

2017 SENATE APPROPRIATIONS

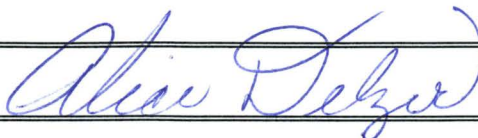
SB 2242

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2242
1/25/2017
JOB # 27407

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to Minot state university for capital projects; and to declare an emergency.

Minutes:

1. Testimony of Dr. Steve Shirley, President MSU

Chairman Holmberg: called the Committee to order on SB 2242. All committee members were present. Brady Larson, Legislative Council and Stephanie Gullickson, OMB were also present.

V. Chairman Krebsbach: This bill comes about it was discussed whether or not to attach it to 2003. The bottom line is it has an emergency clause, and the reason for that is that they would like to get these started before 2003 would be out. As you all know, early bidding is a good advantage for anyone. I would like to introduce Dr. Steven Shirley, President of Minot State University.

(0/01.48 – 0.7.00) Dr. Shirley, President of MSU. Testified in favor of SB 2242 and provided written Testimony attached # 1 in support of the bill.

Senator Kilzer: About the reserves that you are using for the third project what is the purpose of reserves in the first place and how does that fit in with this because you will have less reserves if you use it for this?

.(0.07.20 -0.08.11) Dr. Shirley: That's correct. We have a mandate that is policy from the board that asks campuses to get to a point of 5 to 7% of their annual appropriations in reserves. All the campuses are to get into that range. Some are there and some are not. The purpose of those reserves is to deal with things like this come up when we do have a one-time type expenditure that needs to be expended. I don't know if this building is the absolute best use of those reserves but we've got a building that's 90% done that needs to be completed.

Senator Dever: Heating that dome is going to be significant. Is that accounted for also?

Dr. Shirley: The estimates we got from the dome company is that is about a \$65,000 a year bill as far as the heating and primarily the heating of the facility. On the revenue side first off there is going to be significant savings particularly for some of our athletic programs

where currently they are going for softball, baseball, soccer and they are traveling to Minneapolis or St. Cloud, to Sioux Falls or other places that have these domes primarily in February, March or April. Minot state is not unique. You can look at every school in the state and they are doing the same thing. there will be a savings not put into transportation. The other side of it will be renting the facility out. High school tournaments, bringing teams in, both at the university level as well as the high school level and the younger kids as well.

Chairman Holmberg: You clearly have the support of the city. He was told yes.

Senator Sorvaag: The Higher Ed wanted to work the 5 to 7%. Where are you on that? He was told they are at 4.1 or 4.2%.

Chairman Holmberg: What is the goal?

Dr. Shirley: I believe it asks campuses for 5 to 7%. You have to show progress that you are working toward that. He was asked how many dollars is that and he replied I don't know off the top of my head.

(0.11.24) Senator Wanzek: The dome will that be over the current football field. He was told It won't go over the bleachers. Is it being held up by pressure. He was told it is an air-supported dome. There is a smaller one in Bismarck, one in Belcourt and NDSU has one.

Nick Hacker, Member of the State Board of Higher Ed: we have not weighed in on this request quite yet because our meeting is tomorrow but on behalf of the budget and finance committee, we did pass approval of the request on to the full Board. The full Board will vote tomorrow on this request. Minot State does have a master plan for their facilities and this is included in their master plan, all three of these. I commend Dr. Shirley for dealing with their third request, which began in 2013 and had significant challenges that shortly after his arrival he had to deal with and we are glad to see it's finally going to get to resolution.

Chairman Holmberg: Clearly the committee will sit on the bill until the Board has taken action on it so if Brady could be notified from the Board as to what their action was because we don't like to approve things that the board hasn't weighed in on.

Nick Hacker: We appreciate that. Just for clarification the reason these are in front of you is due to the black-out period after budget section before the legislative session. So normally we usually go the budget section and take it up there. They came in after that. Now we have to approach the legislature for the approval on this.

Senator Randy Burckhard, District 5, Minot: It's a good bill. Pass it.

Chairman Holmberg: We will close this hearing. We could take these two bills as early as Friday. But we need to have the Board weighing in.

