape 1, side B, meter 2695-2999). I'm going to address, Shaffer Hall. My disappointment with the Board of Higher Education in not including Shaffer Hall. We had the lowest square footage of any campus on State. We keep starting new projects without completing the ones we are currently in. I have a difficult time with that. My office is in a vault. We have a building that's half incomplete. We have a tendency to forget, we inherited a National Guard Armory which a third of the building slid down the hill and we lost a lot of classroom space. I think it's a necessity and should not be left off. I hope that we consider it.

**SENATOR ST. AUBYN:** Do you know why the Board allocated the ones they did? Did they have certain priorities?

**SENATOR KRINGSTAD:** I have no idea.

**SENATOR ST. AUBYN:** Were these offered in the House?

**LARRY ISAAK:** The Board of Education did have this on the priority list along with the Minot project. The executive budget did not include Minot or BSC, and then the House cut the College of Science's \$1.7 million. I was going to testify after Senator Kringstad to ask you to fund the Board's request which would BSC and Minot and restore College of Science. It was on the Board's priority list.

**SENATOR ST. AUBYN:** Was this just because the total amount that was available for bonding, is that the reason they were excluded.

**SHEILA PETERSON:** That is correct. There is a statutory limitation that we can use only 10% of 1 cent sales tax at the maximum of bond repayment and given that dollar amount there is only so much available for capital construction and we did within the OMB budget prioritize which ones should and could not be funded given those limitations.

**SENATOR ST. AUBYN:** What is that limitation, the 10%. How much can be bonded under that aspect.

**SHEILA PETERSON:** In terms of State responsibility, about 12.5M dollars is the construction cost.

**SENATOR TALLACKSON:** Would this amendment fall under the guidelines?

**SHEILA PETERSON:** There are three very important projects that came out in total in the House. There is a facility at the Missouri Correctional Center, a facility at the Youth Correction

Center and a major need for a medical examiner and laboratory improvements that ranked higher on the list and so our request is that those go back in to meet the 12.5 million.

**SENATOR HOLMBERG:** Was there discussion that talked about that we started and did half or part of the Schaffer Hall renovation and now we are stopping and not completing that project.

**SHEILA PETERSON:** There was never a discussion that we are stopping the project, but when we looked at like safety issues that existed and the dollar amounts, these two projects did not hit the top of the list. We in no way expect not to complete it.

**SENATOR ROBINSON:** When we look at our capital expenditures program for the state of North Dakota, do we do that on a biennial basis only or is there some consideration for a projected trigger of other projects that need to be prioritized for next biennium. Do we have any indication if everything remained the same what would be on the list for the next biennium and how does that process come to play with the budget and the board of higher education.

**SHEILA PETERSON:** The budget requests that we asked for are actually a six year capital budget. So we know two biennium's beyond 1999-01 what the campuses are looking at and what needs are coming up.

**SENATOR ROBINSON:** It would be helpful for the committee to look at this. If we could get the big picture, it would be helpful.

**SHEILA PETERSON:** I can get that for them.

**SENATOR SOLBERG:** Looking at our bond indebtedness on the capital budget, I am not sure how much room we have got. Am I tracking that right. What we are allowed by statute to repay the bonds. It looks to me a little over \$2.2M that is repayment during that biennium, considering there would be no repayment in this biennium.

**SHEILA PETERSON:** It looks to me like these amendments would put you about back where the original bill started. You're substituting the 2 Correction buildings and the Health Department needs with Schafer Hall and Old Main.

**SENATOR SOLBERG:** This table we are looking at is the current obligation without any estimates coming in from the current budget? That is what our obligations are right now?

**SHEILA PETERSON:** That is correct. (tape 1, side B, meter 4050.)

#### STATE MORGUE

**MURRAY SAGSVEEN:** State Health Officer, Health Department, testified in support of HB1022. Testimony attached #3). (tape 1, side B, meter 4113-4695)

**SENATOR SOLBERG:** What is the square footage of the microbiology lab?

**MURRAY SAGSVEEN:** I believe it is 7000 square feet.

**SENATOR ANDRIST:** How large is the microbiology lab you are in now?

**MURRAY SAGSVEEN:** 7000 square feet.

**SENATOR ANDRIST:** How large is the morgue you are in now and how large is the one you propose?

**MURRAY SAGSVEEN:** For the past several years the doctor has been using the morgue at St. Alexius hospital for six months and Medcenter for six months and it is a typical hospital morgue. It is not designed for volume, it is designed for an occasional autopsy in a hospital and so the access is very poor. There is no storage and what we would do is remodel a vacated space at the existing east main lab and design it so that there would be access to bring bodies in to store and so the doctor would be located so he would not have to move back and forth. It would be right next to the Crime Lab.

**SENATOR ANDRIST:** What we have right now is working. We need to sort out whether leaking roofs and rotten steamlines should have a priority over this. The other issue is preliminary exploratory work indicates that the medical school really would like and would find useful having that lab located at Grand Forks. They have available space with some remodeling and we as a committee may want to examine.

**MURRAY SAGSVEEN:** Regarding the first question, is it working? It was working reasonably well until last November when St. Alexius decided that they would not provide a free morgue for us and now we are working full time at Medcenter One. I'm very concerned how long that arrangement will last because we are over-utilizing donated facilities that aren't suitable for what we are doing. It is working marginally. The second question about UND medical school. We could relocate the morgue to the medical school, but the cost of remodeling would be more expensive than the other options. The second issue is should the medical examiner primarily be a faculty of the medical school or is the medical examiner to be more accessible to people throughout the state for autopsies and to assist local law enforcement. If you move the morgue and the state medical examiner to Grand Forks, you may virtually excluding the people from the western part of the state from using that resource.

**SENATOR ROBINSON:** There was some talk about the Mandan Hospital, but you were not able to access a long term lease. Talk a little about that. What are we looking at in terms of long term lease, have we exhausted all of those possibilities with that facility?

**MURRAY SAGSVEEN:** Dr. Mizell is here and he may be able to answer that. We have explored a variety of options including long term leases, purchasing the VA Hospital, University of North Dakota, Medcenter One in Mandan. It seems to us that the best option from a working arrangement and the least expensive option would be to do this arrangement that I explained and then move Dr. Mizell into the east main lab so that if we would lease the facility, it would be a

short term lease. I would go back to Medcenter One or St. Alexius or others and say notwithstanding what you have done in the past, can we have some more time as long as there is an end date. I think St. Alexius pulled out because there was no end date.

**DR. GEORGE MIZELL:** State Forensic Examiner, testified in support of HB1022. We have looked at a number of different buildings in and around Bismarck. There are a number of problems with the facilities at the present with both Medcenter One and St. Alexius. In November of this year, St. Alexius pulled out and the program is no longer offering their facilities for our use. The morgues are small about 400 square feet. Our cooler space in both facilities are extremely small but we are limited to 2 cases of storage. Our volume has increased since I came on board, and may include up to 6 cases at one time. The need for a facility is somewhat urgent, not only in terms of volume, the office is remote from the facility, and we do not have any control over how the facility is run, how the cases are brought into the facility, etc. We have explored numerous options within the Bismarck area as well as the UND facility and the VA facility in Fargo. After looking at all of those, the recommendation Mr. Sagsveen would best meet our needs. (tape 1, side B, meter 5528-5909)

**SENATOR GRINDBERG:** The high volume that is defined as 5 or 6 at a time with a total of around 200 a year, is that defined as high volume?

The morgues that we are working at are hospitals capable of doing about 10 or 15 autopsies a year and we are seeing around 200 cases a year; and that is a high volume for the facilities we are working in.

**SENATOR GRINDBERG:** On page 3 of your testimony, Murray, there are 5 options you have explored and I am having difficult understanding the bill requesting \$3M for this potential site. Then bullet number 1 your analysis of the UND School of Medicine remodeling alone may cost \$628,000. Have you done comparison of these other five bullets that puts cost to these other things you've investigated? I can't understand how \$3M will fix this when it will only cost \$628,000 to remodel.

**MURRAY SAGSVEEN:** The \$3M was selected when HB1022 was drafted because we had a fairly good idea of the cost. The \$3M includes a permanent location for the medical examiner, the state morgue, building a microbiology lab, a chemistry lab, and a fire code HVAC upgrade. The state morgue and the medical examiner's office are only a component of that entire program. What we contemplated in HB1022 was to fix everything. (tape 2, side A, meter 1-24)

**SENATOR HOLMBERG:** Murray, could put a little more specificity on page 6, you talk about that you request that we authorize appropriate funding. We typically have numbers.

**MURRAY SAGSVEEN:** In HB1022 as originally introduced, we had bonding authority for \$3M. What we have done since the first reports have been coming in, we have been trying to pin down those particular numbers. OMB is here with more refined numbers. We haven't been able to be more specific because the numbers have just come the last day or two. We were also talking about options that we could fund the renovations and the morgue outside of the bonding bill. The

option we're exploring is in HB1475 that is here and that you had testimony on yesterday, if the Legislature would authorize 10% of that allocation for public health purposes, because of cash flow, the money that would come in next biennium under that tobacco settlement payment, a portion of that 10% could be used to do this work outright without bonding.

**SENATOR BOWMAN:** How many square feet do you need for the morgue itself?

**GEORGE MIZELL:** \$158,000 for equipment and a 5000 square foot building.

**SENATOR ROBINSON:** Is there any consideration that we could contract for some of these services at one of the Fargo hospitals without getting into one state centralized office? We maintain our state operation here but we have a contract with Meritcare, Dakota Hospital or whatever, and be in a more economical situation?

**MURRAY SAGSVEEN:** Dr. Mizell, brings the body in, performs autopsies, prepares the report, communicates with the law enforcement agencies, secures the evidence, and testifies. From a lawyer's perspective, doctors do not like to get involved in courtroom proceedings, either as a witness or a defendant. Dr. Mizell's job is not only to do the autopsies, but to work with the law enforcement agencies and to testify in the courtroom. With this you have a medical examiner trained in forensic pathology, but is an experienced, objective witness.

**GEORGE MIZELL:** Many of these cases need appropriate personnel and equipment to do these things.

**SENATOR ROBINSON:** Have we explored the possibility of collaborating with neighboring states to help meet our growing needs?

**GEORGE MIZELL:** There are other forensic pathologists in the region. In the past, cases were sent from North Dakota to Minneapolis or to Rapid City for autopsies. There is a high cost associated with that--\$1500-\$2000 for the autopsy itself, transportation costs, and if the pathologist is required to come back to testify, those costs are also incurred. The reason this position was started in ND was to alleviate some of those costs, and to have someone available in ND to provide these services to the state. It is somewhat difficult to have a cooperative between states because of jurisdiction of investigation and payment. We take only cases from ND.

**SENATOR NAADEN:** SUSPENDED the hearing on HB1022.

**SENATOR NETHING:** Reopened the hearing on HB1022. (tape 2, A, 1535)

**SENATOR NAADEN:** We received the requested information from OMB this morning.  
(Attachment #4)

**SHEILA PETERSON:** This handout shows the requests over the 6-year budget. It includes those that were recommended in the Governor's budget as well as those projections for the next 4 years.



**DEPARTMENT OF CORRECTIONS**

**AL LICK:** Director, Division of Juvenile Services testified in support of HB1022. Testimony attached #5. (tape 2, side A, meter 1, 1640-2415)

**SENATOR NETHING:** Why did the House delete this?

**AL LICK:** We were not consulted on this, so do not know.

**SENATOR ST. AUBYN:** This will be 12 more rooms, do you need that much space?

**AL LICK:** The most important thing in this cottage addition is the classroom and the outside and inside room rec area. Those 12 beds are the cheapest part of the construction. This may be needed when we need to put a kid in single-cell confinement. This would be our secure cottage.

**SENATOR ST. AUBYN:** How many do you currently have?

**AL LICK:** I'm not sure. The average is 18 to 24 kids. Not all of them are doubled up.

**SENATOR ST. AUBYN:** How much would you save if you put a door in and didn't do anything else?

**AL LICK:** The major cost is mechanical. If you gave us a million dollars, we could put something together for a couple of years that would get us into the next biennium. We could look at the possibility of having some more Federal funds available to us to match bonding money again next biennium. The new juvenile crime bill that is being worked on, and if left as is, we could get another \$250,000 for the next federal fiscal year, and another \$250,000 after that if the feds were to do that again.

**SENATOR ST. AUBYN:** For that million-500-500, if that were to be done would that include the outdoor exercise be included in that cost?

**AL LICK:** The architect stated that we wouldn't have enough money to cover some of the mechanical stuff above the roof area. But, we could make that work for 18 months.

**SENATOR KRAUTER:** What are we doing at the lower level of crimes? Have we maximized moving those individuals out into the residential treatment facilities? Can we shift some of those out to take care of those needs here so we don't have to do this building?

**AL LICK:** Kids need secure care to start their stay. Some of these kids have been tried in the group home and have come back. There are not many vacancies in group homes throughout the state.

**SENATOR NETHING:** Is the \$500,000 of federal money secure? (tape 2, side A, meter 3145)

**AL LICK:** That is what they call JIVG money and the Governor has control of that money. We held out \$250,000 for this project, and then in October the Congress has already funded the second year of the JIVG money. Yes, that is secure money.

**TIM SCHUETZLE:** Director, Prisons Division, to present information about our bonding fund capital project which would be the food service multipurpose building at the Missouri River Correctional Center. Testimony attached #6). (tape 2, side A, meter 3270-3600)

**SENATOR ROBINSON:** Is there a need for an emergency clause?

**PAUL KRAMER:** It's in section 3.

**SENATOR NETHING:** announced a subcommittee: Senators St. Aubyn, Chair and Senator Nething, and Senator Robinson; Senator Andrist will come in on the Health Department, and suspended the hearing.

↙ **MARCH 11, 1999 TAPE 2, SIDE A**

### INDUSTRIAL COMMISSION

**KARLENE FINE:** Executive Director and Director, Industrial Commission of North Dakota, the ND building authority by statute, testified in support of HB1022. (Testimony attached # 7.) (Tape 2, side A, meter 35-425)

**SENATOR ST. AUBYN:** When do you sell the bonds, when do you lock interest in?

**KARLENE FINE:** We work with institutions on when they need payment, generally in the fall after the legislative session although it varies. Where interest rates are going to go, I'm not sure. They should be stable for the year.

**SENATOR ST. AUBYN:** Are you able to sell the bonds, and if there isn't a need right away, reinvest those dollars, and at least break even? If we anticipate the rates will go up, can we sell the bonds early?

**KARLENE FINE:** What arbitrage is if I issue the bonds at 4.89%, I'm holding the proceeds and I'm making 5.5%. I have to give the federal government the difference. We try to keep it as close as possible. There is a penalty that if you don't use the money up within 3 years, you do have to pay a penalty.

**SENATOR NAADEN:** Can you refinance bonds you've taken out previously?

**KARLENE FINE:** Yes, you can, and we have as you will note on the chart. We are limited to doing it 2 times.



3-11-99

**SENATOR BOWMAN:** What is our total obligation and for how long?

**KARLENE FINE:** If you looked at the first 7 columns in exhibit A, those are the bonds we have currently outstanding. There is \$82M outstanding for Building Authority projects.

**SENATOR BOWMAN:** If we add on new bonding for this biennium, how are the other bonds we're going to be obligated to with the water bill, how does that affect our ability to pay, if we put another \$50M or whatever, where does that money come from to pay for that is different than what pays for this?

**KARLENE FINE:** I have a handout on that, "State Bonding". (attachment #8)

**SENATOR ANDRIST:** Does this mean revenue bonds are not part of the one tenth of one percent?

**KARLENE FINE:** The North Dakota Building Authority is the only one that falls under the cap.

**SENATOR NETHING:** CLOSED the hearing on HB1022.

=====

→ 3/30/99      Tape 1, Side A, Meter 2095-2886

**SENATOR NETHING:** Reopened the hearing on HB1022.

**SENATOR ST. AUBYN:** Explained the amendments.

**SENATOR NETHING:** Called for the motion on HB1022.

**SENATOR ST. AUBYN:** Motioned a Do Pass on the amendment to HB1022.

**SENATOR SOLBERG:** Seconded the motion.

**SENATOR TOMAC:** I'm disappointed we're not doing the Williston project. Is there any possibility that in a conference committee this could come back? The community is putting in two-thirds of the money and the State's putting in one-third. I thought it ranked high on my list.

**SENATOR NETHING:** It isn't over till it's over.

**SENATOR ST. AUBYN:** One of the concerns I had personally about some of these, we have situations where we have existing facilities that we really should be remodeling before we do further expansion. I have nothing against that particular project but, for example Schafer Hall, Old Main, Minot State, we really should be looking at existing facilities before we do any further expansion. The further expansion costs us operating costs and utilities later.

3-30-99

**SENATOR ANDRIST:** I share Senator Tomac's concerns even though I find it extremely difficult to argue for bonding. Maybe the conference committee could look at even providing a small amount if the community wanted to up their ante to build this facility or even an authorization if they come up with their own funding.

**SENATOR LINDAAS:** I have similar concerns with the College of Science steamlines. I wonder if we're going to be covered in anyway should those steamlines just plain let go and they are in the middle of winter. I really have a concern that things would be shut down and we aren't going to be able to address that.

**SENATOR NETHING:** As Senator St. Aubyn mentioned, we'd like to fund it with General Fund dollars if we can. It's highly questionable although that we should do it with bonding.

**SENATOR BOWMAN:** One of the things the subcommittee considered, you set that up on a twenty year bond and by the time the bond is paid off, their ready to be replaced again. It's an ongoing appropriation. If you fund it, pay for it, you don't have that expense for the next twenty years. We know we're going to have to find the money but, we also are finding out through all the questions that we ask dealing with maintenance on all of our facilities, we don't have the money currently to do the proper maintenance on a lot of these projects. Consequently, we're spending money on new buildings and don't have the money to take care of them. We are going to have to start looking at that as one of our issues as time goes on.

**SENATOR SOLBERG:** I certainly agree with Senator Bowman. I think it's a responsibility and should be a responsibility of the Board of Higher Education. It seems to me like so many of the things we see that needs repair and work on right now, their willing to slide off and say we've got a bond for it rather than to work it into the budget where it really should be. I think the Board hasn't set it at a higher priority to do this. As far as the Williston project, it would be easier voting for a Gymnasium rather than a Health and Wellness Center.

**ROLL CALL: VOTE VOTE-PASSED.**

**SENATOR ST. AUBYN:** Moved a Do Pass as Amended on HB1022.

**SENATOR ANDRIST:** Seconded the motion.

**ROLL CALL: 13 YEAS; 0 NAY; 1 ABSENT & NOT VOTING.**

Absent & Not Voting: Senator Tallackson.

The motion of a Do Pass as Amended on HB1022 carried.

**CARRIER: SENATOR ST. AUBYN.**

**SENATOR NETHING:** Closed the hearing on HB1022.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1022

Page 1, line 6, replace "projects" with "project"

Page 1, line 11, replace "projects" with "project"

Page 1, remove lines 12 and 13

Page 1, remove lines 16 and 17

Page 2, remove lines 4 through 7

Page 2, line 8, replace "10,915,000" with "4,415,000"

Page 2, remove lines 9 through 19

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 405 - INDUSTRIAL COMMISSION

SENATE - This amendment removes the following projects:

UND-Williston	Health and wellness center addition	\$4,500,000
State College of Science	Electrical distribution, steamline distribution, and roof replacement	<u>2,000,000</u>
Total projects removed		\$6,500,000

*JC3*  
*3/30/99*

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1022

SENATE AMENDMENTS TO ENGR. HB 1022                      APPROP.                      3/30/99

Page 1, line 1, after "for" insert "a" and replace "projects of various state departments" with "project at North Dakota state university"

Page 1, line 2, remove "and institutions" and after "for" insert "a"

Page 1, line 3, replace "projects" with "project"

Page 1, line 6, replace "projects" with "project"

Page 1, line 11, replace "projects" with "project"

Page 1, remove lines 12 and 13

Page 1, remove lines 16 and 17

SENATE AMENDMENTS TO ENGR. HB 1022                      APPROP.                      3/30/99

Page 2, remove lines 4 through 7

Page 2, line 8, replace "10,915,000" with "4,415,000"

Page 2, remove lines 9 through 19

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 405 - INDUSTRIAL COMMISSION

SENATE - This amendment removes the following projects:

UND-Williston	Health and wellness center addition	\$4,500,000
State College of Science	Electrical distribution, steamline distribution, and roof replacement	<u>2,000,000</u>
Total projects removed		\$6,500,000

Date: 3/30/99  
Roll Call Vote #: \_\_\_\_\_

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. Engrossed HB 1022

Senate APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

✓ Legislative Council Amendment Number 96022.0202

Action Taken DO PASS

Motion Made By Senator St. Aubyn Seconded By Senator Solberg

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) VOICE VOTE PASSED No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Senator \_\_\_\_\_

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

Date: 3/30/99  
Roll Call Vote #: \_\_\_\_\_

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. Engrossed HB 1022

Senate APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

✓ Legislative Council Amendment Number 98022.0202

Action Taken DO PASS AS AMENDED

Motion Made By Senator St. Aubyn Seconded By Senator Andrist

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson					
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Senator St. Aubyn

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

**REPORT OF STANDING COMMITTEE**

**HB 1022, as engrossed: Appropriations Committee (Sen. Nething, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1022 was placed on the Sixth order on the calendar.

