2011 HOUSE APPROPRIATIONS

HB 1477

2011 SPECIAL SESSION
HOUSE STANDING COMMITTEE MINUTES
House Appropriations Committee
Brynhild Haugland Room, State Capitol

HB 1477
11/9/11
16958

☐ Conference Committee

Committee Clerk Signature Meredith Trachtt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to authorization of the state board of higher education to issue revenue bonds; to provide legislative intent; to provide appropriations; and to provide an effective date.

Minutes: You may make reference to "attached testimony."

Chairman Delzer called the committee back to order and opened the hearing on HB 1477. There is a Fiscal Note.

Representative Wall, District 25: This bill has 4 sections. I will address the first 2 and Representative Skarphol will do the last 2. Summarized sections 1 and 2. With bonding you have to plan far in advance, and the facility committee thought Schulz Hall was what needed to be renovated. Because of a good problem, enrollment growth, they could not move the students out of the occupied Schulz Hall to other dorms because they were all full. They are requesting to instead leave the students in Schulz Hall and renovate Riley Hall. This is also a three story building; the bottom level is administrative offices, the top two levels are dorm rooms, which haven't been used for several years. The bill asks to use the $4 million already bonded to do Riley instead of Schulz. They fully intend to renovate Schulz Hall, primarily with auxiliary dollars from dorm fees, cafeteria, etc. The cost to the state is nothing. There are other projects this body has already approved, and the state college of science wants to do both at the same time. The college feels there will be a savings to them of $200,000-$250,000. Because this body allowed the original bonding, the changes have to come back to this body. Riley Hall has a little less square footage than Schulz, but an elevator needs to be added, so the cost should remain the same.

Senator Robinson: Riley Hall has first floor administrative offices, will that be renovated as such, and the upper floors as residence hall rooms?

Representative Wall: The administrative offices will be moved, and all three floors will be renovated as dorm rooms.

Representative Skarphol: The last 2 sections I was originally intending to put on the disaster relief bill (SB 2371) but the majority leader suggested it be put on this bill instead. I don't want to jeopardize Representative Wall's intentions. While Williston hasn't had a flood of water, they are undergoing a disaster of sorts in a flood of people. The result on the campus at Williston State is extremely dramatic. The campus has lost 25% of its workforce

since spring. I plan to propose amendment .01006. The average wage in the last four months in Williston had a 21.3% increase, in Dickinson it was 17.9% increase. The campus faculty and staff in Williston are paid less than at the public schools there. Went over attachment 1. What I propose, as you can see on page 2 of the bill, are the numbers you see here. I may request a language change to better address some issues. I discussed the issue with administrators at Dickenson, and they are starting to see the same problems as Williston. The amendment, .01006, increases the amount I request appropriated for Dickenson State. In both cases, there are some dollars that are considered flexible. What I ask in the final amendment is to include language that the dollars must be used for public safety or other expenses related to unanticipated or unusual impacts created as a result of oil and gas development. The wage increases that are referenced here are referred to as provisional, and it requires they be listed as such on the checks. It says in the bill they are to be reevaluated next session.

Senator Bowman: I understand the need for this bill, but I am concerned about the precedence we are sitting for all of the other campuses when we meet next session. I'm worried about a snowball effect, because we have this money.

Representative Klein: I don't see how this fits into the special session. I could understand the need over at NDSCS to change the dormitory name. But we are talking about a large amount of dollars here without a real public hearing, at the last minute.

Representative Dosch: Where does the state board of higher ed fit into all of this? We're setting new precedent, we're now funding direction to individual colleges rather than through the state board. Are they here to comment on this?

Representative Skarphol: There was not an intent, just because we had money, to do this. This is a public safety issue. Can you imagine the outcry from the public if one of these girls gets raped on the campus? The president is just trying to provide a safe environment for the students that he has responsibility for. Any wage increases are provisional. At this point in time, the change that is taking place in western ND is so exponential, you can't even begin to guess what is going to come up and hit you next week, next month...it's out of control.

Senator Wardner, **District 37**: We're not adding any money to the pot, all it does is loosen up the $750,000 to the Teddy Roosevelt Center (at DSU) and it can be used for other things, not just digitization, all it does is give them more flexibility, related to amend .01005.

Senator Warner: Please elaborate, are you talking about buildings, or furniture, or staff?