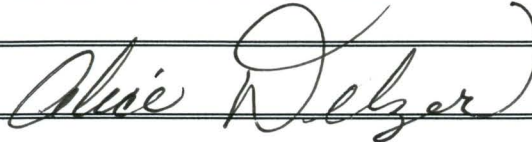
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2242
1/27/2017
Job # 27515

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Minot State University – capital projects

Minutes:

"Click to enter attachment information."

Chairman Holmberg called the Committee to order on SB 2242. All committee members were present except Senator Wanzek. Adam Mathiak, Legislative Council and Becky Deichert, OMB were also present. Do I have a motion on the bill?

Senator Mathern: Moved a Do Pass. 2nd by Senator Robinson:.

Chairman Holmberg: Call the roll on SB 2242.

A Roll Call vote was taken. Yea:13; Nay: 0; Absent:1. Senator Hogue will carry the bill.

The hearing was closed on SB 2242.

Date: 1-27-17
 Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2242**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Mathern Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	A				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Hogue

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

REPORT OF STANDING COMMITTEE

SB 2242: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2242 was placed on the
Eleventh order on the calendar.

2017 HOUSE APPROPRIATIONS

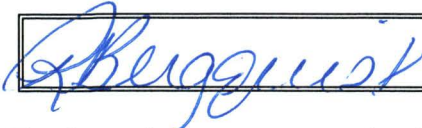
SB 2242

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2242
3/13/2017
29103

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to Minot state university for capital projects; and to declare an emergency.

Minutes:

Attachment 1

- **4:25 Senator Karen Krebsbach, District 40 Minot:** This bill is for capital projects and we are now asking for any general fund money. There is private money that is being utilized for the projects at hand and other funds for the facilities parking lot that is being requested. They are looking for 1.4 million for the Gordon B. Olson Library art center project. This building is not being used in that lower level and that is the area that will become this art center. This is being private funded.

1:45 Chairman Delzer: Private funding, is that individuals?

Senator Krebsbach: Yes

Senator Krebsbach: We are looking for 634 thousand for the Herb Parker Stadium air-supported seasonal dome project, this is under construction right now but we ran short trying to get it finished in time for the fall sports. This too is being privately funded. Then there is the facilities building parking lot paving project for 250,000. There is a new maintenance shop that was built on the northern edge of the parking lot and in order to finish it they need to have a few dollars to finish a few things before they can move into this and utilize it. We are not looking for any state funds.

2:55 Chairman Delzer: Do you know how they will pay for the maintenance of these things?

Senator Krebsbach: I have heard from Dr. Shirley, president of Minot State University, they have a plan in place to pay for the upkeep and the operations of them.

Chairman Deller: Are you aware why this wasn't brought forward with the higher ed budgets?

Senator Krebsbach: We are thinking the timing; we are asking for an emergency clause. The earlier we start the bidding the better the bid price we can get. If we wait for the higher ed bill it would be the end of April at best.

Chairman Delzer: I don't think they were on the original list for priorities.

Senator Krebsbach: I am not sure about the list but I do know they have received approval of both the higher ed board and the chancellor's office.

5:10-15:25 Dr. Steve Shirley, President, Minot State University: (see attachment 1)

6:05 Campus Library:

6:45 Air –Support Seasonal Dome:

8:50 Facilities Building:

10:15 Chairman Delzer: Maintenance, how are you planning on covering that?

Dr. Shirley: Library is already there, it's just a revocation, maintenance would be about the same as it is now. The dome would probably be the biggest thing; we were told to expect costs of 50-60 thousand dollars a year. We have come up with a schedule with the area high schools and different groups to bring in tournaments throughout the year. One of the biggest groups is Minot youth soccer, and Minot youth baseball, those groups will use the facility in a rental environment. The other area is that this will save us expenses because in January, February we are doing a lot of traveling to be able to compete and this way we would have less traveling.

11:50 Representative Boehning: What is the total cost of the dome?

Dr. Shirley: The total cost of the dome for everything was about 1.9 million

Representative Boehning: How could they be that far off with the original bid? Why is the contractor not eating some of this?

Dr. Shirley: We were in the neighborhood of 550 thousand dollars in construction, the bid came in at 360 thousand. There was some significant delays last summer, some were weather, some were getting contract approved, some were not the contractor's fault. There were delays and then we got to the point that in order to get it done in time of the fall sports we had to bite the bullet.

Representative Boehning: Another option would have been waiting until spring?