Page 1, line 1, after "for" insert "a" and replace "projects of various state departments" with "project at North Dakota state university"

Page 1, line 2, remove "and institutions" and after "for" insert "a"

Page 1, line 3, replace "projects" with "project"

Page 1, line 6, replace "projects" with "project"

Page 1, line 11, replace "projects" with "project"

Page 1, remove lines 12 and 13

Page 1, remove lines 16 and 17

Page 2, remove lines 4 through 7

Page 2, line 8, replace "10,915,000" with "4,415,000"

Page 2, remove lines 9 through 19

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 405 - INDUSTRIAL COMMISSION

SENATE - This amendment removes the following projects:

UND-Williston	Health and wellness center addition	\$4,500,000
State College of Science	Electrical distribution, steamline distribution, and roof replacement	<u>2,000,000</u>
Total projects removed		\$6,500,000

**1999 HOUSE APPROPRIATIONS**

**CONFERENCE COMMITTEE**

**HB 1022**



1999 CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. 1022

Appropriations Committee

Conference Committee

Hearing Date April 6, 1999

Tape Number	Side A	Side B	Meter #
2	x		0-35.0
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

**CHAIRMAN DALRYMPLE** opened the conference committee meeting on HB 1022. Members present: Sen. St. Aubyn, Sen. Nething, Sen. Robinson, Rep. Dalrymple, Rep. Wentz, Rep. Nichols.

**2A: 0.9 SEN. ST AUBYN** reviewed the Senate changes to the bill.

**2A: 2.7 REP. NICHOLS** asked what has changed regarding the recalculation of the bonding, and whether it would exceed the normal guide. Sen. St. Aubyn replied that one projection showed \$20,000 plus.

**2A: 3.8 CHAIRMAN DALRYMPLE** asked if the debt coverage had been revised at all. There were figures available for the committee to review.

**2A: 9.7 CHAIRMAN DALRYMPLE** said the House did not want to leave NDSCS with nothing, as their needs were quite pressing. Sen. St. Aubyn replied that this general feeling came out of the Senate also. However, they were uncomfortable with bonding for that.

**2A: 12.8 CHAIRMAN DALRYMPLE** said the House supported the Williston project because they have not gotten much. They were impressed that Williston did not shrink away from raising that much money. Rep. Wentz added that they have made great efforts at local funding for many things.

**2A: 14.5 SEN. ST AUBYN** said that Williston's \$1.5 million is funded by student fees. Sen. Robinson replied that this was correct.

**2A: 15.0 SEN. ST AUBYN** asked if there were not a dedicated fund for those fees. Laura Glatt, NDUS, said that Williston currently has a fee structure to settle debts. That fee will be used to fund this. She will obtain the new funding source breakdown for the committee.

**2A: 18.3 CHAIRMAN DALRYMPLE** said the main question is the overall cost. He asked if there were any misgivings about the Health and Wellness Center. Sen. St. Aubyn said no. His main concern is the bonding. Sen. Nething added that he was also concerned about the bonding. \$1 million is a pretty good cap.

**2A: 24.3 CHAIRMAN DALRYMPLE** said that in cutting back at NDSCS, the House felt it would be better not to take out of certain lines.

**2A: 26.7 SEN. ST AUBYN** asked what the House's reaction to bonding was, versus direct appropriation. Chairman Dalrymple said they were not going to find another \$2 million anywhere else, so bonding was the only answer.

**2A: 27.5 SEN. NETHING** asked if there was any indication that those funds would be enough to take care of that. Sen. Robinson said that NDSCS would prefer the full amount, but the \$2 million would go a long way toward crisis situations.

The meeting was adjourned.

1999 CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. 1022

Appropriations Committee

Conference Committee

Hearing Date April 12, 1999

Tape Number	Side A	Side B	Meter #
1		x	0-15.0 blank
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

**Chairman Dalrymple** opened the meeting on HB 1022.

**Sen. Nething** said he would like to consider adding the Food Service building, Pine Cottage, and the UND Health and Wellness Center addition. This bill came in within the parameters for bonding. They should take out \$6.7 million and leave in the balance.

**Rep. Dalrymple** stated that under the scenario they had, which included \$2 million for NDSCS, they would have debt service to spare of \$1 million. A couple times this was shaved awfully close. It seemed like with this particular list they should not take it right to the limit. They have saved the \$2 million so are left with a little room.

**Sen. St. Aubyn** said that the addition of Pine Cottage is supported by the availability of the Juvenile Block Grants, which will not be available later. They would like to provide \$500,000 for block grants and \$500,000 in bonding.

**Sen. Nething** said that in looking at the proposal the House sent over, there was a \$1 million cushion. Nething proposed a \$3 million package. He asked what impact would the \$1 million have, or whether it was the absolute bottom.

**Rep. Dalrymple** replied that it would only bring it \$100,000 closer. There would be more projects next biennium. He understands that Pine Cottage could get started for \$1 million.

**Sen. Nething** said he thought this was true. The scaled down version would leave off the new housing addition.

**Rep. Dalrymple** said this is basically a renovation. If \$500,000 is all they need to get going, perhaps it should just be appropriated.

**Rep. Nichols** said he had been to both the Food Service buildings and to Pine Cottage. There is a need for both. However, if they had to do only one, it should be Pine Cottage.

**Sen. St. Aubyn** said there are going to be more placements at Pine Cottage. He asked if that would mean more beds.

**Dept. of Corrections representative** said they have to show the kids that they are accountable to them. They would deal with housing as best they could, but now the recreation area is more important.

**Sen. St. Aubyn** asked if which was more necessary.

**Dept. of Corrections** stated that Pine Cottage was the department's #1 priority.

**Sen. Robinson** said he was confused about the UND Williston bond package.

**Sen. St. Aubyn** stated that it was \$4.5 million. They have \$1.5 in the bank already. The second \$1.5 will be paid back to the state over ten years. They are asking the state to come up with the third \$1.5 million.

**Rep. Dalrymple** said this was correct.

**Sen. St. Aubyn** said he would recommend full completion of Pine Cottage. He suggested the Health and Wellness Center at UND Williston, the Animal Research Center, and Pine Cottage.

**Rep. Dalrymple** said he would be inclined then to bond for Pine Cottage.

The meeting was adjourned.

1999 CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. 1022

Appropriations Committee

Conference Committee

Hearing Date April 13, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-5.0 blank
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

**Chairman Dalrymple** opened the meeting on HB 1022.

**1a: 0.3 Rep. Dalrymple** presented amendment 0203 and a chart of the effects it would have.

**1a: 1.6 Sen. Nething** suggested including the Food Service building. He asked if the \$1.114 million would fall into the comfort zone of the House Appropriations committee.

**1a: 2.0 Rep. Dalrymple** said that it would. When looking at the margin for error, there is not much room left.

**1a: 3.1 Sen. St. Aubyn** moved that the Senate recede from its amendments and amend with 0203. Rep. Nichols seconded the motion.

**1a: 4.0 A roll call vote** was taken and the motion carried.

Date: 4-<sup>13</sup>~~12~~-99

Roll Call Vote #: 1

1999 CONFERENCE COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1022

House Appropriations

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number 0203

Action Taken Senate recede. Amend w/ 0203

Motion Made By St. Aubyn Seconded By Nichols

Representatives	Yes	No	Senators	Yes	No
Dalrymple	X		St. Aubyn	X	
Wentz	X		Netting	X	
Nichols	X		Robinson	X	

Reps. (Yes) 3 No 0

Sen. (Yes) 3 (No) 0

Floor Assignment \_\_\_\_\_

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

**REPORT OF CONFERENCE COMMITTEE**

**HB 1022, as engrossed:** Your conference committee (Sens. St. Aubyn, Nething, Robinson and Reps. Dalrymple, Wentz, Nichols) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1092-1092, adopt amendments as follows, and place HB 1022 on the Seventh order:

That the Senate recede from its amendments as printed on page 1092 of the House Journal and pages 942 and 943 of the Senate Journal and that Engrossed House Bill No. 1022 be amended as follows:

Page 1, replace lines 16 and 17 with:

"Department of corrections and rehabilitation	Pine cottage - Youth correctional center	1,475,000"
--	---	------------

Page 2, replace lines 4 through 7 with:

"The department of corrections and rehabilitation may obtain and utilize federal funds to assist in the renovation of pine cottage at the youth correctional center. There is hereby appropriated to the department of corrections and rehabilitation the sum of \$500,000, or so much of the sum as may be necessary, from any federal or other funds that may become available for this project for the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 2, line 8, replace "10,915,000" with "10,890,000"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 405 - INDUSTRIAL COMMISSION

CONFERENCE COMMITTEE - This amendment removes the \$2 million of bonding for the electrical distribution, steamline distribution, and roof replacement projects at the State College of Science. These projects were funded with \$2 million of general fund moneys in House Bill No. 1003, the appropriation bill for the North Dakota University System.

The amendment adds \$1,475,000 of bonding and \$500,000 of federal or other funds for a total project cost of \$1,975,000 for the Pine Cottage renovation project at the Youth Correctional Center.

Engrossed HB 1022 was placed on the Seventh order of business on the calendar.

**1999 TESTIMONY**

**HB 1022**

**NORTH DAKOTA UNIVERSITY SYSTEM  
PROJECTS INCLUDED IN HB1022**

(1)	(2)	(3)	(4)	(5)	(6)
		State Bonding	Non-General Funds	Federal Funds	Total Funds
<b>UND-Williston</b>					
	Health and Wellness Center	\$1,500,000	\$3,000,000		\$4,500,000
<b>NDSU</b>					
	Animal Research Facility		347,040	1,860,460	4,415,000
	(original)	2,207,500			
	(amended)	2,207,500		2,207,500	4,415,000
<b>NDSCS</b>					
	Electrical distribution	1,288,200			1,288,200
	Steamline distribution	1,060,125			1,060,125
	Roof replacement	1,422,000			1,422,000
	<b>TOTAL</b>	<u>3,770,325</u>			<u>3,770,325</u>
<b>TOTAL NDUS</b>					
	(original)	\$7,477,825	\$3,347,040	\$1,860,460	\$12,685,325
	(amended)	\$7,477,825	\$3,000,000	\$2,207,500	\$12,685,325

lg/011899/g:\laura\excel\capital\HB1022 projects

1000  
1000  
1000  
1000  
1000

North Dakota University System  
1999-2001 Capital Project Priority List

Priority Rank

	Request - Source of Funding				Recommendation - Source of Funding					Bill Number
	State	Other	Federal	Total	General Fund	State Bonds	Other	Federal	Total	
<b>Renovation/Addition/Infrastructure</b>										
APPROVED BY BOARD FOR 1999-2001 BUDGET REQUEST (** - #5)										
**	BSC	Student Union Renovation		\$250,000			\$250,000		\$250,000	HB1003
**	NDSU	College of Business - Offices & Classrooms Addition		5,998,860						0
**	NDSU	Sudro Hall (Pharmacy) Renovation		1,500,000			1,750,000		1,750,000	HB1003
**	DSU	Student Center Renovation/Addition		3,200,000			3,700,000		3,700,000	SB2065
1	System	Infrastructure Pool	10,000,000						10,000,000	0 /2
2	UND-LR	Auditorium Renovation/addition	499,544	495,000		499,544		495,000	994,544	HB1003
3	VCSU	McFarland, Vangstad Auditorium and McCarthy Sprinklers & Exit Upgrades	454,300			547,000			547,000	HB1003
4	MiSU	Old Main Renovation - Phase I	2,817,000						2,817,000	0
5	BSC	Schafer Hall Renovation - Phase II	3,712,900	596,830		4,309,730	200,000	200,000	4,000,000	HB1003
		Subtotal	\$17,483,744	\$12,040,690	\$0	\$29,524,434	\$1,246,544	\$6,395,000	\$0	\$7,641,544

PROJECTS NOT APPROVED FOR 1999-2001 BUDGET REQUEST (#6 - #11):

6	NDSU	South Engineering Renovation		1,227,420					1,227,420	0
7	UND	O'Kelly Hall Renovation		5,000,000					5,000,000	0
8	DSU	Murphy Hall Renovation/addition		4,000,000					4,000,000	0
9	NDSU	Minard Hall Renovation		9,673,052					9,673,052	0
10	UND	Education Renovation		4,700,000					4,700,000	0
11	NDSU	Ceres Hall Phase II Renovation		2,995,920					2,995,920	0

New Construction

APPROVED BY BOARD FOR 1999-2001 BUDGET REQUEST (\*\* - #2)

**	NDSU	Health & Wellness Ctr		4,500,000				4,500,000		4,500,000	HB1003
**	UND	Bookstore Construction-Barnes and Noble		4,000,000				4,500,000		4,500,000	SB2030
1	NDSU	Animal Research Facility 1/	2,207,500	347,040	1,860,460	4,415,000	2,207,500	347,040	1,860,460	4,415,000	HB1022
2	UND-W	Health & Wellness Center Addition	1,500,000	3,000,000		4,500,000	1,500,000	3,000,000		4,500,000	HB1022
		Subtotal	\$3,707,500	\$11,847,040	\$1,860,460	\$17,415,000	\$0	\$12,347,040	\$1,860,460	\$17,915,000	

PROJECT #3 NOT APPROVED FOR 1999-2001 BUDGET REQUEST

3	BSC	HE Center/Skills Training Facility		2,900,000	2,900,000		5,800,000				0
---	-----	------------------------------------	--	-----------	-----------	--	-----------	--	--	--	---

1/ \$2,207,500 to be provided by local and/or federal sources. If NDSU is able to raise one-half of the total cost of the entire Animal Research Facility from local and federal sources they can proceed with the construction of both the large animal and laboratory facility as follows: \$5,865,650 state and \$5,865,650 local/federal.

2/ Although funding for an infrastructure pool to be allocated by the BHE was not provided for in the Executive Budget, several individual infrastructure projects were funded in addition to those noted above.

These include:

UND - electrical distribution	\$1,540,000	general fund	HB1003
UND-storm sewer and area drainage	\$1,015,000	general fund	HB1003
NDSU - electrical distribution	\$1,288,200	state bonds	HB1022
NDSU - steamline distribution	\$1,060,125	state bonds	HB1022
NDSU - roof replacement	\$1,422,000	state bonds	HB1022
MaSU-boiler repair, fuel storage and steamlines	\$760,000	general fund	HB1003
MiSU-BC - fire alarm system upgrade	\$68,000	general fund	HB1003
	\$60,000	other funds	HB1003
NDSU - various projects	\$665,000	general fund	HB1003
DSU - various projects	\$300,000	general fund	HB1003
MiSU - various projects	\$500,000	general fund	HB1003



**North Dakota University System  
Proposed Amendments to Engrossed HB1022**

Page 1, line 16, replace "2,000,000" with "3,770,325"

Page 1, after line 17 insert:

"MiSU	Old Main Renovation-Phase I	2,817,000
BSC	Schafer Hall Renovation-Phase II	3,712,900"

Page 2, after line 7 insert:

"Bismarck state college may utilize private, local and other funds to assist in the renovation of Schafer Hall. Available private, local and other funds are in addition to the state funds authorized in this section.

"Minot state university may utilize private, local and other funds to assist in the renovation of Old Main. Available private, local and other funds are in addition to the state funds authorized in this section."

Page 2, line 8 replace "\$10,915,000" with "12,685,325"

Renumber accordingly

Purpose of Proposed Amendment:

Restores the state bonding authority for the infrastructure projects at NDSCS to the original level as contained in the Executive Budget.

Provides state bonding funds for the projects at BSC and MiSU which were included in the Board's budget request. These were not included in the Executive Recommendation.

# North Dakota State University Animal Care Facility

- Project location:** 18<sup>th</sup> Street and 15<sup>th</sup> Avenue on the northwest edge of the NDSU campus
- Project description:** The project will renovate about 20,000 square feet in the existing Livestock Research Unit and add an additional 33,400 square feet. The project also includes an incinerator for the NDSU Veterinary Diagnostic Laboratory.
- Project cost:** \$4,415,000
- Source of funds:** State bonding \$2,207,500  
Federal funding \$2,207,500\*
- \* Includes \$347,040 of \$727,500 redirected through the cooperation of the Northern Crops Institute.

## A new era for livestock research at NDSU

The renovation and expansion will:

- Facilitate a new range of experiments in reproductive physiology and large animal nutrition.
- Update existing surgery units.
- Improve and modernize air handling and climate control systems.
- Provide improved and automated waste management including self-cleaning stalls and pens, slatted floors and flush systems.
- Incorporate improved principles of livestock handling and behavior to improve the safety of workers and animals.
- Provide expanded and improved storage.

## Added efficiency

Improvements in animal handling and waste management will facilitate livestock care and facility cleaning without adding personnel. Student workers will be hired to assist with the more intensive research needs. No additional offices will be added, so office custodial support is adequate. Added utility costs should be minimal because renovation of the existing building will include steps to make it more energy efficient and new animal holding barns will require minimal heat. The remaining portion of the added operating costs should be provided by grant funds obtained by facility users.

## Why is the NDSU Animal Care Facility needed?

- NDSU is committed to proper care and humane treatment of all animals on campus. Space, sanitation, ventilation and climate control are key concerns.
- Much of North Dakota's new agricultural diversification into value-added processing requires research related to the livestock industry.
- NDSU must remain competitive in attracting research funds from federal and private sources to help solve problems for North Dakota industries.
- Controlled laboratory testing enhances field livestock studies and can speed the process of answering North Dakotans' questions.
- Central facilities for animal care and biotechnology improve efficiency.
- To attract and retain faculty interested in animal research.
- To provide enhanced educational opportunities for students.

## A competitive footing

*Some NDSU animal facilities do not meet current federal regulations for animal care facilities. As a result, some researchers cannot compete for federal and private grant funds. There is also some risk that failing to comply with research animal care guidelines could jeopardize other federal grant money coming to NDSU — more than \$2.6 million in 1998.*

NDSU  
Animal  
Care  
Facility

## Key Research for North Dakota's Future

The NDSU Animal Care Facility will be used by NDSU researchers and other public and private scientists. Key research areas include:

**Expanded research in reproductive technologies**, including in-vitro fertilization, artificial insemination, transgenics, estrous synchronization, determination of ovulation time and synchronized rebreeding. Providing access to the new technologies will help North Dakota producers improve the performance of their herds and flocks and open markets for offspring and products around the world.

**Expanded nutrition research**, including forage evaluation, metabolism, nutrient requirements of pregnant animals, requirements during growth and the role of digestive enzymes and growth promotants. The diversification of North Dakota's agricultural economy has made a wide variety of new crops and byproducts available as feed. In addition researchers are studying how to improve the efficiency of livestock production through improved nutrition.

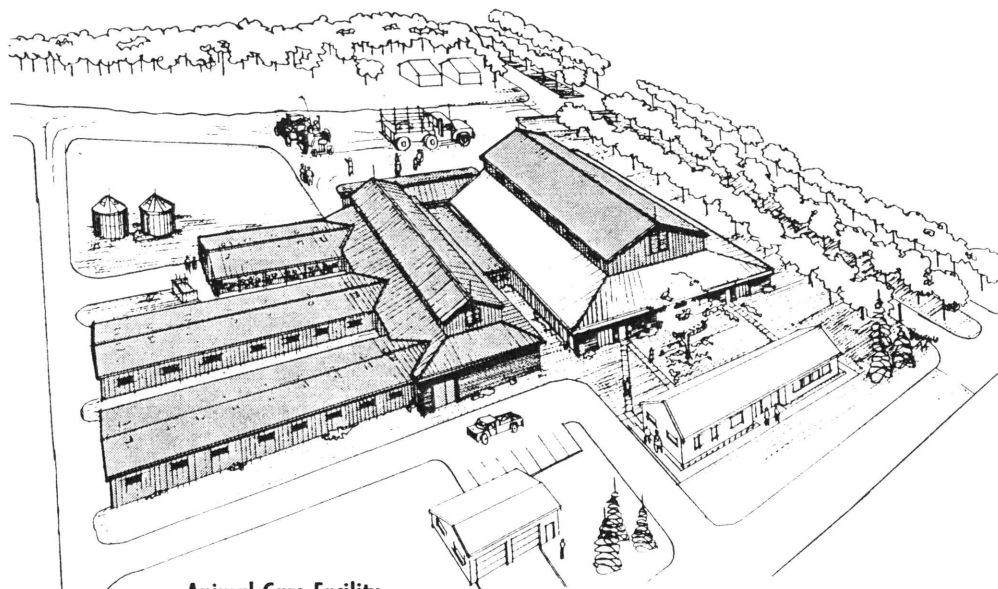
The new facilities will also:

- Allow hands-on animal health and care training for the Veterinary Technology program.
- Enhance the services that the Veterinary Diagnostic Laboratory provides to North Dakota producers and veterinarians.
- Allow researchers to test treatments and materials for use in both human and animal surgery.