Senator Wardner: It would be planning for the future, probably.

Senator Christmann: Then will be the digitization be on the agenda to be paid for next time? Or do they have plenty of money to do it without spending all of this?

Senator Wardner: They will take care of the digitization under this allotment. That has to be taken care of.

Chairman Delzer: Further testimony in favor of HB 1477?

Dr. Raymond Nadolny, President, Williston State College: See attachment 2. It was my obligation to talk to the president of the state board, to talk to the chancellor, which is the route I had to take to even make this request to you. I have gone through my channels, and I appreciate your consideration. Things will get better, but right now I need your help.

Chairman Delzer: Why did they not try to make the request themselves to the legislature?

Nadolny: The chancellor asked me to make the request, to contact the board members. I work for the chancellor, and that's exactly what I did.

Chairman Delzer: Further testimony?

Senator Krebsbach: Discussed amendment .01008. I originally thought to put this request into the deficiency appropriation in the future, but I thought, if we can handle this at this time, let's try and do it. There loss in tuition in about $1.4 million, and there have been several hundred thousand dollars worth of flood related expenses. They know they've got a whole lot more of expenses coming up. What I'm looking for here is $800,000. This is similar to what was done for Valley City, so there is some precedence.

Chairman Delzer: Further testimony in support or opposition? We'll close the hearing on this bill, and come back in the morning to work these bills further.

2011 SPECIAL SESSION
HOUSE STANDING COMMITTEE MINUTES
House Appropriations Committee
Brynhild Haugland Room, State Capitol

HB 1477
11/10/11
16964

☐ Conference Committee

Committee Clerk Signature Meredith Traelnit

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to authorization of the state board of higher education to issue revenue bonds; to provide legislative intent; to provide appropriations; and to provide an effective date.

Minutes: You may make reference to "attached testimony."

Chairman Delzer: A proposed amendment has just been handed out.

Representative Martinson: I would like to go over amend .01010. I move the amendment.

Representative Skarphol: Second.

Representative Dosch: Could you explain how this is germane, especially section 3?

Chairman Delzer: I accepted the amendment because the first part of the bill deals with changing something we had in HB 1003. This also deals with the same type of situation of local funding.

Senator Warner: I understand the salary issue at Williston State. I don't have any problem with some sort of sign up or hardship bonus, something clearly temporary, but creating a differential between the different universities or colleges based on geographical location or other cost of living issues should be addressed in the general session.

Chairman Delzer: I believe that's the whole point of the amendment as it is. This is one time funding that is not part of the base budget. This doesn't even say they can use it for salaries. This is discretionary funds for safety. It is set that way so it does not show up as part of the baseline budget

Senator Holmberg: If you'll recall, we did something similar with the flooding situation at Valley City (State University). This way, it is kept at the campus level, they have to defend to us what they did, so that's why I like this amendment.

Representative Wieland: I have no problems supporting what Williston State College is asking here, I think there is an emergency situation there. I am curious why the board of education has not dealt with this, or if they did, what the outcome was.

Bill Goetz, Chancellor, North Dakota University System: The analysis was done on site, obviously a lot of input from the president. Interim approval has been granted by myself as well as the president of the board for Williston State College to move forward with this request. Official action upon interim approval will take place at the full board meeting on November 17. Under the circumstances of timing and the special session, and as a result of policy which allows for interim approval, you have this before you.

Chairman Delzer: Further discussion on the motion to amend the bill? A voice vote on the House side was done. Motion carried.

Senator Holmberg: Is there a motion on the part of the Senate?

Senator O'Connell: I move.

Senator Christmann: Second.

Senator Holmberg: A voice vote on the Senate side was done. Motion carried.

Chairman Delzer: We have the amended bill before us, what are your wishes?

Representative Skarphol: I move Do Pass as Amended.

Representative Martinson: Second.

Chairman Delzer: Discussion. A roll call vote was done. Motion carried 19 Yays, 1 Nay, and 1 Absent. Representative Skarphol will be the carrier.

Senator Wanzek: I move Do Pass (as Amended by the House).

Senator O'Connell: Second.

Senator Holmberg: Discussion. A roll call vote was done. Motion carried 12 Yays, 0 Nays. Senator Holmberg will be the carrier.

Chairman Delzer: This concludes our work. I appreciate all the hard work that everyone has done. This has been a short and intense session for the Joint Appropriations Committee.

