



GOVERNMENT ADMINISTRATION COMMITTEE

Wednesday, August 24, 2022
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Randy A. Burckhard, Chairman, called the meeting to order at 10:00 a.m.

Members present: Senators Randy A. Burckhard, Jerry Klein, Scott Meyer, Tracy Potter; Representatives Rick Becker, Glenn Bosch, Jared C. Hagert*, Karla Rose Hanson, Pat D. Heinert, Karen Karls, Lawrence R. Klemin, Ben Koppelman, Todd Porter, Shannon Roers Jones, Dan Ruby

Members absent: None

Others present: See [Appendix A](#)

**Attended remotely*

It was moved by Representative Ruby, seconded by Representative Roers Jones, and carried on a voice vote that the minutes of the April 11, 2022, meeting be approved as distributed.

Ms. Claire Ness, Deputy Attorney General, Attorney General's office, presented information ([Appendix B](#)) regarding attorney and legal-related positions in state government.

In response to a question from a committee member, Ms. Ness noted the Attorney General has the authority to refuse to appoint a special assistant attorney general for an agency.

In response to a question from a committee member, Ms. Ness indicated she would provide the committee with additional information regarding salaries paid to attorneys in the Attorney General's office compared to attorneys in other state and local government agencies.

Ms. Ness presented information ([Appendix C](#)) regarding facilities leased by the Attorney General's office. She noted the Civil Litigation Division is located in downtown Bismarck and it is the desire of the Attorney General to relocate the division to the State Capitol. She noted:

- Employees from the Bureau of Criminal Investigation, Consumer Protection Division, Lottery, Information Technology, Criminal Justice Information Services, and the State Fire Marshal are located at the leased facility at 1720 Burlington Avenue in Bismarck.
- The Attorney General's office is working with the State Auditor's office in its review of the lease.

In response to questions from committee members, Ms. Ness indicated the cost overrun for renovations of the facility at 1720 Burlington Avenue is a state responsibility because it was a build-to-suit project. She noted:

- It was agreed to with the lessor that the state would pay for certain capital improvements and a majority of the cost overrun was paid by the Attorney General's office as a one-time expenditure.
- She would provide to the committee a list of the individual owners of the facility at 1720 Burlington Avenue.
- Many emails related to the lease have been recovered from individuals outside of the Attorney General's office.

Mr. CJ Schorsch, Parkway Property Management, commented regarding the lease of the facility at 1720 Burlington Avenue in Bismarck with the Attorney General's office.

In response to questions from committee members, Mr. Schorsch noted:

- Change orders for the facility renovation were requested by the Attorney General's office and an engineer was consulted on many of the changes.
- A significant portion of the renovation cost overrun was due to the product costs increasing.

Mr. John Boyle, Director, Facility Management Division, Office of Management and Budget, commented regarding the Attorney General's leased space. He noted the Office of Management and Budget (OMB) is considering whether there is a need for OMB to approve facility renovation change orders.

In response to a question from a committee member, Mr. Boyle indicated he reviews the financial aspects of the lease, but the legal provisions of the lease are reviewed by the Attorney General's office.

Mr. Joe Morrissette, Director, Office of Management and Budget, commented regarding the state's facilities.

Mr. Boyle presented information ([Appendix D](#)) regarding the state's facilities, construction, and leased space management function. He noted the implementation of a rent model for all agencies on the Capitol grounds could provide long-term savings through better space utilization.

Mr. Boyle commented regarding signage and accessibility of the State Capitol grounds. He indicated OMB is waiting for doors to be delivered to complete the new accessible bathrooms on the ground floor. He noted the Capitol Grounds Planning Commission will meet in November to consider the approval of designs for interior and exterior signage.

Mr. Morrissette presented information ([Appendix E](#)) regarding reports from each executive branch agency receiving federal funds of a plan to operate the agency if federal funds the agency receives would be reduced by 5 percent or more, pursuant to North Dakota Century Code Section 54-27-27.1. He noted of the 32 agencies surveyed, 11 are expecting a decrease in federal funding of 5 percent or more. He indicated the Highway Patrol, Secretary of State, and State Library may seek additional state funding if the federal funding level is not maintained.

Ms. Jodi Bjornson, General Counsel, Workforce Safety and Insurance, presented information ([Appendix F](#)) regarding space availability at the Workforce Safety and Insurance (WSI) Century Center. She noted the WSI Century Center is a four-story facility with 86,000 square feet of office space. She indicated approximately 1,500 square feet of office space is available for lease in the facility.