## Construction of the Animal Care Facility is supported by:

North Dakota State Board of Agricultural Research  
Ag Coalition  
North Dakota Stockmen's Association  
North Dakota Pork Producers  
Fargo Chamber of Commerce

The project tops the list of capital improvements recommended by the North Dakota State Board of Higher Education.



**Animal Care Facility**

Shaded areas indicate proposed additions.

## Time to update

*The technology involved in conducting livestock research has changed significantly in the 40 years since the existing Livestock Research Unit was built. In 1960:*

- *Estrous synchronization research was in its infancy.*
- *Artificial insemination was just being adopted by cattle producers. AI research with hogs and sheep was just beginning.*
- *In-vitro fertilization, embryo transfer and transgenics were all futuristic concepts.*

# NDSU

North Dakota State University  
ND Agricultural Experiment Station

*NDSU is an equal opportunity institution.  
This publication will be made available in  
alternative format for people with disabilities  
upon request 701/231-7881.*

# UND-WILLISTON

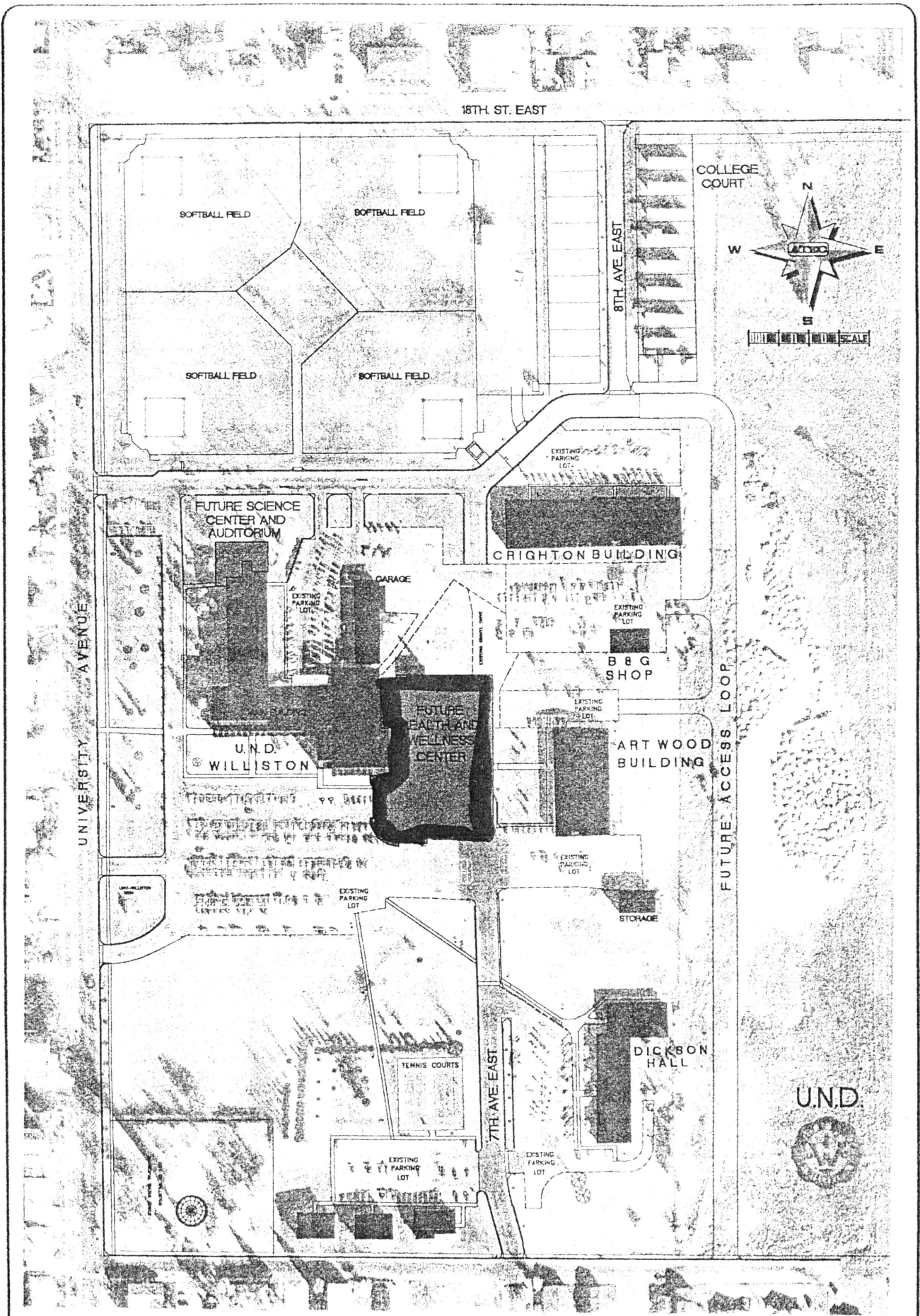
## *HEALTH & WELLNESS CENTER*

Appropriations Committee  
North Dakota House of Representatives

January 18, 1999

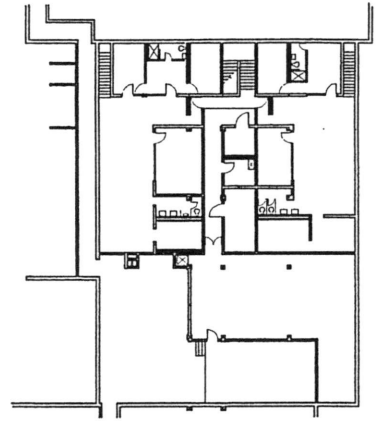
UND  
Williston  
Health  
Center



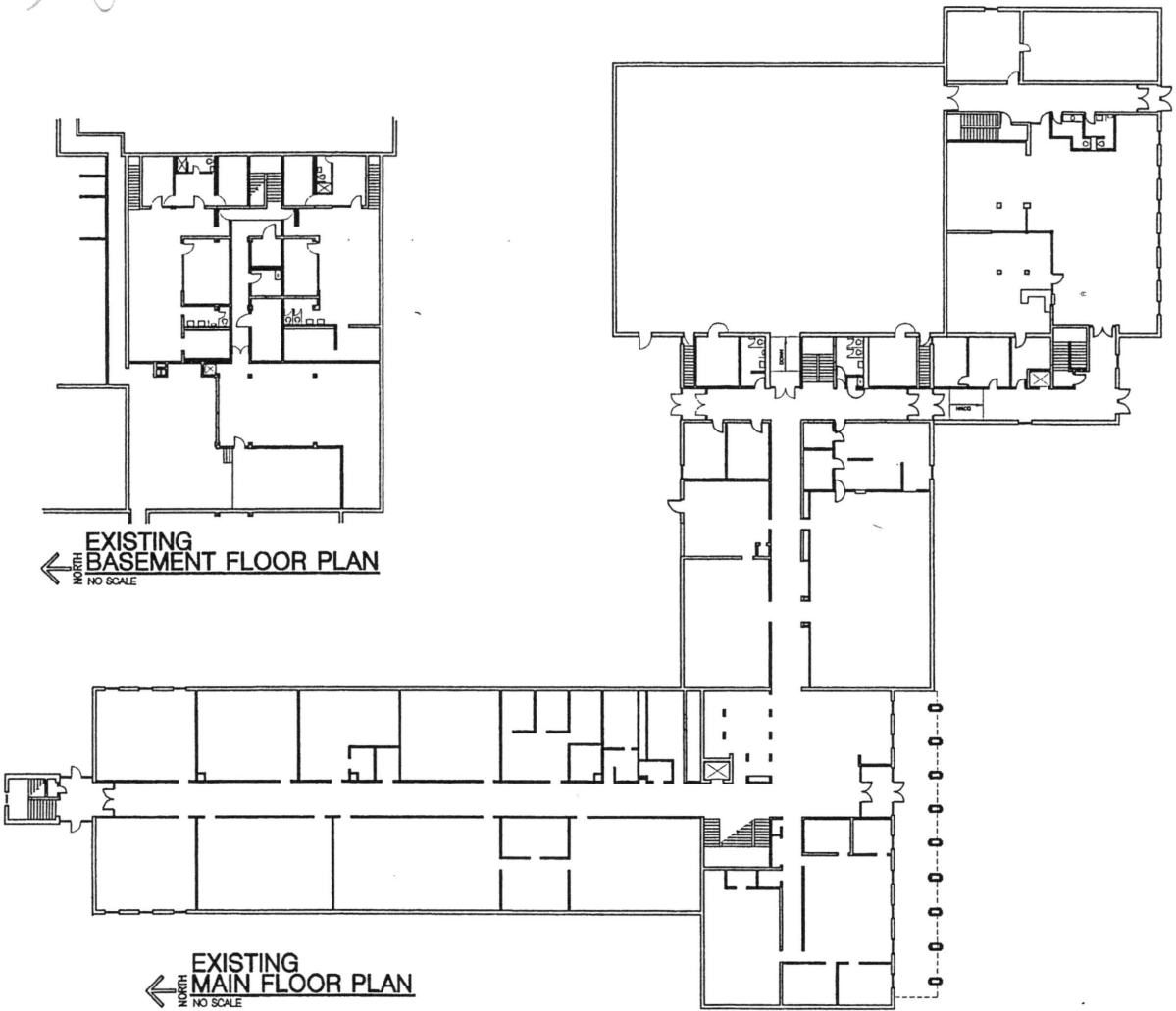


**COMPOSITE MASTER PLAN**

ADA-Plan



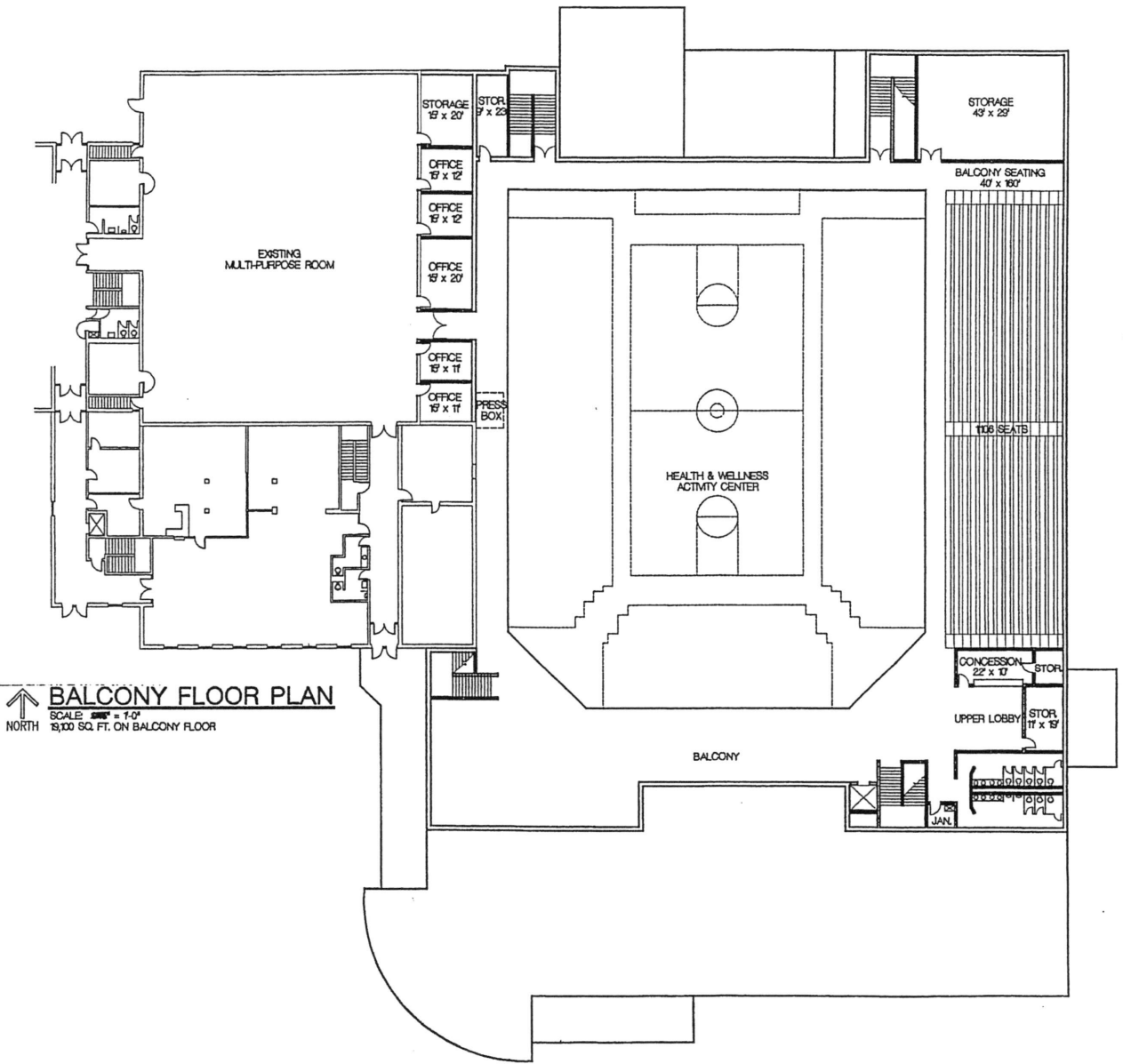
EXISTING  
BASEMENT FLOOR PLAN  
NORTH  
NO SCALE



EXISTING  
MAIN FLOOR PLAN  
NORTH  
NO SCALE

PROJECT NO. 100110000			
DATE OF ISSUE			
DRAWN BY: BT			
REVISIONS BY:			
<b>RULSING &amp; ASSOCIATES</b> ARCHITECTS P.C. Williston, North Dakota 1000 1st St. N. Williston, ND 58854			
<b>UND -- WILLISTON</b> EXISTING PLAN WILLISTON, NORTH DAKOTA			
<b>A1</b> 2			





↑ NORTH  
**BALCONY FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"  
 19,100 SQ. FT. ON BALCONY FLOOR

PROJECT NO. 0801	DATE: 04/08	DRAWN BY: BT	REVISIONS: BT
<b>HULSING &amp; ASSOCIATES ARCHITECTS P.C.</b>			
			
<b>UND--WILLISTON HEALTH &amp; WELLNESS CENTER</b> WILLISTON, NORTH DAKOTA			
SHEET		<b>A2</b>	
2		2	

PRELIMINARY  
 NOT FOR CONSTRUCTION  
 4/19/08  
 HULSING & ASSOCIATES  
 ARCHITECTS, P.C.



## Health and Wellness Center Funding Sources

State Funds \$ 1,500,000

Local Funds:

Current Commitments:

Frank & Esther Wenstrom 100,000

University Foundation 200,000 *- plus*

Teton Boosters 200,000

Fund Raising Drive 2,200,000

Student Fee\* 300,000

---

Total Projected Cost \$ 4,500,000

\* Proposed to replace current Student Center Fee

# Health & Wellness Center

## Space Utilization

### 1. **Classes to be housed in new facility:**

(Currently these classes meet in classrooms that do not meet ADA standards or national and city building codes for public safety.)

First Aid	4 sections per semester
CPR - Nursing	1 section per semester
CPR - Physical Therapy Assistant	1 section per semester
Introduction to Physical Education	1 section alt. years
Introduction to Education	1 section alt. semesters
Personal & Comm. Health	1 section alt. semesters
Vital Health Issues	1 section alt. semesters
Personal Wellness	2 sections per semester
Lifetime Fitness	1 section/semester
Dance Skills & Techniques	1 section alt. semesters
Prevention & Care Athletic Injuries	1 section alt. years
Sports & Games Elementary	1 section alt. years

Averages between 12-16 classes per week

Averages between 275-350 students per week

### 2. **Labs to be housed in new facility:**

(Currently these labs meet in classrooms that do not meet ADA standards or national and city building codes for public safety.)

First Aid - CPR training  
Prevention & Care of Athletic Injuries - taping  
CPR - Nursing  
CPR - Physical Therapy Assistant  
Health classes/labs  
Personal Wellness labs  
Lifetime Fitness labs

Averages between 9-11 classes per week

Averages between 150-200 students per week

3. **Faculty Offices:**

Currently house two faculty members in the basement area. Ten faculty members currently share offices with another faculty member.

4. **Weight Room/Fitness Room:**

(These classes currently meet on campus and at the community recreation facility.)

Weight Training 2 sections per semester

Aerobic Fitness

Lifetime Fitness

PTA activities

Tennis

Volleyball

Sports & Games for Elementary

Lifetime Fitness

Fitness Walking

Badminton

Social Dance

Averages between 8-12 courses per week

Averages between 180-230 students per week

5. **Storage:**

(Currently storage for campus equipment is located off site, including: portable stage, chairs, mechanical lift, gym mats, tables)

ND 1022

3/10/99 #7 of

Investment  
Investment  
Investment  
Investment

—  
"Investing  
in the  
Future"

Senate Bill #1022  
ND Senate Appropriations Committee Budget Hearing  
March 10, 1999

North Dakota State College of Science  
Wahpeton, ND 58076-0002



Wahpeton  
state  
college

# Senate Appropriations Committee & Local Legislators

## SENATE APPROPRIATIONS COMMITTEE

David E. Nething, Chairman, Jamestown  
Pete Naaden, Vice Chairman, Braddock  
    John Andrist, Crosby  
    Bill L. Bowman, Bowman  
    Tony Grindberg, Fargo  
Ray Holmberg, Grand Forks  
    Aaron Krauter, Regent  
    Ed Kringstad, Bismarck  
Elroy N. Lindaas, Mayville  
Larry J. Robinson, Valley City  
    Ken Solberg, Rugby  
    Rod St. Aubyn, Grand Forks  
Harvey D. Tallackson, Grafton  
    Steve Tomac, St. Anthony

## LOCAL LEGISLATORS

### District 25

Sen. Russell Thane, Wahpeton  
Rep. Bruce Eckre, Wahpeton  
Rep. Myron Koppang, Wahpeton

### District 26

Sen. Jerome "Jerry" Kelsh, Fullerton  
Rep. Pam Gulleason, Rutland  
Rep. Michael Brandenburg, Edgeley

### District 27

Sen. Joel Heitkamp, Hankinson  
Rep. Howard Grumbo, Lidgerwood  
Rep. Robert Huether, Lisbon

## Table of Contents

Introduction: Campus Facilities.....	A
Introduction: Capital Improvement Budgets .....	B
HB 1022 Adjusted Appropriation .....	Page 1
Executive Budget Recommendation.....	Page 2
• Roof Replacement .....	Pages 3-8
• Steam Line Repair/Replacement .....	Pages 9-14
• Electrical Distribution Upgrades .....	Pages 15-17
NDSCS Campus Map .....	Page 18
Acknowledgements .....	Page 19