Senator Holmberg: Thank you to the committee members, both Senate and House Appropriations, for their hard work. We went through a lot of stuff we never would have been able to cover during a regular session. Some issues clearly will be back before us in January 2013.

Chairman Delzer: Adjourned the meeting.

FISCAL NOTE

Requested by Legislative Council
11/10/2011

Amendment to: HB 1477

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			$2,000,000		$330,000	
Appropriations			$2,000,000		$330,000	

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

Changes revenue bond from Schulz to Riley Hall at NDSCS. Appropriates $2.0 M in state funds to WSC, and expands uses of $750,000 previously appropriated to DSU for TR Center.

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

Section 1 and 2: no fiscal impact
Section 3: Unknown impact. Any ongoing impact will depend on the use of the funds.
Section 4: Appropriates $2 million in state funds to WSC for expenses due to oil development impacts.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

WSC anticipates utlizing the full $2.0 million in 11-13 biennium. Assuming that at least 50% of funding is used for salary increases, split evenly between FY, and campus security position, an additional $330,000, at a minimum, would be needed in 13-15 to continue these costs. It may be more if some of the remaining funds are used for other ongoing costs including campus counseling needs.

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

Assumes that expenditures identified in (B) above are funded 100% from the state general fund.

Name:	Laura Glatt	**Agency:**	ND University System Office
Phone Number:	701-328-4116	**Date Prepared:**	11/10/2011

FISCAL NOTE

Requested by Legislative Council
11/07/2011

Bill/Resolution No.: HB 1477

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			$3,500,000		$1,615,000	
Appropriations			$3,500,000		$1,615,000	

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

Changes revenue bond from Schulz to Riley Hall at NDSCS. Appropriates $2.0 M in one-time state funds to WSC, with possible continuation funding in 13-15 and $1.5 million in state funds to DSU, with Budget Section approval, to address campus needs related to oil activity impact in western ND.

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

Section 1 and 2: no fiscal impact
Section 3: Appropriates $840,626 for faculty and staff retention and $150,000 for campus security officer at WSC, with continued funding consideration in 13-15. Also, appropriates $216,000 for campus security improvements and $793,374 for other campus needs at WSC.
Section 4: Appropriates $1.5 million in state funds to DSU for projects and program needs, with uses contingent on Budget Section approval.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

WSC and DSU anticipate utlizing full $3.5 million in 11-13 biennium. The cost to continue salary increases and campus security position at WSC in 13-15 is estimated to be, at a minimum, $1.040 million, and may be higher if some of the $793,374 is used for other ongoing costs including campus couseling needs. This full amount of $1.040 million would need to be appropriated in 13-15, since the 11-13 appropriation is from one-time funds.

The cost to continue $1.5 million used for 11-13 salary increases at DSU is estimated to require at a minimum, an additional $575,000, in the 13-15 biennium, in order to fund the cost to continue the second year salary increase and

new salary increases in 13-15 biennium. This reflects only the incremental cost increase since the $1.5 million is considered base funding.

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

Assumes that expenditures identified in (B) above are funded 100% from the state general fund.

Name:	Laura Glatt	**Agency:**	ND University System office
Phone Number:	701-328-4116	**Date Prepared:**	11/08/2011

11.0853.01010
Title. 02000

Prepared by the Legislative Council staff for
Representative Martinson
November 10, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1477

Page 1, line 3, replace "appropriations" with "an appropriation"

Page 2, replace lines 9 through 29 with:

"**SECTION 3 LEGISLATIVE INTENT - DICKINSON STATE UNIVERSITY THEODORE ROOSEVELT CENTER APPROPRIATION.** It is the intent of the sixty-second legislative assembly that the $750,000 general fund appropriation provided in House Bill No. 1003, as approved by the sixty-second legislative assembly, to Dickinson state university for the digitization of documents related to the Theodore Roosevelt center may be used for any project or program related to the Theodore Roosevelt center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. APPROPRIATION - WILLISTON STATE COLLEGE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $2,000,000, or so much of the sum as may be necessary, to Williston state college for public safety or other unusual or unexpected expenses due to the impact of oil and gas development in the region, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered one-time funding."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes Sections 3 and 4 providing appropriations to Williston State College and Dickinson State University. The amendment adds a section of legislative intent regarding the use of funds appropriated by the sixty-second Legislative Assembly for the Theodore Roosevelt Center at Dickinson State University and adds a new appropriation section to provide a $2 million one-time general fund appropriation to Williston State College for expenses associated with the impact of oil and gas development.