13:50 Representative Schatz: What's the temperature and how are you going to keep it warm?

Dr. Shirley: The energy estimate that we got was at 50-60 thousand dollars to operate it and keep it at about 65-68-degree temperature, we don't think we have to keep it that warm with the activities going on in there. The heat source will be a gas heater I think.

Chairman Delzer: Do you know the wind and snow restrictions?

Dr. Shirley: Yes, we have talked to a gentleman from St. Cloud University where they have a similar bubble, their operations guy came up this winter and met with our facility folks to talk about what need to be done to keep snow cleared and the wind and those type of things.

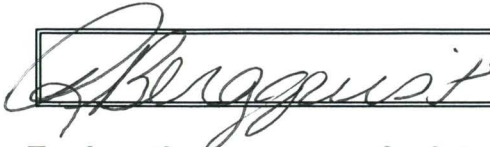
Chairman Delzer: Further discussion? Seeing none we will close this hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2242
3/13/2017
29119

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

An Act to provide an appropriation to Minot state university for capital projects;

Minutes:



3:20 Chairman Delzer: Called the meeting back to order, we will further discuss the SB 2242. It wasn't on the original budget request but it is all private funds. I am a little conserved about the maintenance one them but they think they have some plans in place to cover that.

4:15 Representative Streyle: Make a motion to Do Pass

Representative J. Nelson: Second that motion

Chairman Delzer: This is for renovations in the library, the dome and the parking lot. Are they not using that building right now?

Representative Streyle: They are just waiting to finish the parking lot. Should this pass they will start right away this spring, there's an emergency clause, with no changes I would think they will be getting bids next week.

Chairman Delzer: So the building won't be used until the fall semester?

Representative Streyle: It's a maintenance, as soon as the parking lot it done they should be able to move in.

Chairman Delzer: Further discussion? Seeing none we will call the roll.

A Roll Call vote was taken. Yea: 14 Nay: 6 Absent: 1

Motion Carries

Representative Streyle will carry the bill

Date: 3/13/2017
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2242**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Representative Streyle Seconded By Representative J. Nelson

Representatives	Yes		Representatives	Yes	No
Chairman Delzer		X			
Representative Kempenich		X	Representative Streyle	X	
Representative: Boehning		X	Representative Vigesaa	X	
Representative: Brabandt	X				
Representative Brandenburg		X			
Representative Kading		X	Representative Boe	X	
Representative Kreidt		X	Representative Delmore	A	
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 14 No 6

Absent 1

Floor Assignment Representative Streyle

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

MOTION CARRIES

REPORT OF STANDING COMMITTEE

SB 2242: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS** (14 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). SB 2242 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

SB 2242

1-25-17 SB 2242

#1
P1

January 25, 2017, ND Senate Appropriations Committee
SB 2242: Appropriation for Minot State and emergency declaration

Testimony by Dr. Steve Shirley, president, Minot State University

Mr. Chairman and members of the Committee, for the record my name is Steve Shirley and I am president of Minot State University. I appreciate this opportunity to **speak in support of Senate Bill 2242.**

SB 2242 provides authority for Minot State to move forward and expend funds to complete three campus projects: a renovation to the lower level of the Gordon B. Olson Library; the installation of a seasonal, air-supported dome over MSU's Herb Parker Field; and the completion of a new Facilities building. **There is no new state funding being requested in SB 2242** as the fund sources are from private, external monies for the Library and seasonal Dome, and from existing university reserves for the Facilities building. I'll share a few brief comments about each project, and then am happy to address any questions you may have:

Renovations to the campus library will transform the lower level into a new home for the Northwest Art center and become a new campus and community gathering space. The \$1.4 million renovation will also create a new, permanent home for the Walter Piehl gallery (Walter is a proud member of MSU's art faculty and one of North Dakota's most significant and prolific artists). This project is funded by private donations raised through the MSU Foundation, and is part of an overall capital campaign that was authorized several years ago.