Jerry C. Olson, NDSCS President

Investment  
Investment  
Investment  
Investment

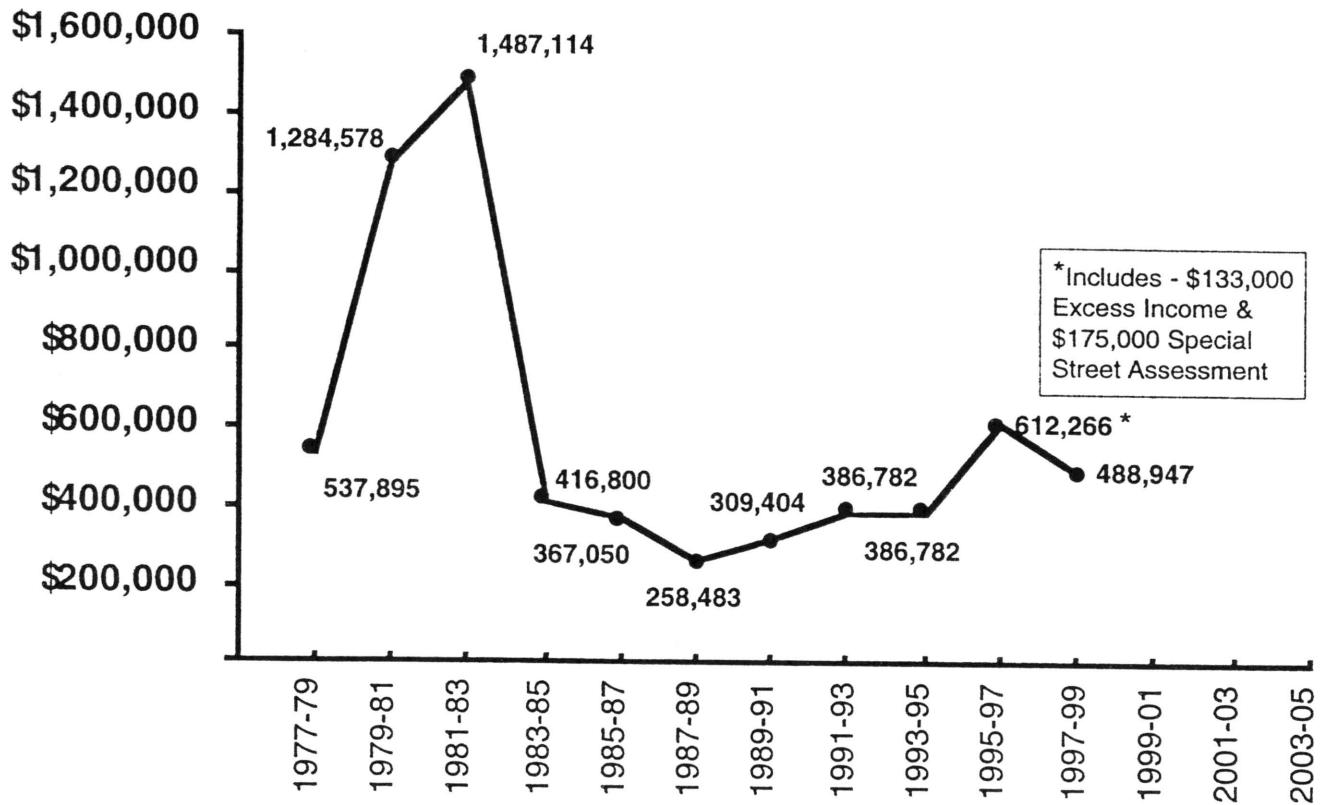
# Campus Facilities

*Value of Buildings,  
Infrastructure Totals  
\$110 Million*

<b>Campus Area</b>	125 acres
<b>Buildings</b>	37 (Value \$99 million)
<b>Infrastructure</b>	\$11 million
<b>Streets</b>	Length 3.2 miles
<b>Steam Lines</b>	L. Ft. L.Pr 1.25 miles H.Pr 1 mile
<b>Parking Lots</b>	Total Area - 863,000 or 19.75 acres pavement 261,710 or 6 acres grave (Or 2,647 parking spaces)
<b>Roofs</b>	Total Area - 15.2 acres 6,614 squares
<b>Sidewalks</b>	4.75 miles
<b>Communications</b>	Energy Mgmt. 2.4 miles (12,700 LF) Computer Cable 6.3 miles (33,324 LF/4,625' trench)
<b>Telephone</b>	Underground 4.11 miles (21,700 LF) In Tunnel .4 miles (2,000 LF) Fiber Optics 1.12 miles (6,000 LF)
<b>Electrical</b>	11.38 miles (60,100 LF/19,000' trench)
<b>Water</b>	3.44 miles (18,150 LF)
<b>Storm Sewer</b>	2.55 miles (13,200 LF)
<b>Sanitary Sewer</b>	1.9 miles (9,990 LF)

# Capital Improvement Budgets – 1977-1999

## Actual Expenditures By Biennium



### *In the Last Five Years, We Have Spent:*

1. \$501,000 on General Repairs to Buildings
2. \$280,000 on Steam Lines  
*(mostly emergency repairs)*
3. \$272,000 on Roofs  
*(mostly emergency repairs)*
4. \$154,000 on ADA Projects

# Restore HB 1022 Adjusted Appropriation

## Budget Process

Original Budget Request	\$4,310,000
Executive Recommendation	\$3,770,325
House Recommendation	\$2,000,000

*We request that the Senate  
Appropriation Committee restore the  
\$1,770,325 in HB 1022 Adjusted  
Appropriation*

*\*Request Emergency Clause*

*The Time Has Come To Invest in the  
Future — The Needs Are Now*

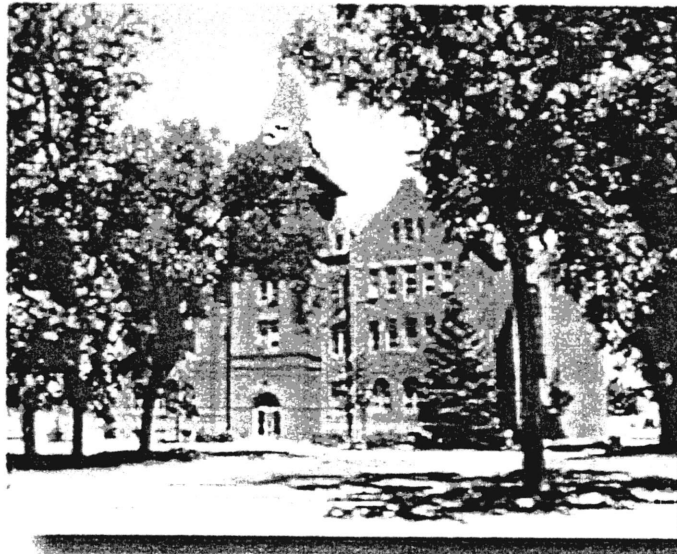




Mike Renk, Vice President for Administrative Affairs

Investment  
Investment  
Investment  
Investment

# Executive Budget Recommendation



- Infrastructure

# Roof Replacement

*Campus roof replacement and repair cycles are based on the following criteria:*

- Average roof life expectancy is 20 to 25 years. Average life of NDSCS roofs needing repair is 21 years.
- Inspections were used to evaluate visible conditions
- Moisture testing verified the extent of roof damage due to leakage
- Adequate funding
- On-going replacement schedule

**Repair & Replacement**

**\$1,422,000**

## NDSCS - ROOF ANALYSIS - DECEMBER 1998

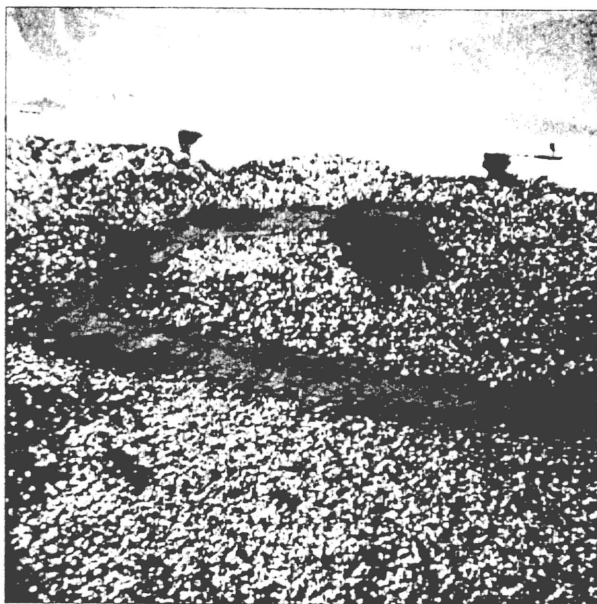
### Prioritized Listing of Roofing Needs Based on "Condition and Age."

BUILDING	AREAS	TOTAL SQ FT	AGE OF ROOF	REPLACEMENT COST
BALLWEBER	A,B,C	20,736	22	\$119,000
HEKTNER	Flat & Sloped	8,884	UNKNOWN	\$45,000
BISEK	B,C	22,452	24	\$88,000
SCHUETT	A,B,C,D,E,F	28,504	22	\$124,000
BARNARD	A,B,C,D,E	20,769	23	\$105,000
HEATING PLANT	E,E1,B	4,822	20	\$26,000
LIBRARY	ALL	21,502	18	\$110,000
STUDENT CENTER	ALL	45,035	18 thru 30	\$243,000
MECHANICAL SYSTEMS	ALL	15,120	24	\$66,000
CULTURAL CENTER	ALL	20,768	16	\$85,000
ACTIVITIES CENTER	A,B	77,454	21	\$309,816
<b>TOTAL</b>		<b>286,046</b>		<b>\$1,320,816</b>
ARCH FEES (7%)				\$92,400
<b>TOTAL</b>				<b>\$1,413,216</b>

#### NOTES:

1. Replacement costs are determined based on the existing type of roof as well as tear off considerations (\$3.91/sf to \$5.73/sf).
2. The existing roofs consist primarily of built up asphalt and EPDM (minimal metal).
3. The number of roofs being replaced was determined by both need and estimated available funding (\$1,422,000).
4. Roof replacements on locally funded buildings would be funded separately but included in a bid proposal.

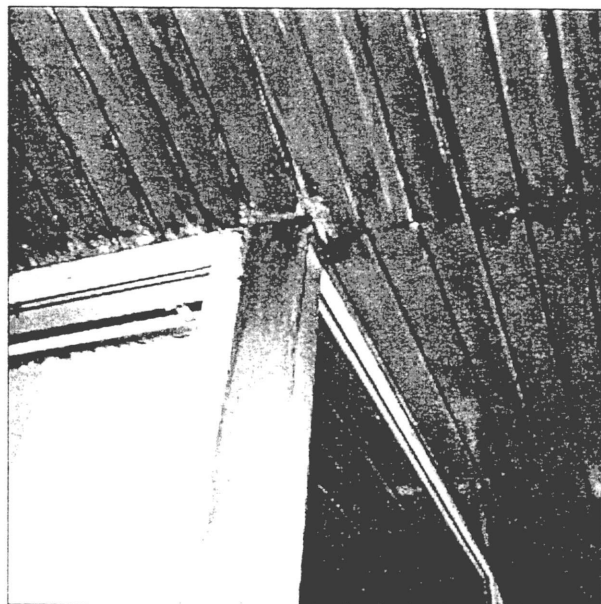
# Examples of NDSCS Facilities Deterioration



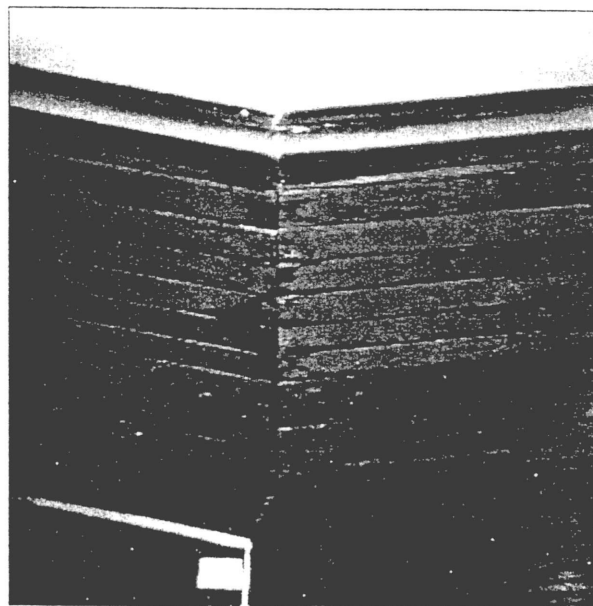
9-16-97  
Bisek Hall roof areas A & B expansion joints are split open with air pockets  
----Built 1974



11-5-97  
Student Center roof area A-1979, D4-1976 and E-1976. All areas have water leaking into insulation & on decking.



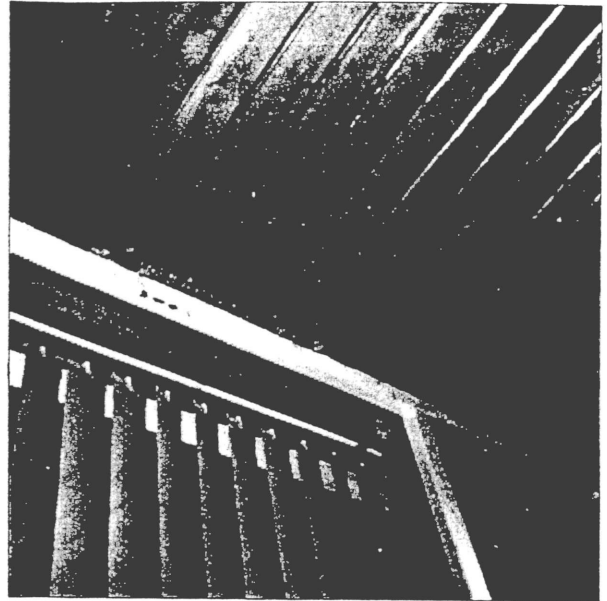
11-6-97  
McMahon Hall roof is leaking. All exterior wood has water damage.  
----Built 1958



11-6-97  
McMahon Hall roof is leaking. All exterior wood has water damage.  
----Built 1958



11-6-97  
Satterlee Hall roof Area B, walls are rotting from water coming through roof. Lounge area plaster is deteriorating. ----Built 1964



11-5-97  
Satterlee Hall roof Area B, water is running through ceiling and wood is getting wet. Wood decking is rotten. ----Built 1964



11-5-97  
Satterlee Hall roof Area B, water is running through ceiling and wood is getting wet. Wood decking is rotten. ----Built 1964



11-5-97  
Satterlee Hall roof Area B, water is running through ceiling and wood is getting wet. Wood decking is rotten. ----Built 1964





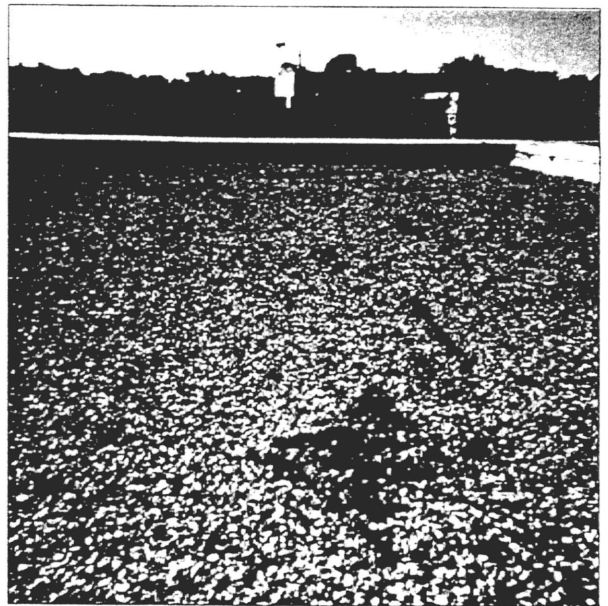
9-16-97  
Schuett Hall roof areas B-C-D-E-F-G are leaking in every shop area. ----Built 1976



9-16-97  
Bisek Hall roof areas A & B expansion joints are split open with air pockets. ----Built 1974



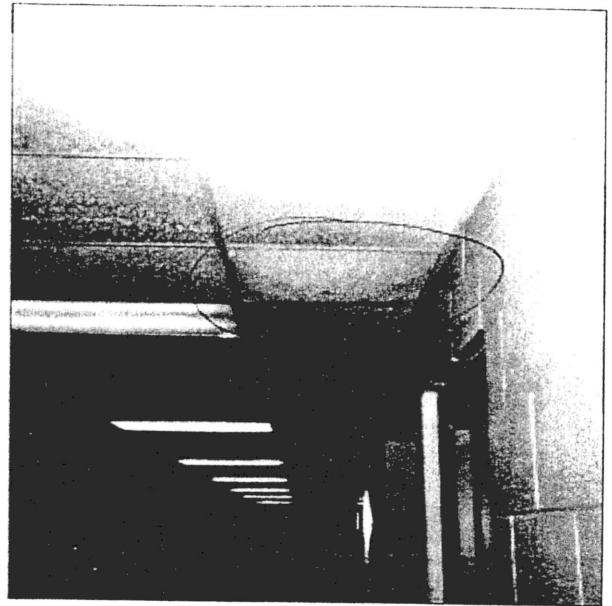
9-16-97  
Schuett Hall roof areas B-C-D-E-F-G are leaking in every shop area. ----Built 1976



9-16-97  
Schuett Hall roof areas B-C-D-E-F-G are leaking in every shop area. ----Built 1976



11-5-97  
Student Center skylights are cracked and full of water.  
----Installed 1968



9-16-97  
Schuett Hall roof areas B-C-D-E-F-G are leaking in every shop area.  
----Built 1976



10-28-97  
Barnard Hall concrete is cracking and falling off of the building.  
----Built 1967



10-28-97  
Horton Hall mortar joints and sills are falling off building.  
----Built 1927

# Steam Lines

**NDSCS has approximately 2.2 miles of steam lines.**

- **Approximately 6,425 feet of these lines are between 30 and 40 years old.**  
*\* Average life expectancy of a steam line is 20 years.*
- **Steam line test holes were attempted last fall.**
- **The degree of deterioration was so bad that further test holes were discontinued.**

**Steam Line Repair and  
Replacement  
\$1,060,125**



# NDSCS - REPLACEMENT OF STEAM LINES - DECEMBER 1998

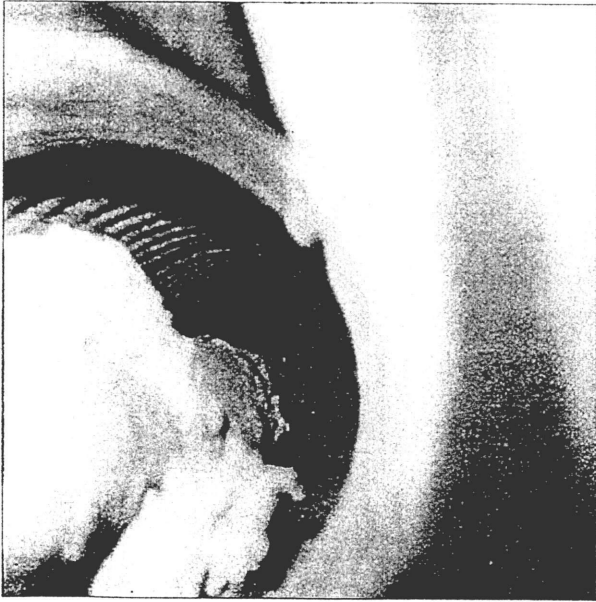
## Prioritized Listing of Steam Line Needs

LOCATION	AGE OF LINE	DISTANCE & TYPE	REPLACEMENT COST
Heating Plant to Manhole #2 South of Haverty	36	300' of tunnel	\$120,000
Satterlee to Babcock	35	130' of direct buried Ric-Wil	\$32,500
Manhole #5 North of Tunnel to Bisek	32	300' of tunnel	\$105,000
Piping & insulation thru Bisek building tunnel	32	120' steam & condensation	\$12,000
Bisek to Nordgaard & Robertson	32	1200' of direct buried Ric-Wil	\$300,000
Manhole #2 South of Haverty to Riley	31	600' of tunnel	\$225,000
Manhole #2 South of Haverty to Horton	24	450' of tunnel	\$168,750
Horton to Cultural Center	24	150' of tunnel	\$56,250
Forkner to Walton	31	75' of tunnel	\$26,250
Piping & insulation thru Riley & Forkner	31	140' of tunnel	\$14,000
<b>TOTAL</b>			<b>\$1,059,750</b>

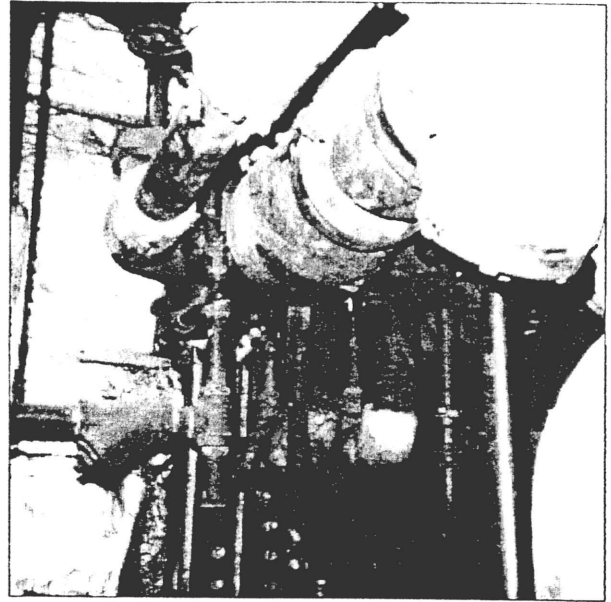
### NOTES:

1. Approximately 450' of direct buried steam lines would be eliminated due to proposed rerouting.
2. Proposed funding is \$1,060,125.
3. Steam line repairs inside non-appropriated buildings would be funded with local monies.

## *More Examples of Deterioration*



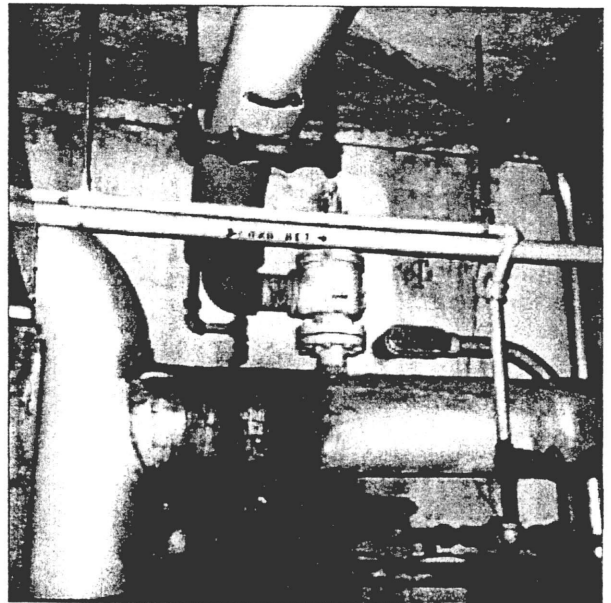
9-26-97  
Deteriorated steam lines under 14th Ave. to College Complexes.