Date: 11/10/11
Roll Call Vote #: 1

2011 SPECIAL SESSION HOUSE APPROPRIATIONS COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1477

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 01010

Action Taken adopt amendment

Motion Made By Rep. Martinson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) __ (No) __

Absent _____

Floor Assignment _____

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

Voice vote carries

Date: 11/10/11
Roll Call Vote #: 2

2011 SPECIAL SESSION HOUSE APPROPRIATIONS COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1477

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Rep. Skarphol Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor		
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein		X			
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 19 (No) 1

Absent 1

Floor Assignment Rep. Skarphol

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

REPORT OF STANDING COMMITTEE

HB 1477: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1477 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "appropriations" with "an appropriation"

Page 2, replace lines 9 through 29 with:

"**SECTION 3. LEGISLATIVE INTENT - DICKINSON STATE UNIVERSITY THEODORE ROOSEVELT CENTER APPROPRIATION.** It is the intent of the sixty-second legislative assembly that the $750,000 general fund appropriation provided in House Bill No. 1003, as approved by the sixty-second legislative assembly, to Dickinson state university for the digitization of documents related to the Theodore Roosevelt center may be used for any project or program related to the Theodore Roosevelt center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. APPROPRIATION - WILLISTON STATE COLLEGE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $2,000,000, or so much of the sum as may be necessary, to Williston state college for public safety or other unusual or unexpected expenses due to the impact of oil and gas development in the region, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered one-time funding."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes Sections 3 and 4 of the bill providing appropriations to Williston State College and Dickinson State University. The amendment adds a section of legislative intent regarding the use of funds appropriated by the 62nd Legislative Assembly for the Theodore Roosevelt Center at Dickinson State University and adds a new appropriation section to provide a $2 million one-time general fund appropriation to Williston State College for expenses associated with the impact of oil and gas development.

2011 SENATE APPROPRIATIONS

HB 1477

Date: 11-10-11
Roll Call Vote #: 1

2011 SPECIAL SESSION SENATE APPROPRIATIONS COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1477

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .01010

Action Taken Do Pass

Motion Made By Sen. O'Connell Seconded By Sen. Christmann

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg					
Vice Chairman Grindberg					
Vice Chairman Bowman					
Senator Krebsbach					
Senator Fischer					
Senator Kilzer					
Senator Wardner					
Senator Christmann					
Senator Wanzek					
Senator Erbele					
Senator Warner					
Senator O'Connell					
Senator Robinson					

Total (Yes) __ (No) __

Voice Vote

Absent

Floor Assignment

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

Motion Carried

Date: 11-10-11
Roll Call Vote #: 2

2011 SPECIAL SESSION SENATE APPROPRIATIONS COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1477

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number HB 1477

Action Taken Do Pass as Amended by House

Motion Made By Sen. Wanzek Seconded By Sen. O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓				
Vice Chairman Grindberg	✓				
Vice Chairman Bowman	✓				
Senator Krebsbach	✓				
Senator Fischer	✓				
Senator Kilzer	✓				
Senator Wardner	N/A				
Senator Christmann	✓				
Senator Wanzek	✓				
Senator Erbele	✓				
Senator Warner	✓				
Senator O'Connell	✓				
Senator Robinson	✓				

Total (Yes) 12 (No) 0

Absent 0

Floor Assignment Sen. Holmberg

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

REPORT OF STANDING COMMITTEE

HB 1477, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1477 was placed on the Fourteenth order on the calendar.