The air-supported seasonal dome was also part of the same capital campaign. MSU is installing a new seasonal dome that will cover the football/soccer field during cold-winter months after the football season, and then will be taken down around April each year as warmer temperatures return. This is being funded in part with a \$1 million contribution by the City of Minot from the City's Community Facilities Enhancement Fund, and the remaining costs have been fundraised from private donors through the MSU Foundation. There are essentially two phases to the dome project - construction and equipment: first, the concrete construction around the football field to create a supporting foundational base for the dome; and second is the necessary equipment including the dome itself, made of fabric, along with the HVAC and other systems required to support it. The authority requested in SB 2242 is for the concrete

#1
p2

construction expenditures needed to create the dome's foundation. This work was done last summer with an initial bid below the \$385,000 threshold that requires legislative authority. However, due to unforeseen delays, overtime, and the need for extra concrete forms, to ensure the project was completed by the start of the school year, the project ultimately exceeded the original bid and, therefore, the \$385,000 threshold. We had a responsibility to ensure we had a field that was ready for use by MSU Football and Soccer teams so their seasons were not disrupted. In order to accommodate this schedule and expedite construction last summer, extra dollars were required. Therefore, the \$634,000 authorization in SB 2242 is for the total concrete construction expenditures. The initial bid was actually very favorable and below expectations, so we had fundraised well above that amount with the dollars necessary to complete the project. We were unable to seek earlier legislative authorization for this project as timing was such that it was precluded from coming before Budget Section within six months of the start of the Legislative Session.

The final part of SB 2242 provides additional spending authority for Minot State to **complete its Facilities building**. This project was supported with a capital appropriation during the 2013 Legislative Session. The original schedule called for a Summer 2015 completion. There were issues related to soil testing, additional water/sewer infrastructure expenditures, and a few other costs that were not figured into the original project. Completion of the building has been put on hold to await your approval. An additional \$250,000 is needed to complete the project, focusing on parking lot paving and other external touches. Minot State is not requesting any funding, as we will use funds from institutional reserves to finish the project. It is unfortunate we have reached this point, but the reality is that we need to complete it so we can move-in and begin using the building as was proposed when it was originally funded.

It is for these reasons I encourage your support of Senate Bill 2242. We also appreciate the emergency consideration to hopefully move forward in a timely fashion, taking advantage of a more favorable bid climate before summer construction is in full swing. Again, SB 2242 is not asking for any dollars, simply the spending authority to move forward and complete these three important campus projects. Thank you, and I would be happy to answer any questions.

March 13, 2017, ND House Appropriations Committee
SB 2242: Appropriation for Minot State and emergency declaration

Testimony by Dr. Steve Shirley, president, Minot State University

Mr. Chairman and members of the Committee, for the record my name is Steve Shirley and I am president of Minot State University. I appreciate this opportunity to **speak in support of Senate Bill 2242.**

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an initial bid below the \$385,000 threshold that requires legislative authority. However, due to unforeseen delays, overtime, and the need for extra concrete forms, to ensure the project was completed by the start of the school year, the project ultimately exceeded the original bid and, therefore, the \$385,000 threshold. We had a responsibility to ensure we had a field that was ready for use by MSU Football and Soccer teams so their seasons were not disrupted. In order to accommodate this schedule and expedite construction last summer, extra dollars were required. Therefore, the \$634,000 authorization in SB 2242 is for the total concrete construction expenditures. The initial bid was actually very favorable and below expectations, so we had fundraised the necessary dollars to complete the project, well above that initial bid. We were unable to seek earlier legislative authorization for this project, as the timing precluded it from coming before Budget Section within six months of the start of the Legislative Session.

The final part of SB 2242 provides additional spending authority for Minot State to **complete its Facilities building**. This project was supported with a capital appropriation during the 2013 Legislative Session. The original schedule called for a Summer 2015 completion. There were issues related to soil testing, additional water/sewer infrastructure expenditures, and a few other costs that were not figured into the original project. Completion of the building has been put on hold to await your approval. An additional \$250,000 is needed to complete the project, focusing on parking lot paving and other external touches. Minot State is not requesting any funding, as we will use local funds from reserves to finish the project. It is unfortunate we have reached this point, but the reality is that we need to complete it so we can move-in and begin using the building as was proposed when it was originally funded.

It is for these reasons I encourage your support of Senate Bill 2242. The State Board of Higher Education as well as the ND Senate both unanimously approved the spending authority in this bill back in January. We also appreciate the emergency consideration to hopefully move forward in a timely fashion, taking advantage of a more favorable bid climate before summer construction is in full swing. Again, SB 2242 is not asking for any new dollars, simply the authority to move forward and complete these three important campus projects. Thank you, and I would be happy to answer any questions.