10-30-97  
Trade Tech II air handler, piping, heat coils, traps are worn out. ----Installed 1961



9-16-97  
Underground steam pipe south end of campus.



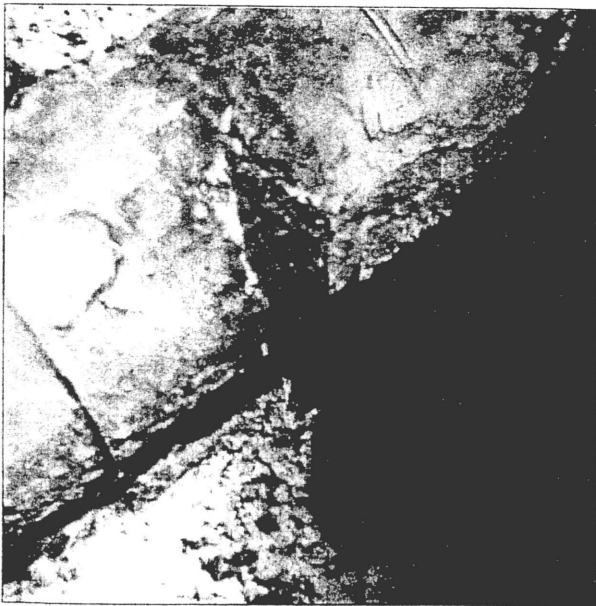
10-30-97  
Robertson Hall mechanical room where steam comes into building, piping is deteriorating. ----Built 1968



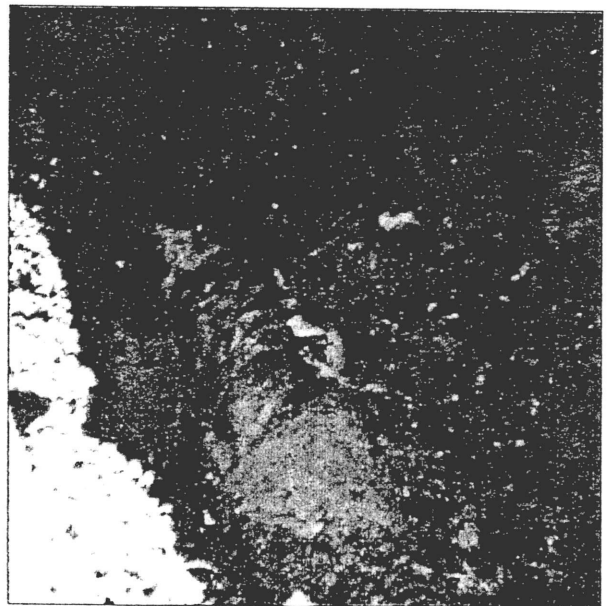
9-23-97  
Deteriorated steam lines south of Robertson Hall.



9-17-97  
Piping is deteriorated in underground steam lines  
north end of campus.



9-17-97  
Piping is deteriorated in underground steam lines  
north end of campus.



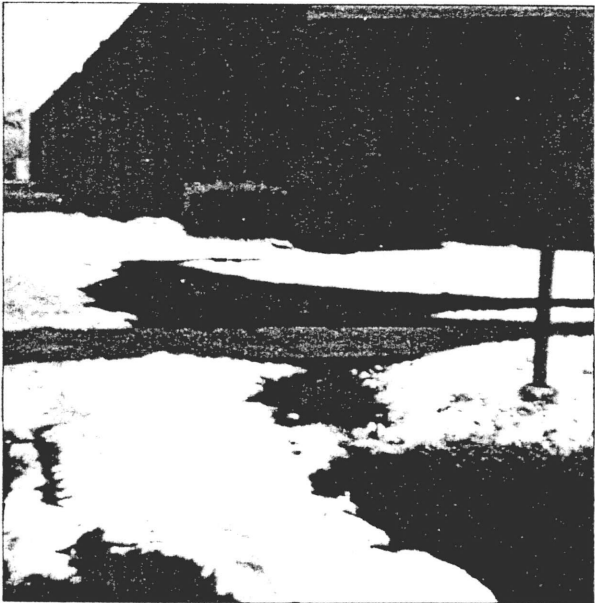
9-23-97  
Deteriorated steam lines south of Robertson Hall.



1-30-98  
Deteriorated steam lines north of Patterson  
Maintenance Center to Blikre Activities Center.



1-30-98  
Deteriorated steam lines Blikre Activities Center  
south to Patterson Maintenance Center.



1-30-98  
Deteriorated steam lines east of Walton Hall.



1-30-98  
Deteriorated steam lines east of Burch Hall north and  
south.



1-30-98  
Deteriorated steam lines south side Robertson Hall.



1-30-98  
Deteriorated steam lines Blikre Activities Center  
south to Frank Vertin Field.



1-30-98  
Deteriorated steam lines 14th Ave. to College  
Complexes.

# Electrical Distribution System

- **Power Sources**
  - \* Western Area Power Authority and Otter Tail Power Co. (WAPA and OTPC)
- **Life Expectancy**
  - \* Direct buried 15 to 20 years
  - \* Cable in conduit up to 50 years
- **Life Safety Codes**
- **Replacement Cost**
- **Savings**

**Replacement**  
**\$1,288,200**



# Proposed Electrical Distribution Upgrades

The North Dakota State College of Science (NDSCS) has embarked on a plan to evaluate the condition and capacity of the primary electrical distribution system. An electrical distribution system that is capable of providing power reliably and safely is a necessity for an institution such as NDSCS. The system must be effective in meeting the present demands of the college and must also be flexible to accommodate the demands of the foreseeable future. Ulteig Engineers, Inc. has been retained to evaluate the existing system and to develop recommendations based on known conditions and the prospects of future needs. The project scope, priorities and costs were originally identified in 1991, and updated in December 1997. Costs have been increased by 5% since the 1997 update to reflect labor market conditions.

## System Changes Address Safety, System Reliability

The recommended changes are proposed due to existing life safety issues, hazardous conditions, and system reliability considerations. The existing back up generator is not capable of providing emergency power to the entire campus as it is currently fed. Consequently, in the event of a power outage, part of the campus would have to be turned off to allow the generator to operate. This condition would leave many of the campus buildings without emergency power and out of compliance with the Life Safety Code.

The campus has an immediate reliability issue concerning its direct burial feeders. These feeders have exceeded their expected life and have already experienced faults.

## Loop-Feed Design Would Incorporate Interconnection of Feeders

The fundamental design scheme of the existing distribution system is one of radial design. There is no interconnection between feeders. At present there is an insufficient number of isolation switches in

order to minimize faulted areas. The recommended "loop-feed" design would provide the recommended amount of redundancy and reliability for a primary distribution system. This design incorporates the interconnection of feeders with the use of isolation switches and allows for the ability to isolate a fault condition and minimize the affected area of the fault.

Many existing padmount transformers are installed with their fronts facing the buildings with only 5 to 6 feet of clearance. This is in direct conflict with the National Safety Code.

## WAPA Energy Allocation, Campus Distribution Are Cost Effective

The electrical distribution system on campus allows NDSCS to purchase an allotment of energy from Western Area Power Authority (WAPA). This cost is less compared to purchasing energy entirely from the local utility supplier, Otter Tail Power Company (OTPC). Without the electrical distribution system, this lower cost energy would no longer be practical. In 1995 (the last year of the most recent study), the total blended cost per KWH for NDSCS was \$0.0308/KWH. For the same period, the average cost for the energy purchased from Otter tail Power was \$0.0472/KWH. Without the WAPA allotment, NDSCS would have purchased energy entirely from OTPC, the cost would have increased by \$180,000 for the calendar year 1995.

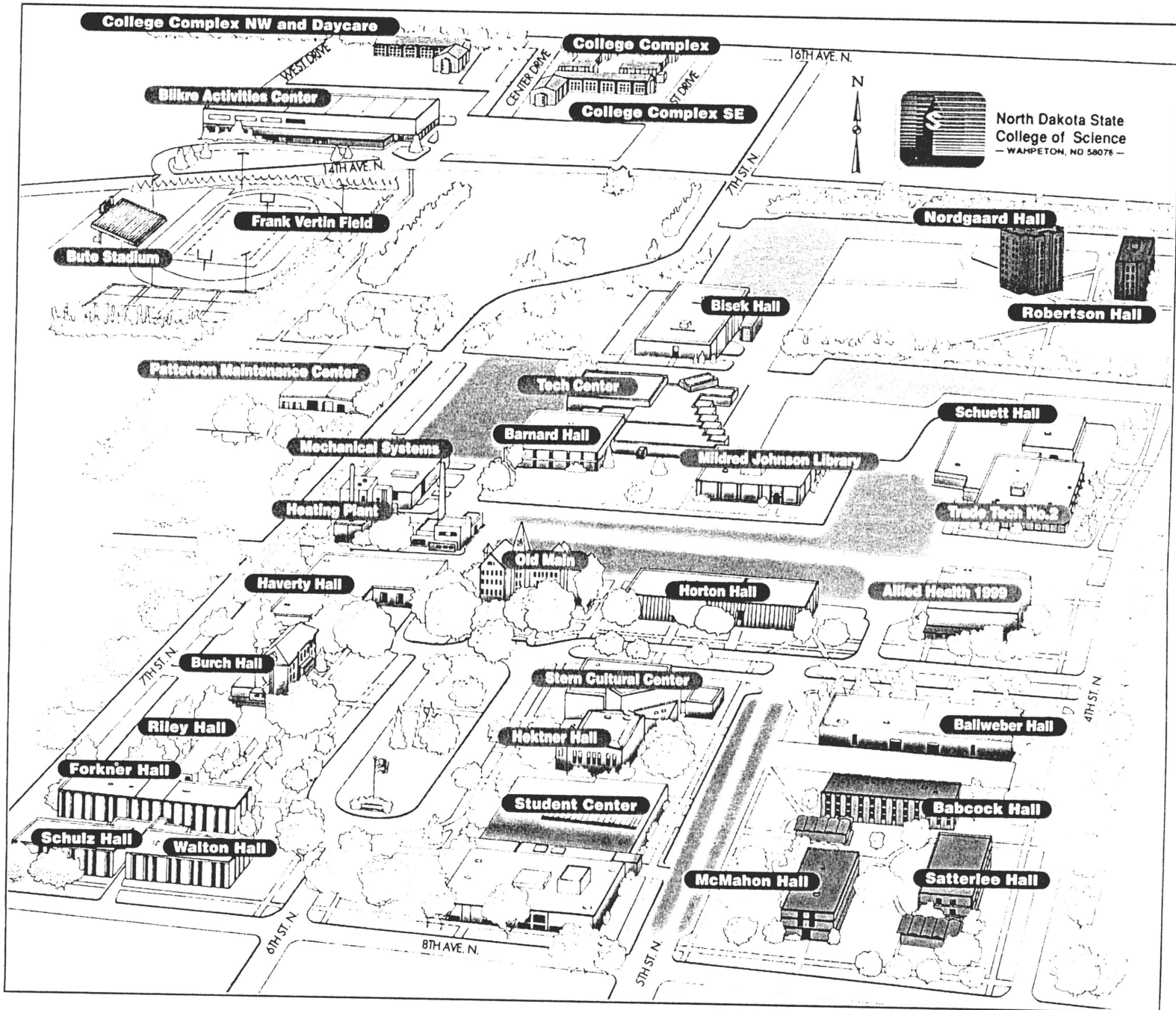
A detailed estimate of probable costs is on file for further analysis of the existing system as well as the necessary improvements and their respective costs.

## Electrical Distribution System Upgrades Estimated Engineering Costs

	<b>1999</b>
Priority 1 - Life Safety Feeder	\$151,725
Priority 2 - Replace Underground Feeder	\$27,300
Priority 3 - Bus and Generator Improvements	\$189,000
Priority 4 - Loop Feeders	
Feeder #1	\$147,000
Feeder #2	\$111,300
Feeder #3	\$130,200
Feeder #4	\$150,150
Feeder #5	\$130,200
Feeder #6	\$144,900
Priority 5 - Replace Transformer Vaults	\$33,600
Priority 6 - Reconductor (partial)	\$72,825
	<b>\$1,288,200</b>



# NORTH DAKOTA STATE COLLEGE OF SCIENCE CAMPUS



## **NDUS Chancellor and Staff**

Larry Isaak, Chancellor  
Dr. Mike Hillman, Vice Chancellor for Academic Affairs  
Laura Glatt, Vice Chancellor for Administrative Affairs  
Eddie Dunn, Executive Director, College Technical Education Council (CTEC)

## **North Dakota State Board of Higher Education**

John Hoeven  
Jeanette Satrom  
Paul Ebeltoft Jr.  
Beverly Clayburgh  
Joe Peltier  
Craig Caspers  
William Isaacson  
Bethany Andreasen,  
Faculty Representative  
Jonathan Sickler,  
Student Representative

## **NDSCS Officers**

Dr. Jerry C. Olson, President  
Robert Gette, Vice President for Instructional Affairs  
Mike Renk, Vice President for Administrative Affairs  
Harvey Link, Dean of Arts, Science and Business Division  
Dr. Jerry Migler, Dean of Technologies and Services Division  
Dr. Verlyn Fick, Coordinator, Outreach and Customized Training

### **A Team Project—**

This Legislative Report is a team effort prepared and printed by the NDSCS President's Office, Administrative Affairs Office, Instructional Affairs Office, Physical Plant Office, Information and Printing Services, and The Copy Center.

## House Bill No.1022

Testimony for funding construction of a food service,  
multipurpose building at the Missouri River Correctional Center  
Tim Schuetzle, Director of Prisons Division, DOCR  
House Appropriations Committee, January 18, 1999, 1:00 pm

The Prison's Division of the Department of Corrections and Rehabilitation is requesting funding to construct a food service/multipurpose building on the grounds of the Missouri River Correctional Center, the minimum security prison located in south Bismarck. The 8,000-sq. ft. building would have space for food preparation and serving, and then a dining room area with rollaway tables that could also be used for indoor recreation space during inclement weather. The cost estimate of 1.6 million dollars was compiled using the 1998 Means Building Construction Costs Data Catalog.

The present kitchen and dining area is outdated and too small to meet the needs of the 150 residents. This wood frame building was built in the 1930's. The food preparation area was enlarged in the mid 1980's when we increased the number of inmates housed at the facility from 40, to 100, but the dining space remained the same size. In 1992 we constructed the new dormitory, and, through the budget process we have requested funding for this building in each of the past three biennia to accommodate feeding the present count of 150 inmates. The dining hall does not have the required fire suppression system, therefore it does not meet any of the local building or life safety codes. About 18 months ago we did have a fire caused by faulty wiring to a ceiling fan, but an observant staff member noticed the smoke and was able to extinguish the flames.

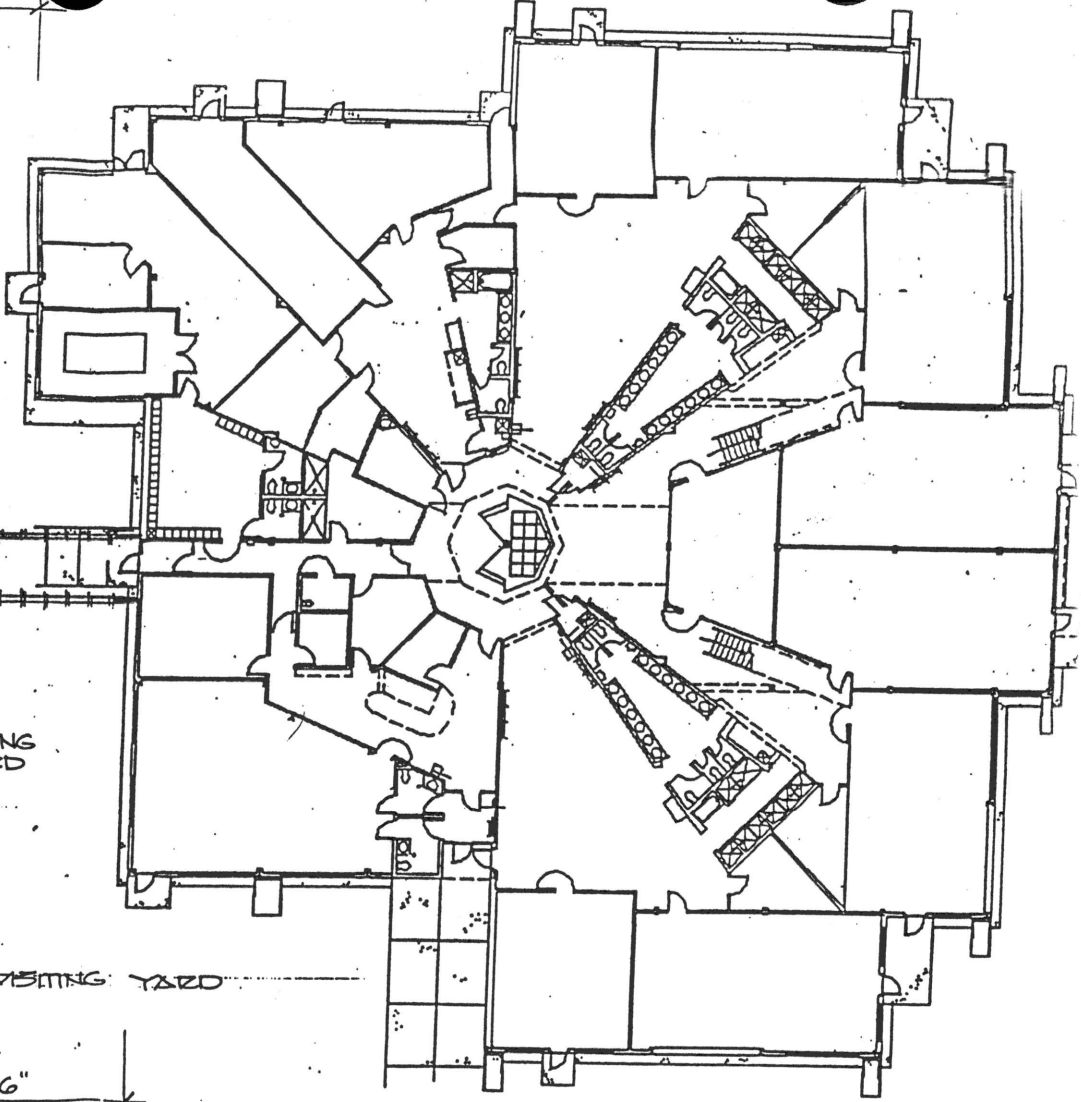
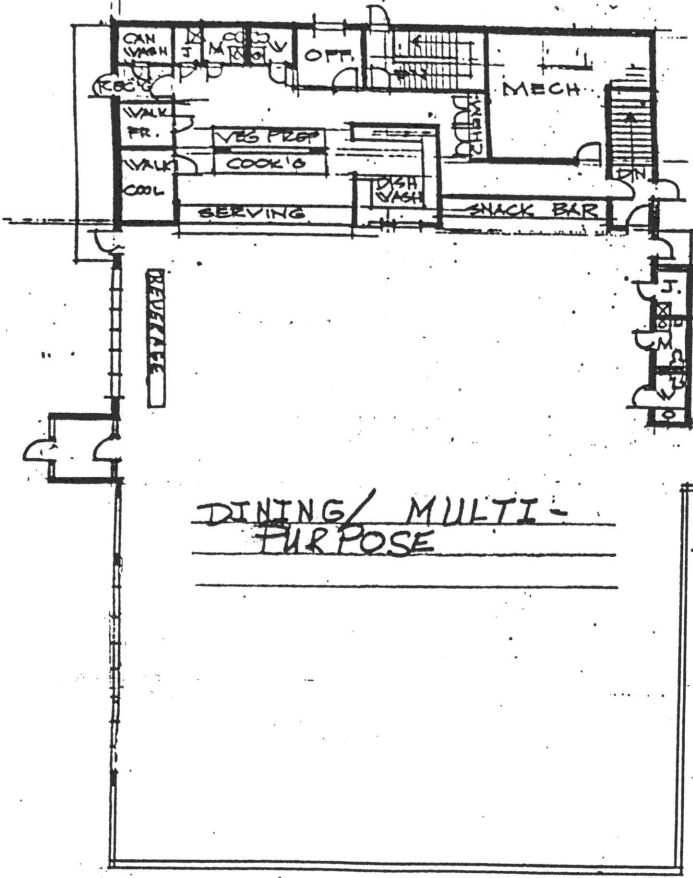
The structure will be designed so the dining area could be converted to an indoor recreation space during non-meal times, improving security by having all inmates recreating in a controlled setting. Having indoor recreation space for inmates is not unusual or luxurious, in fact, we are unusual by not providing such a space. Standard 3-4147 of the American Correctional Association Standards for Adult Correctional Institutions (vol.3) requires that general population inmates must have adequate "covered/enclosed recreation facilities for daily use by inmates in inclement weather. It goes on to require that there be a minimum of 15sq. ft. per inmate, a minimum ceiling height of 18 feet, and at least 1000 sq. ft. of unencumbered space. We fail to meet this standard at the MRCC. The dual-purpose design of this structure is a cost-effective way to meet two of our needs, feeding and recreation, in one building. I urge you to approve the requested \$1,600,000 in bonding funds so that we can construct this building.