Mr. Kelvin Hullet, Senior Vice President for Business Development, Bank of North Dakota, presented information ([Appendix G](#)) regarding space availability at the Bank. He noted the Bank facility is approximately 62,000 square feet, of which 3,390 square feet is available for lease.

Major General Alan Dohrmann, Adjutant General, presented information ([Appendix H](#)) regarding any land purchased for the expansion of Camp Grafton and space needs of the agency. He noted of the \$2.63 million appropriated for the range expansion, \$48,900 has been spent for land appraisals. He indicated the expansion has been paused to re-evaluate space needs for new ammunition.

Ms. Briana Ludwig, Deputy, State Auditor, commented regarding the space needs of the State Auditor's office.

In response to a question from a committee member, Mr. James Carrol, Accountant, State Auditor, indicated the State Auditor's office was able to save money by moving certain staff to the WSI Century Center from the Capitol.

Mr. John Arnold, Deputy, Insurance Department, presented information ([Appendix I](#)) regarding the space needs of the Insurance Department. He noted:

- The Insurance Commissioner is ending a lease with a private facility and plans to relocate the employees to the Capitol.
- The Insurance Commissioner is working with the Securities Department and OMB with a goal to occupy the entire fifth floor of the Capitol.

Mr. Aaron Hummel, Chief of Staff, Highway Patrol, presented information ([Appendix J](#)) regarding space needs of the Highway Patrol. He noted additional storage and warehouse space is needed in Fargo and Bismarck.

Mr. Bill Peterson, Director, State Historical Society, presented information ([Appendix K](#)) regarding space needs of the State Historical Society. He noted approximately 90,000 square feet of additional storage and warehouse space is needed for artifacts.

Mr. Jeff Indovina, Business Services Chief, Parks and Recreation Department, presented information ([Appendix L](#)) regarding space needs of the Parks and Recreation Department. He noted the Parks and Recreation Department is working to address \$74 million of deferred maintenance, including road and trail maintenance.

Mr. Dave Thiele, Director, Ethics Commission, commented regarding space needs and availability for the Ethics Commission. He indicated the Ethics Commission is reviewing its need for a physical office location.

Ms. Erica Thunder, Commissioner, Department of Labor and Human Rights, commented regarding space needs and the department's shared space arrangement with the Attorney General's office. She noted the Department of Labor and Human Rights, due to remote work, was able to reduce its space in the Capitol from 3,720 square feet to 2,710 square feet. She indicated the Attorney General's office was able to use the vacated space.

Mr. Alex J. Cronquist, Senior Fiscal Analyst, Legislative Council, presented bill drafts [[23.0037.02000](#)] and [[23.0037.03000](#)] regarding the disclosure of leased property ownership and prohibitions relating to the lease of property owned by a member of the Legislative Assembly or an elected or appointed official.

It was moved by Representative Koppelman, seconded by Representative Ruby, and carried on a roll call vote to amend bill draft [[23.0037.03000](#)] to remove section 1, relating to a legislative prohibition for voting on appropriation bills for state entities that lease real property in which the member has a financial interest. Senators Klein and Meyer and Representatives Bosch, Heinert, Karls, Klemin, Koppelman, Porter, and Ruby voted "aye." Senators Burckhard and Potter and Representatives Becker, Hanson, and Roers Jones voted "nay."

It was moved by Representative Ruby, seconded by Representative Koppelman, and failed on a roll call vote that bill draft [[23.0037.03000](#)], as amended, be recommended to the Legislative Management. Senator Potter and Representatives Becker, Hanson, Koppelman, Roers Jones, and Ruby voted "aye." Senators Burckhard, Klein, and Meyer and Representatives Bosch, Heinert, Karls, Klemin, and Porter voted "nay."

It was moved by Representative Porter, seconded by Representative Klemin, and carried on a roll call vote that the Chairman and the Legislative Council staff be requested to prepare a report, to present the report to the Legislative Management, and that the committee be adjourned sine die. Senators Burckhard, Klein, Meyer, and Potter and Representatives Becker, Bosch, Hanson, Heinert, Karls, Klemin, Koppelman, Roers Jones, Porter, and Ruby voted "aye." No negative votes were cast.

No further business appearing, Chairman Burckhard adjourned the committee sine die at 3:50 p.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:12