Bill Bowman

2011 TESTIMONY

HB 1477

HB 1477 Attachment 1 Nov. 9 2011

Summary of WSC 2011-13 Funding Request Related to Changing Social and Economic Conditions
Presented to Interim HE Committee, November 3, 2011

OPERATIONS		Two-year Cost 1/	
Faculty and Staff recruitment and retention			
Faculty	Bring faculty salaries to Williston Public School District levels	$382,130	
Staff	10% increase in staff salaries, bringing staff salaries to $43,135, or 75% of the average community wage rate	$458,496	$840,626
Safety			
Full-time security officer	Address day-time safety issues	$150,000	
Counselor	Address student and staff well being	$180,000	$330,000

CAPITAL 2/			
Campus lighting	to address security	$16,000	
Install cameras in residence halls	to address security	$64,000	
Lighting CTE Building	to address security	$60,000	
Install cameras in CTE Building	to address security	$56,000	
Additional locks for residence call suites	to address security	$20,000	
Asbestos mitigation	Remove asbestos in Steven's Hall which is limiting ability to address other critical capital needs including installing phone in Pres. Office; implementation of energy savings projects; and upgrades to the campus wireless network. Additionally, delays will result in higher project costs in the future, as local pricing continues to escalate.	$875,000	
Campus back-up generator	provide emergency power in the event of a campus power outage.	$450,000	
Renovate 1st floor of Nelson Hall	accommodate addition of child care services to assist with faculty and staff recuitment and retention	$100,000	
Complete Campus Drive project	Includes, but not limited to, new parking surfaces, improved sidewalks and site circulation, landscaping, storm sewer updates, improved lighting, new driveways access points, demolition and re-construction of a storage facility, moving of a maintenance shop, and new campus signage. Due to local pricing increases project originally estimated to cost $1.8 million, came in at $2.6 million in bids.	$1,000,000	$2,641,000

TOTAL	$3,811,626

1/ Salary figures represent estimated cost for two full years, thereby allowing WSC to address immediated needs and providing added flexibility to address additional unanticipated recuitment and retention needs during the remainder of the 2011-13 biennium.

2/ In addition, WSC may be pursuing external funding mechanisms to assist with the construction of apartment building(s) to assist with staffing housing needs for the college, local government, and school district.

G:\LAURA\excel\WSC\[special session funding requests.xlsx]Sheet1

HB 1477 Attachment 2
Nov. 9, 2011

WSC President's Presentation to Higher Education Committee

Thank you for your time today. I apologize for taking your time today. A year ago, I thought I was managing change. Today, quite frankly, and when I called Representative Skarphol, I was, in all honesty, overwhelmed.

According to the 2010 Census, Williston (14,716) has the ninth largest population in the state of North Dakota. Given the number of building permits in 2010 and building permits to date in 2011, I believe Williston is actually the sixth largest population in North Dakota moving ahead of Jamestown (15,427), Dickinson (17,787), and Mandan (18,331).

Within three years, my understanding is that 11,000 plus units will be built in Williston. Williston will likely become North Dakota's fifth largest population outpacing and moving ahead of West Fargo (25,830).

Within five years, given industry growth projections, anticipated building, and with additional city annexations, it would be reasonable to forecast Williston will be the fourth largest city in the state.

I believe my forecasts are conservative. Given the level of building and anticipated city annexations, it would be reasonable to expect another 18,000 to 38,000 people living within the city limits by 2016. It would not surprise me if there were 60,000 people working in the City of Williston in five years.

WSC is not a city college. WSC is a regional college. The population forecast for Williston and the growth being witnessed in Williston, is similar to what is occurring in Crosby, Tioga, Watford City, Stanley and other cities within my service area.

By nature, I am a juggler. But I realize I need help, that our college needs help. Safety, employee turnover, fiscal integrity are now areas of concern documented clearly in the external risk management report recently released by LarsenAllen.

Safety

LarsonAllen identified "Concerns related to security force size to monitor campus activities" and "improvements needed in relation to 'open campus' and overall open/close times for individual campus buildings." Williston State is the only college identified in the LarsonAllen report as a high risk in safety. Williston police calls have increased 250% year to date. Traffic accidents in Williston have doubled over the past year.

Williston State College now has limited night-time security (thanks to legislation in the last biennium) but no security during the day. We have incidents occurring on campus on a **daily** basis:

A week ago Saturday, my student life director, who lives on campus, because she, like many of my staff, cannot afford to live in town, had set up a time to work with our graphic artist. She wrote me saying that she "noticed a white pickup truck parked outside of Nelson (Hall). Not feeling comfortable walking out of my apartment alone, she asked if the graphic artist would pick her up. Between 11am and 1pm, a suspicious vehicle came and left once and seemed to be jockeying for position in front of the apartment."

Three days later, in another incident, Blackhawk Security informed me that "someone may be living in one of the trucks that is parked east of Dickson Hall.