Missouri  
River  
Correctional  
Center

PHASE I - 1992  
23,000 SF

PHASE II - 1994  
8,000 SF

46'-0"



VISITING YARD

VISITING YARD

52'-6"



AEC, P.C.

ARCHITECTS  
 PO Box 2755 533 AIRPORT ROAD  
 BISMARCK, ND 58502-2755

MIRCC MASTER PLAN \* BISMARCK, ND  
 GROUND FLOOR PLAN

12/3/92 SCALE: 1" = 20'

## Section E Program and Service Areas

**Principle:** Adequate space must be provided for the various program and service functions conducted within the institution. Spatial requirements are best determined by careful assessment of how, when, and by how many inmates such spaces are used.

### Exercise and Recreation

**3-4147**  
(Ref.2-4138,  
2-4156,  
2-4157)

Outdoor and covered/enclosed exercise areas for general population inmates are provided in sufficient number to ensure that each inmate is offered at least one hour of access daily. Use of outdoor areas is preferred, but covered/enclosed areas must be available for use in inclement weather. Covered/enclosed exercise areas can be designed for multiple uses as long as the design and furnishings do not interfere with scheduled exercise activities.

The minimum space requirements for exercise areas are as follows:

**Outdoor exercise areas —**

15 square feet per inmate for the maximum number of inmates expected to use the space at one time, but not less than 1,500 square feet of unencumbered space

**Covered/enclosed exercise areas in institutions of 100 or more inmates —**

15 square feet per inmate for the maximum number of inmates expected to use the space at one time, with a minimum ceiling height of 18 feet, but not less than 1,000 square feet of unencumbered space

**Covered/enclosed exercise areas in institutions of less than 100 inmates —**

15 square feet per inmate for the maximum number of inmates expected to use the space at one time, with a minimum ceiling height of 18 feet, but not less than 500 square feet of unencumbered space

---

**Comment:**

Exercise/recreation spaces are not the same as dayrooms, although dayrooms can provide additional opportunities for some exercise and recreation activities. The standard establishes performance requirements for exercise spaces, offering design and operational flexibility. It allows institutions in some climates to cover and/or enclose a yard, while others will have to provide indoor space; these spaces do not have to be "indoor" but must be fully functional when the outdoor areas are not feasible for use.

**3-4148**  
(Ref.2-4159)

The minimum space requirements for outdoor and covered/enclosed exercise areas for segregation units are as follows:

15 square feet per inmate expected to use the space at one time, with a minimum ceiling height of 18 feet in covered/enclosed areas, but not less than 500 square feet of unencumbered space.

---

**Comment:** None

**Department of Corrections and Rehabilitation**

**Division of Juvenile Services**

**TESTIMONY ON HB1022**

**Prepared for the  
House Appropriations Committee**

Representative Jack Dalrymple, Chairman

January 18, 1999

By Al Lick, Director  
Division of Juvenile Services

Youth  
Center  
Center

\$250,000

The North Dakota Youth Correctional Center (NDYCC) provides the most secure environment for juvenile offenders in the state.

There are many important reasons for the addition and renovation of Pine Cottage.

When we are implementing our most severe level of discipline, which is lockdown with no privileges, we need that individual in isolation in a single housing unit. There are times now, when because of our population, we cannot provide that isolation. Because we will be able to assure consequences with the addition to Pine Cottage, that enhances our ability to provide discipline in the other cottages.

The North Dakota Century Code provides that adolescents 14 and over who commit murder, rape, robbery, or aggravated assault, must be waived to adult court, and tried as

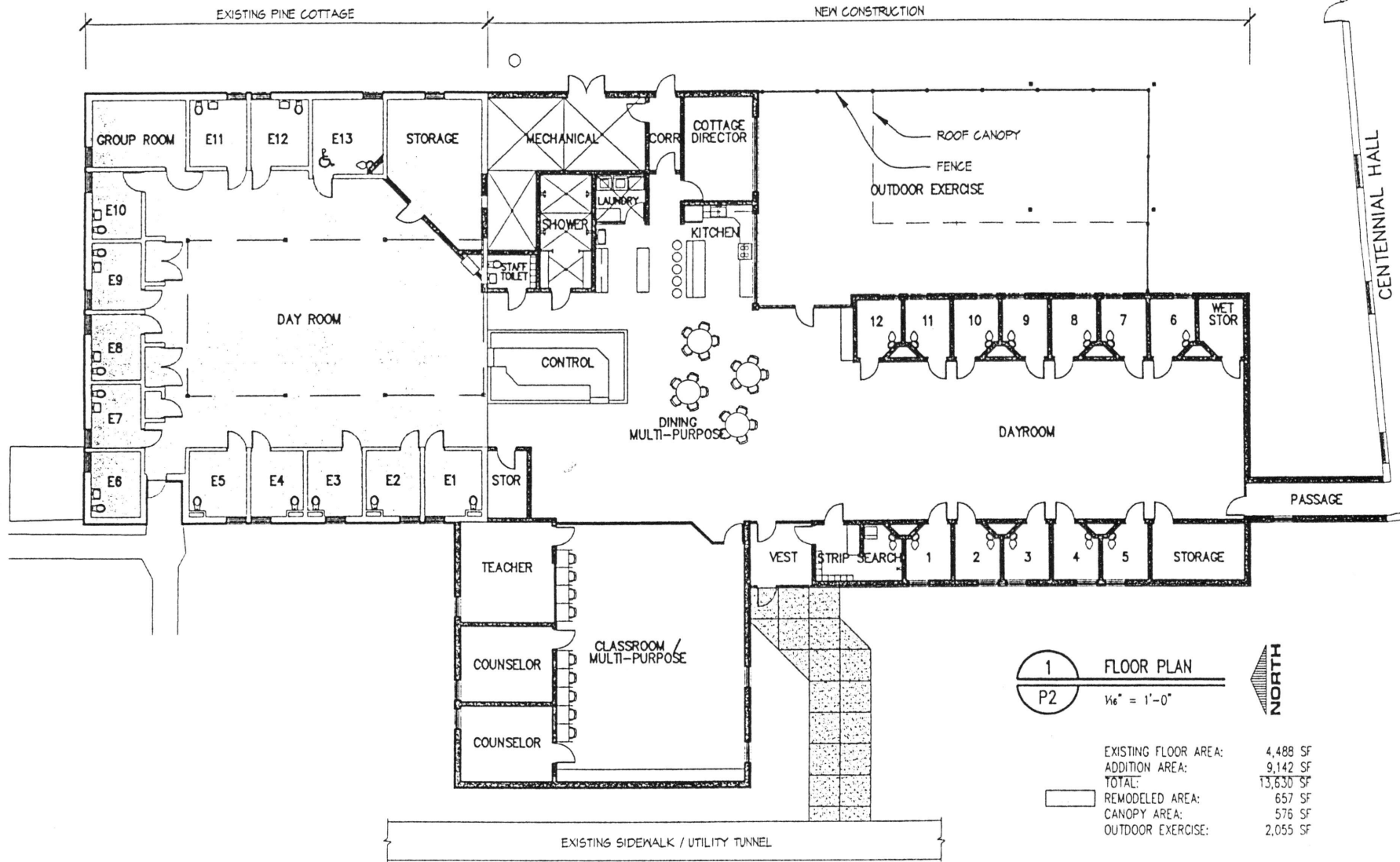
an adult. In some instances, because of physical maturity or various other reasons, the Department of Corrections and Rehabilitation can house that individual at the NDYCC and transfer them to the State Penitentiary at a later date. Presently, that cannot be done with solid assurances of providing the level of public security with which we feel comfortable.

We need more space in the cottage to provide both indoor and in-season outdoor recreation. Presently, it is next to impossible to provide any type of meaningful form of exercise, which is a very important component of maintaining order, discipline, and staff safety. This project would provide a completely self-contained environment for individuals whose behavior has shown they need it.

Presently, we are bringing education services to Pine Cottage in the form of one teacher committed entirely to the cottage. We use teaching carousels so that we can provide some semblance of privacy because the teaching is very individualized. The addition would provide a self-contained classroom.



We have been able to obtain \$500,000 of federal money to dedicate to this project. The total project budget is 1.975 million, with the remaining \$1,475,000 included as bonding money.



1 FLOOR PLAN  
 P2 1/16" = 1'-0"



EXISTING FLOOR AREA:	4,488 SF
ADDITION AREA:	9,142 SF
TOTAL:	13,630 SF
REMODELED AREA:	657 SF
CANOPY AREA:	576 SF
OUTDOOR EXERCISE:	2,055 SF

**AL FITTERER, ARCHITECT PC**  
 200 THIRD AVE NW  
 PO BOX 129  
 MANDAN, NORTH DAKOTA 58554  
 VOICE 701-663-7543  
 FAX 701-663-7544

*Tape II Station  
6.9 -*

**Testimony on House Bill 1022**  
to the  
**House Appropriations Committee**  
by  
**Murray G. Sagsveen, State Health Officer**  
**January 18, 1999**

Good afternoon. I am Murray Sagsveen, State Health Officer, State Department of Health. I will briefly address two issues: facilities for the medical examiner and the laboratories and off-site offices within the Department of Health.

**Facilities for the Medical Examiner**

Dr. George Mizell has been the medical examiner since August 1996. The position was authorized in 1995 by N.D.C.C. § 23-01-05.4.

During the past several years, Dr. Mizell has firmly established the value of a statewide medical examiner program. He now performs about 200 complex autopsies each year (186 in 1998) plus consultations, often under difficult and time-sensitive conditions. In addition, he is frequently called to testify in court proceedings, both civil and criminal, concerning the autopsies.

The medical examiner program was established with the bare essentials: Dr. Mizell, a borrowed part-time secretary, and a borrowed office. An assistant to the medical examiner was authorized in 1997. Since the program's start, St. Alexius Medical Center and MedCenter One also graciously offered their hospital morgues on a six-month rotating basis until the Department of Health could provide permanent facilities for the medical examiner and staff.

I have visited both morgues. Although the morgues are adequate facilities for occasional autopsies by hospital staff, they are inadequate for an ongoing medical examiner program. The morgues, among other things, do not have adequate storage facilities, do not have any office space, and do not have facilities for visiting families or law enforcement personnel.

It is now time for the Department of Health to provide the permanent facilities. St. Alexius Medical Center advised me on September 14, 1998 that they could no longer support the arrangement so, since November 1, 1998, Dr. Mizell has been performing all autopsies at MedCenter One. It is unlikely that MedCenter One will continue the arrangement for an indefinite period.

*Health  
Dept  
Morgue*

We have explored a variety of options, including: (1) renting or purchasing and converting an existing building, (2) constructing a facility, and (3) co-locating the office with the University of North Dakota Medical School in Bismarck or Grand Forks. We are not prepared, at this early stage, to select one of the options.

### **The Department of Health Lab and Office Facilities**

The Department of Health contracts with the Health Care Financing Administration, U.S. Department of Health and Human Services, to certify federally financed long-term care facilities in North Dakota. The professional staff within the Department of Health includes personnel who provide the Life Safety Code inspections.

It was my decision, several months after Governor Schafer appointed me and after I had visited the labs, to subject the labs and off-site office facilities to a Life Safety Code inspection—the state-owned labs and offices should meet the same code standards as all long-term care facilities throughout the state.

The inspector's reports revealed many Life Safety Code problems in all Department of Health facilities:

- The Missouri Office Building (MOB) was inspected on October 27, 1998. The building has an inadequate number of exits, the exits are used for equipment and storage, the exits are not properly marked, the stair enclosures are not separated from the rest of the building by one-hour fire rated walls, the stair enclosure doors are not self-closing one-hour fire rated door assemblies, the existing separation walls have many penetrations, the combustion air duct in the boiler room is inadequate, and many portable heaters are located throughout the building because of the building's poor heating system.
- The laboratory building at 2635 East Main was inspected on October 22, 1998. The building was constructed in 1975 and does not comply with current one- and two-hour fire resistive requirements, the exits are improperly marked, there are an inadequate number of exits from certain areas, the storage areas are inadequate for the stored chemicals, louvers have been cut into the fire rated doors, the ventilation is inadequate in the storage rooms, and the fire suppression systems are inadequate. In addition, the heating, ventilation, and air conditioning (HVAC) system is designed to allow flammable vapors to be recirculated back into the building.

A facility study of existing HVAC and hood systems was completed by an East Coast engineering firm in May 1998 that recommended the Department spend \$1,476,500 to upgrade the HVAC system.

- The microbiology lab building at 1205 Avenue A West was inspected on October 27, 1998. The building was not constructed to meet the one-hour fire resistive requirements, the exits are improperly marked, the exhaust fans may not be explosion-proof, and flammable liquids are stored in locations not designed for such storage. In addition, many portable heaters and appliances are powered by extension cords throughout the building.
- The training center at 2639 East Main was inspected on October 28, 1998. The inspector found a variety of non-structural violations that can be corrected.

These inspection reports, completed after we submitted the proposed budget for the Department in July, were promptly reported to OMB. OMB then conducted a second investigation of the HVAC system at the microbiology lab.

The January 11, 1999, report from Prairie Engineering, P.C., concluded:

*I recommend that no money be spent on upgrade of the present HVAC system. I do not believe that it would be cost effective to upgrade the HVAC system in this building to a level required of the Laboratory function. I recommend that at the appropriate time that an up-to-date HVAC system be installed in a new facility or in another existing facility that can meet building code, life safety, and space utilization minimum requirements.*

It became obvious, in the final days of the budget preparation process, that the existing laboratories and buildings are a safety hazard to the Department of Health employees who work there. We will promptly implement available nonstructural measures to improve the environment of the facilities, but certain structural changes will be necessary. Accordingly, the Governor authorized OMB to pre-file House Bill 1022 to issue bonds for \$3 million upgrade, relocate, or replace the existing facilities.

We are exploring all possible options, including contracting with private sources for the laboratory work. However, such arrangements may not be possible because of

the unique requirements imposed upon the several labs within the Department of Health.

**Recommendation**

For the reasons stated above, we urge the committee to approve the \$3 million bonding provision in House Bill 1022.

HB 1022  
Murray Sagsveen  
3/10/99

#3

**Hearing on House Bill 1022**  
before the  
**Senate Appropriations Committee**  
**Murray G. Sagsveen, State Health Officer**  
**March 10, 1999**

Good morning. My testimony will focus on the funding requested in the House Appropriations Committee during the hearing on House Bill 1022.

**Department Facilities**

*Background*

After the Department submitted its proposed budget to OMB, I requested Department staff (who inspect long term care facilities and hospitals) to inspect five Department buildings to determine whether they complied with the Life Safety Code. The inspections revealed major structural deficiencies that posed significant safety hazards for Department employees.

Also after the Department submitted its proposed budget to OMB, OMB staff inspected the buildings, primarily to provide a second opinion concerning a report by a consulting engineer who had identified major deficiencies in the heating, ventilation, and air conditioning (HVAC) systems. The OMB inspection confirmed that we had major (and potentially expensive) problems with the HVAC systems.

In addition, in November 1998, St. Alexius Medical Center notified me that it would no longer authorize the Medical Examiner, Dr. George Mizell, to use its morgue (the Medical Examiner had been using the morgues at St. Alexius Medical Center and MedCenter One on a six month rotation since the Office of the Medical Examiner was established several years ago). Accordingly we immediately started searching for a suitable facility to establish a permanent state morgue (we inspected buildings in Bismarck and Mandan, the UND School of Medicine and Health Sciences building in Grand Forks, and the Veterans Administration Hospital in Fargo..

We had not completed our investigations when the executive budget was submitted to the legislature in December. Accordingly, OMB inserted a proposed authorization in House Bill 1022 for the Department to issue bonds totaling \$3

million to finance construction or reconstruction of the necessary facilities. The House deleted the bonding authorization from House Bill 1022.

### *The Laboratories*

The Department of Health operates several major laboratories to support state and local agencies.

- The Crime Lab (which includes the State Toxicologist) provides essential and specialized services to about 200 law enforcement agencies, coroners, and state's attorneys. The workload at the Crime Lab has significantly increased and has become more complex in recent years as a result of additional federal financial support to state and local law enforcement agencies – the workload has increased and is more complex because the lab is testing more blood and urine samples for “traditional” and “botique” drugs and chemicals. We believe there is no viable alternative to upgrading the Crime Lab, so we will request an amendment for additional federally funded FTEs (explained in more detail below).
- The Microbiology Lab provides essential and specialized services to state agencies (e.g., the Department of Corrections) and local public health units. The workload of this laboratory has remained relatively constant during the past several years, but the focus has shifted because of new diseases (e.g., human immunodeficiency virus [HIV], chlamydia, antibiotic resistant tuberculosis, hepatitis [A, B, and C], etc.), increasingly complex foodborne issues (e.g., listeriosis [associated with the recent Land O'Lakes recall]), potentially dangerous disease outbreaks in ND communities (e.g., TB in Lakota and meningococcal bacteria in Williston), specialized techniques and equipment, and an increasing national emphasis on improving the capabilities within each state to better respond to an influenza pandemic or bioterrorist attack. We have briefly evaluated the option of outsourcing the Microbiology Lab, but we believe that option would be significantly more expensive than operating the lab.



- Similarly, the Chemistry Lab provides essential and specialized services to state agencies and local agencies. This lab provides support to cities throughout the state to ensure that the public water systems comply with the Safe Drinking Water Act, routinely tests surface water supplies throughout the state as part of the delegated responsibilities from EPA, and provides assistance to state agencies, including the State Water Commission, the Department of Agriculture, and the Geological Survey. We have briefly evaluated the option of outsourcing this work, but again believe the net cost would significantly increase.

#### *The Medical Examiner*

The Medical Examiner program has been an unqualified success story. Dr. George Mizell provides expert forensic pathology services to state and local law enforcement agencies, state's attorneys, and county coroners (additional details are provided at page 31). When St. Alexius notified me that the Medical Examiner could not use that morgue after November 1, 1998 (thereby shifting all autopsies to the morgue at MedCenter One), we considered all available options:

- The UND School of Medicine and Health Sciences was an obvious option. Dr. Mizell and I personally inspected the facility. In addition, the State Facility Planner, OMB, inspected the facility and reported that remodeling alone might cost \$628,100.
- The Veteran's Hospital in Fargo was another obvious option, primarily because nearly-vacant UND offices adjacent to the facility could have provided an office suite for the Office of the Medical Examiner. Dr. Mizell and I personally inspected this morgue and agreed that the VA morgue was not suitable for a high volume operation. This option would have required a lease from the federal hospital, relocation of the Medical Examiner, and some modifications to the VA morgue.
- The former hospital building in Mandan (now owned by MedCenter One) was also an option because the now-vacant operating rooms

could have been converted to a morgue. However, MedCenter One would not commit to a long-term lease for that space.

- Constructing a new building or remodeling an existing building in Bismarck is also an option, and we have explored a number of possibilities. An attractive site is a building owned by MedCenter One at 6<sup>th</sup> and C in Bismarck. According to the State Facility Planner, the cost to purchase and remodel the building would be \$530,000.
- Constructing a state morgue within the existing East Main lab is also an option – because of the proximity to the Crime Lab and the State Toxicologist and because the facility could be remodeled to accommodate the Medical Examiner without major work to the HVAC system (which would be required if the labs would remain in the same space).

#### *The Hazards*

It was my decision, several months after Governor Schafer appointed me and after I had visited the labs, to subject the labs and off-site office facilities to a Life Safety Code inspection—the state-owned labs and offices should meet the same code standards as all long-term care facilities throughout the state.

The inspector's reports revealed many Life Safety Code problems in all Department of Health facilities:

- The laboratory building at 2635 East Main was inspected on October 22, 1998. The building was constructed in 1975 and does not comply with current one- and two-hour fire resistive requirements, the exits are improperly marked, there are an inadequate number of exits from certain areas, the storage areas are inadequate for the stored chemicals, louvers have been cut into the fire rated doors, the ventilation is inadequate in the storage rooms, and the fire suppression systems are inadequate. In addition, the heating, ventilation, and air conditioning (HVAC) system is designed to allow flammable vapors to be recirculated back into the building. A facility study of existing HVAC and hood systems was completed by an East Coast engineering firm in May 1998 that

recommended the Department spend \$1,476,500 to upgrade the HVAC system.

- The microbiology lab building at 1205 Avenue A West was inspected on October 27, 1998. The building was not constructed to meet the one-hour fire resistive requirements, the exits are improperly marked, the exhaust fans may not be explosion-proof, and flammable liquids are stored in locations not designed for such storage. In addition, many portable heaters and appliances are powered by extension cords throughout the building.

These inspection reports, completed after we submitted the proposed budget for the Department in July, were promptly reported to OMB. OMB then conducted a second investigation of the HVAC system at the microbiology lab.

The January 11, 1999, report from Prairie Engineering, P.C., concluded:

I recommend that no money be spent on upgrade of the present HVAC system. I do not believe that it would be cost effective to upgrade the HVAC system in this building to a level required of the Laboratory function. I recommend that at the appropriate time that an up-to-date HVAC system be installed in a new facility or in another existing facility that can meet building code, life safety, and space utilization minimum requirements.

### **Recommendation**

I believe we must take appropriate action during the next biennium to provide a safe working environment for the state employees working in the Department's laboratories, to substantially reduce the liability of the state, and to continue the essential laboratory operations of the Department of Health.

It is my recommendation that:

- Suitable facilities for the state morgue should be leased, and Dr. Mizell (along with his staff) should be relocated from the East Main lab to the leased facility.
- A chemistry lab (7,000 square feet) and a microbiology lab (7,000 square feet) be constructed adjacent to the existing laboratory on East Main.

- When constructed, the existing microbiology lab north of the Missouri Office Building would be relocated to the new facility and the lease on the existing lab building would be terminated.
- When constructed, the chemistry lab would relocate to the new facility, vacating space in the East Main lab.
- The East Main lab would be remodeled to comply with the Life Safety Code, to upgrade the HVAC system, and to provide a permanent state morgue facility.
- The medical examiner and staff would be relocated from the temporary state morgue to the East Main site.

Accordingly, we request that you authorize appropriate funding for the work described above.



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

Edward T. Schafer  
Governor

Heidi Heitkamp  
Attorney General

Roger Johnson  
Commissioner of Agriculture

Testimony on House Bill No. 1022  
by Karlene Fine  
Executive Director & Secretary  
Industrial Commission of North Dakota  
January 18, 1999 - House Appropriations Committee

Mr. Chairman and members of the House Appropriations Committee, my name is Karlene Fine and I am Executive Director and Secretary for the Industrial Commission. The Industrial Commission by statute is the North Dakota Building Authority. I, along with Rod Backman, Director of the Office of Management and Budget, serve as the Authorized Officers for the Authority.

The North Dakota Building Authority was established by the 1985 Legislative Assembly to provide the Legislature with another option as it considers how to pay the costs of projects declared by the Legislature to be in the public interest. This is how it works:

- (1) The Legislature determines whether a project is in the public interest of the State and passes legislation authorizing the specific projects and authorizing the Building Authority to issue evidences of indebtedness (generally these are tax exempt revenue bonds).
- (2) The Building Authority, working with the appropriate agencies, issues its bonds to acquire funds for the authorized projects.
- (3) The state or agency repays the bonds from the rent paid under leases. The leases run from the North Dakota Building Authority to the various state agencies utilizing the projects. The lease agreements are renewed every two years with rental funds provided from a legislative appropriation in each biennium.
- (4) To provide additional security to the bond purchasers that the state will repay the debt, the Building Authority has in the past obtained a letter of credit or has

Building Authority

taken title to the authorized projects. Currently the Authority holds title to portions of the State Penitentiary, State Hospital, Developmental Center in Grafton, Youth Correctional Center, portions of the University campuses, etc. In some bond issues the Authority also provided cross collateralization between projects.

Attached to my testimony is a debt service schedule for all the current outstanding Building Authority bond issues along with the proposed debt service schedule for those projects proposed in House Bill 1022. As you will note under the column headed 1999A, lease (bond) payments do not begin until the 2001-2003 biennium. Also I have based the interest rate for the sale of evidences of indebtedness at 4.89%. If this bill is passed, and signed into law, the Authority would issue its bonds some time within the next 6 to 9 months, if we can obtain a favorable rate.

The Legislature last session lowered the ceiling of General Fund dollars the State can utilize for Building Authority debt service from 11% of 1% to 10% of 1% of the sales use and motor vehicle taxes. On the debt service chart in the next to last column I have included the sales use and motor vehicle taxes income forecast available using this formula. I will refer to this as the cap. If you look at the third to last column which is the proposed General Fund needs for future biennia you can see that the General Fund debt service dollars needed for the projects in HB 1022 are within the cap. The last column shows the cushion between the needed General Fund debt service and the 10% General Fund limitation.

Thank you for the opportunity to present testimony to House Bill 1022.

## North Dakota Building Authority Debt Service By Bond Issue

Biennium	1998B-1991									Other	Total	10% of \$.01	Available
	1986	1998B-1992	1993-1990	1993B	1995A	1998 A	1998C	1999A**	Totals	Source	Gen. Fund	Sales Tax*	Debt Ser
1999-2001	1,881,171	589,427	6,010,096	2,597,288	2,740,428	1,297,154	775,604	0	15,891,168	1,938,269	13,952,899	16,391,600	2,438,701
2001-2003	2,453,550	577,764	6,018,469	2,506,773	3,045,255	1,293,644	776,704	3,233,520	19,905,679	2,879,996	17,025,683	17,047,264	21,581
2003-2005	2,294,313	585,239	6,025,459	2,486,468	3,046,755	1,295,354	776,656	3,223,230	19,733,474	2,084,791	17,648,683	17,729,155	80,472
2005-2007	2,154,851	597,539	6,017,560	2,468,658	3,045,626	1,300,220	775,267	3,222,531	19,582,252	1,449,898	18,132,354	18,438,321	305,967
2007-2009	2,001,560	0	5,945,162	2,445,155	3,052,394	1,297,291	767,814	3,221,015	18,730,391	1,354,452	17,375,939	19,175,854	1,799,915
2009-2011	1,841,765	0	1,926	2,420,253	3,047,731	1,295,702	0	3,215,378	11,822,755	751,686	11,071,069	19,942,888	8,871,819
2011-2013	0	0	0	2,403,940	3,049,639	1,297,694	0	3,206,417	9,957,690	729,026	9,228,664	20,740,603	11,511,939
2013-2015	0	0	0	1,100,565	3,047,310	1,297,925	0	3,200,848	8,646,648	453,728	8,192,920	21,570,227	13,377,307
2015-2017	0	0	0	0	1,520,790	1,292,610	0	3,190,661	6,004,061	0	6,004,061	22,433,036	16,428,975
2017-2019	0	0	0	0	0	628,683	0	3,185,308	3,813,991	0	3,813,991	23,330,358	19,516,367
2019-2021	0	0	0	0	0	0	0	0	0	0	0	24,263,572	24,263,572
<b>Totals</b>	<b>12,627,210</b>	<b>2,349,969</b>	<b>30,018,672</b>	<b>18,429,100</b>	<b>25,595,928</b>	<b>12,296,277</b>	<b>3,872,045</b>	<b>28,898,908</b>	<b>134,088,109</b>	<b>11,641,846</b>	<b>122,446,263</b>	<b>221,062,878</b>	<b>98,616,615</b>

\*Revised November 98 forecast used for 99-01 biennium with a 4 % increase each subsequent biennia.

\*\*Funds \$16,899,865 of proposed construction projects at an interest rate of 4.89%.

12/29/98

*Karlene*  
3722

# State Bonding

## General Obligation Bonds

General obligation bonds are secured by the full faith and credit and the general taxing power of the state.

Article X, Section 13 of the North Dakota Constitution provides for the issuance of general obligation bonds of the State as follows:

- The State may not incur debt unless evidenced by a bond issue authorized by law for clearly defined purposes.
- Every law authorizing a bond issue must:
  - Provide for a levying of an annual tax, or make some other provision, sufficient to pay the interest semiannually and the principal within 30 years from the date of issuance.
  - Specifically appropriate the proceeds of the tax levy, or such other provision, to the repayment of the principal of and interest on the bonds.
- The appropriation referred to above may not be repealed, or the tax or other provision discontinued, until both the principal of and interest on the bonds have been paid.
- Bonds in excess of \$2,000,000 must be secured by a first mortgage upon either of the following:
  - A. A first mortgage on real estate for no more than 65% of the value of the real estate.
  - B. A first mortgage on real or personal property of State-owned utilities, enterprises or industries for no more than the value of the utilities, enterprises or industries.
- The State may not issue or guarantee bonds secured by property of State-owned utilities, enterprises or industries in excess of \$10,000,000.
- The State may not issue debt in excess of the limit set out in this section except for one of the following purposes:
  - A. Repelling invasion.
  - B. Suppressing insurrection.
  - C. Defending the State in time of war.
  - D. Providing for the public defense in case of threatened hostilities.

## Moral Obligation Bonds

A moral obligation pledge will generally require that the state agency issuing the bonds must notify the Governor or other executive branch office by a certain date in the fiscal year that a reserve fund deficiency exists or is expected to occur. The Governor or other executive officer is then required to submit in the executive budget a request for an appropriation that will be sufficient to restore or cover the reserve fund deficiency. The State Legislature then has the discretion to provide the requested appropriation.



For example, bonds issued by the Municipal Bond Bank are moral obligation bonds. Subsection 1 of NDCC §6-09.4-10 requires the Bond Bank to establish and maintain a reserve fund equal to the maximum annual debt service on all outstanding Bond Bank bonds. Subsection 4 of NDCC §6-09.4-10 provides that the legislative assembly appropriate and pay to the Bond Bank for deposit in its reserve fund such sum as is certified to the Legislature by the Industrial Commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve.

### **Revenue Bonds**

Revenue bonds do not carry a moral obligation as defined above but are payable solely from revenues from a specific source or from pooled revenues from various sources. There are different sources for repaying revenue bonds. State issued revenue bonds are as follows:

#### Lease Revenue Bonds

The North Dakota Building Authority issues lease revenue bonds. The Authority looks to the leases (which provide for a lease payment every six months) entered into between the Authority and the State Agency to repay the outstanding bonds. In the case of the Building Authority the majority of the lease payment from the state agency comes from the General Fund which is appropriated each biennium by the Legislature.

#### Mortgage Revenue Bonds

The North Dakota Housing Finance Agency issues mortgage revenue bonds. The proceeds from these bonds are used to buy home loans and the repayment of these loans provides the primary debt service on the bonds. HFA bonds are not debt of the State, but are full faith and credit obligations of the HFA (to the extent of available funds).

#### Revenue Bonds

- There are several revenue bonds issued by the state. First, the Industrial Commission issues student loan revenue bonds. The proceeds from the student loan revenue bonds are used to purchase student loans from primarily the Bank of North Dakota. The payments made by students on the loans (the revenues) are then utilized to repay the bonds.
- The University System has issued several different types of revenue bonds. Parking lots are often financed by revenue bonds with the parking fees (revenues) used to repay the debt. The same applies for student housing, student unions and technology bonds.
- The Water Commission has issued revenue bonds for the Southwest Pipeline Project and for, I believe, a small portion of the NAWA Project. The source of repayment is water user fees.

Karlene Fine  
328-3722

Issuer	Type of Bond	Security Source	Source of Repayment	Limitation	Bill Number
North Dakota Building Authority	Lease Revenue Bond	Deed held on the facilities either constructed or rehabilitated	Biennial appropriations (including General Fund and Local Match Funds)	General Fund appropriation cannot exceed 10% of 1% of the sales, motor vehicle taxes	HB 1022
State Mill	Revenue Bond	Mill revenues	Future Profits of the North Dakota Mill	\$19,500,000	HB 1115
Water Commission	Revenue Bond for Devils Lake Project		Future Profits of the Bank of North Dakota	\$20,000,000	SB 2164 and SB 2188
Water Commission	Revenue Bonds for Flood Control (Grand Forks Dike)		Future Profits of the Bank of North Dakota	\$52,000,000	SB 2165
Water Commission	Moral Obligation/ Revenue Bonds for Irrigation Districts	Resource Trust Fund revenues appropriated by the Legislature	Revenues from payments made by the irrigation districts	No limitation	HB 1281
University System	Revenue Bonds	Fee Income	Revenues from the fees	\$4,750,000	HB 1003

## Bonding Under Consideration

Issuer	Type of Bond	Security Source	Source of Repayment	Limitation	Bill Number
North Dakota Building Authority	Lease Revenue Bond	Deed held on the facilities either constructed or rehabilitated	Biennial appropriations (including General Fund and Local Match Funds)	*General Fund appropriation cannot exceed 10% of 1% of the sales, motor vehicle taxes	HB 1022
North Dakota Building Authority	Revenue bonds for Energy Improvements		Utility Savings Appropriations	*No limitation	SB 2312
Industrial Commission	Revenue Bonds for livestock loan program		Loan repayments	No limitation	SB 2425
State Mill	Revenue Bond	Mill revenues	Future Profits of the North Dakota Mill	\$19,500,000	HB 1115
Water Commission	Revenue Bond for Water Projects (Grand Forks - \$52 million; Devils Lake - \$20 million; Grafton - \$4.8 million; Wahpeton - \$3.5 million; Southwest Pipeline - \$4.5 million; and other Water Projects		Appropriations made by the Legislature with the sources being 45% of Tobacco Settlement \$'s deposited in Resources Trust Fund and/or Future Profits of the Bank of North Dakota or other available sources.	\$84,800,000	SB 2188
Water Commission	Moral Obligation/ Revenue Bonds for Irrigation Districts	Resource Trust Fund revenues appropriated by the Legislature	Revenues from payments made by the irrigation districts	No limitation	HB 1281
University System -DSU	Revenue Bonds	Fee Income	Revenues from the fees	\$1,500,000	SB 2065
University System - NDSU & BSC	Revenue Bonds	Fee Income	Revenues from the fees	\$4,750,000	HB 1003

\*Legislature each session determines the amount of bonding that can take place during the subsequent biennium.

## Bonding Under Consideration

Revised 2/19/99

Issuer	Type of Bond	Security Source*	Source of Payment	Limitation**	Amount Outstanding as of 1/1/99	Statutory Reference
Industrial Commission/ Agricultural Bonds	Revenue Bonds	Agricultural loans	Loan Repayments	No limitation	\$0	4-36
North Dakota Building Authority	Lease Revenue Bonds	Deed held on the facilities either constructed or rehabilitated	Biennial appropriations (including General Fund and Local Match Funds)	General Fund appropriation cannot exceed 10% of 1% of the sales use, motor vehicle tax	\$82,225,000	54-17.2
Housing Finance Agency	Mortgage Revenue Bonds	Mortgages held on homes and multi-family facilities	Mortgage loan repayments and reserve/investment income	No limitations	\$682,245,218	54-17
Industrial Commission/ Lignite Research Program	Revenue Bonds	Letter of Credit from Bank of North Dakota	Biennial appropriations from the Lignite Research Fund	No limitations except to the extent of funds available in the Lignite Research Fund for debt service payments	\$6,880,000	54-17.5
Municipal Bond Bank	Moral Obligation	Political Subdivision bonds	Loan repayments from political subdivisions	No statutory limitation. Capital Finance Program has a rating agency and IC limitation of \$75,000,000	\$137,891,000 as of 9/30/98	6-09.4
Natural Resource Bonds	General Obligation		Loan repayments	Together with all GO debt 5% of full and true value of the taxable property	\$0	21-11-08
Governor & Treasurer – Real Estate Bonds	General Obligation	Real Estate mortgages & a commitment to levy a statewide mill levy	Payments from Real Estate Loans and Statewide Mill levy	\$150,000,000/65% of the value of real estate mortgages	\$0	54-30
Industrial Commission/ Student Loan Program	Revenue Bonds	Student Loans which are guaranteed by the Guarantee Agency and the Federal Government	Student Loan payments	No limitations	\$157,832,450	54-17
University System	Revenue Bonds	Revenues from the fees	Parking Fees, Housing Fees, Student Fees	Each project must be approved by the Legislature. No overall limitation	\$56,780,000 as of 6/30/98	15-55
Water Commission	Revenue Bonds	Revenues, reserve accounts and earnings	Collection of User Fees	Statutory limitation of an aggregate of \$2 million unless Legislature authorizes a higher amount for a specific project (SW pipeline has a limitation of \$15,000,000; Northwest Area Water Supply project does not have a limitation)	\$8,010,000 as of 9/30/98	61-24.3 and 61-24.6

\*Security Sources also include reserve funds and other invested funds and accounts that are provided for in each bond issue. Generally these reserve funds represent up to one year's debt service or 10% of the bond issue.

\*\*The Federal Government has established an overall volume cap for Private Activity Bonds that is \$150,000,000 a year. The Student Loan Revenue Bonds and the Housing Finance Agency Revenue Bonds fall within the Private Activity Bond Volume Cap.



HB 1022  
Karlene Fine  
3/11/99

# 7

# INDUSTRIAL COMMISSION OF NORTH DAKOTA

Edward T. Schafer  
Governor

Heidi Heitkamp  
Attorney General

Roger Johnson  
Commissioner of Agriculture

Testimony on Engrossed House Bill No. 1022  
by Karlene Fine  
Executive Director & Secretary  
Industrial Commission of North Dakota  
March 10, 1999 - Senate Appropriations Committee

Mr. Chairman and members of the Senate Appropriations Committee, my name is Karlene Fine and I am Executive Director and Secretary for the Industrial Commission. The Industrial Commission by statute is the North Dakota Building Authority. I, along with Rod Backman, Director of the Office of Management and Budget, serve as the Authorized Officers for the Authority.

The North Dakota Building Authority was established by the 1985 Legislative Assembly to provide the Legislature with another option as it considers how to pay the costs of projects declared by the Legislature to be in the public interest. This is how it works:

- (1) The Legislature determines whether a project is in the public interest of the State and passes legislation authorizing the specific projects and authorizing the Building Authority to issue evidences of indebtedness (generally these are tax exempt revenue bonds).
- (2) The Building Authority, working with the appropriate agencies, issues its bonds to acquire funds for the authorized projects.
- (3) The state or agency repays the bonds from the rent paid under leases. The leases run from the North Dakota Building Authority to the various state agencies utilizing the projects. The lease agreements are renewed every two years with rental funds provided from a legislative appropriation in each biennium.
- (4) To provide additional security to the bondholders that the state will repay the debt, the Building Authority has in the past obtained a letter of credit or has taken title to the authorized projects. Currently the Authority holds title to portions of the State Penitentiary, State Hospital, Developmental Center in Grafton, Youth Correctional Center, portions of the University campuses, etc. In some bond issues the Authority also provided cross collateralization between projects.

Testimony on Engrossed House Bill 1022  
Page 2  
March 10, 1999

Attached to my testimony as Exhibit A is a debt service schedule for all the current outstanding Building Authority bond issues along with the proposed debt service schedule for those projects included in Engrossed House Bill 1022. As you will note under the column headed 1999A, lease (bond) payments do not begin until the 2001-2003 biennium. Also I have based the interest rate for the sale of evidences of indebtedness at 4.89% (this is the rate the Authority received on the last bonds issued in December). If this bill is passed, and signed into law, the emergency clause would allow the Authority to issue bonds prior to July 1 if funding is needed and a favorable rate could be obtained.

The Legislature last session lowered the maximum amount of General Fund dollars the State can utilize for Building Authority debt service. Previously the formula had been 11% of 1% of the sales use and motor vehicle taxes. That formula is now at 10% of 1% of the sales use and motor vehicle taxes. On Exhibit A in the next to last column I have included the March, 1999 sales use and motor vehicle taxes income forecast available using this formula. I will refer to this as the cap. If you look at the third to last column which is the proposed General Fund needs for future biennia you can see that the General Fund debt service dollars needed for the projects in Engrossed HB 1022 are within the cap. The last column shows the "cushion" between the needed General Fund debt service and the 10% General Fund limitation. At the request of the Office of Management and Budget I have prepared Exhibit B which shows the maximum dollar amount of projects that could be included in the appropriation and still be within the cap. As you can see in the Footnote that an additional \$5,460,000 of bonding could be added if the Legislature so desires. Exhibit B does include a provision that additional "Other Funding" would be needed at a level of \$50,000 annually to stay within the cap if projects are added to the engrossed bill. Thank you for the opportunity to present testimony on Engrossed House Bill 1022.