Last week, I have personally asked three individuals to leave our campus (one in our shower room). BlackHawk Security has informed me that during **every** shift, they find someone in a car outside one of our residence halls that is subsequently asked to leave our campus.

Two and a half years ago when I arrived at WSC, we had no security, no cameras. Since **July**, we have spent $56,000 in unbudgeted dollars for cameras in our new residence hall. We have spent at least $20,000 for additional locks. We have a gift of $12,000 to complete lighting behind our residence hall since students are concerned about safely getting to their car. Since contractors cannot do the install, I am spending $2900 per month on a portable generator and light plus diesel fuel.

To give you a flavor of the surreal nature of these developments, in our last cabinet meeting, while discussing various safety issues, our conversation turned sideways when we learned that our person at the front door of our Career and Technical Education building had purchased mace. The employees in the back office were looking at purchasing mace and a request was made to research what the cost of mace would be if it was purchased in bulk. I then instructed IT to get an estimate on the cost for placing cameras in the CTE building with no idea of how I will fund this.

When I left to go home that day, I ran into a line of people in the hallway for concealed weapons training. It was the second class being offered. The first two classes were so full that five additional classes are planned. When I asked why the training was not done in an adjacent building, I was informed by staff there are no cameras in the building and outside lighting is inadequate.

Again this past week, I've been informed that someone has taken furniture out of one of my residence halls and has set up a temporary shelter in the back of our campus.

Inflation

We are dealing with inflation in everything from wages to housing to goods and services. For example, our 1.8 million campus drive project was bid $800,00 over budget with no alternates. This project in my mind was important because of the lack of quality of life in our community. We have no Starbucks, we have no Barnes and Noble, we have no Mall. Since I arrived, we have an additional strip bar and you have probably seen the article in CNN documenting Williston strippers earning higher wages than strippers in Las Vegas.

I am asking people to leave our campus on a weekly basis. With the oil boom comes the good, the bad, and the ugly. The good is the single man or the man with a family that comes out and has few to no opportunities for normal socialization. They find themselves on our campus. Yet, the sheer number of men causes concern and sometimes fear on the part of our staff and students. Our efforts to improve our campus is meant to provide this alternative. Yet, in doing so, we have not been able to match our improvements with the level of security needed. And... as I said, to make these improvements, has become extraordinarily difficult.

Wage inflation has impacted our College. Larsen-Allen reports WSC alone has high risk associated with employee salaries saying there are "concerns related to faculty wages in comparison to industry averages. In addition, WSC wages are under the local high school wages." Williston has the highest average wage in the state. This is a 20% increase over last year and an 80% increase since 2006.

North Dakota Job Service data shows Williston (57,315 average wage) and Dickinson (41,248 average wage) experiencing the largest wage impact of the oil activity[1]: In yesterday's CNN Money, the Williston hospital is quoted as having lost 101 employees since January.

Staff wages lag significantly behind the average wage in Williston. The average staff wage increase from FY10-FY11 was $1,151, considerably below the average wage increase in Williston of $10,054. In the past eighteen months, we have seen significant turnover in our staff. Since spring, 25% of our staff has turned over. The majority identified economic factors as a reason for leaving, either due to salary or the increasing costs of housing, childcare, etc. Last week, our Director for Financial Aid resigned. We lost one of our two librarians to the oil filed. I am told our second librarian may be moving due to rising rents. CNN last week did a story on our employee turn over entitled: "My Students Make Twice My Salary."

LarsonAllen reports high risk impact for WSC alone in regard to the College's "1. Asset size; 2. Prior negative exposure; and 3. Rapidly increasingly traffic volume." In the last eighteen months, all but one member of our business office has turned over. Our Vice President for Business Services (eighteen months on the job) recently left to accept a higher paying position in industry. Instead of hiring a Vice President for Business Services, I have reorganized our business office to increase salaries of existing business staff members (in a retention effort) and add an additional lower level account 1 position to increase back up in our financial reconciliation process. My last VP was 32. The person taking his place is 28.

We have increased TrainND trainees from 3000 to 10,000 in3 years. We have a client list at the Small Business Development Center that has acquired more in loans last month than any of the other SBDC locations did last year. We have significantly increased our on-campus enrollment. We have added hockey in an effort to recruit students and provide a quality of life venue for the community: our inaugural game two weeks ago hosted 1200 fans. Yet, by having to substantially increase existing business office salaries, we have not been able to grow our business office to keep pace with the increasing number of financial transactions. And even with increased salaries given to our business office staff, I am still not competitive with what is being offered in our current local workforce.