## North Dakota Building Authority Debt Service By Bond Issue

1998B-1991										Other	Total	10% of \$.01	Available
Biennium	1986	1998B-1992	1993-1990	1993B	1995A	1998 A	1998C	1999A**	Totals	Source**	Gen. Fund	Sales Tax*	Debt Ser
1999-2001	1,881,171	589,427	6,010,096	2,597,288	2,740,428	1,297,154	775,604	0	15,891,168	1,938,269	13,952,899	16,245,220	2,292,321
2001-2003	2,453,550	577,764	6,018,469	2,506,773	3,045,255	1,293,644	776,704	1,386,630	18,058,789	2,179,996	15,878,793	16,895,029	1,016,236
2003-2005	2,294,313	585,239	6,025,459	2,486,468	3,046,755	1,295,354	776,656	1,383,326	17,893,570	1,384,791	16,508,779	17,570,830	1,062,051
2005-2007	2,154,851	597,539	6,017,560	2,468,658	3,045,626	1,300,220	775,267	1,382,785	17,742,506	1,249,899	16,492,607	18,273,663	1,781,056
2007-2009	2,001,560	0	5,945,162	2,445,155	3,052,394	1,297,291	767,814	1,385,020	16,894,396	1,154,452	15,739,944	19,004,610	3,264,666
2009-2011	1,841,765	0	1,926	2,420,253	3,047,731	1,295,702	0	1,378,958	9,986,335	551,686	9,434,649	19,764,794	10,330,145
2011-2013	0	0	0	2,403,940	3,049,639	1,297,694	0	1,377,908	8,129,181	229,026	7,900,155	20,555,386	12,655,231
2013-2015	0	0	0	1,100,565	3,047,310	1,297,925	0	1,370,575	6,816,375	106,688	6,709,687	21,377,601	14,667,914
2015-2017	0	0	0	0	1,520,790	1,292,610	0	1,370,634	4,184,034	0	4,184,034	22,232,705	18,048,671
2017-2019	0	0	0	0	0	628,683	0	1,343,358	1,972,041	0	1,972,041	23,122,013	21,149,972
2019-2021	0	0	0	0	0	0	0	0	0	0	0	24,046,894	24,046,894
<b>Totals</b>	<b>12,627,210</b>	<b>2,349,969</b>	<b>30,018,672</b>	<b>18,429,100</b>	<b>25,595,928</b>	<b>12,296,277</b>	<b>3,872,045</b>	<b>12,379,194</b>	<b>117,568,395</b>	<b>8,794,807</b>	<b>108,773,588</b>	<b>219,088,745</b>	<b>110,315,157</b>

\*Revised March 99 forecast used for 99-01 biennium with a 4% increase each subsequent biennia.

\*\*Funds \$7,207,500 of proposed construction projects at an interest rate of 4.89%.

(\$3,000,000 - Williston; \$2,207,500 - NDSU; \$2,000,000 - NDSCS)

\*\*Williston providing \$1,500,000 in cash for construction and \$1,500,000 in ten equal annual payments for the retirement of the bonds.

03/05/99

## North Dakota Building Authority Debt Service By Bond Issue

1998B-1991										Other	Total	10% of \$.01	Available
Biennium	1986	1998B-1992	1993-1990	1993B	1995A	1998 A	1998C	1999A**	Totals	Source***	Gen. Fund	Sales Tax*	Debt Ser
1999-2001	1,881,171	589,427	6,010,096	2,597,288	2,740,428	1,297,154	775,604	0	15,891,168	1,938,269	13,952,899	16,245,220	2,292,321
2001-2003	2,453,550	577,764	6,018,469	2,506,773	3,045,255	1,293,644	776,704	2,434,160	19,106,319	2,279,996	16,826,323	16,895,029	68,706
2003-2005	2,294,313	585,239	6,025,459	2,486,468	3,046,755	1,295,354	776,656	2,429,038	18,939,282	1,484,791	17,454,491	17,570,830	116,339
2005-2007	2,154,851	597,539	6,017,560	2,468,658	3,045,626	1,300,220	775,267	2,426,666	18,786,387	1,349,899	17,436,488	18,273,663	837,175
2007-2009	2,001,560	0	5,945,162	2,445,155	3,052,394	1,297,291	767,814	2,421,700	17,931,076	1,254,452	16,676,624	19,004,610	2,327,986
2009-2011	1,841,765	0	1,926	2,420,253	3,047,731	1,295,702	0	2,417,200	11,024,577	651,686	10,372,891	19,764,794	9,391,903
2011-2013	0	0	0	2,403,940	3,049,639	1,297,694	0	2,410,480	9,161,753	329,026	8,832,727	20,555,386	11,722,659
2013-2015	0	0	0	1,100,565	3,047,310	1,297,925	0	2,403,745	7,849,545	206,688	7,642,857	21,377,601	13,734,744
2015-2017	0	0	0	0	1,520,790	1,292,610	0	2,399,936	5,213,336	100,000	5,113,336	22,232,705	17,119,369
2017-2019	0	0	0	0	0	628,683	0	2,365,472	2,994,155	100,000	2,894,155	23,122,013	20,227,858
2019-2021	0	0	0	0	0	0	0	0	0	100,000	0	24,046,894	24,046,894
<b>Totals</b>	<b>12,627,210</b>	<b>2,349,969</b>	<b>30,018,672</b>	<b>18,429,100</b>	<b>25,595,928</b>	<b>12,296,277</b>	<b>3,872,045</b>	<b>21,708,397</b>	<b>126,897,598</b>	<b>9,794,807</b>	<b>117,202,791</b>	<b>219,088,745</b>	<b>101,885,954</b>

\*Revised March 99 forecast used for 99-01 biennium with a 4% increase each subsequent biennia.

\*\*Funds \$12,667,500 of proposed construction projects at an interest rate of 4.89%.

\*\*\*Williston providing \$1,500,000 in cash for construction and \$1,500,000 in ten equal annual payments for the retirement of the bonds.

\*\*\*Other source funding in the total amount of \$1,000,000 at \$50,000 annually for 20 years.

03/10/99



<u>DEPT</u>	<u>DESCRIPTION</u>	<u>1999-2001</u>	<u>2001-2003</u>	<u>2003-2005</u>
215	Infrastructure Pool	10,000,000		
	Prairie Public Broadcasting-Digital TV	4,226,380	3,950,897	2,766,308
227	ADA		145,929	145,929
	Health & Safety		32,500	32,500
	Major Repairs		1,126,800	1,126,800
	Higher Ed Cntr/Skills Training Facility		5,800,000	
	Student Union Renovation	250,000		
	Schafer Hall Renovation	4,309,730		
	Networking		232,500	232,500
228	Catagory I - Health & Safety		10,000	10,000
	Catagory III - Major Repairs		427,900	427,900
	Catagory III - Networking		4,423	4,422
	Catagory II - ADA		42,526	42,525
	UND-Lake Region Auditorium Renov/Addit	994,544		
229	Health and Wellness Addition	4,500,000		
	Networking Projects		160,755	160,755
	Projects to meet ADA Regulations		67,999	67,998
	Major Capital Projects		733,703	733,703
230	Bookstore Construction-Barnes & Noble	4,000,000		
	Category II ADA		2,264,212	2,264,212
	Category III Major Renovations-Networking		1,922,462	1,922,462
	Education Renovation		4,700,000	
	O'Kelly Hall Renovation		5,000,000	
	Category III Major Repairs		7,560,921	7,560,920
	Category I Health & Safety		312,205	312,205
235	Animal Research Facility- Phase I	4,415,000		
	College of Business Offices & Classrooms	5,998,860		
	Ceres Hall Phase II Renovation		2,995,920	
	Fargo Skills Center	1,500,000		
	Sudro Hall Renovation	1,500,000		
	South Engineering Renovation		1,227,420	
	Minard Hall Renovation		9,673,052	
	Major Repairs		6,008,063	6,008,063
	Major Renovations - Networking		1,346,150	1,346,150
	Health and Wellness Center	4,500,000		
	Health & Safety		91,500	91,500
	Animal Research Facility- Phase II	7,316,300		
	ADA		1,271,002	1,271,002
238	Health & Safety		225,999	225,999
	Networking		566,417	566,417
	ADA		141,414	141,414
	Major Repairs		1,673,222	1,673,222
239	Category I - Health & Safety		376,245	376,245
	Category II - ADA		419,179	419,179
	Category III - Networking		382,120	382,120
	Murphy Hall Renovation/Addition		4,000,000	
	Student Center	3,200,000		
	Category III - Major Repairs		904,316	904,315
240	ADA		350,500	350,500
	Health and Safety Projects		314,500	314,500
	Networking		237,500	237,500
	Major Repairs		1,173,037	1,173,038
241	Health & Safety		13,451	13,451
	Major Repairs		803,268	803,268
	ADA		360,920	360,920
	Networking		859,734	859,733
	Old Main Renovation - Phase I	2,817,000		
242	ADA Projects		424,500	424,500
	Networking Projects		381,500	381,500
	Sprinkler and Exit Upgrade	454,300		
	Major Repair Projects		1,605,000	1,605,000
	Health and Safety Projects		146,350	146,350
243	ADA		109,152	109,153

<u>DEPT</u>	<u>DESCRIPTION</u>	<u>1999-2001</u>	<u>2001-2003</u>	<u>2003-2005</u>
243	Major Repairs		171,750	171,750
	Campus Networking		120,245	120,245
	Health and Safety		36,750	36,750
244	ADA		35,850	35,850
	Health and Safety		14,000	14,000
252	Independent Living Cottage	100,000		
	Student "Family" Cottage		120,000	
	Replace Classroom Bldg			4,000,000
325	Replacement of Boiler #4	1,050,000		
412	International Peace Garden Apt. Project	110,000		
530	Replacement of East Cell House - Pen	13,500,000		
	T.C. Unit Improvements - Pen	168,000		
	18,000 sq ft Commissary			810,000
	Window Replacement/1-4 Floors - JRCC	655,000		
	Parking Lot - Pen	325,000		
	Parking Lot - JRCC	71,000		
	JRCC 5th/6th Floor ET Bldg	2,678,000		
	Food Svc/Multi-Purpose Building - MRCC	1,600,000		
	Fire Protect., Forensic, & Amuse. - JRCC	181,000		
	E.C.H. Demolition - Pen		180,000	
	Bank Stabilization - MRCC	800,000		
	ADA Elevator/ET Bldg, Access Pool - JRCC	135,960		
	A. S. Renovations - Pen	433,000		
	YCC Campus Entrance Relocation	90,000		
	Special Mgt Unit - YCC, Pine Cottge Impv	1,975,000		
	Life Safety Systems - YCC	101,000		
	Heating Plant -- Completion - YCC	85,000		
	Gymnasium Renovation -- Phase II - YCC	1,340,000		
	Bond Repayment - YCC	337,284		
	Security Impvmnts (Cameras/Fence) - JRCC	121,000		
	Security Fence/Manbarrier - Pen	198,000		
540	EMERGENCY OPERATIONS CENTER	800,000		
640	All Sites: Misc. projects 2001-03		270,000	
	Main Sta: Boar facility		55,000	
	Main Sta: Misc. proj. under \$50,000 each		181,300	
	Res Ctrs: Misc proj under \$50,000 each		163,500	
	Main Sta: Reglaze range 1 greenhouse		130,000	
	Six sites: Pesticide handling facilities		140,000	
	Main Sta: Cattle research center		405,000	
	All Sites: Misc. projects 2003-05			400,000
649	Grain Storage Hopper Bins	60,000		
	Relocate/Reshingle Existing Storage Bldg	30,000		
701	Camp Hancock Foundation Repair	90,000		
	Fort Totten Stabilization		380,000	500,000
	Fort Totten Development	568,000		
	Gingras Development/Interpretive Center	315,000	465,000	900,000
	Ft Buford Officer of the Day Bldg & Road	100,000		
	Ft Abercrombie Sewer & Visitor Ctr	25,000	300,000	900,000
	Chateau Interpretive Center	150,000		
	Chateau Water System	95,000		
	Former Governor's Mansion Carriage House	50,000	200,000	
	Fort Clark Development/Archeology	125,000	75,000	200,000
	Chateau Interpretive Center Construction		350,000	1,450,000
720	Regional Office Improvements	300,000		
	Forest Land Acquisition	200,000	5,000	5,000
750	Cross Ranch riverbank stabilization	50,000		
	Fort Ransom Sunne Farm House Renovation	65,000		
	Lake Sakakawea marina concession store	150,000		
	Lake Sakakawea trailer dump station	75,000		
	Sakakawea/L&C Boat ramp repairs	225,000		
	Turtle RIver Bridge Construction	225,000		
	Turtle River CCC Wading Area	100,000		
	Lake Sakakawea Admin/Entrance building	120,000		

3/10/1999

<u>DEPT</u>	<u>DESCRIPTION</u>	<u>1999-2001</u>	<u>2001-2003</u>	<u>2003-2005</u>
750	Lake Sakakawea rip-rap east marina banks	125,000		
801	District Salt Buildings	159,000		
	District Section Buildings	1,184,500		
	<b>Grand Total</b>	<b>91,422,858.00</b>	<b>76,375,558.00</b>	<b>47,539,773.00</b>

QUESTIONS TO COVER IN THE ANALYSIS OF A BUDGET

- 1) How many FTE positions are included in each segment of the budget? How many are currently vacant and for how long? Is each position essential to carrying out the program?
- 2) What are the various items in the equipment line? Are the replaced items completely obsolete? Are there alternatives to purchase, such as sharing with another department?
- 3) Compare the operating expense lines with the prior biennium. Question any increases over 2-3% per year. Watch especially travel expenses or other perks for department staff.
- 4) Attempt to completely understand the purpose of each grant program or subdivision. Has anything changed over the last few years that would diminish the need for the program? Are there opportunities to consolidate similar programs from different departments or agencies?
- 5) Does the budget contain any continuing appropriations?
- 6) Are there any opportunities to shift funding to sources other than General Funds, such as Federal, Special, or Local funds? In shared funding situations, ask what portion of each program or salary is General Funds.



NORTH DAKOTA  
DEPARTMENT OF HEALTH

600 E. Boulevard Avenue  
Bismarck, ND 58505-0200

OFFICE OF  
STATE HEALTH OFFICER  
701-328-2372  
FAX 701-328-4727

March 15, 1999

Senator David Nething  
Chairman, Senate Appropriations Committee

Senator John Andrist  
Subcommittee Chairman for House Bill 1004

Senator Rod St. Aubyn  
Subcommittee Chairman for House Bill 1022  
600 East Boulevard Avenue  
Bismarck, ND 58505

RE: Tobacco Settlement Funds

Dear Senators Nething, Andrist, and St. Aubyn:

This supplements my testimony and our prior discussions concerning the allocation of tobacco settlement funds.

It is my understanding that the major tobacco companies will pay \$57.6 million to North Dakota during the next biennium as a result of the November 1998 Master Settlement Agreement. For cash flow purposes, \$32.3 million should be paid during July 2000, \$9.3 million should be paid during January 2001, and \$16.0 million should be paid during April 2001.

Governor Schafer requested, in the State of the State Message, that 10% of all tobacco settlement payments be allocated "to public health programs, including important initiatives on diabetes, drug and alcohol abuse, and tobacco prevention and cessation. This will fund programs primarily driven at the local level..."

Governor Schafer also requested, in House Bill 1022, that funds be authorized to provide a state morgue and to upgrade the microbiology and chemistry laboratories. At the time House Bill 1022 was filed, we estimated the cost to be about \$3 million.

I believe that we can accomplish several critically important objectives if at least 10% of the tobacco settlement payments during the next biennium are allocated to public health purposes. The concept is summarized below.

*House Bill 1475*

It was my recommendation, in the testimony provided to the Senate Appropriations Committee, that House Bill 1475 be amended by inserting the following language:

Tobacco  
Settlement

Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated only for community-based public health programs, with an emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection may not exceed ten percent of total annual payments from the tobacco settlement trust fund.

If House Bill 1475 is enacted with this language, \$5.76 million should be paid into the community health trust fund during the next biennium.

*House Bill 1004*

Governor Schafer recommended that part of the tobacco settlement money should be used to fund public health programs "primarily driven at the local level." If we assume that the tobacco settlement payments will be at least \$25 million for the next 25 years, a 10% allocation would provide \$2.5 million each year for public health programs (about \$3.90 per capita per year). As explained above, this money could be available to initiate a community health grant program (as described in my testimony on House Bill 1475) as early as the second half of the 1999-2001 biennium.

It was my recommendation, in the testimony provided on House Bill 1475, that House Bill 1004 could be amended as follows:

**SECTION \_\_. APPROPRIATION.** There is hereby appropriated out of any moneys in the community health trust fund, not otherwise appropriated, the sum of \$2,500,000, or so much of the sum as may be necessary, to the state department of health for the purpose of a community health grant program, for the biennium beginning July 1, 1999, and ending June 30, 2001.

Several legislators have expressed concern that North Dakota may not receive part or all of the \$57.6 million during the next biennium. If the funds are not received, money will not be allocated to the community health trust fund and, accordingly, will not be available to fund the grant program.

If House Bill 1475 is amended to allocate 10% to public health, if \$5.76 million is allocated to a community health trust fund, and if \$2.5 million is appropriated for a community health grant program, \$3.26 million will be left in the community health trust fund.

*House Bill 1022*

House Bill 1022 was amended by the House to delete the \$3 million bonding authorization for the Department of Health. It is my recommendation that the bill *not* be amended in the Senate to re-insert the authorization (which could provide the committee with additional flexibility to address other necessary bonding priorities). Instead, it is my recommendation that House Bill 1004 be further amended, as follows, to take advantage of the \$3.26 million that could be available if North Dakota receives the full \$57.6 million during the next biennium and House Bill 1475 is amended to allocate 10% to public health:

**SECTION \_\_. APPROPRIATION.** There is hereby appropriated out of any moneys in the community health trust fund, not otherwise appropriated, the sum of \$3,260,000, or so much of the sum as may be necessary, to the state

department of health for the purpose of leasing temporary facilities for a state morgue, constructing and remodeling the East Main laboratory facility to house the morgue and the microbiology and chemistry laboratories for the biennium beginning July 1, 1999, and ending June 30, 2001.

Again, several legislators have expressed concern that North Dakota may not receive part or all of the \$57.6 million during the next biennium. If the funds are not received, money will not be allocated to the community health trust fund and, accordingly, would not be available to fund the leasing, construction, and remodeling work described above. However, in anticipation of receiving the funds, we would proceed with all necessary preconstruction work, such as providing temporary facilities for a state morgue, retaining an architect to prepare plans and specifications for the construction and remodeling work, and obtaining bids for the construction and remodeling work.

Joel Leapaldt, the State Facility Planner, OMB, has estimated that the total cost will be about \$4 million (see his attached letter dated March 8, 1999). If so, we would seek an additional \$.75 million from the available tobacco settlement funds during the following biennium (2001-2003). The tobacco settlement payments should total over \$60 million during the biennium, so the 10% allocation should fund \$5 million for a community health grant program and up to \$1 million to complete construction.

The proposed sequence of operations would be:

- Ensure there are adequate morgue facilities and offices for Dr. Mizell and his staff during the 1999-2001 biennium (either at the Bismarck medical centers, within Department of Health facilities, or in leased space).
- Retain an architect to prepare plans and specifications for constructing new microbiology and chemistry labs at the East Main site and for remodeling the East Main lab to accommodate a state morgue.
- If funds are available, award construction contracts for new microbiology and chemistry labs at the East Main site (in order to take full advantage of the construction season, it may be necessary to borrow early construction funds from the Bank of North Dakota, which would be repaid when the January and April 2001 payments are received).
- When the labs have been constructed:
  - relocate the microbiology lab to the new facility and terminate the existing \$200,000 per biennium lease; and
  - relocate the chemistry lab from the East Main facility to the adjacent new facility.
- When the chemistry lab has vacated the East Main facility, remodel the facility to comply with the Life Safety Code, upgrade the HVAC (heating, ventilation, and air conditioning) system, and provide a state morgue for the medical examiner.
- Relocate the medical examiner and staff into the remodeled facilities.

\* \* \*

I urge the Senate Appropriations Committee to carefully consider this concept. If the three bills are amended as described above and if the bills are enacted into law, we would have...

- Allocated a reasonable amount of the tobacco settlement money to public health purposes, as initially requested by Governor Schafer.
- Initiated a critically important community health grant program to fund community-prioritized public health programs.

March 15, 1999

- Provided a permanent state morgue facility for the state medical examiner.
- Provided new state-of-the-art microbiology and chemistry lab facilities that fully comply with Life Safety and other applicable codes.
- Remodeled the existing East Main lab to fully comply with Life Safety and other applicable codes and upgraded the existing HVAC system.
- Completed these objectives without impacting the general fund, without bonding, without increasing the operating budget of the Department of Health, and without authorizing any additional FTEs for the Department.
- Made essential long-term infrastructure investments in North Dakota that will be funded with a partnership of state and federal money.

Please contact me (328-2372; [sagsveen@state.nd.us](mailto:sagsveen@state.nd.us)), at your convenience, if you would like to further discuss these recommendations.

Sincerely,

  
Murray G. Sagsveen  
State Health Officer

MGS:irr

cc: Governor Edward T. Schafer  
Bob Barnett  
George Mizell, M.D.  
Francis Schwindt  
Jim Anders  
Myra Kosse  
Kenan Bullinger