Conclusion

The speed at which change occurs in our community cannot be addressed in a biennium process. We lost electric power twice last week. In my first year at the College, I do not think we lost power twice in the entire year. We are living in a new city, a new region. One year ago, our classified newspaper had 32 pages of classifieds. Last Thursday, the same newspaper had 68 pages of classifieds. Our employment is 9/10's of one percent. It is hard to believe. It is hard to understand the national headlines documenting this growth.

But there is no greater state to live in than the state of North Dakota. Our College is very proud of the work we are doing in the Northwest. And, our College and our community is very appreciative that you would consider placing on the table options to address some of the challenges we are facing. I look forward to any questions you may have.

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[1]

City	2009 Average	2010 Average	Average Increase
Williston:	$47,260	$57,314	$10,054
Dickinson:	$34,983	$41,248	$6,265
Minot:	$32,532	$34,319	$1,787

11.0853.01005
Title.

Prepared by the Legislative Council staff for
Senator Wardner
November 8, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1477

Page 2, after line 8, insert:

"**SECTION 3. LEGISLATIVE INTENT - DICKINSON STATE UNIVERSITY THEODORE ROOSEVELT CENTER APPROPRIATION.** It is the intent of the sixty-second legislative assembly that the $750,000 general fund appropriation provided in House Bill No. 1003, as approved by the sixty-second legislative assembly, to Dickinson state university for the digitization of documents related to the Theodore Roosevelt center may be used for any project or program related to the Theodore Roosevelt center, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

11.0853.01006
Title.

Prepared by the Legislative Council staff for
Representative Skarphol
November 8, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1477

Page 1, line 3, after "appropriations" insert "; to provide for reports to the budget section"

Page 2, line 9, after "**COLLEGE**" insert "**- BUDGET SECTION REPORT**"

Page 2, line 22, after the period insert "Williston state college shall provide a report to the budget section during the 2011-12 interim regarding the use of the $793,374 of funds appropriated for other campus needs."

Page 2, replace lines 23 through 29 with:

"**SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY - BUDGET SECTION REPORT.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to Dickinson state university for various campus needs, for the period beginning with the effective date of this Act and ending June 30, 2013, as follows:

Faculty and staff salary increases	$750,000
Campus security, housing, and other oil and gas development impact needs	750,000
Other campus needs	1,000,000
Total general fund	$2,500,000

The funds provided in the faculty and staff salary increases line item may only be used to increase employee salaries up to an amount equal to seventy-five percent of the average annual wage in the city of Dickinson as determined by job service North Dakota. The funds provided in this section are considered one-time funding. Dickinson state university may seek funding from the sixty-third legislative assembly to continue the faculty and staff salary increases during the 2013-15 biennium. Dickinson state university shall provide a report to the budget section during the 2011-12 interim regarding the use of the $1,000,000 of funds appropriated for other campus needs."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for the following:

- Requires Williston State College to report to the Budget Section on the use of the $793,374 of funds appropriated for campus needs.
- Removes the $1.5 million appropriation for Dickinson State University that required Budget Section approval to use the funds.
- Adds a $2.5 million one-time appropriation to Dickinson State University for faculty and staff salary increases ($750,000), security, housing, and other campus needs resulting from the impact of oil and gas development ($750,000), and other campus needs ($1 million).

- Provides that funding included for faculty and staff salary increases at Dickinson State University may not be used to increase employee salaries above an amount equal to 75 percent of the annual average wage in Dickinson.
- Requires Dickinson State University to report to the Budget Section regarding the use of the $1 million of funds appropriated for other campus needs.

11.0853.01008
Title.

Prepared by the Legislative Council staff for
Senator Krebsbach
November 9, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1477

Page 2, after line 29, insert:

"**SECTION 5. APPROPRIATION - MINOT STATE UNIVERSITY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $800,000, or so much of the sum as may be necessary, to Minot state university for campus expenses associated with flooding and to offset reduced tuition revenue, for the period beginning with the effective date of this Act and ending June 30, 2013."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds an $800,000 general fund appropriation for Minot State University for flood-related expenses, including the offset of reduced tuition revenue due to decreased student enrollment.